

BASF-YPC Company Limited

Report 2017





←
Cover photo:
Two employees at the basic chemicals complex conduct a safety inspection.
On this page:
Part of the neopentylglycol plant at BASF-YPC Verbund site

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About this report

“BASF-YPC Company Limited – Report” is published annually as a concise document about the company's development, progress and performance in regard to economy, ecology, and society. The reporting period for this publication is the financial year 2017. All data in the report are the 100% total from BASF-YPC Company Limited.

Welcome

Message from the President

Dear friends and stakeholders,

I am very pleased to present to you BASF-YPC Company Limited – Report 2017, our yearly overview of the company's operations in terms of our sustainability performance. With this report, we want to demonstrate how we balance the economic, environmental, and social aspects of our company.

2017 has again been an excellent year! With a very high and reliable rate of operation of most of our plants, and with the benefit of very good market conditions. Thanks to this outstanding performance, we were able to further invest in the sustainable development of the company.

The overall safety performance in 2017 was also very satisfactory. This was the result of our continuous efforts to further foster and develop safety awareness in both occupational health and process safety. We also put significant effort into managing our environmental footprint.

Employees are the foundation of our company and ensure our long-term success. In 2017 we continued to invest in forming the best team. We also aim to be a reliable partner and good neighbor, and take our social responsibility seriously. We actively supported diverse projects in the community where BASF-YPC is located.

I would like to express my heartfelt thanks to our employees, suppliers, customers, and the community for their support and confidence during the past year. We will continue to work with the same strong commitment and dedication in 2018. With the strength of the team and the support of the community and both of our parent companies, BASF-YPC is on the right track for success and will continue to achieve great results in the future!



Yours,

Uwe Kirchgaessner
President
BASF-YPC Company Limited

BASF-YPC Company Limited

Parent companies



About BASF

At BASF, we create chemistry for a sustainable future. We combine economic success with environmental protection and social responsibility. The more than 115,000 employees in the BASF Group work on contributing to the success of our customers in nearly all sectors and almost every country in the world. Our portfolio is arranged into five segments: Chemicals, Performance Products, Functional Materials & Solutions, Agricultural Solutions and Oil & Gas. BASF generated sales of €64.5 billion in 2017. BASF shares are traded on the stock exchanges in Frankfurt (BAS), London (BFA) and Zurich (BAS).

BASF was founded in 1865. Today, the company has subsidiaries in more than 80 countries across all regions of the world. BASF is headquartered in Ludwigshafen, Germany. The Ludwigshafen site is the world's largest integrated chemical complex owned by a single company. It is also the largest "Verbund" site in the BASF Group, interlinking production plants intelligently to save resources and energy. BASF operates five further Verbund sites in Belgium, China, Malaysia and the United States.

BASF has been a committed partner to Greater China since 1885. With major investments in Shanghai, Nanjing and Chongqing, BASF is the largest foreign investor in China's chemical industry, and maintains the Innovation Campus Shanghai as a global and regional research and development hub. BASF posted sales of €7.3 billion in 2017 to customers in Greater China, and employed 8,982 people as of the end of that year.

Further information on BASF is available on the internet at www.basf.com and www.basf.com/cn.

About Sinopec

China Petroleum & Chemical Corporation (Sinopec Corp.) is a listed company on domestic and international stock exchanges with integrated upstream, midstream and downstream operations, strong oil & petrochemical core businesses and a complete marketing network. The company was incorporated on February 25, 2000, by China Petrochemical Corporation (Sinopec Group) as the sole initiator, pursuant to the Company Law of the People's Republic of China.

Sinopec Corp. is one of the largest integrated energy and chemical companies in China. The scope of its business mainly covers oil and gas exploration and production, extraction, pipeline transmission and marketing; oil refining; production, marketing, storage and transportation of petrochemicals, chemical fibers, chemical fertilizers and other chemical products; import, export and import/export agency business of crude oil, natural gas, refined oil products, petrochemicals, chemicals, and other commodities and technologies; research, development and application of technology and information. The company is China's largest producer and supplier of refined oil products (including gasoline, diesel and jet fuel, etc.) and major petrochemical products (including synthetic resin, synthetic fiber monomers and polymers, synthetic fiber, synthetic rubber, chemical fertilizer and petrochemical intermediates). It is also China's second largest crude oil producer. Sinopec Corp. achieved sales of about CNY2,360.2 billion in 2017.

Sinopec Corp. has more than 100 subsidiaries and branches including wholly-owned, equity-holding and equity-sharing companies. As an endeavor to become a multinational energy and chemical company with fairly strong international competitiveness, Sinopec Corp. seriously implements strategies of resource, market, integration and internationalization with more focus on innovation of science, technology and management expertise, as well as improvement of employees' quality.

Further information on Sinopec is available on the internet at www.sinopec.com.

Members of the Board of Directors



Li Chengfeng

(until July 2018, succeeded by **Hong Jianqiao**)

Chairman of the Board of Directors

Chairman of the Board of Directors,
Sinopec Yangzi Petrochemical Company Limited



Dr. Stephan Kothrade

Vice Chairman of the Board of Directors

President, Functions Asia Pacific & President
and Chairman Greater China, BASF



Chang Zhenyong

Member of the Board of Directors

Vice President & Director of Chemicals Department of
Sinopec Corporation and President of
Sinopec Chemical Products Sales Co. Ltd.



Hartwig Michels

Member of the Board of Directors

President, Petrochemicals Division, BASF SE



You Houping

Member of the Board of Directors

Vice Director of Joint Venture Office and Vice Director of
Development Planning Department, Sinopec Corporation



Dr. Stefan Blank (until June 2018)

Succeeded by **Dr. Andrea Frenzel** (as of July 2018)

Member of the Board of Directors

President, Intermediates Division, BASF SE



Xing Jianliang

Member of the Board of Directors

Vice President,
Sinopec Yangzi Petrochemical Company Limited



Mirko Bengel

Member of the Board of Directors

Vice President, Legal, Insurance & Intellectual Property,
Asia Pacific, BASF (China) Company Ltd.

Environment and safety

At BASF-YPC, we never compromise on safety. This principle is anchored in our strategy and underlines our philosophy in operating our own facilities and dealing with third parties. BASF-YPC has embraced the goals of the chemical industry's voluntary Responsible Care® initiative which covers environmental protection, health and safety (EHS) as well as security and energy efficiency, and applies them to its operations. The Responsible Care Management System (RCMS) is based on BASF's strategy and is binding for the whole BASF Group. Just as the company applies stringent standards to its own operations, we demand the same high standards of our contractors and suppliers. We choose carriers, service providers and suppliers not just on the basis of price, but also based on their performance in safety, environmental and social responsibility.

Process safety

■ Implementation of BASF's EHS review system

BASF-YPC follows BASF's five-step environment, health and safety review system for process safety, starting from the project concept design phase, covering preliminary design, detail design, through to the plant's start up. This eliminates or minimizes risks from the source to ensure safety at new plants. Procedures for risk assessment and safety review are also strictly followed for changes at existing plants. In 2017, such reviews were conducted for a large number of projects due to continuous expansion and investment in the Verbund site. Revalidations and clean sheet reviews for existing plants are conducted on an ongoing basis. In 2017, BASF-YPC held its annual internal process safety workshop, inviting plant operation, maintenance, and engineering personnel to discuss process safety related topics, along with process safety experts from parent companies, to supply training or introduction on process safety issues.



Process safety workshop in 2017

Product stewardship

■ Processes at both company and division level

Product stewardship is an important pillar of Responsible Care, through which we have implemented mechanisms for managing EHS throughout product life cycle. It also helps BASF-YPC to build partnerships with customers, reduce risk, improve productivity and secure competitive advantage by integrating EHS issues into business decision-making throughout the product value chain.

Product stewardship at the company level mainly focuses on raw material purchasing, product marketing and sales, transportation, use and waste disposal, and the implementation of product safety legal compliance and data management, chemical procurement management, production safety, trade control, logistics management and customer support.

At the division level, we strictly follow laws and regulations, manage and control the drug precursor chemicals, explosive precursor chemicals and chemicals controlled under the Chemical Weapons Convention, to ensure compliance. We closely follow the national food safety standards issued in 2017, and provide technical supports to customers in EHS and other aspects.

Emergency response

- ERC plays a key role in emergency response management
- Drills, training and other methods to reinforce emergency response management

Our approach to emergency response is summarized by the phrase: "Safety first, and emergency response as a backup." At BASF-YPC, the management team puts a high priority on emergency response management. We have set up a 24-hour emergency response center (ERC), with three main areas of responsibility: daily information communication and exchange, secondary supervision for fire and gas alarm systems and emergency response and support. The ERC is equipped with two vehicles for environmental monitoring and emergency treatment of hazardous materials exposure, along with a response team of 56 full-time and part-time staff. These are available around the clock.

In 2017, BASF-YPC conducted emergency drills nearly on a weekly basis, while several hundred employees were trained on emergency knowledge and rescue. The emergency response process and the resource configuration were optimized as well to improve the efficiency of emergency response management.



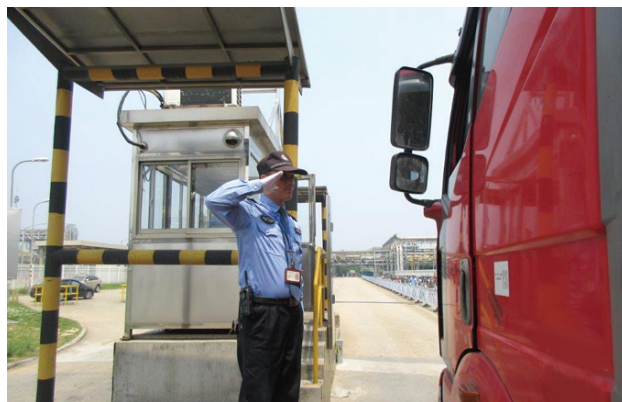
Both the company and individual employees were awarded at the Nanjing Jiangbei New Area Emergency Skills Competition.

Security

■ Various measures to enhance security management

Security is important for BASF-YPC's development, so security measures are in place throughout the BASF-YPC site. In 2017, the security team of the company conducted a counter-terrorism exercise at BASF-YPC's port together with the local police office, maritime bureau and fire brigade. We strengthened the management of chemicals which can be used as raw or auxiliary materials to produce explosives. The management of these drug precursor chemicals was rated "Five Stars" by Management Association of Drug Precursor Chemicals of Nanjing.

In 2017, BASF-YPC was named an "Outstanding Enterprise for In-Company Security" by the Nanjing Public Security Bureau.



A security guard at his station

Transportation and distribution safety

■ Joint efforts with LSPs to ensure safety

At the beginning of 2017, BASF-YPC invited representatives from all logistics service providers (LSPs) and the parent companies to attend a safety workshop. Based on the discussions and specific analyses of the internal and external safety, action items were identified and will be implemented to assure the company's target of "zero accidents in logistics and distribution".

BASF-YPC also requires LSPs to maintain high standards to avoid traffic violations. A violation is the same as an accident, because violations can lead to major accidents. LSPs are also required to develop safe behavior by drivers. For example, making phone calls or not fastening safety belts are absolutely forbidden.

During the past year BASF-YPC has particularly encouraged LSPs to introduce new technologies to manage vehicles carrying dangerous goods. These include tractors with intelligent safety systems of adaptive cruise control and emergency braking, driver's advance warning systems and an app for daily truck maintenance.



Transportation and distribution safety workshop

Water

■ Continuous improvements in water management and protection

Our water is used for cooling and production. We are committed to reducing the consumption of water, and we recycle as much as possible. In 2017, we decreased the total water supply and reduced emissions to water, and we are continuously improving our water management and protection systems.

We adopt advanced processes or improve existing process to reduce wastewater. This not only reduces fresh water consumption but also reduces waste water.

As in previous years, the company's water supply came 100% from surface water in 2017, without any supply either from groundwater or drinking water.

Emissions of organic substances to water (COD) decreased to 243 metric tons (2016: 251 metric tons) and nitrogen emissions to water decreased to 5.6 metric tons (2016: 8.5 metric tons).

Emissions of heavy metals to water decreased to 0.11 metric tons in 2017 (2016: 0.14 metric tons).

Emissions to water (total): Nitrogen (metric tons)

2017	5.6	<div></div>
2016	8.5	<div></div>
2015	7.6	<div></div>

Emissions to water (total): Heavy metals (metric tons)

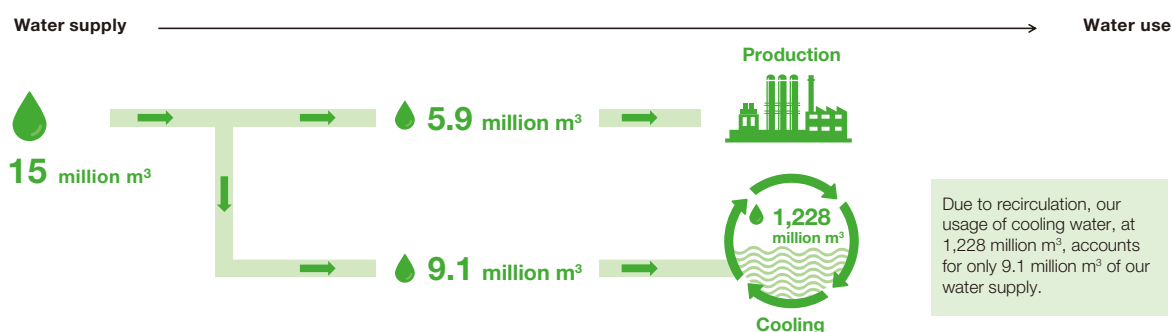
2017	0.11	<div></div>
2016	0.14	<div></div>
2015	0.15	<div></div>

Water used for production rose to 5,930,000 cubic meters in 2017 (2016: 5,880,000 cubic meters). This metric refers to water that has come into contact with products, for example, when used for washing or as a solvent or a reaction medium. Cooling water was 1,228 million cubic meters (2016: 1,248 million cubic meters). Due to high levels of recirculation, the total water supply reduced to 15 million cubic meters in 2017 (2016: 16 million cubic meters).

Emissions to water (total): Organic substances (COD) (metric tons)

2017	243	<div></div>
2016	251	<div></div>
2015	291	<div></div>

Water use in 2017 (million cubic meters)



Water supply (million cubic meters)

2017	15	<div></div>
2016	16	<div></div>
2015	16	<div></div>

Water use (million cubic meters)

Production	Cooling
2017	2017
5.9	1,228
2016	2016
5.9	1,248
2015	2015
5.7	1,154

Waste

- Waste management follows the “avoid, reduce and recycle” principle
- 94% of solid waste recycled and reused

Our fundamental principles for handling waste are “avoid, reduce and recycle”. In this respect, the strength of the Verbund concept is a key contributor: the by-products from one plant are utilized as raw materials in another plant; and substitute fuels recycled from waste are also used in the power plant, and in some production plants to generate electricity or steam.

BASF-YPC insists on the high standards of construction based on prevention of waste emission to soil and underground water, and never compromises on environmental protection.

In 2017, the total waste reached 155,138 metric tons (2016: 149,899 metric tons), of which 94% was recycled (2016: 95%).

Waste (metric tons)

2017	155,138	94%	<div><div></div></div>	6%
2016	149,899	95%	<div><div></div></div>	5%
2015	129,639	95%	<div><div></div></div>	5%

■ Amount of waste ■ Amount of recycled waste

The remainder of the waste was disposed of by qualified third parties or incinerated at the BASF-YPC central liquid waste incinerator.

Waste disposal by incineration was 6% in 2017 (2016: 4%), no waste was sent to landfill (2016: 1%) or in underground storage (2016: 0).

Disposal (%)

Incineration	6	<div><div></div></div>
Landfill	0	
Underground storage	0	






BASF-YPC maintains a rigorous waste management system.

Emissions to air

Clean materials and advanced technologies used to reduce emissions

Cleaner raw materials, namely natural gas and naphtha, are used as raw material and fuel for the plants. Greenhouse gas emissions only increased to 3,180,039 metric tons in 2017 (2016: 3,146,071 metric tons).

Greenhouse gas emissions (metric tons of CO₂ equivalents¹)

2017	3,180,039	
2016	3,146,071	
2015	2,848,746	


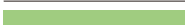

¹ CO₂ equivalents include: CO₂, N₂O, CH₄, HFC, PFC, SF₆

In 2017, BASF-YPC adopted an advanced low NO_x burner technology at several processing furnaces, which can reduce NO_x emissions by 156 tons per year. Based on existing flue gas collection and disposal systems for exhaust gas from tank breathing and loading/unloading, the company built a new tank farm thermal oxidizer to replace the original carbon absorption unit, which can reduce volatile organic compounds (VOCs) by 16 tons per year.

We also took steps to improve leak detection and repair, as a conventional means of control to further reduce VOCs and intensify cleaner production. Additionally, we conducted several technical exchange and discussion sessions with companies in the chemical industry on fugitive emissions.

In 2017, our emissions of air pollutants were 1,993 metric tons, a slight decrease from the previous year (2016: 1,998 metric tons).

Air pollutants² (total) (metric tons)

2017	1,993	
2016	1,998	
2015	1,854	

² Air pollutants consist of: CO, NO_x, SO_x, NMVOC (non-methane volatile organic compounds), dust, NH₃, and other inorganic compounds

Energy

Optimization of production processes and equipment to improve energy efficiency

Energy efficiency is the most important means of combining climate protection, resource conservation and economic benefit. We continued to enhance our energy management in 2017.

For the first time, we restructured our electricity supply to include both direct electricity supply, from contracted power plants based on a long-term agreement, as well as short-term bid-based electricity supply from the trading market. This will be a solid foundation for the significant reduction of power costs in the future.

BASF-YPC was credited by the government for passing a third-party energy audit.




Thanks to a cooperation project with Xi'an Jiaotong University, a prestigious university in China, we were able to successfully apply the advanced pinch point analysis method in some plants, improving the energy efficiency of production processes and reducing production costs. This method will be rolled out to other plants in the near future.

We also completed a pilot project to implement more energy efficient traps in some plants, which will significantly reduce steam waste.

In 2017, the upgrade project of our power plant gas turbine was approved by the government. This is expected to improve the efficiency of power generation in the future.




In 2017, steam consumption was 5,892,874 metric tons (2016: 5,892,127 metric tons).

Steam consumption (metric tons)

2017	5,892,874	
2016	5,892,127	
2015	5,242,147	

Electricity consumption decreased to 1,460,991 MWh in 2017 (2016: 1,497,612 MWh).

Electricity consumption (MWh)

2017	1,460,991	
2016	1,497,612	
2015	1,338,124	

There was also a decrease in fuel consumption from central power plants and boilers compared to the previous year, to 3,827,796 MWh (2016: 3,852,162 MWh).

Fuel consumption (MWh)

2017	3,827,796	
2016	3,852,162	
2015	3,436,294	

Business development

BASF-YPC Company Limited is a 50-50 joint venture between BASF and Sinopec, founded in 2000, with a total investment of US\$5.2 billion. The integrated petrochemical site produces about three million tons of high-quality chemicals and polymers for the Chinese market annually. The products serve the rapid-growing demand in multiple industries including agriculture, construction, electronics, pharmaceutical, hygiene, automotive and chemical manufacturing.

Sales of BASF-YPC increased to €2,761 million in 2017 compared to the previous year (2016: €2,358 million).

Sales (million €)

2017	2,761	<div style="width: 100%;"></div>
2016	2,358	<div style="width: 85%;"></div>
2015	2,212	<div style="width: 80%;"></div>

Financial performance

■ Sales significantly outperformed the previous year

Sales in 2017 significantly outperformed the previous year, with high capacity utilization of the plants due to strong customer demand. The basis for this development included very good market conditions, in particular for basic chemicals as well as acrylics and acrylates. At the same time, most of our plants achieved a very high and reliable rate of operation, which is the fundamental precondition to ensure a reliable supply of our customers and to benefit from such a market environment.



BASF-YPC produces about three million tons of high-quality chemicals and polymers for the Chinese market annually.

Investment projects

- Expansion of propionic acid and neopentylglycol
- Power plant upgrade

At the end of October 2017, we held the groundbreaking ceremony for our second propionic acid line, to expand its capacity by 30,000 metric tons per year. Startup of the new line is planned for 2019.

In December, our parent companies announced the expansion of the neopentylglycol plant from 40,000 metric tons per year to 80,000 metric tons per year. Planned startup is expected after the site turnaround in 2020.

Another important current project is related to efficiency improvements at our power plant, which will result in a significant reduction of its NOx emissions. This, together with other significant EHS investments like a new thermal oxidizer and low NOx burners in our syngas and cracker plants, underlines our commitment to Responsible Care and to the sustainable development of our company.



Groundbreaking ceremony of the propionic acid expansion project

Employees and society

Employees

Employees forming the “best team” are the foundation of our excellent performance and ensure our long-term success: their skills, commitment and motivation make BASF-YPC competitive and fit for the future. This belief is seen in the tangible efforts and resources the company puts into the development of the employees as well as into company sponsored activities to strengthen the team. As of the end of 2017, BASF-YPC had a total of 1,882 employees (2016: 1,880).

Recruitment

- **Strives to be the preferred company for excellent people**

BASF-YPC aims to be the preferred company for excellent people. To achieve this, we are committed to employing a diverse range of talents. Most vacant positions are filled internally, in order to maximize the potential of each employee. We attract rising talents from outside the company by offering internships to college and university students, as well as positions for new graduates. In 2017, we conducted campus recruitment on-site at Nanjing Institute of Technology, Nanjing University of Technology and Changzhou Vocational Institute of Engineering, for example. Additionally, we monitor the local labor market, and recruit the qualified technical talents to join us. By setting competencies as the foundation for our recruitment process, we can ensure that the appropriate skills, knowledge, behaviors and attitudes are represented to support BASF-YPC's future success.

Number of employees (as of December 31)

2017	1,882	<div style="width: 100%;"></div>
2016	1,880	<div style="width: 100%;"></div>
2015	1,890	<div style="width: 100%;"></div>

Career development

- **Long-term leadership talent development**
- **Expanded on-site training programs**

We recognize that the company's growth and future success depends, to a great extent, on the continuing development of the employees. Employee development in BASF-YPC is a systematic process, which includes not only promotions and salary increases, but also internal job posting, job rotation, project task allocation and development opportunities at the

parent companies. In addition, the company has launched a series of measures to enhance the leadership talent pipeline, such as the leadership talent program and the MBA sponsorship program. A company-wide succession planning program was set up in 2017 for key positions, and the Grow Candidates Program was launched to accelerate our talent pipeline at the basic level.

Our annual HR development day was held to discuss leadership talent, employee development topics and next steps for the management team. The company encourages employees to discuss development plans with their superiors, work out individual development plans and take actions and follow up.

Training not only enhances the skills of employees but is also an important aspect of fostering a learning culture and creating an inspiring working environment. We provide a variety of training to improve the technical capabilities of employees, give them room for growth, encourage life-long learning, and use the knowledge in work to serve the company's strategic goals. In 2017, we expanded the offering from the “BASF Technical Academy Asia Pacific”, which was first introduced at BASF-YPC in 2016. By doing so, we ensure efficiency and applicability of the offered training. In 2017, we also increased our use of online training and testing via our intranet. Continuous improvement in training helps build our sustained learning capabilities in a rapidly changing competitive environment.



Project reporting meeting for leadership talent program

Working at BASF-YPC

- Activities for recreation and cultural development
- Launch of employee assistance program

BASF-YPC aims to create a rewarding environment which goes beyond performance-oriented bonus benefits. These include award categories that acknowledge employees who go beyond their core responsibilities and targets in support of broader company programs, such as environment, health and safety initiatives. When employees contribute to these areas, the company overall becomes more successful.

The company's labor union carried out a range of recreational activities in 2017. Along with traditional activities such as a badminton competition and a rope-skipping competition to celebrate International Women's Day, other activities were designed to foster and reflect the strengths of BASF-YPC. For example, a "Love Petrochemical" dragon boat competition, jointly organized with related companies, symbolized the innovative spirit of our joint venture, integrating Chinese and Western aspects and blending modern and ancient elements.

We continuously further develop the compelling Total Offer of BASF-YPC. Supported by the human resources department and sponsored by BASF-YPC labor union, an employee assistance program managed by renowned Chestnut Global Partners was added in November 2017. The employee assistance program aims to help employees address social and psychological pressures, and to achieve a healthy balance in their personal and professional lives. All employees and their spouses, as well as children up to the age of 18, are entitled to use this 24-hour consultation service for support in areas such as self-growth, family relationships, parenting, marriage, health, finance, and legal-related issues.

Inclusion of diversity

- Largest age group in 40-54 year old range
- Active communication among employees

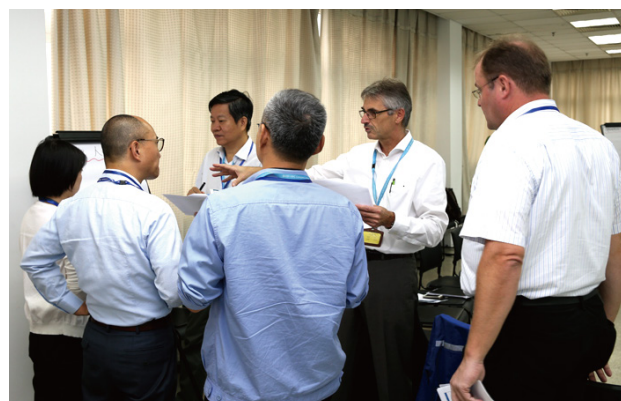
Employees are offered equal opportunities at BASF-YPC regardless of gender, race, and also age. In 2017, the largest proportion (61%) of employees at BASF-YPC was in the 40-54 year old age group (2016: 60%).

After more than ten years of operation, BASF-YPC is facing demographic change. To address this challenge, a roadmap is being defined to focus on succession planning and knowledge transfer.

Employee age structure (%) (as of December 31)

Up to and including 25 years	2	
Between 26 and 39 years	35	
Between 40 and 54 years	61	
55 years and older	2	

In 2017, extended management meetings and leadership workshops were held for all senior staff to foster active communication and to achieve a common understanding between delegates from BASF and SINOPEC. Additionally, BASF-YPC communication meetings and managers' forums were held to ensure aligned goals within BASF-YPC. Shift supervisors' communication meetings were also held to enhance daily cooperation between plants and improve the communication between first-line leaders and the top management. The company intranet is increasingly used by all employees to access company news, safety information, important notifications and new procedures.



Leadership workshop for all senior staff

Occupational health and safety

Occupational health

- Health checks at regular intervals
- Global BASF health campaign about lung and respiratory health

BASF Corporate Health Management promotes and maintains the health and productivity of employees at BASF-YPC. BASF worldwide standards for occupational health are specified in the Global Requirement Corporate Health Management that is implemented by a network of experts.

In accordance with the Global Requirement Corporate Health Management, in 2017, several hundred first-aiders were trained at BASF-YPC, both on-site and in office areas. The team performed well in handling a number of medical emergency response incidents in 2017, and shared best practices with experts from the BASF medical department.

The BASF health checks form the foundation of our global health promotion program and are offered to employees at regular intervals. The BASF-YPC medical team organized an annual health check for all employees in 2017, and collected suggestions for improvement through a survey. The BASF-YPC medical team carried out evaluations in 2017 for job replacements, employees returning to work or those concluding a long sick leave.

The global BASF health campaign 2017 "Your Lungs - Your Life" focused on lung and respiratory health was also rolled out at BASF-YPC. The activity provided awareness and information about the risks which can lead to lung diseases and early recognition of risk factors and implementation of measures to reduce these risks. Free flu vaccinations were also carried out at BASF-YPC last year.

The BASF-YPC medical team provides a hazardous substances monitoring service for production plants and functional units. This service covers about 50 chemical substances and four physical factors. Several thousand samples were collected at BASF-YPC in 2017, and all monitoring results of dust and chemical substances complied with the National Occupational Exposure Limits. The team also conducted fittings for respiratory protection devices and hearing protection devices in 2017. Through the activities, we increased awareness of hearing and respiratory protection among employees.

Occupational safety

- Activities to heighten safety awareness

Safety performance was a focal point for BASF-YPC in 2017. The rate of lost time injuries (LTI) for employees and leased personnel was 0.5 (2016: 0.3) and 0.4 for contractors (2016: 0.2). There were no fatalities of employees, leased personnel or contractors in 2017.

Lost time injury rate - BASF-YPC employees and leased personnel
(per million working hours)

2017	0.5	<div style="width: 100%;"></div>
2016	0.3	<div style="width: 60%;"></div>
2015	0.8	<div style="width: 160%;"></div>

Lost time injury rate - contractors (per million working hours)

2017	0.4	<div style="width: 100%;"></div>
2016	0.2	<div style="width: 50%;"></div>
2015	0.5	<div style="width: 125%;"></div>

For the second time, in 2017, BASF-YPC passed an inspection of our triethanolamine plant by OPCW (Organization for the Prohibition of Chemical Weapons).

Aiming to standardize safe behavior by site workers and to reduce risks for site jobs, a number of specific action items were implemented based on the yearly safety plan. These covered areas such as site construction, work permits and loading and unloading activities.

BASF-YPC held the fifth "Safety Week" in early April 2017. 10 initiatives were organized, including a forklift competition, a work permit workshop and an opportunity to try out safety devices. 1,110 employees and contractors participated during the three-day program.

A dedicated safety program was launched in 2017, to explore and practice risk mitigation, to further promote safety awareness among all BASF-YPC employees, striving for a safer work environment.



Employees try out safety devices during the Safety Week.

Social engagement

Our economic success depends on trust and social acceptance from our neighbors. Social engagement is an important, integral part of the company's annual calendar with activities and engagement projects running all year long.

Corporate citizenship

- Communication with neighboring community
- Funding for education
- Community Open Day & BASF Kids' Lab

Since the construction of the site, BASF-YPC has annually conducted environmental impact dialogue sessions with the local government and our neighbors, about environmental protection and potential areas for cooperation.



Dialogue with local government and neighboring community

Education is the basis for achieving sustainable development in society, and funding education has been a part of the company vision since its foundation. Initiatives to support education in 2017 include, for example, a scholarship donation to Yanjiaba Primary School in Deyang City, Sichuan Province, which was built up with a donation from BASF-YPC after the severe earthquake in 2008; as well as scholarship to local schools. We also contributed to the programs for public good, for instance, a donation to the Development Fund for John Rabe and International Safety Zone Memorial Hall and John Rabe International Research and Exchange Center for Peace and Reconciliation. There were projects to support philanthropy in 2017 as well, such as a donation to the children suffering from congenital heart disease.



Presenting the BASF-YPC Scholarship at the Yangzi Middle School

More than 120 residents in the neighborhood were invited to the Community Open Day at BASF-YPC in October 2017. Through a guided tour and various activities, participants were able to gain a clearer understanding of BASF-YPC's safe production systems, as well as its advanced energy saving and waste treatment measures. BASF Kids' Lab was also part of the Open Day. Through simple, safe, hands-on experiments, children experienced the magic and fun of chemistry.



Community Open Day at BASF-YPC

Further information

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