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Joint News Release

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BASF and Xuchuan Chemical further strengthen strategic partnership and jointly promote low product carbon footprint solutions

Suzhou, China, JAN 19, 2024 – BASF Monomers Division and Xuchuan Chemical, an important partner in the isocyanates value chain, held a ceremony to commemorate their strategic cooperation on bio-mass balanced (BMB) Methylene Diphenyl Diisocyanate (MDI) in synthetic leather applications. By leveraging BASF's expertise in bio-mass balanced (BMB) MDI production and Xuchuan Chemical's extensive network in the synthetic leather value chain, the primary goal of this collaboration is to reduce carbon emissions in the production of polyurethanes for the industry.

Dr. Ramkumar Dhruva, President of BASF Monomers Division, underlined BASF's commitment to deepen the collaboration with Xuchuan. "Xuchuan Chemical is the first to utilize our BMB MDI for polyurethane production in China. This collaboration is a crucial step towards establishing a more sustainable synthetic leather value chain in the region, and we look forward to working closely with our downstream customers to provide products that meet the increasing demand for sustainable and innovative solutions in Greater China."

Bio-mass balanced products are an integral part of BASF's approach to drive the implementation of sustainable solutions. They not only reduce the products' carbon footprint (PCF), but also conserve fossil resources by replacing a part of the fossil raw materials with renewable feedstock in the production process. Bio-mass balanced MDI is a significant step towards reducing the carbon footprint associated with the production of polyurethane, a material widely used in various industries from construction to automotive. So far, BASF provides ISCC+ certified¹ BMB MDI from its two production sites in Asia-Pacific region – Yeosu site in South Korea and Chongqing site in China.

“We are committed to provide circular and low-PCF options to our value chains,” said Claudia Huang, Senior Vice President, Monomers Asia-Pacific, BASF. “The recent ISCC+ certification of our Chongqing site not only affirms our commitment, but also underscores our resolution to promoting sustainable solutions in the Chinese market.”

"The utilization of BMB MDI in our product portfolio represents an important milestone in our long-standing partnership with BASF and sets a positive precedent for future collaborative efforts between us," said Mr. Ping JIANG, Chairman of Xuchuan Chemical. "We are excited to contribute to the development of sustainable solutions and look forward to furthering our partnership in the future."

An'An, one of Xuchuan's major downstream customers, also joined the ceremony. Mr. Tian Song LIN, CEO of An'An, highlighted the alignment of this initiative with their own sustainability goals: “We at An'An are more than pleased to demonstrate our commitment to sustainability. This initiative aligns perfectly with our own goals, and we are ready to contribute in every way possible.”

As part of their commitment to sustainability, BASF and Xuchuan will continue to invest in research and development to further enhance their low carbon footprint products and solutions. The strategic cooperation will also include joint activities to promote the benefits of these sustainable products and practices to downstream polyurethane companies and the broader public.

¹ ISCC (International Sustainability & Carbon Certification): ISCC is a globally applicable sustainability certification system and covers all sustainable feedstocks, including agricultural and forestry.

About BASF

At BASF, we create chemistry for a sustainable future. We combine economic success with environmental protection and social responsibility. More than 111,000 employees in the BASF Group contribute to the success of our customers in nearly all sectors and almost every country in the world. Our portfolio comprises six segments: Chemicals, Materials, Industrial Solutions, Surface Technologies, Nutrition & Care and Agricultural Solutions. BASF generated sales of €87.3 billion in 2022. BASF shares are traded on the stock exchange in Frankfurt (BAS) and as American Depositary Receipts (BASFY) in the United States. Further information at www.basf.com.

About BASF's Monomers division

The Monomers division supplies a broad portfolio of large-volume monomers, basic polymers and inorganic chemicals. Major products include MDI (methylene diphenyl diisocyanate), TDI (toluene diisocyanate), propylene oxide, caprolactam, adipic acid, hexamethylenediamine, ammonia, polyamide 6 and 6.6, nitric acid, sulfur and chlorine products, inorganic salts, urea, melamine, glues and impregnating resins. The products are used in a broad spectrum of industries, such as the automotive, furniture, construction, woodworking, food, feed, solar, packaging and textile industries. More information: <https://chemicals.basf.com/global/en/Monomers.html>

About Xuchuan Chemical

Xuchuan Chemical was incorporated in 2007, as the largest polyurethane resins manufacturer for shoe/artificial leather industry in China, it has 5 modern production bases. The main products range from polyester polyol, polyurethane resin for shoes (polyether and polyester), water-based and solvent-free polyurethane resins for artificial leather, polyurethane bonding adhesives to polyurethane hot melt adhesives. It is a state-level hi-tech enterprise specializing in product R&D, production, and sales, and offers all-around raw materials and technical solutions to clients. After 20 years' development, Xuchuan Chemical has become the largest polyurethane resins manufacturer in shoe/leather industry in China, and its products export to over 30 countries worldwide. Further information at chinaxuchuan.com