Our foundation

- €32.6 billion in equity
- €1.86 billion spent on research and development
- €7.3 billion invested in fixed and intangible assets (including acquisitions)
- €10.17 billion in personnel expenses
- €69 million spent on further education
- €34 billion worth of raw materials, goods and services purchased for own production
- €206 million invested in environmental protection

- 30,000 different raw materials procured
- 5.4% of raw materials purchased worldwide from renewable resources
- 1,649 million m³ of water abstracted
- 15.0 million MWh of electricity demand
- 40.7 million MWh of steam demand

- Training: 118,000 enrollments in courses on occupational safety and 13,000 on process safety
- 75,000 employees and contractors at around 350 sites participate in worldwide safety initiative
- 121 environmental, safety and security audits performed at 80 sites
- 30 sites audited on occupational medicine and health protection

- 113,830 employees worldwide, of which 3,120 apprentices
- Around 10,000 employees in research and development
- Average of 2.0 days of further training per employee each year
- 84.6% of our senior executives have international experience
- Numerous options for balancing personal and professional life worldwide; in Ludwigshafen, Germany, for example, 600 employees make use of these opportunities daily

- Our stakeholders include customers, employees, suppliers and shareholders, as well as experts in science, industry, politics, society and media
- Over 70,000 suppliers
- around 90% of raw materials, goods and services for own production sourced locally
- 104 raw material supplier sites audited
- 56 external compliance hotlines

How we create value BASF Report 2016
Our business model

<table>
<thead>
<tr>
<th>5 segments</th>
<th>13 operating divisions</th>
<th>86 strategic business units</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chemicals</td>
<td>Performance Products</td>
<td>Functional Materials &amp; Solutions</td>
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<td>Agricultural Solutions</td>
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<td>Oil &amp; Gas</td>
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</table>

Market success based on strategic principles
- We add value as one company
- We innovate to make our customers more successful
- We drive sustainable solutions
- We form the best team

Values as guideline for our conduct and actions
- Creative
- Open
- Responsible
- Entrepreneurial

Our corporate purpose:
We create chemistry for a sustainable future

More than 130,000 customers
With our broad portfolio, we serve customers from many different sectors – from major global customers to local workshops.

BASF Group companies in more than 80 countries

Intelligent Verbund system
6 Verbund sites and 352 additional production sites worldwide

Corporate Governance
Our results

- **€57.6 billion** in sales, of which **€10 billion** from innovations on the market since 2011
- **€6.28 billion** in EBIT
- **€6.31 billion** in EBIT before special items
- **Net income of €4.1 billion**
- **€3.00 dividend per share**
- **€1.1 billion** in income taxes

**Greenhouse gas emissions:**
- **21.9 million metric tons** of CO₂ equivalents
- **14.0 million MWh** fuel saved through Verbund system
- **540 million metric tons** of CO₂ equivalents

- **1,644 million m³** of water discharged
- **0 transportation incidents** with significant impact on the environment
- **Number of lost-time injuries per one million working hours** 1.4
- **Process safety incidents:** decline to **2.0 per one million working hours**
- **Over 60,000 product applications assessed and rated for aspects of sustainability**

- **Around 850 patents filed worldwide**
- **Around 3,000 projects in research pipeline**
- **Proportion of women in executive positions** 19.8%
- **Proportion of non-German senior executives** 36.4%

- **Proportion of non-German senior executives**
- **€47.0 million** spent on donations and sponsorship
- **Involved in UN Global Compact since 2000**
- **Around 60 universities, research institutions and companies within our global network**
- **In 2 cases** we terminated our collaboration with suppliers as a result of unsatisfactory sustainability performance
- **278 phone calls and emails received by external compliance hotlines**
- **€1.1 billion**

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How we create value

BASF’s success is supported by both financial and nonfinancial value drivers. We want to understand how these interact, and derive targeted measures for increasing the positive impact of our actions and further minimizing the negative effects. This intention forms the basis of our integrated reporting.

The following overview provides examples of how we create value for our company, the environment and society. It is modeled on the framework of the International Integrated Reporting Council (IIRC). Both financial and nonfinancial value drivers – such as environmental, production-related, personnel and knowledge-based factors, along with aspects of society and partnerships – form the foundation of our actions. Through our business model these inputs are transformed into various outputs – the results of our actions.