

# Our Journey Toward Sustainable Oil Palm Products

**Palm Progress Report 2018**



**BASF**

We create chemistry



# Key figures



by **2020**

all **palm-based oils** we purchase will be **RSPO-certified** and **traceable**.

## What we buy:

- Palm oil
- Palm kernel oil
- Palm and palm kernel oil fractions
- Primary oleoderivatives



> **800**

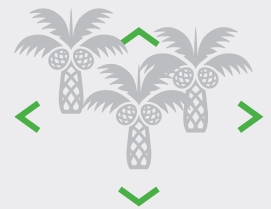
BASF raw materials are **palm-based**



**23**

BASF **RSPO-certified** sites globally

~**640,000**  
hectares



the **average equivalent area** required for the **palm kernel oil** and other **palm-based raw materials** we use



~**420,000**

**metric tons** represent BASF's **oil palm exposure** in 2018

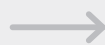
## Product Carbon Footprint

> **200,000t**

CO<sub>2</sub> eq. emission savings



conventionally sourced palm kernel oil



**36 %** reduction\* of CO<sub>2</sub> eq. emissions



**RSPO sustainable certified** palm kernel oil

\* Consultant 2.0, [www.LCA-net.com/club/palm-oil/](http://www.LCA-net.com/club/palm-oil/), 2019



# Content

As one of the leading processors of palm (kernel) oil within the Home and Personal Care Industry, we regularly show you the progress being made on our journey toward sustainable oil palm products. The 2018 report is the third edition with a focus on current developments and progress. On the following pages, you will find information about:

- our roadmap;
- our collaboration with stakeholders along the value chain;
- our progress on driving physical transformation;
- our outlook.

Follow these symbols to see the progress made toward BASF's Palm Commitment:

 Forest conservation

 Traceability

 Time-bound plan

 Physical transformation

 Stakeholder dialog

 Smallholder inclusion

 Progress

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## Letter to the stakeholders

The cultivation of palm has been and still is criticized for its environmental impact. It cannot, and should not, be denied that the expansion of oil palm plantations has caused deforestation and satellite technology now makes this visible to all. We at BASF share these concerns and therefore support the certified sustainable farming of oil palms by the Roundtable on Sustainable Palm Oil (RSPO).

### **We are determined to achieve sustainable palm**

Although being in the middle of the supply chain, I am convinced that we have the power to change towards sustainable palm. We will be successful in protecting natural resources in the producing countries only in collaboration with all members along the value chain. So, we have to be active and transparent in our discussions with all stakeholder groups, we have to shape the external debate with NGOs and the interested public. Of course, this is no altruism. Business success tomorrow means creating value for the environment, society and business today.

No palm sustainability progress can be effective without considering smallholders as a crucial part of the palm value chain accounting for 40 percent of the total area of planted oil palm in Indonesia and Malaysia. The partnerships with Estée Lauder, Solidaridad and RSPO but also Henkel enable us to support these farmers and at the same time increase the availability of sustainably produced palm oil.

As Dr Henry Chan, Conservation Director at WWF-Malaysia in December 2018 concludes “Boycotts of palm oil will neither protect nor restore the rainforest, whereas companies undertaking actions for a more sustainable palm oil industry are contributing to a long-lasting and transparent solution (WWF public website <http://www.wwf.org.my/?26425/Palm-Oil-Boycotts-Not-The-Answer>).”

I personally believe that the oil palm production can move from the perception of being a destroyer to being key of the solution to deforestation, wildlife protection, food security, provision of a decent quality of life for its associated workers and communities as well as controlled GHG emissions.

I hope you enjoy reading the Palm Progress Report summarizing the progress we made in 2018 on our journey towards sustainable palm.

**Ralph Schweens**  
President Care Chemicals,  
BASF SE







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The balance between the environment, social concerns and development is a delicate one. It's up to responsible global business to respond to the challenges of society and customer expectations, combining efforts and driving positive change up and down the supply chain.

Dr. Neil Franklin  
Director at Daemeter Consulting  
[www.daemeter.org](http://www.daemeter.org)



# Sustainability at BASF

## Our Purpose

We create chemistry for a sustainable future. We live our corporate purpose by: sourcing and producing responsibly, acting as a fair and reliable partner, connecting creative minds to find the best solutions for market needs. For us, this is what successful business is all about.

Key measures are a decoupling of our CO<sub>2</sub> emissions from organic growth through a Carbon Management program, investments in cutting-edge technologies to speed up the transition to a circular economy, such as our ChemCycling project, as well as to further increase our sales from Accelerator products, which make a substantial sustainability contribution in the value chain.

For the palm value chain, this means we work closely with the companies we buy our raw materials from and with our customers. Beyond this, we support smallholders as an important link within the value chain. With the end consumer in view, we address the consequences of using and selling products based on palm and palm kernel oil.

## Sustainability Rankings and Ratings

More and more investors want to invest in stocks of companies that conduct their business in accordance with the principle of sustainable development. This means that investment decisions are based on environmental and social aspects as well as economic performance. BASF shares are particularly attractive for such investors.

BASF has participated in CDP's program for reporting on data relevant to climate protection since 2004. After achieving a score of A- for several years, resulting in "Leadership" status, BASF was awarded a top A rating in the 2018 Climate Change List. In addition, CDP again acknowledged BASF as a global leader in sustainable water management. The organization awarded BASF an A- rating in recognition of its actions to manage water more sustainably.

BASF is also once again listed in the FTSE4Good Index Series. Only companies that meet stringent criteria in social, environmental and corporate governance (ESG) and manage to continuously confirm or develop these in regularly conducted assessments are listed in these indices. BASF is top class in terms of ESG among chemical companies belonging to the index.

Oekom Research AG has rated BASF again in the category Prime. Among other things, BASF received special recognition for its climate protection strategy with clear greenhouse gas reduction targets and the comprehensive Sustainable Solution Steering™ method for determining the sustainability performance of products in their respective specific application.

## Responsible Partnering

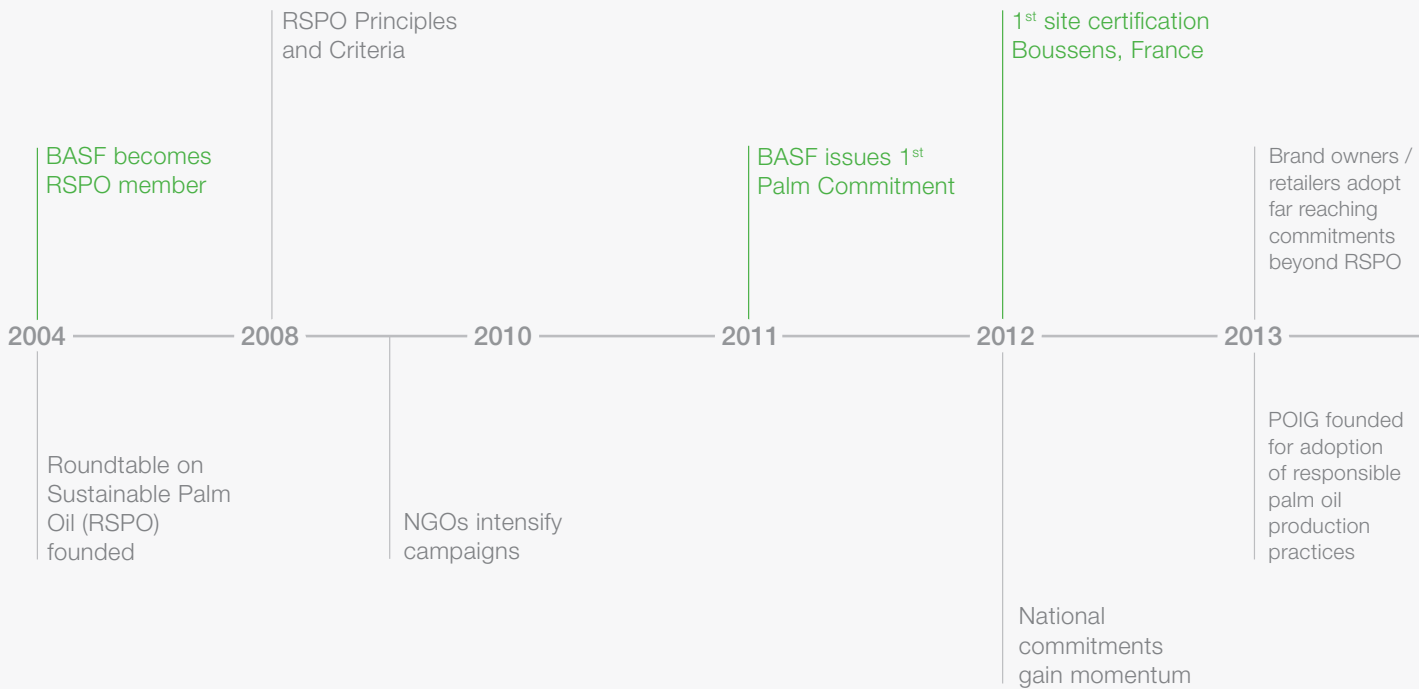


## Ranking and Rating





# Timeline



## BASF's journey towards sustainable palm



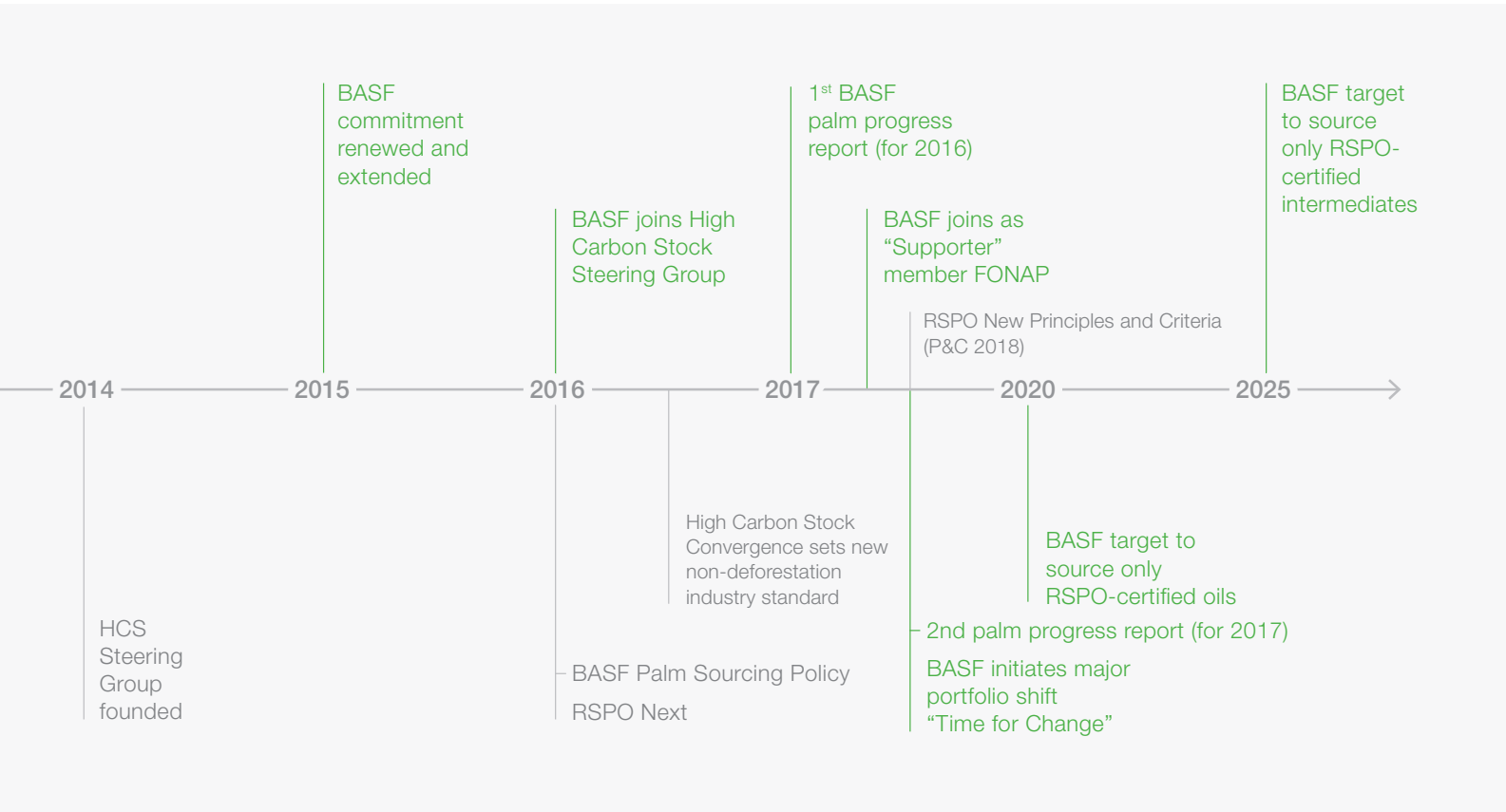
RSPO will transform markets to make sustainable palm oil the norm.

RSPO Impact Report 2018

When the Roundtable of Sustainable Palm Oil was set up in April 2004, BASF envisioned it as a milestone for the palm oil world. Consequently, BASF joined the RSPO in November 2004, very soon after the start. Since then, the RSPO has had a remarkable journey towards the sustainable certified production of palm and palm kernel oil.

The BASF Palm Commitment was first published in 2011 and extended in 2015 to foster a market transformation towards sustainable palm oil production and usage. Key elements include a sourcing policy for oil palm-derived products that incorporates forest and peat conservation,





as well as requirements for a free, prior-informed-consent, social impact assessment, human and labor rights.

We have committed ourselves to foster sustainable palm by procuring all oils only from RSP0 certified sources by 2020 and expanding our oil commitments to significant intermediates based on palm oil and palm kernel by 2025.

BASF supports initiatives to reflect integrated land use planning for oil palm development, including the conservation of high carbon stock and peatlands. We have inte-

grated additional forest conservation requirements regarding these land types into our BASF Palm Sourcing Policy (as defined by the High Carbon Stock Approach). Additionally, we have incorporated requirements for a Free, Prior Informed Consent (FPIC) process as well as labor and human rights into our Palm Sourcing Policy. As part of its strategy, BASF has initiated its 'Time for Change' initiative in 2018 to offer its palm-based specialties exclusively as RSP0 certified sustainable.

Today, our experts continue to engage with numerous stakeholders along the value chain.





It is the first time that a portfolio of this size and complexity is shifted globally. This is an important milestone for the cosmetics industry towards sustainable palm.

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Xavier Susterac,  
Senior Vice President BASF  
Personal Care Europe





# Participating in Platforms



## Collaboration and Memberships

We support progress in the palm oil sector by moving the supply chain toward certified products. In this way, we take part in global palm initiatives and in networks with various stakeholders in order to drive change for oleo-derivatives.

BASF became a member of the Roundtable on Sustainable Palm Oil (RSPO) in 2004. Since then, we have actively participated in consultations within the organization, most notably in the subgroup oleochemicals and derivatives under the RSPO working group Trade & Traceability. Oleochemicals based on palm oil and palm kernel oil are in high demand, and so are their downstream derivatives. These materials are highly relevant in consumer product supply chains - and their availability is subject to significant fluctuation. While the RSPO initially

focused on the food supply chain, the subgroup oleochemicals and derivatives has now clarified supply chain issues that are relevant for other industries. This is key to ensuring that there are no barriers in the supply chain in order to maximize offtake and encourage market transformation to certified products.

In order to leverage industry activities to stop deforestation, BASF became a member of the High Carbon Stock (HCS) Steering Group in 2016 and has since integrated the criteria of the HCS Approach into our Palm Sourcing Policy. BASF stepped up its commitment to certified sustainable oil palm products in the German, Austrian and Swiss markets by joining the Forum for Sustainable Palm Oil (FONAP) in 2017 as a manufacturer of oleo derivatives (category "Supporter").

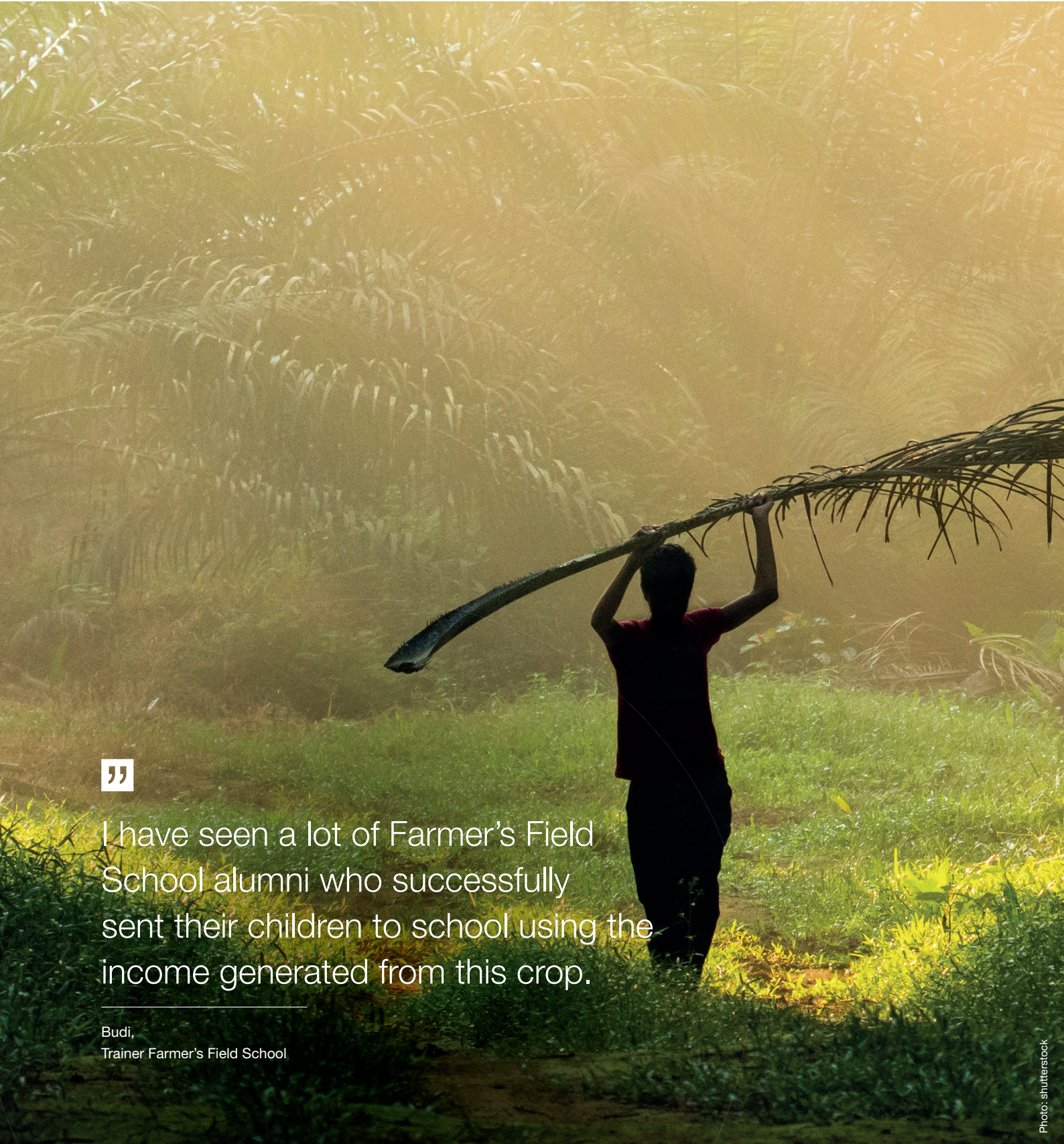
## Broad Range of RSPO-Certified Sustainable Ingredients

BASF is one of the leading global suppliers for personal care, home care, industrial & institutional cleaning, and technical applications as well as for food performance and health ingredients. A significant share of our products is based on renewable raw materials, of which a substantial ratio is oil palm-based. We are one of the major users of palm kernel oil and its derivatives and to a lesser extent palm oil. We process those products into ingredients for the above-mentioned industries. BASF offers a very broad range of ingredients based on RSPO-certified sustainable palm kernel oil in accordance with its principles and criteria. Since launching certified ingredients in 2012, BASF has been continuously moving toward a comprehensive global product range that will allow consumer goods manufacturers to develop value added formulations that meet increasing demand for ingredients that are certified sustainable.

## Time for Change

To speed up that process, we have initiated a major shift of our specialty portfolio in 2018 and will offer palm-based specialty ingredients for the personal care market exclusively RSPO certified sustainable. With this 'Time for Change' initiative, we broaden our portfolio offerings on certified sustainable according to the Mass Balance supply chain model and we aim to provide our customers the ability to meet the commitments they have made to their customers, consumers and stakeholders.





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I have seen a lot of Farmer's Field School alumni who successfully sent their children to school using the income generated from this crop.

Budi,  
Trainer Farmer's Field School





# Advocating for Smallholder Farmers

In Indonesia and Malaysia, small holder farmers account for 40% of the total area of planted oil palms and as much as 33% of the output.\*

This means no sustainability policy can be effective without considering smallholders as a crucial part of the value chain. Sustainability certification, such as the RSPO, can be costly and difficult to achieve for smallholders. However, it is also high in demand and can provide premiums.

## Improving livelihoods for smallholders in West Kalimantan, Indonesia

Since 2016, BASF has been collaborating with Henkel and the Solidaridad civil society organization to improve the livelihoods of palm oil smallholders in West Kalimantan, Indonesia. The project was implemented by Solidaridad in cooperation with Credit Union Keling Kumang (CUKK), a farming cooperative that unites more than 180,000 smallholder farmers in the region. The project aims to enhance the living conditions of the people in the farming areas by improving agricultural practices, increasing yields and helping to preserve forests.

Almost 2,000 farmers have already participated in the so-called Farmer Field School program to date. Those farmers are now passing their knowledge on to family members and other farmers from their community, thereby multiplying the impact.

The courses place an equal focus on efficient production, sustainable farming methods and occupational health and safety standards. Farmers are taught how to make better use of their land without opening up new plantations. They learn about the role that forests and peatlands play for wildlife, indigenous people and the environment, and about the entire palm oil supply chain. Participants see their yield increase and spend less on agricultural inputs - a win-win situation for the farmers and the environment.

## Partnership for a sustainable palm project in Lampung, Indonesia

BASF, The Estée Lauder Companies and the Roundtable on Sustainable Palm Oil (RSPO) are partnering with Solidaridad to promote sustainable palm oil and palm derivatives production in the district of Waykanan, Lampung, Indonesia.

The project supports 1,000 independent Indonesian smallholder farmers to improve their livelihoods and their sustainable production of palm oil and palm kernel oil. It offers continuous education and technical support on implementing and maintaining sustainable palm oil practices. The project's target is that at least one-third of the supported smallholder farmers become certified according to the Smallholder Standard of RSPO at the end of three years.

The project partners are collaborating with the Indonesian government to foster a sustainable palm oil production supply chain in Lampung free from deforestation and competitive in the global market, while increasing the social and economic benefits for farmers.

\*Study on the environmental impact of palm oil consumption and on existing sustainability standards, for the European Commission, DG Environment, written by 3Keel LLP and LMC International Ltd.; February 2018





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BASF is highly committed to create chemistry for a sustainable future. One great example of how to do that is to focus on responsible sourcing of oil palm. We will keep on working to meet the expectations of our customers, the market and society each and every day.

Tatiana Kalman  
Vice President  
BASF Care Chemicals, South America



# Raw Material Market Development & Availability

## Our sourcing commitment

In continuation of our commitment made in 2011, BASF's goal is to source only RSPO-certified sustainable palm oil and palm kernel oil. In the dynamic market environment of 2018, we purchased 127,000 metric tons of RSPO-certified palm kernel oil (2016: 158,000 metric tons, 2017: 157,000 metric tons). Our share of RSPO-certified sustainable palm kernel oil amounted to approximately 70% (2016: 56%, 2017: 51%).

## Availability of certified sustainable palm kernel oil

Many major worldwide corporations have committed themselves to purchase or produce only sustainable palm oil to eliminate forest loss and social dilemma from their supply chains. Certification is the most widely used tool to fulfill these procurement policies. Around 19% of global palm oil production was certified by the Roundtable on Sustainable Palm in 2018. More than thirteen out of 71 million metric tons of palm oil are certified sustainable and predominantly enter the food chain. From 7.6 million metric tons of palm kernel oil, more than one sixth is certified as sustainable. This means that the availability of certified sustainable palm kernel oil is still limited.



<sup>1</sup> Source: Oil World 2018 (from May 28th 2018), RSPO impact report 2018





The new RSPO principles and criteria have improved greatly and meet, first time ever, all stakeholders expectations – including NGOs. In combination with additional impact on the ground, the drive towards more responsible palm is substantially strengthened – but there is still a lot of work to be done.

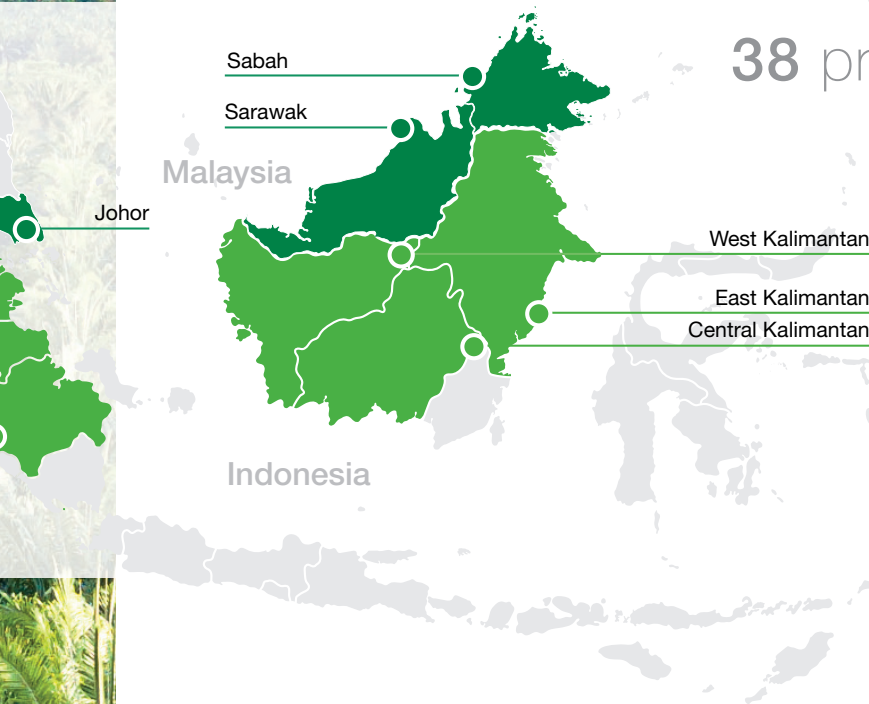
Tobias Zobel, Director  
Global Procurement Care Chemicals BASF  
Personal Care and Nutrition GmbH





# Traceability

BASF is connected to **38** provinces in **Indonesia** and **Malaysia**



Top 10 provinces we source from

## We need both traceability and certification

### Traceability

The physical market transformation based on the RSPO certification is an important element on our journey toward sustainable palm. In addition, traceability is the tool which helps companies along the palm oil supply chain to identify the origin of the oil sourced. Knowing the potential mills and their locations make it possible to identify and monitor if sustainable practices are adopted at the origination.\* In 2018, we were able to achieve traceability for 76.2% of our global palm footprint of 420 thousand metric tons back to the oil mill level. We source 90.4% of our traceable raw material from 18 provinces in Indonesia and Malaysia and are connected to 38 provinces in the two countries in total. Beyond this, we are in the process of risk assessment of our sourcing based on environmental and social criteria. We have once again achieved full traceability for certified sustainable palm kernel oil originating from 269 oil mills (2016: 128, 2017: 204). Initially planned for 2020, we have reached this part of our palm commitment ahead of time.

### Certification

Identification of the origin of our raw materials is only the first step: We believe that traceability alone is not enough. We are convinced that only a certification program and a chain of custody protocol will minimize the complexity of the transformation process and enable market participants to transparently incentivize farmers.

The market transformation toward RSPO-certified sustainable materials also provides the basis for high quality traceability information.

\* European Palm Oil Alliance (<https://www.palmoilandfood.eu/en/traceability>)





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Palm oil has grown to become the world's most dominant vegetable oil, with Asia consuming the lion's share of oil palm products globally. Malaysia and Indonesia account for about 85% of the world's supply. BASF aims to be the leading chemical company for our customers, therefore we remain steadfast to the Palm Commitment, linked to responsible sourcing of palm oil and palm kernel oil derivatives.

Rajan Venkatesh, Senior Vice President  
BASF Care Chemicals, Asia Pacific





# Our Customer Industries



Personal Care



Home Care



Industrial and Institutional Cleaning



Human Nutrition



Technical Applications

## Home and Personal Care

We offer a broad range of Mass Balance certified sustainable products that cover all major Personal Care functions: from consistency factors (Cutina<sup>®</sup>, Lanette<sup>®</sup>), emollients (Cetiol<sup>®</sup>), emulsifiers (Eumulgin<sup>®</sup>), emulsion bases (Emulgade<sup>®</sup>), surfactants (Plantacare<sup>®</sup>, Dehyton<sup>®</sup>, Sulfofon<sup>®</sup> and Texapon<sup>®</sup>) and thickeners (Comperlan<sup>®</sup>), all the way to the main surfactants used in home care applications (Dehydol<sup>®</sup>, GlucoPON<sup>®</sup>). In total, more than 120 RSPO Mass Balance-certified ingredients are available globally. The product range enables formulators to create entire RSPO-certified formulations.

Our ingredients are mainly based on palm kernel oil. The C-chain distribution for palm kernel oil includes a high percentage of C12-14 chains. This composition is ideal

for ingredients used in personal and home care applications. In contrast to the food industry – where the oil is basically kept intact – the oleochemicals industry converts the oil using chemical processes, such as fractionating it into different C-chain lengths and adding different functional groups, until the final function is obtained - usually a surfactant or an emollient. This derivatization includes at least five to ten individual technological steps before the final ingredient is achieved. This is one reason why the RSPO Mass Balance standard for oleoderivatives used in personal and home care applications is the most common certification program right now. The RSPO Segregated standard would require keeping all these steps separate, resulting in a huge amount of complexity and subsequent costs.



## Human Nutrition

We offer vitamin A and D as well as carotenoids like Lucarotin<sup>®</sup> that are based on palm kernel oil derivatives. These serve as health ingredients mainly in dietary supplements and food fortification, and as colorants in food and beverages. Furthermore, we offer our customers a wide range of palm oilbased food performance ingredients that help to enhance the volume, taste and texture of baked goods, desserts and ice creams. Our portfolio includes emulsifiers like Lamegin<sup>®</sup>, Lametop<sup>®</sup>, Nutrisoft<sup>®</sup> and Lamemul<sup>®</sup>, our aerating system Spongolit<sup>®</sup> and our whipping agent Lamequick<sup>®</sup>. All our food performance ingredients that are based on palm and palm kernel oil are offered certified as Mass Balance or Segregated. We observe increased demand for the Segregated certification of our food performance ingredients. Since 2016, we also offer the Mass Balance certification for a broad range of our health ingredients that are based on palm kernel oil derivatives. In 2017, we increased our offering through the RSPO certification of our site in Ballerup, Denmark; and furthermore took active steps in 2018 to improve RSPO support of customers globally.





Approximately 40 percent of the world's palm production comes from smallholder farmers who rely on it for their livelihoods. The partnership with Estée Lauder, Solidaridad and RSPO enables us to support these farmers and at the same time increase the availability of sustainably produced palm oil.

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Daniele Piergentili  
Vice President, Home and Personal Care, BASF North America





# Outlook – There is still a lot to be done

Traceability and certification have guided the palm industry for years. But traceability to palm oil mill does not solve the palm dilemma alone – it is about engaging with the right suppliers, e.g. certified sustainable material, and introducing change for the better on the ground. Including suspension if needed.

We highly appreciate the recent progress made with the new RSPO principles and criteria reviewed in 2018. The actual RSPO P&C fulfill the main requirements of NGO's in terms of peat, no deforestation, smallholders as well as the integration of supply chain standard modules. BASF continues to drive forward the RSPO supply chain certification of our sites for cosmetic ingredients. However, for us this does not mean that the goal has been reached. There is still work to be done.

NDPE implementation is the solution for a social license to operate in the palm value chain in the future. For BASF, an NDPE policy and its implementation have become a business-critical factor. In addition, our BASF Palm Sourcing Policy addresses the requirements for protecting and preserving forests and peatland, as well as the involvement of local communities. We will strengthen our engagement in terms of smallholder support, e.g. education and training of smallholders. Two recent examples are partnerships with Henkel and Solidaridad for the Indonesian Farmer Field School Program as well as with The Estée Lauder Companies and the Roundtable on Sustainable Palm Oil (RSPO).

Furthermore, BASF will continue its engagement within the Roundtable on Sustainable Palm Oil and HCS Approach. In addition, we will further implement the BASF Palm Commitment. We are expanding our offering of certified sustainable products in accordance with the RSPO's Mass Balance supply chain model. In 2018, we decided to drive sustainable palm forward with a major portfolio shift. We will only offer palm-based ingredients for the personal care market that are certified as sustainable.

Palm has to be part of the solution.



Appendix I

# Glossary

**ACOP**

Annual Communication  
on Progress (RSPO)

**CSR**

Corporate Social Responsibility

**CSPO**

Certified Sustainable Palm Oil

**CSPKO**

Certified Sustainable  
Palm Kernel Oil

**FAO**

Food and Agriculture Organization  
of the United Nations

**FFB**

Fresh Fruit Bunches

**FONAP**

Forum Nachhaltiges Palmöl  
(Sustainable Palm Oil Forum)

**FPIC**

Free, Prior and Informed Consent

**GAP**

Good Agricultural Practices

**GRI**

Global Reporting Initiative

**HCSA**

High Carbon Stock Approach

**HCV**

High Conservation Value

**NDPE**

No deforestation, no peat development,  
and no exploitation

**NGO**

Non-Governmental Organization

**OECD**

Organization for Economic  
Cooperation and Development

**PO**

Palm Oil

**PKO**

Palm Kernel Oil

**POIG**

Palm Oil Innovation Group

**RSPO**

Roundtable on Sustainable Palm Oil

**UN**

United Nations

**WHO**

World Health Organization

**WWF**

World Wide Fund for Nature



# The BASF Palm Commitment (2015)



## Forest conservation

We have integrated additional forest conservation requirements regarding high carbon stock and peatland into our palm sourcing policy (defined by High Carbon Stock\*). Additionally, we have incorporated requirements for a Free, Prior Informed Consent (FPIC) process into our sourcing policy.



## Traceability

We will work with key stakeholders and stakeholder forums to define traceability in a way that supports reduction of unsustainable palm oil and thus help to stop deforestation.



## Time-bound plan

We commit ourselves to use raw materials that are both RSPO-certified (MB/SG) and traceable – this applies to palm oil and palm kernel oil, as well as to palm fractions and derivatives.

1. In continuation of our commitment made in 2011, BASF's goal is to source only RSPO-certified sustainable palm oil and palm kernel oil.
2. BASF will establish and incorporate upstream traceability for palm oil and palm kernel oil by 2020.
3. BASF will expand its commitment to only source RSPO-certified sustainable raw materials with upstream traceability for palm oil and palm kernel oil fractions and primary palm and palm kernel oleochemical derivatives\*\* and edible oil esters by 2025.



## Physical transformation

We will support the physical transformation of the market toward sustainable palm oil and palm kernel oil in our supply chain and in the market.



## Stakeholder dialog

We will use our resources to provide forums on the complexities of palm oil for our partners and stakeholders to highlight the need to work together to achieve sustainability.



## Smallholder inclusion

We are targeting smallholder inclusion by supporting appropriate smallholder projects.



## Progress report

We will continuously report on our progress based on the defined timetable.

renewed and extended in 2015

\* new plantings shall be done in accordance with the HCS Approach Toolkit (<http://highcarbonstock.org/>)

\*\* primary derivatives are fatty acid methyl esters, fatty alcohols, fatty acids, glycerin; the secondary derivative is ascorbyl palmitate.



Appendix III

# The BASF Palm Sourcing Policy

The BASF Palm Sourcing Policy further specifies key elements of our palm-related sourcing and is based on our [Supplier Code of Conduct\\*](#).

We live our corporate purpose “We create chemistry for a sustainable future” by sourcing and producing responsibly, acting as a fair and reliable partner and connecting creative minds to find the best solutions for market needs. Palm oil, palm kernel oil, and their derivatives are some of our most important renewable raw materials. We want to ensure that the raw materials we use stem from sustainable, certified sources and actively support the Roundtable on Sustainable Palm Oil (RSPO). In 2015, BASF revised and expanded the voluntary commitment to the sustainable procurement of oil palm products.

The development of oil palm plantations can contribute significantly to deforestation, loss of biodiversity and force climate change due to the loss of peatland. BASF shares the widespread concern about these issues and is committed to reduce the impact on the environment.

We strive to collaborate with our suppliers to address the disconnects in the system to enable significant improvement in the sustainable supply of certified sustainable palm and palm kernel oil and its derivatives and co-create a shared solution to the palm dilemma.

We want you, as our supplier, to work with us toward those improvements in the palm and palm kernel-based supply chain. We expect you as a BASF supplier to increasingly address the key elements listed below in your supply chain.

## Forest Conservation

- You support the process toward convergence to reach an enhanced industry standard to conserve and restore High Conservation Value (HCV) and High Carbon Stock (HCS) Areas.
- You develop new plantings in accordance with the HCS Approach Toolkit until convergence is found. Upon completion of the convergence process, you will support the new toolkit.
- You promote the dialog toward a landscaping approach.

## Peat Conservation

- You abstain from development of peatland and you maintain palm plantations on peatland in accordance with the RSPO Manual of Best Management Practices for Existing Oil Palm Cultivation on Peat.

\*<https://www.basf.com/en/company/about-us/suppliers-and-partners/sustainability-in-procurement/supplier-code-of-conduct.html> 



# The BASF Palm Sourcing Policy

## **Free Prior Informed Consent, Social Impact Assessment, Human and Labor Rights**

- You support the rigorous implementation of a free prior informed consent process and social impact assessments with regard to the development of plantings.
- You engage in a continuous enhancement process toward free and fair labor specific to oil palm.

## **Physical Transformation to Certified Products**

- You promote certification toward credible standards.
- You develop certification in your area of responsibility and promote physical transformation.

## **Transparency and Upstream Traceability**

- You support upstream traceability to oil mill level and ultimately to plantation level for certified products to break the link between oil palm and deforestation.

## **Smallholder Inclusion**

- You promote smallholder inclusion into certified supply chains.
- You ensure fair smallholder treatment.

## **Conflict Resolution**

- You engage in a consultative and transparent process for conflict resolution.

Our relationship with you is based on mutual trust and respect. You may demonstrate your commitment to these goals through compliance with your own palm policy that embraces these goals. You will work with us in a regular strategic dialog to address progress on the key elements listed above.

However, BASF may ask you to verify your compliance through third-party assessments in on-site audits.

Published Nov. 2016



# Certified sites & world map

## Europe

1. Antwerp (Belgium)
2. Ballerup (Denmark)
3. Boussens (France)
4. Pulnoy (France)
5. Düsseldorf (Germany)
6. Fino Mornasco (Italy)
7. Gebze (Turkey)
8. Illertissen (Germany)
9. Ludwigshafen (Germany)
10. Meaux (France)
11. Moscow (Russia)
12. Castellbisbal (Spain)
13. Zona Franca (Spain)

## Asia Pacific

14. Jinshan (China)
15. Kitatone (Japan)
16. Bangpakong (Thailand)
17. Cimanggis (Indonesia)
18. Dahej (India)

## North America

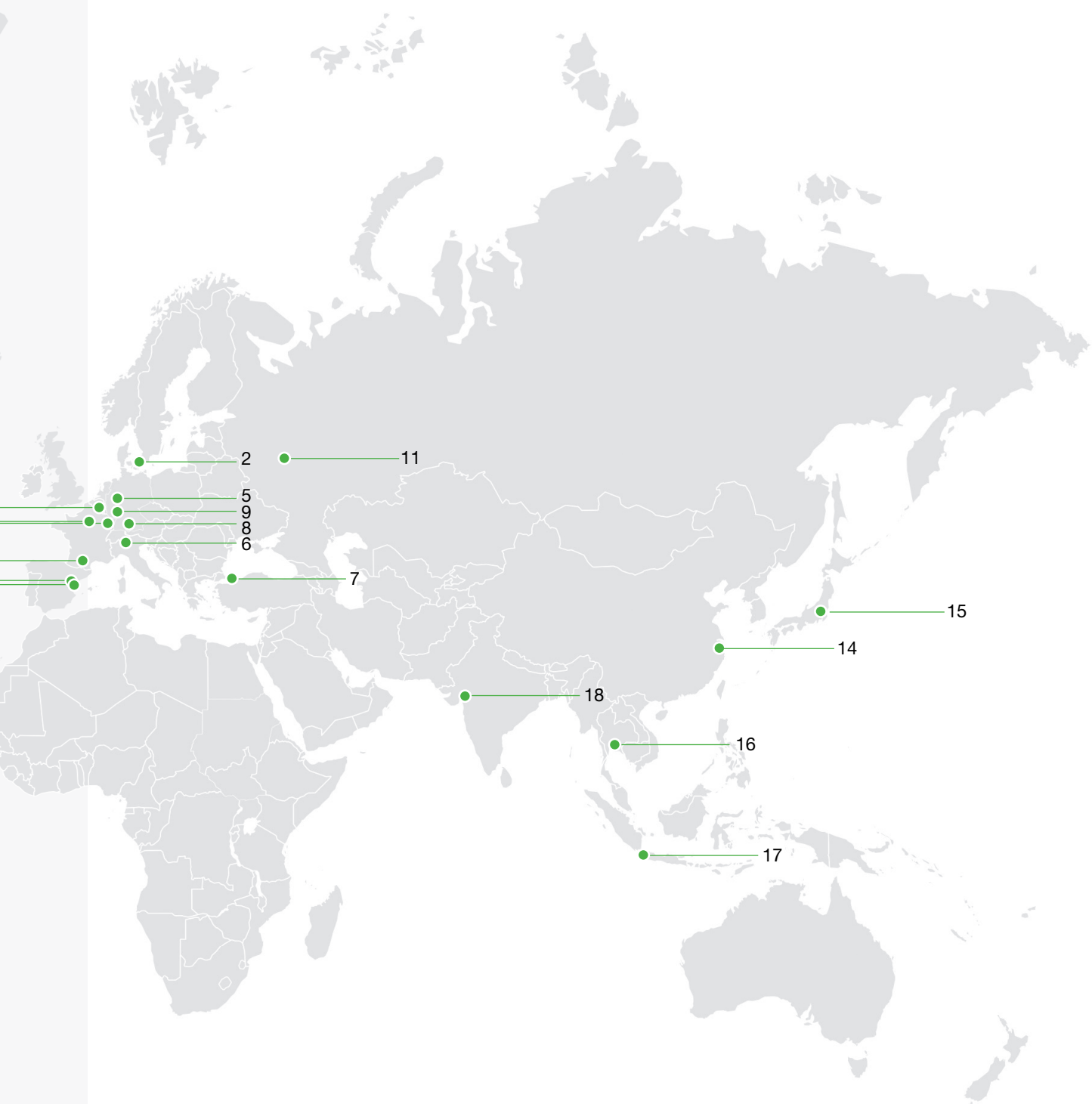
19. Mauldin (USA)
20. Cincinnati (USA)
21. Kankakee (USA)
22. Ecatepec (Mexico)

## South America

23. Jacarei (Brazil)









## **BASF SE**

67056 Ludwigshafen, Germany

Contact: Alexandra Spiegel-Kutschenreuter (+49-621-60-93253)

Email: palm-dialog@basf.com

www.basf.com

**Images and graphics:** Erdt ArtWorks; Creating Chemistry; Shutterstock.

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