

Joint News Release

Advancing Circular Economy: BASF and Heraeus's New JV Supports China's Supply Security and Sustainability Goals

PINGHU, CHINA, JANUARY 17, 2024 – BASF Environmental Catalyst and Metal Solutions (ECMS) and Heraeus Precious Metals have commenced operations of a new joint venture facility, BASF HERAEUS Metal Resource Co., Ltd, (BHMR) located in Pinghu, China. The facility recovers precious metals from spent automotive catalysts, enabling a circular economy, while supporting China's security of supply and sustainability goals.

The facility is a 50:50 joint venture between the two industrial leaders and involved a mid-double digit million Euro investment. Construction was completed in 16 months. On an area of 32,000 square meters and with over 100 employees, BHMR has a recycling capacity of approximately 10,000 tons of autocatalysts annually. The commencing of operations comes at a crucial juncture with the earliest PGM-carrying automobiles enter the recycling phase.

“The joint venture will utilize ECMS's pyrometallurgy recycling technology, providing customers with state-of-the-art technology for the recovery of precious metals,” said Tim Ingle, Senior Vice President, Precious Metal Services and Recycling, ECMS. “China is an important market for ECMS as one of the largest consumers of precious metals and BHMR will facilitate the reuse of precious metals in China, supporting circularity and enabling our customers to reduce their CO₂ footprint.”

China relies heavily on imported precious metals due to limited domestic supplies. This highlights the importance of recycling to meet the country's needs, particularly for essential metals like platinum, palladium and rhodium, which are utilized in various industries such as petrochemicals, pharmaceuticals and automobiles. According to market research, the Chinese autocatalyst recycling market is expected to experience remarkable growth, with an estimated annual growth rate of 18%. Hu Min, Head of Heraeus Precious Metals China, explained "The establishment of the joint venture will not only help our customers to buy their precious metals from a sustainable and traceable source, but also contribute a stable supply for China's precious metals supply chain."

Recycling precious metals offers a substantial reduction in carbon footprint, potentially saving up to 98% of carbon emissions compared to mining operations. "Our investment in the joint venture is part of a global €300 million recycling expansion program spanning China, the USA and Germany," emphasized Marius Vigener, Senior Vice President Business Line Chemicals at Heraeus Precious Metals. "It will support our customers by meeting their increasing demand for low carbon footprint products. This commitment to sustainable development benefits not only both companies but also the wider PGM and downstream industries."

"The inception of BHMR represents a pivotal moment, not only for ECMS and Heraeus Precious Metals, but for the broader context of China's industrial and environmental roadmap, as it intends to enhance both the supply chain and ecological footprints within the industry," said Nancy (Ying) Ren, General Manager of BASF HERAEUS Metal Resource. "We extend our deepest gratitude to the joint BHMR project team, our partners in the construction company, and local authorities. It is the commitment of all those involved that ensured the project's rapid and successful completion ahead of schedule."

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About BASF Environmental Catalyst and Metal Solutions

Leveraging its deep expertise as a global leader in catalysis and precious metals, BASF Environmental Catalyst and Metal Solutions (ECMS) serves customers in many industries including automotive, aerospace, indoor air quality, semiconductors and hydrogen economy, and provides full loop services with its precious metals trading and recycling offering. With a focus on circular solutions and sustainability, ECMS is committed to helping our customers create a cleaner, more sustainable world. Protecting the elements of life is our purpose and this inspires us to ever-new solutions. ECMS operates globally in 15 countries with over 4,500 employees and 20 production sites.

About Heraeus

The Heraeus Group is a broadly diversified and globally leading family-owned technology company, headquartered in Hanau, Germany. The company's roots go back to a family pharmacy started in 1660. Today, Heraeus bundles diverse activities in the Business Platforms Metals and Recycling, Healthcare, Semiconductor and Electronics as well as Industrials. Customers benefit from innovative technologies and solutions based on broad materials expertise and technological leadership.

In the 2022 financial year, the group generated revenues of €29.1 billion (US\$30.6 billion) with approximately 17,200 employees in 40 countries. Heraeus is one of the top 10 family-owned companies in Germany and holds a leading position in its global markets.

About Heraeus Precious Metals

Heraeus Precious Metals is globally leading in the precious metals industry. The company is part of the Heraeus Group and covers the value chain from trading to precious metals products to recycling. It has extensive expertise in all platinum group metals as well as gold and silver. With about 3,000 employees at 15 sites worldwide, Heraeus Precious Metals offers a broad portfolio of products that are essential for many industries such as the automotive, chemicals, semiconductor, pharmaceutical, hydrogen and jewelry industry.

By 2025 Heraeus Precious Metals will be the first company in the industry that operates carbon neutral.