

News Release

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BASF's Care Chemicals division publishes its Responsible Sourcing Report

- **Care Chemicals showcases progress in sustainable sourcing and production of renewable based ingredients**
- **Partnership with the international civil society organization Solidaridad as one example of collaborations to support a more sustainable future and smallholders' livelihoods**
- **Latest update on the Responsibly Active Program sets course for successful evolution in 2024**

Ludwigshafen, September 12, 2024 – BASF's Operating Division Care Chemicals today released the second edition of its Responsible Sourcing Report (RSR). The report shows the division's progress made in 2023 in the topic of sustainability with its three pillars – economy, environment and society – and is also an endorsement of BASF's commitment to sustainability, demonstrating the company's dedication to supporting smallholder farmers and promoting sustainable practices.

As in the previous year, the publication focuses on the key raw materials of the Care Chemicals segment, which is addressing the challenges of the future and underpinning [Care 360°– Solutions for Sustainable Life](#) with the pillars of sustainability, digitalization, innovation and new ways of working together. The division continued to work on its palm footprint by sourcing only RSPO-certified sustainable palm and palm kernel oil. Nearly 96% of the division's total palm oil exposure could be traced back to the mill level. In addition, Sustainable Certified Coconut Oil (SCNO) is an important pillar of renewable-based ingredients. The Care Chemicals Division continues to source coconut oil certified by the Rainforest Alliance (RA) and offers RA-certified ingredients for personal care customers. For

castor oil, the focus in 2023 is again on the Pragati project, which improves farmers' working conditions, creates awareness of sustainable agriculture and increases yields through more efficient farming practices. The success of the project is evidenced by the fact that by 2023, 74,500 mt of certified castor oil seeds have been produced.

Collaboration with international network Solidaridad in support of small-scale oil palm farmers

In 2023, BASF signed a partnership with Solidaridad to expand sustainable palm oil and improve the livelihoods of smallholder farmers in Indonesia and Malaysia. This builds on the successful partnerships between the two parties in West Kalimantan and the Lampung region of Indonesia, and is an expansion of its scope. In the coming year, the program will focus on developing viable and resilient production systems and supporting inclusive market connection systems. Farmers will be supported to prepare for compliance with international standards and certification of agricultural practices. The project aims to train female farmers in both countries to further increase inclusivity in the sector.

Smallholder livelihoods are a key concern on the path to sustainable produced and sourced oils. Approximately seven million smallholder farmers globally depend on oil palms for their livelihoods which are an important source for renewable oils. While their acreages are small compared to industrial plantations, smallholders account for about 33 percent of total global oil production, making them a significant contributor to a sustainable oil industry. Smallholder project partnerships allow BASF to support these farmers while increasing the availability of sustainably produced oil, e.g. by providing ongoing training and technical support to implement and maintain sustainable production practices and by fostering a sustainable production supply chain that is deforestation-free and competitive in the global market, while increasing the social and economic benefits for farmers.

“To build a more sustainable future, you not only need a lot of effort, but one thing above all: teamwork”, said Jutta Stute, Global Sustainability Manager, Care Chemicals, BASF. “Our partnerships, such as the recently renewed collaboration with Solidaridad and clear certification guidelines allow us to support these farmers while increasing the availability of sustainably produced oils.”

“It is very possible to source palm oil that is deforestation-free, and produced in a

socially responsible and inclusive way,” said Myrtille Danse, Head of Corporate Engagement & Partnerships at Solidaridad Europe. “By joining forces with partners like BASF we can support smallholder palm oil production that is both environmentally and socially sustainable.”

The Responsibly Active Program demonstrates the progress made in the botanical supply chain

With the Responsibly Active Program, BASF’s Care Chemicals division aims to strengthen its botanical supply chain and create a positive impact along the value chain of bioactive ingredients for a more sustainable future. One of the program’s pillars focuses on protecting natural resources by maximizing the use of renewable raw materials and fostering organic-certified supply chains. An update on the progress of these efforts was recently published in the [2023 Responsibly Active Program](#) and is also included in this year's Responsible Sourcing Report. In 2023, the division’s bioactives unit has achieved that 90 percent of its raw materials are bio-based or derived from abundant minerals, while 58 percent of its botanicals come from sustainable sources. Looking ahead, this business is committed to further product innovation with supply chains in line with the Responsibly Active approach.

The full RSR and further information on BASF’s commitment to sustainability can be found here:

<https://care360.basf.com/sustainability/responsible-sourcing>

About the Care Chemicals division at BASF

The BASF division Care Chemicals division 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 highperformance 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. More than 111,000 employees in the BASF Group contribute to the success of our customers in nearly all sectors and almost every country in the world. Our portfolio comprises six segments: Chemicals, Materials, Industrial Solutions, Surface

Technologies, Nutrition & Care and Agricultural Solutions. BASF generated sales of €68.9 billion in 2023. BASF shares are traded on the stock exchange in Frankfurt (BAS) and as American Depositary Receipts (BASFY) in the United States. Further information at www.basf.com.