News Release

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BASF invests in increasing production capacity of Neopor® at Ludwigshafen site

- **Expansion of production capacity by 50,000 metric tons per year**
- **Increasing demand expected for products for the energy-efficient renovation of buildings**
- **Focus on EPS insulation materials with optimized sustainability profiles such as Neopor® BMB and Neopor® Mcycled™**

BASF is strengthening its styrene value chain at its Ludwigshafen site by expanding the production capacity of Neopor® by 50,000 metric tons per year. This increase is aimed at meeting the growing market demand for the grey insulation material. The start-up of the new production facilities is scheduled for early 2027.

Neopor® is a graphite-containing, expandable polystyrene (EPS) granulate developed by BASF, primarily used as a raw material for the production of energy-efficient insulation materials for building envelopes. The graphite contained gives the material its grey color and enhances the insulation performance of the boards by up to 30% compared to white EPS. Insulation materials made from Neopor® have set new standards in both new construction and renovation.

“Under BASF's sustainability evaluation method, TripleS (Sustainable Solution Steering), which BASF uses to evaluate all its products, Neopor® is classified as a ‘Pioneer’ in the highest category and is part of BASF's ‘Sustainable-Future Solutions’,” says **Dr. Stephan Kothrade**, Member of the Board of Executive Directors and Chief Technology Officer of BASF SE. “Our ambition is to be the

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preferred chemical company to enable our customers' green transformation. And Neopor® is an excellent example of how we can achieve this."

Rising demand for insulation materials expected

BASF anticipates a significantly increasing demand for materials for energy-efficient building renovations in the coming years. The European Union aims to make the European building sector climate-neutral by 2050. To achieve this ambitious goal, implementing the European Energy Performance of Buildings Directive (EPBD) in all EU member states imposes high requirements for improving the energy efficiency of buildings.

"A well-insulated building envelope is essential for reducing greenhouse gas emissions and achieving climate goals. It is also a prerequisite for the sensible use of modern heating technology. Our EPS insulation materials play a significant role in this," says **Dr. Klaus Ries**, Head of Business Management Styrenics Europe at BASF. "Over their decades-long lifespan, they significantly reduce CO_2 emissions and energy consumption for heating and cooling the building. This is beneficial not only for the climate but also saves energy costs. The graphite-containing Neopor® offers excellent insulation values, is easy to process, cost-effective, and recyclable. Neopor® is one of the most eco-efficient insulation materials."

Neopor® BMB and Neopor® Mcycled™ with optimized sustainability profiles

Insulation materials made from Neopor® already make a significant contribution to sustainable construction in their classic form. With Neopor® BMB and Neopor® Mcycled™, BASF offers products with further optimized sustainability profiles.

Neopor® BMB has a significantly reduced CO_2 footprint compared to classic Neopor®. In its production, at the beginning of the value chain fossil raw materials are replaced with a corresponding amount of renewable raw materials. The allocation of the share of renewable raw materials to the product according to a mass balance approach is independently certified by REDcert^2.[1] In the production of Neopor® F 5 Mcycled™, mechanically recycled EPS waste is partially used as a raw material, thereby closing the recycling loop for EPS. Both the recycled material

[1] For more information on the mass balance approach, visit BASF's website at https://www.basf.com/global/en/who-we-are/sustainability/we-drive-sustainable-solutions/circular-economy/mass-balance-approach/biomass-balance

used and the insulation raw material are REDcert[2] certified.[2]

The use of Neopor® BMB and Neopor® Mcycled™ not only reduces the CO_2 emissions generated during building use, but also the CO_2 footprint of the building itself. At the same time, they have the same high product quality and optimized insulating effect as classic Neopor®.

About BASF

At BASF, we create chemistry for a sustainable future. We combine economic success with environmental protection and social responsibility. Around 112,000 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 €68.9 billion in 2023. 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

[2] For more information on Neopor® Mcycled™, visit https://www.basf.com/global/en/media/news-releases/2022/03/p-22-168