Gender Pay Gap Report
BASF plc, 2017

This report shows our commitment to be transparent on our pay strategy and to provide a competitive salary package for all existing and potential employees.
The Best Team

BASF is committed to create chemistry for a sustainable future. As the world’s leading chemical company, we combine economic success with environmental protection and social responsibility. It’s our 114,000 employees in the BASF Group who work on contributing to the success of our customers in nearly all sectors, in almost every country in the world.

From our corporate strategy, BASF has devised the ‘The Best Team’ strategy. Truly we want to have the best team. To do this, we cultivate a working environment that inspires and connects people. Our focus is on excellent leaders, an excellent place to work and excellent people. We strive to attract and retain talented people and support them in their development.

In the UK and Ireland region, we employ around 1400 people across 16 sites, 10 of which are manufacturing units. (1165 people are employed in BASF plc.)

Reporting on Gender Pay

Under new legislation that came into force in April 2017, UK employers with over 250 people in a single legal entity must calculate and publish their gender pay and bonus gaps as they are on 5 April each year. The gender pay gap measures the difference between the average earnings of male and female employees and is expressed as a percentage of male employees’ pay.

At BASF plc the gender pay gap is currently 5.4%, which is well below the overall UK gender pay gap rate of 18.4%* (*for all employees in 2016, as reported by Office of National Statistics 26 October 2017)

Performance Pay Framework

Everyone has a part to play in contributing to the success of BASF and we believe it is important that employees are rewarded fairly. We pride ourselves that at BASF we have a standard and transparent performance pay framework which ensures internal equity and external competitiveness. The framework’s principles are – **Position**: a job evaluation methodology which determines the grade of all job positions, having the same target variable pay (bonus) level; **Market**: where external market data is used as a reference for the internal salary structure ensuring our salaries are in line with what is being paid in the market; and **Performance**: the target variable pay (bonus) paid out is adjusted by factors relating to the performance of each employee and of BASF.

Commitment to equal benefits and opportunities

“We are committed to providing the same benefits and development opportunities to all employees regardless of gender. We operate a compensation system where variable pay (bonus) is part of the compensation system for all employees regardless of their role within the organization. All jobs in the same grade have the same target variable pay (bonus) – but this is pro-rated for employees working part time. The actual amount of bonus each employee receives is based on their performance and that of the Company in the performance year.” - Karen Harper, Head of HR, UK and Ireland.

Diversity of roles

There is a diversity of roles across BASF plc. As a company with a strong manufacturing base, we currently have a predominantly male workforce, many of which work shifts. When we compare the differences in pay, there are two key points to note: 1. there are additional supplements which make up ‘ordinary pay’ that is paid to shift workers; 2. the actual variable pay (bonus) is made on a pro-rated basis for part time employees.
Our Gender Pay Results

Pay
(Salary plus additional supplements i.e. shift received between 6 April 2016 and 5 April 2017)

The mean gender pay gap comparing ordinary pay
Mean of ORDINARY Hourly Pay 5.8% Difference

The median gender pay gap comparing ordinary pay
Median of ORDINARY Hourly Pay 5.4% Difference

Bonus
(Bonus + similar awards received between 6 April 2016 and 5 April 2017)

The mean bonus gender pay gap comparing actual bonus paid
Mean of ACTUAL BONUS PAID 6.8% Difference

The median bonus gender pay gap comparing actual bonus paid
Median of ACTUAL BONUS PAID - 45.2% Difference

The proportion of male and female employees who received a bonus

90.9% 87.7%

General workforce overview

- The BASF plc workforce is 77.5% male and 22.5% female.
- 25% of our female employees work reduced hours. 0.45% of our male employees work reduced hours.
- 31.03% of our employees work shifts. 96.16% of shift workers are male.
- The average standard contracted hours for females is 33.8 and for males it is 37.

Quartile Ranges
(The proportion of male and female in each of the four quartiles pay bands who ranked in order of ordinary pay)

Lower Quartile
Male 69%  Female 31%

Lower Middle Quartile
Male 77%  Female 23%

Upper Middle Quartile
Male 83%  Female 17%

Upper Quartile
Male 82%  Female 18%

All UK employees
Male 77.5%  Female 22.5%