Cover photo:
GM employees apply an automobile coating in a new paint shop at the Flint, Michigan, assembly plant. The paint lines use an improved BASF process in coatings for heavy- and light-duty trucks. Read more on page 30.

On this page:
Process Technicians Ricky Bolyard (right) and Samantha Briggs (left) discuss their work on a storm water tank in Port Arthur, Texas. The tank collects rain water which is treated and clarified before being used in the manufacturing process.
Chemicals
The Chemicals segment comprises our business with basic chemicals and intermediates. Its portfolio ranges from solvents and plasticizers to high-volume monomers and glues as well as raw materials for detergents, textiles, 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.

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.

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 applications for household, sports and leisure. Our portfolio comprises catalysts, battery materials, engineering plastics, polyurethane systems, automotive coatings, surface treatment solutions and concrete admixtures as well as construction systems like tile adhesives and decorative paints.

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 for nutrient supply and plant stress.

Oil & Gas
In the Oil & Gas segment, 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 also active in the transport of natural gas in Europe.

Key data Chemicals (million €)

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
<th>Change in %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>13,461</td>
<td>14,670</td>
<td>(9)</td>
</tr>
<tr>
<td>Thereof Petrochemicals</td>
<td>5,035</td>
<td>5,728</td>
<td>(12)</td>
</tr>
<tr>
<td>Monomers</td>
<td>5,745</td>
<td>6,093</td>
<td>(6)</td>
</tr>
<tr>
<td>Intermediates</td>
<td>2,681</td>
<td>2,849</td>
<td>(6)</td>
</tr>
<tr>
<td>EBITDA</td>
<td>3,169</td>
<td>3,090</td>
<td>3</td>
</tr>
<tr>
<td>Income from operations (EBIT)</td>
<td>1,983</td>
<td>2,131</td>
<td>(7)</td>
</tr>
<tr>
<td>EBIT before special items</td>
<td>2,064</td>
<td>2,156</td>
<td>(4)</td>
</tr>
</tbody>
</table>

Key data Performance Products (million €)

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
<th>Change in %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>15,002</td>
<td>15,648</td>
<td>(4)</td>
</tr>
<tr>
<td>Thereof Dispersions &amp; Pigments</td>
<td>4,530</td>
<td>4,629</td>
<td>(2)</td>
</tr>
<tr>
<td>Care Chemicals</td>
<td>4,735</td>
<td>4,900</td>
<td>(3)</td>
</tr>
<tr>
<td>Nutrition &amp; Health</td>
<td>1,932</td>
<td>1,998</td>
<td>(3)</td>
</tr>
<tr>
<td>Performance Chemicals</td>
<td>3,805</td>
<td>4,121</td>
<td>(8)</td>
</tr>
<tr>
<td>EBITDA</td>
<td>2,522</td>
<td>2,289</td>
<td>10</td>
</tr>
<tr>
<td>Income from operations (EBIT)</td>
<td>1,648</td>
<td>1,340</td>
<td>23</td>
</tr>
<tr>
<td>EBIT before special items</td>
<td>1,745</td>
<td>1,366</td>
<td>28</td>
</tr>
</tbody>
</table>

Key data Functional Materials & Solutions (million €)

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
<th>Change in %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>18,732</td>
<td>18,523</td>
<td>1</td>
</tr>
<tr>
<td>Thereof Catalysts</td>
<td>6,263</td>
<td>6,306</td>
<td>(1)</td>
</tr>
<tr>
<td>Construction Chemicals</td>
<td>2,332</td>
<td>2,304</td>
<td>1</td>
</tr>
<tr>
<td>Coatings</td>
<td>3,249</td>
<td>3,166</td>
<td>3</td>
</tr>
<tr>
<td>Performance Materials</td>
<td>6,888</td>
<td>6,747</td>
<td>2</td>
</tr>
<tr>
<td>EBITDA</td>
<td>2,906</td>
<td>2,228</td>
<td>30</td>
</tr>
<tr>
<td>Income from operations (EBIT)</td>
<td>2,199</td>
<td>1,607</td>
<td>37</td>
</tr>
<tr>
<td>EBIT before special items</td>
<td>1,946</td>
<td>1,649</td>
<td>18</td>
</tr>
</tbody>
</table>

Key data Agricultural Solutions (million €)

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
<th>Change in %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>5,569</td>
<td>5,820</td>
<td>(4)</td>
</tr>
<tr>
<td>EBITDA</td>
<td>1,306</td>
<td>1,321</td>
<td>(1)</td>
</tr>
<tr>
<td>Income from operations (EBIT)</td>
<td>1,037</td>
<td>1,083</td>
<td>(4)</td>
</tr>
<tr>
<td>EBIT before special items</td>
<td>1,087</td>
<td>1,090</td>
<td>0</td>
</tr>
</tbody>
</table>

Key data Oil & Gas (million €)

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
<th>Change in %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>2,768</td>
<td>12,998</td>
<td>(79)</td>
</tr>
<tr>
<td>EBITDA</td>
<td>1,596</td>
<td>2,587</td>
<td>(38)</td>
</tr>
<tr>
<td>Income from operations (EBIT)</td>
<td>499</td>
<td>1,072</td>
<td>(53)</td>
</tr>
<tr>
<td>EBIT before special items</td>
<td>517</td>
<td>1,366</td>
<td>(62)</td>
</tr>
<tr>
<td>Net income</td>
<td>362</td>
<td>1,050</td>
<td>(66)</td>
</tr>
</tbody>
</table>
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About this report

The “BASF in North America” 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 North America. The reporting period for this publication is the financial year 2016. This report also carries an overview of 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, 2016.
Welcome
Letter from the Management

Dear reader,

While BASF achieved its global goals in 2016, the picture in North America was mixed. Sales at companies headquartered in the region were down by 6 percent compared with 2015 in both euro and local currency terms. This was largely due to decreased sales prices brought about by lower raw material prices, especially in the Chemicals segment. Sales volumes remained stable overall. Rising volumes in the Functional Materials & Solutions segment were able to offset the lower volumes in the Chemicals and Performance Products segments.

EBIT fell 14 percent compared with the previous year. Significantly increased contributions from the Performance Products and Functional Materials & Solutions segments were only partially able to compensate for the sales and margin-related earnings decline in the Chemicals segment.

Despite these pressures, North America remains attractive for BASF as the second largest chemical market. Feedstock costs are among the lowest worldwide and economic growth is expected over the next decade. In 2016, North America generated 26 percent of BASF Group’s sales.

We continue to focus on innovation, attractive market segments and cross-business initiatives to grow profitably in the region. At the same time, we are enhancing our operational excellence through continuous improvement. Investments in new production facilities form the basis for future growth. We are building a new ammonia plant in Freeport, Texas, with our partner Yara; modifying the plant in Pasadena, Texas, to produce Palatino® DOTP plasticizer to meet growing demand in the region; and aiming to gradually expand production capacity of methylene diphenyl disocyanate (MDI) at the Geismar, Louisiana, Verbund site. Additionally, production capacities were expanded for dicamba and dimethenamid-P herbicides in Beaumont, Texas.

In 2016, we also welcomed new members to the BASF team through the acquisition of Chemetall, which has a strong presence in North America. This combines BASF’s know-how in chemistry and coatings applications with Chemetall’s market-leading expertise in surface treatment.

With this report, I invite you to learn more about how we create chemistry in North America – with our customers, our employees and our communities.

Best regards,

Wayne T. Smith
Chairman and CEO
BASF Corporation
BASF Group at a glance

Economic data

<table>
<thead>
<tr>
<th>Economic data</th>
<th>2016</th>
<th>2015</th>
<th>Change in %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>57,550</td>
<td>70,449</td>
<td>(18.3)</td>
</tr>
<tr>
<td>Income from operations before depreciation and amortization (EBITDA) and special items</td>
<td>10,327</td>
<td>10,508</td>
<td>(1.7)</td>
</tr>
<tr>
<td>EBITDA</td>
<td>10,526</td>
<td>10,649</td>
<td>(1.2)</td>
</tr>
<tr>
<td>Amortization and depreciation</td>
<td>4,251</td>
<td>4,401</td>
<td>(3.4)</td>
</tr>
<tr>
<td>Income from operations (EBIT)</td>
<td>6,275</td>
<td>6,248</td>
<td>0.4</td>
</tr>
<tr>
<td>Special items</td>
<td>(34)</td>
<td>(491)</td>
<td>93.1</td>
</tr>
<tr>
<td>EBIT before special items</td>
<td>6,309</td>
<td>6,739</td>
<td>(6.4)</td>
</tr>
<tr>
<td>Financial result</td>
<td>(880)</td>
<td>(700)</td>
<td>(25.7)</td>
</tr>
<tr>
<td>Income before taxes and minority interests</td>
<td>5,386</td>
<td>5,548</td>
<td>(2.8)</td>
</tr>
<tr>
<td>Net income</td>
<td>4,066</td>
<td>3,967</td>
<td>2.5</td>
</tr>
<tr>
<td>EBIT after cost of capital</td>
<td>1,136</td>
<td>194</td>
<td>485.6</td>
</tr>
<tr>
<td>Earnings per share</td>
<td>4.42</td>
<td>4.34</td>
<td>1.8</td>
</tr>
<tr>
<td>Adjusted earnings per share</td>
<td>4.83</td>
<td>5.00</td>
<td>(3.4)</td>
</tr>
<tr>
<td>Dividend per share</td>
<td>3.00</td>
<td>2.90</td>
<td>3.4</td>
</tr>
<tr>
<td>Research and development expenses</td>
<td>1,863</td>
<td>1,953</td>
<td>(4.6)</td>
</tr>
<tr>
<td>Personnel expenses</td>
<td>10,165</td>
<td>9,982</td>
<td>1.8</td>
</tr>
<tr>
<td>Number of employees</td>
<td>113,830</td>
<td>112,435</td>
<td>1.2</td>
</tr>
<tr>
<td>Assets</td>
<td>76,496</td>
<td>70,836</td>
<td>8.0</td>
</tr>
<tr>
<td>Investments</td>
<td>7,258</td>
<td>6,013</td>
<td>20.7</td>
</tr>
<tr>
<td>Equity ratio</td>
<td>%</td>
<td>42.6</td>
<td>44.5</td>
</tr>
<tr>
<td>Return on assets</td>
<td>%</td>
<td>8.2</td>
<td>8.7</td>
</tr>
<tr>
<td>Return on equity after tax</td>
<td>%</td>
<td>13.3</td>
<td>14.4</td>
</tr>
<tr>
<td>Net debt</td>
<td>million €</td>
<td>14,401</td>
<td>12,305</td>
</tr>
<tr>
<td>Cash provided by operating activities</td>
<td>million €</td>
<td>7,717</td>
<td>9,446</td>
</tr>
<tr>
<td>Free cash flow</td>
<td>million €</td>
<td>3,572</td>
<td>3,834</td>
</tr>
</tbody>
</table>

1 Amortization of intangible assets, depreciation of property, plant and equipment, impairments and write-ups
2 Additions to intangible assets and property, plant and equipment (including acquisitions)

Value added 2016³

Creation of value added (million €)

<table>
<thead>
<tr>
<th>Creation of value added</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business performance</td>
<td>59,852</td>
<td>72,981</td>
</tr>
<tr>
<td>1 Cost of raw materials and merchandise</td>
<td>(25,450)</td>
<td>(37,323)</td>
</tr>
<tr>
<td>2 Services purchased, energy costs and other expenses</td>
<td>(13,658)</td>
<td>(14,787)</td>
</tr>
<tr>
<td>3 Amortization and depreciation</td>
<td>(4,251)</td>
<td>(4,401)</td>
</tr>
<tr>
<td>4 Value added</td>
<td>16,493</td>
<td>16,470</td>
</tr>
</tbody>
</table>

Use of value added

<table>
<thead>
<tr>
<th>Use of value added</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>4.1 Employees</td>
<td>61.6%</td>
<td>60.6%</td>
</tr>
<tr>
<td>4.2 Government</td>
<td>8.6%</td>
<td>9.4%</td>
</tr>
<tr>
<td>4.3 Creditors</td>
<td>4.0%</td>
<td>3.9%</td>
</tr>
<tr>
<td>4.4 Minority interests</td>
<td>1.2%</td>
<td>1.9%</td>
</tr>
<tr>
<td>4.5 Shareholders (dividend and retention)</td>
<td>24.6%</td>
<td>24.2%</td>
</tr>
</tbody>
</table>

³ 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

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
<th>Change in %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Research and development expenses</td>
<td>1,863</td>
<td>1,953</td>
<td>(4.6)</td>
</tr>
<tr>
<td>Number of employees in research and development at year-end</td>
<td>9,966</td>
<td>10,010</td>
<td>(0.4)</td>
</tr>
</tbody>
</table>

## Employees and society

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
<th>Change in %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employees at year-end</td>
<td>113,830</td>
<td>112,435</td>
<td>1.2</td>
</tr>
<tr>
<td>Apprentices at year-end</td>
<td>3,120</td>
<td>3,240</td>
<td>(3.7)</td>
</tr>
<tr>
<td>Personnel expenses</td>
<td>10,165</td>
<td>9,982</td>
<td>1.8</td>
</tr>
<tr>
<td>Donations and sponsorship</td>
<td>47.0</td>
<td>56.2</td>
<td>(16.4)</td>
</tr>
</tbody>
</table>

## Environment, health, safety and security

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
<th>Change in %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Safety, security and health</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transportation incidents with significant impact on the environment</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Process safety incidents per one million working hours</td>
<td>2.0</td>
<td>2.1</td>
<td>(4.8)</td>
</tr>
<tr>
<td>Lost-time injuries per one million working hours</td>
<td>1.4</td>
<td>1.4</td>
<td>0</td>
</tr>
<tr>
<td>Health Performance Index</td>
<td>0.96</td>
<td>0.97</td>
<td>(1.0)</td>
</tr>
<tr>
<td>Environment</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Primary energy use(^1)  million MWh</td>
<td>57.4</td>
<td>57.3</td>
<td>0.2</td>
</tr>
<tr>
<td>Energy efficiency in production processes kilograms of sales product/MWh</td>
<td>617</td>
<td>598</td>
<td>3.0</td>
</tr>
<tr>
<td>Total water withdrawal million cubic meters</td>
<td>1,649</td>
<td>1,688</td>
<td>(2.2)</td>
</tr>
<tr>
<td>Withdrawal of drinking water million cubic meters</td>
<td>20.7</td>
<td>22.1</td>
<td>(6.3)</td>
</tr>
<tr>
<td>Emissions of organic substances to water(^2) thousand metric tons</td>
<td>15.9</td>
<td>17.3</td>
<td>(8.1)</td>
</tr>
<tr>
<td>Emissions of nitrogen to water(^2) thousand metric tons</td>
<td>2.9</td>
<td>3.0</td>
<td>(3.3)</td>
</tr>
<tr>
<td>Emissions of heavy metals to water(^2) metric tons</td>
<td>23.2</td>
<td>25.1</td>
<td>(7.6)</td>
</tr>
<tr>
<td>Emissions of greenhouse gases million metric tons of CO(_2) equivalents</td>
<td>21.9</td>
<td>22.2</td>
<td>(1.4)</td>
</tr>
<tr>
<td>Emissions to air (air pollutants)(^2) thousand metric tons</td>
<td>26.7</td>
<td>28.6</td>
<td>(6.6)</td>
</tr>
<tr>
<td>Waste metric tons</td>
<td>2.1</td>
<td>2.0</td>
<td>5.0</td>
</tr>
<tr>
<td>Operating costs for environmental protection million €</td>
<td>1,011</td>
<td>962</td>
<td>5.1</td>
</tr>
<tr>
<td>Investments in environmental protection plants and facilities million €</td>
<td>206</td>
<td>346</td>
<td>(40.5)</td>
</tr>
</tbody>
</table>

\(^1\) Primary energy used in BASF’s plants as well as in the plants of our energy suppliers to cover energy demand for production processes

\(^2\) Excluding emissions from oil and gas production

## Audits along the value chain

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
<th>Change in %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Suppliers</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of on-site sustainability audits of raw material suppliers</td>
<td>104</td>
<td>135</td>
<td>(23.0)</td>
</tr>
<tr>
<td>Responsible Care Management System</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of environmental and safety audits</td>
<td>121</td>
<td>130</td>
<td>(6.9)</td>
</tr>
<tr>
<td>Number of short-notice audits</td>
<td>37</td>
<td>68</td>
<td>(45.6)</td>
</tr>
<tr>
<td>Number of occupational medicine and health protection audits</td>
<td>30</td>
<td>53</td>
<td>(43.4)</td>
</tr>
</tbody>
</table>
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 114,000 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 research and functional units support our business

Thirteen divisions divided into five segments bear operational responsibility and manage our 57 global and regional business units. The divisions develop strategies for our 86 strategic business units and are organized according to sectors or products.

Our regional units are responsible for optimizing local infrastructure, and contribute to tapping our market potential. For financial reporting purposes, we organize our regional divisions into four regions: Europe; North America; Asia Pacific; and South America, Africa, Middle East.

Until the end of 2016, three central divisions, six corporate units and ten competence centers supported the BASF Group’s business activities in areas such as finance, engineering, investor relations, communications and research. At the beginning of 2017, we reassembled these into five research units, eight functional units and seven corporate units. We realigned the organizational structures in selected functional units. These include Procurement, Human Resources and Supply Chain Operations & Information Services, along with Environmental Protection, Health & Safety and European Site & Verbund Management. With this organization, we are aligning ourselves more closely to customer and market needs and reducing internal interfaces.

Markets and sites

- BASF companies in more than 80 countries
- Six Verbund sites and 352 additional production sites worldwide

BASF has companies in more than 80 countries and supplies products to numerous customers in nearly every part of the world. In 2016, we generated 43% of our sales (excluding Oil & Gas) with customers in Europe. In addition, 26% of sales were generated in North America; 22% in Asia Pacific; and 9% in South America, Africa, Middle East. Viewed over the entire BASF Group, 45% of our sales were to customers in Europe, 25% in North America, 21% in Asia Pacific and 9% in South America, Africa, Middle East.

We operate six Verbund sites and 352 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 implemented 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 using our resources efficiently. The Production Verbund intelligently links production units and energy demand so that, for example, the waste heat of one plant provides energy to others. Furthermore, one facility’s by-products can serve as feedstock elsewhere. 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 gain increasing significance 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, 286 companies including BASF SE are fully consolidated. We consolidate eight joint operations on a proportional basis, and account for 34 companies using the equity method.
Our 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 solution 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 optimally 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 experiences. 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.
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. We are focusing on issues through which we as a company can make a significant contribution.

Goal areas along the value chain

<table>
<thead>
<tr>
<th>Suppliers</th>
<th>BASF</th>
<th>Customers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Procurement</td>
<td>Growth and profitability; Employees; Production; Product stewardship; Energy and climate protection; Water</td>
<td>Products and solutions</td>
</tr>
</tbody>
</table>

Procurement

Assessment of sustainability performance of relevant suppliers ¹ according to our risk-based approach; development of action plans where improvement is necessary

<table>
<thead>
<tr>
<th>2020 Goal</th>
<th>Status at end of 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>70%</td>
<td>32%</td>
</tr>
</tbody>
</table>

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.

Growth and profitability

As determined in 2015, our aim for the years ahead is, on average, to grow sales slightly faster and EBITDA considerably faster than global chemical production (excluding pharmaceuticals; 2016: 3.4%), 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. The goals for sales and EBITDA are based on the 2015 figures, excluding contributions from the business disposed of in the asset swap with Gazprom in September 2015.

Employees

Proportion of women in leadership positions with disciplinary responsibility

<table>
<thead>
<tr>
<th>2021 Goal</th>
<th>Status at end of 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>22–24%</td>
<td>19.8%</td>
</tr>
</tbody>
</table>

International representation among senior executives ³

| Increase in proportion of non-German senior executives (baseline 2003: 30%) | 36.4% |

Senior executives with international experience

| Proportion of senior executives with international experience over 80% | 84.6% |

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 78,150 employees worldwide. |

³ 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

<table>
<thead>
<tr>
<th></th>
<th>2025 Goals</th>
<th>Status at end of 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reduction of worldwide lost-time injury rate per one million working hours</td>
<td>≤0.5</td>
<td>1.4</td>
</tr>
<tr>
<td>Reduction of worldwide process safety incidents per one million working hours</td>
<td>≤0.5</td>
<td>2.0</td>
</tr>
<tr>
<td>Annual goal</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Health Performance Index</td>
<td>&gt;0.9</td>
<td>0.96</td>
</tr>
</tbody>
</table>

Product stewardship

<table>
<thead>
<tr>
<th></th>
<th>2020 Goal</th>
<th>Status at end of 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Risk assessment of products that we sell in quantities of more than one metric ton per year worldwide</td>
<td>&gt;99%</td>
<td>75.4%</td>
</tr>
</tbody>
</table>

Energy and climate protection

<table>
<thead>
<tr>
<th></th>
<th>2020 Goals</th>
<th>Status at end of 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coverage of our primary energy demand by introducing certified energy management systems (ISO 50001) at all relevant sites</td>
<td>90%</td>
<td>42.3%</td>
</tr>
<tr>
<td>Reduction of greenhouse gas emissions per metric ton of sales product (excluding Oil &amp; Gas, baseline 2002)</td>
<td>(40%)</td>
<td>(37.2%)</td>
</tr>
</tbody>
</table>

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

Water

<table>
<thead>
<tr>
<th></th>
<th>2025 Goal</th>
<th>Status at end of 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Introduction of sustainable water management at all production sites in water stress areas and at all Verbund sites (excluding Oil &amp; Gas)</td>
<td>100%</td>
<td>42.6%</td>
</tr>
</tbody>
</table>

Products and solutions

<table>
<thead>
<tr>
<th></th>
<th>2020 Goal</th>
<th>Status at end of 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increase the proportion of sales generated by products that make a particular contribution to sustainable development (“Accelerators”)</td>
<td>28%</td>
<td>27.2%</td>
</tr>
</tbody>
</table>
BASF in the regions

BASF Group sales 2016: €57,550 million; EBIT 2016: €6,275 million
Europe
Sales (in million €) 27,221
EBIT (in million €) 3,632
Employees 70,784

Asia Pacific
Sales (in million €) 11,512
EBIT (in million €) 1,098
Employees 18,156

In 2016, by location of company
At year-end 2016
BASF on the capital market

Stock markets in 2016 were again marked by a high level of volatility. Particularly contributing to this were fluctuating economic figures in China, crude oil prices and the referendum in the United Kingdom on E.U. membership. In this volatile environment, the BASF share rose by 24.9%, trading at €88.31 at the end of 2016. We stand by our ambitious dividend policy and paid a dividend of €3.00 per share – an increase of 3.4% compared with the previous year. BASF enjoys solid financing and good credit ratings.

BASF share performance

- BASF share gains 24.9% in 2016
- Long-term development continues to clearly outperform benchmark indexes

Weak economic data from the United States and China as well as turbulence in the crude oil market led to a negative start to the 2016 stock market year. Gains in oil prices, solid U.S. labor market data and better economic indicators for China led to stock market recovery during the second quarter. The uncertainty leading up to the United Kingdom’s referendum on E.U. membership influenced the further course of the second quarter. Stock markets suffered considerable losses following the vote on June 23, 2016, to leave the E.U. Share prices subsequently recovered thanks to factors such as improved Chinese economic data and the U.S. Federal Reserve’s initially unchanged interest rate policy. In the fourth quarter, the extension of the European Central Bank’s bond-buying program as well as hopes for a growth-promoting economic policy from the newly elected U.S. president led to a year-end rally. On December 30, 2016, Germany’s benchmark index, the DAX 30, reached a year’s high of 11,481 points, as did the BASF share price at €88.31. This equates to a 24.9% rise in the value of BASF shares compared with the previous year’s closing price. Assuming that dividends were reinvested, BASF shares gained 30.1% in value in 2016. The BASF share thus outperformed the German and European stock markets, whose benchmark indexes DAX 30 and DJ EURO STOXX 50 gained 6.9% and 3.7% over the same period, respectively. As for the global industry indexes, DJ Chemicals increased 10.8% in 2016 and MSCI World Chemicals 11.2%.

Viewed over a five and ten-year period, the long-term performance of BASF shares still clearly surpasses these indexes. The assets of an investor who invested €1,000 in BASF shares at the end of 2006 and reinvested the dividends in additional BASF shares would have increased to €3,538 by the end of 2016. This represents an annual yield of 13.5%, placing BASF shares above the returns for the DAX 30 (5.7%), EURO STOXX 50 (0.9%) and MSCI World Chemicals (7.0%) indexes.
Long-term performance of BASF shares compared with indexes (Average annual increase with dividends reinvested)

### 2011–2016
- 14.4%
- 14.2%
- 10.5%
- 11.8%

### 2006–2016
- 13.5%
- 5.7%
- 0.9%
- 7.0%

<table>
<thead>
<tr>
<th></th>
<th>BASF share</th>
<th>DAX 30</th>
<th>EURO STOXX</th>
<th>MSCI World</th>
<th>Chemicals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Weighting of BASF shares in important indexes as of December 31, 2016</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>DAX 30</td>
<td>8.7%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>DJ Chemicals</td>
<td>6.5%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>MSCI World Index</td>
<td>0.3%</td>
<td></td>
<td></td>
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<td></td>
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</tbody>
</table>

**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 2016 showed that, at 18% of share capital, the United States and Canada made up the largest regional group of institutional investors. Institutional investors from Germany accounted for 11%. Shareholders from the United Kingdom and Ireland hold 11% of BASF shares, while institutional investors from the rest of Europe hold a further 17% of capital. Approximately 29% 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.

**Dividend of €3.00 per share**

For 2016, BASF paid a dividend of €3.00 per share. We stand by our ambitious dividend policy and paid out almost €2.8 billion to our shareholders. Based on the year-end share price for 2016, BASF shares offer a high dividend yield of 3.4%. 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.

**Employees becoming shareholders**

In many countries, we offer share purchase programs that turn our employees into BASF shareholders. In 2016, for example, around 24,000 employees (2015: 21,600) purchased employee shares worth about €59 million (2015: €60 million).

**Dividend per share**

[Graph showing dividends per share from 2007 to 2016, adjusted for two-for-one stock split conducted in 2008]
**BASF in North America**  
North America Executive Committee

**Wayne T. Smith**  
Chairman and CEO  
BASF Corporation  
Member of the Board of Executive Directors,  
BASF SE

**Manfredo Rübens**  
Executive Vice President  
and Chief Financial Officer  
BASF Corporation  
President,  
Regional Functions North America

**Peter Eckes**  
Executive Vice President  
BASF Corporation  
President,  
Bioscience Research
Kenneth Lane
Executive Vice President
BASF Corporation
President,
Global Catalysts Division

Teressa Szelest
Executive Vice President
BASF Corporation
President,
Market & Business Development North America

Matthew Lepore
Senior Vice President
BASF Corporation
General Counsel and Chief Compliance Officer,
BASF North America
BASF in North America

BASF Corporation is the largest affiliate of BASF SE. Headquartered in Florham Park, New Jersey, it is the second largest producer and marketer of chemicals and related products in the region, which includes the United States, Canada, Mexico, Central America and the Caribbean.

BASF operates four of its five business segments in North America: Chemicals, Performance Products, Functional Materials & Solutions and Agricultural Solutions. The Oil & Gas segment is not present in the region.

Serving key industries such as chemicals, automotive, agriculture, construction, personal care, health and nutrition, packaging and consumer products, the company has approximately 100 production and research and development (R&D) sites throughout North America. These include Verbund sites in Geismar, Louisiana, and Freeport, Texas.

BASF operates approximately 100 production and R&D sites in North America.

BASF Canada, headquartered in Mississauga, Ontario, has approximately 750 employees at 11 productions sites and offices across the country. While employees work in roles ranging from production to finance, most interact with customers working in sales and marketing.

BASF Mexico, Central America and Caribbean, headquartered in Mexico City, manages business and operations in the region, including eight production sites. Approximately 1,450 employees principally serve customers in the agriculture, automotive and construction industries.

**Key sites in North America:**

**Florham Park, New Jersey**
Florham Park is home to BASF’s North American headquarters. The site includes the regional business units for Care Chemicals, Intermediates, Nutrition & Health, and Performance Chemicals, along with key corporate support functions: finance, human resources, communications, tax, legal, procurement, supply chain services, and environment, health and safety.

**Freeport, Texas**
This is one of BASF’s two Verbund, or interconnected, sites in North America, operating 25 plants that produce 24 different products used in food packaging, fertilizer, paints, glue stocks and diapers. A new dispersions plant opened at the Freeport site in February 2015. BASF and Yara International broke ground in July 2015, with startup targeted for late 2017.

**Geismar, Louisiana**
The Geismar Verbund site is BASF’s largest manufacturing site in North America. Twenty-four production units, including North America’s only formic acid production facility, manufacture a wide range of chemicals that serve as building blocks for hundreds of everyday consumer and industrial products. A surfactants plant and polyurethanes systems house, both opened in 2015, supply the pharmaceuticals, personal care products, textiles and automotive industries.

**Houston, Texas**
On January 4, 2017, BASF opened its new office located in the heart of Houston’s Energy Corridor. It serves as headquarters to BASF’s Petrochemicals business and its trading subsidiary, Intertrade, as well as housing other businesses and support functions. Approximately 350 employees from several Houston area sites were combined into this LEED gold-certified location.

**Iselin, New Jersey**
BASF’s global Catalysts division is based in Iselin, along with its principal North American research and development facility. The Catalysts division is the world’s leading supplier of environmental and process catalysts.

**New Providence, New Jersey**
In 2016, BASF acquired Chemetall, a leading global supplier of applied surface treatments for metal, plastic and glass substrates in a wide range of industries and end markets. Headquartered in New Providence, Chemetall Americas has been developing, manufacturing, and supplying state-of-the-art specialty chemical products since 1909.

**Port Arthur, Texas**
A 60/40 joint venture between BASF and TOTAL, the site includes one of the world’s largest naptha steam crackers and a C4 olefins complex. The cracker transforms crude oil and natural gas into chemical building blocks for many consumer and industrial goods. The C4 complex produces butadiene, used in rubber and plastics, and alkylate, a fuel additive for high octane gasoline blends.

**Research Triangle Park (RTP), North Carolina**
The North American headquarters for the Crop Protection division and the global headquarters for BASF Plant Science, RTP is also home to global strategic marketing for herbicides and insecticides, as well as global insecticide R&D and formulation development.

**Tarrytown, New York**
One of BASF’s largest North American research hubs, the Tarrytown site was historically significant in the development of stabilization technologies, including groundbreaking work in thermal and light stabilizers. Other R&D areas include personal care, pigments, nutrition and biotechnology.
Tultitlán, Mexico
Among BASF’s largest manufacturing sites in Mexico, Tultitlán is recognized as one of the region’s most important technology and development centers for automotive coatings.

Windsor, Canada
Windsor is the largest manufacturing site in Canada, producing both water-borne and solvent-based automotive paints and coatings, including brands like Glasurit®, R-M®, and LIMCO®. These products are used by major automotive manufacturers and collision repair centers across North America.

Wyandotte, Michigan
The Wyandotte site includes five production facilities, R&D and a customer care center for a variety of performance materials. This includes urethanes, resins and specialty plastics for the automotive, furniture and electronic industries, as well as a wide range of industrial applications.

2016 performance
In 2016, BASF’s sales in North America were €14,682¹ million ($16.2 billion) which represented a sales decrease of 6 percent in both euro and local currency terms compared to 2015.

Earnings (EBIT) in North America fell to €1.1 billion ($1.2 billion) in 2016, a decrease of 14 percent in euro and dollar terms versus 2015.

In this region, we continue to increase our focus on customers, innovation, attractive market segments and cross-business initiatives in order to grow profitably. We are also increasing our operational excellence through continuous improvement. Investments in new production facilities form the basis for future growth.

Sales in North America (million €)

<table>
<thead>
<tr>
<th>Year</th>
<th>Sales (million €)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>14,682</td>
</tr>
<tr>
<td>2015</td>
<td>15,665</td>
</tr>
<tr>
<td>2014</td>
<td>15,467</td>
</tr>
</tbody>
</table>

¹ Figures reflect sales by location of company.

Key BASF sites in North America

- **Windsor**, Canada: The largest manufacturing site in Canada, producing automotive paints and coatings, including brands like Glasurit®, R-M®, and LIMCO®.
- **Tultitlán**, Mexico: One of the region’s most important technology and development centers for automotive coatings.
- **Research Triangle Park**, USA: A selected research and development site.
- **Tarrytown**, USA: Another key site in the region.

**BASF in North America**

Sales by location of company: $16.2 billion
Employees, as of December 31, 2016: more than 17,500
Automotive antifreeze, bedding, polyester fibers and many more products could not be manufactured without chemicals produced at the BASF site in Geismar. The Verbund site, with its plants linked in an interconnected system, is located along the Mississippi River not far from New Orleans. One thousand BASF employees and 600 contractors working at 25 plants make it the largest BASF site in North America and one of the largest employers in Louisiana.

In addition to the Geismar site, BASF’s manufacturing presence in Louisiana also includes operations in North Geismar, Zachary and Vidalia. The four BASF sites employ nearly 2,000 employees and contractors.

Increasing capacity

BASF continuously invests in the Geismar site. In 2016, we started engineering for a stepwise capacity increase of our methylene diphenyl disocyanate (MDI) production facilities. We aim to raise output incrementally from 300,000 metric tons per year to around 600,000 metric tons per year. MDI is an important component for polyurethanes, an extremely versatile plastics material. It contributes to improved insulation, provides lighter materials for cars and helps save energy in buildings.

Partnering with our communities

Our Louisiana employees have a long history of volunteering and partnering with local organizations that seek to change lives and strengthen the fabric of the community. Each year, BASF sites in Louisiana contribute more than $500,000 in charitable donations to a variety of nonprofit organizations, and employees volunteer thousands of hours in the community. In June 2016, BASF employee volunteers and members of the American Red Cross went door to door in Geismar to provide emergency preparedness, hurricane safety and fire safety information.

As the Geismar site and the local community continue to grow, so does the need for a diverse workforce. Partnerships with academic organizations help build a pipeline of potential employees who are motivated and qualified to work in the industry.

Together with River Parishes Community College, we created the TECH Academy for rising high school juniors and seniors. Delivered at no cost to students, the program introduces them to industries and potential careers in the fields of science and technology. In 2016, 35 students attended a week-long program and completed hands-on activities that reinforced skills needed in technical disciplines. The students also met industry professionals and toured facilities such as the BASF site in Geismar, the Coca-Cola bottling facility and the Louisiana State Police Crime Lab in Baton Rouge and the NASA facility in Michoud located in the New Orleans East area.

We also connect local students aged 6-12 to chemistry through interactive, hands-on science with the BASF Kids’ Lab offered in schools and at the Louisiana Art & Science Museum. More than 2,200 students and 1,600 members of the community participated in BASF Kids’ Lab programs in 2016. The Geismar site also donated more than $35,000 in academic scholarships to local top-performing high school and college students.

Facing up to a natural disaster

In August 2016, unprecedented flooding hit Southern Louisiana, damaging 60,000 homes and devastating many BASF employees, their families and neighbors. BASF responded with teams of volunteers, donations and partnerships with local organizations.

BASF employees who experienced significant home damage resulting from August’s record-breaking floods in Southern Louisiana received a helping hand from BASF customer Future Foam. The manufacturer of bedding products donated hundreds of mattresses to the BASF site in Geismar, which distributed the bedding to employees and others in need. BASF provides raw materials from its Geismar site to produce the polyurethane foam used in Future Foam’s bedding products.
Site spotlight: Freeport, Texas

Located on the Gulf of Mexico about an hour from Houston, BASF’s Freeport site produces raw materials used to make products people use every day, such as diapers, fertilizers, food packaging, paints and carpets. More than 930 employees and nearly as many contractors work at the site and manufacture 24 different products in 25 plants.

Meeting customer needs

Similar to Geismar, Freeport is a Verbund site with an integrated approach to manufacturing, research and management philosophy. Together with the integration of infrastructure, processes, talent, energy and waste management, the approach creates a highly efficient manufacturing site.

Construction continues

Following groundbreaking in 2015, construction of a new ammonia plant continued in 2016. A joint partnership between BASF and Yara International, the world-scale plant is expected to have an annual capacity of 750,000 metric tons to provide ammonia for the production of caprolactam, a key ingredient in the manufacturing of nylons for carpet, textiles, film, monofilaments, wire and cable. Production is slated to begin in 2017.

Deepening roots in the community

In June 2016, the Brazosport area experienced devastating flooding. To help those affected by the disaster, BASF donated $50,000 to the United Way of Brazoria County Recovery Fund, with a matching component for employees. We also donated supplies to local shelters and our employees assisted local nonprofits in their emergency response efforts.

Numerous employees serve as board members or otherwise help support more than 50 community organizations, including United Way, American Cancer Society, Junior Achievement, the Brazoria County Fair, the Brazoria Wildlife Refuges, American Heart Association, Boys and Girls Club and more.

Working safely and responsibly

The Freeport site has a long history of strong safety performance, with employees actively involved in all aspects of safety. As a result, the facility has received the Texas Chemical Council’s Award for Distinguished Service and the Sustained Excellence in Caring for Texas Award numerous times for accomplishments in safety performance, environmental stewardship and community outreach.

In December 2016, the site acquired equipment to upgrade its field communications center, including more than 600 radios and a new emergency dispatch capability. This is a complete upgrade to digital technology, which will improve system reliability, communication quality and compatibility with external resources, such as police and EMTs, in case of a safety emergency.

Celebrating a 50-year customer relationship

In 1967, BASF began supplying ammonium sulfate to American Plant Food Corp. (APF), a new Texas-based fertilizer manufacturer with one facility. Fifty years later, APF operates 12 locations in Texas from which it supplies products formulated for specific soil and crop combinations to markets across the United States, Canada and Central and South America.

Over the years, the companies have worked together to transform ammonium sulfate into a marketable fertilizer for farmers, golf course managers, landscapers and others. And by partnering with BASF for the past 50 years, APF is assured of having the quality product it needs to meet customer requirements.
Environmental protection and safety

For BASF, protection of the health, safety and security of our employees, the community and the environment is paramount. We strive to have processes and controls in place in every aspect of our operations to ensure that we handle our products responsibly, look out for each other to prevent incidents and help our customers to learn how to safely use, transport and dispose of the materials they receive from us.

Energy and climate protection

- The American Chemistry Council recognized BASF’s energy efficiency improvements for 20 years in a row

BASF’s energy management process has been implemented at our manufacturing sites for many years. We focus on sustainable improvement by working toward global targets – to increase energy efficiency in production by 35 percent and reduce specific greenhouse gas emissions by 40 percent by the year 2020 (compared with 2002 baselines). A reduction of 1.2 percent in energy used per ton of product was achieved in the U.S. in 2016. This contributes to an approximate 16 percent reduction in energy used per ton of product since 2008, which was the first year that energy improvement projects were tracked.

In 2016, BASF implemented a total of 14 energy efficiency projects at seven different production sites in the region. One such project was implemented at the BASF site in Wyandotte, Michigan, and is highlighted in the box on this page.

Sites in North America continue to demonstrate leadership in climate protection and energy reduction by implementing numerous projects each year and have been recognized by organizations, such as the American Chemistry Council (ACC), which has honored BASF with 49 awards over the last 20 years for energy efficiency.

Wyandotte recommissions old power plant to generate its own, eco-friendly steam

Utility Technician Matt Snyder tests the pH value at one of the boilers at the BASF steam plant in Wyandotte, Michigan. The production site requires significant quantities of steam to support its manufacturing and heat buildings. But BASF leadership faced a challenge in 2014, when they were informed that Wyandotte Municipal Services would stop providing steam to the site after 2016. Nine different options were evaluated before BASF site leaders decided to reactivated a large steam plant on the property that had stood idle for more than a decade. It was initially designed as a coal-powered plant, but the project team decided to convert it into a natural gas plant which would be less expensive, more energy efficient and produce fewer emissions. Over a two-year period, the company installed new high-efficiency natural gas burners, established a new water treatment and control system, enhanced the electrical infrastructure and hired a team of 10 employees to run the plant and improve the reliability of site utility. The plant began operating end of December 2016.
Emissions to air

- We are committed to reducing our carbon footprint by controlling emissions and greenhouse gases

In 2016, greenhouse gas emissions from BASF’s chemical operations in the United States totaled 4.8 million metric tons, a decrease of more than 6 percent from 2015. Total emissions to air declined by 13 percent to 11,122 metric tons from 12,620 in 2015, as a result of general improvements in control efficiency across BASF’s North American sites.

Capturing more carbon

A pilot project to improve the capture of carbon dioxide from flue gas at a coal fired power plant had promising results. BASF and The Linde Group, a technology company, collaborated on this joint project completed at the National Carbon Capture Center, a U.S. Department of Energy research facility. The pilot project captured up to 30 tons of CO₂ per day with a capture rate of more than 90 percent and CO₂ purity of more than 99.9 percent. Based on this success, BASF and Linde will begin larger-scale testing and explore commercial opportunities.

Energy supply and efficiency

- We continually identify opportunities to lower our energy consumption

In 2016, BASF decreased its electricity and natural gas consumption although steam consumption increased slightly. We continue to invest in and direct our focus toward increasing the efficiency of technologies at all of our production sites. Energy supply and efficiency are always considered in the design phase of new production processes and plant modifications.

### Air pollutants (without CH₄): CO₂, NOₓ, NMVOC, SO₂ₓ, dust, NH₃/other inorganics (metric tons)

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<tr>
<td>CO₂</td>
<td>11,122</td>
<td>12,620</td>
<td>14,520</td>
<td>7,755</td>
<td>8,753</td>
<td>8,828</td>
<td>1,136</td>
<td>1,213</td>
<td>1,345</td>
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<td>NOₓ</td>
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### Greenhouse gas emissions (total): CO₂, N₂O, CH₄, HFC, PFC, SF₆ (1,000 metric tons of CO₂ equivalents)

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<tr>
<td>CO₂</td>
<td>4,845</td>
<td>5,158</td>
<td>5,364</td>
<td>876</td>
<td>885</td>
<td>853</td>
<td>1,101</td>
<td>1,064</td>
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<td>N₂O</td>
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### Using less energy

BASF’s site in Mauldin, South Carolina, was recognized in 2016 by AdvanceSC, an initiative that awards grants to South Carolina manufacturers for using energy-saving applications. The site received the distinction for reducing its energy consumption by modifying its heating system. The engineering team replaced the steam process that had been used for years with a tempered water process. As a result, the facility reduced its environmental footprint by consuming less energy to heat the water.
## Water

**Water conservation projects yield positive results**

BASF uses water in its production processes and in product ingredients. In 2016, outside resources supplied 80 million cubic meters of water to our U.S. sites, a decrease of 15 percent compared to 2015. Water used for production totaled 40 million cubic meters in 2016, a decrease of 12 percent, due in part to a business divestiture in Georgia.

Emissions of organic substances to water dropped by 37 percent. This was driven primarily by removing third party waste water from our calculations at our McIntosh, Alabama, site.

BASF sites in North America initiated numerous projects to use water more efficiently. These included water protection measures that go beyond regulatory requirements, such as redundant monitoring and detection systems, and improved containment.

In one recent example at our Jackson, Mississippi, site, we installed an automatic control system that determines when process water will be discharged to the sewer. By adding flow controls monitoring how much water goes into the process water tank, we are now able to more accurately determine when the tank reaches maximum capacity. This reduces the amount of water discharged to the sewer by 45,000 gallons of water per year.

### Earning an “A” in water management

CDP, formerly known as the Carbon Disclosure Project, is an international nonprofit organization that runs a global disclosure system that enables companies, cities, states and regions to measure and manage their environmental impacts. This year, BASF received an “A” by CDP earning us recognition as a world leader in sustainable water management. Only 24 of the 607 companies evaluated received the top score. CDP’s evaluation includes how transparently companies report on their water management activities and what they do to reduce risks, such as water scarcity. CDP also assesses the extent to which product developments – even at the customers of the companies under evaluation – can contribute to sustainable water management.

<table>
<thead>
<tr>
<th>Emissions to water (total) – Nitrogen (metric tons)</th>
<th>Emissions to water (total) – Heavy metals (metric tons)</th>
<th>Water supply (total) (million cubic meters)</th>
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<tbody>
<tr>
<td><strong>USA 2016</strong></td>
<td><strong>USA 2016</strong></td>
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<td>2016</td>
<td>912</td>
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<td>2015</td>
<td>1,163</td>
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<td>2014</td>
<td>1,330</td>
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<td><strong>Geismar 2016</strong></td>
<td><strong>Geismar 2016</strong></td>
<td><strong>Geismar 2016</strong></td>
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<td>2016</td>
<td>135</td>
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<td>2015</td>
<td>226</td>
<td>1</td>
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<tr>
<td>2014</td>
<td>148</td>
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<td><strong>Freeport 2016</strong></td>
<td><strong>Freeport 2016</strong></td>
<td><strong>Freeport 2016</strong></td>
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<td>2016</td>
<td>143</td>
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<td>2015</td>
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<tr>
<td>2014</td>
<td>152</td>
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<tr>
<td><strong>USA 2016</strong></td>
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<td>2016</td>
<td>2,685</td>
<td>80</td>
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<tr>
<td>2015</td>
<td>4,263</td>
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<tr>
<td>2014</td>
<td>4,059</td>
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<tr>
<td><strong>Geismar 2016</strong></td>
<td><strong>Geismar 2016</strong></td>
<td><strong>Geismar 2016</strong></td>
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<tr>
<td>2016</td>
<td>912</td>
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<tr>
<td>2015</td>
<td>871</td>
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<tr>
<td>2014</td>
<td>1,080</td>
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<td><strong>Freeport 2016</strong></td>
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<td>2016</td>
<td>463</td>
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<td>2015</td>
<td>437</td>
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<tr>
<td>2014</td>
<td>389</td>
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Through partnerships and education, the Wildlife Habitat Council (WHC) promotes and certifies habitat conservation and management on corporate lands. For more than 14 years, BASF has partnered with the WHC on various projects. Seven of our U.S. sites currently hold WHC certification and eight more are in the process of applying. Most recently, the Florham Park site, the North America corporate headquarters, achieved WHC certification. Nearly half of the 20-acre corporate campus is undeveloped and specifically designed for wildlife. Through WHC partnerships we are transforming our commitment to wildlife and habitat stewardship into sustainable programs.
Waste management

- BASF is always looking for innovative ways to reuse and recycle materials rather than creating more waste.

We have dedicated experts that work with sites and waste management partners to evaluate how to reduce or recycle waste or reuse it as an energy source. These options take precedence before treatment and disposal are considered. Regardless of the technology used to treat and dispose of waste, BASF prioritizes the safe handling of these materials to protect the environment, including the inspection of external waste management plants. When making acquisitions, we apply the same standards for the responsible handling of landfills and contaminated sites. We develop remediation solutions in order to balance costs with nature conservation, climate protection concerns, legal requirements, and transportation volume increases.

One example of how we put this principle into action is the replacement of two coal-fired boilers at our Hannibal, Missouri, site. Prior to 2015, the boilers generated approximately 4,000 tons of coal ash residue per year and emitted particulate matter and sulfur dioxide to the atmosphere. We replaced the boilers with two new, natural gas-fired boilers. This eliminated the coal ash residue and reduced emissions of sulfur dioxide by almost 2,000 tons. Since the new boilers run more efficiently, we also cut down our greenhouse gas emissions by approximately 31,000 tons of CO$_2$ equivalents annually.
Process safety

- By reducing process safety incidents, we not only reduce risks to our employees, but also increase our production reliability.

With a strong commitment from all levels of our organization, we continually strive to learn from the past and discover new ideas that will improve our process safety programs. By using a multi-dimensional set of metrics, we evaluate the process safety of our facilities and identify improvement opportunities, starting from the time raw materials arrive at our production sites and continuing through manufacturing and transporting materials to customers. This effort includes reducing the amount of hazardous chemicals stored as inventory at our sites.

Along the way, we make sure everyone has the information they need to handle products safely. And we employ a detailed root cause analysis, and take corrective measures, if we identify process errors. The lessons we learn from such incidents are incorporated into safety training and shared through routine communication channels.

Taking immediate corrective measures

The Huntsville, Alabama, site saw a 60 percent increase in process safety incidents (PSIs) in 2015, from four to ten. An analysis identified the reason: The teams reacted to incidents rather than addressing the root causes. Following a proven evaluation methodology, which identified risks and corrective responses, in a single year the team at the site reduced PSIs by 80 percent and spills by 30 percent. Safety experts are now applying the tool used at Huntsville at other BASF manufacturing sites.

Responsible Care Management

- Complying with regulations and our standards

BASF is a member of the American Chemistry Council (ACC) in the United States and the equivalent national operations in Canada and Mexico. As ACC members we are guided by the Responsible Care® Management System (RCMS), whose objectives are to:
  - achieve compliance with regulatory and BASF requirements,
  - operate safe and environmentally sound facilities,
  - produce safe products,
  - meet Responsible Care and sustainability commitments,
  - and result in a business advantage for our partners.

By adhering to the RCMS process, we drive continuous improvement in performance and increase the efficiency and effectiveness of EHS-related activities. We regularly conduct audits to monitor our performance and progress, and update our guidelines and requirements.

For more information about the Responsible Care® Management System go to responsiblecare.americanchemistry.com
Business development
Chemistry essentials

Most people do not realize that BASF chemistry plays an important role in nearly everything they see, use and do. When you reach for a product on a store shelf, it is likely that BASF was involved somewhere along the value chain, either within the product itself or the packaging, to the vehicle that transported it to the store.

Look and feel your best

Our ingredients for shampoos and conditioners not only clean and protect your hair but also improve manageability, shine and volume. Our Care Creations™ ingredients are used in nearly every cosmetics category to meet the latest fashions and evolving lifestyle preferences. BASF has been making UV protective chemistries for many years. Our water-resistant sunscreens help to extend protection so you can enjoy your time at the beach or during active sports without frequent applications.

Feel fit and healthy

On a larger scale, for decades BASF has been involved in developing solutions to feed a growing world population. We help farmers and growers cultivate the foods you need. In addition, we provide a broad range of vitamins from A to beta-carotene, omega-3 oils and vitamin formulations used in dietary supplements, health food products and drinks.

Good nutrition applies to all members of the family, and BASF products keep dogs, cats and other pets fit and vital so you can spend many joyful years together. These products range from vitamins that help strengthen your pet’s metabolism to a product that neutralizes certain toxins found in common household mold.
When it’s time for a run, you might be more comfortable in the “Energy Boost” line from Adidas made with distinctive Infinergy® cushioning technology developed by BASF. Infinergy technology provides a foam midsole made from hundreds of tiny foam pellets that not only make the shoe comfortable to wear but also spring back into shape immediately after impact. This high-rebound effect lets runners use less energy with every step.

Superabsorbent diapers

Parents of infants and toddlers understand the importance of absorption in a diaper. BASF makes the super-absorbing polymers that trap wetness inside diapers, keeping babies dry and comfortable.

Safer Choice for a clean home

Finding cleaning and other home care products that are also sustainable should be easy. This is why the U.S. Environmental Protection Agency (EPA) developed the Safer Choice label. Products labeled as “Safer Choice” help consumers and commercial buyers identify products with safer chemical ingredients without sacrificing quality or performance. In 2016, the EPA named BASF a Safer Choice Partner of the Year award winner for its outstanding achievement in the design, manufacture, and promotion of ingredients used in a range of cleaning and other home care products that meet EPA’s Safer Choice Standard. BASF has a comprehensive portfolio of more than 50 ingredients that meet this standard – more than any other supplier.

Low temperatures, low energy, high cleaning performance

Cleaning clothes effectively at low temperatures means lower energy consumption and costs. With our new enzyme product line Lavergy™, we help manufacturers of household care products improve the effectiveness of detergents at low temperatures, meeting the demand for gentle and effective cleaning, sustainability and energy savings.
Customer collaboration for success and sustainability

Our customers are challenged to meet the complex demands of an ever-changing market and it is up to us to provide the solutions they need to succeed. As an innovation leader in the chemical industry, we collaborate with our customers to provide the products and processes to meet their goals. Not only with the products they make, but with the added benefits of improved environmental performance and sustainability.

Integrated process dramatically improves auto-paint quality

General Motors built a $560-million paint shop in Flint, Michigan, in 2016. The facility finishes heavy- and light-duty Chevrolet Silverado and GMC Sierra pickup trucks at a rate of 45 vehicles per hour. But this shop is more than just another upgraded facility. It uses an integrated process developed by BASF that eliminates a baking step from the paint line while improving finish quality.

BASF named a General Motors Supplier of the Year

BASF was named a 2016 General Motors (GM) Supplier of the Year for the twelfth time since 2002. The award winners were chosen by a global team of GM purchasing, engineering, quality, manufacturing, and logistics executives. Winners were selected based on performance criteria in product purchasing, indirect purchasing, logistics, customer care and aftersales.

In the old paint shop, GM used solvent-borne paints, which required a primer that added costs in time, energy and materials. With BASF’s new process, the primer is integrated in the basecoat layer without compromising quality. This process, and the efficient design of the facility, increases the number of vehicles GM paints by about 30 percent.

As an added benefit, when BASF performed an eco-efficiency analysis on this new system, it revealed that the integrated process reduced energy consumption and CO₂ emissions by about 20 percent compared with traditional primer-based processes.

Organic kaolin helps fruit growers

A big concern for organic-farm growers is the influx of pests, from rust mites to leaf hoppers that can devastate a harvest.

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The show-stopping result of successful collaboration

BASF teamed up with Hyundai to introduce the RN30 concept car, which generated a lot of buzz following its debut at the 2016 Paris Motor Show. The vehicle was created to offer pure driving pleasure on the race track and off. It features the latest in automotive solutions — driven by BASF.

EPA says yes to Engenia herbicide

Certain kinds of weeds threaten crops and cause growers headaches. That is where BASF’s Engenia™ herbicide comes to the rescue. In December 2016, the EPA registered the herbicide for use on crops. Engenia is effective on more than 200 broadleaf weeds in dicamba-tolerant soybeans and cotton. The product became available for use during the 2017 growing season.

BASF launches virtual university for growers

BASF makes field work easier for growers with a new online educational resource, Grow Smart University, which connects them with industry professionals and offers an extensive library of agronomic and farm management content. Grow Smart University offers videos, e-books, expert webinars, educational modules and flashcards. It covers best practices and general subjects from plant health to harvest to agribusiness issues.

BASF and HP partner to advance 3D printing

BASF teamed up with HP to offer customers new 3D-printing materials through the HP Multi Jet Fusion Open Platform. Compared to other 3D printing technologies, HP’s Multi Jet Fusion is set to accelerate large-scale production by a factor of up to ten while halving the costs. BASF’s range of products and innovative material solutions provides customers with options to produce resilient and functional parts. The two companies are working to accelerate material innovations for applications from automobiles to electronics to sports products.
Our investments are a foundation for future growth

North America represents about 26 percent of the sales of BASF Group. The region remains an attractive market due to its anticipated economic growth over the next decade, its standing as the second largest chemical market in the world, and low costs for raw material such as natural gas.

With the completion of several plants this year and ground-breaking on new projects, we are continuing our investment in this region, a foundation for future growth.

Factors influencing BASF’s investment decisions:
– proximity to customers
– availability of raw materials
– energy costs
– site infrastructure
– logistics
– production integration

Ammonia plant – joint partnership with Yara

In July 2015, BASF and Yara International formed a partnership named Yara Freeport LLC and broke ground on a world-scale ammonia plant at the BASF site in Freeport, Texas. Yara is the majority shareholder with an interest share of 68 percent and BASF owns the remaining 32 percent.

Total capital investment for the plant is estimated at $600 million, with startup targeted for late 2017. The plant will have a capacity of about 750,000 metric tons per year. Each party will off-take ammonia from the plant in accordance with its equity share. The plant will use hydrogen as a raw material, which significantly reduces capital expenditures and maintenance. Ammonia is used to produce fertilizers, industrial applications, polyamides, and polyurethanes.

Production expansions and capacity increases

BASF began engineering for a stepwise capacity increase of its methylene diphenyl diisocyanate (MDI) production facilities at the company’s Verbund site in Geismar, Louisiana. Capacity will be increased incrementally from 300,000 metric tons per year to around 600,000 metric tons per year.

In the first quarter of 2016, BASF increased its production capacities for the chemical intermediate 1,4-butenediol (BDO) by approximately 20 percent at its Verbund site in Geismar. BDO and its derivatives are used for producing plastics, solvents, electronic chemicals and elastic fibers.

BASF invested more than $270 million to expand production capacity for dicamba and dimethenamid (DMTA) at our site in Hannibal, Missouri. Both products are active ingredients used in herbicides. The additional production in Hannibal began in early 2016. The Beaumont expansion was completed in March 2017.
Our innovations drive business and sustainability

As a world innovation leader, BASF creates chemistry with top R&D universities, companies and institutions to solve pressing global challenges. In fact, we spend more on R&D than anyone else in the global chemical industry. In North America alone, 2,000 BASF scientists work at 27 R&D sites.

With approximately
850 patents
filed globally, BASF topped the Patent Asset Index in 2016 for the eighth consecutive year.

Three research platforms in North America

– Advanced Materials & Systems Research includes: developing new structural and functional materials, additives, coatings, composites as well as hybrids, multi-materials and formulations for use in numerous markets including transportation, construction, industrial coatings, cosmetics, printing, packaging and adhesives.
– Bioscience Research includes: Crop protection research, plant biotechnology, white biotechnology, and experimental toxicology and ecology for agricultural, food and industrial applications.
– Process Research & Chemical Engineering includes: heterogeneous and homogeneous catalysis, organic and inorganic synthesis, electrochemistry and battery materials research, inorganic materials, and solids and process engineering for use in various markets including transportation, energy, and emissions.

InscaLis™ insecticide provides a novel and important tool for farmers

InscaLis™ is the pioneer solution from a novel chemical class, the pyropenes, offering an alternative mode of action for the control of key insect pests and providing an essential tool to farmers for use in resistance and integrated pest management programs. InscaLis controls critical piercing and sucking insect pests such as aphids, whiteflies, psyllids, scales, and leafhoppers. It has a favorable environmental profile and low acute toxicity to important beneficial arthropods, including pollinators.

InscaLis, co-developed with the Japanese company Meiji Seika Pharma Co. Ltd., will play an integral role in BASF’s insecticide portfolio both as a solo product and as a mixing partner, and will be marketed in more than 22 countries worldwide. It will be available in several high-performing formulations to provide farmers optimal new solutions for insect control. Pending regulatory approval, first market introductions of InscaLis-based products are expected in 2018.

New catalyst helps refiners maximize margins and optimize yields

In 2016, BASF commercially launched BoroCat™, the latest evolution of its Fluid Catalytic Cracking (FCC) catalysts for the oil refining market. BoroCat is the first FCC catalyst based on BASF’s new Boron-based technology platform designed to optimize refiners’ production yields.

In commercial trials, BoroCat significantly reduced the formation of such undesired side products as coke and hydrogen in the refinery process.

Producing chemicals through natural synthesis of microorganisms

BASF has been developing white or industrial biotechnology working with companies and academia in the U.S. and globally. White biotechnology uses microorganisms and enzymes to produce chemical and biochemical products. With a better understanding of metabolisms of microorganisms and genetic engineering, which has become less expensive and faster, we analyze the most efficient and ecologically sound ways to manufacture a product. Leveraging biotechnology has proven to be an efficient route for some products, including Vitamin B2, created from yeast and fungi.

UC Davis and BASF collaborate on microencapsulation technology

BASF and the University of California, Davis (UC Davis) entered a collaborative research agreement to investigate a patent-pending microencapsulation technology. Through microencapsulation, enzymes, cells or other materials are coated to form small capsules that improve the performance of active compounds for a range of industrial, agriculture and cosmetics applications. The investigation focuses on combining multiple, energy-intensive processing steps into one, to optimize the protection and shelf-stability of biologically active compounds.

BASF and UC Davis have a long-standing relationship dating back nearly 20 years in plant sciences, food science and technology, biological and agricultural engineering and the health system. The latest collaboration combines life sciences and engineering to advance the commercial benefits of microencapsulation.
Setting a higher standard for sustainability

BASF customers expect consistent and innovative solutions, including products and processes that contribute to a more sustainable future. Being environmentally and socially responsible goes hand in hand with running a profitable business over the long term. Several business factors, such as new laws and standards and customer demands, spur the creation of sustainable products and services. Now more than ever, companies like BASF are held to a higher standard for materials that go into consumer products and the way our products are made.

But we also must go further to enhance global sustainability by helping to improve quality of life, protect natural habitats, and foster biodiversity. Ultimately, we believe BASF and our industry must be a force for change in the world.

Tyson Gersh, co-founder and president of the Michigan Urban Farming Initiative (MUFI) trims a tomato plant in the communal garden. BASF helps transform a vacant building into a multi-community space for MUFI.

New Detroit community center a model of sustainability

BASF and other local businesses are helping The Michigan Urban Farming Initiative (MUFI) transform a 3,200-square foot vacant apartment building in Detroit’s Lower North End into a multi-functional community space. The Community Center will serve as a model for sustainable development in the heart of MUFI’s urban Agrihood.

Featuring more than 30 advanced building materials and systems, the structure will become one of the most sustainable, energy-efficient buildings in Detroit. The goal is to align with the U.S. Green Building Council’s Leadership in Energy and Environmental Design (LEED) standards. Some materials could include:

- BASF’s energy-saving insulation materials, including spray foam polyurethane
- Pervious paving materials, such as BASF’s strong and durable composite Elastopave®
- Impact-reducing concrete admixtures, such as BASF’s Green Sense®
- Paints and coatings with enhanced performance and reduced impacts through innovations such as low volatile organic compounds and mildew resistance.

When complete, the new community center will be a gathering space for residents and visitors to host events and educational programs. It will also include a neighborhood café and serve as MUFI’s nonprofit headquarters.

See page 40 for more on BASF activities supporting Detroit

The power of chemistry and collaboration at GLOBE 2016

"Chemistry plays an important role in developing sustainable solutions to address global challenges," said Wayne T. Smith, Chairman and CEO of BASF Corporation, during his keynote address at GLOBE 2016.

With our commitment to corporate sustainability, BASF led discussions on the subject as a key sponsor of GLOBE 2016, held in Vancouver, Canada. The biennial GLOBE series is North America’s largest international forum on business and the environment, bringing together senior representatives from the public, private and NGO sectors. Under the conference theme “Business Innovation for the Planet,” BASF Corporation CEO Wayne Smith delivered a keynote address, underscoring how chemistry and collaboration help solve some of the world’s greatest challenges.

EPA awards BASF for cleaning ingredients

The EPA named BASF a 2016 Safer Choice Partner of the Year Award winner for its outstanding achievement in the design, manufacture, and promotion of ingredients used in cleaning and other homecare products that carry the Safer Choice label. To qualify for the label, a product must meet EPA’s Safer Choice Standard, which includes stringent human and environmental health criteria.
Sustainable Solutions Steering™

BASF assesses the sustainability contribution of BASF products in their specific application and industry, with each assigned to one of four categories (Accelerator, Performer, Transitioner, and Challenged). With this detailed evaluation of the entire portfolio and value chain, we can improve products and further integrate sustainability into our strategic, R&D and customer support processes. The goals:

– Increase the number of sustainable solutions that make customers more successful
– Reduce environmental impact along the value chain
– Improve mitigation of risks associated with sustainability

More information on Sustainable Solutions Steering: basf.com/sustainabilitymanagement

BASF helps NJ students study deer population

It started when an environmental science teacher noticed significant deer activity on the BASF property in Toms River, and envisioned a research project for his students. The 1200-acre site, which contains native forest, grasslands and wetlands, was recently awarded a conservation certification by the Wildlife Habitat Council. Students began visiting in October and will continue work throughout the school year. BASF installed motion-detecting digital cameras throughout the 1,200 acre property so students could retrieve and analyze photos and associated data for further study. Using this data, the students will establish baselines for sex ratios, activity times and population numbers and develop research questions for further study.

A high school student from Manchester Township, New Jersey, retrieves a data card from a digital camera used to track deer activity at the BASF property in Toms River.

Earth Day activities

In honor of Earth Day 2016, volunteers from BASF spent the day building new community garden beds and planting pollinator plants at BASF’s North America headquarters in Florham Park, New Jersey.

BASF employees from across North America celebrated Earth Day in April by volunteering and contributing to environmental causes. For example:

– Employees in Florham Park, New Jersey, spent the day designing and planting garden beds for an on-site community vegetable garden and pollinator flora.
– Employees from the Hannibal, Missouri, site partnered with neighbors to plant 310 trees in a local park. The tree varieties were specifically chosen to offset the mild flooding conditions that occasionally impact the area. Michigan colleagues in Wyandotte and Livonia also planted trees in the community and on their sites.
– Employees from Wyandotte, Southfield (Michigan) and Windsor (Ontario) volunteered to demonstrate hands-on chemistry experiments with over 1,000 children at the Detroit Zoo, part of the zoo’s Earth Day celebration featuring environmentally friendly activities.

Growing produce at Safeco Field – a new model

Behind the centerfield wall at Safeco Field, home of the Seattle Mariners, is a new urban garden thanks to the Mariners, Cedar Grove Compost and BASF. A model for other sports stadiums, the 450-square-foot raised garden combines sustainable farming principles with ecological landscaping and produces a variety of vegetables and herbs. The Mariners’ concessions partner will incorporate the fresh produce into menu items during the baseball season.

BASF became the Mariners’ founding sustainability partner in 2011, supporting Safeco Field’s waste diversion program, which encourages fans to compost and recycle. This effort earned BASF an ESPN Corporate Community Impact Award in 2016, which included a $25,000 grant for charity.

BASF directed the grant to the food recovery group Rock and Wrap It Up! and its Sports Wrap! project, which partners with sports arena and stadium concessions to recover unsold food for the indigent. The group also helps educators build awareness about hunger, food waste, and climate protection.
Our innovations contribute to a sustainable future. We support the United Nations in the implementation of the U.N. Sustainable Development Goals (SDGs), which create the framework for sustainable business practices at the economic, social and environmental levels.

**Production, improved production**

Greater supply security combined with more efficient and environmentally friendly production: BASF switched over its production process for the monomer acrylamide to a modern enzyme-based process. The biocatalytic production method results in energy savings, less waste and greater environmental compatibility. BASF has been producing bio-acrylamide in Suffolk, Virginia, since 2014 and started up a new bio-acrylamide plant in Bradford, England, in 2016. A third plant is being built in Asia and should start up in 2017.

**Food**

**Knowledge on a global scale**

BASF opened a new research and development center for biological crop protection and seed solutions in Limburgerhof, Germany. Together with other research sites in Brazil, Argentina, France, England, South Africa, China, Australia, the United States and Canada, Limburgerhof is part of an international network of expertise. In this network, BASF researches naturally occurring organisms and cultures and their potential use in biological crop protection. This is how we pursue our goal of supplementing our classic portfolio of chemical crop protection and offering farmers an even more comprehensive product portfolio.

**Infrastructure, Industry, Innovation**

**Driving digital transformation**

The BASF 4.0 project team is evaluating possibilities for more intensive use of digital technologies and business models. Under the banner “Smart Manufacturing,” BASF implements digital technologies and applications in its plants with the goal of making production more efficient and even safer. One Smart Manufacturing project is “Augmented Reality.” Plant employees are supported in their work with industry-specific tablet devices that provide access at any time to digital information.
**ENVIRONMENT**

**Supporting biodiversity and butterflies**

BASF employees unveiled an official monarch butterfly waystation in 2016 at the Geismar, Louisiana, site in time for the insect’s spring migration – a complement to BASF’s Living Acres program, a research initiative focused on improving monarch butterfly habitats in agricultural areas. Living Acres started at the BASF Research Farm in Holly Springs, North Carolina, to help farmers and other landowners increase biodiversity and develop best practices for establishing and maintaining milkweed plants in non-cropland areas.

The recent decline of the monarch butterfly population has been closely linked with the reduction of milkweed habitats, which monarchs need to lay their eggs and continue their reproduction cycle. The Geismar waystation is one of several located at BASF North America sites, which provide the milkweeds, nectar sources and shelter to sustain the butterflies as they migrate.

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**INNOVATION**

**Ensuring access to clean water**

The efficient use and conservation of water remain a top priority for BASF. In 2016, we donated $1 million to the Louisiana State University College of Engineering to create the BASF Sustainable Living Laboratory. A joint BASF-LSU committee selected Kevin McPeak, Ph.D. as the lab’s first researcher in residence. McPeak and his research team are developing a water disinfection system using visible light from the sun, which taps into 43 percent of the solar spectrum. In contrast, traditional solar-driven water purification methods use ultraviolet light, which takes up only five percent of the solar spectrum. This means that McPeak’s system harnesses 760 percent more energy than the traditional methods, allowing for quicker and more effective disinfection.

With this advancement, the team is developing a portable water filtration system that has the potential to provide safe drinking water to nearly one billion people in developing countries where traditional energy-intensive disinfection methods are not feasible.
The youngest ones are our future. For this reason, BASF places a high priority on educating and fostering the curiosity of mini scientists and engineers who will be responsible for building a more sustainable world and perhaps become the BASF workforce of tomorrow.

So that their natural interest in science, technology, engineering and math (STEM) subjects doesn’t wane, we’ve developed award-winning programs that make science thrilling and relevant for tens of thousands of kids across North America. Since 2010, our science education programs have reached more than 385,000 schoolchildren in grades K-12. The programs range from entertaining hands-on lessons that bring a “wow” factor to every lesson, to a creative science literacy publication and an exciting quiz bowl.

We also send out BASF volunteers to local schools every year to show kids how to conduct exciting experiments safely. And we provide financial support to schools, to help them improve or expand STEM education programs.

We are proud to be an industry leader rooted in science and igniting the interest of the next generation of innovators in training. If we help them to understand the science in the world around them, that’s great; if we inspire them to consider a career in science, that’s even better.

**Touch the Sky Award**

Together with Kids X-Press, a not-for-profit literacy organization, BASF publishes a science-themed magazine unlike any other, because it’s written entirely by kids.

In 2016, we were awarded the Kids X-Press Touch the Sky Dream Big Corporate Award, recognizing our unwavering commitment to educating children through science literacy.

**Kindling curiosity across North America**

Young students often giggle with delight during Kids’ Lab’s hands-on experiments, tailored for ages 6–12. From learning how to create clean water from a murky sample to using chemistry to make hair gel, the program shows students that chemistry is fun, important and all around us.

In 2016, more than 32,000 students participated in Kids’ Lab. Since the program began in 2010, more than 120,000 students have joined in throughout the United States, Canada and Mexico.

**Kids’ Lab in indigenous communities**

BASF Canada also joined with Cameco, one of the world’s largest uranium producers, to bring Kids’ Lab to schools in the indigenous communities of La Loche, Buffalo Narrows, Beauval and Île-à-la-Crosse. The initiative has special significance, because the children in these communities do not typically have access to programs found in larger centers.

In another first, patients at The Hospital for Sick Children (SickKids) in Toronto, took part in Kids’ Lab programs as part of National Chemistry week in Canada. They had the option of participating in-person or via the hospital’s live television show, hosted by the hospital’s “Therapeutic Clown” and Kids’ Science Coordinator and broadcast to patients’ rooms.

Also in 2016, we introduced the program in Alberta, Nunavut, Ontario, Quebec, and Saskatchewan, Canada, in partnership with Earth Rangers, which focuses on biodiversity and sustainable behaviors that help protect animals and their habitats.

**Girl Scouts honor engagement in science education**

In 2016, Kids’ Lab was honored with a Community Service Award from the Girl Scouts of lower Hudson Valley, New York. Acknowledging years of collaboration – which made a lasting impact on a generation of girls – the award specifically recognized a recent Camporee program in which 400 girls participated. Scouts created slime to experiment with polymers, and each girl earned a Kids’ Lab patch for her uniform. Additionally, the program helped the girls gain more confidence in their understanding of science and its connection to the world around them.
Science Academy for promising high school students

There’s nothing like BASF’s Science Academy, an intensive program in both chemistry and business for outstanding high school seniors who are one step away from college and, potentially, science-based careers. Graduates of the Academy, who earn three transferrable college credits, have gone on to become BASF summer interns and full-time Professional Development Program employees.

During the two-week summer program, held at Fairleigh Dickinson University in Madison, New Jersey, students use BASF chemistry to formulate their own personal care products and a go-to-market plan that they present to a panel of BASF and university experts – a rare peak at real-world challenges. In 2016, the program expanded to bring together students from the U.S., Canada, Mexico, Central America and the Caribbean.

Dr. Brian Olechnowski explains the many uses of ultraviolet spectrophotometry to Science Academy participants. The instrument is highly useful in determining the function of ingredients in sunscreen.

“It’s a wonderful experience that broadens your horizons, increases your knowledge and changes you forever.”

Anna Reed, Morris Knolls High School, Denville, New Jersey, 2016 Science Academy participant

TECH Academy for high school juniors and seniors

The Second Annual TECH Academy took place in June 2016 near BASF’s Geismar, Louisiana, facility, offering high school juniors and seniors hands-on activities that reinforce the skills needed in technical disciplines. Thirty-five participants interacted with industry professionals who provided insights into potential careers.

You Be the Chemist Challenge® for middle schoolers

There is nothing like a challenging contest to get the juices flowing. That’s what happened in 2016 for more than 3,000 students across the U.S., who participated in national and state contests of the You Be the Chemist Challenge®, which BASF sponsors nationally.
Social commitment: Helping our communities thrive

With more than 17,500 employees in North America, BASF contributes to many communities. We are a group of individuals who work hard, have fun, and care about our families, neighbors and communities.

By developing and running helpful programs, joining and supporting local organizations, forming partnerships with our friends and neighbors, or simply volunteering and making donations as individuals we help our communities thrive.

Facing up to a natural disaster

When unprecedented flooding hit Southern Louisiana in 2016, floodwaters damaged 60,000 homes, including 300 homes of BASF employees and contractors. The community was devastated.

BASF employees in Geismar came together quickly and worked tirelessly to provide much-needed relief, providing financial, psychological and emotional support, physical labor and project management help. They were supported by employees from several BASF sites who sent donated and purchased goods immediately after the disaster. To this day, the BASF team continues to help with the rebuilding effort.

“This event brought out the best in everyone and demonstrated how we live our site’s vision to value people above all else. It was one of the proudest moments in my career,” said Tom Yura, Senior Vice President and General Manager at Geismar.

In addition, BASF donated $250,000, through BASF Foundation USA, to various nonprofit organizations that assisted with flood relief and rebuilding. We also established a relief fund where employees could make charitable contributions that the company matched dollar for dollar.

Creating positive change in Detroit

In Detroit, we have shown strength in numbers for the third year in a row by helping revitalize a struggling neighborhood. Working with Life Remodeled, a local nonprofit organization, 230 employees – our largest annual volunteer initiative in Michigan – helped remove blight and beautify Denby High School, a nearby play area and the surrounding community. The goal is to create a safer, more attractive environment for the students, their families and neighbors. Along with mobilizing volunteers, BASF contributed approximately $100,000 in cash, equipment and materials for the project.

Neighbor to neighbor

Like friendly mail carriers, a group of 50 BASF employees from the Wyandotte, Michigan, facility covered a large swath of the local community to share information about safety precautions with 900 residents and business owners.

Our team provided residents and businesses with a brochure on alert notification procedures and shelter-in-place or evacuation safety instructions in the event of a community emergency. The effort was part of our Responsible Care® initiative, a voluntary program through which chemical companies improve community and employee health and safety and emergency preparedness.

See page 27 for more information on Responsible Care
Fighting hunger

September is national Hunger Action Month, as designated by Feeding America. BASF employees responded in 2016 with a harvest of good works across the country, including active participation in food drives. For example:

- McIntosh, Alabama. Employees set a goal of collecting 200 pounds of canned food for the local food bank and ended up contributing more than 500 pounds.

- Freeport, Texas. The Emerging Professionals and Friends Employee Group held its annual food drive for Brazosport Cares and collected cash donations and 250 pounds in donated food. The site’s African American Employee Group conducted a successful “fruit drive” for the Brazoria County Dream Center, getting healthy snacks to more than 200 kids served by the center. The Freeport site also partnered with the local United Way’s Emerging Leaders Society to collect enough cake mixes, frosting and pans to fill more than 140 “Birthday Cake Bags” to be given to local food pantries for children.

- Southeast Michigan. Orange was the new gold when employee volunteers across the region proudly wore the color, the national symbol of hunger relief. They spent countless hours collecting 1,000 pounds of non-perishable food items for the Gleaners Food Bank in an effort to close the hunger gap in the state. The Wyandotte and Southfield sites also donated $9,000 to Forgotten Harvest, whose mission is to relieve hunger in the Detroit metropolitan community.

BASF funds the BackPack program of the Greater Baton Rouge Food Bank, which helps low-income children at risk of missing meals in Ascension Parish, and many Geismar employees volunteer to help. When the food bank’s warehouse was flooded on August 14, the BackPack program was put on hold indefinitely. BASF donated $75,000 to reestablish the BackPack program and assist with purchasing costs. Months later, schoolchildren throughout Ascension Parish could enjoy their holidays without having to worry about being hungry.

Aiding those in need in Canada

In 2016, BASF Canada employees raised money for many worthwhile causes, from cancer research to people displaced by wildfires. BASF and Magna International, a leading global automotive supplier, rallied to make a joint $20,000 donation to Road Hockey to Conquer Cancer for the Princess Margaret Cancer Foundation. The fundraising event, held in Toronto, featured a friendly road hockey tournament and celebrity appearances. The joint donation will help support breakthrough cancer research, patient care and education programs.

In support of the more than 80,000 people displaced by wildfires in Fort McMurray, Alberta, BASF donated $10,000 to the Canadian Red Cross Alberta Fires Appeal and matched personal donations up to $1,000 per employee. BASF has manufacturing sites in Blackie and Nisku, with employees and customers living throughout the Alberta province.

Veterans support their own

A district court judge in Brazoria County, near BASF’s Freeport, Texas, site, recently established a specialty court designed to address the specific needs of military veterans. The new Veterans Court, thanks to grant funding, is helping veterans gain access to mental health services, job training and a range of social services, including mentoring. That’s when BASF’s 200-member Veterans Employee Team stepped in, providing, said the judge, “a level of hope that can make a significant difference.”

The Vets Team, which works to recruit, retain, and encourage veterans in the workforce, also raised $2,500 to help the veterans meet immediate needs like deposits for utilities or vehicle repairs.

Alliance for the Future

Starting in June 2016, Mexico and Germany began celebrating a year of activities and programs called the “Year of Germany in Mexico,” to strengthen cooperation in science, culture, education, business and tourism. BASF Mexico, Central America & Caribbean, based in Mexico City with six production sites around the country, is a premier sponsor, and employees participated in many of the activities.

Under the theme “Alliance for the Future,” the two countries organized 120 projects and more than 1,000 individual events in 13 Mexican cities, including a joint youth concert, art exhibits and business forums. BASF also hosted customer gatherings at the “Pabellón Alemán” (German Pavilion) throughout the fall and participated in a special “Made in Germany” expo where we highlighted science, technology and innovation from nine business units.
At BASF, it’s all about how we create chemistry – and nowhere is this more compelling than how we create chemistry with people. Whether you are a customer, innovation partner, neighbor, or employee, BASF builds great chemistry with you.

Our employees deliver the solutions needed to solve complex challenges facing society between now and 2050 – a world population expected to reach 10 billion, requiring 30 percent more food and consuming 50 percent more energy.

We cultivate a safe and inclusive working environment by inspiring and connecting people, fostering mutual trust and respect, and embracing diversity.

From lifelong learning and international career development opportunities to competitive benefits and compensation, we are strongly committed to growing our business on the strength of highly motivated employees and satisfied customers. We want the best talent in North America to think of BASF first when considering where to begin and develop great careers.

Perhaps the real proof can be seen in some of the employer awards BASF received in 2016, including recognition as one of Forbes’ America’s Best Employers, the Top 50 Best Places to Work by Glassdoor, a Top 50 Company for Diversity by DiversityInc., and a Top 100 Employer in Canada.

**BASF: a leading employer**
- Challenging and rewarding career opportunities worldwide
- Highly competitive benefits package
- Opportunities for employee volunteering and engagement
- A diverse, inclusive work environment
- Health and wellness programs
- An award-winning corporate culture

Find out more: basf.us/careers
linkedin.com/company/basf

**Promoting health among employees**

Our Healthy YOU program reflects our principles by promoting a balanced and healthy life. In 2016, we improved the program with new resources and tools, spurring a 20 percent increase in employee participation. In fact, more than one out of two BASF colleagues is taking steps to wellness and earning rewards through Healthy YOU.

A new component of our health initiative is Omada, a 16-week program providing participants with nutrition and exercise information, a health coach, problem-solving skills, and access to helpful tools and technology. As a result of the program, more than 400 employees have reduced their risk for diabetes and heart disease by losing an average of almost 10 pounds. The 2016 global health campaign Take it to Heart for our employees centered on heart attack and stroke prevention.

**Extended leave policies**

**BASF employees are now eligible for eight weeks of paid parental leave.**

To support fully engaged employees at home and at work, BASF made significant changes to its parental, family medical, and bereavement leave programs, effective January 1, 2017. With these changes:

- All new parents – maternal, paternal and adoptive – will be eligible for eight weeks of paid parental leave to bond with their children. For new moms, this is in addition to the typical six to eight weeks of paid maternity leave already available.
- BASF will now pay the first five days of Family Medical Leave so employees can care for a family member with a serious health condition.
- Employees will be able to take up to 10 paid days (80 hours) of bereavement leave when they suffer the loss of an immediate family member.
- Canadian employees receive a 100 percent top up of their government-provided Employment Insurance benefits from BASF for parental, family and medical leave.

**New Employee Resource Group for working parents**

In 2016, BASF launched its Parents at BASF Employee Resource Group (ERG), which connects parents to resources, support and experience-sharing opportunities. BASF has an active and highly connected network of ERGs which give our people the opportunity to deepen their connection to our business and to each other. In North America, there are also ERGs for the African-American, LGBT, Asian, Construction Women, Emerging Professionals, Latin American, Military Veteran, Offsite Employee, and Women in Business communities.

**Honoring outstanding women in manufacturing**

It is important for women entering the manufacturing workplace to have a great career. We want to get more women into leadership roles so that other women can see that they can be successful in our company.

To support this effort, we sponsored two of The Manufacturing Institute’s forums in 2016 – the fourth annual STEP Ahead Awards (Science, Technology, Engineering and Production)
in Washington, D.C., and STEP Forward, a full-day event of learning and networking for women at the University of Houston, Texas.

Promoting STEM skills

BASF also supports public policies promoting STEM (science, technology, engineering and math) education, encouraging students to enter the technical and skilled crafts pipeline, and strengthening rigorous standards for skilled technicians and engineers.

Another area of focus is supporting policies that help to employ retired military personnel, ranging from government programs that identify skilled veterans for jobs and fund training programs to initiatives promoting apprenticeships and internships.

Developing technicians and skilled labor

To address a U.S. labor market shortage of two million workers and a lack of qualified applicants in manufacturing, BASF is bringing new approaches to how we actively hire and develop the next generation of technicians and skilled labor.

Specifically, we established a workforce development strategy with which BASF talent acquisition and site ambassadors develop partnerships to recruit graduates with community colleges, work to influence public policy at the federal, state and local levels, and establish partnerships with industry groups.

Preserving Alcatraz and developing construction industry talent

How can a company help an industry develop talent for the future? One answer is to provide potential employees with relevant hands-on experience.

That’s what’s happened when the Concrete Preservation Institute (CPI), in partnership with the National Park Service, created a field school on Alcatraz Island in 2010. As the program’s founding sponsor, BASF provides materials, financial support, technical expertise and training for student participants who have worked on numerous projects on the island, most recently restoring a major staircase beneath the main cell house building.

Composed of college students and military veterans, the Alcatraz field school was created to develop future leaders and skilled workers in the construction industry, while contributing to the preservation of the country’s national cultural heritage.

“In addition to the ongoing classroom and hands-on CPI curriculum, our students benefit immensely from the guidance of the BASF restoration experts. As an industry leader, the BASF team brings invaluable practical know-how to the field school,” says Dr. Tanya Komas, the CPI’s Founding Director and CEO. “I am not aware of any other place in the world that is so well-suited for the training of construction talents.”
Occupational health and safety

High-tech drones allow for safer and less costly inspections

BASF’s Geismar and Freeport sites started using drones to inspect and evaluate flares and steam distribution systems. Engineers can now assess the situation without risk to employees who, in the past, had to climb scaffolding to inspect these areas.

Reducing exposure to higher risk processes, practices and materials is crucial to ensure the safety of our employees and contractors. BASF strives to recognize and control exposures in all areas of its business, from unsafe conditions to at-risk behaviors that may cause injuries.

In 2016, BASF recorded a lost time injury rate for employees of 0.8 injuries per million working hours, down from 0.9 in 2015. The lost time injury rate for contractors working at BASF North America sites increased slightly from 0.3 to 0.5 injuries per million working hours. Our Contractor Safety Steering Team seeks to hire contractors with high safety standards and provide them with the support they need to operate safely at BASF facilities.

Four years ago, BASF implemented an Exposure Reduction Program (ERP) for employees and contractors to ensure they have the skills to positively impact personal safety, process safety and environmental compliance. Employees and supervisors receive coaching on how to adjust behaviors and reduce exposures to hazards. The program encourages employees to speak up and help determine a safer approach when they see a colleague demonstrating at-risk behavior.

Through 2016, BASF safety experts trained more than 70 sites and 15 business units in North America in the Exposure Reduction Process, and more than 20,000 peer-to-peer observations occurred. More than 1,600 leaders honed their skills in safety leadership development activities to strengthen their commitment to safety in the workplace.

Our worldwide standards for occupational medicine and health protection are specified in a directive that is implemented by a global network of experts. Our global health management serves to promote and maintain the health and productivity of our employees.

We measure our performance in health protection using the Health Performance Index (HPI). The HPI comprises five components: recognized occupational diseases, medical emergency drills, first aid, 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 0.96, we were once again able to fulfill the ambitious goal of exceeding 0.9 each year (2015: 0.97).

For more on occupational medicine, health promotion campaigns and the HPI, see basf.com/health

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Selected awards and recognition

**Dow Jones Sustainability World Index (DJSI World)**
BASF is included in the DJSI World for the 16th consecutive year.

**Climate Disclosure Leadership Index (CDLI)**
BASF is among the leading companies reporting on climate protection and water.

**General Motors Supplier of the Year**
BASF received the award 12 times since 2002.

**Environmental Protection Agency 2016 Safer Choice Partner of the Year Award**
Recognized for achievements in the design, manufacture, and promotion of ingredients used in cleaning and other household products that carry the Safer Choice label.

**Glassdoor Best Places to Work 2017 Employees Choice Award**
BASF is ranked 41 among Top Large employers based on feedback provided voluntarily by company employees.

**Among Canada’s Top 100 Employers**
Mediacorp Canada Inc. cited BASF Canada for employee development programs and commitment to fostering an inclusive, innovative and family-friendly workplace.

**A Top 50 Company for Diversity**
We are among the “Top 50 Companies for Diversity,” as recognized by DiversityInc, for the fourth year in a row.

**One of best places to work for lesbian, gay, bisexual and transgender**
BASF has been named one of the “Best Places to Work for LGBT Equality” by the Human Rights Campaign (HRC) Foundation.

**Top 50 Employer for Equal Opportunity**

**Work-Life Progress Seal of Distinction**
WorldatWork’s Alliance for Work-Life Progress recognized BASF with its 2016 Seal of Distinction.
Further information

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Silence as we know it measures at 30 decibels. The experience of PSAD Synthetic Desert III, on display through August 2, 2017, at the Guggenheim Museum in New York City, measures in the range of 10–15 decibels – so quiet it’s possible to hear your own heartbeat. Conceived by artist Doug Wheeler and sponsored by BASF, the installation’s sound-deadening properties are partly enabled by BASF’s Basotect, a sound-absorbing material that was used to make the more than 400 pyramids and 600 wedges covering the exhibit’s floor, walls and ceiling. In addition to its high sound-absorbing capacities, Basotect can also be shaped into almost any form – empowering and inspiring architects, designers, sound engineers, and more to create spaces that have proper acoustics, while also being aesthetically pleasing.

For more information on BASF in North America, visit basf.us, basf.com.mx or basf.ca

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Meet our co-worker Friedrich. He started his career at the BASF Verbund site in Geismar in December 2016 and has since then traveled to dozens of BASF sites across North America. You can follow Friedrich’s voyage on BASF’s Instagram, Facebook and Twitter channels, #followfriedrich.
Further information
You can find this publication on the internet at basf.us/reports

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