

# News Release

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## **BASF bundles renewable energy activities in new subsidiary BASF Renewable Energy GmbH**

- **Focus on renewable power supply for BASF's European sites**
- **Management of own power generation and long-term supply contracts**
- **Global consulting expertise within the BASF Group**

BASF is bundling its activities in renewable energies under the umbrella of BASF Renewable Energy GmbH as of January 1, 2022. The wholly owned subsidiary's business activities will focus on supplying the BASF Group in Europe with electricity from renewable energies, electricity trading activities in Europe and global consulting for BASF and its Group companies in the field of renewable energies. The company is based in Ludwigshafen and will be managed by Horatio Evers, who was previously responsible for the development of renewable energies at BASF SE.

BASF expects that by gradually replacing electricity from fossil generation, from own production as well as purchase agreements, and scaling innovative, climate-friendly technologies to an industrial scale, its electricity consumption in Europe will increase from the current level of around 9 terawatt hours of electricity from fossil generation annually to the point where at least three to four times as much electricity from renewable sources will be needed to reach the net zero goal.

BASF Renewable Energy GmbH is tasked with supplying the European sites with these additional volumes in line with demand. To this end, it will initiate new additional projects to generate renewable energy from own production together with

partners and conclude long-term supply agreements with energy producers, known as Power Purchase Agreements (PPAs). Projects already underway to generate electricity from renewable energy sources include the participation in the Hollandse Kust Zuid wind farm with Vattenfall, as well as the wind farm planned with RWE in the German North Sea. Other major projects for the generation of electricity from renewable sources in Europe are under review or have already been initiated. In addition, BASF has recently signed a first long-term PPA for the supply of offshore wind in Europe with Ørsted. Dr. Roland Merger continues to manage the wind farm projects with partners.

“As the leading company in the chemical industry, we are already one of the largest industrial electricity consumers in Europe. Due to the conversion to renewable energy as well as the launch of new, low-emission production processes based on electricity, our demand will increase significantly in the future,” said Horatio Evers, Managing Director of BASF Renewable Energy. “The reliable and efficient supply to BASF with sufficient quantities of electricity from renewable sources at competitive prices is necessary for the implementation of our goals and the achievement of the targeted climate neutrality. We are committed to a make-and-buy strategy in this regard.”

BASF has set a target to reduce its greenhouse gas emissions by 25 percent by 2030 compared with 2018 and to achieve net zero emissions by 2050.

In addition to procurement and power trading, BASF Renewable Energy will also provide expertise and advice on renewable energy within the BASF Group worldwide. Due to different national regulatory requirements as well as other factors such as availability and connection to the power grid, the local and regional framework conditions for the use of renewable energies vary greatly between sites worldwide. By bundling project experience and expertise, BASF ensures efficiency in power supply.

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