

News Release

A smart factory for smart materials: BASF celebrates the inauguration of its TPU plant at the Zhanjiang Verbund site

- **BASF's largest single Thermoplastic Polyurethane (TPU) production line globally**
- **Geared to meet market demand, particularly in Industrial, eMobility and new energy segments**
- **Milestone for the conclusion of the Zhanjiang Verbund site's initial construction phase**

Zhanjiang, China – January 18, 2024 – BASF today celebrates the inauguration of its Thermoplastic Polyurethane (TPU) plant at the Zhanjiang Verbund site. The new plant is the largest single TPU production line for BASF globally. The smart factory is built with advanced technologies – including automated guided vehicles and advanced automation systems – that translate into efficiency improvements.

“The plant will enable BASF to meet the growing market demand for TPU in Asia Pacific – particularly in the Industrial, eMobility and new energy segments, as well as to be closer to key customer industries in China and Asia Pacific,” said Dr. Martin Jung, President, Performance Materials, BASF. “With this plant, we strengthen the supply of innovative and recyclable Elastollan® TPU solutions in Asia and continue our Plastics Journey towards a more sustainable future.”

Along with the Zhanjiang Verbund site's first plant inaugurated in 2022 producing Engineering Plastics compounds, as well as innovation competencies in our Creation Centers and an extensive Research & Development (R&D) network in Asia Pacific, BASF is well-positioned to meet the growing demand of its customers

across the region for innovative material solutions. BASF's R&D network provides engineering, simulation, and manufacturing know-how to help drive innovation and product development in tandem with market demand and trends such as the electrification of cars and miniaturization of electronic devices.

The Zhanjiang Verbund site: A role model for sustainable and smart production

"BASF's strategy is to produce where our customers are. Thanks to the strong support from the Chinese government, our employees, and partners, the Zhanjiang Verbund site project has been progressing steadily as planned and has now well concluded the construction of its initial phase," said Haryono Lim, President, Mega Projects Asia, BASF. "The site is now focusing on building its core of the Verbund including a steam cracker and several downstream plants to produce petrochemicals and intermediates, among others. BASF is dedicated to building the Zhanjiang Verbund site as a role model of sustainable and smart production."

"As the largest chemical market in the world, China plays a vital and strategic role for BASF. This milestone in the Zhanjiang Verbund site project highlights BASF's robust development in China and our dedication to being close to our local customers," said Dr. Jeffrey Lou, President and Chairman of BASF Greater China. "With the increased local production capabilities and strong commitments in sustainability, we can provide more innovative solutions with lower carbon footprints to our customers in China."

BASF plans to power the entire Zhanjiang Verbund site with 100% renewable energy by 2025. The new Verbund site will be BASF's largest investment to date with around €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.

Elastollan® TPU: Enhanced sustainability for growing markets

Elastollan® TPU is a versatile material widely used in various industries, including automotive, consumer electronics, footwear, sports and leisure, healthcare, and industrial cables & wires. In the eMobility segment, Elastollan® TPU provides flexibility and long-term durability in cable sheaths.

Due to its exceptional properties such as high strength, flexibility, and resistance to

abrasion, TPU is an ideal choice for a broad range of applications. The growth of the TPU market, in particular for high-end applications, is driven by several factors including increasing regulatory requirements and growing customer expectations for enhanced sustainability performance.

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 BASF's Performance Materials division

BASF's Performance Materials division is at the forefront of the much-needed sustainability transformation in plastics. Our products are co-created with customers around the globe to bring innovations to four major industry sectors – transportation, consumer goods, industrial applications, and construction. Our R&D focuses on all stages of the plastics journey: Make, Use and Recycle. The MAKE phase is about improving how plastics are made, from product design to the choice of raw materials and the manufacturing process itself. The USE phase enhances plastics' strengths such as light weight, robustness, and thermal resistance. At the end of the product lifecycle, the RECYCLE phase looks at how to close the loop to achieve a circular economy. In 2022, the Performance Materials division achieved global sales of €8.5 billion. Join #ourplasticsjourney at: www.plastics.basf.com