

News Release

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BASF buys first-ever certified sustainable coconut oil

- **Development towards certified sustainable coconut oil production driven by partnership between BASF, Cargill, Procter & Gamble (P&G) and the German federal enterprise Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH**
- **Establishment of a certified sustainable and transparent supply chain from farm to refinery according to mass balance**
- **BASF uses coconut oil to produce ingredients for cosmetic products, detergents and cleaning agents, as well as food applications**

Ludwigshafen, Germany – July 17, 2019 – BASF has bought the first certified sustainable coconut oil that can be traced back fully to Rainforest Alliance Certified™ farms.

Produced in General Santos in the Philippines, the certified sustainable coconut oil is made possible thanks to a development partnership between BASF, Cargill, Procter & Gamble (P&G) and the German federal enterprise Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH. The cooperation takes place under the develoPPP.de program, commissioned by the German Federal Ministry for Economic Cooperation and Development (BMZ), and is strongly supported by the Rainforest Alliance and the Philippine Coconut Authority. The partners developed a chain of custody that allows the tracking from refinery back to certified farms in line the mass balance standard. “Mass balance” is a supply chain model that supports the production of certified raw materials within the supply chains.

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Ina Boos, Project Manager, Sustainable Certified Coconut Oil at BASF, said: “With the first Rainforest Alliance Certified™ sustainable coconut oil in place, we have reached an important milestone on the way to ensuring more sustainable supply chains. We are proud of the achievements we have made together with our partners over the last few years.”

The company uses coconut oil as a raw material to manufacture ingredients for cosmetic products, detergents and cleaning agents, as well as food applications.

Partnership for certified sustainable coconut oil

Coconut oil is an important feedstock for the chemical industry. In addition to establishing a certified sustainable coconut oil supply chain, a main goal of the development partnership is to improve the lives of coconut smallholder farmers in selected regions of the Philippines and Indonesia by working with them and teaching them better practices. Currently, 2,500 smallholder farmers are able to benefit from the program. The new training approach, entitled “Coconut farming as a business”, provides them with the practical and technical skills and know-how they need to improve their business and farm management skills.

The project builds on a previous development partnership – “Nucleus of Change” – implemented in General Santos in the Philippines by Cargill, BASF and GIZ from 2011 to 2015. Over the course of that partnership, more than 1,000 smallholder farmers were trained and 300 of them became the world’s first certified coconut farms.

A broader effort to support sustainable feedstocks

The program is part of a broader effort by BASF: In recent years, the company has consistently pushed for more sustainable sourcing of coconut oil, as well as palm and palm kernel oil – all important feedstocks for the oleochemical industry. In April 2018, BASF announced that palm-based personal care specialties will be offered exclusively as certified sustainable in line with the Roundtable on Sustainable Palm Oil (RSPO) mass balance standard.

About the Care Chemicals division at BASF

The BASF division Care Chemicals offers a broad range of ingredients for personal care, home care, industrial & institutional cleaning, and technical applications. We are a leading global supplier for the cosmetics industry as well as the detergent and cleaner 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. 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 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.