About This Report

Integrated reporting

This integrated report documents BASF’s economic, environmental and social performance in 2016. We use examples to illustrate how sustainability contributes to BASF’s long-term success and how we as a company create value for our customers, 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.

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

The BASF Report online

HTML version with additional features: basf.com/report

Content and structure

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

The BASF Report combines the major financial and non-financial information necessary to thoroughly evaluate our performance. We select the report’s topics based on the following reporting principles: materiality, sustainability context, completeness, balance, 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 sustainability reporting has been based on Global Reporting Initiative (GRI) standards since 2003 already. For the BASF Report 2016, we have chosen the GRI’s “comprehensive” disclosure criteria.

In addition, we served as a pilot enterprise in the development of the framework for integrated reporting of the International Integrated Reporting Council (IIRC). Following this pilot phase, we have been active in the IR Business Network since 2014 in order to discuss our experience with other stakeholders and at the same time receive inspiration for enhancing our reporting. This report addresses elements of the IIRC framework by, for example, using graphics to illustrate how we create value or demonstrate the relationships between financial and nonfinancial performance in the chapters for the segments. The information in the BASF Report 2016 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.

The GRI and Global Compact Index can be found in the online report, providing information on GRI indicators and topics relevant to the Global Compact principles.

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, the German Accounting Standards (GAS), and the guidelines on alternative performance measures from the European Securities and Markets Authority (ESMA). 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.

The focus and boundaries of this report are based on the results of the materiality analysis together with a strategic evaluation defining key aspects of the value chain.

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
For more on our control and risk management system, see page 111 onward

The 2016 Online Report 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, Global Compact LEAD and Blueprint for Corporate Sustainability Leadership, see globalcompact.org and basf.com/en/global-compact
The GRI and Global Compact Index can be found at basf.com/en/gri-gc
An illustrated example of BASF’s business model as geared toward the IIRC framework can be found in the introduction under “How we create value”
Data

Relevant information included up to the editorial deadline of February 21, 2017

All information and bases for calculation in this report are founded on national and international standards for financial and sustainability reporting. The data and information for the reporting period were sourced from the expert units responsible using representative methods. The reporting period was the 2016 business year. Relevant information is included up to the editorial deadline of February 21, 2017. 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.

The chapter “Working at BASF” refers to employees active in a company within the BASF Group scope of consolidation as of December 31, 2016. Our data collection methods for environmental protection and occupational safety are based on the recommendations of the European Chemical Industry Council (CEFIC).

In the chapter “Environment, Health, Safety and Security,” we report all data 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 transportation safety and social responsibility refers to BASF SE and its subsidiaries unless otherwise indicated.

For more on companies accounted for in the Consolidated Financial Statements, see the Notes from page 172 onward
For more on emissions, see page 103 onward
The Consolidated Financial Statements begin on page 151

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 ISAE 3000 (Assurance Engagements other than Audits or Reviews of Historical Financial Information) and ISAE 3410 (Assurance Engagements on Greenhouse Gas Statements), the relevant international auditing standards for sustainability reporting.

The additional content provided on the BASF internet sites indicated in this report is not part of the information audited by KPMG.

The Auditor’s Report can be found on page 154
The Assurance Report on sustainability information in the BASF Report 2016 can be found at basf.com/sustainability_information

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.

1 Excluding the Chemetall business acquired from Albemarle Corp., Charlotte, North Carolina, in December 2016