

# News Release

March 5, 2021

## **BASF to power its first plants of Zhanjiang Verbund site with 100% renewable energy**

- **Important step towards realizing CO<sub>2</sub> neutral growth**
- **Pioneer to drive the Renewable Direct Power Purchase (R-DPP) concept, and actively promote the development of the Renewable Electricity Marketization Policy in Guangdong Province**
- **BASF is expected to be the first user to purchase renewable electricity under this policy**

Zhanjiang, China – March 5, 2021 – BASF will power the first plants of its Zhanjiang Verbund site in Zhanjiang, Guangdong province, using 100% renewable electricity. This came as a significant step for BASF to build its Zhanjiang Verbund site as a role model for sustainable production. With the first plant to be operational by 2022, the first plants will produce engineering plastics and thermoplastic polyurethanes (TPU) to serve the increasing needs of various growth industries in the South China market and throughout Asia.

In order to maximize the use of renewable electricity for the first plants, as early as the end of 2019, BASF pioneered to propose a new concept of Renewable Direct Power Purchase (R-DPP), and together with China Resources Power, actively supported Guangdong province in the development of the Renewable Electricity Marketization Policy.

“Sustainability is firmly anchored in our corporate strategy, and we are aiming to grow CO<sub>2</sub>-neutrally by 2030,” said Dr. Markus Kamieth, member of the Board of Executive Directors, BASF SE. “The strong engagement to promote the development of this new Renewable Electricity Marketization Policy will enable our new Verbund site in Zhanjiang to play an important role in BASF’s edging closer to our sustainability goals.”

“Through the pioneering effort in research and development of this completely new R-DPP concept, BASF has been proactively supporting the development of the Renewable Electricity Marketization Policy in Guangdong province,” said Dr. Klaus Welsch, President, Mega Projects Asia, BASF. “This will not only ensure the application of 100% renewable electricity in the first plants, but will also maximize the use of renewable electricity for the production of our whole Verbund site. Hence, we will be able to minimize the carbon footprint of ‘Made in Zhanjiang’ products and bring added value to our customers.”

With the active promotion under various parties, on February 26, 2021, Guangdong Development and Reform Commission issued the Pilot Implementation Plan of the Province’s Renewable Electricity Consumption Guarantee. Based on the requirements from this Implementation Plan, Guangdong Power Exchange Center will develop the Renewable Electricity Trading Rules Policy to provide guidance for the renewable electricity trading throughout the province. And BASF is expected to be the first user to purchase renewable electricity under the new trading rules policy.

“It demonstrates our continuous commitment to the sustainable development in Zhanjiang. By collaborating with local partners and the local community, we will bring forward more initiatives on carbon reduction and circular economy in the near future, thereby contributing to China’s carbon reduction goal,” added Haryono Lim, Senior Vice President, Senior Project New Verbund Site China, BASF, and General Manager, BASF Integrated Site (Guangdong) Co. Ltd.

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.

### **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](http://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](http://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.