

News Release



BASF joins the Forum for Sustainable Palm Oil (FONAP) as supporting member

- **BASF expands its engagement for sustainable oil palm products in German, Austrian and Swiss markets**
- **New FONAP membership category “Supporter” introduced for oleoderivative producers**

Düsseldorf, Germany – October 18, 2017 – BASF has joined the Forum for Sustainable Palm Oil (FONAP) as a producer of oleoderivatives in the category “Supporter”. “Becoming an official supporter of FONAP is an important signal for BASF in its ongoing efforts to foster sustainable oil palm products. This underlines our commitment to transform the market towards sustainable renewable resources and to help our customers fulfill their FONAP commitments,” said Xavier Susterac, Senior Vice President BASF Personal Care Europe. BASF is one of the leading global processors of oleochemicals: One of its key raw materials is palm kernel oil and its primary derivatives. Both are mainly used for the production of ingredients for the cosmetics, detergents and cleaners industries, as well as in human nutrition.

FONAP broadens scope and opens up to oleoderivative producers

Revising its membership charter, FONAP’s General Assembly has now opened up for the so called upstream part of the palm value chain – the producers of oleoderivatives as “Supporter” of the association – thereby making BASF’s entry possible. “We welcome BASF as an

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official Supporter-member of FONAP. We are happy to strengthen our network and multiply our joint efforts,” said Daniel May, Secretary General of FONAP. FONAP had been established in 2013 and officially registered in 2015 as an alliance of companies, non-governmental organizations, associations and the German Federal Ministry of Food and Agriculture (BMEL). The association has currently 46 members including small, medium-sized and multinational companies from various palm oil processing sectors. The aim of the Forum for Sustainable Palm Oil (FONAP) is to significantly boost the proportion of certified palm oil, palm kernel oil and their derivatives and fractions in the German, Austrian and Swiss markets. Together the member companies are working towards the goal of ensuring that all the palm oil and palm kernel oil available on these markets is certified as soon as possible. Regular members commit themselves to use only 100 percent certified palm oil and to improve current certification systems.

Why certification is key to a sustainable palm industry

In more than a decade, the increasing demand for palm-based products and the expansion of palm plantations especially in Indonesia and Malaysia have destroyed high value forests, peatland and biodiversity. At the same time, palm kernel oil in particular is irreplaceable for the oleoderivate business due to its specific traits. This dilemma means a huge responsibility for the industry. The chief global certification body for the palm industry is the Roundtable on Sustainable Palm Oil (RSPO). Sustainable palm oil has been certified by the RSPO according to specific criteria to help to reduce the negative impacts of palm oil cultivation on the environment and communities. BASF was one of the first RSPO members and became a member of the High Carbon Stock Approach in 2016 to leverage industry activities to stop deforestation. Since then BASF integrated the criteria of the HCS Approach such as forest and peat conservation as well as social and labor rights into its Palm Sourcing Policy. “We engage intensively with our stakeholders at all levels of the supply chain to understand their needs and help them achieve their targets.

Our customers rely on our expertise to fulfill the additional requirements necessary to meet their commitments,” said Susterac. “Beyond this, we support smallholders as an important link within the value chain.”

In 2016, BASF expanded its purchasing volumes by about 32,000 metric tons to 158,000 metric tons, and nearly doubled the sales of certified products based on palm kernel oil. BASF had an overall oil palm exposure of 508,000 metric tons in 2016.

About the Care Chemicals division at BASF

The BASF division Care Chemicals offers a broad range of ingredients for personal care, hygiene, home care, industrial & institutional cleaning, and technical applications. We are the global leading supplier for the cosmetics industry as well as the detergents and cleaners industry and support our customers with innovative and sustainable products, solutions and concepts. The division’s high-performance product portfolio includes surfactants, emulsifiers, polymers, emollients, chelating agents, cosmetic active ingredients and UV filters. Superabsorbent polymers developed for the full spectrum of hygiene applications complete the range. We have production and development sites in all regions and are expanding our presence in emerging markets. Further information is available on the Internet at www.care-chemicals.basf.com.

About BASF

At BASF, we create chemistry for a sustainable future. We combine economic success with environmental protection and social responsibility. The approximately 114,000 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 five segments: Chemicals, Performance Products, Functional Materials & Solutions, Agricultural Solutions and Oil & Gas. BASF generated sales of about €58 billion in 2016. BASF shares are traded on the stock exchanges in Frankfurt (BAS), London (BFA) and Zurich (BAS). Further information at www.basf.com.