

BASF-YPC Company Limited

Report 2016





Cover photo:

Two members of the acrylics production department and an intern from Germany, walk on the road at BASF-YPC Verbund site.

On this page:

Part of the 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 2016. 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 2016, 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.

2016 has been a very successful year. We achieved excellent financial performance, with a substantial increase in sales compared to the previous year.

The overall safety performance in 2016 was also very satisfactory. This was the result of our continuous efforts to further develop and foster safety awareness in both occupational health and process safety. We also put significant effort into managing our environmental footprint. In 2016, our plants maintained a high rate of capacity utilization, thus increasing our overall production levels. Nevertheless, we were able to maintain our performance in key environmental metrics.

Employees are the foundation of our company and ensure our long-term success. In 2016, 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 strong support, engagement, passion and commitment. 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.



Yours,

A handwritten signature in black ink, reading "Uwe Kirchgaessner". The signature is fluid and cursive, with the first name "Uwe" and the last name "Kirchgaessner" clearly distinguishable.

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 approximately 114,000 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 organized into five segments: Chemicals, Performance Products, Functional Materials & Solutions, Agricultural Solutions and Oil & Gas. BASF generated sales of about €58 billion in 2016. 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 largest integrated chemical complex in the world. 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 North America.

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 BASF Asia Pacific Innovation Campus (Shanghai) as a global and regional research and development hub. BASF posted sales of €5.9 billion in 2016 to customers in Greater China, and employed 8,805 people as of the end of that year.

For more information on BASF, see basf.com and 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. achieved sales of about CNY1,931 billion in 2016.

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. 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.

For more information on Sinopec, see sinopec.com

Members of the Board of Directors



Li Chengfeng

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



Hartwig Michels

Member of the Board of Directors
President, Petrochemicals Division, BASF SE



Dr. Stefan Blank

Member of the Board of Directors
President, Operating Division Intermediates, BASF SE



Mirko Bengel

Member of the Board of Directors
Vice President, Legal, Insurance & Intellectual Property,
Asia Pacific, BASF (China) Company Ltd.



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.



You Houping

Member of the Board of Directors
Vice Director of Joint Venture Office and Vice Director of
Development Planning Department, Sinopec Corporation



Xing Jianliang

Member of the Board of Directors
Vice President, Sinopec Yangzi Petrochemical Company Limited

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. Environmental protection, health and safety (EHS) as well as security, communication, and energy efficiency are embedded in our Responsible Care® policy, which is applied to operations via our Responsible Care® Management System (RCMS). This policy and the RCMS are based on BASF's strategy and corporate guidelines and are 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 environmental and social responsibility. In 2016, BASF-YPC was named a "Green Grade Enterprise for Environmental Credibility Assessment" by the Environmental Protection Department of Jiangsu Province.

Product stewardship

In 2016, we continued to provide professional training and technical service internally and externally to ensure our products are used in a safe and responsible manner. Our internal product stewardship team works closely together with production, logistics and marketing teams to ensure business is conducted in compliance with laws, while externally with our logistic service providers and our customers to ensure good environment, health and safety standards are met at their sites. BASF-YPC's product stewardship is recognized as an outstanding practice in the industry.

Transportation and distribution safety

Following a BASF internal audit in 2016, BASF-YPC modified and updated its transportation and distribution safety management procedures in the area of internal loading and unloading operations. Improvements include the adoption of the "four-eyes principle", the seal requirement for loading vehicles, and emergency drills for loading and unloading incidents.

BASF-YPC also requested its contracted logistics suppliers to upgrade their safety equipment. Driving safety was upgraded with a series of advanced technologies such as 3G video, a fleetboard management system, an anti-crash safety system, and a lane deviation warning system.

External tank farm contracted suppliers are now required to pass a CDI-T (Chemical Distribution Institute - Tank Terminal) audit in order to work with BASF-YPC.



BASF-YPC employees check on safety equipment during loading.

靖江市安全生产委员会办公室

感谢信

扬子石化—巴斯夫有限责任公司：

4月22日9时许，江苏德桥仓储有限公司由于违规动火作业导致发生火灾事故，造成了重大经济损失和社会影响。事故发生后，省、市主要领导第一时间赶赴现场，组织指挥扑救，各有关部门全力以赴开展救援。事故现场明火扑灭后，库区留有大量事故废水、危险物质，以及损坏的部分储罐、物料管线、中控系统等问题迫切需要处置。我市多次召开协调会反复斟酌处置方案，确定按照“安全第一、规范严密、能快则快”的原则，依托专业人员、专业公司、专业方案进行后续处置。

你公司在工作任务繁重的情况下，仍给予我们大力的支持，选派你公司的解淑成同志来靖，支持我们对德桥仓储4.22火灾事故善后处置工作。解淑成同志在靖参与4.22事故善后处置工作期间认真负责，兢兢业业，与其他专家一道昼夜奋战、反复研究，科学制定善后处置方案，出色地完成了工作任务，为我们处置4.22事故善后工作提供了有力的智力支持、技术支撑和专业保障，做出了积极的贡献。对此，我们表示衷心的感谢。

希望在今后的工作中，能够一如既往地得到你司的大力支持和协助，共同维护社会安全生产形势平稳向好。

靖江市安全生产委员会办公室
2016年5月9日

A letter of thanks from the Work Safety Committee of Jingjiang City for BASF-YPC's assistance in handling an accident

Process safety

■ Introduction of BASF's five-step environment, health and safety 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, the safety review covers procedures during the entire project's development. The purpose is to eliminate or minimize risks from the source to ensure the intrinsic safety of our new plants. At the same time, for changes to existing plants, the procedures of risk assessment and safety review are strictly followed.

A Clean Sheet Review for existing plants is conducted on an ongoing basis according to a standard schedule, to ensure the safe and stable operation of our plants, as a result of which process systems may be modified, or related specifications and requirements updated. BASF-YPC annually organizes an internal process safety forum, inviting plant operation, maintenance, and engineering personnel to discuss process safety related topics. BASF-YPC also invites process safety experts from the parent companies to supply training or introductions to process safety issues. Plants undertake site documentation checks and modifications according to the requirements of a Responsible Care® audit.

Energy

■ Focus on efficient energy generation and reducing energy consumption in production facilities

Energy efficiency is the most important means of combining climate protection, resource conservation and economic benefit. We continued to enhance our energy management in 2016.

With the installation and utilization of the new Sinopec natural gas pipeline, we have diversified our supply.




For the first time, BASF-YPC was approved to access the power supply directly, which will create significant savings in the next several years.

BASF-YPC passed the government's energy saving certification relating to a total of five projects. The energy saving reserves amounted to 16,392 tons of standard coal, which could be applied on the new plants or the upgrade of the existing plants, providing a good foundation for the new projects.

BASF-YPC conducted a feasibility study on the generating efficiency of the gas turbine of the own power plant. The upgrade of the gas turbine will greatly improve the efficiency of power generation.

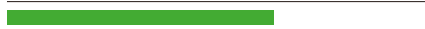


In 2016, steam consumption in BASF-YPC increased to 5,892,127 metric tons (2015: 5,242,147 metric tons) due to higher capacity utilization than the previous year, during which the company undertook a major site turnaround.

Steam consumption (metric tons)

2016	5,892,127	
2015	5,242,147	
2014	5,078,668	


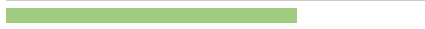

In 2016, electricity consumption increased to 1,497,612 MWh (2015: 1,338,124 MWh). This is mainly due to the higher capacity utilization of the plants compared to the previous year.

Electricity consumption (MWh)

2016	1,497,612	
2015	1,338,124	
2014	1,410,822	

There was an increase in fuel consumption from central power plants and boilers compared to the previous year, to 3,852,162 MWh (2015: 3,436,294 MWh), again due to a higher capacity utilization of the plants compared to the previous year.

Fuel consumption (MWh)

2016	3,852,162	
2015	3,436,294	
2014	3,752,454	

Emissions to air

■ Clean materials and advanced technologies were applied to reduce emissions

Greenhouse gas emissions of BASF-YPC increased to 3,146,071 metric tons in 2016 (2015: 2,848,746 metric tons) due to the higher capacity utilization of the plants and the start-up of the new Neopentylglycol plant.

Cleaner raw materials, namely natural gas and naphtha, are used as raw material and fuel for the plants. A low-NOx burner, thermal oxidizer, and regenerative thermal oxidizer are used in order to reduce pollution emissions.

Our environmental management includes monitoring emissions from our plants. In addition to measuring emissions of air pollutants we also calculate greenhouse gas emissions. Even as the size of our portfolio grows, we will remain committed to our goal of minimizing emissions. Ongoing actions to reduce emissions include arm modification of the loading/unloading station, closed sampling, and recycling off-gas to processing instead of emission to flare. We also carried forward a number of modification projects to further decrease the emissions, including a new thermal oxidizer, and the replacement of burners in the cracker.

Greenhouse gas emissions (metric tons of CO₂ equivalents¹)

2016	3,146,071	<div></div>
2015	2,848,746	<div></div>
2014	2,884,822	<div></div>

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

In 2016, our emissions of air pollutants were 1,998 metric tons, an increase from the previous year (2015: 1,854 metric tons).

Air pollutants (total)² (metric tons)

2016	1,998	<div></div>
2015	1,854	<div></div>
2014	1,771	<div></div>

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

Water

■ Continuously improve the concepts of water supply 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 2016, we decreased the water use in our production and reduced emissions to water, and we are continuously improving our water supply and protection systems.

We adopt advanced processes or improve existing process to reduce waste water. For example, one plant began recycling its condensate to be re-used in processing instead of discharging it to waste water system. This not only reduces fresh water consumption but also reduces waste water. In 2016, we began the implementation of BASF's global waste water risk assessment process and reviewed all the waste water protection in our plants.

As in previous years, the company's water supply came 100% from surface water in 2016, without any supply either from groundwater or drinking water.

Emissions of organic substances to water COD decreased to 251 metric tons (2015: 291 metric tons) and nitrogen emissions to water increased to 8.5 metric tons (2015: 7.6 metric tons).

Emissions of heavy metals to water decreased to 0.14 metric tons in 2016 (2015: 0.15 metric tons).

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

2016	251	<div></div>
2015	291	<div></div>
2014	238	<div></div>

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

2016	8.5	<div></div>
2015	7.6	<div></div>
2014	5	<div></div>

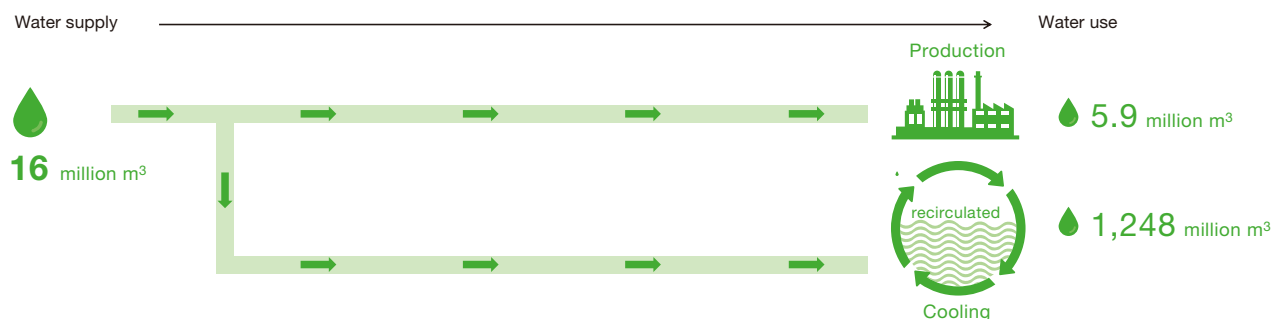
Emissions to water (total): Heavy metals (metric tons)

2016	0.14	<div></div>
2015	0.15	<div></div>
2014	0.1	<div></div>

Water used for production rose to 5,880,000 cubic meters in 2016 (2015: 5,750,000 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 1,248 million cubic meters (2015: 1,154 million cubic meters). Due to high levels of recirculation, the total water supply was only 16 million cubic meters in 2016 (2015: same).



Part of the clean wastewater reuse unit

Water use in 2016 (million cubic meters)

Although we used 1,248 million cubic meters of water for cooling and 5.9 million cubic meters of water for production in 2016, thanks to recirculation, our actual water supply was only 16 million cubic meters.

Water supply (million cubic meters)

2016	16	<div style="width: 100%;"></div>
2015	16	<div style="width: 100%;"></div>
2014	16.5	<div style="width: 100%;"></div>

Water use (million cubic meters)

Production

2016	5.9
2015	5.8
2014	5.9

Cooling

2016	1,248
2015	1,154
2014	1,090

Waste

- Waste management follows the “avoid, reduce and recycle” principle
- 95% of waste recycled and reused

Our fundamental principles for handling waste are “avoid, reduce and recycle”. In this respect, the strength of 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 power plants, and in some production plants to generate electricity or steam.

In 2016 the total waste reached 149,899 metric tons (2015: 129,639), of which 95% was recycled (2015: same).

Waste (metric tons)

2016	149,899	95%	<div style="width: 95%;"></div>	5%
2015	129,639	95%	<div style="width: 95%;"></div>	5%
2014	57,801	93%	<div style="width: 93%;"></div>	7%

■ Amount of waste ■ Amount of recycled waste

Disposal (%)

Incineration	4	<div style="width: 4%;"></div>
Landfill	1	<div style="width: 1%;"></div>
Underground storage	0	<div style="width: 0%;"></div>



BASF-YPC maintains a rigorous waste management system.

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 4% in 2016, the same ratio compared to the previous year. 1% of waste was sent to landfill in 2016 (2015: same), with no waste in underground storage (2015: same).

Emergency response

- Prevention and preparation for potential accidents
- Emergency response for both on-site and off-site incidents

Prevention is the essential factor in all our environment, health and safety activities. We regularly inspect our plants and respond quickly to potential hazards. We have established emergency response plans as well as a Site Incident Management Team to ensure effective emergency preparedness. We also prepare carefully for potential incidents at our plants, and regularly conduct emergency drills. The company has set up an Emergency Response Center, equipped with an emergency response team and a hazardous materials emergency treatment truck as well as a car for environmental monitoring, which are available around the clock. Apart from the emergency response within the site, we also provide product information and general advice as well as technical advice and guidance for chemical incidents that have happened off the site.



Two vehicles for hazardous materials emergency treatment and environmental monitoring

Security

- Various measurements to enhance security management

Security measures are in place throughout the BASF-YPC site. In 2016, the security team of the company conducted a counter-terrorism exercise which simulated an intrusion into restricted areas. The company strengthened the management of those chemicals which can be used as raw or auxiliary materials to produce explosives. BASF-YPC also established an improved information protection policy by updating information protection related procedures as well as providing training for all employees.

In 2016, BASF-YPC was named an “Outstanding Enterprise for In-Company Security” by the Nanjing Public Security Bureau.



Internal newsletters on information protection for all the employees

Business development

BASF-YPC is a 50-50 joint venture between BASF and Sinopec, founded in 2000, with a total investment of \$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, chemical manufacturing, and so on.

Sales to customers in BASF-YPC in 2016 were €2,358 million, higher than 2015 (€2,212 million). A major new investment, the Neopentylglycol plant, came fully onstream in 2016.

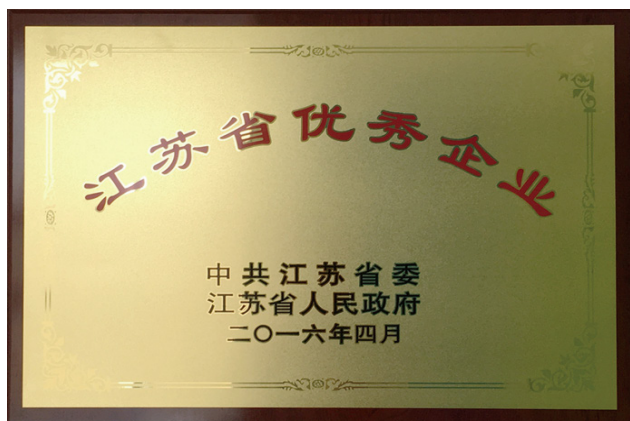
Sales (million €)

2016	2,358	<div></div>
2015	2,212	<div></div>
2014	2,709	<div></div>

Financial performance

Sales in 2016 significantly outperformed the previous year, with high capacity utilization of the plants and strong customer focus.

The plants at BASF-YPC were utilized at a high rate thanks to good operational excellence as well as the optimization along our value chains. Sales were also impacted by supportive market circumstances: many turnarounds and unplanned shutdowns in the industry kept supply tight in our main business areas. In the acrylics business, where recent performance has been relatively lower, we were able to actively develop sales in the second half of the year.



BASF-YPC was named as an “Outstanding Enterprise in Jiangsu Province” by the CPC provincial committee and provincial government.



BASF-YPC is an integrated petrochemical site producing about three million tons of high-quality chemicals and polymers for the Chinese market annually.

Highlights of operational excellence

In its first full year of operation, the new Neopentylglycol plant at BASF-YPC ran smoothly and with high capacity utilization. This was achieved thanks to having eliminated the technical issues during the commissioning period as well as good communication and cooperation with maintenance, marketing and other functional teams.

Additionally, the reliability of the company's Glacial Acrylic Acid plant was substantially improved in 2016 due to having implemented many technical modifications and optimized the operation and maintenance procedures.

A key achievement in 2016 was the successful online cleaning of the cracker quench oil tower. In this way, we were able to avoid a major shutdown and negative impact on the downstream plants.

Employees and society

Employees

Employees 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 2016, BASF-YPC had a total of 1,880 employees (2015: 1,890).

As a follow-up to BASF's global employee survey in 2015, 365 questions or suggestions were collected from employees. The relevant departments gave clear answers or action items for all of the items and the results were clearly communicated with employees. Many improvements were implemented, including the launch of the "you@BYC" program and the revamp of the Leadership Talent Program.

Recruitment

- Recruitment from universities and internal talent pool
- BASF-YPC aims to be the preferred employer for new graduates and local talent

It is BASF-YPC's vision to be the preferred company for excellent people. To achieve this, we hire a diverse range of talent. Most vacant positions are filled internally in order to develop internal talent. We attract young talent from the external labor market by offering internships for college and university students. The foundation of our recruitment process is selection on the basis of core competencies: this ensures that our people are well prepared to support BASF-YPC's future success.

Number of employees (as of December 31)

2016	1,880	
2015	1,890	
2014	1,952	

Career development

- Diverse training opportunities
- Internal job rotation and promotion

For BASF-YPC, training not only refers to courses, but also to tools and systems developed by teams, managers, employees, and the human resources department. As such training is

not only an important method to maintain employability but also a foundation for lifelong learning. In 2016, we offered training to ensure the validity of all certificates, and additionally optimized our training feedback process. BASF-YPC employees also enjoy the convenience of online training.

To ensure the continuous development of our employees, we strive to create a fair and open employee development environment. At our annual Human Resources Development Day, senior staff sit together to discuss employee development. In order to strengthen retention, especially in our leadership pipeline, we also revamped our Top Talent practice by working out the new Leadership Talent Program.

At BASF-YPC, an employee can also actively shape his or her own development through a well-structured employee development approach, including elements such as internal job postings, the company's MBA Educational Sponsorship Program and Expert Program. Additionally, selected employees attend BASF programs which provide further career development opportunities. To ensure proper recognition is provided for very experienced employees, we assign job titles in accordance with employee tenure including the "Senior" title for lower level employees in operation and technical areas, and the "Senior Manager" title for employees at the manager level.



An internal training session

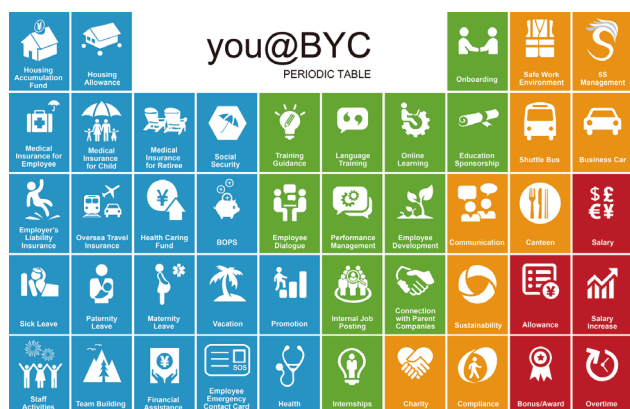
Working at BASF-YPC

- “you@BYC” offers employees access to wide range of benefits and development programs
- Activities for entertainment and cultural development

To ensure long-term competitiveness and operational excellence, we want to recruit, support and retain excellent employees. One important way to achieve this is to provide our employees access to the wide variety of programs and benefits available at BASF-YPC. In 2016, we launched a program entitled “you@BYC”, which encourages employees to explore and make best use of the benefits, learning and development, work environment options and compensation at BASF-YPC.

Led by the Labor Union, BASF-YPC also conducted a wide variety of activities to enrich employee work and life. Through the “We Create Benefits for BASF-YPC” program, members made contributions to the company’s production and operations. For the first time, skilled workers from BASF-YPC participated in a forklift competition within the Nanjing Chemical Industry Park as well as at the municipal and provincial level competitions, achieving distinguished results (No. 6 in Nanjing, No. 2 in Jiangsu). One BASF-YPC employee was recommended for the Nanjing municipal “Craftsman” appraisal. In 2016, traditional activities, including table tennis, badminton team competition and tug-of-war, helped promote team cooperation and cultivate regular exercise habits.

Other entertainment and cultural activities included the “Wonderful Life” photography and speech contest, and the “Letter about Safety” activity to encourage safety at home and at work, with the theme of “Happy Family, Safe Company”.



Through the “you@BYC” program, employees are provided with access to the full range of benefits and programs available to them.

Diversity + Inclusion

- 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 2016, the largest proportion (60%) of employees at BASF-YPC was in the 40-54 year old age group (2015: 56.9%).

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	3.0	
Between 26 and 39 years	36.0	
Between 40 and 54 years	60.0	
55 years and older	1.0	

In 2016, BASF-YPC continued to foster active communication among employees. A new intranet was set up. On a regular basis, employees receive company news and notifications. A series of larger-scale communication meetings were held in 2016. Additionally, a new communication platform – the Shift Supervisors’ Communication Meeting – was established. In the meetings, participants introduced their plants, discussed challenges and expectations, and explored potential for cooperation.



Shift supervisors’ communication meeting

Occupational health and safety

Occupational health

- **International cooperation network for occupational medicine and health protection**
- **Health promotion campaigns**

To strengthen occupational medicine and health protection and the principle defined by Responsible Care®, the BASF-YPC medical team enhanced its cooperation with external partners and other BASF medical teams.

In 2016, the BASF global health promotion campaign “Take It to Heart” was implemented successfully at BASF-YPC. This campaign provided awareness and information about the risks which can lead to cardiovascular diseases. Early recognition of the risk factors and measures to reduce these risks were shared as well. An internet platform was provided not only for employees but also for their families and friends. The BASF-YPC medical team prepared free pamphlets and other education materials for all employees.

The health surveillance program was implemented in BASF-YPC, with nearly all employees joining in the annual health check. The medical emergency response management was updated and is improved step by step. Additionally, the team successfully implemented industrial hygiene improvements, including area and individual monitoring, along with the BASF-YPC human biomonitoring program and the BASF Asia Pacific chemical health risk assessment project. Other health promotion campaigns, including free flu vaccination and other health promotion education activities at the site, were circulated to BASF-YPC employees via pamphlet, poster or email.

In 2016, BASF-YPC was named an “Outstanding Enterprise for Occupational Health Prevention” by the Centre of Disease Control and Prevention of Jiangsu Province.

Occupational safety

- **Significant improvement on safety performance**
- **Activities to heighten safety awareness**

Since the beginning of commercial operations in June 2005, we have achieved excellent performance in safety, keeping our lost time injury rate (injuries per million work hours) at a low level through our rigorous safety standards and regulations.

In 2016, the lost-time injury rate per million working hours for BASF-YPC own and leased employees was 0.3 (2015: 0.8). The work-related lost-time injury rate for contractors was at 0.2, lower than the year before (2015: 0.5). There was no employee or contractor fatal accident in 2016.

The fourth “Safety Week” activity, with the theme of “Safety Leadership” was held together with BASF worldwide in March 2016, focusing on several topics: work permits, scaffold safety, product release incidents, and information protection. We organized a variety of colorful activities during the week, with a wide range of employees and contractors actively joining in. The initiative was designed to maintain a good work environment with the efforts of all management and employees, and encouraged everyone to become a model for safety.



The fourth “Safety Week” activity

In April 2016, BASF-YPC launched the initiative “Use Handrails on Stairs” throughout the company. Employees and contractors were educated on the necessity of using handrails to reduce the risk of falls.

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

2016	0.3	<div style="width: 37.5%;"></div>
2015	0.8	<div style="width: 100%;"></div>
2014	0	<div style="width: 0%;"></div>

Lost time injury rate contractors (per million working hours)

2016	0.2	<div style="width: 40%;"></div>
2015	0.5	<div style="width: 100%;"></div>
2014	0.4	<div style="width: 80%;"></div>

Social commitment

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.

Social engagement

- Communication with neighboring community
- Funding for education

Since the construction of the site, BASF-YPC has annually conducted environmental impact dialogs with the local government and 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 2016 include, for example, a scholarship donation to Yanjiaba Primary School in Deyang City, Sichuan Province, which was built with a donation from BASF-YPC after the severe earthquake in 2008.

The company made the following donations during 2016:

- Donation to poverty-stricken students in Anhui Province and Northern Jiangsu Province, via Pfrang Foundation
- Donation to children suffering from congenital heart disease, via the Nanjing Charity Foundation
- Donation to Changzhou University as a scholarship for outstanding students
- 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
- Donation to Yangzi Middle School, affiliated to Nanjing Normal University, as a scholarship for outstanding students
- Donation to Nanhua No. 3 Primary School as a scholarship for outstanding students
- Donation to Yanjiaba Primary School as a scholarship for outstanding students



Visit by a beneficiary primary school

Further information

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