

News Release

June 22, 2021

BASF secures 100% renewable electricity for the first plants of its Zhanjiang Verbund site

- **BASF and China Resources Power made the first deal under the new renewable energy trading rules in Guangdong province**
- **First plants to produce engineering plastics and thermoplastic polyurethanes with minimized carbon footprint**

Guangzhou, China – June 22, 2021 – Today, BASF and China Resources Power made the first deal to purchase renewable electricity through Guangdong Power Exchange Center in Guangdong Province, China. BASF secures 100% renewable electricity for its first plants at the Zhanjiang Verbund site under the pilot “Guangdong Renewable Energy Trading Rules” published this April. The first plants will produce engineering plastics and thermoplastic polyurethanes (TPU) to serve the increasing needs of various growth industries in the southern China market and throughout Asia.

“This significant milestone was achieved thanks to the strong support from the government authorities as well as to the joint efforts from BASF and our partner,” said Martin Jung, President of BASF’s Performance Materials division. “With 100% renewable electricity supply for our plants, the first batch of ‘Made in Zhanjiang’ products will be delivered with minimized carbon footprints to the market, for the benefit of our customers and the community.”

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On April 21, 2021, Guangdong Power Exchange Center issued the new pilot Renewable Energy Trading Rules. And today, as the first deal under the rules, BASF successfully purchased renewable electricity from China Resources Power for its first plants of Zhanjiang Verbund site, whereby China Resources Power will establish dedicated renewable electricity sources to supply the renewable electricity for BASF.

“This is a landmark initiative to open up a new green energy business model. It helps enterprises like BASF maximize the use of renewable energy. We are proud to be the first company to purchase renewable energy under the new rules,” added Klaus Welsch, President, Mega Projects Asia, BASF. “Our new Verbund site in Zhanjiang will continue to improve the share of renewable energy in our future phases to be a role model for sustainable production. This is part of BASF’s goal of climate neutrality by 2050, and will also contribute to China’s carbon reduction ambition.”

“Since the signing of the agreement between China Resources Power and BASF, the two parties have been working closely together to promote the introduction of this new trading mechanism and provide new growth momentum for the market. China Resources Power will take this cooperation as a base, hand in hand with our partners to actively create and promote this new green energy business model, hence contributing to the green, high-quality development for the economy in China,” said Tang Yong, President of China Resources Power.

Announced in July 2018 and officially commenced in November 2019, BASF Zhanjiang Verbund site will be the company’s largest investment with around US\$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 plants will be operational by 2022.

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 €8.5 billion in 2020 to customers in Greater China and employed 8,948 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 110,000 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 €59 billion in 2020. 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.

About China Resources Power

China Resources Power Holdings Limited ("China Resources Power or CR Power") was established in August 2001 and listed on the main board of the Stock Exchange of Hong Kong in November 2003. As a subsidiary company of the Hong Kong-listed China Resources Group, its business covers wind power, thermal power, hydropower, photovoltaic power generation, distributed energy, electricity sales and integrated energy services, coal and other fields.