BASF and Red Avenue New Materials Group collaborate to produce certified compostable co-polyester (PBAT) in China

- BASF licenses Red Avenue New Materials Group to produce and sell PBAT according to high BASF quality standards
- Red Avenue New Materials Group to build a new plant in Shanghai with an annual capacity of 60,000 metric tons of PBAT
- Global market for biopolymers expected to grow by circa 15 percent per year

Ludwigshafen, Germany/Shanghai, China, May 28, 2020: BASF and Red Avenue New Materials Group have signed a joint agreement that grants Red Avenue New Materials Group the license to produce and sell certified compostable aliphatic-aromatic co-polyester (PBAT) according to high BASF quality standards. For that purpose, Red Avenue New Materials Group will build a 60,000 metric tons PBAT plant in Shanghai, using BASF’s process technology in exchange for the access to raw material from this plant which BASF will sell as ecoflex®. Production at the new plant will start in 2022 and supply the market of biopolymers.

The global market for certified compostable and bio-based plastics is expected to grow by around 15 percent per year. With upcoming new laws and regulations in a lot of countries enforcing the use of compostable materials in packaging, agricultural mulch films and bag applications, the positive market development is expected to continue. “Our successful bio-polyester ecoflex® and the innovative ecovio® are already giving us significant participation in this growing market. The additional available PBAT capacities will substantially strengthen our position,” says Olivier
Ubrich, head of BASF’s global business unit Specialty Polymers. “Due to Red Avenue’s commitment and network to develop the Chinese market, their strategically interesting location and their long-lasting good relationship with BASF, we have identified Red Avenue as our preferred partner. The cooperation will allow us to meet our customers’ needs even more effectively and will increase our delivery flexibility.”

Adhering to its development concept of "Materials Make The Planet Better", Red Avenue New Materials Group has established the corporate vision of "Promoting The Sustainable Development of The New Materials Industry in An Innovative And Responsible Manner." Zhou Jianhui, President of Red Avenue New Materials Group, says: "As a company with strong social responsibilities, we are committed to providing our best help to our upstream and downstream green industry chains, as well as to solving the global environmental challenges. We are honored in cooperating with BASF to deploy cutting-edge new materials with innovative manufacturing technology. With rapidly growing business opportunities for advanced materials especially in the internet, for example by new consumer behavior, we will work together to develop the PBAT market in China and promote the development of the new materials’ industry."

The BASF biopolymer ecoflex® was introduced into the market in 1998 and is certified compostable in accordance with DIN EN 13432 and ASTM D6400. It is used as a blend with other renewable raw materials to compound ecovio®, BASF’s certified compostable biopolymer. The renewable raw material content means that ecovio® is also partly bio-based. Typical applications for ecovio® are organic waste bags, cling film, fruit and vegetable bags, as well as agricultural mulch films and food packaging applications. Studies show the advantages of ecovio® for production, packaging and shelf life as well as for the waste collection of food. These advantages are based on the material’s certified biodegradability in industrial and home composting as well as in soil: Food waste is reduced, nutrients are returned to the soil by means of greater volumes of compost and the accumulation of plastic in soil is avoided, thus closing the nutrient cycle to a Circular Economy.

More information: [www.ecoflex.basf.com](http://www.ecoflex.basf.com) and [www.biopolymers.basf.com](http://www.biopolymers.basf.com)
About BASF

At BASF, we create chemistry for a sustainable future. We combine economic success with environmental protection and social responsibility. More than 117,000 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 €59 billion in 2019. 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 Red Avenue New Materials Group

The Red Avenue New Materials Group Co., Ltd. is the world’s leading comprehensive service provider of new materials. The company is located in China (Shanghai) Pilot Free Trade Zone. It has three lean manufacturing plants and two national laboratory R&D centers in China, and its business scope covers more than 40 countries and regions around the world. The Red Avenue upholds the green development concept of "materials make the planet better", and has established the corporate vision of "promoting the sustainable development of the new material industry in an innovative and responsible manner". It also adheres to technological innovation and management innovation, contributing to customers and cooperation partners’ development. The Red Avenue New Materials Group is a member of AEPW (Alliance to End Plastic Waste), the second Chinese enterprise to join the organization. Our service scope covers chemical materials, automotive materials, medical materials, electronic materials, environmental protection materials etc. Further information at www.rachem.com.

Media contact at BASF:
Dr. Ulla Biernat
E-mail: ulla.biernat@basf.com
Phone: + 49 621 60-42241

Media contact at Red Avenue New Materials Group:
Zhang Dan
E-mail: dan.zhang@rachem.com
Phone: +86-21-62109966-217