

## BP deepens partnership with Chinese PET producer CRC, seeking opportunities for closer cooperation

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- BP signs strategic cooperation agreement and invests in CRC
- CRC already a major customer for BP's PTA production in China
- To jointly explore opportunities to improve cooperation along polyester value chain

BP has signed a strategic cooperation agreement with one of China's leading producers of PET (polyethylene terephthalate) plastic, China Resources Chemical Innovative Materials Holdings Limited (CRC). CRC is already an important customer for BP's production of PTA (purified terephthalic acid) in China.

PET is a type of polyester plastic, used widely for beverage and food packaging, and PTA is one of the key raw materials for its production.

CRC and BP have agreed to explore opportunities to strengthen their co-operation on PTA sourcing and work together along the polyester value chain. They have also agreed to explore further opportunities to work together. Associated with this agreement, BP also agreed to invest in and become a shareholder of CRC.

CEO for BP's Global Aromatics Unit, Luis Sierra, said: "BP and CRC already have a close and longstanding relationship and we look forward to building on it further. We can see opportunities to work together to streamline and increase collaboration along the polyester value chain, improving flexibility and efficiency and creating value."

Managing Director of China Resources Chemical Innovative Materials Holdings Limited, Mr. Zhu Zhenda, said: "BP is CRC's important strategic partner in the polyester value chain. Through deepened cooperation, we anticipate effective integration of our resources, bringing advantages for both partners. We will work together to develop innovative technologies, new products and applications for our customers in future."

Established in 2007, CRC is a leading producer of non-fibre-grade polyester. With production centres based in Changzhou, Jiangsu province, and Zhuhai, Guangdong province, its manufacturing facilities have an annual capacity of 2.2 million tonnes of PET. With its high-quality research and development capability, CRC is also exploring development of advanced downstream products, such as polyethylene terephthalate glycol (PETG).

BP is a global leader in the production of PTA with its own highly efficient proprietary technology. With current annual production capacity of 2.4 million tonnes, its Zhuhai plant in southern China is BP's biggest PTA production site globally. The technology is more energy efficient, uses less water and produces less solid waste than similar technologies on the market. As a result, the plant and technology have been recognized for environmental performance, including several Chinese government awards and, in July 2019, being named 'Energy and Efficiency Front Runner' and ranked first in China for PTA manufacturing by the China Petroleum and Chemical Industry Federation<sup>1</sup>.

BP's PTA technology also has significantly lower capital and operating costs when compared with other PTA technologies.

BP has also recently developed an enhanced recycling technology, BP Infinia, that enables currently unrecyclable PET plastic waste to be transformed back into new, virgin-quality feedstocks. It is constructing a pilot plant to prove the technology.

Xiaoping Yang, BP China Chairman and President, added: "By deploying leading technologies and business models with CRC in the polyester value chain, we hope to create a more competitive and sustainable future together."

1. China Petroleum and Chemical Industry Federation, July 25th, 2019 list and indicators of energy efficiency 'Front Runner' of key energy-consuming products in the petroleum and chemical industry.

## Notes to editors

- BP is one of the leading foreign investors in the Chinese oil and gas sector. BP's business activities in China include petrochemicals manufacturing and marketing, aviation fuel supply, oil products retailing, lubricants blending and marketing, oil and gas supply and trading, LNG import terminal and trunk line operation, chemicals technology licensing, advanced mobility ventures as well as venturing. Building on its businesses in China, BP has also expanded partnerships with Chinese national energy companies internationally. Further information about BP China is available on [www.bp.com.cn](http://www.bp.com.cn).
- CR Chemical Innovative Materials Holdings Ltd., part of the CR Group, is a chemical production and distribution company headquartered in Jiangsu province, with a production base and research and development centre in both the Yangtze River Delta and Pearl River Delta. Further information about CRC is available on [www.crcchem.com](http://www.crcchem.com)

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