

150 years



News Release

New site agreement for BASF SE

- **BASF to invest a total of at least €6 billion between 2016 and 2020 at Ludwigshafen site**
- **No forced-redundancy commitment extended**

Ludwigshafen, Germany – October 21, 2015 – Company and employee representatives at BASF SE in Ludwigshafen signed a new site agreement today. The agreement, titled “Meeting the challenges of constant change together,” applies to the approximately 36,000 employees of BASF SE at the site. It will run for five years (from January 1, 2016 until December 31, 2020) and follows on from the existing site agreement, which expires at the end of 2015.

The company will continue to forgo forced redundancies for the duration of the agreement. Furthermore, BASF SE has committed itself to spend a total of at least €6 billion on investments, upgrading and maintenance measures between 2016 and 2020 at the Ludwigshafen site.

“Economic and social changes are occurring ever faster and are becoming less and less predictable. With the new site agreement, we are creating a framework that offers both flexibility and reliability and will enable the Ludwigshafen site to remain competitive – now and in the future. We rely on our team of dedicated and skilled employees and we will continue to substantially invest in the largest, integrated Verbund site of BASF Group in the coming years,” said Margret Suckale, member of the Board of Executive Directors of BASF SE. Company and employee representatives are committed to the central role of the Ludwigshafen Verbund site with production, research and

October 21, 2015
P381/15e
Jennifer Moore-Braun
Phone: +49 621 60-99123
jennifer.moore-braun@basf.com

BASF SE
67056 Ludwigshafen
Phone: +49 621 60-0
<http://www.basf.com>
Media Relations
Phone: +49 621 60-20916
Fax: +49 621 60-92693
presse.kontakt@basf.com

technology, marketing, infrastructure and services as well as competence centers.

“Job security is highly valued and a decisive factor in motivating employees to actively support the constant change. With the new site agreement, we have been able to extend job security for employees. The company’s stated intent to continue vocational training on a comparable level as in the past and to foster the employability of its staff will also contribute to making the site fit for the future,” said Robert Oswald, head of the Works Council of BASF SE.

Enhancing competitiveness through continuous improvements

Forward-looking investments and active portfolio management are fundamental to the competitiveness of BASF SE. Flexible forms of employment, especially in areas where capacity utilization and order levels can fluctuate considerably, will be maintained and further developed.

“The changes in the coming years will be very demanding for employees and managers, so they need to be flexible and prepared to take on new challenges. Job security and entrepreneurial flexibility go hand in hand,” said Dr. Wolfgang Hapke, President, Human Resources at BASF.

Research and development play a particularly important role in maintaining the site’s innovative strength, which is why R&D expenditures will be maintained at the high level of previous years. Ludwigshafen will remain BASF’s most important research and development site.

Shaping demographic and structural change

Demographic change is one of the great challenges facing BASF SE. By 2020, one in two employees at the Ludwigshafen site will be older than 50. From 2018, the number of employees retiring will start to increase sharply. In order to ensure that BASF can meet its demand for skilled labor, the company will continue to offer vocational training

as well as additional and flexible qualification programs on a comparable level as in the past.

“Managers play a significant role in meeting the coming challenges. Only when we as managers lead and actively help to shape the change is it possible to convince employees that the changes bring opportunities,” said Rainer Nachtrab, chair of the committee representing senior managers at BASF SE.

The ongoing initiatives at the Ludwigshafen site – such as the Learning Center as well as both general and target-group-specific learning offerings – provide a strong basis to support employees in self-directed learning throughout their entire working lives. Effective knowledge transfer will also be a focus in the coming years.

Given that working lives are getting longer, maintaining and promoting health is another important topic and responsibility shared by both the company and employees. To this end, BASF SE has launched numerous initiatives, including programs to help employees return to work after a longer absence, occupational medical services and the establishment of the Work-Life Management center in Ludwigshafen (“LuMit”), and will continue to further develop these initiatives.

About BASF

At BASF, we create chemistry – and have been doing so for 150 years. Our portfolio ranges from chemicals, plastics, performance products and crop protection products to oil and gas. As the world's leading chemical company, we combine economic success with environmental protection and social responsibility. Through science and innovation, we enable our customers in nearly every industry to meet the current and future needs of society. Our products and solutions contribute to conserving resources, ensuring nutrition and improving quality of life. We have summed up this contribution in our corporate purpose: We create chemistry for a sustainable future. BASF had sales of over €74 billion in 2014 and around 113,000 employees as of the end of the year. BASF shares are traded on the stock exchanges in Frankfurt (BAS), London (BFA) and Zurich (AN). Further information on BASF is available on the Internet at www.basf.com.