



Joint News Release

December 8, 2020

BASF-YPC celebrates 20th anniversary

- **A successful Sino-German cooperation with the track record of outstanding EHS performance and economic contribution**
- **Tax contribution of approximately 19 billion RMB since establishment**
- **Over 1 billion RMB investment in the past decade on environmental protection and energy saving measures**

Nanjing, China – December 8, 2020 – BASF-YPC Company Limited (hereinafter referred as BASF-YPC), a 50-50 joint venture between BASF and Sinopec, celebrates its 20th anniversary in December 2020. A series of cultural events among employees and customers are taking place to review and celebrate the company's successful development.

Founded in 2000 with an accumulated investment of 5.5 billion USD, BASF-YPC nowadays is supplying about 3 million metric tons of high-quality chemicals and polymers every year to cater to the rapidly growing Chinese market needs. Over the past two decades, BASF-YPC has contributed approximately 19 billion RMB in tax.

“As one of the most successful joint ventures in BASF, BASF-YPC not only delivers strong business growth, but also exemplifies excellent performance in environment protection, health and safety. The close ties and trusted partnership between BASF and Sinopec since establishment are a key success driver,” said Dr. Markus Kamieth, Member of the Board of Executive Directors of BASF SE.

“BASF-YPC is a powerful alliance between SINOPEC and BASF utilising their respective advantages and achieving mutual benefits and win-win results. Sticking to the business concept of “satisfy customers with excellent services”, the company has been devoting itself to safety, green and sustainable development which has created a role model of successful cooperation between SINOPEC and BASF. Through this cooperation, SINOPEC and BASF have established a solid friendship of strategic cooperation,” said Baocai Yu, Vice President of Sinopec Group, BOD Member and Senior Vice President of Sinopec Corp.

BASF-YPC adopts the unique “Verbund” concept originating from BASF. The Verbund system creates efficient value chains that extend from basic chemicals right through to high-value-added products, maximizing the efficient use of resources and minimizing environmental impact and waste generation. For example, the highly efficient energy Verbund concept can help to save about 40% of primary resources and a total of 530,000 tons of CO₂ per year. In addition, 99% of water is recycled; every year only 1% of the total consumption comes from freshwater sources. From 2010 to 2020, BASF-YPC has invested more than 1 billion RMB in a series of environmental protection and energy saving measures.

“We are committed to continuously contributing to the industrial transformation and upgrade in China with our unique competencies in innovation and sustainability,” said Dr. Stephan Kothrade, President and Chairman of BASF Greater China. “As China takes stride in high quality development, we set ourselves a bigger role to play by applying advanced technologies and offering innovative solutions to our customers.”

“The successful operation of BASF-YPC within the past 20 years reflects the strong cooperation between SINOPEC and BASF. With the concept of safety, health, environmental protection and new development, BASF-YPC constantly promotes industrial restructuring, transformation and upgrading to achieve high quality development. In the future, BASF-YPC will continue to meet the market demand with higher quality products and more efficient services, and at the same time actively take social responsibilities as always for a better living, try its best to make new contributions for SINOPEC to build a world-leading clean energy and chemical company as well as to establish the strategic structure featured as one foundation of energy resources, two wings of clean energy and synthetic materials, and three growth points of new energy, new economy and new areas.” said Mr. Jianqiao Hong, Chairman of Sinopec Yangzi Petrochemical Company Limited and BASF-YPC Company Limited.

About BASF-YPC

BASF-YPC Company Limited (“BASF-YPC”) is a 50-50 joint venture between BASF and Sinopec, founded in 2000, with a total investment of approximately US\$5.5 billion. The integrated petrochemical site produces about three million tons of high-quality chemicals and polymers for the Chinese market annually. The products serve the rapid-growing demand in multiple industries, including agriculture, construction, electronics, pharmaceutical, hygiene, automotive and chemical manufacturing. All BASF-YPC plants are interconnected in order to use products, by-products and energy in the most efficient way, to save cost and to minimize the environmental impact. BASF-YPC posted sales of approximately CNY 19.6 billion in 2019 and employed 1,942 people as of the end of the year. Further information is available on the internet at www.basf-ypc.com.cn.

About BASF

At BASF, we create chemistry for a sustainable future. We combine economic success with environmental protection and social responsibility. More than 117,000 employees in the BASF Group work on contributing to the success of our customers in nearly all sectors and almost every country in the world. Our portfolio is organized into six segments: Chemicals, Materials, Industrial Solutions, Surface Technologies, Nutrition & Care and Agricultural Solutions. BASF

generated sales of €59 billion in 2019. BASF shares are traded on the stock exchange in Frankfurt (BAS) and as American Depositary Receipts (BASFY) in the U.S. Further information at www.basf.com.

About SINOPEC / YPC

SINOPEC is one of the largest integrated energy and chemical companies with upstream, midstream and downstream operations in China. Its principal operations include: the exploration and production, pipeline transportation and sales of petroleum and natural gas; the sales, storage and transportation of petroleum products, petrochemical products, synthetic fiber, fertilizer and other chemical products; and the research, development and application of technologies and information. SINOPEC implements strategies of resources, markets, integration, internationalization, differentiation and green low-carbon development, and establishes the strategic structure featured as one foundation of energy resources, two wings of clean energy and synthetic materials, and three growth points of new energy, new economy and new areas with its vision of building a world-leading clean energy and chemical company. Sinopec generates sales of 2.97 trillion Yuan RMB in 2019. More information on SINOPEC is available on the Internet at www.sinopec.com.

YPC is one of Sinopec's largest integrated sites of refinery and petrochemical operation with sales of 77.7 billion Yuan RMB in 2019. Located in Nanjing, Jiangsu, China, it implements shareholder's management over BYC on behalf of Sinopec. More information on YPC is available on the Internet at www.ypc.sinopec.com.

Media contacts

BASF Greater China

Cunyu MA
Phone: +86 21 2039 5271
Cun-yu.ma@basf.com

SINOPEC

Hui ZHANG
Phone: +86 25 5856 2782
zhanghui01.yzsh@sinopec.com