## Ten-year summary

### Million €

#### Sales and earnings

<table>
<thead>
<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>52,610</td>
<td>57,951</td>
<td>62,304</td>
<td>60,593</td>
<td>63,873</td>
<td>73,497</td>
<td>72,129</td>
<td>73,973</td>
<td>74,325</td>
<td>70,449</td>
</tr>
<tr>
<td>Income from operations before depreciation and amortization (EBITDA)</td>
<td>9,723</td>
<td>10,225</td>
<td>9,562</td>
<td>7,388</td>
<td>11,993</td>
<td>11,993</td>
<td>5,977</td>
<td>6,600</td>
<td>7,203</td>
<td>5,548</td>
</tr>
<tr>
<td>Income from operations (EBIT)</td>
<td>6,750</td>
<td>7,316</td>
<td>6,463</td>
<td>5,677</td>
<td>7,761</td>
<td>8,586</td>
<td>6,742</td>
<td>7,160</td>
<td>7,626</td>
<td>6,248</td>
</tr>
<tr>
<td>Income before taxes</td>
<td>6,527</td>
<td>6,935</td>
<td>5,976</td>
<td>3,079</td>
<td>7,373</td>
<td>8,970</td>
<td>5,977</td>
<td>6,600</td>
<td>7,203</td>
<td>5,548</td>
</tr>
<tr>
<td>Income before minority interests</td>
<td>3,466</td>
<td>4,325</td>
<td>3,305</td>
<td>1,655</td>
<td>5,074</td>
<td>6,603</td>
<td>5,067</td>
<td>5,113</td>
<td>5,492</td>
<td>4,301</td>
</tr>
<tr>
<td>Net income</td>
<td>3,215</td>
<td>4,065</td>
<td>2,912</td>
<td>1,410</td>
<td>4,557</td>
<td>6,188</td>
<td>4,819</td>
<td>4,792</td>
<td>5,155</td>
<td>3,987</td>
</tr>
</tbody>
</table>

#### Capital expenditures, depreciation and amortization

| Additions to property, plant and equipment and intangible assets | 10,039 | 4,425 | 3,634 | 5,972 | 5,304 | 5,646 | 5,263 | 7,726 | 7,285 | 6,013 |
| Thereof property, plant and equipment | 4,068 | 2,564 | 2,809 | 4,126 | 3,294 | 3,199 | 4,084 | 6,428 | 6,369 | 5,742 |
| Depreciation and amortization of property, plant and equipment and intangible assets | 2,973 | 2,909 | 3,099 | 3,111 | 3,370 | 3,407 | 3,267 | 3,272 | 3,417 | 4,401 |
| Thereof property, plant and equipment | 2,482 | 2,294 | 2,481 | 2,614 | 2,667 | 2,618 | 2,594 | 2,631 | 2,770 | 3,600 |

#### Number of employees

| At year-end | 95,247 | 95,175 | 96,924 | 104,779 | 109,140 | 111,141 | 110,782 | 112,206 | 113,292 | 112,435 |
| Annual average | 88,160 | 94,893 | 95,885 | 103,612 | 104,043 | 110,403 | 109,969 | 111,844 | 112,644 | 113,249 |

#### Personnel expenses

| 6,210 | 6,648 | 6,364 | 7,107 | 8,228 | 8,576 | 8,963 | 9,285 | 9,224 | 9,962 |

#### Research and development expenses

| 1,277 | 1,380 | 1,355 | 1,398 | 1,492 | 1,605 | 1,732 | 1,849 | 1,884 | 1,953 |

#### Key data

| Earnings per share | € 3.19 | 4.16 | 3.13 | 1.54 | 4.96 | 6.74 | 5.25 | 5.22 | 5.61 | 4.34 |
| Cash provided by operating activities | € 5,940 | 5,807 | 5,023 | 5,693 | 6,460 | 7,105 | 6,602 | 8,100 | 6,958 | 9,446 |
| EBITDA margin | % 18.5 | 17.6 | 15.3 | 14.6 | 17.4 | 16.3 | 13.9 | 14.1 | 14.9 | 15.1 |
| Return on assets | % 17.5 | 16.4 | 13.5 | 7.5 | 14.7 | 16.1 | 11.0 | 11.5 | 11.7 | 8.7 |
| Return on equity after tax | % 19.2 | 22.4 | 17.0 | 8.9 | 24.6 | 27.5 | 19.9 | 19.2 | 19.7 | 14.4 |

#### Appropriation of profits

| Net income of BASF SE | € 1,951 | 2,267 | 2,982 | 2,176 | 3,737 | 3,506 | 2,880 | 2,826 | 5,853 | 2,158 |
| Dividends | € 1,484 | 1,831 | 1,791 | 1,561 | 2,021 | 2,296 | 2,386 | 2,480 | 2,572 | 2,664 |
| Dividend per share | € 1.50 | 1.95 | 1.95 | 1.70 | 2.20 | 2.50 | 2.60 | 2.70 | 2.80 | 2.90 |

#### Number of shares as of December 31

| 999.4 | 956.4 | 918.5 | 918.5 | 918.5 | 918.5 | 918.5 | 918.5 |

1. We have applied International Financial Reporting Standards 10 and 11 as well as International Accounting Standard 19 (revised) since January 1, 2013. Figures for 2012 have been restated; no restatement was made for 2011 and earlier.
2. Figures for 2013 have been adjusted to reflect the dissolution of the natural gas trading business disposal group.
3. We conducted a two-for-one stock split in the second quarter of 2008. The previous year's figures for earnings per share, dividend per share and number of shares have been adjusted accordingly for purposes of comparison.
4. Includes the change in reporting from 2009 onward of the effects of regular extensions of U.S. dollar hedging transactions.
5. Calculated in accordance with German GAAP.
6. After deduction of repurchased shares earmarked for cancellation.
### Balance Sheet (IFRS)

<table>
<thead>
<tr>
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</tr>
</thead>
<tbody>
<tr>
<td><strong>Intangible assets</strong></td>
<td>8,922</td>
<td>9,559</td>
<td>9,889</td>
<td>10,449</td>
<td>12,245</td>
<td>11,919</td>
<td>12,193</td>
<td>12,324</td>
<td>12,967</td>
<td>12,537</td>
</tr>
<tr>
<td><strong>Property, plant and equipment</strong></td>
<td>14,902</td>
<td>14,215</td>
<td>15,032</td>
<td>16,285</td>
<td>17,241</td>
<td>17,966</td>
<td>16,610</td>
<td>19,229</td>
<td>23,496</td>
<td>25,260</td>
</tr>
<tr>
<td><strong>Investments accounted for using the equity method</strong></td>
<td>651</td>
<td>834</td>
<td>1,146</td>
<td>1,340</td>
<td>1,328</td>
<td>1,852</td>
<td>3,459</td>
<td>4,174</td>
<td>3,245</td>
<td>4,436</td>
</tr>
<tr>
<td><strong>Other financial assets</strong></td>
<td>1,190</td>
<td>1,952</td>
<td>1,947</td>
<td>1,619</td>
<td>1,953</td>
<td>848</td>
<td>613</td>
<td>643</td>
<td>540</td>
<td>526</td>
</tr>
<tr>
<td><strong>Deferred taxes</strong></td>
<td>622</td>
<td>679</td>
<td>930</td>
<td>1,042</td>
<td>1,112</td>
<td>941</td>
<td>1,473</td>
<td>1,006</td>
<td>2,193</td>
<td>1,791</td>
</tr>
<tr>
<td><strong>Other receivables and miscellaneous noncurrent assets</strong></td>
<td>612</td>
<td>655</td>
<td>642</td>
<td>946</td>
<td>653</td>
<td>561</td>
<td>911</td>
<td>877</td>
<td>1,498</td>
<td>1,720</td>
</tr>
<tr>
<td><strong>Noncurrent assets</strong></td>
<td>26,899</td>
<td>27,894</td>
<td>29,586</td>
<td>31,681</td>
<td>34,532</td>
<td>34,087</td>
<td>35,259</td>
<td>38,253</td>
<td>43,939</td>
<td>46,270</td>
</tr>
<tr>
<td><strong>Inventories</strong></td>
<td>6,672</td>
<td>6,578</td>
<td>6,763</td>
<td>6,776</td>
<td>8,688</td>
<td>10,059</td>
<td>9,581</td>
<td>10,160</td>
<td>11,266</td>
<td>9,693</td>
</tr>
<tr>
<td><strong>Accounts receivable, trade</strong></td>
<td>8,223</td>
<td>8,561</td>
<td>7,752</td>
<td>7,738</td>
<td>10,167</td>
<td>10,886</td>
<td>9,506</td>
<td>10,233</td>
<td>10,385</td>
<td>9,516</td>
</tr>
<tr>
<td><strong>Other receivables and miscellaneous current assets</strong></td>
<td>2,607</td>
<td>2,337</td>
<td>3,948</td>
<td>3,223</td>
<td>3,883</td>
<td>3,781</td>
<td>3,455</td>
<td>3,714</td>
<td>4,032</td>
<td>3,095</td>
</tr>
<tr>
<td>** Marketable securities**</td>
<td>56</td>
<td>51</td>
<td>35</td>
<td>15</td>
<td>16</td>
<td>19</td>
<td>14</td>
<td>17</td>
<td>19</td>
<td>21</td>
</tr>
<tr>
<td><strong>Cash and cash equivalents</strong></td>
<td>834</td>
<td>767</td>
<td>2,776</td>
<td>1,835</td>
<td>1,493</td>
<td>2,048</td>
<td>1,647</td>
<td>1,827</td>
<td>1,718</td>
<td>2,241</td>
</tr>
<tr>
<td><strong>Assets of disposal groups</strong></td>
<td>–</td>
<td>614</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td><strong>Current assets</strong></td>
<td>18,392</td>
<td>18,908</td>
<td>21,274</td>
<td>19,587</td>
<td>24,861</td>
<td>27,088</td>
<td>27,467</td>
<td>25,951</td>
<td>27,420</td>
<td>24,566</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>45,291</td>
<td>46,802</td>
<td>50,860</td>
<td>51,268</td>
<td>59,393</td>
<td>61,175</td>
<td>62,726</td>
<td>64,204</td>
<td>71,359</td>
<td>70,836</td>
</tr>
<tr>
<td><strong>Subscribed capital</strong></td>
<td>1,279</td>
<td>1,224</td>
<td>1,176</td>
<td>1,176</td>
<td>1,176</td>
<td>1,176</td>
<td>1,176</td>
<td>1,176</td>
<td>1,176</td>
<td>1,176</td>
</tr>
<tr>
<td><strong>Retained earnings</strong></td>
<td>13,302</td>
<td>14,996</td>
<td>13,250</td>
<td>12,916</td>
<td>15,817</td>
<td>19,446</td>
<td>23,706</td>
<td>26,102</td>
<td>28,777</td>
<td>30,120</td>
</tr>
<tr>
<td><strong>Other comprehensive income</strong></td>
<td>325</td>
<td>174</td>
<td>(96)</td>
<td>156</td>
<td>1,195</td>
<td>314</td>
<td>(3,461)</td>
<td>(3,400)</td>
<td>(5,482)</td>
<td>(3,521)</td>
</tr>
<tr>
<td><strong>Minority interests</strong></td>
<td>531</td>
<td>971</td>
<td>1,151</td>
<td>1,132</td>
<td>1,253</td>
<td>1,246</td>
<td>1,010</td>
<td>630</td>
<td>581</td>
<td>629</td>
</tr>
<tr>
<td><strong>Equity</strong></td>
<td>18,578</td>
<td>20,096</td>
<td>18,722</td>
<td>18,609</td>
<td>22,657</td>
<td>25,385</td>
<td>25,621</td>
<td>27,673</td>
<td>28,195</td>
<td>31,545</td>
</tr>
<tr>
<td><strong>Provisions for pensions and similar obligations</strong></td>
<td>1,452</td>
<td>1,292</td>
<td>1,712</td>
<td>2,255</td>
<td>2,778</td>
<td>3,189</td>
<td>5,421</td>
<td>3,727</td>
<td>7,313</td>
<td>6,313</td>
</tr>
<tr>
<td><strong>Other provisions</strong></td>
<td>3,080</td>
<td>3,015</td>
<td>2,757</td>
<td>3,289</td>
<td>3,352</td>
<td>3,335</td>
<td>2,925</td>
<td>3,226</td>
<td>3,502</td>
<td>3,369</td>
</tr>
<tr>
<td><strong>Deferred taxes</strong></td>
<td>1,441</td>
<td>2,060</td>
<td>2,167</td>
<td>2,093</td>
<td>2,467</td>
<td>2,626</td>
<td>2,234</td>
<td>2,894</td>
<td>3,420</td>
<td>3,381</td>
</tr>
<tr>
<td><strong>Financial indebtedness</strong></td>
<td>5,788</td>
<td>6,954</td>
<td>8,290</td>
<td>12,444</td>
<td>11,670</td>
<td>9,019</td>
<td>8,704</td>
<td>11,151</td>
<td>11,839</td>
<td>11,123</td>
</tr>
<tr>
<td><strong>Other liabilities</strong></td>
<td>972</td>
<td>901</td>
<td>917</td>
<td>898</td>
<td>901</td>
<td>1,142</td>
<td>1,111</td>
<td>1,194</td>
<td>1,197</td>
<td>869</td>
</tr>
<tr>
<td><strong>Noncurrent liabilities</strong></td>
<td>12,733</td>
<td>14,222</td>
<td>15,843</td>
<td>20,979</td>
<td>21,168</td>
<td>19,313</td>
<td>20,395</td>
<td>22,192</td>
<td>27,271</td>
<td>25,055</td>
</tr>
<tr>
<td><strong>Accounts payable, trade</strong></td>
<td>4,755</td>
<td>3,763</td>
<td>2,734</td>
<td>2,786</td>
<td>4,738</td>
<td>5,121</td>
<td>4,502</td>
<td>5,153</td>
<td>4,861</td>
<td>4,020</td>
</tr>
<tr>
<td><strong>Provisions</strong></td>
<td>2,848</td>
<td>2,697</td>
<td>3,043</td>
<td>3,276</td>
<td>3,324</td>
<td>3,210</td>
<td>2,628</td>
<td>2,670</td>
<td>2,844</td>
<td>2,540</td>
</tr>
<tr>
<td><strong>Tax liabilities</strong></td>
<td>858</td>
<td>881</td>
<td>860</td>
<td>1,003</td>
<td>1,140</td>
<td>1,038</td>
<td>870</td>
<td>968</td>
<td>1,079</td>
<td>1,082</td>
</tr>
<tr>
<td><strong>Financial indebtedness</strong></td>
<td>3,695</td>
<td>3,148</td>
<td>6,224</td>
<td>2,375</td>
<td>3,369</td>
<td>3,985</td>
<td>4,094</td>
<td>3,256</td>
<td>3,545</td>
<td>4,074</td>
</tr>
<tr>
<td><strong>Other liabilities</strong></td>
<td>1,824</td>
<td>1,976</td>
<td>3,434</td>
<td>2,240</td>
<td>2,802</td>
<td>3,036</td>
<td>2,623</td>
<td>2,292</td>
<td>3,564</td>
<td>2,520</td>
</tr>
<tr>
<td><strong>Liabilities of disposal groups</strong></td>
<td>–</td>
<td>17</td>
<td>–</td>
<td>–</td>
<td>195</td>
<td>87</td>
<td>1,993</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td><strong>Current liabilities</strong></td>
<td>13,980</td>
<td>12,482</td>
<td>16,295</td>
<td>11,680</td>
<td>15,568</td>
<td>16,477</td>
<td>16,710</td>
<td>14,339</td>
<td>15,893</td>
<td>14,236</td>
</tr>
<tr>
<td><strong>Total equity and liabilities</strong></td>
<td>45,291</td>
<td>46,802</td>
<td>50,860</td>
<td>51,268</td>
<td>59,393</td>
<td>61,175</td>
<td>62,726</td>
<td>64,204</td>
<td>71,359</td>
<td>70,836</td>
</tr>
</tbody>
</table>

1 We have applied International Financial Reporting Standards 10 and 11 as well as International Accounting Standard 19 (revised) since January 1, 2013. Figures for 2012 have been restated; no restatement was made for 2011 and earlier.
2 Figures for 2013 have been adjusted to reflect the dissolution of the natural gas trading business disposal group.
Trademarks

Acronal® 
AgCelence® 
BioStacked® 
Camet® 
Cellasto® 
Clearfield® 
Creator Space™ 
Cultivance® 
DINCH® 
ecovio® 
Elastocool® 
Elastoliant® 
Engenia® 
Epotal® 
Espaço ECO® Foundation 
Flo Rite® 
FSC® 
Hexamoll® 
Initium® 
Integral® 
Interceptor® 
Keropur® 
Kixor® 
Limus® 
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Nealta® 
Paliocrom® 
PolyTHF® 
Quice® 
Responsible Care® 
Seltima® 
Slentite® 
Sokalan® 
Standak® 
Subtlex® 
Sustainable Solution Steering® 
Synative® 
Termidor® 
Trilon® 
Ultradur® 
Ulramid® 
Ultrason® 
Vault® 
Xemium® 
XSparke®

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Glossary

A

Associated companies
These are companies over whose operating and financial policies BASF can exercise significant influence, and which are not subsidiaries, joint ventures or joint operations. In general, this applies to companies in which BASF has an interest of 20% to 50%.

Audits
Audits are a strategic tool for monitoring and directing standards. During a site or plant audit, clearly defined criteria are used to create a profile on topics such as environment, safety or health.

B

Backup line
A backup line is a confirmed line of credit that can be drawn upon in connection with the issue of commercial paper if market liquidity is not sufficient, or for the purpose of general corporate financing. It is one of the instruments BASF uses to ensure it is able to make payments at all times.

Barrel of oil equivalent (BOE)
A barrel of oil equivalent (BOE) is an international unit of measurement for comparing the energy content of different fuels. It is equal to one barrel of crude oil, or 6,000 cubic feet (169 cubic meters) of natural gas.

Biotechnology
Biotechnology includes all processes and products that make use of living organisms, such as bacteria and yeasts, or their cellular constituents.

BDO
BDO stands for 1,4-Butanediol and is a BASF intermediate. BDO and its derivatives are used for producing plastics, polyurethanes, solvents, electronic chemicals and elastic fibers.

C

CO₂ equivalents
CO₂ equivalents are units for measuring the impact of greenhouse gas emissions on the greenhouse effect. A factor known as the global warming potential (GWP) shows the impact of the individual gases compared with CO₂ as the reference value.

Commercial paper program
The commercial paper program is a framework agreement between BASF and banks regarding the issuing of debt obligations on the financial market (commercial paper). The commercial paper is issued under a rolling program for which the terms can be determined individually. This requires a good rating.

Compliance
Compliance is an important element of corporate governance. It refers to the company’s behavior in accordance with laws, guidelines and voluntary codices.

Consumer goods sector
The consumer goods sector includes, for example, the textiles and leather industry, the electrical industry and domestic appliance manufacturing, as well as the paper industry and the personal care and cleaners sector.

D

Dodd-Frank Act
The Dodd-Frank Act issued in 2010 comprises accounting and disclosure obligations for publicly listed U.S. companies regarding the use of certain raw materials that come from the Democratic Republic of Congo or its bordering countries. The companies must prove whether the materials they use are from conflict mines in these areas. The definition of conflict minerals as per the Dodd-Frank Act includes the following materials and their derivatives: Columbite-tantalite (coltan), cassiterite, wolframite and gold.

E

EBIT
Earnings before interest and taxes (EBIT): At BASF, EBIT corresponds to income from operations.

EBIT after cost of capital
EBIT after cost of capital is calculated by deducting the cost of capital from the EBIT of the operating divisions. The cost of capital thereby reflects the shareholders’ expectations regarding return (in the form of dividends or share price increases) and interest payable to creditors. If the EBIT after cost of capital has a positive value, we have earned a premium on our cost of capital.

EBITDA
Earnings before interest, taxes, depreciation and amortization (EBITDA): At BASF, EBITDA corresponds to income from operations before depreciation and amortization (impairments and write-ups).

EBITDA margin
The EBITDA margin is the margin that we earn on sales from our operating activities before depreciation and amortization. It is calculated as income from operations before depreciation and amortization as a percentage of sales.

Eco-Efficiency Analysis
The Eco-Efficiency Analysis is a method developed by BASF for assessing the economic and environmental aspects of products and processes. The aim is to compare products with regard to profitability and environmental compatibility.

Ecosystem services
Companies simultaneously rely on, and have an impact on, ecosystem services, such as the conservation of air, water and soil quality. Biodiversity – or the variety of life forms on our planet – serves as a basis of and indicator for the integrity of ecological systems.
Enhanced oil recovery (EOR)
Enhanced oil recovery (EOR) methods, also called tertiary recovery or tertiary production methods, are used to increase the recovery factor from oil reservoirs. Different technologies are employed depending on reservoir conditions; a distinction is generally made between thermal and chemical EOR and miscible gas flooding, which makes use of gases such as carbon dioxide.

Equity method
The equity method is used to account for shareholdings in joint ventures and associated companies. Based on the acquisition costs of the shareholding as of the acquisition date, the carrying amount is continuously adjusted to the changes in equity of the company in which the share is held.

European Water Stewardship (EWS) Standard
The European Water Stewardship (EWS) Standard enables businesses and agriculture to assess the sustainability of their water management practices. The criteria are water abstraction volumes, water quality, conservation of biodiversity and water governance. The Europe-wide standard came into force at the end of 2011 and was developed by nongovernmental organizations, governments and businesses under the direction of the independent organization European Water Partnership (EWP).

Exploration
Exploration refers to the search for mineral resources, such as crude oil or natural gas, in the Earth’s crust. The exploration process involves using suitable geophysical methods to find structures that may contain oil and gas, then proving a possible discovery by means of exploratory drilling.

Field development
Field development is the term for the installation of production facilities and the drilling of production wells for the commercial exploitation of oil and natural gas deposits.

Formulation
Formulation describes the combination of one or more active substances with excipients like emulsifiers, stabilizers and other inactive components in order to improve the applicability and effectiveness of various products, such as cosmetics, pharmaceuticals, agricultural chemicals, paints and coatings.

Free cash flow
Free cash flow is cash provided by operating activities less payments related to property, plant and equipment and intangible assets.

Global Compact
In the United Nations Global Compact network, nongovernmental organizations, companies, international business and employee representatives, scientists and politicians work on aligning global business with the principles of sustainable development. As a founding member of Global Compact, BASF is committed to upholding the ten principles in the categories human rights, labor relations, environmental protection and corruption. We regularly report on our implementation of the principles.

Global Product Strategy (GPS)
The Global Product Strategy aims to establish global product stewardship standards and practices for companies. The program, initiated by the International Council of Chemical Associations, strives to ensure the safe handling of chemicals by reducing existing differences in risk assessment.

Global Reporting Initiative (GRI)
The Global Reporting Initiative is a multistakeholder organization. It was established in 1997 with the aim of developing a guideline for companies’ and organizations’ voluntary reporting on their economic, environmental and social activities. Since 2003, BASF has followed this globally recognized standard in sustainability reporting and is involved in the standard’s further development.

Greenhouse Gas Protocol (GHG Protocol)
The Greenhouse Gas Protocol, used by companies in different sectors as well as nongovernmental organizations and governments, is a globally recognized standard to quantify and manage greenhouse gas emissions. The reporting standards and recommendations for implementing projects to reduce emissions are jointly developed by companies, nongovernmental organizations and governments under the guidance of the World Resources Institute and the World Business Council for Sustainable Development.

Health Performance Index (HPI)
The Health Performance Index is an indicator developed by BASF to provide more detailed insight into our approach to health management. It comprises five components: confirmed occupational diseases, medical emergency drills, first aid, preventive medicine and health promotion.

IAS
IAS stands for International Accounting Standards (see also IFRS).

IFRS

ILO Core Labor Standards
The ILO Core Labor Standards are set out in a declaration of the International Labor Organization (ILO), comprising eight conventions that set minimum requirements for decent working conditions. BASF has a Group-wide system to monitor employees’ and suppliers’ adherence to these labor standards.

ISO 14001
ISO 14001 is an international standard developed by the International Organization for Standardization (ISO) that determines the general requirements for an environmental management system for voluntary certification.
**ISO 19011**
ISO 19011 is an international standard developed by the International Organization for Standardization (ISO) that determines requirements for audits of quality management and environmental management systems.

**ISO 50001**
ISO 50001 is an international standard developed by the International Organization for Standardization (ISO) that determines the general requirements for an energy management system for voluntary certification.

**IUCN categories of protected areas**
The International Union for Conservation of Nature (IUCN) is an international nongovernmental organization that aims to raise awareness for the protection of species and to contribute to the sustainable use and conservation of resources. IUCN classifies the world’s protected areas. Categories I, II and III refer to “Strict Nature Reserve and Wilderness Area,” “National Park” and “Natural Monuments or Features,” respectively.

**Joint arrangement**
A joint arrangement refers to joint ventures and joint operations, and describes a jointly controlled arrangement of two or more parties. This arrangement exists if decisions about relevant activities require the unanimous consent of all parties sharing control.

**Joint operation**
A joint operation is a joint arrangement in which the parties that share control have direct rights to the assets and liabilities relating to the arrangement. For joint operations, the proportional share of assets, liabilities, income and expenses are reported in the BASF Group Consolidated Financial Statements.

**Joint venture**
A joint venture is a joint arrangement in which the parties that have joint control of a legally independent entity have rights to the net assets of that arrangement. Joint ventures are accounted for using the equity method in the BASF Group Consolidated Financial Statements.

**Nanomaterials**
The International Organization for Standardization defines nanomaterials as materials with one or more external dimensions on a nanoscale or with internal structure or surface structure on a nanoscale. For regulatory purposes, there are additional definitions for nanomaterials worldwide.

**Naphtha**
Naphtha is petroleum that is produced during oil refining. Heavy naphtha is the starting point for gasoline production. Light naphtha is the most important feedstock for steam crackers.

**NMVOC (Nonmethane Volatile Organic Compounds)**
VOCs (volatile organic compounds) are organic substances that are present in the air as gas at low temperatures. These include some hydrocarbons, alcohols, aldehydes and organic acids. NMVOCs are VOCs from which methane is excluded.
OHSAS 18001
The Occupational Health and Safety Assessment Series (OHSAS) includes the standard OHSAS 18001, which contains a management system for occupational safety. This system can be integrated into an existing quality and environmental protection management system and certified accordingly.

Patent Asset Index
The Patent Asset Index measures the strength of a company’s patent portfolio. It is made up of two factors: (1) portfolio size (the number of worldwide active patent families) and (2) competitive impact, which is the combination of technology relevance and market coverage (weighted by market size).

Peak sales potential
The peak sales potential of the crop protection pipeline describes the total peak sales generated and expected for individual products in the pipeline. It comprises innovative active ingredients and system solutions that have been on the market since 2015 or will be launched on the market by 2025. The peak sales potential of individual products corresponds to the highest sales value to be expected from one year of the observation period.

Propylene oxide (PO)
Propylene oxide (PO), a very reactive compound, is generated by the oxidation of propylene and is used as basic chemical for further processing in the chemical industry.

Ramsar Site
Ramsar Sites were defined in the Ramsar Convention of 1971. These are protected Wetlands of International Importance, such as lagoons, moors, lakes, rivers and marshlands.

REACH
REACH is a European Union regulatory framework for the registration, evaluation and authorization of chemicals, and will be implemented gradually until 2018. Companies are obligated to collect data on the properties and uses of produced and imported substances and to assess any risks. The European Chemicals Agency reviews the submitted dossiers and, if applicable, requests additional information.

Renewable resources
The term renewable resources refers to components from biomass that originate from different sources (plants and microorganisms, for example), and are used for industrial purposes. Renewable resources are used for manufacturing numerous products and for generating electricity and other forms of energy.

Responsible Care
Responsible Care refers to a worldwide initiative by the chemical industry to continuously improve its performance in the areas of environmental protection, health and safety.

Retention
Profits generated can be used in two ways: distributed to shareholders or kept within the company. The latter is referred to as retention.

Return on assets
Return on assets describes the return we make on the average assets employed during the year. It is calculated as income before taxes and minority interests plus interest expenses as a percentage of average assets.

Special items
Special items describe one-time charges or one-time income that significantly affect the earnings of a segment or the BASF Group. Special items include, for example, charges arising from restructuring measures or earnings from divestitures.

Spot market (cash market)
A spot market is a market where an agreed-upon deal, including delivery, acceptance and payment, occurs immediately, as opposed to forward contracts, where the delivery, acceptance and payment occurs at a point in time after the conclusion of the deal.

Steam cracker
A steam cracker is a plant in which steam is used to “crack” naphtha (petroleum) or natural gas. The resulting petrochemicals are the raw materials used to produce most of BASF’s products.

Sustainable Solution Steering®
We use Sustainable Solution Steering® to review and guide our portfolio in terms of sustainability. The four categories – Accelerators, Performers, Transitioners and Challenged – indicate how our products and solutions already comply with sustainability requirements and how we can increase their contribution.

TDI
TDI stands for toluene diisocyanate and is a raw material for the production of polyurethane. It is used primarily in the automotive industry (for example, in seat cushions and interiors) and the furniture industry (for example, for flexible foams for mattresses or cushioning, or in wood coating).

TUIS
TUIS is a German transport accident information and emergency response system jointly operated by around 130 chemical companies. The member companies can be reached by the public authorities at any time and provide assistance over the telephone, expert on-site advice or special technical equipment.

UNESCO protected area
UNESCO protected areas, or World Heritage Sites, are natural sites of exceptional value. These important habitats can be home to endangered plant and animal species.
Value chain
A value chain describes the successive steps in a production process: from raw materials through various intermediate steps, such as transportation and production, to the finished product.

Verbund
In the BASF Verbund (pronounced “fair-boond”), production facilities, energy flow, logistics and infrastructure are intelligently networked with each other in order to increase production yields, save resources and energy, and reduce logistics costs. We also make use of the Verbund principle for more than production, applying it for technologies, knowledge, employees, customers, and partners, as well.

Water stress areas
Water stress areas are areas in which water represents a scarce resource, and where people abstract more than 60% of the water available. The most important factors leading to water scarcity are: low precipitation, high temperatures, low air humidity, unfavorable soil properties and high water abstraction rates.

White biotechnology
White biotechnology is an area of biotechnology, also called industrial biotechnology, which uses microorganisms and/or enzymes to produce chemical products that are utilized in many levels of the value chain in the chemical industry.
Index

A
Acquisitions 39f., 52, 60, 87, 114, 119f., 160, 175f., 191f., 202, 217
Agricultural Solutions 21, 37f., 41, 54, 61f., 82ff., 92f., 124ff., 179, cover
Air and soil 111f.
Auditor’s report 6, 151, 156
Audits 26, 95, 98ff., 137, 238, cover

B
Balance sheet 57ff., 115, 159, 161f., 236
Biotechnology 36, 38, 82ff., 104, 179, 238, 242
Board of Executive Directors 9ff., 12ff., 114f., 129ff., 138, 140ff., 148ff., 152, 155
Brand 26, 237

C
Care Chemicals 21, 69ff., 124, 179, 184, cover
Catalysts 21, 76ff., 93, 179, 190, 211, cover
Chemicals 21, 37, 39f., 52ff., 56, 61f., 63ff., 92f., 124ff., 179, 181, 185, 194, cover
Climate protection 16f., 28f., 98, 105ff.
Coatings 21, 76ff., 93, 179, cover
Compliance 25f., 47, 114, 117, 129, 136f., 150, 238
Construction Chemicals 21, 76ff., 93, 179, 190, cover
Cooperation 34f., 38, 95, 113, 119, 225
Corporate Governance 26, 94, 129ff., 164f.
Cost of capital 28, 30, 54, 56, 59, 67, 73, 79, 85, 90, 124, 126, 189ff., 193f., 217, 238, cover
Crop Protection 21, 38, 82ff., 179, 190, 211
Customers 21f., 24f., 31ff., 35ff., 41f., 50, 92, 119

D
Derivative financial instruments 170, 212, 215
Dispersions & Pigments 21, 69ff., 124, 179, 184, cover
Diversity 25, 45, 131f.
Divestitures 39f., 52, 54, 60, 160, 175ff., 184f., 202f., 217
Dividend 10, 14f., 60, 126, 151, 160f., 167f., 174f., 186, 198, 217, 235, cover
Donations and sponsorship 48

E
Emerging markets 14, 23, 27, 39, 49ff., 85, 113, 116, 119ff., 207
Employee representatives 26, 47
Employees 28, 30ff., 34, 42ff., 98ff., 119f., 136f., 189, 219, cover
Energy efficiency 28f., 98, 105ff., cover
Environmental protection 6, 98, 100ff., 136, 170, 172, 184, 205, 216, 241, cover
Equity 30, 58, 119, 158ff., 161, 173ff., 198, 235f.
Events after the reporting period 126, 222
Exploration & Production 21, 54, 86ff., 174, 179, 187, 190, 225, cover
External audit 6, 156

F
Field development 39, 57, 88f., 171, 225
Functional Materials & Solutions 21, 37ff., 41, 54, 56, 61f., 76ff., 92f., 124ff., 179, 185, cover
Further training 44

G
Global Compact 4f., 26, 32, 94, 137f., 239
Global Reporting Initiative 5, 239
Goals 24ff., 28ff., 34, 39, 42ff., 113, 129, 132
Goodwill 39, 118, 176
Growth fields 27, 36, 41

H
Health protection 98, 100f., cover
Human rights 26, 31f., 47, 94, 136f.

I
Innovation 24ff., 34ff., 64, 70, 77, 83, 87, 96, 119, cover
Intermediates 21, 63ff., 179, cover
Investments 27, 39f., 57, 66f., 72f., 78f., 83f., 89f., 92, 98, 113f., 119f., 125f., 181f., 193f., 232, 235, cover
Investor Relations 17, 21

L
Labor and social standards 26, 31, 47, 94, 136f.
Leaders 28, 45f., 118

M
Material aspects 5, 25, 31, 120, 240
Materiality analysis 5, 25, 31, 120, 240
Monitoring system 26, 47, 120, 240
Monomers 21, 37, 52, 63ff., 93, 124, 179, cover

N
Nanotechnology 104
Natural Gas Trading 54, 86, 89ff., 215
Nutrition & Health 21, 56, 69ff., 177, 179, 185

O