



# GENERATIONS@WORK

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 **BASF**  
The Chemical Company

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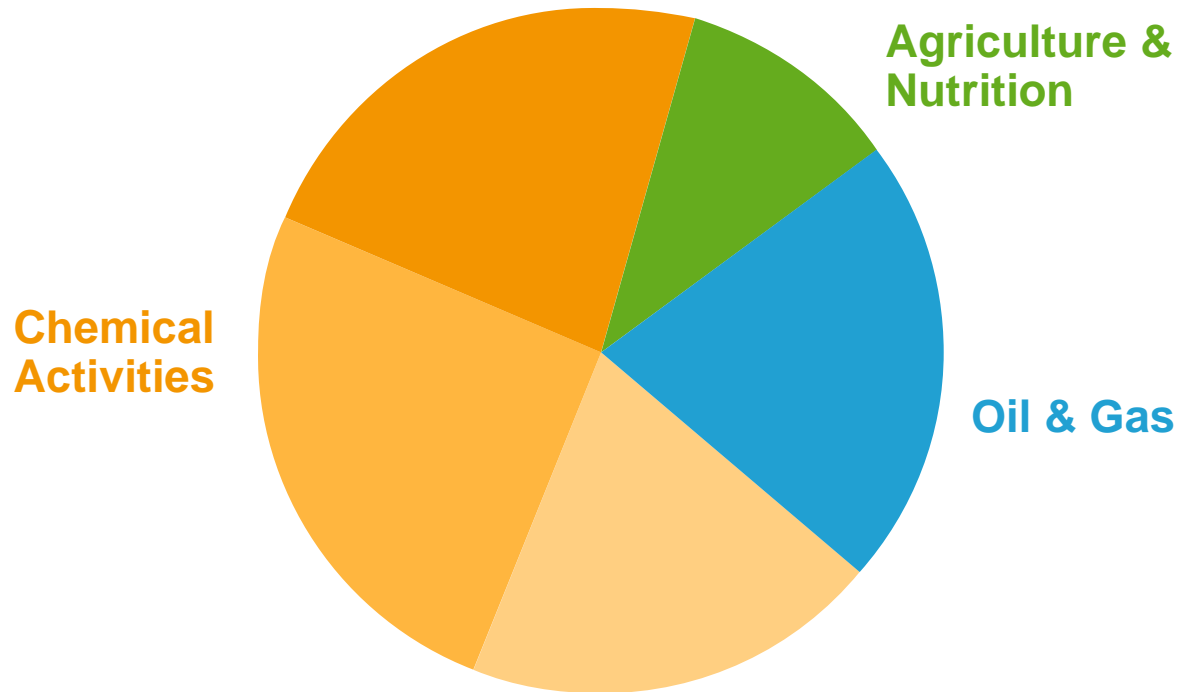
# BASF – Number 1 chemical company worldwide

- The world's leading chemical company:  
No. 1–3 market position in 75% of all products  
and markets
- Sales 2006: 52.6 billion Euro;  
Income from operations (EBIT) 2006: 6.8 billion Euro;  
EBIT Margin 2006: 12.8%
- Customers in more than 170 countries
- 150 Production sites in 38 countries
- More than 95,000 employees worldwide



# BASF's balanced portfolio

Focusing on our core activities



**2006 total sales\*: 52.6 billion Euro**

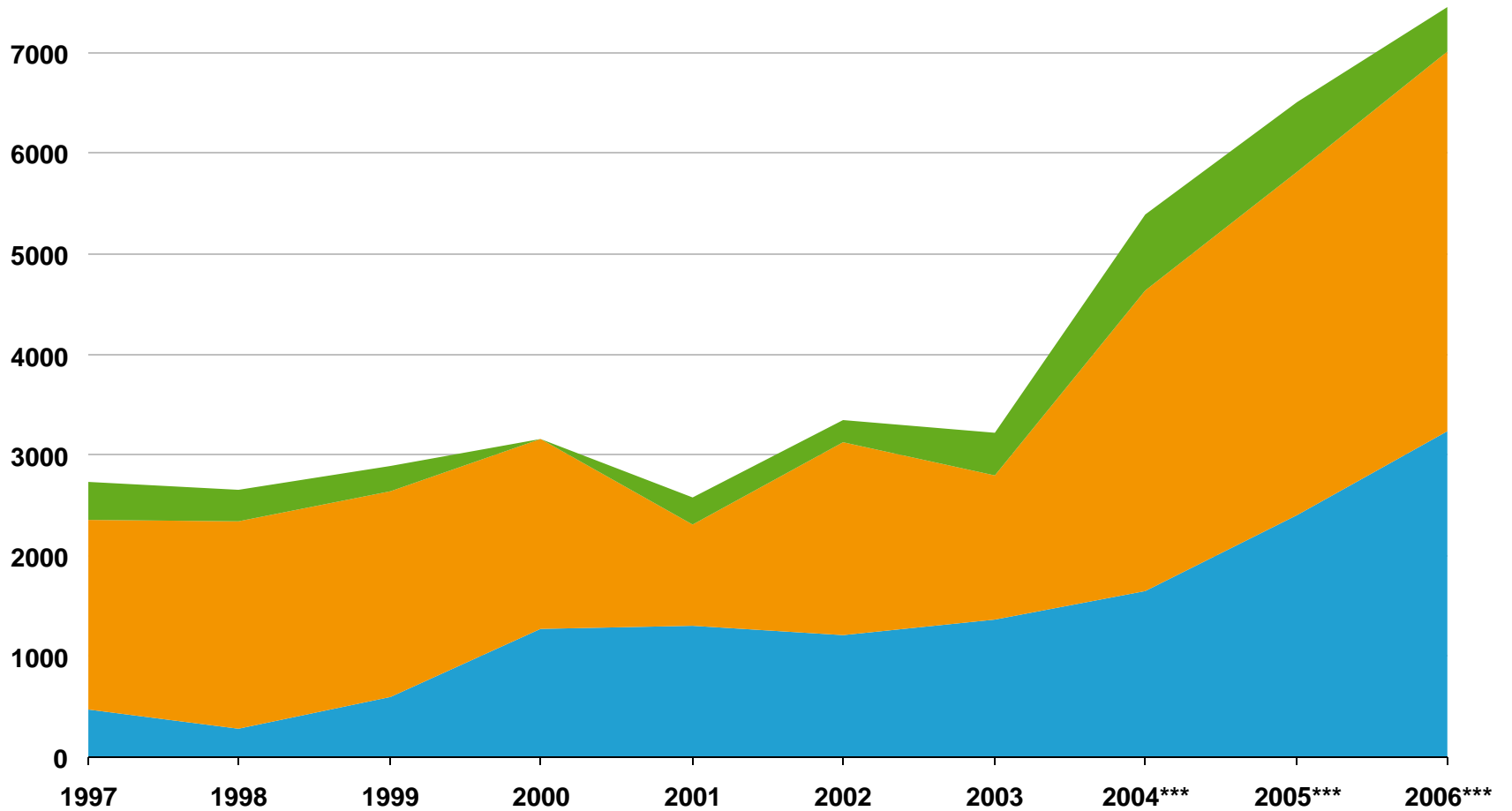
\*Including other activities 2006: 2.5 billion Euro (5%)

# Profitable growth

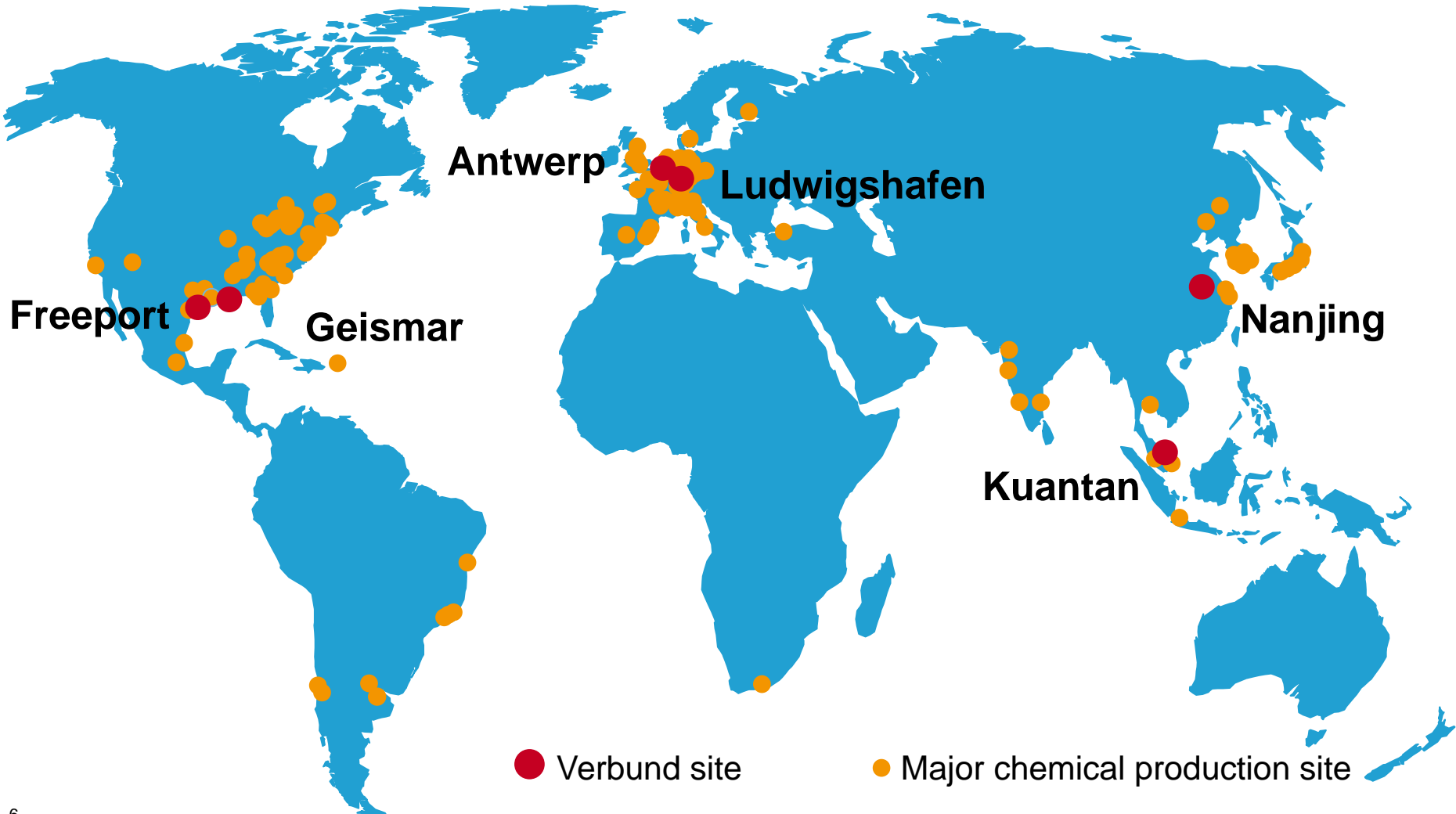
## EBIT by activity\*

Million Euro






■ Chemical activities\*\* 
 ■ Agricultural Products & Nutrition\*\* 
 ■ Oil & Gas



# BASF worldwide



# Employees by region in 2006

Number of employees			Change compared with 2005
Europe		<b>61,444</b>	+ 8.5%
thereof Germany		47,296	+ 3.7%
Asia Pacific		<b>12,788</b>	+ 32.3%
North America		<b>15,513</b>	+ 57.9%
South America, Africa, Middle East		<b>5,502</b>	+ 13.8%
Total*		<b>95,247</b>	+ 17.7%

# BASF actively shapes the challenges of demographic change

## Challenge: demographic change

### Phase 1: analyze the need for action

- Rough analysis of European sites
  - External demographic changes
  - Internal personnel structure
- Definition of targets / guidelines – first steps

Board  
April 06

### Phase 2: GENERATIONS@WORK BASF AG

- 12 projects
- Timeline by the end of 2009

### Phase 3: GENERATIONS@WORK Group

- Global risk portfolio by 2<sup>nd</sup> Q 2007
- Implementation by way of existing structures from 3<sup>rd</sup> Q 2007

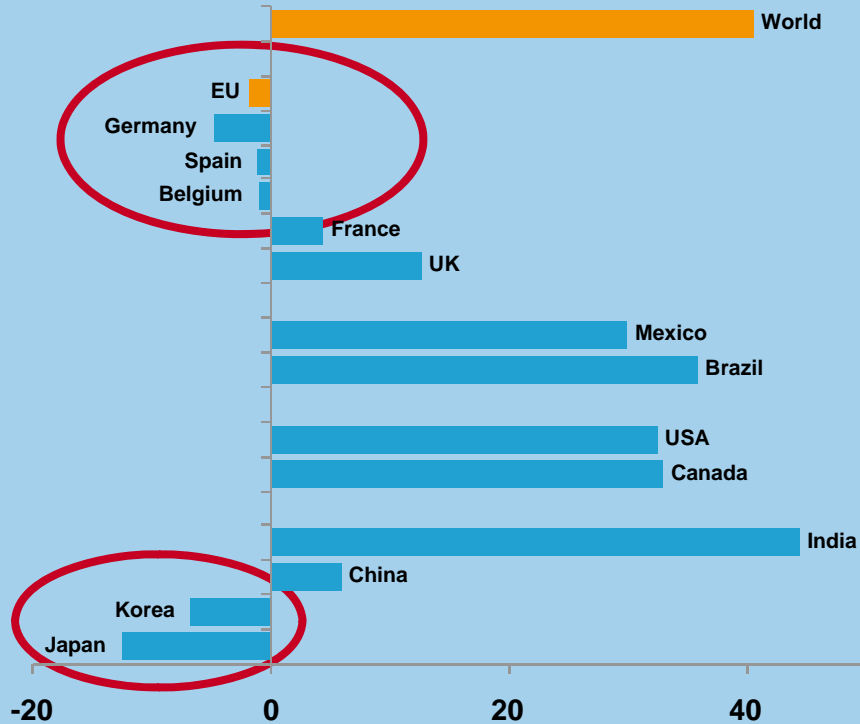
**Aim: maintain innovative ability and safeguard necessary productivity**



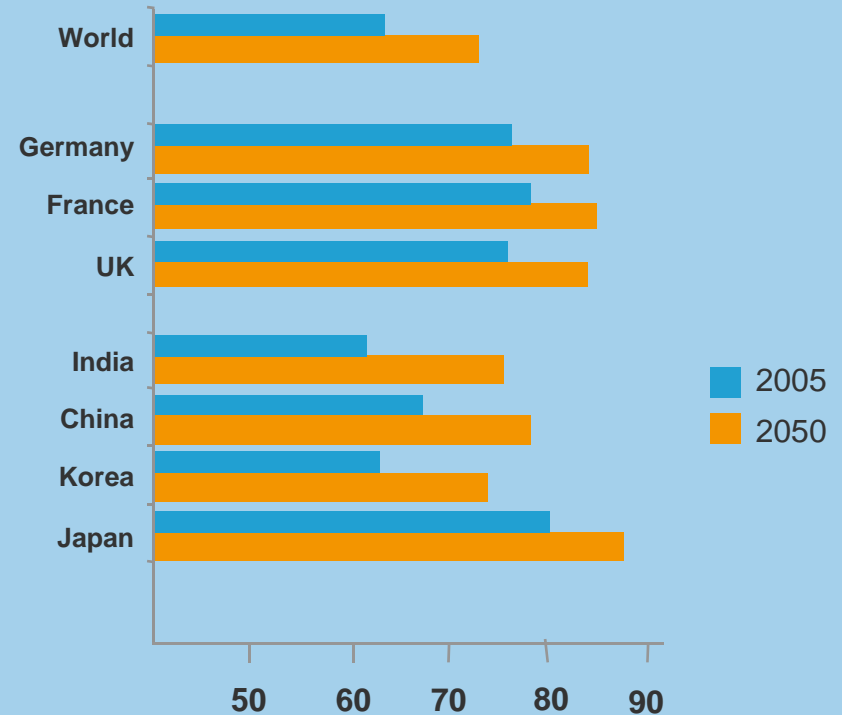
# The population is shrinking in Europe

Parts of Asia as life expectancy overall is rising

Population changes in selected countries with BASF sites up to 2050 in percentages



Worldwide rise in life expectancy up to 2050

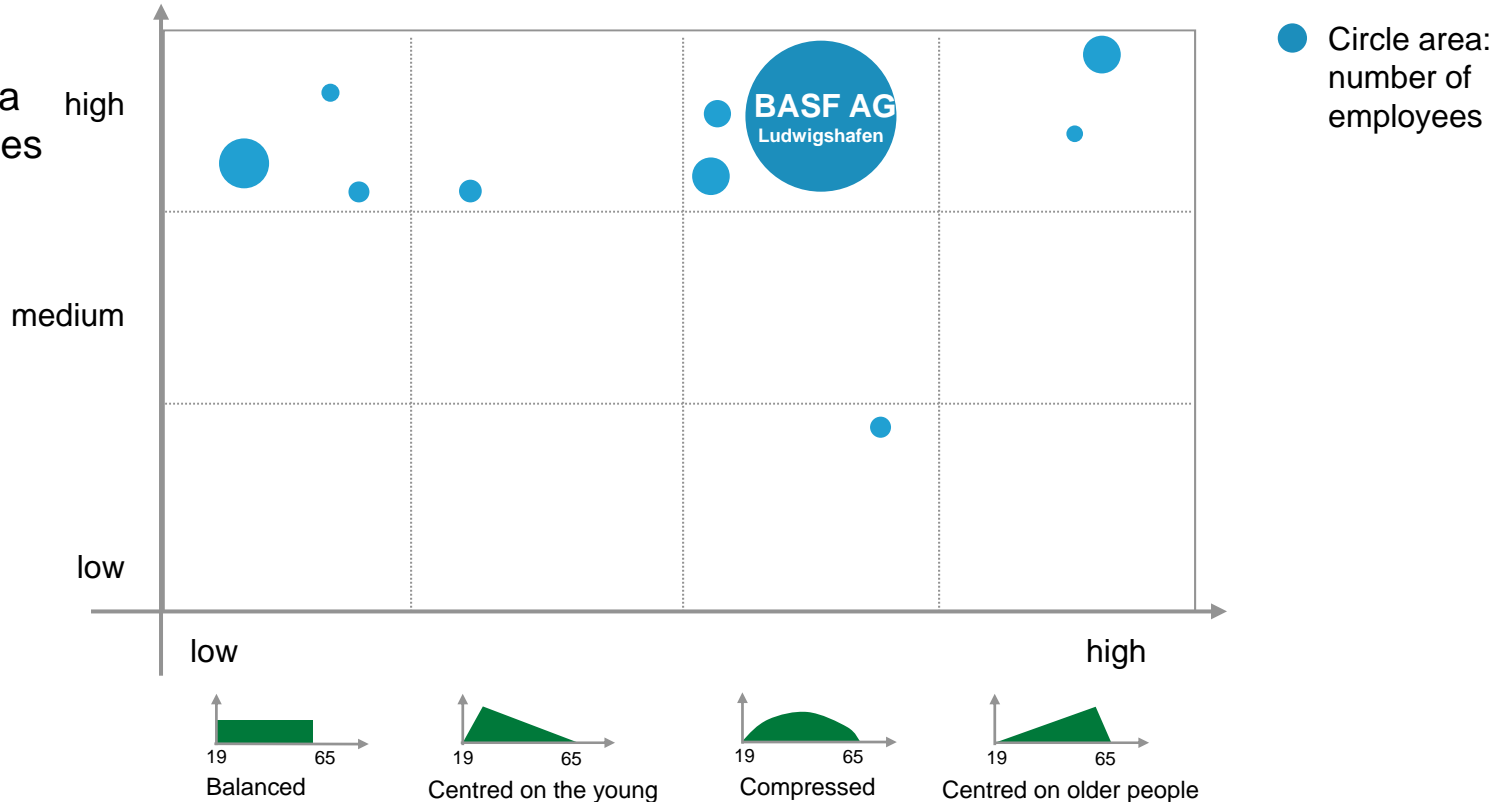


# The greatest pressure for action in respect of HR in Europe

... is on the Ludwigshafen site: high risk externally and internally – at the same time, the largest site

## Demographic portfolio of selected BASF sites in Europe

Demographic risk in the area around the sites



Demographic risk arising from the age structure

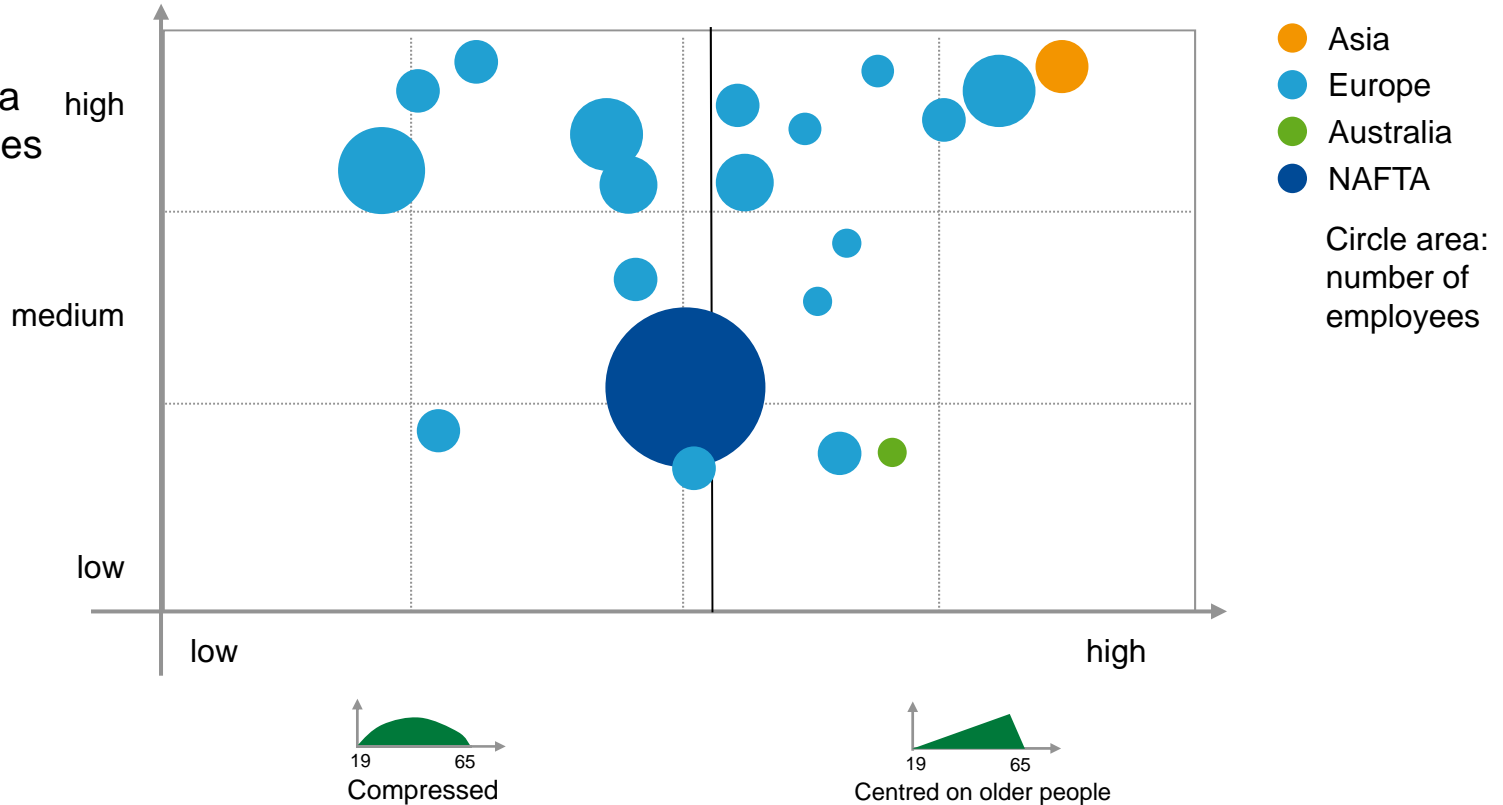
# GENERATIONS@WORK –

Risk portfolio of BASF Group shows need for action

... in Europe, USA, Australia and Japan – other countries are not affected

## Extract of demographic – portfolio of BASF Group

Demographic risk in the area around the sites

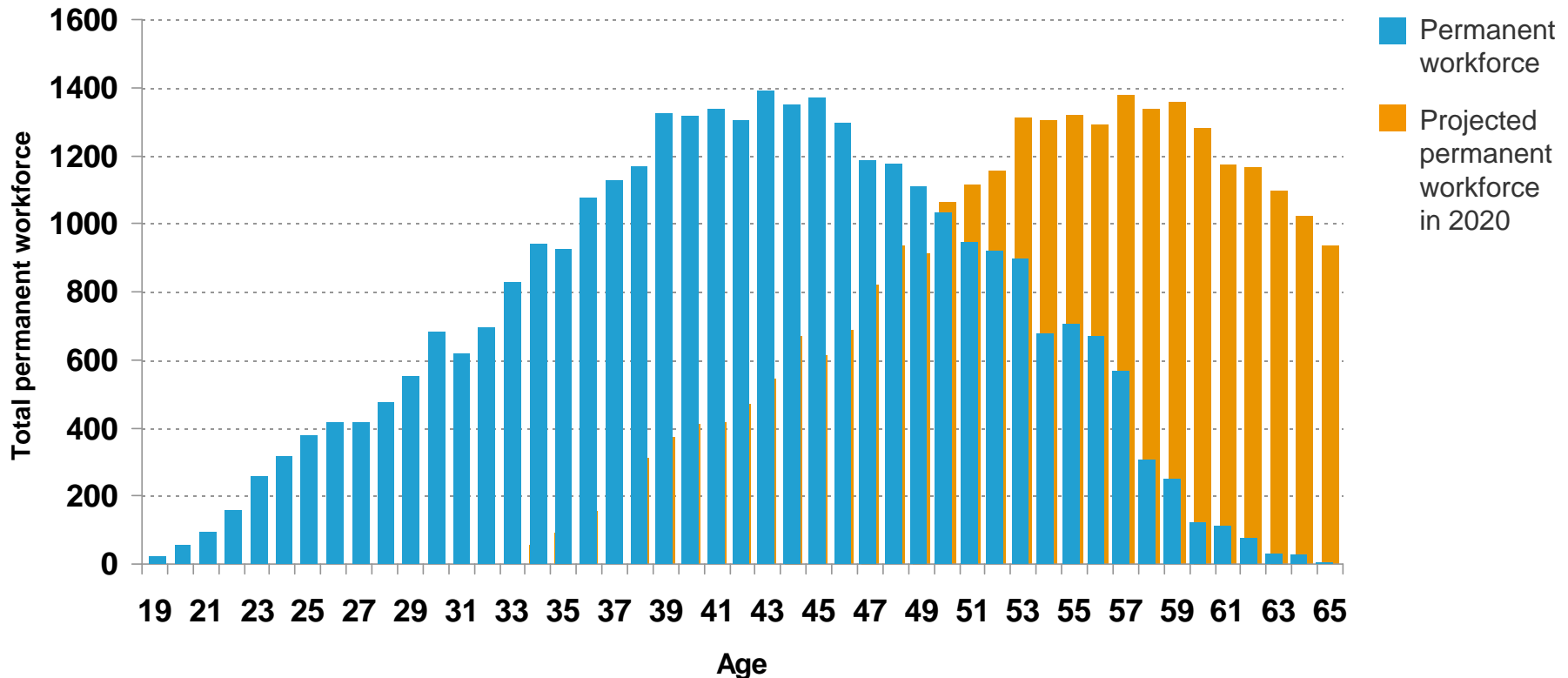


# The workforce is getting older

Today 55% are between 35 and 50 years old

... in 2020 this majority will be 50-65 years old

## Compressed age structure in BASF AG



# The **GENERATIONS@WORK** programme plans all areas of action

... early on and enables BASF to face up to demographic change

## Effects of demographic change

Sites with a shrinking number of potentially employable people in the surrounding area

Increasing life expectancy and longer working life

BASF: older employees, fluctuating need for replacement

## Areas of action in BASF

Employability

Recruitment

Productivity

Company pension

Social responsibility

Cultural change

# GENERATIONS@WORK

# Aims of the **GENERATIONS@WORK** programme

## Employability

BASF employees are physically and mentally fit right through to retirement age – as a result of targeted measures by the company and their own initiative.

## Cultural change

As the result of a fundamental change in how we deal with aging, we are creating a motivating working environment for all generations.

## Social responsibility

Our social responsibility helps us to identify and realise the opportunities of demographic change in the surrounding area.

## Sustainable recruitment

We are an attractive employer in all relevant employment markets; we train continuously and appoint innovative management trainees.

## Competitive productivity

Our productivity and innovative power remains competitive on the international stage even with an increasing average age.

## Financing of pensions

The company pension scheme remains on a sound financial footing and will be safe in the future.

# Structure of the **GENERATIONS@WORK** programme

Aims	Project
<b>Employability</b>	Personnel development Health management Occupational safety, ergonomics and work organization
<b>Sustainable recruitment</b>	Personnel structure management Training 2015 Agencies Best Employer BASF Compatibility of work and family
<b>Productivity</b>	Performance Management LU/Europe Financing of company pension scheme
<b>Cultural change</b>	Communication & Change Management
<b>Social responsibility</b>	Social responsibility in the education field



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# Back-up

# Successful implementation

Ex. 1: further expansion of the measures to combine work and family



**Global Family**

**Summer holiday programme**

**Part-time work offensive**

**Parent and child programme**

**Flexitime models**

**Personal review “return agreement”**

**Hertie Audit “Work & Family”**

**Parents’ network**

**Childminder network**

**Further company / contractual benefits**

**Teleworking**

**Information / Advice / Communication**

## Create scope for choice

- Proportion of qualified women in the employment market will continue to grow
- Being an attractive employer for women – and fathers
- Social responsibility: making it easier to decide to have a family by offering a range of support services
- Comprehensive package of measures:
  - supporting parents
  - making it easier to return after a childcare break
  - making it possible to combine work and children

# Successful implementation

## Example 2: Learning Centre



### Learn lifelong learning

- Matching the learning curve with the working curve
  - Basic training is not the end, but the start of occupational learning
  - The 50+ generation must open up more to further occupational training and accept it
- Hence the Learning Centre:
  - Individualised, age-specific advice on learning
  - A variety of training opportunities - for different age groups
  - Joint learning events on practical topics bring young and old together
  - Wide range of different learning media

# Successful implementation

## Example 3: Proactive Education

Quasi

*Sprache macht stark!*

*Erzählwerkstatt*



### Invest early instead of repairing later!

- Germany is missing opportunities: too many young people without a qualification
- Our aging society urgently requires well-trained young people
- Provide children with optimum encouragement and support at an early stage
- Hence “Proactive Education“:
  - Programme to promote the learning capability of young children in the region