

News Release

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BASF drives sustainable palm with major portfolio switch

- **BASF palm-based personal care specialties will be offered as certified sustainable**
- **First customers have implemented portfolio changes**
- **BASF steps up palm traceability**

Amsterdam, Netherlands – April 18, 2018 – BASF shifts its Personal Care portfolio and will offer palm-based specialties for the cosmetics industry exclusively as certified sustainable. The move was announced at its 3rd Palm Dialog event during the in-cosmetics global exhibition. “This is an important milestone for the cosmetics industry’s progress towards sustainable palm – and some of our customers have already made the step,” said Xavier Susterac, Senior Vice President BASF Personal Care Europe. The decision to offer palm-based specialties only as certified in line with the Roundtable on Sustainable Palm Oil (RSPO) ‘Mass Balance’ standard is the latest move in BASF’s initiative ‘Time for Change’. The company has made a commitment to switch about 330 palm-based products to ‘Mass Balance’ standard in the course of 2018 globally. ‘Mass Balance’ (MB) is one of the RSPO supply chain models that foster the physical flow of certified raw materials within the oleo-derivatives supply chain. “By enhancing our IT processes, we are making it easier for our customers to change to MB ingredients,” said Isabella Tonaco, who is responsible for Global Sustainability Palm Products at BASF.

BASF steps up palm traceability

BASF produces palm-based ingredients for cosmetic products, detergents and cleaning agents as well as foodstuffs. The majority of oil palm products used by BASF are based on palm kernel oil and its derivatives; to a lesser extent on palm oil. Palm cultivation is linked to deforestation, loss of biodiversity and social conflicts in the producing countries – mainly Indonesia and Malaysia. BASF has therefore committed itself to source only RSPO-certified sustainable palm kernel oil by 2020. However, currently less than 20 percent of the global supply of palm-based oils is available as certified sustainable. In the difficult market environment of 2017, BASF purchased 153,000 metric tons of RSPO-certified palm kernel oil and made significant progress regarding traceability. In 2017, the company was able to trace almost 80 percent of its overall oil palm exposure of more than half a million metric tons. The certified sustainable oil is 100 percent traceable and originates from 204 oil mills in Indonesia and Malaysia (2016: 128), according to the second BASF Palm Progress Report.

BASF Palm Dialog discusses industry's impact

On April 18, BASF hosted its third Palm Dialog on the industry's impact and progress towards sustainable palm during the in-cosmetics exhibition. This provided an opportunity for personal care ingredient suppliers and cosmetic manufacturers to discuss the latest trends and developments in the oleo-chemical industry and engage in dialog with experts. The BASF Palm Dialog is a crucial element in the company's commitment to fostering collaboration among stakeholders along the value chain.

Further information is available at: on.basf.com/palm-dialog

Follow the BASF Palm Dialog on Twitter: [@BASF_palm](https://twitter.com/BASF_palm)

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 online 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 more than 115,000 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 €64.5 billion in 2017. BASF shares are traded on the stock exchanges in Frankfurt (BAS), London (BFA) and Zurich (BAS). Further information at www.basf.com.