

News Release

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New site agreement for BASF SE signed

- **Average annual investment of at least €1.5 billion until 2025**
- **No forced redundancies**
- **Commitment to in-house vocational training**

The company management and employee representatives at BASF SE today (May 6, 2020) signed a new site agreement. Entitled “Living the new BASF together!”, the agreement applies to the approximately 34,000 employees of BASF SE at the Ludwigshafen site. It will run for five and a half years (from June 1, 2020 until December 31, 2025) and replaces the current site agreement, which would have expired at the end of 2020.

BASF SE will continue to forgo forced redundancies for the duration of the agreement. In addition, the agreement states that an annual average of at least €1.5 billion will be spent on investment, modernization and maintenance at the Ludwigshafen site each year until 2025.

“We are facing a whole series of major changes, driven by demographic change, limited natural resources and digitalization. The conditions under which we do business are changing at an ever faster rate,” said Michael Heinz, member of the Board of Executive Directors of BASF SE and Site Director. “If the Ludwigshafen site is to remain successful in a fast-changing business environment, we need to become more agile and flexible. This is in line with our new corporate strategy. With the new site

agreement, we are supporting the necessary cultural change while also creating reliable framework conditions for our employees. I am certain that it will help us to ensure that the Ludwigshafen site remains competitive and future-proof for the long term.”

The new site agreement represents a commitment to the role of Ludwigshafen within BASF on the part of the company management and the employee representatives. The site is to act as a role model and pioneer for the entire group when it comes to tackling key challenges. In order to compete successfully in the future, too, the following topics have been defined:

- Enhancing occupational and plant safety
- Resource-saving and low-emission production in the Verbund
- Expansion of digitalization in production, administration and business processes
- Future-proof mobility solutions in goods and passenger transport
- Further strengthening of Ludwigshafen as a key hub for the BASF Research Verbund
- Continuous optimization of structures and processes to achieve a more agile organization

“Since the late 1990s, we have pursued two key objectives through the site agreements. The first is to demonstrate reliable and robust prospects for the development of the Ludwigshafen site through investments. The second is to lay out binding protective mechanisms for employees. We have achieved both of these once again in the agreement for 2025,” commented Sinischa Horvat, Chairman of the Works Council of BASF SE. “Especially in view of the current crisis, the early conclusion of the 2025 site agreement is a strong, positive signal for the workforce and the region.”

“Ludwigshafen is our laboratory for the future. It is here that we want to show that climate protection and growth are not a contradiction. It is here that we develop and test new digital technologies, which we then implement worldwide. The expertise and creativity of our employees is the most important key to success here. This is how we can secure the site’s essential position as a role model within the BASF Group and the world of chemistry – how we can secure the future,” said Dr. Uwe Liebelt, President European Site and Verbund Management and Site Manager for Ludwigshafen.

With the new site agreement, BASF is making a further commitment to Ludwigshafen as a research site. Although for many years BASF has been increasingly globalizing its research activities and focusing its activities on growth markets, Ludwigshafen remains the most important research and development site in the BASF Group.

Vocational training as key to safeguarding skilled labor for the long term

In its efforts to remain an attractive, forward-looking employer for employees, BASF uses more than just modern ways of working. To allow the employees to use and develop their skills and expertise in the best possible way, the company has oriented its range of advanced training courses towards the future. A modern learning environment aims to prepare employees for the working world of the future. BASF will continue to give internal employee development priority over external recruitment and will work even harder to enhance employee expertise in the respective fields and use it in the best possible way. The two parties have also agreed to extend the minimum period spent in a position.

“The Representative Committee of the Executive Employees at BASF SE supports the new site agreement as it continues the cultural change that was initiated by the corporate strategy. Leaders play a crucial role here. They motivate and inspire the employees, provide orientation and take responsibility. The site agreement gives them a reliable framework that will enable them to manage the future challenges successfully together with their employees,” said Rainer Nachtrab, Chairman of the Representative Committee of the Executive Employees at BASF SE.

Another key focus of the site agreement is the joint commitment to in-house vocational training. It is the cornerstone that will secure a long-term supply of qualified specialist employees to meet the rising demand. The commitment to vocational training at BASF SE and the BASF Training Verbund is thus being continued at the highest level.

Further development of transport offerings for employees

In the new site agreement, the company management and the employee representatives have also agreed to develop existing transport offerings for employees. Local public transport plays a key role here. In the third quarter of 2020,

BASF will offer employees at the Ludwigshafen site a new annual ticket for the Rhine-Neckar transportation network (Verkehrsverbund Rhein-Neckar) at a reduced rate subsidized by BASF. “The demolition and renovation of the elevated highways in Ludwigshafen is a major challenge for the transport capacity of our region. We want to do our bit to reduce pressure on the roads by offering our employees an incentive to switch to public transport,” said Liebelt. To achieve this, a new model was developed together with the transport providers. It is now also being offered to other companies. For BASF, this is also a contribution to the desired mobility pact of the Rhine-Neckar Metropolitan Region, on which actors from politics, business and transport associations are currently working together.

“Mutual respect and trust were not only in evidence during the negotiations on the new site agreement but have formed the basis for cooperation between the company management and the works council for many years. Although the coronavirus pandemic is presenting all of us with enormous, unprecedented challenges, we continued to negotiate and have now signed the agreement. That is the social partnership we live out every day at BASF,” emphasized Heinz.

Note to the editors:

On May 6, 2020, you can obtain further information from the internet at the following addresses:

News Release

incl. press photos of the signature and on the topics of the site agreement

[Link to News Release](#) (German)

[Link to News Release](#) (English)

Footage: tvservice.basf.com/en

Footage on selected topics of the site agreement

[Aerial shots: Verbund Site Ludwigshafen](#)

[Verbund Site Ludwigshafen](#)

[Digitalization](#)

[Research & Development](#)