

BASF and ENGIE signed a long term Biomethane Purchase Agreement in Europe

JULY 4, 2024

- **BASF and ENGIE signed a 7-year Biomethane Purchase Agreement (BPA)**
- **Biomethane is used as a substitute for fossil raw materials in chemical production at BASF's Ludwigshafen and Antwerp sites**
- **Further expansion of product portfolio with a reduced Product Carbon Footprint (PCF) for customers**

BASF and ENGIE signed a 7-year Biomethane Purchase Agreement (BPA). Under the BPA, ENGIE will supply BASF with 2.7 to 3.0 terawatt hours of biomethane throughout the term of the agreement.

BASF uses certified biomethane at its Ludwigshafen/Germany and Antwerp/Belgium sites as a sustainable alternative to fossil raw materials in its manufacturing process. The approach supports the company's sustainable transformation by reducing its carbon footprint. The biomethane amount is allocated to the end product using a third-party, globally recognized certification scheme, known as the Biomass Balance approach.

With the purchase agreement and usage of biomethane, BASF further expands its product portfolio by offering products with lower or zero Product Carbon Footprints (PCF) to its customers across industries like automotive, packaging and detergents.

"BASF and ENGIE have been working together for many years. We are increasingly using alternative feedstocks such as biomethane at the beginning of our value chain, as part of our transition towards a circular economy. This agreement will ensure a long-term supply of biomethane at competitive prices.

We are happy to have such a reliable partner in ENGIE", said Matthias Dohrn, Head of Global Procurement at BASF.

Edouard Neviaski, CEO of ENGIE's Business Entity 'Global Energy Management & Sales' stated: "ENGIE and BASF is a story of green chemistry. After entering into the longest-term Power Purchase Agreement ever signed in the European chemical industry in 2021, we are happy to accompany our partner again to take strides on the biomethane side. With a biomethane portfolio steadily growing, this new deal sets us on the right path to achieve our ambition to sell 30 terawatt hours of biomethane per year by 2030. With a strong growth potential, and Europe's ambition to produce 35 billion m3 by 2030, we believe that BPAs will experience significant growth."*

Biomethane is a renewable gas produced through the fermentation of organic waste from households, agriculture, or industry. It significantly reduces greenhouse gas emissions compared to fossil resources.