

COMPANY PROFILE

# YOUR GROWTH PARTNER



Chandra Asri

# A GROWTH PARTNER A CATALYST FOR CHANGE A PROVIDER OF PROGRESS

## WHO WE ARE

**A partner you can trust – that is our business model.**

As one of the largest petrochemical companies in the region, Chandra Asri ensures our customers' satisfaction, which has been leading the growth of our market share within the last decade. This growth is a result of good corporate governance and prudent financial management. Businesswise, we are committed to establishing and integrating global partnerships while never compromising on service. Investing in our workforce as well as engaging in equitable corporate responsibility programs is at the heart of everything we do and is integral to our business.

Being a national company with a footprint of more than 25 years, Chandra Asri has strong domestic roots, focusing on meeting domestic demand and easing the country's import burden. Moreover, here at Chandra Asri, we always keep an eye on the future, ensuring we are ahead of the curve and are the most innovative in our industry. Our focus is on engineering as we aim to create a petrochemical company that is highly efficient and safe, while also progressing toward sustainable expansion. Underpinned by our principles of transparency, accountability, responsibility, independence and fairness, we are ready to forge ahead with our partners in development.

We are proud to be Indonesia's largest integrated petrochemical company to date and together with our esteemed stakeholders, we are moving ahead to contribute to Indonesia's economic growth.

## CHANDRA ASRI TODAY

We incorporate state-of-the-art technologies to operate the country's only Naphtha Cracker plant and its supporting facilities to produce Olefins (Ethylene, Propylene), Pygas and Mixed C4, as well as polyolefins (Polyethylene and Polypropylene). Our production facilities include three lines for both Polyethylene and Polypropylene products.

We also operate the only Butadiene plant in Indonesia. The Butadiene plant consumes Mixed C4 produced from our Olefins plant as its raw materials.

We are the sole domestic producer of Ethylene, Styrene Monomer and Butadiene and also the largest Polyethylene and Polypropylene producer in Indonesia. We produce plastic raw materials that can be further processed into myriad products application including packaging products, pipes, automotive, electronics and a range of other applications.

Our subsidiary, **PT Styrimdo Mono Indonesia (SMI)**, produces 340 KTA of Styrene Monomer and remains the sole Styrene Monomer producer in Indonesia.

Adding to the value of our petrochemical value chain and together in a joint venture with multinational tire producer Compagnie Financière du Groupe Michelin (Michelin) as our strategic partner, **PT Synthetic Rubber Indonesia (SRI)** is producing raw materials for environmentally friendly tires.

To better serve domestic demand for petrochemical products and ease the country's import burden, we are also building our second petrochemical complex, **PT Chandra Asri Perkasa**. With this expansion, we aim to maintain our leadership in the market while also contributing to Indonesia's economic growth and improving its trade balance.

Our company built the foundations of its strength from the merger between PT Tri Polyta Indonesia Tbk and PT Chandra Asri, transforming into PT Chandra Asri Petrochemical Tbk (Chandra Asri). After the merger, we welcomed SCG Chemicals Co. Ltd as one of our strategic partners and shareholders. SCG Chemicals joined PT Barito Pacific Tbk, who is Chandra Asri's majority shareholder, making us the largest publicly listed petrochemical company in Indonesia.

We hold onto and enhance our vision, mission and values.

These have been the foundation of our prosperity, and as we move forward in expanding our business, we are equipped with the right tools for success.

VISION

### Indonesia's Leading and Preferred Petrochemical Company

MISSION

Continue to grow and improve our leadership position through integration, development of human capital and preferred partnership, in a sustainable manner that will contribute to the growth of Indonesia

### CORE VALUES



# OUR COMMITMENT



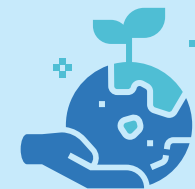
We are committed to grow our business based on the triple bottom line framework:

## PEOPLE



- ▶ We choose the best and brightest human resources.
- ▶ We prioritize honesty, integrity and justice to all stakeholders.
- ▶ We treat people with respect.
- ▶ We give opportunities to learn, develop and grow.

## PLANET



- ▶ We adopt the circular economy.
- ▶ We are moving towards the sustainable development goals.
- ▶ We nurture communities, enriching lives.
- ▶ We respect laws, rules, procedures and regulations within the country and society.

## PROFIT



- ▶ We do our best to protect shareholders' investment and provide an acceptable rate of return.
- ▶ We aim for solutions, not transactions.
- ▶ We provide customers-oriented services.
- ▶ We are responsive to global market trends.

# OUR PLANTS & FACILITIES

## OLEFINS PLANT

Our Olefin plant is licensed by world renowned Lummus and KBR Technology. Our Naphtha Cracker, which primarily uses Naphtha, is capable of consuming alternative feedstocks such as LPG and condensate to produce Ethylene, Propylene, Pygas and Mixed C4.

## POLYOLEFINS PLANT

Utilizing world-class technologies, our first Polyethylene (PE) production line is licensed by Univation Technologies. It is capable of producing Linear Low and High Density Polyethylene resins. Our second PE production line is licensed by Showa Denko KK, boasting Japan's bimodal high-density polyethylene technology. By the end of 2019, capacity of our PE plant is increased by 400 KTA, licensed by Univation Technologies, adding to our total capacity of 736 KTA.

Our Polypropylene (PP) plant, licensed by W. R. Grace & Co., produces a variety of Polypropylene resins including Homopolymer, Random Copolymer and Impact (Block) Copolymer.

## BUTADIENE PLANT

Our Butadiene plant, licensed by Lummus and BASF Technology, consumes Mixed C4 from our Naphtha Cracker to produce high quality Butadiene and Raffinate-1. Butadiene is a critical feedstock used in the production of Synthetic Rubber, a raw material for tire production.

## STYRENE MONOMER PLANT

SMI uses Mobil-Badger Technology and Lummus Technology. SMI also has a majority stake in PT Redeco Petrolin Utama (RPU), which provides intermediate bulk storage tank terminal and jetty management services for chemical products, while also handling refined petroleum products for local and international oil companies.

## OUR JETTY

We operate three jetties to support our daily operation, ensuring transportation of feedstock and products run smoothly.

<b>JETTY A</b>	<b>80,000DWT</b>	Naphtha LP Propylene Pygas
<b>JETTY B</b>	<b>6,000DWT</b>	HP Propylene LPG Naphtha
<b>JETTY C</b>	<b>10,000DWT</b>	Ethylene, Pygas, Raffinate-1, Butadiene, Naphtha and PFO

## OTHER FACILITIES

In supporting our business operations, we own on-site warehouses next to our PE & PP plants, and satellite warehouses in Surabaya and Surakarta. Other on-site supporting utilities include our gas turbine generator, steam turbine generator, boiler, water treatment facility, water cooling system, fire prevention and fighting system and tank farms for feedstock and products.

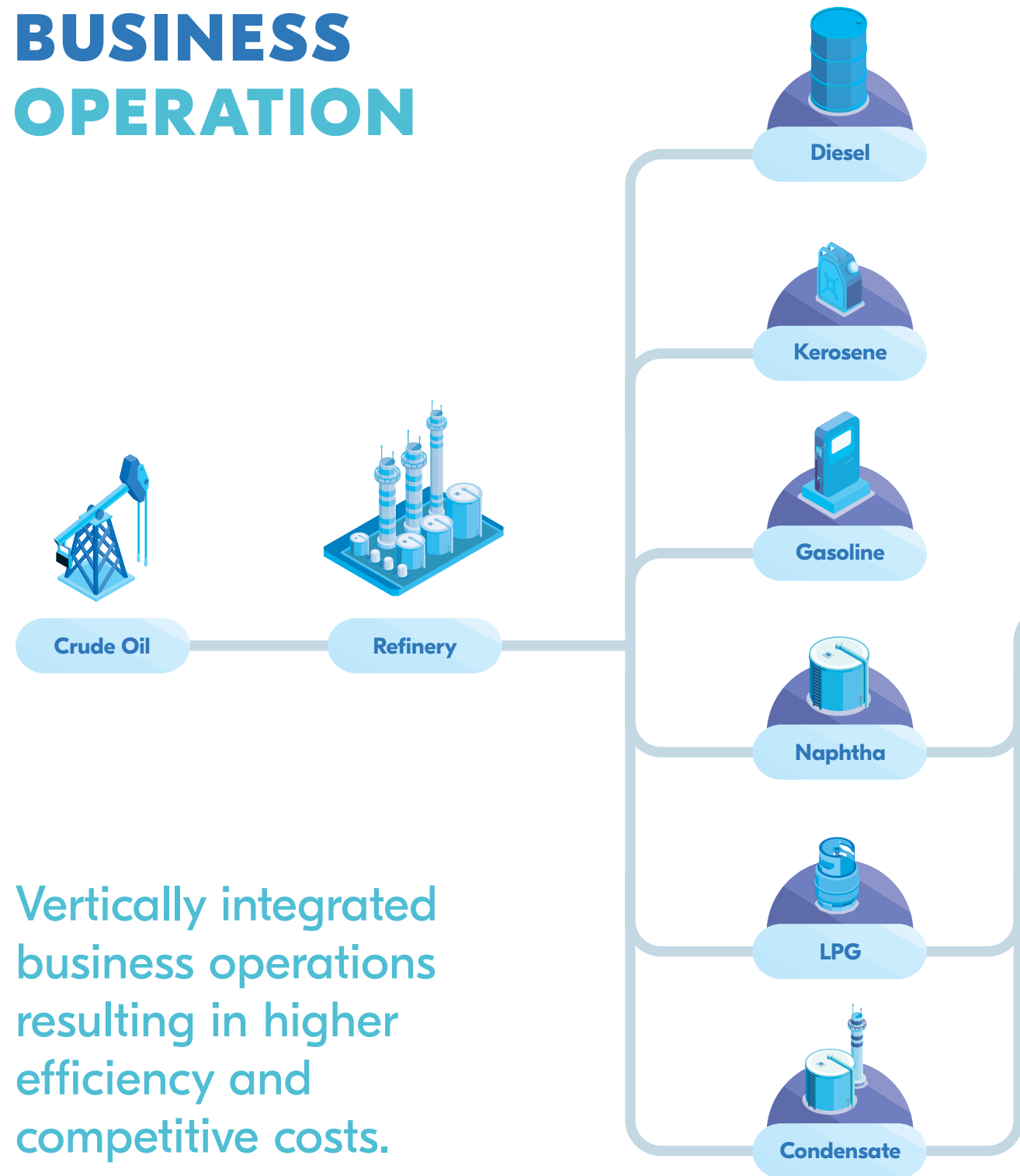
## FUTURE FACILITIES

Our second complex, **Chandra Asri Perkasa**, will be supported by world-class licenses including Lummus Technology CB&I for the Naptha Cracker and the Butadiene plant; GTC Technology for the aromatics (Benzene, Toluene and Xylene) recovery plant; Texlore for the High Density Polyethylene (HDPE) plant; and Lyondellbasell for the Low Density Polyethylene (LDPE) and Polypropylene (PP) plants.

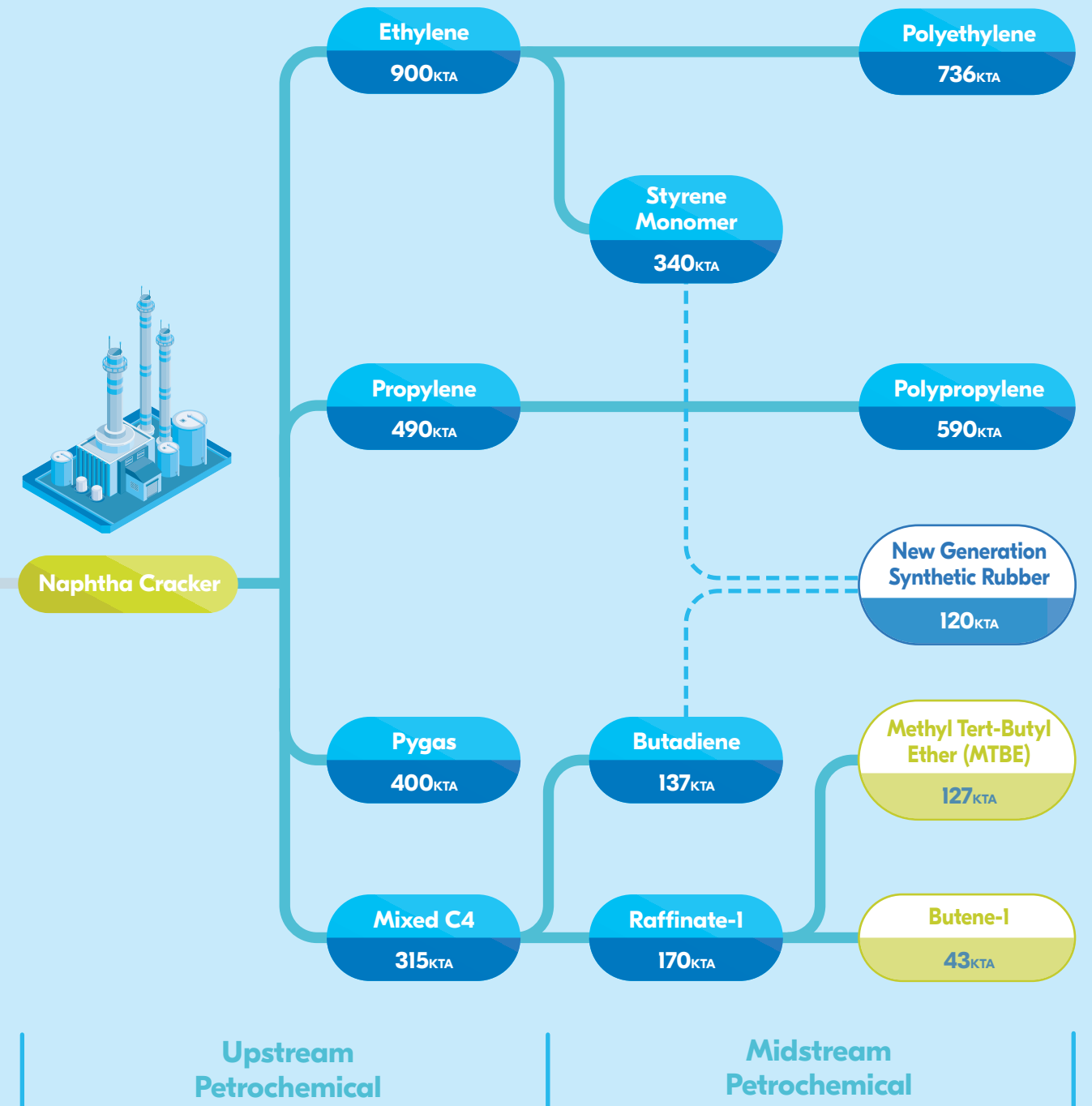
In the third quarter of 2020, our new Methyl Tert-Butyl Ether (MTBE) dan Butene-1 plant are expected to start commercial production. These new plants will be named the first MTBE and Butene-1 plant in Indonesia, and will consume Raffinate-1, the by-product from the existing Butadiene unit as its raw material, thus making us the most integrated petrochemical complex in Indonesia.



# OUR INTEGRATED BUSINESS OPERATION



Vertically integrated business operations resulting in higher efficiency and competitive costs.



	Chandra Asri Facility		Sold under SRI, a joint venture with Michelin
	Chandra Asri Products		Commercial production in 2Q2020

# OUR PRODUCT PORTFOLIO

## ETHYLENE

Ethylene is the most widely used organic chemical in the world. Ethylene produced from our facility is mainly used to produce Polyethylene and Styrene Monomer. The remaining is sold domestically through pipeline and to spot market.

## POLYETHYLENE

Our Polyethylene resin is sold under the trademark brand Asrene® which covers High Density Polyethylene (HDPE) and Linear Low Density Polyethylene (LLDPE) products. We also produce resin used for degradable shopping bags under the trademark Grene®. Grene® shopping bags decompose in the presence of ultraviolet light. Other end-product applications include agriculture film, flexible packaging, fishnets, tarpaulin, clean water pipe, jerry cans, cosmetics and food grade bottles. Our Polyethylene and Polypropylene products are certified Halal by Majelis Ulama Indonesia (MUI).

Asrene®

Grene®

## STYRENE MONOMER

Styrene Monomer is a raw material used to produce Polystyrene (PS), Expanded Polystyrene (EPS), Styrene Acrylonitrile (SAN), Acrylonitrile Butadiene Styrene (ABS), Styrene Butadiene Rubber (SBR), Styrene Butadiene Latex (SBL) and Unsaturated Polyester Resin (UPR). Some end-product applications include shoe soles, drinking cups, food containers, automotive and electronic parts, building block toys and helmets.



ETHYLENE

POLYETHYLENE STYRENE MONOMER

MIXED C4  
BUTADIENE

## PROPYLENE

Propylene is used as raw material to produce Polypropylene. Propylene is directly supplied to PP plant complex through pipeline.

## POLYPROPYLENE

Our Polypropylene resin is sold under the trademark brand Trilene® which includes the various types of Homopolymer, Random Copolymer and Impact (Block) Copolymer. Some end-product applications include flexible packaging (IPP, BOPP, CPP), household appliances, yarn, non-woven bags, furniture, automotive and electronic parts.

Trilene®



PROPYLENE

POLYPROPYLENE

PYGAS

## MIXED-C4

Mixed C4 is utilized to produce Butadiene, which is an added value for Mixed C4 products.

## BUTADIENE

Butadiene is a raw material used in the production of ABS, SBL, SBR and PBR, which are the main raw materials to produce tires. Some end-product applications include rubber boots, rubber gloves, shoe soles, adhesive and sealants.

MIXED C4  
BUTADIENE

## PYGAS

Pygas can be further processed to produce many high-value added products, such as Benzene, Toluene and Xylene. Pygas is mainly sold to regional customers.

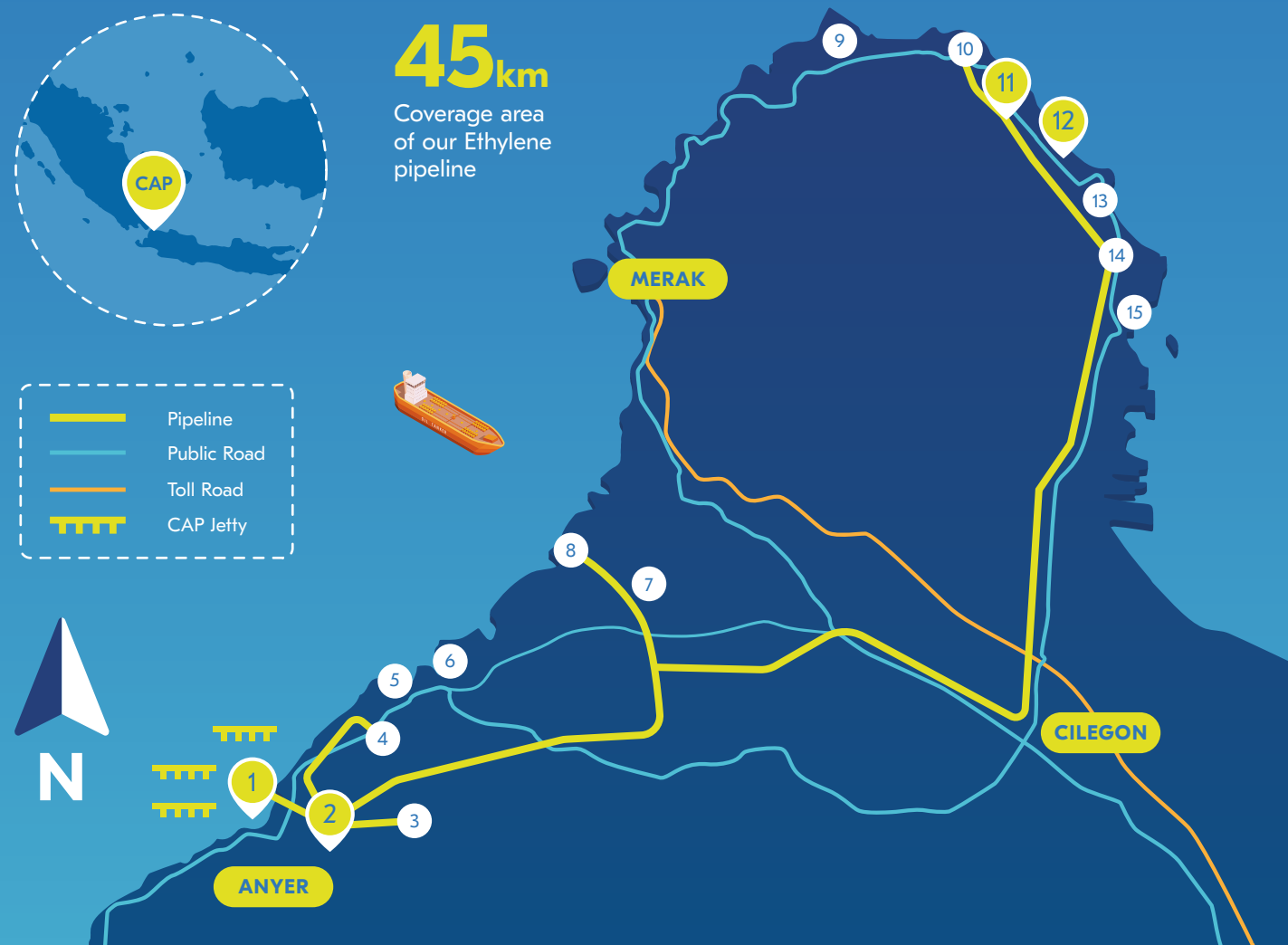
PYGAS

# OUR STRATEGIC LOCATION

With an eye on operational efficiency, our petrochemical complex is strategically located in Ciwandan, Cilegon, Banten, with convenient access to Jakarta, while our Synthetic Rubber plant is located next to our petrochemical complex in Cilegon. SMI is located in Bojonegara, Serang, Banten, 40 kilometers from Chandra Asri's main petrochemical complex in Cilegon.

We further operate a 45-kilometer distribution pipeline that connects our petrochemical complex to our partners within the area, providing effective access in the heavily industrialized area.

- ▶ Adjacent and interlinked with customer's facilities
- ▶ Located 123 km northwest of Jakarta
- ▶ Considered among Indonesia's Vital Assets



- |                              |                                    |                        |
|------------------------------|------------------------------------|------------------------|
| 1. Chandra Asri PP Plant     | 6. Krakatau Bandar Samudera Port   | 11. SMI Plant          |
| 2. Chandra Asri OPE Plant    | 7. Cabot Indonesia                 | 12. RPU                |
| 3. Nippon Shokubai Indonesia | 8. Lotte Chemical Titan            | 13. Gajah Tunggal      |
| 4. Asahimas Chemical         | 9. Indonesia Power (PLTU Suralaya) | 14. Polychem Indonesia |
| 5. Pelindo II Port           | 10. Sulfindo Adiusaha              | 15. Arbe Styrimdo      |

# A GROWTH PARTNER FOR VIABLE BUSINESS OPERATIONS

Chandra Asri is committed to provide technical assistance to our consumers. We assist with the problem-solving issues, and products development which utilizing our products.



## TECHNICAL ASSISTANCE

Technical assistance to enhance our customer's manufacturing process.



## LABORATORY ANALYSIS

Laboratory analysis and support in the development of new product applications for our customers.



## PRODUCT TRAINING

Training to update our customers with our new products and the latest technical development.





# A GROWTH PARTNER TO BUILD A REWARDING CAREERS

People First. Invest in human resources who are highly capable of performing their responsibilities.

The team members of Chandra Asri spend their days in a working culture that values integrity, safety, teamwork, accountability and respect. Thus, they are not merely workers but active team members who are striving to provide excellent customer services and healthy business progress for our shareholders.

We understand that loyal employees who have developed their skills and knowledge for their assigned tasks are very important. Therefore, we are working to ensure that our employees' contributions are being acknowledged and rewarded in a fair manner based on their work performance. Ultimately, we aim to maintain our low turnover rate.

Our remuneration committee ensures that our employees receive a competitive salary, while maintaining the financial performance of our company.

We believe that the wellbeing of our employees is as important as our financial revenue. The desire to grow continues to be nurtured within our working environment. We have defined career schemes and we open opportunities for employees to improve their knowledge and skills through competency-based training.

In term of safety, we engage all our employees to contribute to risk management and provide important input in decision-making. Thus, risk management is implemented as a mutual commitment between the management and all our employees.

To ensure the growing needs of skillful workers, Chandra Asri is partnering with Ministry of Industry to build a petrochemical polytechnic in Banten area. Chandra Asri will also help design the school's curriculum, provide work facilities and internships opportunities and assign its best employees as lecturers. Chandra Asri also collaborates with top Universities in the country where the company provides a combined program of scholarship with fresh graduate employment.



# A GROWTH PARTNER TO ESTABLISH SUSTAINABLE FUTURE

Our company has an unwavering commitment to sustainability throughout the entire business and an ongoing responsibility to nurture the environment and the community in which we operate.



## ENCLOSED GROUND FLARE

The Enclosed Ground Flare (EGF) installation plan at our Cilegon plant is one way we take responsibility for the environment and surrounding communities. EGF is a smokeless flare technology that significantly reduces air pollution, noise and heat and light emissions. To be completed by 2020, EGF is capable of burning 220 tons of hydrocarbons per hour during the plant's start-up process or if there are irregularities in operational activities.



## SOLAR PANEL

Tapping into renewable energy, we have partnered with Total Solar to install solar panels to power our laboratory, warehouse, and office buildings in Cilegon, Banten. This investment is part of our Green Manufacturing Principles Roadmap to enhance energy efficiency, reduce carbon emissions and maintain zero waste across the entire value chain.



## PLASTIC ROAD

The plastic-asphalt road is one of our company's sustainability programs, one of Indonesia's waste management solutions. Supervised by the Ministry of Public Works and Housing (PUPR), we create plastic roads, which are made of regular asphalt mixed with 5 to 6 percent plastic waste weighing about 3.6 tonnes on a 7,386-square-meter area in our plant. We also support the Cilegon administration in constructing 19 kilometers of plastic roads in 34 locations in Cilegon. In an ideal composition, the addition of plastic to an asphalt mix can increase its stability up to 40 percent, which ultimately enhances its durability and makes it less prone to cracking.



## WASTE RECYCLING FACILITY, IPS MASARO

We have built a waste recycling facility in Cilegon, Banten, known as Zero Waste Management Industry (IPS Masaro). This facility is able to process household waste from communities into various products. These products include recycled materials, fertilizers, and asphalt reinforced with plastic, leaving no waste for landfills. IPS Masaro was built in collaboration with the Bandung Institute of Technology (ITB) and the Indonesian Aromatic, Olefin and Plastic Industry Association (INAPLAS). It was our first implementation of the circular-economy concept, which aims to extend the lifespan of materials and repurpose waste.



# Chandra Asri

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 Chandra Asri