



We create chemistry

# Sustainability in Personal Care across Australia and New Zealand

## We create chemistry for a sustainable future

We want to contribute to a world that provides a viable future with enhanced quality of life for everyone. We do so by creating chemistry for our customers and society and by making the best use of available resources. Sustainability is at the core of what we do, a driver for growth as well as an element of our risk management.

## Corporate commitments

We have defined sustainability focus areas within our corporate strategy. These formulate the commitments with which BASF positions itself in the market and how it aims to meet the growing challenges along the value chain.



## Our sustainability goals and KPIs

BASF welcomes the Sustainable Development Goals (SDGs) and supports the UN in making our planet more sustainable. BASF was actively involved in the development of the SDGs as a member of the working groups. Of particular importance to BASF are the SDGs: Zero Hunger, Good Health and Well-being, Clean Water and Sanitation, Decent Work and Economic Growth, Industry, Innovation and Infrastructure, Sustainable Cities and Communities, Responsible Consumption and Production, Climate Action, Life on Land and Partnerships for the Goals.

### BASF is contributing to the SDGs in the following areas:

#### Effective climate protection

- Reduce our absolute CO<sub>2</sub> emissions<sup>1</sup> by 25% by 2030 compared with baseline 2018
- Achieve net zero CO<sub>2</sub> emissions<sup>1</sup> by 2050

#### Resource efficiency and safe production

- Reduce worldwide process safety incidents per 200,000 working hours to ≤ 0.1 by 2025
- Reduce the worldwide lost-time injury rate per 200,000 working hours to ≤ 0.1 by 2025
- Introduce sustainable water management at our production sites in water stress areas and at our Verbund sites by 2030

#### Sustainable product portfolio

- Achieve €22 billion in Accelerator sales<sup>2</sup> by 2025

#### Employee engagement and diversity

- Increase the proportion of women in leadership positions with disciplinary responsibility to 30% by 2030
- More than 80% of our employees feel that at BASF, they can thrive and perform at their best

#### Responsible procurement

- Cover 90% of our relevant spend<sup>3</sup> with sustainability evaluations by 2025
- Have 80% of our suppliers improve their sustainability performance upon re-evaluation



Scan for more information on how BASF supports the UN SDGs.

<sup>1</sup> The goal includes Scope 1 and Scope 2 emissions without emissions from sale of energy to third parties. Other greenhouse gases are converted into CO<sub>2</sub> equivalents according to the Greenhouse Gas Protocol.

<sup>2</sup> Products with substantial contribution to sustainability

<sup>3</sup> Relevant spend; based on risk matrices, purchasers' assessments and other sources

## Circular economy

For BASF, circular economy is much more than waste management. The aim is to close cycles, use products and resources in the best way possible across the entire value chain, and support our customers in their journey towards a more sustainable future.

The circular economy model has been gaining ground in politics, industry, and society over the last years. Behind this idea is a change away from the linear model of "take-make-dispose", to a system of closed loops powered by renewable energy. The chemical industry and its innovations can lead the way in this change. BASF is already applying circular economy in several ways.



We aim to **double** our circular sales to reach **€17 billion** by 2030.



We commit to using **250,000 metric tons** of recycled feedstock by 2025 globally.



We run a **Circular Economy Program** to accelerate the transition.

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BASF Care Chemicals' goal is to be a reliable expert partner and solution provider for our customers in the field of sustainability. We are taking an inclusive approach to sustainability, fostering sustainability in our business as one success factor for profitable growth and supporting our customers with innovative, resource efficient solutions along the value chain.

## Argan Program

BASF's argan is sourced in Morocco through a sustainable sourcing program by BASF, initiated to preserve the argan forest, foster local development and women's integration and produce argan oil of the highest purity and quality. In line with BASF's objective "We create chemistry for a sustainable future," Care Chemicals continues to work alongside local communities to protect biodiversity and preserve the shared heritage.

Through our sustainable Argan Program we have achieved:



A supply of argan materials under **fair-trade conditions** through a network of **women cooperatives**



Partnerships to ensure a **reliable** supply chain, perfect **traceability** and **fair income** for about **600 women** in rural areas



**Valorisation** of different parts of the tree to foster a **better local impact**



**Benefits** for the women through the implementation of a **social fund** (for social, health and solidarity actions)



A **multi-year contract**, early forecasts, and a **commitment on price and volumes for argan oil**



Ingredients produced through our sustainable Argan Program:

**Arganyl®**

**Argassential® Lipofructyl**

**Argan®**

*(organic and fair-trade certification)*

## Rambutan Program

BASF's Care Creations has launched three new active ingredients derived from its Rambutan Program, a socially and environmentally responsible supply chain for sustainable bioactives production. Through this program, BASF creates a positive impact on Vietnamese rural society by upcycling different parts of the tree (other than fruit), whilst providing safe working conditions, health insurance and above-average incomes to support gender equity. It also helps manufacturers of hair and skin care products to respond to the growing trend of responsible beauty.

Through our Rambutan Program we have achieved:



The first **organic** certified Rambutan garden in Vietnam



**Upcycling** of different parts of the tree to foster a **better local impact**



A partnership to ensure a **reliable** supply chain and perfect **traceability**



**Benefits** for the rambutan dedicated team (safer working conditions, fair incomes, fringe benefits)



A **multi-year contract**, early forecasts, and a **commitment on price and volumes**



Our three active ingredients derived from the Rambutan Program:

**Nephoria®**

**Nephydrat®**

**Rambuvital®**

*(organically grown)*

### Sustainable sourcing of palm oil

BASF wants to ensure that its renewable-based products are made from sustainably sourced raw materials.

Two of our key renewable raw materials are palm oil and palm kernel oil and their respective derivatives, which we mainly use to produce home and personal care ingredients and, to a lesser extent, food ingredients. Oil palm plantations can contribute significantly to deforestation, loss of biodiversity and climate change from the loss of peatland. We share the widespread concern about these challenges and are committed to reducing the impact on the environment.

As part of BASF's sustainable palm sourcing program we have:

- Voluntarily committed to sourcing palm products sustainably
- Only sourced Roundtable on Sustainable Palm Oil (RSPO) certified palm oil and palm kernel oil since 2020
- Pledged to expand these commitments to the significant intermediates based on palm oil and palm kernel oil by 2025. These include fractions as well as primary oleochemical derivatives plus vegetable oil esters.
- Acknowledged that RSPO-certified production of palm kernel oil shows around 36 percent lower global warming impact than non-certified production
- 25 production sites worldwide RSPO certified in 2020
- Implemented the sustainable castor initiative – 'Pragati' in India



Scan for more  
information on Project  
Pragati in India.

### Ecosun pass

Based on a sense of environmental responsibility, scientific discipline and sensitivity to consumer wishes, BASF has introduced a methodology to assess the environmental impact of sunscreen formulations.

Until now, no scientifically sound and transparent system has been available to rank and potentially improve the impact of a given sunscreen formulation. As the worldwide market leader in sun-care ingredients, BASF has responded to this challenge and is developing a matrix of scientific criteria to measure the environmental impact.



Scan for more information  
on other sustainability  
initiatives in Personal Care

