News Release

In-cosmetics 2016: BASF sets the course for a sustainable future with "All about tomorrow"

- Sustainable Solution Steering[®]: method helps to optimize the sustainability performance of Personal Care portfolios
- Expanded goals and commitments for sustainable, certified palm oil products
- Worldwide RSPO certification of BASF sites for personal care ingredients

Düsseldorf, Germany – March 3, 2016 – The sustainability of a product is a decisive factor for making a purchase decision for a growing number of consumers. "Many of our customers wish to further promote their sustainable development. We can help them", said Jan-Peter Sander, Head of the Personal Care business of BASF in Europe. Framed by the motto "All about tomorrow", BASF will present concepts and methods to its customers at this year's in-cosmetics (April 12-14) in Paris, in addition to new ingredients and formulations, which will help them to achieve their own sustainability objectives (Booth R70).

BASF's personal care portfolio evaluated for sustainability

In order to help its customers even better to increase the sustainability performance of their portfolio, BASF has developed a new process for steering its portfolio based on sustainability criteria. With the help of the Sustainable Solution Steering[®] method, the key drivers and issues for sustainability in the cosmetics industry were identified, and for each of the more than 2,000 products belonging to the Personal Care Portfolio of BASF the contribution to sustainability was assessed according to their specific application. Overarching sustainability aspects were included in this respect, as well as regional differences.

March 3, 2016 P145/16e Birte Kattelmann-Jagdt BASF Personal Care Europe Telephone: +49 2173 4995 - 464 birte.kattelmann@basf.com

BASF SE 67056 Ludwigshafen Telefon: +49 621 60-0 http://www.basf.com Medienarbeit Telefon: +49 621 60-20916 Fax: +49 621 60-92693 presse.kontakt@basf.com

We create chemistry

Page 2

Each of the products analysed has been assigned to one of four categories: *Accelerator* demonstrate a substantial contribution to sustainability in the value chain, whereas *Performer* meet the standard market requirements. Specific sustainability issues have been identified for *Transitioner* and are actively addressed. *Challenged* do not meet the relevant sustainability criteria sufficiently. BASF has developed action plans for these products. These recommendations are in the process of being implemented.

New process helps customers achieve their sustainability goals

For customers, who want their portfolios to be systematically examined and evaluated for sustainability aspects, BASF is able to offer an individual solution using the new method. "With the Sustainable Solution Steering method, we can assess more precisely how our products contribute to the sustainability goals of our customers and develop corresponding action plans together with them", said the Head operative marketing for Personal Care Specialties of BASF in Europe, Bettina Jackwerth. Customers thus receive more transparency about the sustainability profile of the ingredients, which they use in their formulations, and are consistently able to make them more sustainable.

New goals and commitments for sustainable, certified palm oil products

Renewable raw materials are a driver of sustainability in the cosmetics industry. The most important renewable raw material for the Personal Care business of BASF is palm kernel oil. The global demand for palm oil and palm kernel oil has been continually increasing for many years. "We want to ensure that the renewable raw materials, we mainly use to produce home and personal care ingredients, and – to a lesser extent – food ingredients, originate from sustainable, certified sources", explains Jackwerth. For this reason, the company has revised and extended its commitments for the sustainable procurement of palm oil products. They include a sourcing policy for palm oil, palm kernel oil and their primary derivatives. The policy incorporates forest and peatland conservation as well as requirements for the inclusion of the local population in decision processes.

New goals for procuring palm oil products

"It is our goal to only obtain palm oil and palm kernel oil which has been certified by the Roundtable on Sustainable Palm Oil (RSPO)", said Tobias Zobel, Global Category Buyer Fatty Alcohols & Methyl Esters. Certified, sustainable palm kernel oil was, however, only available to a limited extent in 2015. "It was therefore not possible to cover our total requirement for palm kernel oil completely from sustainable, certified sources." Each year BASF uses more than 400,000 tons of palm-based raw materials to produce ingredients for personal care products as well as laundry detergents and cleaning agents. This year, the company intends to go a step further in order to procure all oils by 2020 and also significant intermediates based on palm oil and palm kernel oil - these include fractions as well as primary oleochemical derivatives plus vegetable oil esters – by 2025 only from sustainable sources which have been certified by the RSPO. Moreover, processes will be established that allow an upstream traceability for the palm oil and palm kernel oil purchased by BASF back to the oil mill.

Eleven locations in Europe, Asia and North America satisfy RSPO criteria

BASF is also making progress with regard to the RSPO certification of its global sites for cosmetic ingredients: In Asia, a certification for the mass-balance process has been obtained not only by Jinshan (China) but also Kitatone (Japan) and Bangpakong (Thailand). In North America, Mauldin, Cincinnati, Kankakee (USA) and Ecatepec (Mexico) already satisfy the respective criteria. In addition, four sites in Europe – Düsseldorf (Germany), Boussens (France), Fino Mornasco (Italy) and Zona Franca (Spain) – obtained a multi-site certification: They hold only one certificate number. Further site certifications will follow in 2016. "We want to make a worldwide contribution to our customers being able to achieve their goals of purchasing raw materials based on certified, sustainable palm oil and palm kernel oil", stressed Sander. "For this reason, we are strongly promoting the RSPO certification of our sites in all regions. With certification as a multi-site, we can also optimally use the production capacities in our European 'Oleo Verbund' and simplify the processes in the supply chain for our customers."

About BASF's Care Chemicals division

The BASF division Care Chemicals offers a broad range of ingredients for hygiene, personal care, home care, industrial & institutional cleaning, and technical applications. We are the global leading 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. Superabsorbent polymers developed for the full spectrum of hygiene applications complete the range. We have production and development sites in all regions and are expanding our presence in emerging markets. Further information is available on the Internet at <u>www.care-chemicals.basf.com</u>.

About BASF

At BASF, we create chemistry for a sustainable future. We combine economic success with environmental protection and social responsibility. The approximately 112,000 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 five segments: Chemicals, Performance Products, Functional Materials & Solutions, Agricultural Solutions and Oil & Gas. BASF generated sales of more than €70 billion in 2015. BASF shares are traded on the stock exchanges in Frankfurt (BAS), London (BFA) and Zurich (AN). Further information at www.basf.com.