

Joint News Release

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BASF signs a 25-year agreement with SPIC to purchase renewable electricity for its Zhanjiang Verbund site

- **SPIC will supply 1,000 GWh dedicated renewable electricity to BASF per year starting from 2025**
- **Further step to secure 100 percent green power supply of BASF's Zhanjiang Verbund site by 2025**

Ludwigshafen, Germany, and Zhanjiang, China – September 7, 2023 – BASF signed a 25-year power purchase agreement (PPA) with State Power Investment Corporation (SPIC) to purchase renewable electricity for its Zhanjiang Verbund site, which is under construction in Guangdong province, China. The PPA is a further step in the renewable energy partnership between BASF and SPIC following the framework agreement signed in [March 2022](#).

This partnership is another significant milestone for BASF in securing 100% green power supply for the Zhanjiang Verbund site by 2025. It is also another successful Sino-German low-carbon initiative following the letter of intent (LOI) signed by BASF and China National Development and Reform Commission (NDRC) in June 2023. Under the latest agreement, SPIC will supply 1,000 GWh of renewable electricity annually for BASF's Zhanjiang Verbund site. Supply will start in 2025 to coincide with the startup of the steam cracker and core of the Verbund site. The electricity will mainly be generated from dedicated offshore wind power and photovoltaic plants in Guangdong, China.

“BASF is taking another concrete step closer towards its ambitious global climate targets. We are very glad to enter into this long-term partnership with SPIC, one of the world's largest photovoltaic power generation companies, new energy power generation enterprises and clean energy power generation enterprises, on our path towards net zero emissions globally by 2050. Construction at BASF's new Verbund

site in Zhanjiang is in full swing. Once completed, the site will be a role model for sustainable production and will contribute to the green transformation of chemical industry as well as to China's carbon reduction ambitions," said Dr. Markus Kamieth, member of the Board of Executive Directors, BASF SE.

"SPIC is committed to becoming a world-class clean energy enterprise and actively contributing to the green and low-carbon energy transformation. BASF is a global leading chemical company. Both companies have complementary technical advantages and share broad cooperation opportunities in green power supply, renewable energy development and green power conversion. Leveraging the win-win cooperation with BASF at the Zhanjiang Verbund site, SPIC aims to further promote the green and sustainable development of the local economy and society and make new contributions to coping with global climate change," said Xu Shubiao, Deputy General Manager of SPIC Group.

Background information on BASF's Verbund site Zhanjiang

The Zhanjiang Verbund site will be BASF's largest investment with up to €10 billion upon completion. It will be operated under the sole responsibility of BASF and will be the company's third largest Verbund site worldwide, following Ludwigshafen, Germany, and Antwerp, Belgium.

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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 comprises six segments: Chemicals, Materials, Industrial Solutions, Surface Technologies, Nutrition & Care and Agricultural Solutions. BASF generated sales of €87.3 billion in 2022. 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.

About SPIC

State Power Investment Corporation Limited (SPIC) is one of China's five power generation groups, with businesses covering centralized power and heat generation, consumer-side integrated smart energy, green power to X, power-related and supporting segments, and asset-light businesses. SPIC owns all generation types including PV, wind, nuclear, hydro, coal, gas and biomass, with PV power capacity ranking 1st in the world. Ranking 262nd among the Fortune Global 500, SPIC is committed to becoming a world-class clean energy enterprise with global competitiveness.

As of June 2023, SPIC's clean energy accounted for 68% of the total installed capacity, with PV, new energy, clean energy capacity topping the world. With 67.81 GW of PV power, SPIC continues leading the world in scale, while promoting new business models like hybrid hydro-wind-solar, hybrid fishery-solar, hybrid agriculture-solar, desertification control with PV power, etc. Owning and operating multiple onshore and offshore wind farm clusters totaling 48.41 GW, SPIC is the second largest wind power producer in the world. With installed capacity of 24.63 GW, the company is also an important hydropower producer with cascade HPPs on the upper reaches of the Yellow River, and the Yuanshui River, a tributary of the Yangtze River.

SPIC actively implements the Belt and Road Initiative, with presence in 47 countries and regions including Brazil, Australia, Malta, Pakistan, etc. Meanwhile, SPIC carries out technology collaboration with international companies like Siemens Energy, Ansaldo Energia, Westinghouse Electric Company, Tecnom, etc. As of June 2023, SPIC owns 8,937 MW overseas assets in operation, with clean energy accounting for 64.9%, and 2,777 MW under construction.