



Joint News Release

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BASF and Oriental Yuhong expand collaboration by co-developing sustainable waterproofing solutions in China

- **Accelerates research and development on near-zero emission waterproofing solutions for China's construction industry**
- **Partnership to address market needs for sustainable solutions while enhancing product performance**
- **Joint development of next-generation waterproofing solutions to exceed current market standards on environmental protection**

Beijing, China – August 29, 2019 – BASF and Oriental Yuhong Waterproof Technology Co. Ltd. (Oriental Yuhong) have signed a Joint Development Agreement (JDA) in China to further strengthen their partnership to co-develop the next-generation of environmentally-friendly waterproofing solutions. The partnership intends to reinforce the strategic cooperation in construction solutions and develop waterproofing solutions with near-zero emissions that will set a new standard in China's construction market.

The two companies will develop cutting-edge products to meet the most stringent emission category certified by the EMICODE® EC1^{PLUS} label. BASF will produce EMICODE® EC1^{PLUS} compliant dispersions which will enhance the performance of Oriental Yuhong's waterproofing products. The technical development work will be carried out together with Oriental Yuhong in BASF's Innovation Campus Shanghai, which houses cutting-edge dispersions development with a team of more than 80 scientists.

“Innovation is a key differentiator for BASF. We strive to develop cutting-edge dispersion technology, and we are committed to working with market shapers such as Oriental Yuhong in driving sustainability advancement without compromising technical performance,” said Gops Pillay, President, Dispersions & Pigments, BASF. “Oriental Yuhong is the leading supplier of construction materials in China with solid application development capacity. Together with our strong R&D competencies and technical expertise, we will work hand in hand to raise the emission standard in the industry”.

“Oriental Yuhong has been in collaboration with BASF in China since our inception. Through our collaboration, both companies have achieved remarkable results in R&D and continuous business development. We are pleased to have worked with BASF, a world-renowned brand with strong R&D and innovation capabilities, for over 20 years,” said Xiang Jinming, Vice Chairman & Executive President, Beijing Oriental Yuhong Waterproof Tech. “This agreement marks the joint effort of the two companies in providing fast-rising technologies in the construction and coatings business. It also provides a gateway for promoting more eco-friendly solutions in the future. It will fulfill our mission to create a sustainable and safe environment for society and all of mankind. Chinese customers will, therefore, enjoy high-quality construction products and services. We look forward to working with many excellent partners to build a harmonious habitat for everyone.”

EMICODE® is an international classification system established by GEV, an association for emission-controlled installation materials. The system compares and evaluates the emission characteristics of flooring installations and construction products. EC1^{PLUS} is the highest-level identifier in EMICODE®, which certifies products with very low volatile organic compound emissions. Total volatile organic compound (TVOC) value of the materials awarded this premium-grade label must be $\leq 750\mu\text{g}/\text{m}^3$ (after three days), an even stricter emission limit value and environmental and health requirements than their standard category EC1 with TVOC $\leq 1000\mu\text{g}/\text{m}^3$ (after three days).

About BASF

At BASF, we create chemistry for a sustainable future. We combine economic success with environmental protection and social responsibility. The approximately 122,000 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 six segments: Chemicals, Materials, Industrial Solutions, Surface Technologies, Nutrition & Care and Agricultural Solutions. BASF generated sales of around €63 billion in 2018. BASF shares are traded on the stock exchange in Frankfurt (BAS) and as American Depositary Receipts (BASFY) in the U.S. Further information at www.basf.com.

About BASF's Dispersions & Pigments division

The Dispersions & Pigments division of BASF develops, produces and markets a range of high-quality pigments, resins, additives and polymer dispersions worldwide. These raw materials are used in formulations for a number of industries, including coatings, construction, adhesives, printing and packaging, electronics and paper. With its comprehensive product portfolio and its extensive knowledge of the industry, the Dispersions & Pigments division offers its customers innovative and sustainable solutions and helps them advance their formulations. For further information about the Dispersions & Pigments division, please visit www.dispersions-pigments.basf.com.

About Oriental Yuhong

Founded in 1995, Oriental Yuhong has been dedicated to providing high-quality and improved system solutions for the construction of thousands of important infrastructure projects, industrial, civil and commercial buildings. It has grown into a leading service provider in the building material industry. Oriental Yuhong always pursues high quality and stable development. It focuses on waterproofing services, and extends its business to upstream and downstream sectors as well as relevant industry chains. The company has formed strong building material service capabilities integrating building waterproofing, civil building materials, non-woven fabric, building coating, building repair, energy-saving and thermal insulation, special mortar, and etc.

Oriental Yuhong holds more than 50 subsidiaries including Shanghai Oriental Yuhong , HK Oriental Yuhong, and Oriental Yuhong North American, and so on. It has 28 manufacturing, R&D, and logistic bases respectively in Shunyi District in Beijing, Jinshan District in Shanghai, Yueyang in Hunan, Jinzhou in Liaoning ,Huizhou in Guangdong, Xuzhou in Jiangsu, Dezhou in Shandong, Kunming in Yunnan, Tangshan in Hebei, Xianyang in Shanxi, Wuhu in Anhui, Hangzhou in Zhejiang, Qingdao in Shandong, Chuzhou in Anhui, Puyang in Henan, Jingmen in Hubei.

Oriental Yuhong pursues of sustainable development continuously. It promotes the scale development with science and technology advancement, product excellence, service satisfaction, and safety & environmental protection. It has been authorized to build state key lab of special-purpose waterproof material, and has established national certified corporate technology center, academician expert work station, and post-doctoral work station, etc. Its R&D system is more and more complete, and it has built up 4 R&D centers of product, production process equipment, application technology, engineering construction technology. Oriental Yuhong established a vocational technical college, in order to improve standardized construction & service techniques and cultivate industrial workers with global

competitiveness. To be in line with international level of technological research and development, Oriental Yuhong established a global excellence research center of waterproof coating in the USA. For further information about Oriental Yuhong, please visit <http://www.yuhong.com.cn/>.