About This Report

Integrated reporting
This integrated report documents BASF’s economic, environmental and social performance in 2020. We show 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.

The BASF Report online
HTML version with additional features: basf.com/report

Symbols
Explanations of the symbols used can be found on page 17.

Content and structure

Integrated BASF Report serves as U.N. Global Compact progress report
Sustainability reporting in accordance with Global Reporting Initiative (GRI) standards
Financial reporting according to International Financial Reporting Standards (IFRS), the German Commercial Code and German Accounting Standards (GAS)

The BASF Report combines the major financial and sustainability-related information necessary to comprehensively 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 the integrated report, we publish further information online. The relevant links can be found at the end of each chapter.

Our sustainability reporting has been based on GRI guidelines and standards since 2003. We have applied the “Comprehensive” option since the BASF Report 2017.

We have been active in the International Integrated Reporting Council (IIRC) since 2014 in order to discuss our experiences of integrated reporting 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, providing an illustrative overview of how we create value or demonstrating the relationships between financial and sustainability-related performance in the sections on the segments. The information in the BASF Report 2020 also serves as a progress report on BASF’s implementation of the 10 principles of the United Nations’ Global Compact and takes into consideration the Blueprint for Corporate Sustainability Leadership of the Global Compact LEAD platform.

The detailed GRI and Global Compact Index can be found in the online report. It provides an overview of all relevant information to fulfill the GRI indicators, as well as how we contribute to the United Nations’ Sustainable Development Goals (SDGs) and the principles of the U.N. Global Compact. The results of the limited assurance of this information can also be found there in the form of an assurance statement issued by KPMG AG Wirtschaftsprüfungsgesellschaft. We also publish additional information on sustainability in accordance with the industry-specific requirements (Chemicals Standard) of the Sustainability Accounting Standards Board (SASB).

The information on the financial position and performance of the BASF Group comply with the requirements of International Financial Reporting Standards (IFRS), and, where applicable, the German Commercial Code, 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 Board of Executive Directors confirmed the effectiveness of the internal control measures and compliance with the regulations for financial reporting.

Material topics along the value chain form the focal points of reporting and define the limits of this report. We take three dimensions into account in identifying and evaluating material topics: the impact on BASF, the impact of BASF and relevance for our stakeholders.

For more information on our selection of sustainability topics, see page 42 onward and basf.com/materiality
For a visualization of BASF’s business model based on the IIRC framework, see How We Create Value on pages 24 and 25 and basf.com/how-we-create-value
For more information on our control and risk management system, see page 158 onward
The 2020 BASF Online Report can be found at basf.com/report
For more information on the Global Reporting Initiative, see globalreporting.org
For more information on the Global Compact, see globalcompact.org and basf.com/en/global-compact
The GRI and Global Compact Index can be found at basf.com/en/gri-gc
The SASB index can be found at basf.com/sasb
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 is the 2020 business year. Relevant information is included up to the editorial deadline of February 22, 2021. The report is published each year in English and German. It is prepared in German and the German version is authoritative.

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 subsidiaries and proportionally consolidated 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 and are thus not included in the scope of consolidation.

The section “Employees” refers to employees active in a company within the BASF Group scope of consolidation as of December 31, 2020.

Our data collection methods for environmental protection and safety are based on the recommendations of the International Council of Chemical Associations (ICCA) and the European Chemical Industry Council (CEFIC). In the section “Environmental Protection, Health and Safety,” we report all data including information on the emissions and waste of the worldwide production sites of BASF SE, its fully consolidated subsidiaries, and proportionally consolidated joint operations. BASF SE subsidiaries that are fully consolidated in the Group financial statements in which BASF holds an interest of less than 100% are included in full in environmental reporting. The emissions of proportionally consolidated joint operations are disclosed pro rata according to our interest. 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 interest and reported in full. Unless otherwise indicated, further data on social responsibility and transportation safety refers to BASF SE and its consolidated subsidiaries.

The disclosures and indicators in the Management’s Report on sustainability in 2020 no longer include data on the divested construction chemicals business. Occupational and process safety incidents in the construction chemicals business are reported until September 30, 2020. The integrated polyamide business acquired from Solvay as of January 31, 2020, is included pro rata in the figures for employees, energy consumption, greenhouse gas emissions (Scope 1 and 2) and occupational and process safety (LTI and PSI rate). Sales of products from the business acquired from Solvay have already been integrated in the portfolio to be evaluated under the Sustainable Solution Steering method. They will be classified from 2021. All other sustainability indicators for 2020 do not yet include the acquired polyamide business.

External audit

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 is based on the likewise audited financial statements of the BASF Group companies.

The limited assurance of the sustainability information contained in the Management’s Report was conducted in accordance with 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 assurance standards for sustainability reporting. KPMG conducted a reasonable assurance of all disclosures on the most important nonfinancial key performance indicators, accelerator sales and CO₂-neutral growth. Both steering-relevant indicators and their forecasts are part of the Management’s Report and are thus covered by the annual audit. The links and additional content provided on the internet sites referred to in this report are not part of the audited information.

KPMG also conducted a limited assurance of the nonfinancial group statement (NFS).

Forward-looking statements and forecasts

This report contains forward-looking statements. These statements are based on current estimates and projections of the Board of Executive Directors and currently available information. Forward-looking 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 risk factors include those discussed in Opportunities and Risks on pages 158 to 166. We do not assume any obligation to update the forward-looking statements contained in this report above and beyond the legal requirements.