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## Overviews

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# Ten-year summary

Million €	2008	2009	2010	2011	2012 <sup>1</sup>	2013 <sup>2</sup>	2014	2015	2016	2017
<b>Sales and earnings</b>										
Sales	62,304	50,693	63,873	73,497	72,129	73,973	74,326	70,449	57,550	64,475
Income from operations (EBIT)	6,463	3,677	7,761	8,586	6,742	7,160	7,626	6,248	6,275	8,522
Income before taxes	5,976	3,079	7,373	8,970	5,977	6,600	7,203	5,548	5,395	7,800
Income before minority interests	3,305	1,655	5,074	6,603	5,067	5,113	5,492	4,301	4,255	6,352
Net income	2,912	1,410	4,557	6,188	4,819	4,792	5,155	3,987	4,056	6,078
Income from operations before depreciation and amortization (EBITDA)	9,562	7,388	11,131	11,993	10,009	10,432	11,043	10,649	10,526	12,724
EBIT before special items	6,856	4,852	8,138	8,447	6,647	7,077	7,357	6,739	6,309	8,328
EBIT after cost of capital	1,621	(226)	3,500	2,551	1,164	1,768	1,368	194	1,136	2,727
<b>Capital expenditures, depreciation and amortization</b>										
Additions to property, plant and equipment and intangible assets	3,634	5,972	5,304	3,646	5,263	7,726	7,285	6,013	7,258	4,364
Thereof property, plant and equipment	2,809	4,126	3,294	3,199	4,084	6,428	6,369	5,742	4,377	4,028
Depreciation and amortization of property, plant and equipment and intangible assets	3,099	3,711	3,370	3,407	3,267	3,272	3,417	4,401	4,251	4,202
Thereof property, plant and equipment	2,481	2,614	2,667	2,618	2,594	2,631	2,770	3,600	3,691	3,586
<b>Number of employees</b>										
At year-end	96,924	104,779	109,140	111,141	110,782	112,206	113,292	112,435	113,830	115,490
Annual average	95,885	103,612	104,043	110,403	109,969	111,844	112,644	113,249	111,975	114,333
<b>Personnel expenses</b>										
	6,364	7,107	8,228	8,576	8,963	9,285	9,224	9,982	10,165	10,610
<b>Research and development expenses</b>										
	1,355	1,398	1,492	1,605	1,732	1,849	1,884	1,953	1,863	1,888
<b>Key data</b>										
Earnings per share <sup>3</sup>	€ 3.13	1.54	4.96	6.74	5.25	5.22	5.61	4.34	4.42	6.62
Adjusted earnings per share <sup>3</sup>	€ 3.85	3.01	5.73	6.26	5.64	5.31	5.44	5.00	4.83	6.44
Cash provided by operating activities <sup>4</sup>	5,023	5,693	6,460	7,105	6,602	8,100	6,958	9,446	7,717	8,785
EBITDA margin	% 15.3	14.6	17.4	16.3	13.9	14.1	14.9	15.1	18.3	19.7
Return on assets	% 13.5	7.5	14.7	16.1	11.0	11.5	11.7	8.7	8.2	10.8
Return on equity after tax	% 17.0	8.9	24.6	27.5	19.9	19.2	19.7	14.4	13.3	18.9
<b>Appropriation of profits</b>										
Net income of BASF SE <sup>5</sup>	2,982	2,176	3,737	3,506	2,880	2,826	5,853	2,158	2,808	3,130
Dividend	1,791	1,561	2,021	2,296	2,388	2,480	2,572	2,664	2,755	2,847
Dividend per share <sup>3</sup>	€ 1.95	1.70	2.20	2.50	2.60	2.70	2.80	2.90	3.00	3.10
<b>Number of shares as of December 31<sup>3,6</sup></b>										
million	918.5	918.5	918.5	918.5	918.5	918.5	918.5	918.5	918.5	918.5

<sup>1</sup> We have applied International Reporting Standards IFRS 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.

<sup>2</sup> Figures for 2013 have been adjusted to reflect the dissolution of the natural gas trading business disposal group.

<sup>3</sup> We conducted a two-for-one stock split in the second quarter of 2008.

<sup>4</sup> Includes the change in reporting from 2009 onward of the effects of regular extensions of U.S. dollar hedging transactions

<sup>5</sup> Calculated in accordance with German GAAP

<sup>6</sup> After deduction of repurchased shares earmarked for cancellation

**Balance sheet (IFRS)**

Million €	2008	2009	2010	2011	2012 <sup>1</sup>	2013 <sup>2</sup>	2014	2015	2016	2017
Intangible assets	9,889	10,449	12,245	11,919	12,193	12,324	12,967	12,537	15,162	13,594
Property, plant and equipment	15,032	16,285	17,241	17,966	16,610	19,229	23,496	25,260	26,413	25,258
Investments accounted for using the equity method	1,146	1,340	1,328	1,852	3,459	4,174	3,245	4,436	4,647	4,715
Other financial assets	1,947	1,619	1,953	848	613	643	540	526	605	606
Deferred taxes	930	1,042	1,112	941	1,473	1,006	2,193	1,791	2,513	2,118
Other receivables and miscellaneous noncurrent assets	642	946	653	561	911	877	1,498	1,720	1,210	1,332
<b>Noncurrent assets</b>	<b>29,586</b>	<b>31,681</b>	<b>34,532</b>	<b>34,087</b>	<b>35,259</b>	<b>38,253</b>	<b>43,939</b>	<b>46,270</b>	<b>50,550</b>	<b>47,623</b>
Inventories	6,763	6,776	8,688	10,059	9,581	10,160	11,266	9,693	10,005	10,303
Accounts receivable, trade	7,752	7,738	10,167	10,886	9,506	10,233	10,385	9,516	10,952	11,190
Other receivables and miscellaneous current assets	3,948	3,223	3,883	3,781	3,455	3,714	4,032	3,095	3,078	3,105
Marketable securities	35	15	16	19	14	17	19	21	536	52
Cash and cash equivalents	2,776	1,835	1,493	2,048	1,647	1,827	1,718	2,241	1,375	6,495
Assets of disposal groups	–	–	614	295	3,264	–	–	–	–	–
<b>Current assets</b>	<b>21,274</b>	<b>19,587</b>	<b>24,861</b>	<b>27,088</b>	<b>27,467</b>	<b>25,951</b>	<b>27,420</b>	<b>24,566</b>	<b>25,946</b>	<b>31,145</b>
<b>Total assets</b>	<b>50,860</b>	<b>51,268</b>	<b>59,393</b>	<b>61,175</b>	<b>62,726</b>	<b>64,204</b>	<b>71,359</b>	<b>70,836</b>	<b>76,496</b>	<b>78,768</b>
Subscribed capital	1,176	1,176	1,176	1,176	1,176	1,176	1,176	1,176	1,176	1,176
Capital surplus	3,241	3,229	3,216	3,203	3,188	3,165	3,143	3,141	3,130	3,117
Retained earnings	13,250	12,916	15,817	19,446	23,708	26,102	28,777	30,120	31,515	34,826
Other comprehensive income	(96)	156	1,195	314	(3,461)	(3,400)	(5,482)	(3,521)	(4,014)	(5,282)
Minority interests	1,151	1,132	1,253	1,246	1,010	630	581	629	761	919
<b>Equity</b>	<b>18,722</b>	<b>18,609</b>	<b>22,657</b>	<b>25,385</b>	<b>25,621</b>	<b>27,673</b>	<b>28,195</b>	<b>31,545</b>	<b>32,568</b>	<b>34,756</b>
Provisions for pensions and similar obligations	1,712	2,255	2,778	3,189	5,421	3,727	7,313	6,313	8,209	6,293
Other provisions	2,757	3,289	3,352	3,335	2,925	3,226	3,502	3,369	3,667	3,478
Deferred taxes	2,167	2,093	2,467	2,628	2,234	2,894	3,420	3,381	3,317	2,731
Financial indebtedness	8,290	12,444	11,670	9,019	8,704	11,151	11,839	11,123	12,545	15,535
Other liabilities	917	898	901	1,142	1,111	1,194	1,197	869	873	1,095
<b>Noncurrent liabilities</b>	<b>15,843</b>	<b>20,979</b>	<b>21,168</b>	<b>19,313</b>	<b>20,395</b>	<b>22,192</b>	<b>27,271</b>	<b>25,055</b>	<b>28,611</b>	<b>29,132</b>
Accounts payable, trade	2,734	2,786	4,738	5,121	4,502	5,153	4,861	4,020	4,610	4,971
Provisions	3,043	3,276	3,324	3,210	2,628	2,670	2,844	2,540	2,802	3,229
Tax liabilities	860	1,003	1,140	1,038	870	968	1,079	1,082	1,288	1,119
Financial indebtedness	6,224	2,375	3,369	3,985	4,094	3,256	3,545	4,074	3,767	2,497
Other liabilities	3,434	2,240	2,802	3,036	2,623	2,292	3,564	2,520	2,850	3,064
Liabilities of disposal groups	–	–	195	87	1,993	–	–	–	–	–
<b>Current liabilities</b>	<b>16,295</b>	<b>11,680</b>	<b>15,568</b>	<b>16,477</b>	<b>16,710</b>	<b>14,339</b>	<b>15,893</b>	<b>14,236</b>	<b>15,317</b>	<b>14,880</b>
<b>Total equity and liabilities</b>	<b>50,860</b>	<b>51,268</b>	<b>59,393</b>	<b>61,175</b>	<b>62,726</b>	<b>64,204</b>	<b>71,359</b>	<b>70,836</b>	<b>76,496</b>	<b>78,768</b>

<sup>1</sup> We have applied International Reporting Standards IFRS 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.

<sup>2</sup> Figures for 2013 have been adjusted to reflect the dissolution of the natural gas trading business disposal group.

# Trademarks<sup>1</sup>

<b>ADLITE®</b>	reg. trademark of BASF Group
<b>ACRONAL®</b>	reg. trademark of BASF Group
<b>AgCelence®</b>	reg. trademark of BASF Group
<b>BASONAT®</b>	reg. trademark of BASF Group
<b>Basta®</b>	reg. trademark of Bayer Group
<b>BOROCAT®</b>	reg. trademark of BASF Group
<b>CELLASTO®</b>	reg. trademark of BASF Group
<b>CERESIT®</b>	reg. trademark of Henkel AG
<b>CHIMASSORB®</b>	reg. trademark of BASF Group
<b>CHOVATEK®</b>	reg. trademark of BASF Group
<b>CLEARFIELD®</b>	reg. trademark of BASF Group
<b>CREATOR SPACE®</b>	reg. trademark of BASF Group
<b>DERMAGENIST®</b>	reg. trademark of BASF Group
<b>ENGENIA®</b>	reg. trademark of BASF Group
<b>ESPAÇO ECO®</b>	reg. trademark of BASF Group
<b>F 500®</b>	reg. trademark of BASF Group
<b>Finale®</b>	reg. trademark of Bayer Group
<b>Formaldpure®</b>	reg. trademark of BASF Group
<b>FLO RITE®</b>	reg. trademark of BASF Group
<b>FSC®</b>	reg. trademark of Forest Stewardship Council
<b>HYDRAULAN®</b>	reg. trademark of BASF Group
<b>HySorb®</b>	reg. trademark of BASF Group
<b>INITIUM®</b>	reg. trademark of BASF Group
<b>INSCALIS®</b>	reg. trademark of BASF Group
<b>INTEGRAL®</b>	reg. trademark of BASF Group
<b>INTERCEPTOR®</b>	reg. trademark of BASF Group
<b>InVigor®</b>	reg. trademark of Bayer Group
<b>IRGAFOS®</b>	reg. trademark of BASF Group

<b>IRGANOX®</b>	reg. trademark of BASF Group
<b>KIXOR®</b>	reg. trademark of BASF Group
<b>Liberty®</b>	reg. trademark of Bayer Group
<b>LibertyLink®</b>	reg. trademark of Bayer Group
<b>LIMUS®</b>	reg. trademark of BASF Group
<b>MAGLIS®</b>	reg. trademark of BASF Group
<b>NEALTA®</b>	reg. trademark of BASF Group
<b>NODULATOR®</b>	reg. trademark of BASF Group
<b>OASE®</b>	reg. trademark of BASF Group
<b>POLYTHF®</b>	reg. trademark of BASF Group
<b>Responsible Care®</b>	reg. trademark of Conseil Européen de l'Industrie Chimique
<b>REVYSOL®</b>	reg. trademark of BASF Group
<b>SAVIVA®</b>	reg. trademark of BASF Group
<b>SERIFEL®</b>	reg. trademark of BASF Group
<b>Sustainable Solution Steering®</b>	reg. trademark of BASF Group
<b>SYSTIVA®</b>	reg. trademark of BASF Group
<b>TERMIDOR®</b>	reg. trademark of BASF Group
<b>THERMOTEK®</b>	reg. trademark of BASF Group
<b>THOMSIT®</b>	reg. trademark of BASF Group
<b>TINUVIN®</b>	reg. trademark of BASF Group
<b>ULTRADUR®</b>	reg. trademark of BASF Group
<b>ULTRAFORM®</b>	reg. trademark of BASF Group
<b>ULTRAMID®</b>	reg. trademark of BASF Group
<b>ULTRASON®</b>	reg. trademark of BASF Group
<b>VELONDIS®</b>	reg. trademark of BASF Group
<b>VIZURA®</b>	reg. trademark of BASF Group
<b>VAULT®</b>	reg. trademark of BASF Group
<b>XEMIIUM®</b>	reg. trademark of BASF Group

<sup>1</sup> Trademarks are not registered in all countries.

# Glossary

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**A****Associated companies**

Associated companies are entities in which significant influence can be exercised over their operating and financial policies and which are not subsidiaries, joint ventures or joint operations. In general, this applies to companies in which BASF has an investment of between 20% and 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.

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**B****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, solvents, electronic chemicals and elastic fibers.

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**C****CDP**

The international nonprofit organization CDP (formerly the Carbon Disclosure Project) analyzes environmental data of companies. The CDP's indexes serve as assessment tools for investors.

**CO<sub>2</sub> equivalents**

CO<sub>2</sub> 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 CO<sub>2</sub> 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.

**Competency Model**

BASF's Competency Model is derived from its strategic principles and corporate values and translates these into specific day-to-day behavioral standards. It is applicable worldwide, creating a common framework for the conduct of all BASF employees and leaders to enable us to reach our shared goals. The eight competencies are: Drive Innovation, Collaborate for Achievement, Embrace Diversity, Communicate Effectively, Drive Sustainable Solutions, Develop Self and Others, Act with Entrepreneurial Drive, Demonstrate Customer Focus.

**Compliance**

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

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**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 the Congo or its bordering countries. The companies must prove that the materials they use do not come from mines in these conflict areas. The definition of conflict minerals as per the Dodd-Frank Act includes the following materials and their derivatives: Columbitetantalite (coltan), cassiterite, wolframite and gold.

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**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 reversals of impairments).

**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, amortization and valuation allowances 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.

**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.

**Emerging markets**

We define the emerging markets as Greater China, the ASEAN countries (Brunei, Indonesia, Malaysia, Myanmar, Cambodia, Laos, the Philippines, Singapore, Thailand, Vietnam), India, Pakistan and Bangladesh; Central and South America; eastern Europe; the Middle East, Turkey and Africa.

**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.

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**F****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 made for property, plant and equipment and intangible assets.

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**G****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.

**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. The GRI Guidelines became global GRI Standards in 2016.

**Greenhouse Gas Protocol (GHG Protocol)**

The Greenhouse Gas Protocol, used by many 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.

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**H****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.

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**I****IAS**

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

**IFRS**

The International Financial Reporting Standards (until 2001: International Accounting Standards, IAS) are developed and published by the International Accounting Standards Board, headquartered in London, England. The "IAS Regulation" made the application of IFRSs mandatory for listed companies headquartered in the European Union starting in 2005.

**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.

**ISO 9001**

ISO 9001 is an international standard developed by the International Organization for Standardization (ISO) that determines minimum requirements for a quality management system for voluntary certification.

**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.

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**J****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.

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**L****Long-term incentive program (LTI)**

The long-term incentive program is a share price-based compensation program primarily for senior executives of the BASF Group and members of the Board of Executive Directors. The program aims to tie a portion of the participants' annual variable compensation to the long-term, absolute and relative performance of BASF shares by making an individual investment in the company's stock.

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**M****Materiality analysis/material aspects**

BASF uses the materiality analysis to determine the significance of sustainability topics based on internal analyses and the expectations of external stakeholders.

**MDI**

MDI stands for diphenylmethane diisocyanate and is one of the most important raw materials for the production of polyurethane. This plastic is used for applications ranging from the soles of high-tech running shoes and shock absorbers for vehicle engines to insulation for refrigerators and buildings.

**Million British thermal unit (mmBtu)**

The British thermal unit (Btu) is a unit of energy observed in the Anglo-American measuring system. It is used for indicating values such as the energy content of gas. One mmBtu (million British thermal units) is equal to approximately 1,003 cubic feet of gas or 28 cubic meters of gas.

**Monitoring system**

Monitoring systems and tools serve to measure and ensure the adherence to standards. One area that is monitored is our voluntary commitments, such as the adherence to human rights and internationally recognized labor standards.

**MSCI World Chemicals Index**

The MSCI World Chemicals Index is a stock index that includes the world's biggest chemical companies. It measures the performance of the companies in the index in their respective national currencies, thus considerably reducing currency effects.

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**N****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.

**O****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.

**P****Peak sales potential**

The peak sales potential of the crop protection pipeline describes the total peak sales generated for individual products in the research and development pipeline. Peak sales are the highest sales value to be expected from one year. The pipeline comprises innovative active ingredients and system solutions that have been on the market since 2017 or will be launched on the market by 2027.

**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.

**R****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.

**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: distribution to shareholders or retention within the company.

**Return on assets**

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

**ROCE**

Return on capital employed (ROCE) is a measure of the profitability of our operations. We calculate this indicator as the EBIT generated by the operating divisions as a percentage of the average cost of capital basis. The average cost of capital basis corresponds to the operating assets of the segments used to determine the cost of capital plus the customer and supplier financing not included there and is calculated using the month-end figures in each case.

**S****Special items**

Special items arise from the integration of acquired businesses, restructuring measures, impairments, gains or losses resulting from divestitures and sales of shareholdings, and other expenses and income that arise outside of ordinary business activities.

**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.

**T****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.

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**V**

**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.

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**W**

**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.



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Quarterly Statement, 1st Quarter 2018 / Annual Shareholders' Meeting 2018

# May 4, 2018

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Half-Year Financial Report 2018

# July 27, 2018

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Quarterly Statement, 3rd Quarter 2018

# October 26, 2018

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BASF Report 2018

# February 26, 2019

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Quarterly Statement, 1st Quarter 2019 / Annual Shareholders' Meeting 2019

# May 3, 2019

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BASF supports the chemical industry's global Responsible Care initiative.

## Further information

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