

Press Release

Chandra Asri and NIPPON SHOKUBAI Group Sign an MOU to Explore Green Chemical Business Opportunities Utilizing Renewable Raw Materials

Jakarta, 23 May 2023 – PT Chandra Asri Petrochemical Tbk (Chandra Asri), NIPPON SHOKUBAI CO., LTD. (NSCL), and PT NIPPON SHOKUBAI INDONESIA (NSI) have signed a Memorandum of Understanding (MoU) to jointly explore green chemical business opportunities. Through this MoU, Chandra Asri and NSCL as well as its affiliates, NSI (hereinafter referred to as “NIPPON SHOKUBAI Group”), will explore the potential to produce 'bio' materials such as bio-naphtha, bio-olefins, and various products that use renewable energy, to produce sustainable derivative products such as acrylic acid (AA), acrylic ester (AES), and superabsorbent polymer (SAP).

Study will be conducted to see the feasibility of producing a 'bio' feedstock and creating a new green supply chain in Chandra Asri and NSI's existing plants in Cilegon, maximizing the Company's asset footprint, core competencies, and technologies. This initiative marks another key program incorporated within Chandra Asri's overarching Environmental, Social, and Governance (ESG) Framework launched in 2022 as part of the Company's focus to maintain its position, including the achievement to listed within the top 1 percentile of comparable peers, as rated by Sustainalytics, the global ESG rating agency. This bio' project is also planned to be certified by an independent certification body.

This initiative is also in line with "Strategic Transformation for Environmental Initiatives" in the NIPPON SHOKUBAI Group's long-term vision, "TechnoAmenity for the future" and "Promoting the use of bio-based materials" in its roadmap for reducing GHG emissions by 2050.

President Director of Chandra Asri, Erwin Ciputra, stated, "We are excited to explore this potential collaboration between Chandra Asri and NIPPON SHOKUBAI Group to produce green raw materials for the rapidly growing Indonesian chemical industry. We are focused on continuously enhancing our processes, products, and use of raw materials with a clear focus on ensuring an energy efficient, carbon-optimized and green-based horizon. In collaboration with NIPPON SHOKUBAI Group marks another step in our journey towards that direction, to meet the domestic market's need for more environmentally friendly bio-chemical derivative products, such as green plastic, which is believed has a lower emissions and can support Indonesia's Long-Term Strategy for Low Carbon and Climate Resilience 2050 (Indonesia Vision 2050 LTS-LCCR)."

President Director of NSI, Shinichiro Yoshimoto, stated, "We are happy to initiate this challenging collaboration with Chandra Asri. NIPPON SHOKUBAI Group has developed a global supply system for SAP. SAP (the key material for disposable diapers) is mainly made from AA produced from propylene, supplied by Chandra Asri. Aiming to achieve carbon neutrality, through collaboration with Chandra Asri, NSI will study to establish a system to supply green raw material based products to satisfy customers' requirements. These products will contribute to the reduction of CO2 emissions throughout the product life cycle.

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About Chandra Asri

Chandra Asri Petrochemical is Indonesia's largest integrated petrochemical company producing olefins and polyolefins. With a history of 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 on 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.

About NIPPON SHOKUBAI CO., LTD.

Since 1941, NIPPON SHOKUBAI has grown up its business with unique catalyst technology. NIPPON SHOKUBAI has supplied, for example, ethylene oxide, acrylic acid, automobile catalysts, process catalysts and so on. Among all, our global market share of superabsorbent polymers is the largest in the world now (according to Nippon Shokubai research). NIPPON SHOKUBAI is a global chemical company operating under its corporate mission "TechnoAmenity-Providing prosperity and comfort to people and society, with our unique technology." For more information, visit: www.shokubai.co.jp/en/

About NIPPON SHOKUBAI INDONESIA

Since established in 1996, NIPPON SHOKUBAI INDONESIA is a sole manufacturer of acrylic acid, acrylic ester and superabsorbent polymer in Indonesia, located in Cilegon, Banten. NIPPON SHOKUBAI INDONESIA is the largest overseas plant in NIPPON SHOKUBAI Group.