News Release

BASF and Shenergy sign a Memorandum of Understanding for biomethane cooperation to jointly accelerate the green transformation

- **Cooperation focuses on green transformation, reducing product carbon footprint**
- **Launching the first domestically delivered biomethane project certified by ISCC+ through gas grid**

Ludwigshafen, Germany - November 20, 2024 - BASF signed a Memorandum of Understanding (MoU) with Shenergy Group ("Shenergy") through its subsidiaries Shanghai Gas Co., Ltd ("Shanghai Gas") and Shanghai Shenji Environmental Technology Co., Ltd. ("Shenji"). This strategic partnership aims to foster long-term collaboration among the three parties in the commercialization and international certification of biomethane, promoting the development of sustainable solutions and accelerating circular economy.

Shanghai Gas, a subsidiary of Shenergy, serves as a comprehensive natural gas industry platform and the urban gas provider for Shanghai. Shenji, another subsidiary company of Shenergy Environment Technology Co.,Ltd. ("Shenergy Environment"), specializes in the developing of waste resource utilization. According to the MoU, Shenji will proactively undertake biomethane purification projects at livestock farms and waste disposal facilities. Meanwhile, based on the ISCC PLUS certified biomethane, Shenji will work together with BASF to carry out pilot projects on the commercialization of selected Biomass Balance products. The purified biomethane will be delivered through the gas grid by Shanghai Gas. BASF then incorporates the biomethane at the beginning of its value chain and attributes the

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renewable raw material to its sustainable products using a mass balance approach, thus not only substituting fossil feedstock but also reducing the products' carbon footprint (PCF).

“Biomethane, as a green, renewable, and clean energy source, as well as a bio-based raw material, holds immense potential in replacing fossil resources. Today, BASF and Shenergy enter into a strategic partnership, which marks a breakthrough for both parties in exploring the commercial application of bio-based raw materials and promoting sustainable development. It will enable us to launch more diversified and lower carbon footprint products, thereby supporting our customers in their green transformation.” said Dr. Jeffrey Lou, President and Chairman of BASF Greater China.

Huang Dinan, Secretary of the Party Committee and Chairman of Shenergy Group, stated, “The strategic cooperation between BASF and Shenergy not only represents an important step for both parties in the green transformation process but also lays a solid foundation for deep collaboration in other fields. We hope to engage in profound exchanges with BASF in areas such as global perspectives, advanced technologies, and excellent management experiences, and work together to promote the green and low-carbon transformation of energy and chemicals.”

This collaboration signifies the inauguration of BASF's ISCC+ certified biomethane partnership through gas grid in China, highlighting the high-value utilization of bio-based raw materials in the chemical industry. It also establishes a strong groundwork for BASF’s future advancements in sustainable and innovative solutions. “We are committed to supporting our customers in achieving their sustainability goals by providing a wide range of sustainable solutions globally – now also including locally sourced biomass-balanced products in Asia. With this, we do not only enhance our sustainable offerings, but also take a significant step forward on #OurPlasticsJourney together with our customers,” adds Matthias Scheibitz, Head of Sustainability, BASF Performance Materials.

About BASF in Greater China

BASF has been a committed partner to Greater China since 1885. With large production sites in Shanghai, Nanjing, Chongqing and Zhanjiang, as well as a regional research and development hub in Shanghai, BASF is a major foreign investor in the country’s chemical industry. BASF posted sales

of approximately €9.4 billion in 2023 to customers in Greater China and employed 12,115 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 112,000 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 comprises six segments: Chemicals, Materials, Industrial Solutions, Surface Technologies, Nutrition & Care and Agricultural Solutions. BASF generated sales of €68.9 billion in 2023. BASF shares are traded on the stock exchange in Frankfurt (BAS) and as American Depositary Receipts (BASFY) in the United States. Further information at www.basf.com.