Management's Report

Customers

Around 130,000

Customers from almost all sectors and countries in the world

Innovative

In close partnership with our customers

Flexible

Thanks to in-depth expertise and wide range of resources

BASF supplies products and services to around 130,000 customers from various sectors in almost every country in the world. Our customer portfolio ranges from major global customers and medium-sized businesses to end consumers.

Customer industry orientation

 Innovations and tailored solutions in close partnership with our customers

Our broad portfolio – from basic chemicals to high value-added products and system solutions – means that we are active in many value chains and value creation networks. As a result, we work with a wide range of business models, which we flexibly adapt to the needs of individual industries. This industry orientation is primarily driven forward and enhanced by the divisions. Around half of our business units are oriented toward specific industries.

The close alignment of our business with our customers' needs is a key element in our "We create chemistry" strategy. Our ability to combine in-depth expertise with a wide range of resources to meet specific demands enables us to position BASF as a solution-oriented system provider. We engage in close partnerships with customers in which we develop innovations and tailored solutions together and optimize processes and applications.

Our comprehensive understanding of value chains and value creation networks as well as our global setup and market knowledge are key success factors.

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Quality management

Our customers' satisfaction is the basis for long-term business success, which is why quality management is of vital significance for BASF. We strive to continually improve processes and products. This is also reflected in our Global Quality Policy. The majority of BASF's production sites and business units are certified according to ISO 9001.1 In addition, we also meet industry- and customer-specific quality requirements that go beyond the ISO standard.

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Products and customer relations in the segments

The business models used in our divisions are constantly assessed and refined. We continually adapt our offering to the changing market conditions – such as growing digitalization – to secure our competitiveness.

The **Chemicals** segment comprises the classic chemicals business with basic chemicals and intermediates. The focus is on cost leadership in our value chains, efficient and reliable production and logistics processes as well as process innovation.

The **Performance Products** segment concentrates on tailored solutions. These enable our customers to improve the application properties of their products or optimize production processes, for example. Close customer contact and meeting the demanding requirements of a wide range of industries are crucial to business success.

The **Functional Materials & Solutions** segment bundles our businesses with innovative products as well as system solutions and services for specific sectors and customers. An in-depth understanding of applications, the development of innovations in close cooperation with customers and adaptation to different regional needs are key success factors.

In the **Agricultural Solutions** segment, we help farmers to be successful in the complex world of modern agriculture. We offer them innovative solutions, including solutions based on digital technologies, combined with practical, pragmatic expertise to optimize agricultural production and increase the profitability of their farms.

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. We benefit from strong partnerships and our technological expertise. Together with our Russian partner Gazprom, we are also active in the transportation of natural gas in Europe.