**SCGC and Japan’s IHI Collaborate to Build Pilot Plant:**

**Advancing CO2 Capture Technology into Light Olefins,**

**Moving Forward to Carbon Neutrality**

**Bangkok – 4 July 2023:** SCG Chemicals Public Company Limited or SCGC, Chemicals Business for Sustainability, and IHI, a leading Japanese company specializing in machinery production for power plants and construction industries, have entered into a collaboration to demonstrate a pilot plant for testing carbon dioxide capture and utilization (CCU) technology to convert CO2 to light olefins. This collaboration aims to **address climate change by reducing carbon dioxide emissions and driving carbon neutrality, reflecting the practical implementation of Environmental, Social, and Governance (ESG) principles.**

This demonstration test is fully supported by Japan's New Energy and Industrial Technology Development Organization (NEDO), a governmental agency in Japan. The goal is to **demonstrate CCU technology at pilot scale. The captured CO2 undergoes a chemical reaction with hydrogen to produce light olefins and other hydrocarbon compounds. This allows for a circular utilization in the production process and reduces the consumption of naphtha feedstock. It further assists in cutting down CO2 emissions into the atmosphere. SCGC can potentially adopt this as an alternative feedstock in the future.** The feasibility and integration with the existing olefin petrochemical facilities within the SCGC will be explored, with the project expected to be completed in 2024 and testing running until 2026.

SCGC aims to ensure sustainable development is working towards carbon neutrality by 2050. The goal is to reduce greenhouse gas emissions, especially from carbon dioxide, by 20% from the 2021 base year and set a target sales volume of one million tons per year of environmentally-friendly polymer products, or SCGC Green Polymer, by 2030. This action is being undertaken through a "Low Carbon, Low Waste" approach, encompassing the improvement or modification of processes and equipment for higher energy efficiency, the substitution of fossil fuels with clean energy, the development and investment in technologies that do not release carbon dioxide into the atmosphere, applying circular economy principles throughout the value chain, and undertaking carbon offset activities such as reforestation in various types of areas, including mangrove forests.

**About SCGC**

SCG Chemicals or SCGC is a leading integrated chemical player in ASEAN with strategic bases in Vietnam, Indonesia, and Thailand, offering a full range of petrochemical products ranging from upstream production of olefins to downstream production of 3 main plastics resins: polyethylene, polypropylene, and polyvinyl chloride.

SCGC focuses on inventing "Innovation That's Real" to drive the ASEAN economy and elevate the quality of life in accordance with ESG and circular economy. SCGC develops technology and innovation toward HVAs in infrastructure, consumable packaging, automotive, health and well-being, and energy solutions, while ensuring sustainable environmental stewardship.

More information: <https://www.scgchemicals.com>

**About IHI**

IHI is a preeminent Japanese integrated heavy industry group that originated with the establishment of the nation’s first modern shipyard in 1853. It leveraged its shipbuilding technology to expand into onshore machinery, bridge, plant, aero-engine, and other manufacturing fields. IHI has provided an array of solutions in recent years. These are principally in the Resource, Energy and Environment; Social Infrastructure and Offshore Facilities; Industrial Systems and General-Purpose Machinery; and Aero Engine, Space and Defense business segments.

In power generation, the Company manufactures boilers and gas turbines for thermal power plants. It is developing technology for ammonia co-firing and 100% firing and is constructing carbon-free fuel ammonia supply chain to help decarbonize the economy.

More information: <https://www.ihi.co.jp/en/>