

BASF in Antwerp

Report 2015



 **BASF**
We create chemistry

Chemicals

The Chemicals segment comprises our business with basic chemicals and intermediates. Its portfolio ranges from solvents, plasticizers and high-volume monomers to glues and electronic chemicals as well as raw materials for detergents, plastics, textile fibers, paints and coatings, crop protection and medicines. In addition to supplying customers in the chemical industry and numerous other sectors, we also ensure that other BASF segments are supplied with chemicals for producing downstream products.



Key data Chemicals (in million €)

	2015	2014	Change in %
Sales	14,670	16,968	(14)
Thereof Petrochemicals	5,728	7,832	(27)
Monomers	6,093	6,337	(4)
Intermediates	2,849	2,799	2
EBITDA	3,090	3,212	(4)
Income from operations before special items	2,156	2,367	(9)
Income from operations (EBIT)	2,131	2,396	(11)

Performance Products

Our Performance Products lend stability, color and better application properties to many everyday products. Our product portfolio includes vitamins and other food additives in addition to ingredients for pharmaceuticals, personal care and cosmetics, as well as hygiene and household products. Other products from this segment improve processes in the paper industry, in oil, gas and ore extraction, and in water treatment. They furthermore enhance the efficiency of fuels and lubricants, the effectiveness of adhesives and coatings, and the stability of plastics.



Key data Performance Products (in million €)

	2015	2014	Change in %
Sales	15,648	15,433	1
Thereof Dispersions & Pigments	4,629	4,501	3
Care Chemicals	4,900	4,835	1
Nutrition & Health	1,998	2,029	(2)
Performance Chemicals	4,121	4,068	1
EBITDA	2,289	2,232	3
Income from operations before special items	1,366	1,455	(6)
Income from operations (EBIT)	1,340	1,417	(5)

Functional Materials & Solutions

In the Functional Materials & Solutions segment, we bundle system solutions, services and innovative products for specific sectors and customers, especially the automotive, electrical, chemical and construction industries, as well as for household applications and sports and leisure. Our portfolio comprises catalysts, battery materials, engineering plastics, polyurethane systems, automotive and industrial coatings and concrete admixtures as well as construction systems like tile adhesives and decorative paints.



Key data Functional Materials & Solutions (in million €)

	2015	2014	Change in %
Sales	18,523	17,725	5
Thereof Catalysts	6,306	6,135	3
Construction Chemicals	2,304	2,060	12
Coatings	3,166	2,984	6
Performance Materials	6,747	6,546	3
EBITDA	2,228	1,678	33
Income from operations before special items	1,649	1,197	38
Income from operations (EBIT)	1,607	1,150	40

Agricultural Solutions

The Agricultural Solutions segment provides innovative solutions in the areas of chemical and biological crop protection, seed treatment and water management as well as solutions for nutrient supply and plant stress. Our research in plant biotechnology concentrates on plants for greater efficiency in agriculture, better nutrition, and use as renewable raw materials.



Key data Agricultural Solutions (in million €)

	2015	2014	Change in %
Sales	5,820	5,446	7
EBITDA	1,321	1,297	2
Income from operations before special items	1,090	1,109	(2)
Income from operations (EBIT)	1,083	1,108	(2)

Oil & Gas

We focus on exploration and production in oil and gas-rich regions in Europe, North Africa, Russia, South America and the Middle East. Together with our Russian partner Gazprom, we are active in the transport of natural gas in Europe. At the end of the third quarter of 2015, we exited the natural gas trading and storage business previously operated together with Gazprom and, in exchange, are expanding our oil and gas production in western Siberia.



Key data Oil & Gas (in million €)

	2015	2014	Change in %
Sales	12,998	15,145	(14)
EBITDA	2,587	2,626	(1)
Income from operations before special items	1,366	1,795	(24)
Income from operations (EBIT)	1,072	1,688	(36)
Net income	1,050	1,464	(28)

BASF Group 2015 at a glance

Economic data

		2015	2014	Change in %
Sales	million €	70,449	74,326	(5.2)
Income from operations before depreciation and amortization (EBITDA)	million €	10,649	11,043	(3.6)
Income from operations (EBIT) before special items	million €	6,739	7,357	(8.4)
Income from operations (EBIT)	million €	6,248	7,626	(18.1)
Income from operations (EBIT) after cost of capital	million €	194	1,368	(85.8)
Income before taxes and minority interests	million €	5,548	7,203	(23.0)
Net income	million €	3,987	5,155	(22.7)
Earnings per share	€	4.34	5.61	(22.6)
Adjusted earnings per share	€	5.00	5.44	(8.1)
Dividend per share	€	2.90	2.80	3.6
Cash provided by operating activities	million €	9,446	6,958	35.8
Additions to property, plant and equipment and intangible assets ¹	million €	6,013	7,285	(17.5)
Depreciation and amortization ¹	million €	4,401	3,417	28.8
Return on assets	%	8.7	11.7	-
Return on equity after tax	%	14.4	19.7	-

¹ Including acquisitions

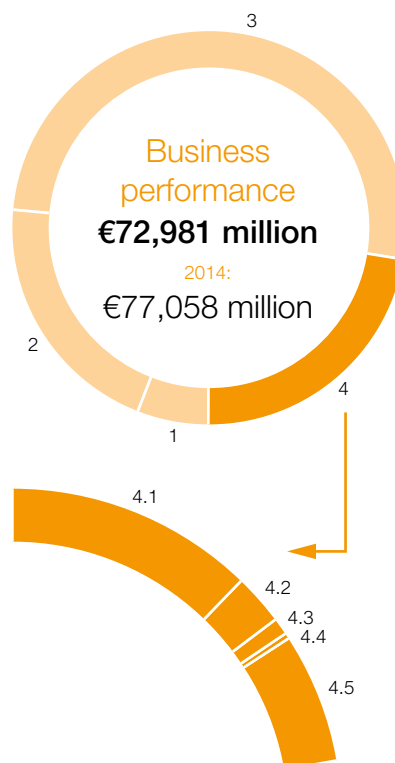
Value added 2015²

Creation of value added (in million €)

	2015	2014
Business performance	72,981	77,058
1 Amortization and depreciation	(4,401)	(3,417)
2 Services purchased, energy costs and other expenses	(14,787)	(13,259)
3 Cost of raw materials and merchandise	(37,323)	(42,978)
4 Value added	16,470	17,404

Use of value added

	2015	2014
4.1 Employees	60.6%	53.0%
4.2 Government	9.4%	11.4%
4.3 Creditors	3.9%	4.1%
4.4 Minority interests	1.9%	1.9%
4.5 Shareholders (dividend and retention)	24.2%	29.6%



² Value added results from the company's performance minus goods and services purchased, depreciation and amortization. Business performance includes sales revenues, other operating income, interest income and net income from shareholdings. Value added shows the BASF Group's contribution to both private and public income as well as its distribution among all stakeholders.

Innovation

		2015	2014	Change in %
Research expenses	million €	1,953	1,884	3.7
Number of employees in research and development at year-end		10,010	10,697	(6.4)

Employees and society

		2015	2014	Change in %
Employees				
Employees at year-end		112,435	113,292	(0.8)
Apprentices at year-end		3,240	3,186	1.7
Personnel expenses	million €	9,982	9,224	8.2
Society				
Donations and sponsorship	million €	56.2	45.4	23.8

Safety, security, health and the environment

		2015	2014	Change in %
Safety, security and health				
Transportation incidents with significant impact on the environment		0	1	(100)
Process safety incidents	per one million working hours	2.1	2.2	(4.5)
Lost-time injuries	per one million working hours	1.4	1.5	(6.7)
Health Performance Index		0.97	0.91	6.6
Environment				
Primary energy use ³	million MWh	57.3	59.0	(2.9)
Energy efficiency in production processes	kilograms of sales product/MWh	599	588	1.9
Total water withdrawal	million cubic meters	1,686	1,877	(10.2)
Withdrawal of drinking water	million cubic meters	22.1	22.7	(2.6)
Emissions of organic substances to water ⁴	thousand metric tons	17.3	18.7	(7.5)
Emissions of nitrogen to water ⁴	thousand metric tons	3.0	3.2	(6.3)
Emissions of heavy metals to water ⁴	metric tons	25.1	21.5	16.7
Emissions of greenhouse gases	million metric tons of CO ₂ equivalents	22.2	22.4	(0.9)
Emissions to air (air pollutants) ⁴	thousand metric tons	28.6	31.5	(9.2)
Waste	million metric tons	2.0	2.1	(4.8)
Operating costs for environmental protection	million €	962	897	7.2
Investments in environmental protection plants and facilities	million €	346	349	(0.9)

³ Primary energy used in BASF's plants as well as in the plants of our energy suppliers to cover energy demand for production processes

⁴ Excluding emissions from oil and gas production

Audits along the value chain

		2015	2014	Change in %
Suppliers				
Number of on-site sustainability audits of raw material suppliers		135	120	12.5
Responsible Care Management System				
Number of environmental and safety audits		130	121	7.4
Number of short-notice audits		68	73	(6.8)
Number of occupational medicine and health protection audits		53	48	10.4

BASF in Antwerp

Content

Introduction	4	Environment, neighborhood and energy	20
Interview management	4		
The BASF Group	5	Safety	24
Corporate strategy	6	Employees	25
Goals	8		
BASF in the regions	10	Health	27
BASF on the capital markets	12		
Ten-Year summary	14	Open Door Day 2015	28
BASF in Antwerp	16	Social Commitment	30
At a glance	16		
Verbund	18		

About this report

The “BASF in Antwerp - Report” is published annually as a concise document about the performance of our activities across the three dimensions of sustainability - economy, environment, and society - in Antwerp. The reporting period for this publication is the financial year 2015. This report also carries an overview of the BASF Group along with its financial performance, prepared in accordance with the requirements of the International Financial Reporting Standards (IFRS), and, where applicable, the German Commercial Code as well as the German Accounting Standards (GAS). The emissions, waste, energy and water use of consolidated joint operations are included pro rata, based on our stake. The employee numbers refer to employees within the BASF Group scope of consolidation as of December 31, 2015.

Introduction

Interview management

Together, Wouter De Geest and Bernd Brian form the management committee of BASF Antwerp. They look back on 2015 and discuss what the future will bring.

How do you look back on the economic developments in 2015?

“Worldwide, 2015 was not such a good year: a sputtering economy in China, recession in Russia and Brazil and less growth than expected in the US. This context of course influenced the results of the BASF Group and therefore also the results of BASF Antwerp. Turnover declined in 2015, but we were able to hold onto our margins due to the low price of raw materials.”

How did BASF Antwerp give meaning to sustainability in 2015?

“Sustainability is at the heart of our operations, on an economic, environmental and societal level. The goal remains sustainable growth. For us, economic sustainability means optimal use of raw materials and services in our Verbund-concept and our never ending attention to operational excellence. This focus came to full effect last year, with our plants running at a very high capacity. We also monitor our environmental impact closely, we were for example able to reduce our total water intake. On a societal level, sustainability means forging strong ties with employees and our stakeholders. This was proven yet

again when more than 7.000 people visited us during our open day. Proof that our site really is the beating heart of chemistry in the region!”

What does the future hold for BASF Antwerp?

“In the current economic climate, we need to be very careful and even need to go the extra mile. BASF Antwerp is a well-functioning Verbund-site and an example with regards to operational excellence and we should keep leveraging these strengths. We will continue to focus on the three pillars of sustainability (economy, environment, society).

Of course we want to keep growing. With an excellent team, to which we keep adding new talent, and a perfect location in the heart of Europe, we have all we need to keep attracting new investments.”

“Even in these insecure times, BASF Antwerp delivers a strong performance”



Wouter De Geest
CEO BASF Antwerpen
Joined BASF in 1982,
CEO since 2007



Bernd Brian
Member management committee
Joined BASF in 1984,
In Antwerp since February 2016



Wouter De Geest



Bernd Brian

The BASF Group

At BASF, we create chemistry for a sustainable future. As the world's leading chemical company, we combine economic success with environmental protection and social responsibility. The approximately 112,000 employees in the BASF Group work on contributing to the success of our customers in nearly all sectors and almost every country in the world. Our portfolio is arranged into five segments: Chemicals, Performance Products, Functional Materials & Solutions, Agricultural Solutions and Oil & Gas.

Organization of the BASF Group

- Thirteen divisions grouped into five segments
- Regional divisions, corporate units and competence centers support our business

Since the beginning of 2015, thirteen divisions divided into five segments bear operational responsibility and manage our 61 global and regional business units. The divisions develop strategies for our 84 strategic business units and are organized according to sectors or products.

The regional divisions contribute to the local development of our business and help exploit market potential. They are also responsible for optimizing infrastructure for our business. For financial reporting purposes, our divisions are organized into the following four regions: Europe; North America; Asia Pacific; and South America, Africa, Middle East.

Three central divisions, six corporate units and ten competence centers provide services for the BASF Group in areas such as finance, investor relations, communications, human resources, research, engineering, and site management, as well as environment, health and safety.

Markets and sites

- BASF with companies in more than 80 countries
- Six Verbund sites and 338 additional production sites worldwide

BASF has companies in more than 80 countries and supplies products to a large number of business partners in nearly every part of the world. In 2015, we generated 42% of our sales (excluding Oil & Gas) with customers in Europe. In addition, 27% of sales were achieved in North America; 22% in Asia Pacific; and 9% in South America, Africa, Middle East. Based on the entire BASF Group, 52% of our sales were to customers in Europe, 22% in North America, 18% in Asia Pacific and 8% in South America, Africa, Middle East.

We operate six Verbund sites and 338 additional production sites worldwide. Our Verbund site in Ludwigshafen is the world's largest integrated chemical complex. This was where the Verbund principle was originally developed and steadily honed before being put into practice at additional sites.

Verbund

- Intelligent plant networking in the Production Verbund
- Technology and Know-How Verbund

The Verbund system is one of BASF's great strengths. Here, we add value as one company by making efficient use of our resources. The Production Verbund, for example, intelligently links production units and energy demand so that waste heat can be used as energy in other plants. Furthermore, by-products of one plant can serve as feedstock elsewhere. In this system, chemical processes run with lower energy consumption and higher product yield. This not only saves us raw materials and energy, it also avoids emissions, lowers logistics costs and makes use of synergies.

We also make use of the Verbund principle for more than production, applying it for technologies, knowledge, employees, customers, and partners, as well. Expert knowledge is pooled into our global research platforms.

For more on the Verbund concept, see basf.com/en/verbund

Competitive environment

BASF holds one of the top three market positions in around 70% of the business areas in which it is active. Our most important global competitors include AkzoNobel, Clariant, Covestro, Dow Chemical, DSM, DuPont, Evonik, Formosa Plastics, Reliance, Sabic, Sinopec, Solvay and many hundreds of local and regional competitors. We expect competitors from emerging markets to become increasingly significant in the years ahead.

Corporate legal structure

As the publicly traded parent company, BASF SE takes a central position: Directly or indirectly, it holds the shares in the companies belonging to the BASF Group, and is also the largest operating company. The majority of Group companies cover a broad spectrum of our business. In some, we concentrate on specific business areas: The Wintershall Group, for example, focuses on oil and gas activities. In the BASF Group Consolidated Financial Statements, 251 companies including BASF SE are fully consolidated. We consolidate seven joint operations on a proportional basis, and account for 32 companies using the equity method.

Corporate strategy

With the “We create chemistry” strategy, BASF has set itself ambitious goals in order to strengthen its position as the world’s leading chemical company. We want to contribute to a sustainable future and have embedded this into our corporate purpose: “We create chemistry for a sustainable future.”

In 2050, nearly ten billion people will live on Earth. While the world’s population and its demands will keep growing, the planet’s resources are finite. On the one hand, population growth is associated with huge global challenges; and yet we also see many opportunities, especially for the chemical industry.

Our corporate purpose

■ We create chemistry for a sustainable future

We want to contribute to a world that provides a viable future with enhanced quality of life for everyone. We do so by creating chemistry for our customers and society and by making the best use of available resources.

We live our corporate purpose by:

- Sourcing and producing responsibly
- Acting as a fair and reliable partner
- Connecting creative minds to find the best solutions for market needs

For us, this is what successful business is all about.

Our leading position as an integrated global chemical company gives us the chance to make important contributions in the following three areas:

- Resources, environment and climate
- Food and nutrition
- Quality of life

We therefore act in accordance with four strategic principles.

Our 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

We add value as one company. Our Verbund concept is unique in the industry. Encompassing the Production Verbund, Technology Verbund and Know-How Verbund as well as all relevant customer industries worldwide, this sophisticated and profitable system will continue to be expanded. This is how we combine our strengths and add value as one company.

We innovate to make our customers more successful. We want to align our business even more with our customers’ needs and contribute to their success with innovative and sustainable solutions. Through close partnerships with customers and research institutes, we link expertise in chemistry, biology, physics, materials science and engineering to jointly develop customized products, functional materials, and system solutions as well as processes and technologies.

We drive sustainable solutions. In the future, sustainability will more than ever serve as a starting point for new business opportunities. That is why sustainability and innovation are becoming significant drivers for our profitable growth.

We form the best team. Committed and qualified employees around the world are the key to making our contribution to a sustainable future. Because we want to form the best team, we offer excellent working conditions and inclusive leadership based on mutual trust, respect and dedication to top performance.

Our values

- Creative
- Open
- Responsible
- Entrepreneurial

Our conduct is critical for the successful implementation of our strategy: This is what our values represent. They guide how we interact with society, our partners and with each other.

Creative: In order to find innovative and sustainable solutions, we have the courage to pursue bold ideas. We link our areas of expertise from many different fields and build partnerships to develop creative, value-adding solutions. We constantly improve our products, services and solutions.

Open: We value diversity – in people, opinions and experience. That is why we foster dialog based on honesty, respect and mutual trust. We develop our talents and capabilities.

Responsible: We act responsibly as an integral part of society. In doing so, we strictly adhere to our compliance standards. And in everything we do, we never compromise on safety.

Entrepreneurial: All employees contribute to BASF’s success – as individuals and as a team. We turn market needs into customer solutions. We succeed in this because we take ownership and embrace accountability for our work.



Marc Wynen, process operator in the cyclohexanone-plant.

Goals

We carry out our corporate purpose, “We create chemistry for a sustainable future,” by pursuing ambitious goals along our entire value chain. In this way, we aim to achieve profitable growth and take on social and environmental responsibility,

focusing on issues through which we as a company can make a significant contribution. We updated and revamped our goals to this effect in 2015.

Goal areas along the value chain



Growth and profitability

In 2011, we set ourselves sales and earnings goals for 2015 and 2020 as part of the “We create chemistry” strategy. In October 2014, we announced that we would not reach the financial goals for 2015, primarily because gross domestic product and industrial and chemical production had grown at a considerably slower average rate from 2010 to 2015 than our strategy had anticipated.

In September 2015, we reduced our expectations for the global economic environment from 2015 to 2020 (previous forecast in parentheses):

- Growth of gross domestic product: 3.0% (3.2%)
- Growth in industrial production: 3.5% (3.7%)
- Growth in chemical production: 3.9% (4.0%)

As a consequence, we no longer adhere to the financial goals previously stated for 2020.

Our aim for the years ahead is, on average, to grow sales slightly faster and EBITDA considerably faster than global chemical production, and to earn a significant premium on our cost of capital. Moreover, we strive for a high level of free cash flow each year, either raising or at least maintaining the dividend at the prior-year level.

Procurement

	2020 Goal	Status at end of 2015
Assessment of sustainability performance of relevant suppliers ¹ according to our risk-based approach; development of action plans where improvement is necessary	70%	31%

¹ We define relevant suppliers as those showing an elevated sustainability risk potential as identified by risk matrices and with respect to corresponding country risks. Our suppliers are evaluated based on risk due to the size and scale of our supplier portfolio.

Employees

	2021 Goal	Status at end of 2015
Proportion of women in leadership positions with disciplinary responsibility	22–24%	19.5%
Long-term goals		
Proportion of international senior executives ²	Increase in proportion of non-German senior executives (baseline 2003: 30%)	35.6%
Senior executives with international experience	Proportion of senior executives with international experience over 80%	82.9%
Employee development	Systematic, global employee development as shared responsibility of employees and leaders based on relevant processes and tools	The project has been implemented for around 60,000 employees worldwide.

² The term “senior executives” refers to leadership levels 1 to 4, whereby level 1 denotes the Board of Executive Directors. In addition, individual employees can attain senior executive status by virtue of special expertise.

Production

	2025 Goals	Status at end of 2015
Reduction of worldwide lost-time injury rate per one million working hours	≤0.5	1.4
Reduction of worldwide process safety incidents per one million working hours	≤0.5	2.1
	Annual goal	
Health Performance Index	>0.9	0.97

Product stewardship

	2020 Goal	Status at end of 2015
Risk assessment of products sold by BASF worldwide in quantities of more than one metric ton per year	>99%	67.8%

Energy and climate protection

	2020 Goals	Status at end of 2015
Covering our primary energy demand through the introduction of certified energy management systems (ISO 50001) at all relevant sites ³	90%	39.5%
Reduction of greenhouse gas emissions per metric ton of sales product (excluding Oil & Gas, baseline 2002)	-40%	-34.6%

³ The selection of relevant sites is determined by the amount of primary energy used and local energy prices.

Water

	2025 Goal	Status at end of 2015
Introduction of sustainable water management at all production sites in water stress areas and at all Verbund sites (excluding Oil & Gas)	100%	36.2%

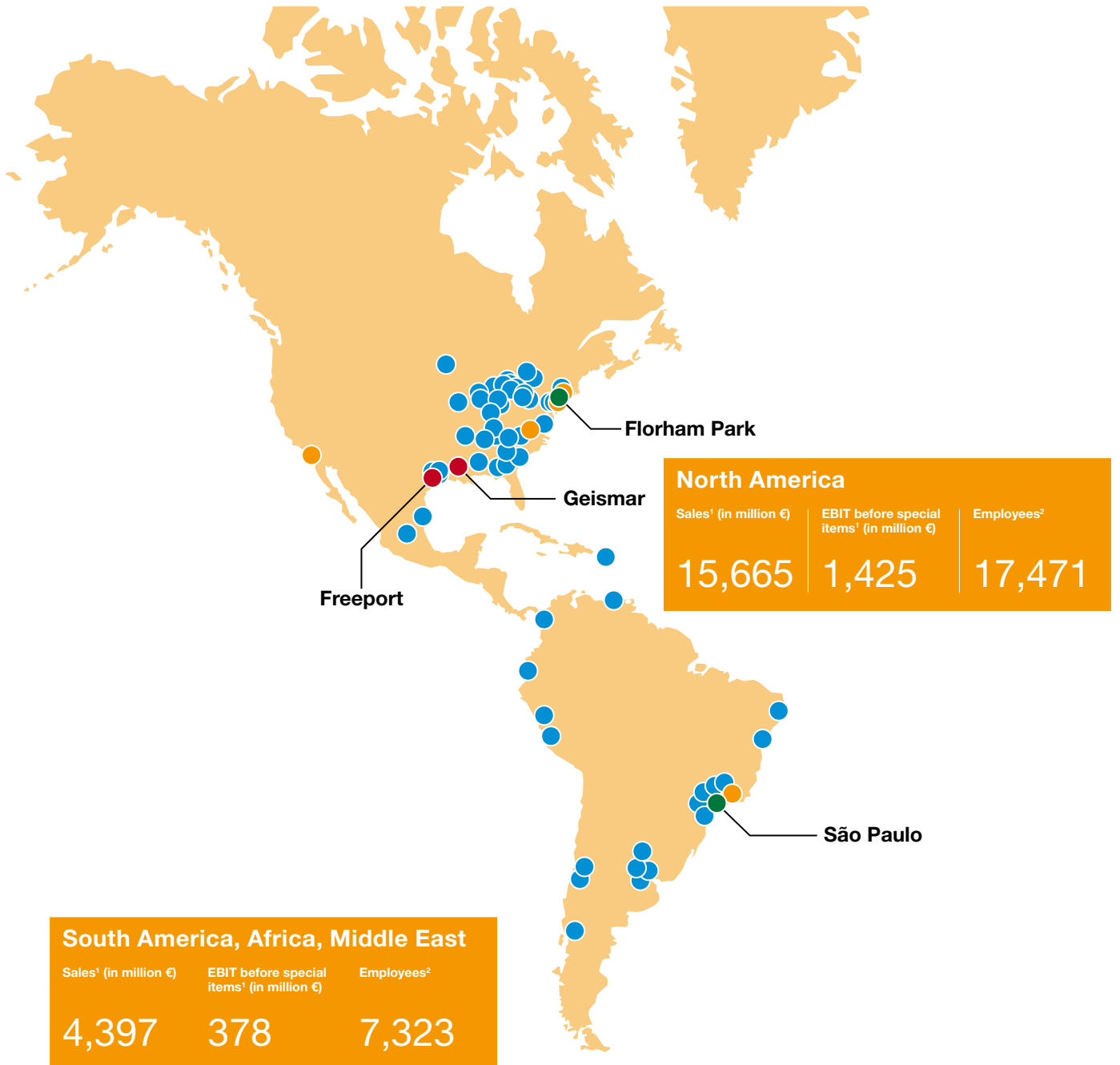
Products and solutions

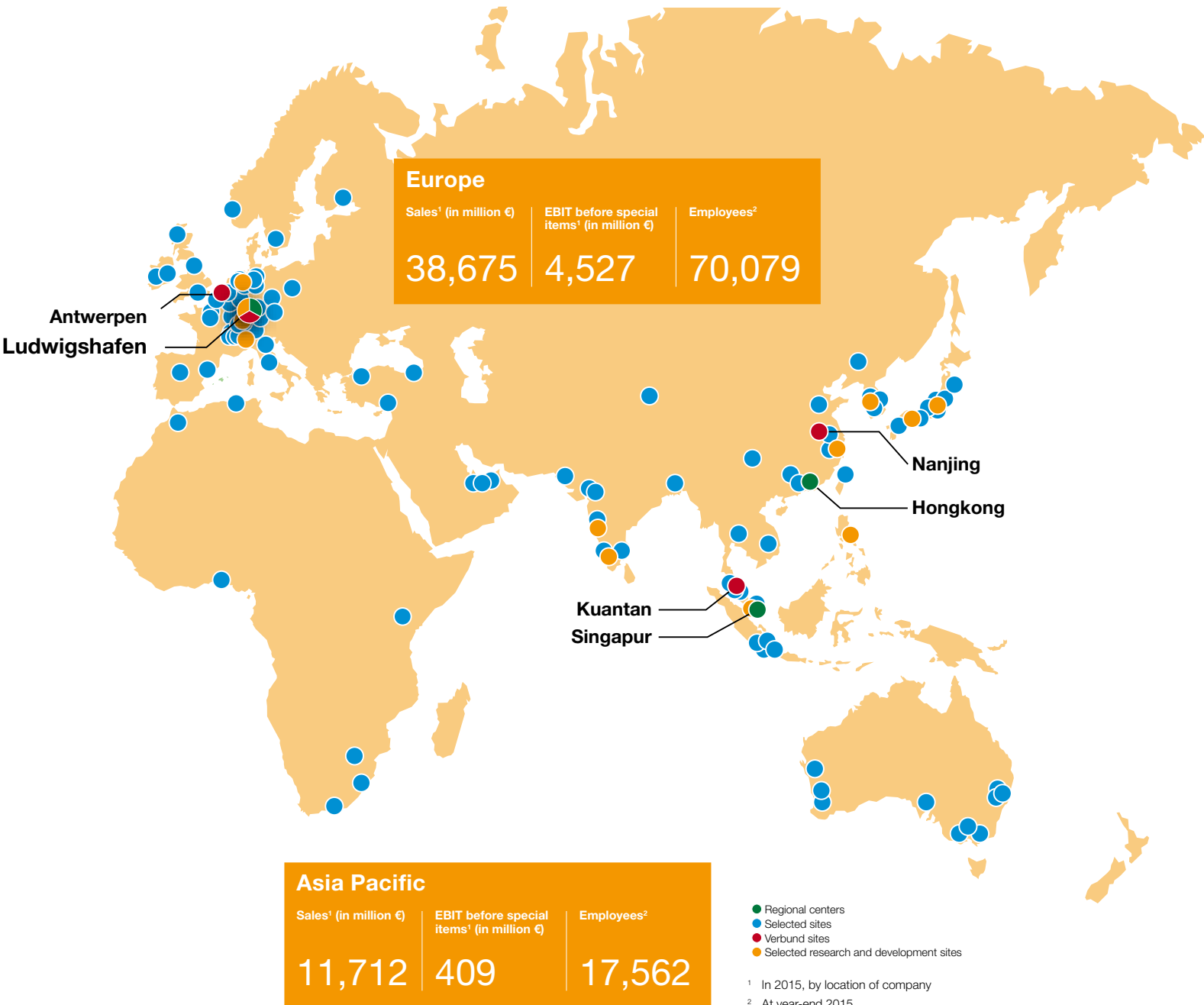
	2020 Goal	Status at end of 2015
Increase the proportion of sales generated by products that make a particular contribution to sustainable development ("Accelerators")	28%	26.6%

BASF in the regions

BASF Group sales 2015: €70,449 million;

EBIT before special items 2015: €6,739 million





BASF on the capital market

Stock markets were marked by a high level of volatility in 2015. This was largely a factor of fickle economic development, slowdown in the emerging markets and the threat of Greece's payment default. In this volatile environment, the BASF share rose by 1.2%, trading at €70.72 at the end of 2015. We stand by our ambitious dividend policy and will propose a dividend of €2.90 per share at the Annual Shareholders' Meeting – an increase of 3.6% compared with the previous year. BASF enjoys solid financing and good credit ratings.

BASF share performance

- Stock markets fluctuate widely over course of year
- BASF share gains 1.2% in 2015
- Ten-year development continues to clearly outperform benchmark indexes

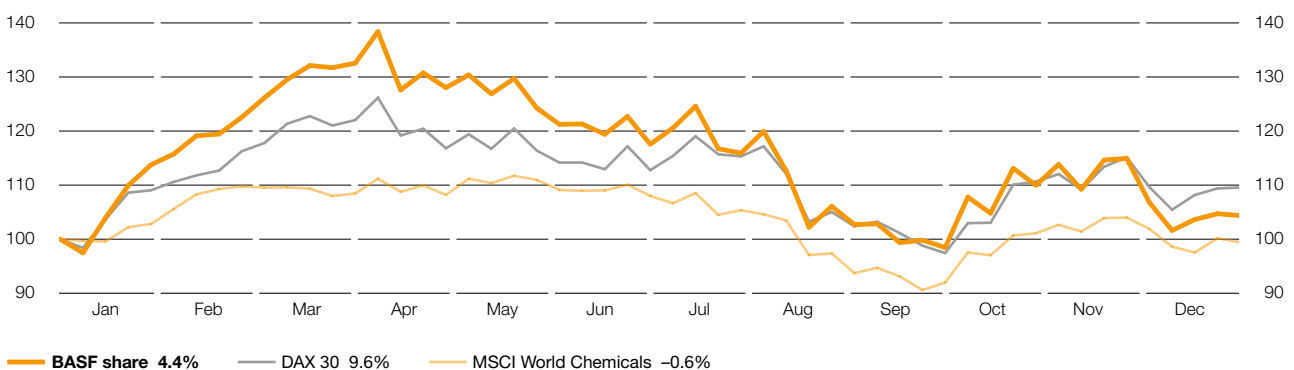
The weak euro and the European Central Bank's (ECB) announced intention to purchase large amounts of additional bonds both provided the stock markets with a positive start to 2015. On April 10, 2015, new record highs were achieved as the German benchmark index DAX 30 closed at 12,375 points and the BASF share price at €96.72. As the second quarter progressed, concerns – especially about Greece's financial solvency – led to share price losses. The second half of the year saw the market rebound as European finance ministers approved the third bailout package for Greece and the

eurozone produced robust economic figures. This was followed by considerable dips, due in large part to the weak economic situation in China and severe recession in Brazil. The further depreciation of the euro, positive economic development and speculation as to a renewed expansion of the ECB's monetary policy initially led to a fourth-quarter boost in share prices, including the BASF share. Prices dropped again in December, however, after the ECB announced intentions to continue easing its monetary policy, a decision that disappointed many investors who had anticipated more expansive measures.

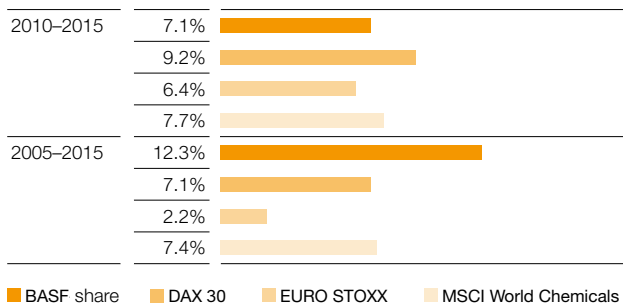
BASF shares traded at €70.72 at the end of 2015, 1.2% above the previous year's closing price. Assuming that dividends were reinvested, BASF shares gained 4.4% in value in 2015. This did not match the performance of the German and European stock markets, whose benchmark indexes DAX 30 and DJ EURO STOXX 50 gained 9.6% and 6.4% over the same period, respectively. As for the global industry indexes, DJ Chemicals fell by 3.3% in 2015 while MSCI World Chemicals declined by 0.6%. Viewed over a ten-year period, the long-term performance of BASF shares still clearly outperforms these indexes. The assets of an investor who invested €1,000 in BASF shares at the end of 2005 and reinvested the dividends in additional BASF shares would have increased to €3,195 by the end of 2015. This represents a yield of 12.3% each year, placing BASF shares above the returns for the DAX 30 (7.1%), EURO STOXX 50 (2.2%) and MSCI World Chemicals (7.4%) indexes.

Change in value of an investment in BASF shares in 2015

(With dividends reinvested; indexed)



Long-term performance of BASF shares compared with indexes
(Average annual increase with dividends reinvested)



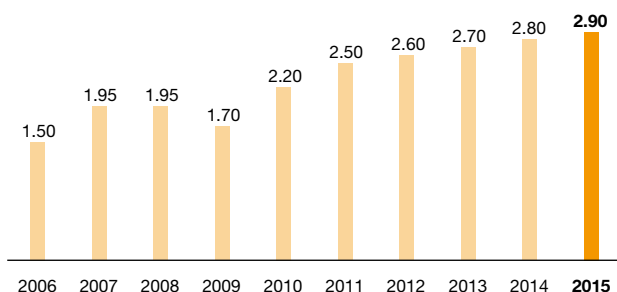
Weighting of BASF shares in important indexes as of December 31, 2015

DAX 30	7.4%
DJ Chemicals	5.9%
MSCI World Index	0.2%

Proposed dividend of €2.90 per share

At the Annual Shareholders' Meeting, the Board of Executive Directors and the Supervisory Board will propose a dividend payment of €2.90 per share. We stand by our ambitious dividend policy and plan to pay out almost €2.7 billion to our shareholders. Based on the year-end share price for 2015, BASF shares offer a high dividend yield of around 4.1%. BASF is part of the DivDAX share index, which contains the fifteen companies with the highest dividend yield in the DAX 30. We aim to increase our dividend each year, or at least maintain it at the previous year's level.

Dividend per share¹ (€ per share)



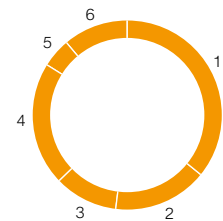
¹ Adjusted for two-for-one stock split conducted in 2008

Broad base of international shareholders

With over 500,000 shareholders, BASF is one of the largest publicly owned companies with a high free float. An analysis of the shareholder structure carried out at the end of 2015 showed that, at 16% of share capital, the United States and Canada made up the largest regional group of institutional investors. Institutional investors from Germany accounted for 9%. Shareholders from the United Kingdom and Ireland hold just under 11% of BASF shares, while institutional investors from the rest of Europe hold a further 21% of capital. Approximately 27% of the company's share capital is held by private investors, most of whom reside in Germany. BASF is therefore one of the DAX 30 companies with the largest percentage of private shareholders.

Shareholder structure (by region)

1	Germany	36%
2	United States and Canada	16%
3	United Kingdom and Ireland	11%
4	Rest of Europe	21%
5	Rest of world	5%
6	Not identified	11%



Employees becoming shareholders

In many countries, we offer share purchase programs that turn our employees into BASF shareholders. In 2015, for example, around 21,600 employees (2014: 23,200) purchased employee shares worth about €60 million (2014: €62 million).

Ten-year summary

Million €	2006	2007	2008	2009	2010	2011	2012 ¹	2013 ²	2014	2015
Sales and earnings										
Sales	52,610	57,951	62,304	50,693	63,873	73,497	72,129	73,973	74,326	70,449
Income from operations before depreciation and amortization (EBITDA)	9,723	10,225	9,562	7,388	11,131	11,993	10,009	10,432	11,043	10,649
Income from operations (EBIT)	6,750	7,316	6,463	3,677	7,761	8,586	6,742	7,160	7,626	6,248
Income before taxes	6,527	6,935	5,976	3,079	7,373	8,970	5,977	6,600	7,203	5,548
Income before minority interests	3,466	4,325	3,305	1,655	5,074	6,603	5,067	5,113	5,492	4,301
Net income	3,215	4,065	2,912	1,410	4,557	6,188	4,819	4,792	5,155	3,987
Capital expenditures, depreciation and amortization										
Additions to property, plant and equipment and intangible assets	10,039	4,425	3,634	5,972	5,304	3,646	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	3,711	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	9,982
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	€ 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 ⁴	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 ⁵	€ 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	2,388	2,480	2,572	2,664
Dividend per share ³	€ 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^{3,6}										
million	999.4	956.4	918.5	918.5	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



Taking the stairs

BASF in Antwerp

At a glance

A favourable location at the logistical heart of Europe, ready access to talented personnel, and a climate favourable to investment: all these factors make the port of Antwerp an ideal site for the chemical industry. BASF Antwerp is the largest integrated chemical production site in Belgium, and the BASF Group's second most important production site worldwide.

2015 at a glance

TURNOVER
€ 5,653 million

EMPLOYEES
3,109

Economic context

- **Turnover in 2015: €5,652.8 million**

In 2015, BASF Antwerp NV's turnover fell by 13.2%, from €6,514.9 million to €5,652.8 million. This drop is attributable primarily to the 12% drop in sales prices, driven by the low oil price. Sales volumes fell by only 1%. Low prices for raw mate-

rials had a positive impact on the development of the margins we earn on our products.

The most significant project that we can report is the introduction of new technology for production of a new generation of superabsorbent polymers. This involved modification and expansion of our existing installation for superabsorbent polymers.

What do we make?

- **BASF Antwerp's products can be found in numerous processing sectors.**

BASF Antwerp's product range comprises basic and specialty chemicals, plastics and precursors, performance products, and inorganics. Products from BASF Antwerp are also used in virtually all processing sectors, such as the automotive industry, the construction industry, the production of paper, leather goods and sports articles, and the textile, foods and pharmaceutical sectors.

Some examples: our cracker installation produces benzene and propylene from naphtha. From propylene we manufacture acrylic acid, which reacts in our superabsorber-plant with caustic soda to form superabsorbent polymer granules. These granules can be found in diapers.

From benzene, we produce nitrobenzene, then aniline and then MDI. MDI is a product used in the production of polyurethane, which can be found almost everywhere, from insulation through cars, to footwear.



At a glance of the site from the air.



BASF Antwerp at night.

Where are we based?

- Ideal location in the port of Antwerp
- A logistics hub

The production installations of BASF Antwerp are located on a site approximately 600 hectares in surface area in the north of the port of Antwerp. This location offers numerous logistical benefits. The site has direct access to the European road network, ocean and inland shipping, the rail network, and an extensive network of pipelines. For example, the river Scheldt gives us direct access to the sea; the Scheldt-Rhine Canal and the Albert Canal provide inland shipping with access to the European hinterland; and the rail network connects BASF's most important sites with each other. Antwerp is also well located on several European motorways.

BASF Antwerp exploits the benefits of this logistics hub to the full, and assumes responsibility within the group for logistics planning in Belgium, the Netherlands, Luxembourg and France.

How do we produce?

- Verbund
- Operational excellence
- Sustainable and safe in all operations

The core concept of production at BASF Antwerp is that of the "Verbund". The Verbund describes the maximum integration of the different production installations. Within the Verbund, the end products and by-products from one installation form the

starting materials for other installations, optimally valorising our products and materials.

In order to exploit the Verbund to the full, we promote a culture of continual improvement. Operational excellence is the keyword in this context. Efforts in this area are geared above all to improvements and optimization at each step of a production process. Beyond that, we motivate our personnel to think independently about how they work and to take steps, whether small or large, to optimize procedures and working methods. In 2015, we completed a major programme of improvements. This project concerned all departments and installations. Through workshops and interviews, we sought out and found ways in which to optimize each plant. The objective was not only to upgrade the technical processes, but also to establish the philosophy of continual improvement in the organization.

At BASF, optimized production also means sustainable production. Our philosophy of sustainability rests on three pillars: social, economic and ecological. In other words, sustainable for our people: a consistent focus upon the safety and health of employees, partners, contractors and neighbours. Sustainable for the Flemish economy: efficiency and excellence in our processes. And finally, ecological: paying meticulous attention to our habitat, and therefore monitoring atmospheric emissions, water, energy and waste.

Verbund

The Verbund concept is one of BASF's core elements. As a company, we create added value by exploiting our raw materials efficiently. Everything begins with the Production Verbund. The Verbund concept has other benefits, however, such as the efficient use of energy, the sharing of infrastructure and the human knowledge network.



Employee Luc Lauwers also helps out other sites with his expert knowledge on compressors.

The Production Verbund

■ By-products become raw materials

Our Production Verbund is formed by optimum integration of different production lines. The end products and by-products of one installation constitute the raw materials or precursors of another. This model is one of the strategic pillars underpinning BASF's success. The Production Verbund has countless benefits: there is little or no distance between the different installations or plants, and therefore much less transport is necessary. By-products that would have to be treated as waste in a standalone installation are used at BASF intelligently in a different production line. This concept on itself is a major contributor to a more circular economy, where raw materials are not depleted and by-products are re-entered into the value chain.

The Energy Verbund

■ Equilibrium between endothermic and exothermic processes

During the development of the site, attention was paid to endothermic and exothermic reactions being in equilibrium: in other words, to the balance between installations that release heat during their chemical processes (exothermic) and those

that require heat or energy for their chemical processes (endothermic).

This enables us to be largely self-sufficient in energy. The heat that is released is converted to steam and coupled to the endothermic installations by an internal steam network. Since energy equilibrium cannot always be attained, we have a highly energy-efficient gas-fired power generation plant on the site that is able to produce both electricity and steam.

Shared infrastructure

■ Benefits of scale

The benefits of scale of over 50 production installations are that the common infrastructure can be extended exactly as required, with each installation connected by means of pipelines, railway lines and roads. As a site, we also possess two inlet docks at which we can accommodate both ocean-going vessels and inland vessels at loading and unloading installations. More than half of our raw materials and finished goods are transported by ship. Following transport by ship, pipelines are by far the most important means of transporting raw materials, steam and semi-finished products between the installations. We now have over 500 kilometres of pipeline, 150 kilometres of roads and 44 kilometres of railway line. Railway terminal Combinant transfers 150.000 shipments per year from road to rail.

The intersection between human beings and knowledge

■ 5,000 people on the site every day

BASF Antwerp's installations operate continuously, round the clock, seven days a week. Around half of our personnel therefore works in some form of shift system. Altogether, BASF employs 3,109 people in Antwerp. These are accompanied by employees of BASF's strategic partners on the site, and employees of contractors completing all manner of tasks. Altogether, the number of employees on the site each day amounts to 5,000. Together, the employees constitute a highly valued and specialized knowledge network. The sharing of acquired experience and expertise is a priority.

The expertise of our employees is acknowledged internationally. BASF Antwerp is for example the global technology centre within the group for the production of superabsorbent polymers and of the polyurethane component MDI. We train large numbers of colleagues from abroad in Antwerp, and send our employees all over the world in order to make their expertise available at other BASF sites.



An ongoing investment is the adaptation of our superabsorber-plant to the new technology.

Partners in the Verbund

The Verbund at the BASF Antwerp site is not limited to its own production installations. In the past ten years, BASF has re-structured or sold a number of activities. They continue however to form part of the Production Verbund. Examples are EuroChem and Styrolution. BASF also works very closely with a number of partners in the area of power and utilities, such as Air Liquide, the process gas supplier.



The most significant change concerning partner companies in 2015 was BASF's departure from SolVin, a joint venture with Solvay for the production of chlorine and dichloroethane. Solvay subsequently entered into a partnership with the British company INEOS, and SolVin therefore became INOVYN.

- **INEOS Styrolution:** Since 2011, the styrene plastics have been grouped within Styrolution. Initially, this was a joint venture between BASF and INEOS. In 2014, INEOS also acquired BASF's stake.
- **EuroChem:** Since April 2012, the fertilizer activities have been part of this Russian group.
- **INOVYN:** A joint venture between Solvay and, until 2015, BASF, and since then with INEOS. The venture supplies BASF with purified chlorine for the production of MDI (a raw material of polyurethane), and processes hydrogen chloride to form a raw material for PVC.
- **DOW Chemical & Solvay:** These two companies are strategic partners in the HPPO complex. The plant produces propylene oxide by means of a unique, energy and environmentally responsible process.
- **Air Liquide:** Specialized in process gases. Air Liquide makes use of an air filtration installation and hydrogen filtration installations on the site.
- **Zandvliet Power:** The cogeneration plant has a power capacity of 400 megawatts. It is a joint venture between Electrabel and BASF.
- **Combinant:** A joint venture between HUPAC, Hoyer and BASF. A rail terminal that transfers 150,000 shipments per year from road to rail. This reduces CO₂, and also the traffic-jams on the Antwerp ringroad.
- **Evides industriewater:** Supplies demineralized surface water, which is required by BASF for production purposes.

The strategic partners are also bound by the rules concerning sustainability and safety. BASF Antwerp's environment department is responsible for the partners in the Production Verbund. Matters such as reporting, licenses, observance of legislation, etc. are therefore dealt with in the same way for all. The other strategic partners must of course observe the rules and agreements in force on the site. In the area of safety, structural consultation takes place with all partners. Here too, all partners are required to observe BASF Antwerp's safety rules.

Visitors looking up at the butadiene plant during a family day. This plant started up in 2014 and ran the whole year last year.

Environment, neighborhood and energy

Our objective: a sustainable future. In order to achieve this objective, we aim for balance in our social, environmental and economic needs. We take a responsible approach to the use of water and energy and to the disposal of waste, and monitor our emissions conscientiously. We make sustainability an essential element in our own production processes and in our dealings with our partners.

Renewal of licences

■ In 2015: caprolactam & polyamide and formaldehyde

To obtain an overview of the environmental impact of our site as a whole, the environmental impact report was produced in 2014 at site level, and included strategic partners. The report was produced with a view to renewal of the environmental licences for a range of installations; this is now in progress. Renewal of the licences requires a complete and detailed update of the total environmental impact of the plant in question.

Environmental impact and atmospheric emissions

- The environmental impact has fallen by 19% in relative terms over the past 10 years
- Atmospheric emissions fell by 38% over the past ten years

Atmospheric emissions¹, in tons

2015	2,493	
2014	2,651	

¹ CO, NO_x, NMVOC, SO_x, dust, NH₃/other inorganics

Greenhouse gases, in CO₂ equivalent tons

2015	3,463,206	
2014	3,282,151	

In recent years, BASF Antwerp has succeeded in reducing its total environmental impact still further whilst maintaining production volumes stable. For example, we have reduced the relative environmental impact (atmospheric and water emissions and landfill waste per ton of produced product) by 19%.

Atmospheric emissions fell by 38% over the past ten years. This drop is explained in part by the sales of our styrene plastics and fertilizer operations, but our atmospheric emissions also fell by 12% in relative terms (emissions per ton of produced product). The atmospheric emissions were lower in 2015 than in 2014. An outage of the residual gas purification facility of one of our plants caused additional emissions in 2014.

Besides the general atmospheric emissions, we report greenhouse gas emissions of almost 3.5 million CO₂ equivalent tons. The greater use made of the ammonia installation in

2015 resulted in emissions being higher than in 2014. In 2015, we had no major stoppages due to maintenance on installations with a substantial impact upon the emissions. The greenhouse gas emissions comprise both the direct emissions resulting from production and the indirect emissions associated with generation of the imported energy. The most important greenhouse gases originating at BASF Antwerp are CO₂ and N₂O (nitrous oxide).



Water

- Intentional use of different types of water
- Powerful water purification plant



Water intake, in million m³

2015	175	
2014	233	

Water intake by source, surface water, in %

2015	99.3	
2014	99.5	


Water intake by source, drinking water, in %

2015	0.75	
2014	0.5	

Production water consumption, in million m³

2015	10	
2014	10	

Cooling water, in million m³

2015	711	
2014	712	

BASF uses water sparingly, and uses the type of water appropriate to the application. We distinguish between water used for cooling, production and sanitation purposes. For industrial production for example, we use surface water from the Netherlands' De Biesbosch freshwater tidal wetland. For cooling, we primarily use water that we pump out of the docks of the port of Antwerp. Drinking water is used for all other purposes.

In 2015, we used a total of 721 million m³ of water. The greater part of this (711 million m³) was used for cooling, 10 million



Our water purification plant functions very well.

m³ for production. Our water consumption greatly exceeds our water intake, since we re-use a large proportion of our water. Our total water intake in 2015 was 175 million m³. Our drinking water intake rose slightly in 2015. This was due to a single outage in the supply of our surface water, as a result of which use was made of a back-up supply of water in drinking quality.

In past years, we have reduced our water intake in a number of ways. In 2014 our water intake was 233 million m³, which decreased to 175 million m³ in 2015. Cooling water is used approximately 4.3 times before we return it to the surface water. Moreover, the re-use of cooling water has been substantially improved. Whereas our cooling water was re-used only 3.2 times in 2014, this rose to 4.3 times in 2015. The reason for this is that we are continually seeking to make small and greater improvements to the cooling water loop. We maintain cooling cells and a cooling water channel on our site by which we reduce the temperature of the cooling water before we release it back into the docks. Note also that cooling water does not come into contact with our products, and does not need to be purified.

Operation of our water purification plant in 2015 was optimal. Our central water purification plant processed the waste water from all installations on our site, including those of our strategic partners. The water purification plant has a stable and high filtration efficiency for both organic substances and nitrogen compounds. This is a result partly of meticulous observation of the operation of the water purification plant, and partly of close monitoring of the quality of the residual water by the plants themselves. In the risk analyses that we conduct in our installations, we consider a range of water contamination scenarios, and take additional measures where necessary in order to counter the risks.

Water emissions of nitrogen, in tons

2015	109	<div style="width: 109%;"></div>
2014	97	<div style="width: 97%;"></div>

Water emissions of organic substances (COD), in tons

2015	1,135	<div style="width: 113.5%;"></div>
2014	1,178	<div style="width: 117.8%;"></div>

Water emissions of of heavy metals, in tons

2015	1,17	<div style="width: 117%;"></div>
2014	1,06	<div style="width: 106%;"></div>



Our energy-Verbund is at the core of our energy supply.

Waste: focus on beneficial exploitation

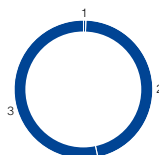
- Beneficial re-use takes precedence
- Less than 1% of our waste is destined for landfill

Total quantities of waste, in tons

2015	79,030	<div style="width: 100%;"></div>
2014	62,405	<div style="width: 80%;"></div>

Waste processing in 2015

1	Landfill	0.67%
2	Incineration	45.60%
3	Re-use (beneficial exploitation)	52.30%



BASF Antwerp selects the best way of processing for each form of waste, and works in conjunction with recognized waste disposal bodies for this purpose. Our first aim is to avoid waste. When this is not possible, the next preferred option is beneficial re-use. We then seek solutions in which we recycle

the material or incinerate it with recovery of the energy. The final option is incineration as a means of disposal, and as a last resort, landfill disposal. We are continually seeking – and finding – new and better solutions for handling waste that involve material recycling and/or energy recovery. For example, we have been able to implement new ways of processing one of our most significant organic waste substances, based upon energy recovery.

In 2015, over 50% of our waste substances (excluding construction waste) were exploited beneficially. The absolute quantities of beneficially exploited waste substances increased slightly in 2015. The absolute quantities of incinerated waste substances also increased, however. This was due to a major maintenance outage in one of our installations. The quantity of waste disposed of on landfill sites has fallen below 1%.

Energy

- Energy Verbund
- Butadiene installation impacts power consumption

Electrical power consumption, in MWh

2015	1,665,639	<div style="width: 100%;"></div>
2014	1,626,301	<div style="width: 97%;"></div>

Steam consumption (total), in tons

2015	5,534,506	<div style="width: 100%;"></div>
2014	5,329,463	<div style="width: 96%;"></div>

Fuel for energy (boilers), in MWh

2015	981,265	<div style="width: 100%;"></div>
2014	911,011	<div style="width: 93%;"></div>

The site would not exist without energy. Exactly the right quantity of energy at the right place – that is what we are working towards. Our Verbund concept forms the basis of our power supply. The process heat released during production processes in exothermic installations is not lost, but is converted into steam. This steam is delivered through a pipeline network to installations that require heat and energy for operation of their processes – the endothermic chemical reactions. This enables us to meet a large proportion of our power requirements efficiently ourselves.

The cogeneration plant on the site, Zandvliet Power, produces steam and electrical energy. Zandvliet Power is a 50/50 joint venture between Electrabel and BASF. Its cogeneration plant produces steam and electrical power simultaneously. This is more energy-efficient than

producing the same quantities of energy separately. The cogeneration plant has a capacity of 400 megawatts (MW), and can supply 300 tons of steam per hour. We produce steam not only in the cogeneration plant, but also in our steam boilers, which are fuelled by a mixture of natural gas and liquid and gaseous fuels. BASF recently invested in an additional steam boiler, in order to be able to decouple steam and electric power if necessary and thereby to make better allowance for strong price fluctuations on the market for electric power and natural gas. The site is also home to six wind turbines with a total capacity of 12 MW. These were erected and are exploited by Electrabel. The power generated is fed directly into BASF's internal power grid.

Total electric power consumption rose slightly last year, as did the consumption of steam and fuels. This was due to 2015 being the first year in which the butadiene installation, which started up in the summer of 2014, was operational for a full year.

Energy efficiency

■ Flanders energy policy agreement

As a high consumer of energy, BASF Antwerp is continually seeking to improve its energy efficiency. For this reason, we have also signed the Flanders energy policy agreement (EBO) for the period from 2015 to 2020. In this context, BASF Antwerp has had a concrete action plan in place since 2014, the key points of which are: growing awareness in all company operations with a view to identifying further energy savings; anchoring energy efficiency in the organization, supported by an energy management system; and creation of a platform for the ongoing quest for energy-efficiency measures, supported by lean management.



Two employees have a good overview of Zandvliet Power's cooling tower.



Zandvliet Power

Safety

We will make no compromises when it comes to safety: that's the foundation of the safety policy at BASF Antwerp. A policy that is put into practice by our employees together with our partners and contractors.

Five Pillars

■ Safety policy focuses on five pillars

The safety policy rests on five pillars: process safety, leadership in safety, contractor safety, thorough risk and incident analysis and focus on preventive actions. The emphasis placed on these pillars is producing results. The frequency rate (the number of occupational accidents per million working hours) remained stable at 2.3. The frequency rate for contractors was 1.0.

Process safety received great attention in 2015, particularly with the process safety on tour project which began in the autumn. By the end of 2016 each production plant will have been visited by a prevention expert who, together with the employees, studies how incidents can be avoided while the facilities are in operation. Not only do we insist on safety for our own employees, it is also central in our dealings with strategic partners and contractors. BASF is a leader when it comes to contractor management. This is necessary because there can be as many as 1,500 contractors present at the plant during large-scale maintenance works. Contractors are closely involved in the safety story. First and foremost, they are carefully selected and supervised throughout the works. They participate in safety events and are represented on different collaboration platforms per professional field.

Theme discussions are held once every quarter with the strategic partner companies on the site. One of the partners takes the lead and highlights a self-chosen safety theme.



Marc De Locht was crowned prevention adviser of the year by technology federation Agoria.



Visibility in traffic, one of focus points of our traffic safety campaign.

Prevention campaigns

- Traffic safety
- Working at a height

In 2015 two safety themes received special attention in a campaign: traffic safety and working at a height.

The traffic safety campaign focused (amongst other things) on choosing to take the bus, general attentiveness, appropriate speed and visibility when riding a bicycle.

Working at a height was one campaign element in Time Out For Safety, an annual event where employees and contractors take a step back from their day-to-day work in order to reflect on safety. During an interactive event the participants could all learn about the guidelines on working at a height, test out specific situations themselves and get tips and information about how to work safely at a height. 1,500 employees took part in this event, including 300 contractors.

Outside the site's borders

- Prevention and intervention, off site as well

The prevention service not only watches over safety on the site, it also offers support to other BASF sites in Belgium and our neighbouring countries that do not have the personnel and the specialised knowledge, including in terms of safety studies and education.

Nor does our intervention service limit itself to actions on the BASF Antwerp site: in the framework of the Belintra contract they regularly take action outside the site as well. In 2015, moreover, the sector federation *essencia* renewed this contract with the federal government on intervention in the event of transport accidents with chemical products. BASF Antwerp is the coordination centre for Flanders, from which a whole network of experts can be called on to intervene.

Employees

BASF Antwerp makes the difference with the know-how, creativity and dedication of its employees. We want to attract talent and create space for top performances and personal development within the company. The key concepts are mutual respect and an open culture.

Strategy

■ Forming the best team

BASF Antwerp wants to assemble the best possible team, and we do so by putting the emphasis on three pillars: excellent employees, an excellent place to work, and excellent development opportunities. We position ourselves as an attractive employer, offering our employees opportunities to develop themselves and supporting our managers to bring out the best in their employees.

Excellent employees

- 3,109 employees at the end of 2015
- BASF prepares for dual learning

At the end of 2015, BASF Antwerp had 3,109 employees. The largest group of employees is between 40 and 54 years old (around 50%), followed by the group between 26 and 39 (31%). Employees older than 55 constitute 12%, while young people under 26 are the smallest group at 8%. In 2015 we welcomed 177 new employees, compared to 110 in 2014.

Number of employees according to Belgian legislation

2015	3,109	
2014	3,054	

BASF Group reports according IFRS standards 2015: 3,009, 2014: 2,949

We're all about coming up with inspiring ways to bring young people into contact with science and technology early on, so BASF Antwerp has been eager to help develop the dual learning model into a full-fledged alternative educational system. In this system, pupils spend 60% of their study time on the work floor. In 2015 preparations were being made for a pilot training program aimed at students from the 7th year (secondary school) in chemical process technologies.

With three educational partners we helped create the learning objectives of the dual training and together defined which of them can be learned at school and which in the workplace. In addition, we described the roles and responsibilities of school guidance counsellors and company mentors. The government is creating the legal framework so that the pilot program may begin in September 2016.

Dual learning isn't the only way to gain work experience before receiving a diploma. The traineeship policy in general is also a tried-and-tested method for letting students become familiar with the work floor. During the 2014-2015 school year we offered a place to 152 trainees and, after completion of their traineeship, 42 of them began working at BASF. Eight trainees from previous school years found their way back to BASF as well.



Forming the best team is our goal.



Regular appraisals give every employee the opportunity to develop their talents.

Workable work

■ Flexibility throughout the career

The government has decided to progressively raise the legal retirement age to 67 and to limit possibilities for stopping work early. We have therefore revised our collective agreements about early retirement and working less at the end of a career and adapted them to the new reality. Furthermore, we are planning to initiate an intensive dialogue in order to define 'workable' work throughout an entire career.

Flexible working is also an element of workable work. At the beginning of 2015 we introduced flexitime, and at the end of the year additional collective agreements were adopted in order to optimise this system of flexible working hours. Employees also receive the opportunity to occasionally work at home, and many employees are making use of options for working part-time.

Learning and growing

■ Development by mutual agreement

■ Optimal support of managers

In order to give all employees an opportunity to optimally develop their talents, we organise an annual cycle of employee conversations. The employee and the manager review the tasks and requirements of the current job and explore further development possibilities. This development can be encouraged by another set of job responsibilities, self-study or conventional training courses.

Objectives, established by mutual agreement, encourage employees to do their best. Objectives also take into account eight competencies which translate our strategic values into

specific actions and constitute the basis for our employees to keep on developing.

The internal job market, where all job openings are first internally posted, is a tool that permits our employees to take their career into their own hands.

Coaching and developing employees is a key task for every manager, so in 2015 we started a brand-new program for supporting new managers in all levels of the company: the New Leadership Program. The new managers gather together for several days in order to hone their leadership skills.



Ministers Hilde Crevits and Kris Peeters visit BASF Antwerp to discuss dual learning.

Health

The BASF Group strives to ensure maximum wellbeing of its employees throughout their careers. Our health policy focuses both on early detection of health problems and promoting a healthy lifestyle in a fun and accessible way.

Occupational medicine and health promotion in the BASF Group

- Regular health promotion program offered to employees
- Monitoring of all health-related activities

Our global health management serves to promote and maintain the health and productivity of our employees. Our guidance documents include globally mandatory standards for health protection.

A global network of experts supports us in their implementation through standardized processes. We regularly conduct audits on occupational medicine and health protection in order to monitor and improve our performance. Through numerous emergency drills and health promotion measures our performance was improved in 2015.

We measure our performance in health protection using the Health Performance Index (HPI). The HPI has five components: recognized occupational diseases, medical emergency drills, first aid training, preventive medicine and health promotion. Each component contributes a maximum of 0.2 to the total score. The highest possible score is 1.0. Our goal is to reach a value of more than 0.9 every year. With an HPI of 0.97, we were once again able to fulfill the ambitious goal of exceeding 0.9.

Health Performance Index

2015	0.97	<div style="width: 97%;"></div>
2014	0.91	<div style="width: 91%;"></div>



‘Aan tafel in de shift’, our unique cookbook for employees working in shift.



Dr Elke Verwerf, head of the medical department at BASF Antwerp

Health promotion

- 2015: Mission Nutrition
- Regular BASF health checks since 2013

Our 2015 global Health Campaign, centered on nutrition, promoted the health of our employees while making a contribution to BASF’s voluntary commitment to the United Nations’ Global Nutrition Compact. In 2016, the global Health Campaign will focus on heart attack and stroke prevention. We raise employee awareness of these topics through offers tailored toward specific target groups.

The BASF Health Check, introduced in 2013, forms the foundation of our global Health Promotion Program and is offered to employees at regular intervals.

Health promotion by B-Fit@BASF

- Health promotion through B-Fit@BASF work group
- Focus on nutrition, sleep and ergonomics

Health promotion at BASF Antwerp has already been going on since 2011 via the B-Fit@BASF working group, an initiative led by our medical department and supported by enthusiastic volunteers. B-Fit@BASF is based on three pillars: a healthy diet, enough movement and balance. In 2015 the focus was placed especially on healthy diet, with fruit available at the workplace, fruit during major maintenance works and lectures about healthy nutrition. The most striking initiative was “Aan tafel in de shift”, a cookbook full of quick recipes and information about a healthy diet for shift workers. Remarkably, recipes were sent in by our employees themselves. Around 1,200 employees received a copy.

In addition to the activities of B-Fit@BASF in 2015, workshops were also held on sleep, with coaching aimed at preventing sleep problems for employees working on shift. We support our employees in their productivity and wellbeing at their workplaces. We do so in part by devoting great attention to an ergonomically-designed workplace.

Open Door Day 2015



Minister Turtelboom and Minister Muylers took part in the experiments during our open day.

On 10 May 2015, BASF Antwerp opened its doors to welcome the general public. Over 7,000 people took advantage of the occasion to visit the site, where a wide range of activities were offered. Everyone could compose their own itinerary to match their personal interests.

Journey of discovery

■ Tour and a look inside the facilities

Those wishing to get a general impression of the site could take a tour by bus or train. The water treatment, the ammonia and MDI facility and our strategic partner EuroChem all offered plant visits.

STEM Talent

- **TalentedTent under the sign of STEM**
- **Essenscia press conference focused on dual learning**

Visitors with an interest in technology found what they were looking for in the workplaces. The colleagues from technical services and engineering did everything to astonish the visitors and get them to roll up their sleeves and lend a hand at one of

the many test benches. Long-established and innovative technologies were demonstrated side by side.

It is also here that the TalentedTent was set up, an initiative of BASF together with its strategic educational partners. In the TalentedTent visitors could assess their talent for science and technology. The youngest visitors could discover their inner scientist with fun lab tests. Teenagers could also learn a great deal about themselves from the talent indicator, a test that shows where your talents lie. Schools presented their programs that constitute the foundation for a job in the chemical sector. And those who already (or almost) have their degree in their pocket could examine the posted job openings and internships.

The TalentedTent was also the right place for the press conference of essenscia on the occasion of Chemistry Day. In the presence of Mr Philippe Muylers (Flemish Minister of Employment, Economy, Innovation and Sport) and Mrs Annemie Turtelboom (Vice-Minister President of the Government of Flanders), essenscia expressed its confidence in the dual learning system as a way to build a bridge between the worlds of education and business.



Above: Even for the little ones, a lot of fun was to be had, such as the crazy hair salon.

Below: Interested visitors were guided through some production plants.

Right: Many employees volunteered to make our open day special.

Safety and sustainability

- Prevention and intervention
- Responsible entrepreneurship

Traditionally, the fire station has always been able to count on attracting a great deal of public interest, since our intervention department's fleet of vehicles is quite impressive, after all. The colleagues from the prevention and medical departments were also present, with activities that admittedly don't belong to their everyday work responsibilities, such as rock climbing, simulating driving under the influence and mixing healthy smoothies.

Sustainability was one theme that couldn't be ignored during the Open Door day. The offer ranged from informative stands about environmental policy to a stroll in the Groot Buitenschoor nature area (in collaboration with the environmental group Natuurpunt) and a 'nature run' (organised by the BASF running club). The members of the neighbourhood council were also on hand to introduce themselves at this location.



More than 7.000 people visited us.



Social Commitment

Through targeted support for social, educational and cultural projects, BASF aims to make a contribution towards social development.

Commitment to the region

- 10th anniversary of the Neighborhood Council
- A host of small-scale initiatives and long-term commitments

For BASF Antwerp, Corporate Social Responsibility begins at home, in other words in the immediate vicinity of our plant. We want our immediate neighbours - and by extension the Antwerp region - to know that they can rely on our support for all kinds of local projects. Some of these projects are in the cultural or sporting sphere, while other projects focus on nature or the voluntary sector. What these projects have in common is that they are examples of meaningful social initiatives that bring people together and do something of real value for the community. And the Neighborhood Council, which involves ongoing consultations with representatives of the neighbouring municipalities, deserves special mention at this point in time as this year it celebrated its tenth anniversary.

We have in fact sponsored many and varied small but important initiatives. Here are a few examples. In various locations Saint Nicholas gave presents to disadvantaged children; for the Red Cross we organised a blood collection action on our site; at the time of enrolment for the Antwerp 10-mile run the runners made a contribution to charity; and 2015 was the year of the G-Basket initiative.

In addition, we undertook a number of long-term commitments that involved providing structural assistance to projects and supporting membership.



The summer school for pioneer students was one of the highlights of our 'Elements for talents' program.

Commitment to education

- Elements for talents
- Long-term commitments

In the context of the Elements for talents program, in 2014 BASF Antwerp committed itself to sponsor initiatives over a timeframe of three years that offer young people an opportunity to develop their talent for science and technology. The first



BASF engages in a dialogue with its neighbors and has implemented a neighborhood council, a phone number and a company magazine for its neighbors.

project in this program centred on the Karel de Grote College (KdG) and was designed to give "pioneer students" a real boost. The term pioneer students refers to young people who are the first members of a family who get an opportunity to follow higher education. In September 2015, no fewer than 30 students took part in the KdG summer school, which was a five-day preparatory workshop for student life. As a result, these young people were able to get off to a flying start in higher education with a network to fall back on when needed. For the second project, Haai-tech!, we teamed up with the Talent Factory, the job and training centre serving the Antwerp metal and chemical sector. The aim of this project was to disseminate accurate information to overcome prejudices about secondary technical education. As part of this project, we set up workshops for young people and for parents to promote technical education by giving it a more positive image.

In 2015 BASF continued to meet its commitments in the context of a number of programs. A good example of this is our partnership with the Antwerp Management School and the University of Antwerp, which now has a sustainability chair. The objective is to make this the Belgian point of reference in the field of sustainable entrepreneurship. Another example is the cooperation project with the GITOK in Kalmthout in which we are training young job-seekers as service technicians.

Commitment of our staff

- Staff initiatives

BASF Antwerp's sponsorship policy is not limited to donations. The company is also encouraging its workers to "roll up their sleeves". For 2014, which was BASF's 50th anniversary year, under the banner "Harten Troef" we launched a teambuilding initiative for charity, and the project was such a success that it was decided to do it again in 2015. Around 12 teams chose a charity and had lots of fun pruning, painting, serving drinks, supporting activities, etc.

Further information



Plants in Antwerp

Pictures

BASF Antwerpen NV, Michel Wiegandt, Wim Van Nueten, Filip Claessens, Jansen en Janssen Creative Content and Marc Wynen.

Follow us



facebook.com/basf.in.belgium



twitter.com/BASF_Antwerpen

Further information

You can find this publication on the internet at www.basf.be

You can also order this report:

– by telephone: +32 3 561 23 00

– e-mail: communicatiedienst@basf.com



Responsible Care[®]
OUR COMMITMENT TO SUSTAINABILITY

BASF supports the worldwide Responsible Care[®] initiative of the chemical industry.

Contact

Head of corporate communications and governmental relations

Lut Vande Velde

Phone: +32(0)3561 47 01