

News Release

Hyundai Motor Company's plant in Ulsan to exclusively use BASF Elastoflex® for the production of car seats

- Innovative solution offers better in-cabin air quality and greater comfort
- Maximizes productivity by reducing defects
- BASF increases polyol capacity by 13,000 tons to meet the growing demand for low VOC solutions

Ulsan, Korea – October 23, 2019 – Hyundai Motor Company's (HMC) plant in Ulsan will exclusively use BASF Elastoflex® flexible polyurethane (PU) foam systems for the production of its car seats. The highly resilient PU foam is a low volatile organic compound (VOC) solution, primarily used in automotive applications such as seats and headrests. Compared to conventional foams, Elastoflex provides higher comfort, improved elasticity, and better load-bearing properties.

“Lowering VOC emissions and enhancing driving comfort are major goals for an automotive OEM. We have focused on enhancing our product solution, Elastoflex, to meet the rapidly changing market trends and needs while maintaining excellent mechanical properties for outstanding performance and flexible design,” said Andy Postlethwaite, Senior Vice President, Performance Materials Asia Pacific, BASF.

To meet the toughest emission control regulations, BASF has optimized its production processes for polyol, which is used in the production of Elastoflex PU foams for high-comfort seat applications. The optimized production process translates to cost-effective and low VOC specialty polyols.

In the tests conducted by SGS Korea, a global leading testing agency, the new solution demonstrated a reduction in acetaldehyde and formaldehyde emissions of more than 30%, helping to improve interior air quality and health of car drivers. Site trials also demonstrated an improvement in line productivity with a reduction in defect rate owing to excellent flowability of the newly developed PU system.

“To meet the growing demand for low VOC solutions across industries and applications, BASF has also expanded its capacity of polyol in Ulsan by 13,000 tons. The expansion enables a stable supply of products, for Hyundai Motor Company and our other valued customers in Korea and overseas,” added Mr. Postlethwaite.

“We are delighted to cooperate with our long-term partner, HMC, to explore innovative low VOC solutions for the automotive industry. This is another example of successful collaboration with HMC, based on our technical expertise and material innovations,” said Brian Seo, business management Transportation & Industrial Korea.

Hyundai Motor Company Group, which accounts for more than 80% of the Korean automotive market, is also reviewing the material’s application in their headliners and steering wheels.

About BASF’s Performance Materials division

BASF’s Performance Materials division encompasses the entire materials know-how of BASF regarding innovative, customized plastics under one roof. Globally active in four major industry sectors – transportation, construction, industrial applications and consumer goods – the division has a strong portfolio of products and services combined with a deep understanding of application-oriented system solutions. Key drivers of profitability and growth are our close collaboration with customers and a clear focus on solutions. Strong capabilities in R&D provide the basis to develop innovative products and applications. In 2018, the Performance Materials division achieved global sales of €7.65 bn. More information online: www.plastics.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.