

News Release

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BASF to accelerate supply of renewable electricity to its Zhanjiang Verbund site

- **BASF signed a 25-year framework agreement with SPIC to purchase renewable electricity for the next phases of its Zhanjiang Verbund site, China**
- **Ambitious target to achieve 100% share of renewable electricity already in 2025**

Zhanjiang, China – March 22, 2022 – BASF today signed a 25-year framework agreement with State Power Investment Corporation (SPIC) under the new renewable energy trading rules in Guangdong province, China, to purchase the renewable electricity for the next phases of its Zhanjiang Verbund site in Guangdong province. Supported by this deal and the partnerships with other energy suppliers, BASF is further accelerating its plan to power the entire Zhanjiang Verbund site with renewable electricity and targets to achieve 100% by 2025.

“This initiative underscores again BASF’s corporate strategy on sustainability and our commitment to achieving climate neutrality,” said Dr. Markus Kamieth, member of the Board of Executive Directors, BASF SE. “The Chinese renewable energy market is developing very rapidly and offers us attractive opportunities to accelerate our transformation. With 100% renewable electricity for Zhanjiang, BASF is stepping closer to its target of net zero emissions by 2050.”

BASF’s agreement with SPIC marks a significant leap forward since the company made the announcement to power its first plants at the Zhanjiang Verbund site with

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100% renewable electricity. These first plants will come on stream in 2022 and 2023. Instead of in 2030, BASF now aims to power the site with 100% renewable electricity by 2025 upon the startup of its upstream steam cracker and other plants producing petrochemicals, intermediates, care chemicals and nutrition and health products.

“We are glad that the fast development of the Chinese renewable energy market allows us to accelerate our renewable electricity supply target earlier than expected. By then, we will be able to bring all the ‘Made in Zhanjiang’ products to the market with minimized carbon footprint for the benefits of our customers and the community,” said Dr. Klaus Welsch, President, Mega Projects Asia, BASF. “BASF is dedicated to building our new Verbund site in Zhanjiang as a role model of sustainable production. This will not only demonstrate our continuous commitment to the sustainable development in Zhanjiang, but also contribute to China’s carbon reduction ambition.”

All the renewable energy that SPIC will provide to BASF will come from the dedicated renewable electricity sources in Guangdong province. Such renewable electricity will mainly be from offshore wind power and photovoltaic.

“The signing marks the start of the first collaboration between SPIC and BASF in the renewable energy area. It is also a key project for SPIC to promote the local consumption of green electricity,” said Liu Mingsheng, Deputy General Manager of SPIC. “BASF actively practices its climate protection strategy. Being complementary in our businesses, both parties share a common vision for the partnership, and will conduct in-depth exchanges and collaboration in the future in areas such as green power supply and integrated energy, contributing to global carbon emission reduction.”

BASF is currently in negotiation with various partners to further extend its renewable energy sources for the Zhanjiang Verbund site.

Announced in July 2018 and officially commenced in November 2019, BASF Zhanjiang Verbund site will be the company’s largest investment with around €8 to €10 billion upon completion and would be operated under the sole responsibility of BASF. The site would ultimately be the third-largest BASF site worldwide, following Ludwigshafen, Germany, and Antwerp, Belgium. The whole Verbund site is planned to be completed by 2030. The first plant from the initial phase will be operational by 2022.

Caption: On March 22, 2022, BASF signed a 25-year framework agreement with SPIC to purchase the renewable electricity for the next phases of its Zhanjiang Verbund site in China (some witnesses from SPIC witnessed the signing through video at the Beijing venue; this is a composite picture)



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.

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.