

# News Release

June 17, 2022

## **BASF publishes its integrated annual report in Greater China for 14 consecutive years**

- **Posted record-high business results in 2021 in Greater China**
- **Reduced carbon emissions for the fifth consecutive year despite production volume increase**
- **Continued investment in production and R&D capabilities to better serve the customers in China**

Shanghai, China – June 17, 2022 – BASF publishes its Greater China Report for the 14th consecutive year to review its performances across the three dimensions of sustainability – economy, environment, and society – in Greater China in 2021.

“It was an incredible year for BASF. We have achieved notable economic success while continuously fulfilling our commitments to environmental protection and society,” said Dr. Jeffrey Lou, President and Chairman of BASF Greater China. “In 2021, BASF posted record-high sales of approximately €12 billion in Greater China, achieving a dual increase in sales volume and price. We managed to reduce greenhouse gas emissions from our operations for the fifth consecutive year, despite a double-digital increase in production volume.”

### **Continuously investing in local production and R&D**

In the past year, BASF continued to expand its local production and R&D footprints to better support customers in this fast-growing Chinese market.

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Media Relations  
Anna HAN  
Phone: +86 21 2039 3110  
[anna.han@basf.com](mailto:anna.han@basf.com)

Joy SHAN  
Phone: 86 21 2039 5487  
[joy.a.shan@basf.com](mailto:joy.a.shan@basf.com)

BASF (China) Co., Ltd.  
No. 300, Jiang Xin Sha Road  
Pudong, Shanghai 200137  
[www.basf.com](http://www.basf.com)

The establishment of the new Verbund site Zhanjiang is expected to further accelerate BASF's profitable growth in the Asia Pacific region. BASF has been constructing the initial plants of the Zhanjiang Verbund site since 2020, which will produce engineering plastics and thermoplastic polyurethanes. The first made-in Zhanjiang products will be ready by 2022.

In 2021, BASF and Sinopec announced to expand its 50-50 joint venture Verbund site in Nanjing, to further bring the Verbund advantages into full play. Another key milestone in 2021 was the establishment of BASF Shanshan Battery Materials Co., Ltd. The newly formed joint venture has further strengthened BASF's position in Asia to build up an integrated battery materials supply chain for customers in China and worldwide.

BASF will further enhance its innovation capabilities in this region by breaking ground for the third phase of its Innovation Campus Shanghai, the company's largest R&D hub in Asia Pacific. Upon its completion in early 2023, the total investment of Innovation Campus Shanghai will sum up to around €280 million.

### **Reducing greenhouse gas emissions and emissions of wastewater despite increased production output**

Despite the significant increase in the production volume, emissions of greenhouse gases from BASF's chemical operations in Greater China in 2021 were reduced by 4.5% compared with the previous year, totaling 1.182 million metric tons (2020: 1.238 million metric tons). This is the fifth consecutive year BASF has reduced its carbon footprints in Greater China.

This reduction was achieved by optimizing efficiency through digitalization and new technologies, as well as by increasing the share of renewables in the energy supply. In 2021, BASF secured 100% renewable electricity for its first plants at Zhanjiang Verbund site. Five other sites in Shanghai and Jiangsu province joined the Renewable Direct Power Purchase (R-DPP) pilot trade in China. BASF also has built-up photovoltaic power stations at many sites across the country.

In 2021, emissions of water pollutants were decreased compared to 2020, owing to the various optimization measures taken at sites in Shanghai and Nanjing. Emissions of organic substances (COD) totaled 104.2 metric tons (2020: 141.9 metric tons).

Phosphorus emissions were at 1.097 metric tons (2020: 2.222 metric tons). Nitrogen emissions were at 11.5 metric tons (2020: 13.9 metric tons), and heavy metals emissions increased to 0.037 metric tons (2020: 0.028 metric tons).

### **Promoting societal engagement and science education**

Through our diversified societal engagement programs, BASF aims to better the quality of life in the communities and create learning opportunities for people to cultivate a sustainable mindset. We spent €0.35 million on societal engagement programs in Greater in China in 2021.

Partnered with local not-for-profit organizations, BASF kicked off its first nationwide cleanup volunteering campaign in Greater China. Over 300 BASF employees and their family members from 13 BASF sites across the country cleared over 1,050 kilograms of waste, contributing to cleaner coastlines and riverbanks.

BASF also actively supported science education by engaging kids across Greater China in the magical world of chemistry through its interactive chemistry laboratory, BASF Kids' Lab. In 2021, over 3,000 kids in Shanghai, Beijing and Kaohsiung conducted hands-on chemical experiments and learned about how chemistry can contribute to health and climate protection in a fun way.

BASF is one of the first multinational companies to publish a comprehensive local annual report, starting in 2008, to enhance transparent communication and engagement with various stakeholders. The online version and full report can be found at <https://www.basf.com/cn/en/media/GC-report/GC-report-2021.html>

### **About BASF in Greater China**

BASF has been a committed partner to Greater China since 1885. With large production sites in Shanghai, Nanjing and Chongqing, as well as a global and regional research and development hub in Shanghai, BASF is a major foreign investor in the country's chemical industry. BASF posted sales of approximately €12 billion in 2021 to customers in Greater China and employed 11,070 people as of the end of the year. For further information, please visit [www.basf.com/cn/en](http://www.basf.com/cn/en).

### **About BASF**

At BASF, we create chemistry for a sustainable future. We combine economic success with environmental protection and social responsibility. More than 111,000 employees in the BASF Group contribute 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 €78.6 billion in 2021. 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](http://www.basf.com).