

Press Release

Chandra Asri collaborates with LX International in Developing Renewable Raw Material Projects

Jakarta, August 25, 2022 – PT Chandra Asri Petrochemical Tbk (Chandra Asri) is collaborating with LX International for a potential investment in developing a Hydrotreated Vegetable Oil (HVO) facility that can produce renewable feedstock in the form of Bio-Naptha. This raw material will be used to develop chemical and plastic products such as Bio-Polyethylene (PE), Bio-Polypropylene (PP), Bio-Polyvinyl Chloride (PVC), and Bio-Solution Styrene Butadiene Rubber (SSBR) as an effort to support Chandra Asri towards sustainable production of polymer raw materials.

This collaboration was marked through a Memorandum of Understanding (MoU) by President Director of Chandra Asri, Erwin Ciputra and CEO of LX International, Yoon Chun-Sung, at the office of the Coordinating Ministry for Maritime Affairs and Investment of the Republic of Indonesia. Also witnessing the signing of this collaboration, the Coordinating Minister for Maritime Affairs and Investment of Indonesia, Luhut Binsar Pandjaitan and his staff.

The HVO project is one of Chandra Asri's efforts to implement its commitment to sustainable business and operations, which in accordance to the principles of Environmental, Social, and Governance (ESG) as the company's contribution to climate change mitigation and resource scarcity.

President Director of Chandra Asri, Erwin Ciputra, stated, "Chandra Asri welcomes the collaboration with LX International to unlock investment potential in HVO projects in Indonesia. This collaboration is expected to produce a source of Bio-Naptha raw material that can be mixed in the Olefin Cracker Plant into monomers, to be further processed into vegetable-based plastic raw materials. In addition, this facility will be able to produce alternative energy to replace fossil raw materials, which in line with the Greenhouse Gas Roadmap that we have developed. As a growth partner, Chandra Asri wants to play a role in efforts to maintain ecosystem balance, reduce carbon emissions, and support the acceleration of achieving the Sustainable Development Goals (SDGs) target".

In this collaboration, Chandra Asri plays a role in developing investment, providing information regarding land, and supplying hydrogen. Meanwhile, aside from the investment, LX International will participate in market investigation studies related to products and raw material supply.

The HVO project will have a capacity of 300 thousand-500 thousand tons per year and is close to Chandra Asri petrochemical complex in Cilegon, Banten, so operational synergy plans can be easily realized.

The resulting products from this project, including green polymers, PVC, and SSBR used to manufacture environmentally friendly tires, will add to Chandra Asri's sustainability-linked products portfolio. In addition, the result of the study will be applied to plans and configurations for the development of CAP2, Chandra Asri's second world-scale petrochemical complex, in order to meet domestic petrochemical needs.

LX International is a trading and investment company based in South Korea, engaged in power plant development, petrochemical projects, and wholesale trading of petrochemical materials, metals, and palm oil.

About Chandra Asri

Chandra Asri is Indonesia's largest integrated petrochemical company producing Olefins and Polyolefins. With a history of close to 30 years and over 2000 dedicated staff, the company incorporates state-of-the art technologies and supporting facilities located strategically in the country's petrochemical hub, Cilegon, and Serang.

As a Growth Partner, Chandra Asri is committed to creating high-value jobs, expanding the domestic petrochemical value chain, and serving the needs of the vibrant and growing Indonesian market. For more information, visit www.chandra-asri.com.

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