



Joint press release

BASF and Shanghai Jahwa join forces to strengthen technological innovation

Shanghai, China – June 25, 2021 – BASF and Shanghai Jahwa United Co., Ltd held a signing ceremony to formalize the “Technological Innovation Cooperation Framework Agreement” between the two companies, at the Shanghai Jahwa R&D Center, today. This long-term partnership is aimed at accelerating product development and innovation, while contributing to the sustainable progress of the beauty and personal care industry in China.

Shanghai Jahwa will be the first company in China to establish a technological innovation partnership with BASF in the beauty and personal care industry. The company will have access to BASF’s cutting-edge technologies as well as exclusively customized, advanced raw materials and solutions, that meet the market’s needs, thereby laying a solid foundation for its development of high-quality, high-tech, personalized products for the consumers. In turn, the partnership will help BASF expand its offering of innovative and differentiated solutions to local customers, through co-creation.

With the boom in China’s economy, the domestic beauty and personal care industry is entering a period of rapid development. Younger consumers are buying more beauty and personal care products as they embrace a more diversified view of beauty. Additionally, China’s national strategy of carbon emission peak and carbon neutrality, will also serve as a powerful driving force for the advancement of the industry, from (upstream) research and development of raw materials, technology application and process optimization to (downstream) product manufacturing, quality control and marketing. The partnership between Shanghai Jahwa and BASF marks a significant

move for both companies to strongly participate in the growth of the industry.

Shanghai Jahwa and BASF will engage in in-depth collaboration on a wide range of innovations, including the development of new bio actives and novel formulation formats, TCM (Traditional Chinese Medicine) modernization, mechanism research of skin efficacy and visualization, digitalized smart devices, and sustainable development. Having committed to the research of Chinese herbal medicine, Shanghai Jahwa has gained a wealth of knowledge and deep expertise. BASF's competence in cosmetic ingredients and its global R&D and innovation network will help provide exclusive, tailor-made new ingredients and the latest formulation technologies for Shanghai Jahwa to achieve its TCM modernization goals.

The two organizations also plan to focus on co-innovation in efficacy assessment on 3D skin cells, research of mechanism of action, and supercomputer modeling. For digitalized smart devices, the two companies will initiate the first cooperation in the Chinese market in the field of personalized cosmetics, including 3D printed masks. In addition, a set of standards for bio-based and sustainable raw materials will be established jointly, for creating eco-friendly and low-carbon footprint solutions, which will help Shanghai Jahwa achieve its strategic goals of emission peak by 2025 and carbon neutrality across its value chain by 2050, thereby setting a good example for China's beauty and home care industry.

"Technology innovation and sustainable development are important strategic goals for us," said Alex Pan, Chairman and CEO of Shanghai Jahwa. "We are pleased to establish this partnership with BASF, an international leader in ingredients for the personal care industry. With the support of their cutting-edge technology, raw materials, and experience, we will be able to offer a more innovative, diversified product experience for our customers. Also, we are working closely in the field of sustainable development and taking practical actions to realize our commitment for the human community."

"For the first time, we will explore new boundaries in ingredient innovation with Jahwa, a leading Chinese beauty and home care company with a history as long and strong as BASF. By establishing a new collaboration in technological innovation, we will combine our unique resources and strengths in technology as well as market knowledge, with the

aim to achieve a win-win cooperation. Through this partnership, our aim is to continue to satisfy Chinese consumers' pursuit of beauty and high-quality life, while promoting the sustainable development of the domestic beauty and home care industry", said Dr. Daqing Zheng, Senior Vice President, Business and Market Development, BASF Greater China.

About BASF in Greater China

BASF has been a committed partner to Greater China since 1885. With large production sites in Shanghai, Nanjing and Chongqing, BASF is a major foreign investor in the country's chemical industry, and operates the Innovation Campus Shanghai, a global and regional research and development hub. BASF posted sales of more than €8.5 billion in 2020 to customers in Greater China and employed more than 8,948 people as of the end of the year. For further information, please visit www.basf.com/cn/en.

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 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. 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 Shanghai Jahwa United Co. Ltd

Shanghai Jahwa United Co., Ltd, originally founded in Hong Kong in 1898 as Kwong Sang Hong, is one of the most time-honored national enterprises in the beauty and home care in China and was listed on the Shanghai Stock Exchange in 2001. We focus on three major fields: beauty, personal care, and maternity & childcare. With "one center (consumer), two pillars (innovation and channel advancement), and three boosters (culture, system and process, digitization)" as our strategy and policy, we are committed to promoting our values of "transparency, innovation, responsibility & efficiency, sharing for win-win" in our whole-hearted quest for excellence in our products and services, creating the greatest value for consumers, employees, shareholders, and society. For more information, please visit: www.jahwa.com.cn.

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