

## Joint News Release

November 10, 2023

### **BASF and SINOPEC inaugurate the expansion of the joint Verbund site in Nanjing, China**

- **Expansion to serve growing demand from various industries in the Chinese market**
- **Newly built facilities to utilize renewable energy, aiming to significantly reduce carbon emissions from production processes and the carbon footprints of products**

Nanjing, China – November 10, 2023 – BASF and SINOPEC today inaugurated the expanded downstream chemical plants at the Verbund site operated by BASF-YPC Co., Ltd. (BASF-YPC), a 50-50 joint venture of both companies in Nanjing. The expansion is a strategic response to the growing demand from various industries in the Chinese market. A new *tert*-butyl acrylate (TBA) plant is also expected to come on stream by the end of 2023 – the first implementation of this advanced production technology outside of Germany. TBA is a monofunctional monomer that offers outstanding chemical resistance, weatherability and hydrophobicity. These properties make it widely used in industries such as paper, coatings, adhesives and inks.

“I am proud to celebrate the commencement of our new plants at the Nanjing Verbund site, which marks another milestone in our longstanding partnership with SINOPEC,” said Dr. Markus Kamieth, member of the Board of Executive Directors, BASF SE. “BASF-YPC sets a high standard for safety and business performance among our joint ventures globally and will continue to enable our business growth in China with this expansion.”

“The ongoing success of BASF-YPC is a clear testament to the mutual trust and strong partnership between SINOPEC and BASF,” said Baocai Yu, President of SINOPEC Corp. “The successful expansion marks a new era of our robust collaboration and shared vision of sustainable development and technological advancement.”

The inauguration celebrates BASF-YPC's expansion in the production of high-quality chemical intermediates, including propionic acid (PA), propionic aldehyde (PALD), purified ethylene oxide (PEO), ethyleneamines (EEAs), and ethanolamines (EOAs). These intermediate products enable extensive applications in a wide range of industries such as agriculture, pharmaceuticals, construction, textiles and chemicals.

The new facilities, powered by renewable electricity, will further reduce carbon emissions during production and make chemicals with low product carbon footprints (PCFs) available to the market. For example, BASF-YPC will introduce PA products to the Asian market with approximately 40% lower PCFs than domestically produced coal-based alternatives. This will help its customers reduce the carbon footprints of their products.<sup>1</sup>

"This expansion further enhances BASF's production capabilities in China, the world's largest chemical market. We are confident to co-create with our local customers, meet the growing market demand with our innovative and sustainable products, and contribute to the transformation of various industries in China towards a sustainable future," said Dr. Jeffrey Lou, President and Chairman Greater China, BASF.

"We have successfully implemented first-class technology and standards in constructing these new facilities, which are designed to improve resource utilization efficiency. They also extend the upstream and downstream industrial chain, thereby strengthening our competitive advantages in the dynamic Chinese market," said Yuefeng Gu, Chairman of Sinopec Yangzi Petrochemical Company Limited and BASF-YPC Company Limited.

### **About BASF-YPC Company Limited**

BASF-YPC Company Limited ("BASF-YPC") is a 50-50 joint venture between BASF and Sinopec, founded in 2000, with a total investment of approximately US\$5.5 billion. The integrated petrochemical site produces about three million tons of high-quality chemicals and polymers for the Chinese market

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<sup>1</sup>BASF-YPC's PCF calculations follow the requirements and guidance given by ISO 14067:2018. In a methodology review, German technical inspection association "TÜV Rheinland" has confirmed that the PCF (SCOTT) methodology developed by BASF and used by BASF-YPC Company Limited is scientifically based in accordance with ISO 14067:2018, and reflects the state of the art (ID-Nr. 0000080389: BASF SE - Certipedia).

The referenced PCF comparison is based on BASF-YPC's assessments of market-wide average carbon footprints of the respective products using publicly available information on production routes and deployed raw materials, as well as its own market and technology know-how. The applied methodology and data assumptions are the same as for the calculation of the PCF of the BASF-YPC Company Limited product.

annually. The products serve the rapid-growing demand in multiple industries, including agriculture, construction, electronics, pharmaceutical, hygiene, automotive and chemical manufacturing. All BASF-YPC plants employ advanced technology and BASF "Verbund" concept to save on raw materials and energy, reduce emissions, cut logistics costs and exploit synergies. BASF-YPC posted sales of approximately €3.55 billion in 2022 and employed 2,113 people as of the end of the year. Further information is available on [www.basf-ypc.com.cn](http://www.basf-ypc.com.cn).

### **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](http://www.basf.com).

### **About SINOPEC / YPC**

SINOPEC is one of the largest integrated energy and chemical companies with upstream, midstream and downstream operations in China. Its principal operations include: the exploration and production, pipeline transportation and sales of petroleum and natural gas; the sales, storage and transportation of petroleum products, petrochemical products, synthetic fiber, fertilizer and other chemical products; and the research, development and application of technologies and information. With a vision of "to build a world-leading clean energy and chemical corporation", SINOPEC vigorously implements its world-leading development strategy and expedite formation of its development pattern of "One Foundation of energy and resources, Two Wings of clean fuels and advanced chemicals, and Three Growth Engines in new energy, new materials and new economy". More information on SINOPEC is available at [www.sinopec.com](http://www.sinopec.com).

YPC is an important refining and chemical integrated company of SINOPEC. Located in Nanjing, Jiangsu, China, it implements shareholder's management over BYC on behalf of SINOPEC. More information on YPC is available on the Internet at [www.ypc.sinopec.com](http://www.ypc.sinopec.com).

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