



GENERATIONS@WORK

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 **BASF**
The Chemical Company

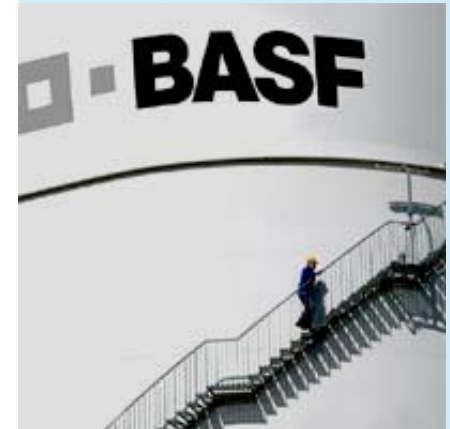
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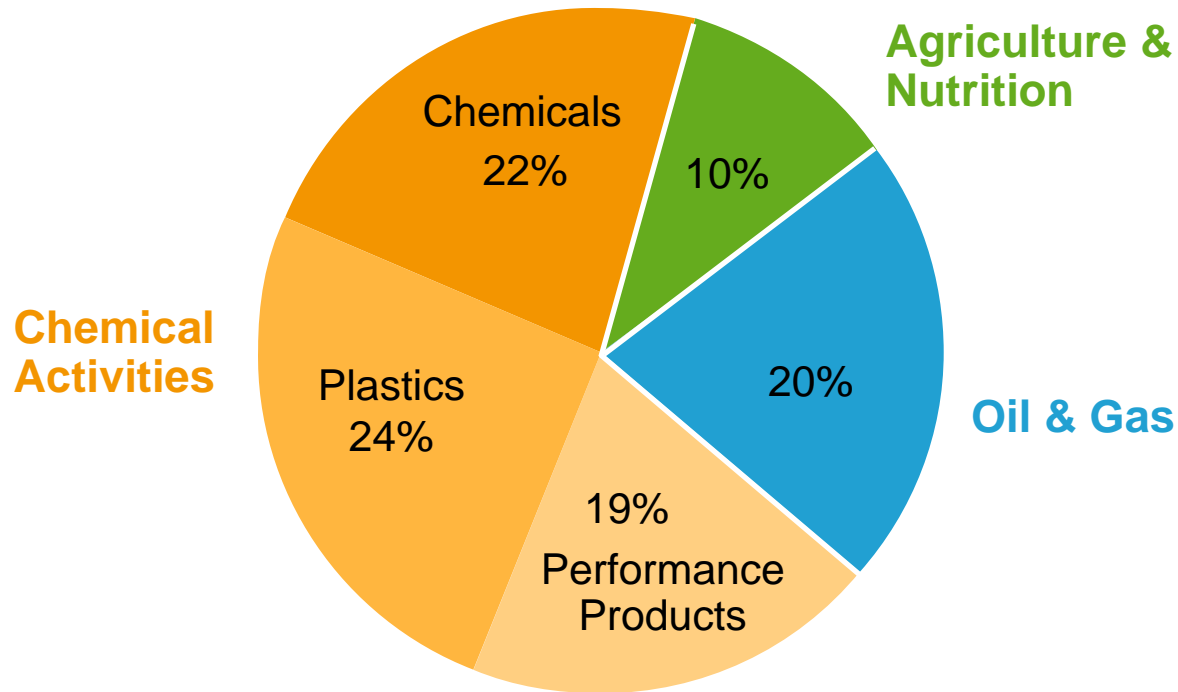
BASF – Number 1 chemical company worldwide

- 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


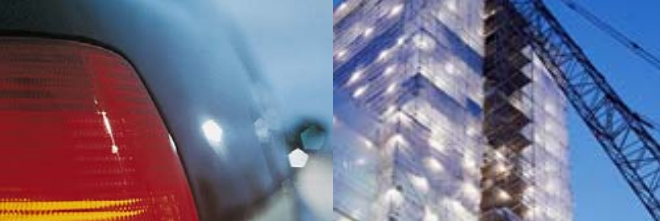

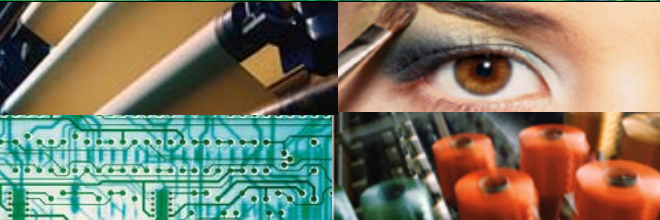


2006 total sales*: 52.6 billion Euro

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

BASF sales by customer industry

Sales by industry, percentage of sales*

> 15 %	<p>Chemical (not an industry with end users)</p>	<p>Energy</p>		
10-15 % each	<p>Automotive</p>	<p>Construction</p>		
5-10 %	<p>Agriculture</p>			
< 5 % each	<p>Cosmetics Detergents & Cleaners</p>	<p>Electrical & Electronics Furniture Health</p>	<p>Leather/Shoes Packaging Paper Textiles</p>	

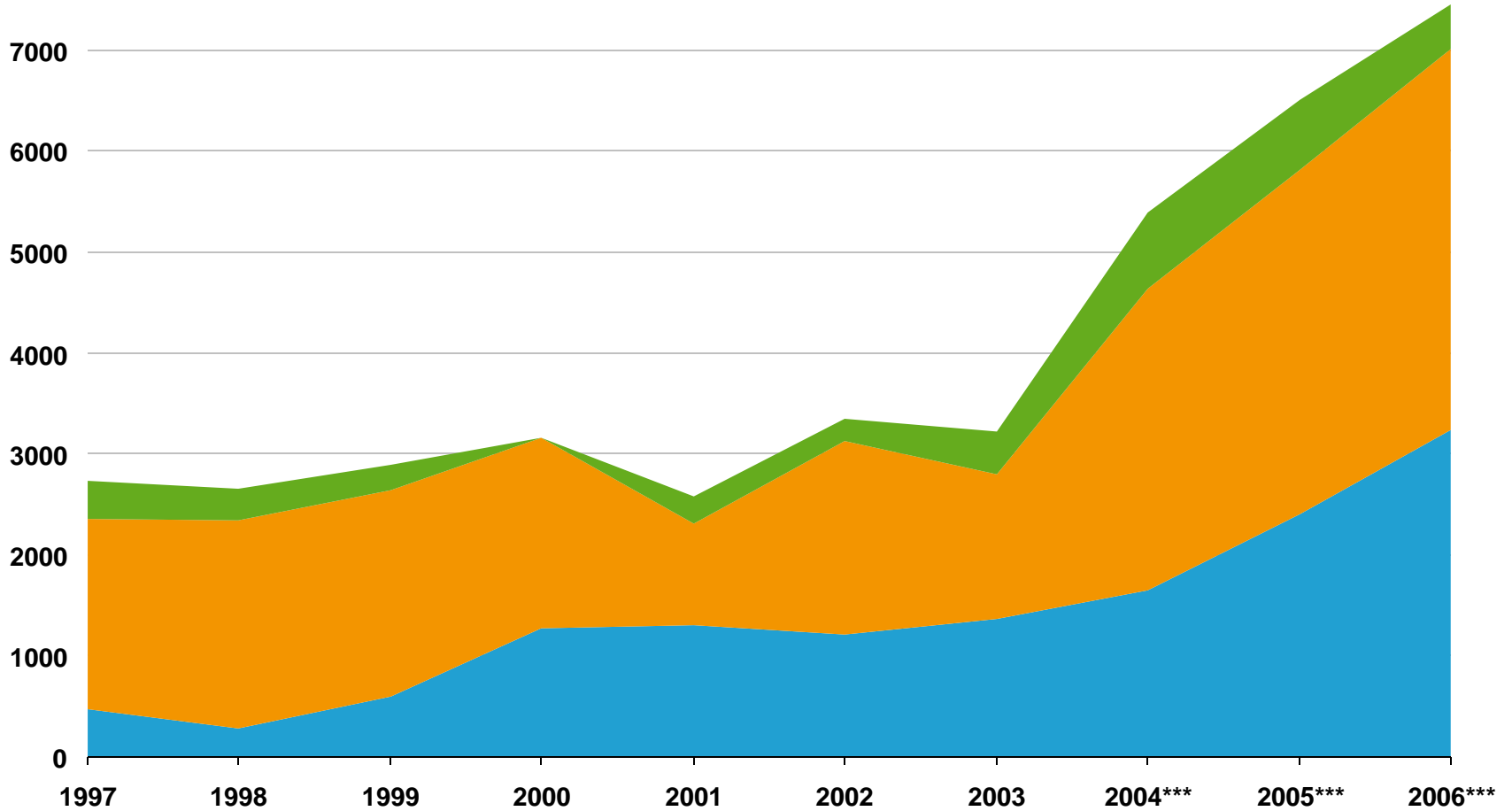
* Other industries amount to approximately 10% of total sales in 2006

Profitable growth

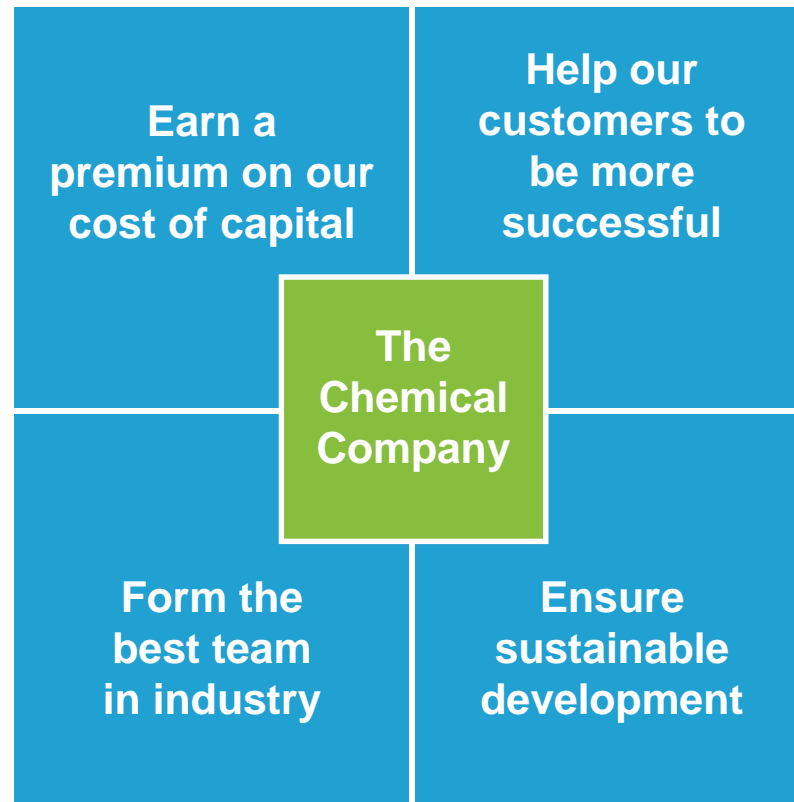
EBIT by activity*

Million Euro

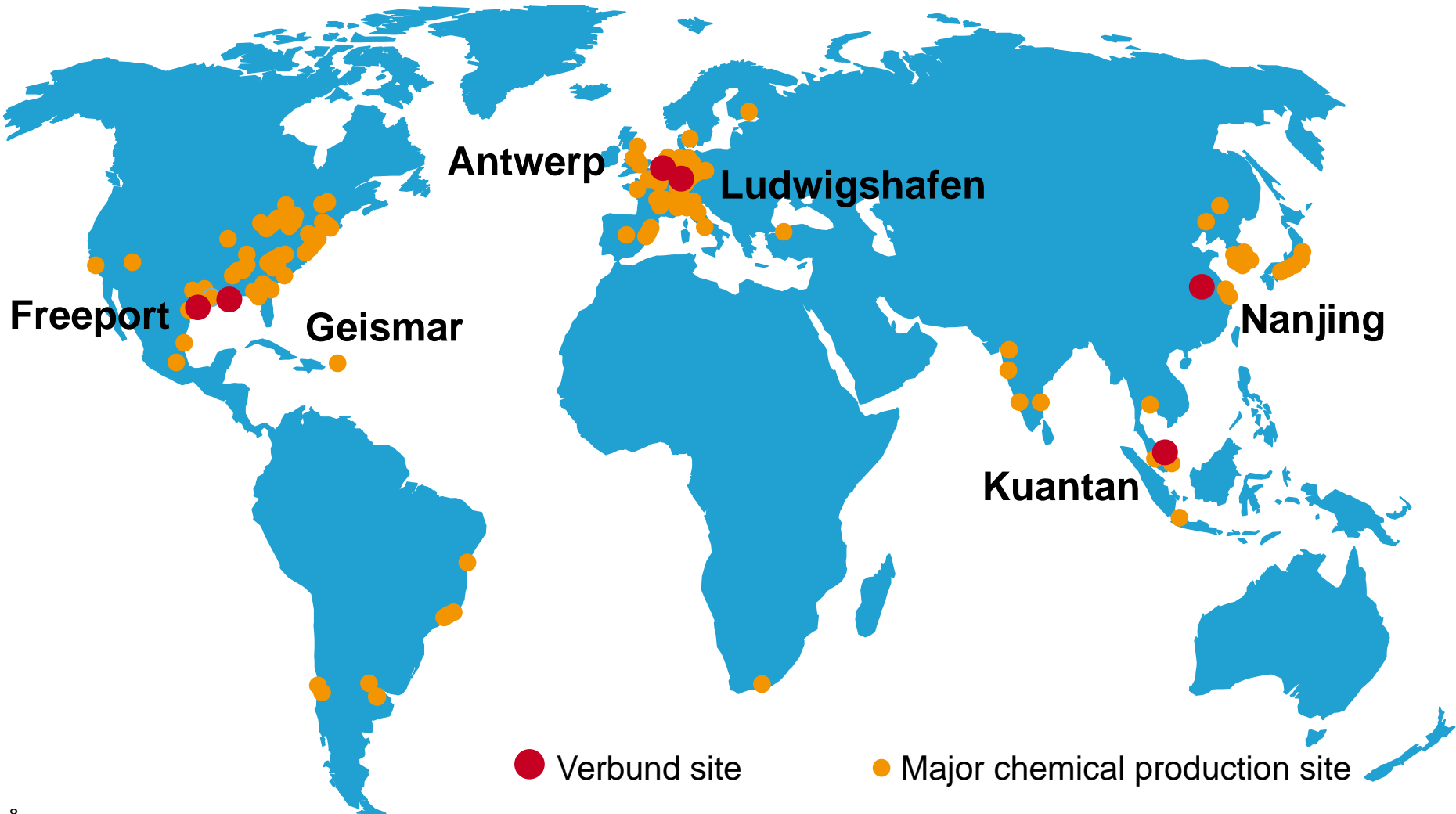
■ Chemical activities**
 ■ Agricultural Products & Nutrition**
 ■ Oil & Gas








BASF 2015 - four strategic guidelines for long-term success



BASF worldwide



Employees by region in 2006

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

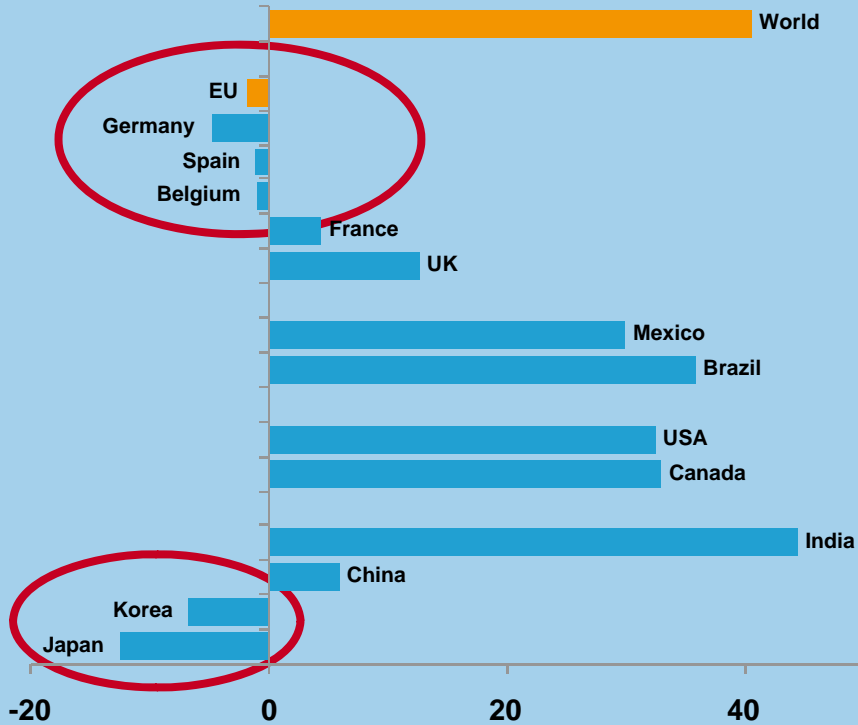
- Global risk portfolio by 2nd Q 2007
- Implementation by way of existing structures from 3rd Q 2007

Aim: maintain innovative ability and safeguard necessary productivity

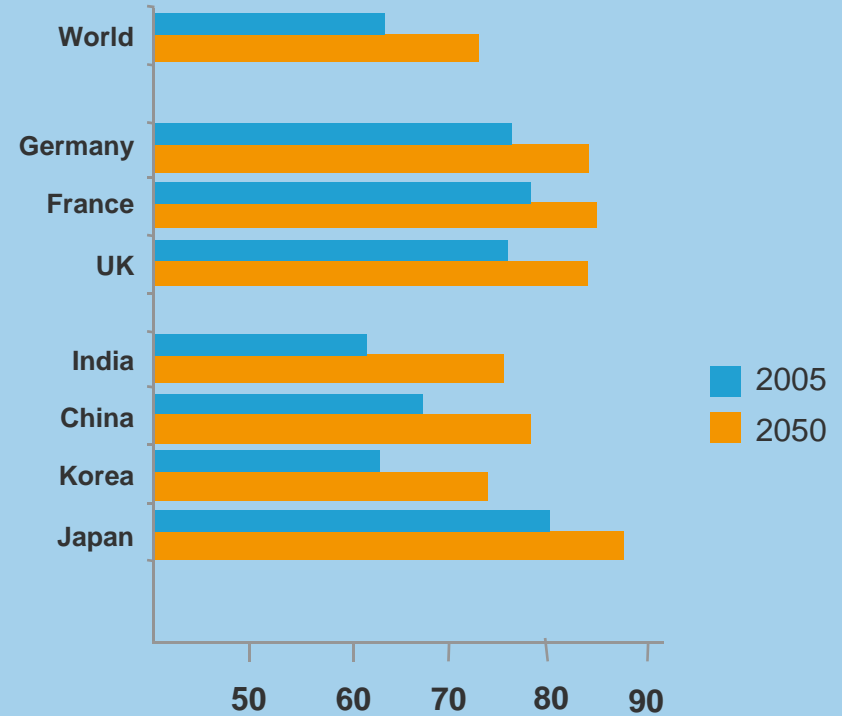
The population is shrinking in Europe

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

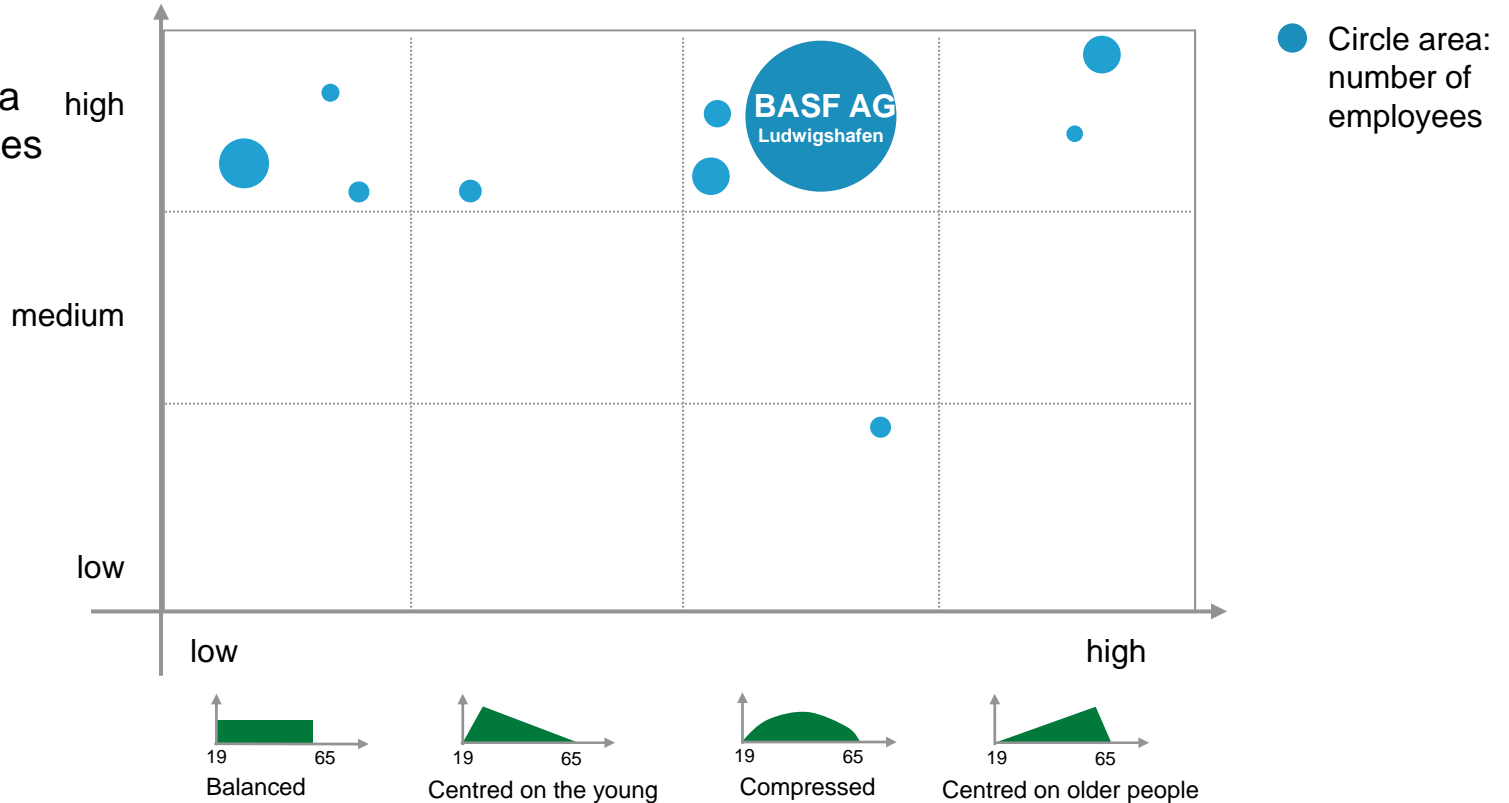


The greatest pressure for action in respect of HR in Europe

... 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

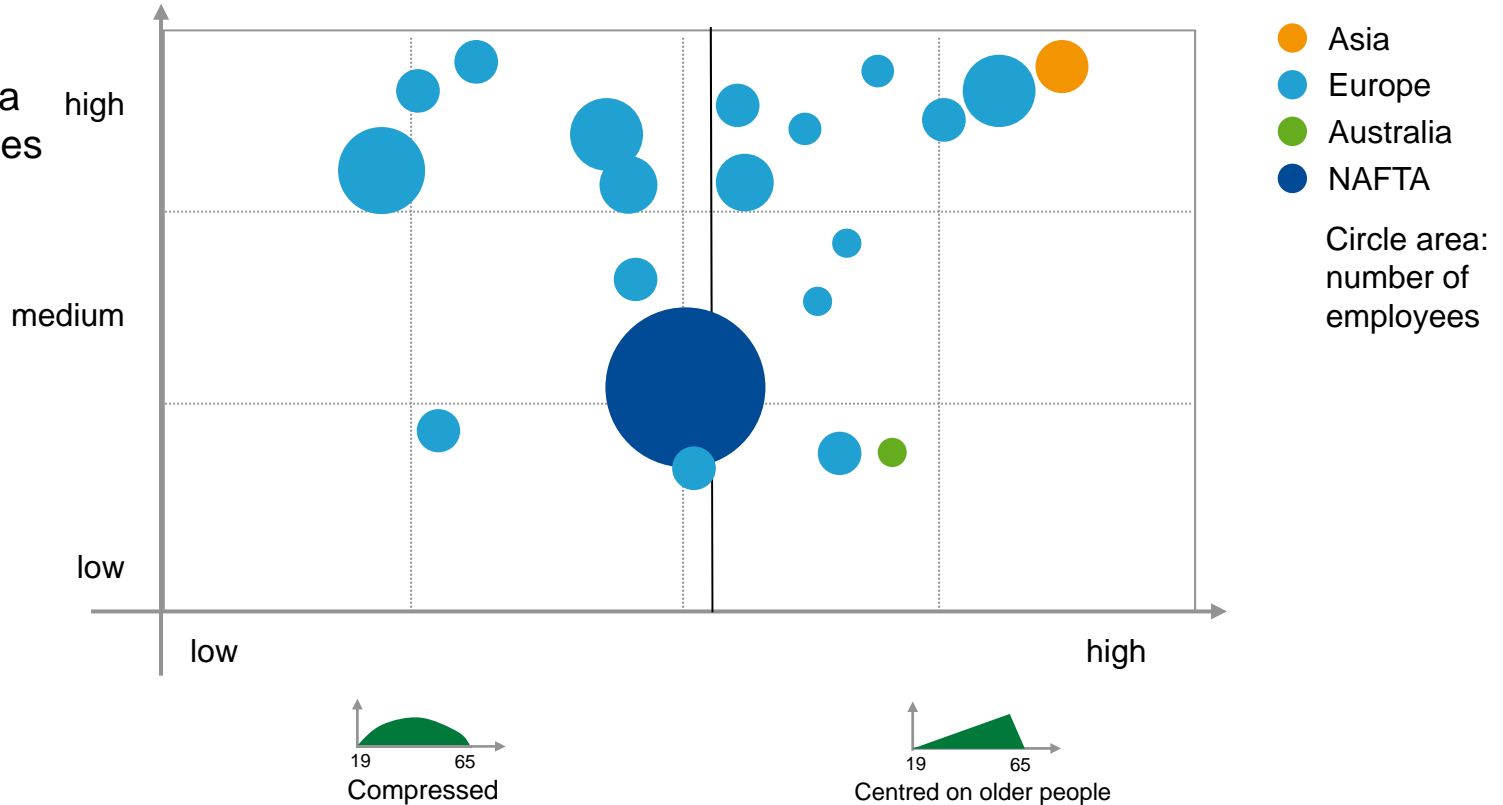
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Risk portfolio of BASF Group shows need for action

... 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



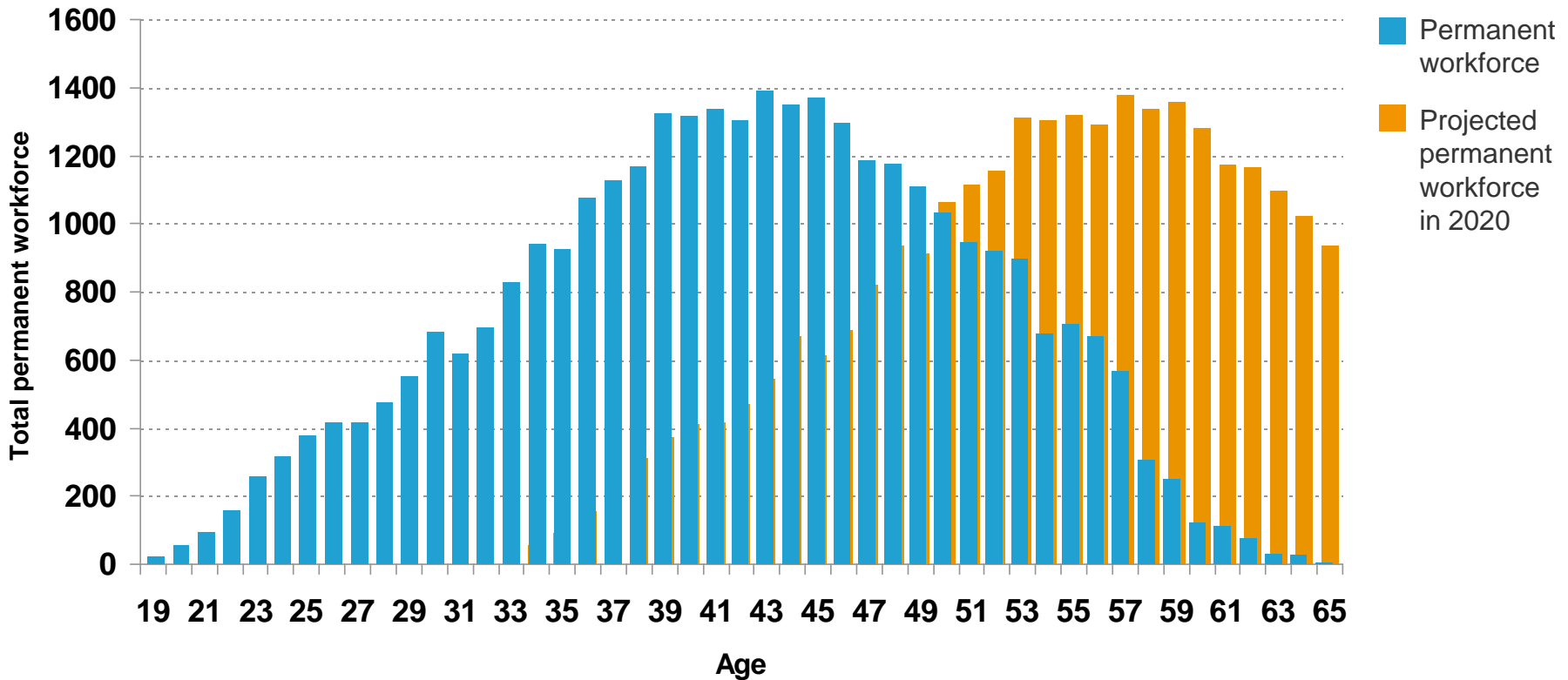
Demographic risk arising from the age structure

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



The Chemical Company

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