

First Supplement
to the Debt Issuance Program Prospectus
Dated September 11, 2018 (the "Prospectus")

Dated February 27, 2019



BASF SE
BASF Finance Europe N.V.

Euro 20,000,000,000
Debt Issuance Program
(the "Program")

First supplement dated February 27, 2019 to the two base prospectuses of BASF SE and BASF Finance Europe N.V. in respect of the Program dated September 11, 2018 (together the "**Supplemented Prospectus**") pursuant to Art. 16 (1) of Directive 2003/71/EC of the European Parliament and of the Council of November 4, 2003, as amended (the "**Prospectus Directive**") and Art. 13 (1) of the Luxembourg act relating to prospectuses for securities (*Loi relative aux prospectus pour valeurs mobilières*; hereinafter the "**Luxembourg Prospectus Act**") (the "**First Supplement**").

This First Supplement is supplemental to, and should only be distributed in connection with and only be read in conjunction with the Prospectus, pertaining to the Program. Therefore, with respect to future issues under the Program, references in the Final Terms to the Prospectus are to be read as references to the Prospectus as supplemented by the First Supplement.

Each Issuer has requested the *Commission de Surveillance du Secteur Financier of the Grand Duchy of Luxembourg* (the "**CSSF**") in its capacity as competent authority under the Luxembourg Prospectus Act to provide the competent authorities in the United Kingdom of Great Britain and Northern Ireland, the Republic of Ireland, the Republic of Austria, the Federal Republic of Germany and The Netherlands with a certificate of approval attesting that this First Supplement has been drawn up in accordance with the Luxembourg Prospectus Act (the "**Notification**"). Each Issuer may request the CSSF to provide competent authorities in additional host Member States within the European Economic Area with a Notification.

This First Supplement as well as the Prospectus (including the documents incorporated by reference) will be published in electronic form on the website of the Luxembourg Stock Exchange (www.bourse.lu) and on the website of BASF Group (www.basf.com).

I. GENERAL INFORMATION

BASF SE ("**BASF**" or the "**Guarantor**", together with its consolidated group companies, the "**BASF Group**") with its registered office in Ludwigshafen am Rhein, Germany and BASF Finance Europe N.V. ("**BASF Finance**") with its registered office in Arnhem, The Netherlands (herein each also called an "**Issuer**" and together the "**Issuers**") are solely responsible for the information given in this First Supplement.

Each Issuer hereby declares that, having taken all reasonable care to ensure that such is the case, the information contained in this First Supplement for which they are responsible is, to the best of their knowledge, in accordance with the facts and contains no omission likely to affect its import.

Terms defined or otherwise attributed meanings in the Prospectus shall have the same meaning in this First Supplement.

To the extent that there is any inconsistency between any statement in this First Supplement and any other statement in or incorporated by reference into the Supplemented Prospectus prior to the date of this First Supplement, the statements in this First Supplement will prevail.

Save as disclosed in this First Supplement, there has been no other significant new factor, material mistake or material inaccuracy relating to information included in the Supplemented Prospectus which is capable of affecting the assessment of Notes issued under the Program since the publication of the Prospectus.

Each Issuer has confirmed to the Dealers that the Supplemented Prospectus as supplemented by this First Supplement contains all information with regard to the Issuers and the Notes which is material in the context of the Program and the issue and offering of Notes thereunder, the information contained therein with respect to the Issuers and the Notes is accurate in all material respects and is not misleading, the opinions and intentions expressed therein with respect to the Issuers and the Notes are honestly held, there are no other facts with respect to the Issuers or the Notes the omission of which would make the Supplemented Prospectus as supplemented by this First Supplement misleading in any material respect, and that all reasonable enquiries have been made to ascertain all facts and to verify the accuracy of all statements contained therein.

No person has been authorized to give any information which is not contained in or not consistent with the Supplemented Prospectus as supplemented by this First Supplement or any other document entered into in relation to the Program or any information supplied by any Issuer or such other information as in the public domain and, if given or made, such information must not be relied upon as having been authorized by the Issuers, the Dealers or any of them.

To the extent permitted by the laws of any relevant jurisdiction, neither the Arranger nor any Dealer nor any other person mentioned in the Supplemented Prospectus as supplemented by this First Supplement, excluding the Issuers, is responsible for the information contained in the Supplemented Prospectus as supplemented by this First Supplement as completed by any Final Terms or any other document incorporated therein by reference, and accordingly, and to the extent permitted by the laws of any relevant jurisdiction, none of these persons accepts any responsibility for the accuracy and completeness of the information contained in any of these documents.

In accordance with Article 13 (2) of the Luxembourg Prospectus Act, where the Prospectus relates to an offer to the public, investors who have – prior to the publication of this First Supplement – already agreed to purchase or subscribe for Notes to be issued under this Program shall have the right, exercisable within a time limit of two working days after the publication of the First Supplement, to withdraw their acceptances provided that the new factor, mistake or inaccuracy arose before the final closing of the offer to the public and the delivery of the Notes. A withdrawal, if any, of an order must be communicated in writing to the relevant Issuer at its registered office, specified in the address list of the Prospectus on page 210. The final date of the right to withdrawal shall be March 1, 2019.

II. AMENDMENTS TO PROSPECTUS

1. Supplemental and replacement information pertaining to the SUMMARY

The following shall supplement the second table and shall replace the two paragraphs below the second table in section B.12 – [Issuer] [Guarantor] – on p. 8 of the Supplemented Prospectus:

"B.12	Selected historical key financial information	
		January 1, 2018 – December 31, 2018
		January 1, 2017 – December 31, 2017*
		million EUR
	Sales	62,675
	Income from operations before depreciation and amortization (EBITDA)	9,166
	Income from operations (EBIT)	6,033
	Net income	4,707
	Cash provided by operating activities	7,939
		December 31, 2018
		December 31, 2017
		million EUR
	Total assets	86,556
	Stockholders' equity	36,109
	Noncurrent liabilities	27,118
	Current liabilities	23,329
	Material adverse change in the prospects of the Issuer	There has been no material adverse change in the prospects of BASF Group since the date of the last published audited financial statements as of December 31, 2018.
	Significant change in the financial and trading position	Not applicable. There has been no significant change in the financial or trading position of BASF Group since December 31, 2018."

* Figures for 2017 were restated with the presentation of the oil and gas activities as discontinued operations.

The following shall be inserted in section B.13 – [Issuer] [Guarantor] – after the third paragraph on p. 9 et seq. of the Supplemented Prospectus:

"B.13	Recent events	<p>On February 26, 2019 BASF announced to start the divestment process for its global pigments business.</p> <p>On January 31, 2019 BASF and Solenis have completed the transfer of BASF's paper wet-end and water chemicals business to Solenis as announced in May 2018.</p> <p>On January 18, 2019, the EU Commission has granted conditional clearance for BASF to acquire Solvay's polyamide business.</p> <p>BASF SE and Adani Group have signed a Memorandum of Understanding (MoU) on January 17, 2019 to evaluate a major joint investment in the acrylics value chain.</p> <p>On January 9, 2019 Martin Brudermüller, Chairman of the Board of Executive Directors, BASF SE, and Lin Shaochun, Vice Governor of Guangdong Province, signed a Framework Agreement in Ludwigshafen setting out further details of BASF's plan to establish a new smart Verbund site in Guangdong, China.</p> <p>October 29, 2018 – BASF and SINOPEC have signed a Memorandum of Understanding (MoU) in Beijing to further strengthen their partnership in upstream and downstream chemical production in China.</p> <p>BASF and LetterOne signed a definitive transaction agreement on September 27, 2018 to merge their respective oil and gas businesses in a joint venture, which will operate under the name Wintershall DEA.</p>
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2. Supplemental and replacement information pertaining to the GERMAN TRANSLATION OF THE SUMMARY

The following shall supplement the second table and shall replace the two paragraphs below the second table in section B.12 – [Emittentin] [Garantin] – on p. 21 of the Prospectus:

"B.12	Ausgewählte wesentliche historische Finanzinformationen	
	1. Januar 2018 – 31. Dezember 2018	1. Januar 2017 – 31. Dezember 2017*
	Millionen EUR	
Umsatz	62.675	61.223
Ergebnis der Betriebstätigkeit vor Abschreibungen (EBITDA)	9.166	10.765
Ergebnis der Betriebstätigkeit (EBIT)	6.033	7.587
Jahresüberschuss	4.707	6.078
Cashflow aus betrieblicher Tätigkeit	7.939	8.785
	31. Dezember 2018	31. Dezember 2017
	Millionen EUR	
Gesamtvermögen	86.556	78.768
Eigenkapital	36.109	34.756
Langfristiges Fremdkapital	27.118	29.132
Kurzfristiges Fremdkapital	23.329	14.880
Wesentliche Verslechterung der Aussichten des Emittenten	Der Geschäftsausblick von der BASF Gruppe hat sich seit dem letzten veröffentlichten und geprüften Abschluss vom 31. Dezember 2018 nicht wesentlich negativ verändert.	
Signifikante Veränderungen in der Finanz- bzw. Handelsposition	Nicht anwendbar. Seit dem 30. Dezember 2018 hat es keine signifikanten Änderungen der Finanz- bzw. Handelsposition von der BASF Gruppe gegeben."	

* Mit dem Ausweis der Öl- und Gas-Aktivitäten als nicht fortgeführtes Geschäft wurden die Werte für das Jahr 2017 angepasst.

The following shall be inserted in section B.13 – [Emittentin] [Garantin] – on p. 22 et seq. of the Supplemented Prospectus:

"B.13	Letzte Ereignisse	<p>Am 26. Februar 2019 begann BASF mit der Veräußerung des globalen Pigmentgeschäfts.</p> <p>Nach erfolgter Zustimmung aller zuständigen Behörden haben BASF und Solenis den im Mai 2018 angekündigten Transfer des Geschäfts für Wet-End Papier- und Wasserchemikalien der BASF an Solenis am 31. Januar 2019 abgeschlossen.</p> <p>Am 18. Januar 2019 hat die die EU-Kommission die Übernahme des Polyamidgeschäfts von Solvay durch BASF unter Auflagen genehmigt.</p> <p>Am 17. Januar 2019 haben BASF und die Adani-Gruppe eine Absichtserklärung zur Prüfung einer gemeinsamen Großinvestition im Bereich der Acryl-Wertschöpfungskette unterzeichnet.</p> <p>Am 09. Januar 2019 haben BASF und der stellvertretende Gouverneur der Provinz Guangdong, Lin Shaochun, eine detailliertere Rahmenvereinbarung für die geplante Errichtung eines neuen BASF-Verbundstandorts im südchinesischen Guangdong unterzeichnet.</p> <p>29. Oktober 2018 – BASF und SINOPEC haben in Peking eine Absichtserklärung unterzeichnet, um ihre Partnerschaft in der Upstream- und Downstream-Produktion chemischer Produkte in China zu stärken.</p> <p>Am 27. September 2018 haben BASF und LetterOne eine verbindliche Vereinbarung zum Zusammenschluss ihrer jeweiligen Öl- und Gasgeschäfte unterzeichnet.</p>
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3. Supplemental and replacement information pertaining to the section BASF SE AS ISSUER AND GUARANTOR

The following shall replace the first paragraph on p. 47 of the Supplemented Prospectus under the heading "STATUTORY AUDITORS":

"The following selected financial data for the years 2018 and 2017 are excerpted from the Consolidated Financial Statements of BASF Group, which have been audited by KPMG AG Wirtschaftsprüfungsgesellschaft ("**KPMG**"), THE SQUAIRE, Am Flughafen, 60549 Frankfurt am Main, Germany, as the independent registered public accounting firm for BASF and for which unqualified auditor's reports have been issued in each case, and from the unaudited consolidated quarterly financial statements of BASF Group as of June 30, 2018. KPMG is a member of the Chamber of Public Accountants (*Wirtschaftsprüferkammer, Körperschaft des öffentlichen Rechts*). Starting from January 1, 2004, the accounting and reporting of the BASF Group is performed according to International Financial Reporting Standards ("**IFRS**").

For further information, please see Note 1 of the Consolidated Financial Statements 2018 incorporated by reference into this Prospectus."

The following shall supplement the second table on p. 47 of the Supplemented Prospectus under the heading "SELECTED FINANCIAL INFORMATION":

"

	January 1, 2018 – December 31, 2018	January 1, 2017 – December 31, 2017*
	million EUR	
Sales	62,675	61,223
Income from operations before depreciation and amortization (EBITDA)	9,166	10,765
Income from operations (EBIT)	6,033	7,587
Net income	4,707	6,078
Cash provided by operating activities	7,939	8,785
	December 31, 2018	December 31, 2017
	million EUR	
Total assets	86,556	78,768
Stockholders' equity	36,109	34,756
Noncurrent liabilities	27,118	29,132
Current liabilities	23,329	14,880

- 1 "EBITDA" is defined as income from operations before interest, taxes, depreciation and amortization. Depreciation and amortization includes amortization and depreciation of, and valuation allowances (impairments and write-ups) on intangible assets and property, plant and equipment.
- 2 "EBIT" is defined as income from operations before interest and taxes."

* Figures for 2017 were restated with the presentation of the oil and gas activities as discontinued operations.

The following shall be added to section "ALTERNATIVE PERFORMANCE MEASURES (APM)" on p. 48 of the Supplemented Prospectus:

"The values for the respective APM for the third quarter 2018 are shown on page 50 of the annual report 2018. The values for the respective APM for the full Year 2018 and 2017 are shown below."

Income from operations (EBIT) before special items (million EUR)

	January 1, 2018 – December 31, 2018	January 1, 2017 – December 31, 2017**
Income from operations (EBIT)	6,033	7,587
Special items	(320)	(58)

EBIT before special items

6,353

7,645

Income from operations before depreciation and amortization (EBITDA) (million EUR)

	January 1, 2018 – December 31, 2018	January 1, 2017 – December 31, 2017**
Income from operations (EBIT)	6,033	7,587
Depreciation and amortization*	3,133	3,178
EBITDA	9,166	10,765

* Amortization of intangible assets and depreciation of property, plant and equipment (including impairments and reversals of impairments) excluding depreciation and amortization attributable to the discontinued oil and gas business

** Figures for 2017 were restated with the presentation of the oil and gas activities as discontinued operations.

The following shall be added to the section "HISTORICAL FINANCIAL INFORMATION" on p. 49 of the Supplemented Prospectus:

"The audited consolidated financial statements of BASF Group for the fiscal year ending on December 31, 2018 and the auditors' report thereon, together contained in the BASF Report 2018 on pages 170-269, are incorporated by reference into this Prospectus."

The following shall be added to the section "Acquisitions/Divestures" on p. 50 of the Supplemented Prospectus:

"

- On September 27, 2018, BASF and LetterOne signed a definitive transaction agreement to merge their respective oil and gas businesses in a joint venture, which will operate under the name Wintershall DEA. Closing of the transaction is expected in the first half of 2019, subject to approvals of merger control and foreign investment authorities as well as mining authorities and the German Federal Network Agency.
- October 29, 2018 – BASF and SINOPEC have signed a Memorandum of Understanding (MoU) in Beijing to further strengthen their partnership in upstream and downstream chemical production in China. The partners intend to build an additional steam cracker and to further expand their existing 50:50 joint venture, BASF-YPC Company, Limited (BASF-YPC). Additionally, the two companies will jointly explore new business opportunities in China's fast-growing battery materials market.
- On January 9, 2019, Martin Brudermüller, Chairman of the Board of Executive Directors, BASF SE, and Lin Shaochun, Vice Governor of Guangdong Province, signed a Framework Agreement in Ludwigshafen setting out further details of BASF's plan to establish a new Verbund site in Guangdong, China. Following the signing of the Memorandum of Understanding in July 2018, BASF has selected the city of Zhanjiang as the location for its second Verbund site in China. The total investment is estimated to reach up to \$10 billion and will be implemented in phases. The project will include a wholly-owned steam cracker with a planned capacity of 1 million metric tons of ethylene per year and several plants for consumer-oriented products and solutions.
- On January 17, 2019, BASF SE and Adani Group have signed a Memorandum of Understanding (MoU) evaluate a major joint investment in the acrylics value chain. The designated site would be located at Mundra port in Gujarat, India. A feasibility study will be completed by the end of 2019. According to the MoU, BASF and Adani want to establish a joint venture with an investment totaling about €2 billion, in which BASF will hold the majority.

- On January 18, 2019, the EU Commission has granted conditional clearance for BASF to acquire Solvay's polyamide business. Closing is expected in the second half of 2019 after all remaining closing conditions have been fulfilled, including the sale of a remedy package to a third party. The divestment process started in Q4 2018.
- On January 31, 2019, BASF and Solenis have completed the transfer of BASF's paper wet-end and water chemicals business to Solenis as announced in May 2018. Effective February 1, 2019, the combined business will operate under the Solenis name and offer increased sales, service and production capabilities across the globe.
- On February 26, 2019, BASF announced to start the divestment process for its global pigments business. The divestment process starts immediately and is targeted to be completed by the end of 2020 at the latest. "

The following shall supplement the first table and the second table under "Capitalization and financial indebtedness" on p. 53 et seq. of the Supplemented Prospectus:

"The following table sets forth the consolidated capitalization of BASF Group as of December 31, 2018 and December 31, 2017:

Stockholders' equity and liabilities (million EUR)		
	December 31, 2018	December 31, 2017
Stockholders' equity		
Subscribed capital	1,176	1,176
Capital reserves	3,118	3,117
Retained earnings	36,699	34,826
Other comprehensive income	(5,939)	(5,282)
Noncontrolling Interests	1,055	919
	36,109	34,756
Noncurrent liabilities		
Provisions for pensions and similar obligations	7,434	6,293
Other provisions	1,860	3,478
Deferred taxes	1,787	2,731
Financial indebtedness	15,332	15,535
Other liabilities	705	1,095
	27,118	29,132
Current liabilities		
Accounts payable, trade	5,122	4,971
Provisions	3,252	3,229
Tax liabilities	695	1,119
Financial indebtedness	5,509	2,497
Other liabilities	2,998	3,064
Liabilities of disposal groups	5,753	-
	23,329	14,880
Total stockholders' equity and liabilities	86,556	78,768

Contingent liabilities (million EUR)	December 31, 2018
Bills of exchange	7
Guarantees	75
Warranties	50
Collateral granted on behalf of third-party liabilities	1
Total	133

Consolidated statement of comprehensive income

Income and expense item (million EUR)		
	December 31, 2018	December 31, 2017
Income after taxes	4,979	6,352
Remeasurements for defined benefit plans	(977)	1,064
Deferred taxes on nonreclassifiable gains/losses	235	(320)
Nonclassifiable gains/losses after taxes from equity-accounted investments	(3)	9
Nonreclassifiable gains/losses	(745)	753
Unrealized gains/losses from fair value changes in securities measured through other comprehensive income	1	6
Reclassifications of realized gains/losses recognized in the income statement	-	-
Fair value changes in securities measured through other comprehensive income, net	1	6
Unrealized gains/losses from future cash flow hedges	23	(48)
Reclassifications of realized gains/losses recognized in the income statement	(48)	99
Fair value changes in options designated as cash flow hedges, net	(25)	51
Unrealized gains/losses from currency translation	194	(2,051)
Deferred taxes on reclassifiable gains/losses	9	12
Reclassifiable gains/losses after taxes from equity-accounted investments	(20)	(126)
Reclassifiable gains/losses	159	(2,108)

Income and expense item (million EUR)		
	December 31, 2018	December 31, 2017
Other comprehensive income after taxes	(586)	(1,355)
Comprehensive income	4,393	4,997

The following shall replace the table that shows the current members of BASF's Board of Executive Directors and the first paragraph prior to that table on p. 57 et seq. of the Supplemented Prospectus:

“The number of members of the Board of Executive Directors is determined by the Supervisory Board, subject to a minimum of two members. As of the date of this supplemented Prospectus, BASF's Board of Executive Directors has seven members.”

Name	Main area of responsibility	Membership on supervisory and advisory boards
Dr. Martin Bruder Müller	Chairman of the Board of Executive Directors and Chief Technology Officer, Ressort I, Legal, Taxes, Insurance & Intellectual Property; Corporate Development; Corporate Communications & Government Relations; Senior Executive Human Resources; Investor Relations; Compliance; Corporate Technology & Operational Excellence; Innovation Management	
Michael Heinz ¹	Industrial Relations Director, Ressort II, Engineering & Technical Expertise; Environmental Protection, Health & Safety; European Site & Verbund Management; Human Resources	Chairman of the Administrative Council of BASF Antwerpen N.V.
Dr. Hans-Ulrich Engel	Vice Chairman of the Board of Executive Directors and Chief Financial Officer, Ressort III, Catalysts; Coatings; Oil & Gas; Finance; Procurement & Supply Chain Services; Digitalization & Information Services; Corporate Controlling; Corporate Audit	Chairman of the Supervisory Board of Wintershall AG and Wintershall Holding GmbH, Member of the Shareholders' Committee of Nord Stream AG
Dr. Markus Kamieth	Ressort IV, Care Chemicals; Dispersions & Pigments; Nutrition & Health; Performance Chemicals; Advanced Materials & Systems Research; BASF New Business; Region South America	
Saori Dubourg	Ressort V, Agricultural Solutions; Construction Chemicals; Bioscience Research; Region Europe	
Sanjeev Gandhi	Ressort VI, headquartered in Asia, Intermediates; Petrochemicals; Greater China & Functions Asia Pacific; South & East Asia, ASEAN & Australia / New Zealand	

¹ On October 24, 2018, the Supervisory Board of BASF SE extended the appointment of BASF Board Member Michael Heinz until the end of the Annual Shareholders' Meeting in 2024. The appointment was originally scheduled to expire in 2019.

Wayne T. Smith Ressort VII, headquartered in North America, Monomers; Performance Materials; Process Research & Chemical Engineering; Market & Business Development, Site & Verbund Management North America; Regional Functions & Country Platforms North America

The following shall replace the first paragraph of section "Organization of BASF Group" on p. 63 of the Supplemented Prospectus:

"Until December 31, 2018, BASF'S portfolio was arranged into four segments: Chemicals, Performance Products, Functional Materials & Solutions and Agricultural Solutions.² Since January 1, 2019, BASF's activities have been grouped into six segments: Chemicals, Materials, Industrial Solutions, Surface Technologies, Nutrition & Care and Agricultural Solutions. BASF's divisions bear operational responsibility and are organized according to sectors or products. They manage BASF's 54 global and regional business units and develop strategies for the 86 strategic business units.³"

The following shall replace the section "BASF Group strategy" on p. 63 of the Supplemented Prospectus:

"BASF's aspiration is to be the world's leading chemical company. With BASF's updated corporate strategy, which was announced in November 2018, BASF is targeting profitable growth. BASF aims to grow organically and thus will strengthen its customer focus. The Asian market plays an important role in BASF's growth strategy. With a share of more than 40%, China is already the largest chemical market and drives the growth of global chemical production. By 2030, China's share will increase to nearly 50%, and BASF wants to participate in this growth. To drive forward BASF's growth in this market, BASF plans to build an integrated Verbund site in Zhanjiang in the southern Chinese province of Guangdong. BASF also wants to expand its existing joint venture with Sinopec in Nanjing.

New Targets from 2019 onwards

BASF wants to grow faster than the market and thus be economically successful and profitable. Furthermore, BASF wants to provide answers to the most pressing challenges of its time. To combat climate change and global warming, BASF has committed itself to growing production volumes without adding further CO2 emissions until 2030. This means BASF will decouple greenhouse gas emissions from organic growth. BASF has also defined targets for a sustainable product portfolio, responsible procurement and engaged employees. Safety for people and the environment, inclusion of diversity and water management will remain a top priority.

The new targets will apply from 2019 onward and will replace BASF's previous goals. In this way, BASF wants to steer its business into a sustainable future and, at the same time, contribute to the implementation of the United Nations' Sustainable Development Goals (SDGs).

Financial targets

- Grow sales volumes faster than global chemical production every year
- Increase EBITDA before special items by 3% to 5% per year

² Excluding the oil and gas activities presented as discontinued operations

³ Excluding the oil and gas activities presented as discontinued operations

- Achieve a return on capital employed (ROCE)⁴ considerably above the cost of capital percentage every year
- Increase the dividend per share every year based on a strong free cash flow

Nonfinancial targets

- Grow CO₂-neutrally until 2030
- Achieve €22 billion in Accelerator sales⁵ by 2025
- Cover 90% of BASF's relevant spend⁶ with sustainability evaluations, and have 80% of BASF's suppliers improve their sustainability performance upon re-evaluation
- More than 80% of BASF's employees feel that at BASF, they can thrive and perform at their best

Existing nonfinancial targets

- Reduce the worldwide lost-time injury rate per 200,000 working hours to ≤0.1 by 2025
- Reduce worldwide process safety incidents per 200,000 working hours to ≤0.1 by 2025
- Introduce sustainable water management at all production sites in water stress areas and at all Verbund sites by 2030
- Increase the proportion of women in leadership positions with disciplinary responsibility to 22–24% by 2021

BASF's strategic action areas

BASF has defined six strategic action areas through which it will sharpen its customer focus.⁷

Innovation

BASF ambition is to be the most attractive partner for its customers whenever they are confronted with challenges that can be approached with chemistry. BASF research and development competences are unique in the chemical industry. BASF aims to build on and leverage its position as a leading innovator to jointly develop innovations for its customers. BASF will design its innovation chain to be as seamless as possible so that BASF can bring products to the market more quickly. This means fostering a higher level of excellence throughout the entire innovation process, starting from the lab all the way to the customer. For more information on innovation, see page 31 onward of the annual report 2018.

Sustainability

BASF is successful in the long term when its products, solutions and technologies add value to the environment, society and the economy. BASF wants to be a thought leader in sustainability and increase the relevance of sustainability in its decision-making processes and business models. This secures the long-term success of the company, creates business opportunities and establishes us as a key partner supporting its customers. For more information on the integration of sustainability, see page 36 onward of the annual report 2018.

Operations

BASF is committed to running its production safely, efficiently and reliably so that BASF can deliver products to its customers on spec and on time. BASF aims to further improve the reliability and availability of its plants, as well as its agility. Above and beyond this, continuous process improvements and effective debottlenecking of BASF's existing asset base are paramount to ensure BASF's competitiveness. For more information on operations, see page 96 onward of the annual report 2018.

Digitalization

⁴ Return on capital employed (ROCE) is a measure of the profitability of BASF operations. BASF calculates this indicator as the EBIT generated by the segments as a percentage of the average cost of capital basis.

⁵ Accelerator products are products that make a substantial sustainability contribution in the value chain.

⁶ BASF understands relevant spend as procurement volumes with suppliers defined as relevant. For more information, see page 90 of the annual report.

⁷ BASF defines six strategic action areas in its updated corporate strategy, which was announced in November 2018. They build on the four strategic principles of the "We create chemistry" strategy – we add value as one company; we innovate to make our customers more successful; we drive sustainable solutions; we form the best team – according to global trends and challenges as well as their implications for BASF.

BASF wants to make digitalization an integral part of BASF's business. This will create additional value for BASF's customers, grow BASF's business and improve efficiency. By promoting comprehensive digital skills among BASF's future leaders and its entire workforce, BASF will ensure that the necessary resources are available. For more information on digitalization, see pages 33 and 111 of the annual report 2018.

Portfolio

BASF will sharpen its portfolio and focus its capital allocation more towards growing business areas. BASF will focus primarily on organic growth through capital expenditures and innovation, but also make targeted acquisitions where this makes strategic sense and creates value. The new segment structure will create a higher transparency regarding the steering of BASF's businesses, the importance of value chains and the role of BASF's Verbund. The physical, technological, market and digital integration of the Verbund continues to be at the core of BASF's portfolio and BASF's unique strength. For more information on BASF's organization and the Verbund, see page 18 onward of the annual report 2018.

Employees

BASF aims to clearly position each business against its relevant competitors and establish a high-performance organization to enable BASF to be successful in an increasingly competitive market environment. BASF will adapt its business models and organizational structures so that each business unit can optimally serve its market segment. BASF's people are what will make the implementation of BASF's updated strategy successful. BASF relies on the engagement of its employees and give them the tools and skills necessary to be able to offer BASF's customers differentiated and customized products and services. For more information on employees, see page 110 onward of the annual report 2018.

Corporate Values

BASF's updated strategy affirms its four core values – creative, open, responsible, entrepreneurial – and adjusts the descriptions slightly.

Creative: BASF makes great products and solutions for its customers. This is why BASF embraces bold ideas and give them space to grow. BASF acts with optimism and inspire one another.

Open: BASF values diversity, in people, opinions and experience. This is why BASF fosters feedback based on honesty, respect and mutual trust. BASF learns from its setbacks.

Responsible: BASF values the health and safety of people above all else. BASF makes sustainability part of every decision. BASF is committed to strict compliance and environmental standards.

Entrepreneurial: BASF focuses on its customers, as individuals and as a company. BASF seizes opportunities and think ahead. BASF takes ownership and embrace personal accountability.

Global standards

BASF's standards fulfill or exceed existing laws and regulations and take internationally recognized principles into account. BASF respects and promotes:

- The 10 principles of the U.N. Global Compact
- The Universal Declaration of Human Rights and the two U.N. Human Rights Covenants
- The core labor standards of the ILO and the Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy (MNE Declaration)
- The OECD Guidelines for Multinational Enterprises
- The Responsible Care® Global Charter
- The German Corporate Governance Code

BASF stipulates rules for its employees with standards that apply throughout the Group. BASF sets itself goals with voluntary commitments and monitor its performance in terms of environmental protection, health and safety using BASF's Responsible Care Management System. In terms of labor and social standards, this takes place using three elements: The Compliance Program (including the compliance hotlines, which can be used for internal and external questions or complaints), close dialog with BASF's stakeholders (such as with employee

representatives or international organizations), and the global management process to respect international labor norms.

BASF's business partners are expected to comply with prevailing laws and regulations and to align their actions with internationally recognized principles. BASF has established appropriate monitoring systems to ensure this.

Value-Based Management

From the 2019 business year onward, the return on capital employed (ROCE) will replace EBIT after cost of capital as the most important key performance indicator for steering the BASF Group. ROCE already replaced the return on assets as the metric for variable compensation in 2018.

The BASF Group's steering concept

From the 2019 business year onward, EBIT after cost of capital will be replaced by the return on capital employed (ROCE). This is calculated as the EBIT generated by the segments as a percentage of the average cost of capital basis. As stated in BASF's strategic goals, BASF aims to achieve a ROCE above the cost of capital percentage every year.

Value-based management throughout the company

EBIT before special items and capex (capital expenditure) are key performance indicators for BASF that have a direct impact on ROCE and as such, support BASF's management.

EBIT before special items is used to steer profitability at Group and segment level. Capex is used to manage capital employed in the BASF Group. Capex is not just relevant to ROCE management, but also supports BASF's long-term goal to increase BASF's dividend each year based on a strong free cash flow.

Furthermore, BASF will continue to comment on and forecast sales at Group and segment level in its financial reporting as a significant driver for EBIT before special items and thus ROCE.

BASF's nonfinancial targets are focused more on the long term. As part of the implementation of BASF's strategy, BASF is investigating the possibility of establishing short-term steering mechanisms for its nonfinancial targets as well.

Integration of Sustainability

Strategy

BASF has defined sustainability focus areas in its corporate strategy to position itself in the market and at the same time, meet the growing challenges along the value chain:

- We source responsibly
- We produce safely for people and the environment
- We produce efficiently
- We value people and treat them with respect
- We drive sustainable products and solutions

Relevant topics resulting from these commitments – such as energy and climate protection, portfolio management, supply chain responsibility, employee engagement, resource efficiency, responsible production and water – form the focal points of BASF's reporting. BASF integrates these topics into its long-term steering processes to increase societal acceptance and take advantage of business opportunities. Here, BASF considers three dimensions of materiality: The relevance of sustainability topics to its business, the impacts of its business activities along the value chain on sustainability topics, and how important these topics are to its stakeholders.

Portfolio management based on sustainability performance

Accelerator products make a substantial sustainability contribution in the value chain. This is why BASF will pursue a new, ambitious goal from 2019 onward: BASF aims to make sustainability an even greater part of its innovation power and achieve €22 billion in Accelerator sales by 2025.

To achieve this goal, BASF will deeply integrate Sustainable Solution Steering into the research and development pipeline, in business strategies as well as in merger and acquisition projects."

The following shall complement the section "BASF Group's segments" on p. 66 of the Supplemented Prospectus:

"As of January 1, 2019, BASF has twelve divisions grouped into six segments as follows:

- Chemicals: Petrochemicals and Intermediates
- Materials: Performance Materials and Monomers
- Industrial Solutions: Dispersions & Pigments and Performance Chemicals
- Surface Technologies: Catalysts, Coatings and Construction Chemicals
- Nutrition & Care: Care Chemicals and Nutrition & Health
- Agricultural Solutions: Agricultural Solutions

BASF is considering the possibility of merging its construction chemicals business with a strong partner, as well as the option of divesting this business. The outcome of this review is open. The Construction Chemicals division will be reported under the Surface Technologies segment until signing of a transaction agreement.

The Chemicals segment supplies the other segments with basic chemicals and intermediates, contributing to the organic growth of BASF's key value chains. Alongside internal accounts, BASF's customers include the chemical and plastics industries. BASF aims to increase its competitiveness through technological leadership and operational excellence.

The Materials segment's portfolio comprises advanced materials and their precursors for new applications and systems. These include isocyanates and polyamides as well as inorganic basic products and specialties for the plastics and plastics processing industries. BASF aims to grow organically through differentiation via specific technological expertise, industry know-how and customer proximity to maximize value in the isocyanate and polyamide value chains.

The Industrial Solutions segment develops and markets ingredients and additives for industrial applications such as polymer dispersions, pigments, resins, electronic materials, antioxidants and admixtures. BASF aims to drive organic growth in key industries such as automotive, plastics or electronics and expand its position in value-enhancing ingredients and solutions by leveraging its industry expertise and application know-how.

The Surface Technologies segment comprises BASF's businesses that offer chemical solutions on and for surfaces. Its portfolio includes coatings, rust protection products, catalysts and battery materials for the automotive and chemical industries. The aim is to drive organic growth by leveraging BASF's portfolio of technologies and know-how, and to establish BASF as a leading and innovative provider of battery materials as well.

In the Nutrition & Care segment, BASF strives to expand its position as a provider of nutrition and care ingredients for consumer products in the area of nutrition, home and personal care. Customers include food and feed producers as well as the pharmaceutical, cosmetics, detergent and cleaner industries. BASF aims to enhance and broaden its product and technology portfolio. BASF's goal is to drive organic growth by focusing on emerging markets, new business models and sustainability trends in consumer markets, supported by targeted acquisitions.

The Agricultural Solutions segment aims to further strengthen BASF's market position as an integrated provider of crop protection products and seeds. Its portfolio comprises fungicides, herbicides, insecticides and biological crop protection products, as well as seeds and seed treatment products. BASF also offers farmers digital solutions combined with practical advice. BASF main focus is on innovation-driven organic growth, targeted portfolio expansion as well as leveraging synergies from the acquired businesses.

In addition to the new segment structure, the composition of a number of divisions will also change. The propylene oxide and propylene glycol business will be transferred from the Petrochemicals division to the Monomers division. The superabsorbents business will be allocated to the Petrochemicals division rather than the Care Chemicals division in the future. The styrene, polystyrene and styrene-based foams business, which

previously mainly fell under the Performance Materials segment and a small part under Other, will be bundled in the Petrochemicals division.

In addition, BASF will embed business-critical parts of its functional units – such as engineering services, procurement and logistics – into the divisions to bring its employees closer to its customers and improve customer-specific agility. BASF will create leaner structures in its functional units, research and development and in governance functions.”

The following shall replace the section "SIGNIFICANT CHANGES / TREND INFORMATION" on p. 80 of the Supplemented Prospectus:

"There have been no significant changes in the financial or trading position of BASF Group since June 30, 2018. There has been no material adverse change in the prospects of BASF Group since the date of the last published audited financial statements as of December 31, 2018."

The following shall supplement section "OUTLOOK FOR 2018" on p. 81 of the Supplemented Prospectus:

"BASF expects weaker global economic growth in 2019 compared with 2018. At 2.8%, global GDP growth will presumably be slower than in 2018 (+3.2%). Chemical production is expected to increase at a rate of 2.7%, on a level with the previous year (+2.7%). BASF anticipates an average oil price of \$70 for a barrel of Brent blend crude and an exchange rate of \$1.15 per euro. Despite the challenging environment characterized by a high level of uncertainty, BASF aims to grow profitably and slightly increase the BASF Group's sales and income from operations (EBIT) before special items in 2019. The return on capital employed (ROCE) should slightly exceed the cost of capital percentage but decline slightly compared with 2018.

BASF expects growth in its customer industries to continue. For the automotive industry, BASF anticipates a slight recovery after lower production in the previous year. BASF's outlook assumes that the trade conflict between the United States and its trading partners will ease over the course of the year, and that Brexit will occur without wider economic repercussions.

BASF has based the outlook on the segment structure as of January 1, 2019 and adjusted the segment data for 2018 accordingly. In addition to the new segment structure, the composition of a number of divisions has also changed.

BASF's forecast for 2019 takes into account the definitive agreement between BASF and LetterOne to merge their oil and gas businesses. Closing of the transaction is expected in the first half of 2019, subject to the required regulatory approvals. This outlook also includes the acquisition of Solvay's integrated polyamide business, which is expected in the second half of 2019. However, BASF currently does not expect this transaction to have any material effect on sales, EBIT before special items or ROCE at the level of the BASF Group in 2019.

Overall, the statements on opportunities and risks made in the BASF Report 2018 continue to apply. According to BASF's assessment, there continue to be no individual risks that pose a threat to the continued existence of the BASF Group. The same applies to the sum of individual risks, even in the case of another global economic crisis (For more detailed information, see the Opportunities and Risks Report from page 123 to 130 of the BASF Report 2018).“

The following shall be inserted at the end of section "RECENT EVENTS" on p. 81 of the Supplemented Prospectus:

"BASF is also evaluating strategic options for its construction chemicals business to ensure the successful and profitable development of the business area in the long term, and to take advantage of opportunities in the market. The outcome of this review is open. BASF is considering the possibility of merging with a strong partner as well as the option of a divestiture. BASF strives to sign an agreement in 2019.

BASF starts divestment process for its global pigments business. BASF has a leading position in the pigments market. However, since the pigments business in general offers limited differentiation and innovation potential, pigments will not be a key area for BASF to significantly invest in the long run BASF starts divestment process for its global pigments business. The divestment process starts immediately and is targeted to be completed by the end of 2020 at the latest."

6. Supplemental information pertaining to the DOCUMENTS INCORPORATED BY REFERENCE

The following shall replace item (a) in the section "DOCUMENTS INCORPORATED BY REFERENCE" on p. 207 of the Supplemented Prospectus:

- "(a) The published audited annual financial statements of BASF Group (English language version) dated December 31, 2018, December 31, 2017 and December 31, 2016 in each case including the auditor's report thereon;"

The following shall be added to the table "Cross-reference list of Documents incorporated by Reference" on p. 207 of the Supplemented Prospectus:

Page	Section of Prospectus	Document incorporated by reference
48, 63, 81	BASF Group, Financial Information	<p>BASF Report 2018 of BASF Group</p> <p>Consolidated balance sheet (p. 179 – p. 180)</p> <p>Consolidated statements of income (p. 177 – p. 178)</p> <p>Consolidated statements of cash flows (p. 181)</p> <p>Notes (p. 183 – p. 268)</p> <p>Auditor's report (p. 170 – p. 268)</p>