

# News Release

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## **BASF to invest in its aroma ingredients business by expanding its global production footprint with new plants in China and Germany**

- **New world-scale citral plant at BASF's Verbund site in Zhanjiang, China enables diversification of production footprint**
- **New menthol and linalool plants in Ludwigshafen, Germany**
- **Strong commitment to sustainability transformation**

Ludwigshafen, Germany – Today, BASF announced its investment in a new citral plant as part of its Verbund site in Zhanjiang, China, and menthol and linalool downstream plants at its Verbund site in Ludwigshafen, Germany. These plants are expected to come on stream from 2026 onwards. The investment is driven by a growing demand from the global flavor and fragrance market and BASF's strong commitment to sustainability transformation.

This investment will expand and diversify BASF's aroma ingredients' citral value chain footprint in Germany and Malaysia and support customers' growth opportunities. The citral plant in China will strengthen BASF's position in key growth regions and increase production of a broad range of aroma ingredients and further downstream products globally. With the investment, BASF's annual capacity of citral will increase to 118,000 metric tons.

"The expansion of our global production network benefits our customers in the flavor and fragrance industry by further strengthening supply security. Investing in Zhanjiang is also

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Nutrition & Health Media Relations

Geraldine Lam  
Asia Pacific  
Phone: +65 9800 1825  
Email:  
[geraldine.lam@basf.com](mailto:geraldine.lam@basf.com)

Rebekka-Martina Mueller  
Europe  
Phone: +49 151 65570069  
Email: [rebekka-martina.mueller@partners.basf.com](mailto:rebekka-martina.mueller@partners.basf.com)

BASF SE  
67056 Ludwigshafen  
[www.basf.com](http://www.basf.com)  
[presse.kontakt@basf.com](mailto:presse.kontakt@basf.com)

a significant step towards sustainable production and addressing our customers' demands for products with a lower carbon footprint," said Thilo Bischoff, Senior Vice President, BASF Aroma Ingredients.

### **Strong commitment to sustainability transformation**

The full integration of the new plants into the Verbund sites in China and Germany enable BASF to use resources optimally and create synergies efficiently. At the Zhanjiang Verbund site, BASF further accelerates its plan to power the entire Zhanjiang Verbund site with renewable electricity and targets to achieve 100% by 2025. The company will also implement advanced automation and process technologies for optimal plant operation at this site, thus reducing energy consumption and emissions. The integration of the new menthol and linalool downstream plants into the Ludwigshafen site leverages existing Verbund structures and advanced production technologies.

"BASF Zhanjiang Verbund site is set to be a role model for sustainable production, which was a key decision factor in the location of the new citral plant. Along with the integration of our new downstream plants into the Ludwigshafen production Verbund site, our commitment to sustainability is central to our business and investments," said Bischoff. "Reducing the CO<sub>2</sub> emissions in our value chain and the product carbon footprint of our aroma ingredients portfolio, as well as introducing renewable feedstock is of utmost importance for the Aroma business."

The use of BASF's biomass balance approach is one example of how the company is addressing customers' demand for renewable aroma ingredients. BASF will also further develop its leading fermentation-based portfolio in its subsidiary - Isobionics (located in Geleen, the Netherlands) to meet the growing demand for natural aroma ingredients.

### **About BASF's Nutrition & Health division**

BASF Nutrition & Health provides a comprehensive product and service range for human and animal nutrition, pharmaceutical, and flavor & fragrance industries. With our science-driven portfolio, we address customers in globally growing markets to meet the demands of an expanding world population. Together with our customers, we play an active role in enhancing the nutrition, health and wellbeing of consumers all over the world. Our products fulfill the highest safety, regulatory and sustainability standards. BASF Nutrition & Health operates sites in Europe, North America and in Asia-Pacific. For more information, go to [www.basf.com](http://www.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 €87.3 billion in 2022. 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](http://www.basf.com).