

# The Beacon



Polyester Tire Cord  
Fabric Technology



Trevira CS Fabric Creativity  
Competition 2016



The Role of IR in Enhancing  
the Company's Reputation



Corporate Governance  
(CG) Training

# STRATEGY MEET 2016

January-March 2016

**Vol.14**





Chang-Hua-Mun is one of the royal initiative projects of H.M. King Bhumibol. With his concern about the well-being of Thai farmers, the objective of this demonstrative farm is to be the hub of agricultural knowledge exchange between local agriculturists and academics. Began in 2009, the idea of this project came from the thoughtfulness of his Majesty; when the potatoes he received from a villager budded by itself on weighing scales, he realized the possibility to grow potatoes on arid land. This was the origin of the name of this project.

‘Chang-Hua-Mun’ is a colloquial way of saying ‘leave it like that.’ His Majesty bought land in Tha Yang, Phetchaburi province. The land had been unwanted because of soil damage and its poor

## “Chang-Hua-Mun ” Royal-initiated Project

cultivable location behind a mountain. However, with the intention to make this area a prototype of sustainable farming practices in the province and its neighbors, the project involved local farmers, researchers and academics to create sustainable knowledge with studies of fruit and vegetable crops, livestock farms, dairy farms etc.

The products from the farm are selling today in Golden Place shops. Following an industrial agriculture plan, a production management system has been implemented, considering not only the market demands but also an effective prediction of production capacity.

Furthermore, there are renewable energy systems for electricity and irrigation. The wind turbines and solar panels generate sufficient energy to use in the farm and to distribute back to the electricity authority. The main reservoir of Chang-Hua-Mun, named ‘Nong Seu’, contains 280,000 cubic meters of water. The crops are fed through water distribution systems. With the efforts and collaboration of multiple parties, Chang-Hua-Mun royal project is considered greatly successful; following the intention of his Majesty to revitalize the land most damaged and to make it productive and act as a hub of agricultural knowledge for the public.

### Editor's Note

This issue offers many interesting articles, starting with our cover story on the Global Strategy Meet 2016. At the beginning of each year, we hold a Global Strategy Meet where we bring together our top executives from around the world to give up-to-date views on strategy and shape our global strategic direction and growth plan for the future. This high-level meeting also strengthens the alliances among companies under the umbrella of Indorama Ventures.

Turning to products, we have continued our efforts to further strengthen our competitiveness by offering innovative and differentiated products. There were highlights regarding an advanced polyester-based tire cord fabric and the Trevira CS Fabric Creativity Competition 2016. A big thanks goes to our colleagues at Performance Fibers and Trevira for sharing their stories.

At the same time, we have taken steps to expand our sustainability initiative by working closely with value chain partners and customers on waste separation and recycling. Explore in more details in the CSR Corner column. This issue also has an interesting article on upcycling, also known as creative reuse. The idea of upcycling is aligned with our flagship CSR project, the RECO Young Designer Competition. We have an article on the RECO Workshop activity where the competition finalists learn about PET and Polyester and special techniques to turn ‘unwanted’ items into incredible designs.

Don't miss the first part in a new series of articles: the role of IR in enhancing the Company's reputation and Organization Cultures, in the HR Knowledge Sharing column. Another highlight is the article on the kick start of Corporate Governance training for Indorama Ventures' employees.

Happy reading!

P.S. Submissions are open for our next issue – send us your news and articles Email: [ir@indorama.net](mailto:ir@indorama.net)

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# Strategy Meet and Capital Markets Day 2016

Indorama Ventures held a global meeting in Thailand inviting senior executives to attend seminars on a broad range of subjects including sustainability as well as to exchange knowledge and plan a comprehensive strategy for the coming year. The event was held at the JW Marriott Hotel in Bangkok from January 23 to January 27.

From BCG, Mr. Vikram Bhalla (Senior Partner & MD) addressed the audience on “Leading firmly in family business” also Mr. Saswata Nag from Unilever addressed the audience on his company’s efforts to build sustainability globally.

On January 28, the Investor Relations Department held a Capital Markets Day for investors. From BCG, Mr. Udo Jung addressed the audience on “Trend in the Polyester Chain” and Mr. Steve Jenkins from PCI addressed the audience on current situation of the Polyester industry. From Indorama Ventures, the speakers were Mr. DK. Agarwal (CEO of Feed Stock & PET Business), Mr. Boriboon Sangjambut (Joint Vice President – Feedstock), Mr. Tom Zaiser (CEO FiberVisions), and Mr. Alope Lohia (Group CEO). Capital Markets day was attended by 138 people, including a mix of analysts, funds and bankers.



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← Indorama Ventures Public Company Limited (IVL) announced its full year results for 2015. Total production rose 12% in 2015, to 7 million tonnes compared to 6.2 million tonnes in 2014 and with operational excellence initiatives the Core PAT was higher at Baht 6.5 billion, an increase of 33% year on year. High Value Add (HVA) products are now contributing 48% of core EBITDA (adjusted for non-cash extraordinary items) and have proven to be a valuable investment that offers significant potential in areas involving environmental awareness, performance, health and safety.

The Company achieved total revenue of THB 236 billion for the full year, compared with revenue of THB 244 billion in 2014. The slightly lower revenue occurred due to lower absolute product prices following the lower crude trend.

The Reported PAT for 2015 is Baht 6.6 billion, a 295% rise over the THB 1.6

billion in the same period of 2014. IVL saw a non-cash inventory devaluation of Baht 2.3 billion (tax adjusted) as a result of a rapid fall in prices that was offset by net extraordinary income of Baht 2.4 billion primarily coming from gains on bargain purchase on completed acquisitions. The Company recommended a full year dividend of THB 0.48 based on core earnings per share of THB 1.17. The company completed six acquisitions in 2015, with an additional two acquisitions in the second quarter of 2016.



← Indorama Ventures Public Company Limited and India's Dhunseri Petrochem Ltd. (Dhunseri) have agreed to enter into an equal joint venture to manufacture and sell PET resins for Indian domestic markets and for exports. Dhunseri

will purchase a 50% stake in the 216,000 tonne Micro Polypet Pvt. Ltd. (MicroPet), a company owned by Indorama Ventures in the North Indian State, Haryana. IVL in turn will acquire a 50% stake in a carved out entity, called Haldia, of Dhunseri, with an effective capacity of 480,000 tonnes PET manufacturing located in the eastern state of West Bengal. The JV is subject to regulatory approvals and expected to complete in H2 2016.



↑ Indorama Ventures was awarded a certificate of excellence in Investor Relations by IR Magazine at the annual South East Asia Awards in Singapore. The award recognized the excellent work that the IR department had achieved over the past year.



↑ Indorama Ventures acquired 100 % of the Purified Isophthalic Acid (PIA), Polyethylene Terephthalate (PET) and Purified Terephthalic Acid (PTA) assets of Cepsa Química S.A., a subsidiary of Compañía Española de Petróleos S.A.U. ("CEPSA") in Guadarranque-San Roque, Cadiz, Spain.

The company was renamed Indorama Ventures Química S.L.U. The acquisition makes Indorama Ventures a world-leading producer of Isophthalic Acid, a key chemical additive in the manufacture of PET for packaging as well as consolidating our strategy in Europe.



↑ Indorama Ventures successfully acquired BP Amoco Chemical in US. The recent move is the 8th acquisition in 12 months. We acquired BP Amoco Chemical's Decatur, Alabama business, consisting of integrated paraxylene and PTA manufacturing as well as the world's only commercial plant to manufacture NDC, a specialty chemical used in performance polymers and films for applications such as smart phone screens.



← Mr. Alope Lohia was interviewed by the Financial Times at the FT – Kasikorn Bank AEC+3 Business Forum in Bangkok on March 16.



↑ Indorama Polymers Public Company Limited (IRP) won the Thailand Green Design Award 2016 (TGDA 2016). Kaset Fair is an event hosted annually by Kasetsart University. In 2016, they arranged an environment-friendly industrial competition, Thailand Green Design Award 2016 (TGDA 2016) with the purpose of encouraging new product initiatives that serve function for the public and disseminate green ideas.



↑ Indorama Ventures Poland Sp. z o.o. has completed five successful years in Poland, during which it recovered its acquisition cost in less than three years. Its 2014 production capacity has been enhanced over 50% from 150,000 t / year to 230,000 t / year. The State has assisted greatly by subsidizing half of the investment cost. Moreover, the company is proud to celebrate 2,000 hours of accident-free operations. As recognition of this achievement, souvenir gifts chosen by employees were distributed.

Among the competitors in the business enterprise group, Indorama Polymers won the competition in the category of Product for Energy Saving. The winning product was RAMAPET R1 (Fast Reheat PET Resin with non-carbon additive). The innovation helps save 37 per cent of the energy used in the PET production process and also reduces emissions of greenhouse gases in electricity generation. In fact, there have already been several IVL subsidiaries applying this technology in to their production. However, in order to build up value and credit for the product, IRP Lopburi is the first to gain recognition. This achievement not only reflects the position of IVL in supporting environment-friendly projects but also increase sales profits. The technology is now going to be applied further to other subsidiaries around the world.



← Indorama Ventures Quimica (IVQ) hosted the closing deal ceremony at the plant. The event included a meeting between the Union members and the IVL team comprising, Mr. D.K. Agarwal, Mr. Paolo Clivati, Mr. Luis Carlos Rodrigo Mata and Ms Vega Maria Eugenia Ruiz.



← Indorama Ventures PCL received two prizes from the Asset Corporate Awards 2015. The company won a Gold Award on Excellence in Governance, CSR and Investor Relations benchmarking. The IR team also won the Best Investor Relations Team Award.



← Indorama Ventures signed an MOU on Children's Rights with UNICEF at the Stock Exchange of Thailand.



↑ Indorama Ventures Investor Relations Department received the prize for Outstanding Investor at the SET Awards 2015 hosted by the Stock Exchange of Thailand (SET).



↑ The Consul General of India, Mr. Nagesh Kumar, visited IVL's AlphaPet facility along with Mr. Anil Aggarwal, the representative of AIBP (Alabama India Business Partnership), of which AlphaPet is a member. The visiting group were joined by the the Mayor of Decatur, Don Kyle, the country commissioner, Ray Long, the Chairman of the Chambers of Commerce, John Seymour and the local Economic Development President, Jeremy Nails.



↑ Indorama Ventures Europe received the Open Door Award 2015 from the Education Information Centre, Mainport, Rotterdam. The company won this award for its support of practical accessibility to the Europort site and its high quality in organizing exhibitions and factory visits.



← Indorama Ventures PCL received a Sustainability Report Award 2015 by The Stock Exchange of Thailand (SET). This award is granted to eligible companies who meet the criteria of the Ceres- ACCA Sustainability Report Awards.

# Pleasure in Textile Experimentation: Trevira CS Fabric Creativity Competition 2016



For the fourth time, Trevira had invited suppliers of Trevira CS fabrics to participate in a creativity competition. Participants of this years' competition were asked to submit their latest developments in one of five categories that reflect both current market trends and highlight the great degree of quality, innovation and functionality found in Trevira CS materials available on the market. With each entry, suppliers receive points in the Trevira CS Club. The first three winners of each category receive considerable additional Club points.

Suppliers entered almost 150 Trevira CS fabrics and from these a specialist panel selected 15 winners. The sheer wealth of creations reflect the continuing pleasure in experimentation shown by designers in their development of high-quality textiles. Working with the wide range of flame retardant yarns from Trevira and its partners in the fields of spinning, texturizing and twisting, they created products that display innovation in looks, textures and functions.

The new Trevira CS qualities are often the outcome of extensive development work. Therefore, Trevira presented the winning fabrics in five "Labs", each of which stands for definite and characteristic properties that are frequently paired with special functions, on the Trevira stand at Heimtextil 2016:

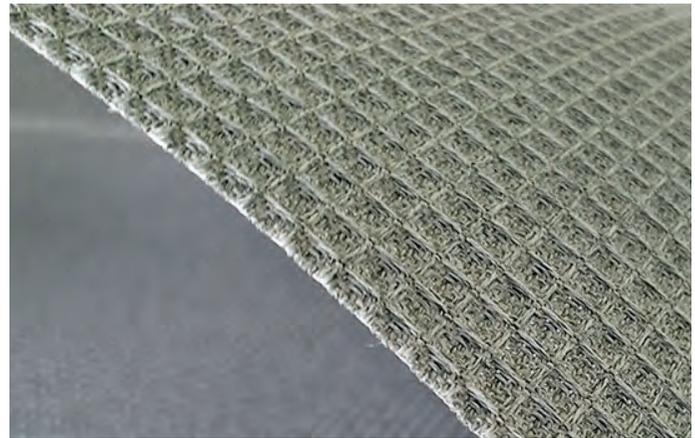
The "3D Lab" displayed fabrics with three-dimensional looks deriving from 3D construction or appearance. Winners: Creation Baumann, Saum & Viebahn and Wintex.

"Artisan Lab" showed opulent fabrics with decorative features that blend elements of tradition/the past and the present/future or show characteristics of traditional manufacture. The winning fabrics come from Nya Nordiska, Rubelli and SoFarSoNear.

The "Digital Lab" presented new, digitally printed materials that stand out with their design, print quality or interplay of print base and design. Winners: Dina/Vanelli, Lelièvre and Ludvig Svensson.

The "Sensuous Lab" showed with fabrics that possess special haptic qualities and successful combination of handle and looks. Winners: Création Baumann, Fidivi Tessitura Vergnano S.p.A. and again Rubelli S.p.A.

"Techno Lab" focused on fabrics with distinctive technical attributes. Winners: Giorgio Piovano Home Textiles, Gaetano Rossini, Stotz & Co.



Trevira CS Fabric Creativity Competition 2016:  
3D Lab at Heimtextil  
© Photo: Trevira GmbH



Trevira CS Fabric Creativity Competition 2016:  
Artisan Lab at Heimtextil  
© Photo: Trevira GmbH



Trevira CS Fabric Creativity Competition 2016:  
Digital Lab at Heimtextil  
© Photo: Trevira GmbH



Trevira CS Fabric Creativity Competition 2016:  
Sensuous Lab at Heimtextil  
© Photo: Trevira GmbH



Trevira CS Fabric Creativity Competition 2016:  
Techno Lab at Heimtextil  
© Photo: Trevira GmbH



1. Mr. Jim Yarbrough Vice-Chairman of the Operation Smile Foundation visited Mrs. Suchitra Lohia Director and Chairperson of the Sustainability Committee of Indorama Ventures PCL to thank the company for sponsoring the Bright Smiles & Happy Hearts Campaign.



3. Indorama Ventures Europe organized a factory visit in for a group of 25 students visit to learn about the Maintenance Department and to share knowledge on Electrical & Instrumentation and Maintenance Technician jobs.



2. Indorama Ventures Europe arranged an annual Sinterklass (St. Nicholas) Party with its employees' children.



4. Indorama Ventures Corlu organized an annual conference in Corlu, Turkey. The purpose of this event was to share the engagement results and the plant's performance in 2015.

# Activities



5. Indorama Ventures, Lopburi, donated 50,000 baht to Mr. Phanu Yamsri, Lopburi provincial governor to sponsor the 2016 festival celebrating King Narai the Great's Reign at Narai Palace. The purpose was to support the local tradition.



6. Mr. Aaron Guillo, LSS Master Black Belt from FiberVisions Covington, conducted Lean Six Sigma (LSS) training in IPI Nakhon Pathom, PT. IVI Tangerang Indonesia, Auriga Polymer USA, IVP Mexico and Fiber-Visions Athens.



7. Indorama Holdings, Lopburi, held annual staff awards for 20 years service, 10 years service, best attendance and 5s. The ceremony was chaired by Mr. Rajesh Banka at the Training center.



8. CSR team at Indorama Polyester Industries Nakhon Pathom gave three playing swings and sponsored the renovation of a playground at Wat Sawang Arom school, Nakhon Pathom.



9. Employees of Indorama Polyester Industries and Petform in Rayong province, Thailand, attended Corporate Governance Training



# Activities



10. Indorama Ventures, Bangkok Head Office, arranged a massage session for employees to relieve pains from office syndrome. This was to support a CSR activity of the company Social Health Enterprise Co., Ltd., to provide job opportunities for former female inmates.



11. Mr. Ganesh Babu and an executive team from Indorama Ventures Polymers Rayong hosted the factory's open house. Senior executives and government officers as well as local people were invited to visit the plant and hear about the manufacturing process.



12. Students from Webster University visited IVL's recycling plant at Nakhon Pathom, Thailand.



13. TPT, IPI and IRPL Rayong hosted a community enterprise project at the Tan Batic community. A group of students from Thammasat University provided knowledge on enterprise in a workshop.



14. TPT and IPI Rayong arranged a Zero Waste Project to raise awareness of environmental presentation in the community. Students at Krok Yai Cha school participated in a workshop on making fertilizer from humus.

# A DEVELOPMENT OF POLYESTER TIRE CORD FABRIC TECHNOLOGY

**Performance Fibers breaks new ground in polyester tire cord fabrics properties from which motorcycle bias tire producers stand to benefit.**

Performance Fibers is reputed to be a premium supplier of polyester tire cord fabrics (TCF) to the tire market for passenger car and light truck (PCLT) radial tire carcass application.

With continued development of TCF technologies, motorcycle tires have now become an accessible market to Performance Fibers despite the fact that motorcycle tires are mostly of bias-ply design and use Nylon 6 TCF for reinforcement.

The bias-ply design does offer a distinct advantage that it allows the entire tire body to flex easily thus providing a smooth ride on rough surfaces which are particularly prominent in developing countries. Nylon 6 has been the material of choice in motorcycle tire carcass on account of its high toughness and fatigue resistance which are ideal for a bias-ply tire that constantly flexes.

There has been previous attempt by tire producers to replace Nylon 6 with standard HMLS (high modulus low shrinkage polyester) TCF with a view to taking advantage of its lower cost. They have invariably failed however. The main reasons being they offer insufficient toughness and ply strength of standard polyester to pass the plunger test, their poor fabric to rubber adhesion that lead to pre-mature failure in endurance tests and poor compressive fatigue resistance that is needed for a long-term field test on rough roads.

Performance Fibers has over the past few years developed an advanced polyester-based TCF (PLYTEC™) that is nylon-like and has been proved to pass all the indoor tests that a motorcycle tire is required to pass. A look of the stress-strain curve of PLYTEC™ will see that it has the toughness of that of Nylon. Performance Fibers' proprietary dipping technology has advanced its adhesion to rubber performance. Today, a tire built with PLYTEC™ has been demonstrated to run more than 40,000 km with the same durability as that of Nylon.

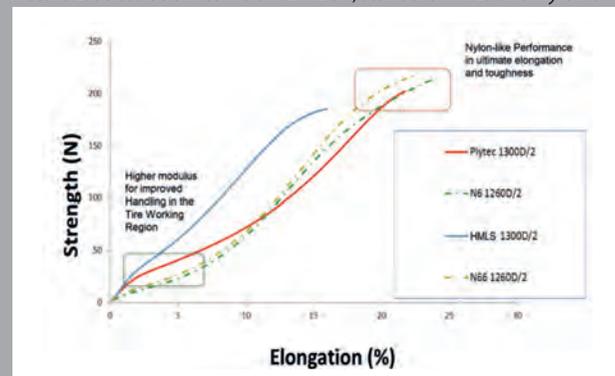
**Now, why should motorcycle tire producers care about this? Here is the value story.**

Firstly, Polyester-based PLYTEC™ virtually does not absorb moisture. Tire production team no longer has to worry about moisture absorption of Nylon 6 prior to the calendaring process – this is a big plus in quality control and waste reduction. Secondly, you can cure PLYTEC™ at higher temperature (+10°C higher) thus shortening the curing time and increasing productivity – our estimate is >25%. This is a big deal because you may increase your capacity without major capital expenditure on equipment and land space. Thirdly, would you want to eliminate the post-cure inflation (PCI) process, if it can be eliminated without impacting on tire dimension compliance and performance? The very low shrinkage of PLYTEC™ might just allow you to do so.

The value of PLYTEC™ extends beyond tire production and it reaches out to your customers – the OE. The PLYTEC™ - based motorcycle tire has better handling properties and lower rolling resistance. This can well be the main driver of adopting PLYTEC™ because it can give you a differentiated product.

Performance Fibers' work on developing PLYTEC™ for Nylon 6 replacement has not stopped here; motorcycle tire is just the entry point.

Picture 2: Stress-Strain curve of PLYTEC™, standard HMLS and Nylon 6





# IVL Hosts a Vocational Education and Training Program in Thailand for Myanmar Students



Indorama Ventures recognizes its important role as a real-life educational platform. This year, IVL organized a training program for university students from Myanmar in collaboration with the Office of the Vocational Education Commission (OVEC), Bangkok Bank Public Company Limited (BBL), Thanlyin Technological University (TTU) and the Ministry of Science and Technology. The objective was to enhance the experience of the students who recently graduated with a Bachelor of Engineering Science. The six participants were young engineers, each with different skills in electrical, mechanical and chemical engineering. The program was divided into two parts. First, the participants attended classes at Samut Songkhram Technical College. Then in the second part they were provided an opportunity to work in Thailand as student interns at Indorama Ventures Lopburi. The project was completed in two months. Here is what the participants felt about their time in Thailand with IVL.

“We have earned more self-confidence after staying abroad. Before joining this program, we had studied only theories in the classroom. This project provided us an opportunity to apply what we learned to real-life situations. We also experienced using a variety of equipment used in IVL’s plant. After returning to our country, we would apply the knowledge and experience gained from this project as much as possible. In the future we would like to join IVL and help develop the company’s plant in Myanmar,” said a representative of the students.

It was our pleasure as a world-class company to provide educational opportunities for students. After completion of the project, two participants with ability were recruited to work for IVL’s subsidiary in Myanmar.

# Get to know about 'Upcycle'



Lamps made of used plastic bottles



Plant pot made of used plastic bottles



Candlesticks made of used plastic bottles



Accessories made of used plastic bottles



Dress made of scrap polyester

'Upcycle' is the opposite of 'downcycle', which means to turn products into something with lesser value. Upcycling is to use materials which are normally going to become trash in order to create new products. The regenerated results usually have better value than the input and the fact they are made from waste is hardly noticeable.

The term 'upcycle' may sound new, but it is what we have always done in practice. For example, we might be familiar with DIY ideas like a plant pot made from reshaped, used bottles or a pencil case made from an old decorated cookie box. Moreover, upcycle ideas appear in bigger projects.

• In Costa Rica, the CEO of the Center for Regenerative Design and Collaboration (CRDC), Donald Thomson initiated the idea to convert PET bottles into roof tiles in 2010. He called this project REAP- 'Recover, Enrich, Appreciate and Preserve'. The purpose was to make use of empty bottles before a downcycle and to give the roof tiles to poor people.

• In Thailand, a concept furniture store called Osisu is one of the more interesting initiatives. All of the products in the shop are created from materials left to waste. Asst. Prof. Dr. Singh Intrachooto, one of the founders and designer at Osisu said that in his designs, he considers the word 'eco', which refers to two words, ecology and economy. The items are made to be friendly to the environment and so useful that people want to buy them.

• Indorama Ventures has arranged the RECO young designer competition every year. The purpose of the program relates to the concept of 'Upcycling' before the invention of the term. We encourage young people to design new products and fashion pieces made from used PET or polyester. This corresponds with the concept of regenerating new products with higher value than the input.



# The Role of IR in Enhancing the Company's Reputation



Investor Relations (IR) exists to enhance the reputation of a business in order to comfort investors when it comes time to raise capital. For this reason, IR seeks out facts that can be useful to investors in truly understanding the business. We have to understand that the majority of investors, even in multi-billion dollar funds, are still generalists, or have a broad understanding of several industries (banking seems to be the common denominator here). The issues an investor faces are manifold. First, access to public information; this is why a top notch public website is a huge advantage. This will help the investor and create some respect if the site is well laid out and full of useful information as this is a good indication of the company's governance and transparency.

Next, many investors read the Management Disclosure and Analysis (MD&A). This is a briefing written by management each quarter that explains the story behind the numbers.

For this reason, a good MD&A does not repeat what can be found in the financial statements but rather seeks to explain why those numbers came about and, if needed, what management is doing to rectify any issues. Very often, IR will either write the first draft or edit one of the drafts to ensure it communicates clearly in plain English. IR avoids complicated and jargon-filled language on the understanding that the reader might not be technically proficient but is using his or her common sense. The MD&A is an investor relations tool to gain the investor's trust and confidence that they are reading a document that can assist them in understanding what is happening in the business.

Sometimes, as in the case of Indorama Ventures IR, we make a short fact sheet of key numbers that are commonly requested in meetings. Fund managers may look at 50 companies or more so they aren't going to memorize all the key numbers prior to a meeting and in many cases have not done much homework prior to the meeting. Rarely does a presentation contain a deep explanation, which is the job of IR. The purpose of a meeting is therefore to develop an interesting angle on the information available that leads the investor to conduct a deeper investigation.

If all the public financial information and explanations have already made public through these above mentioned tools, one may ask why an IR department is needed. Can't investors get all the information and detailed explanations from brokers' analysts? The main question facing serious investors is always the credibility of the management and their ability to make money in the future. Historical data may point to issues that management has made or solved in the past, but investors are much more interested to know if management is credible enough to make money in the future. A track record is fine, but doesn't indicate anything about the future unless the management has an excellent reputation.

Like a government that sends out Ambassadors to inform and educate other governments on the situation, so a company sends our investor relations representatives to provide a face to the company as a whole.

IR is never at the top of the list of management investors would like to meet – the CEO and CFO come first and second respectively on that list – however, as one would expect, these executives are running the company and have limited time to spend with investors. Thus, the IR team is the company's ambassador, giving depth and color to numbers; explaining the company's strategy and hopefully providing the company with a credible image. If IR has a good reputation, then the company will find it easier to raise capital in the market.



# RECO

## YOUNG DESIGNER COMPETITION 2016



## RECO Young Designer Competition 2016 Workshop

Indorama Ventures has hosted an annual design competition named 'RECO' since 2011. The objective of this competition is to encourage new designers to use recycled PET and polyester as their main materials (60 per cent of all materials) to create their designs. Under this year's theme, 'Life is Play: Show your Passion', about 200 participants entered the competition and, we had over 30 competitors. These designers earned the opportunity to join the RECO workshop.

On January 17, 2016, the workshop was arranged at Bangkok Art & Culture Centre (BACC). The purpose was to introduce PET and polyester to the participants, to give them some guidelines on the criteria and objectives of the competition as well as to provide the opportunity for them to learn about useful techniques in material manipulation and basic craftwork.

The morning session included lectures educating them about PET and polyester conducted by Mr. Sumeth Premanitnukul and Mr. Weerasawat Chindanon, IVL's experts. Then, our special guest, Ms. Natcha Anansaringkarn, marketing director of the designed brand '5iveSis', shared her experience as a professional in the industry.

The afternoon session started with interviews, with the judges officially welcoming all the competitors. Then, a creative workshop on recycled materials was hosted by Ms. Jarupatara Archawasmith, Lecturer at the Faculty of Architecture, King Mongkut Institute of Technology Ladkrabang; and Ms. Rungtip Luilao, Lecturer at the Faculty of Home Economics and Scrap Shop advisor from Kasetsart University. During the workshop, the judges met participants at a consulting table to answer their questions on design and materials.

This event provided a network of people who have the same interests in design. The young designers learned more about the concept of the competition and how to create a product from recycled items, mainly from PET and polyester.

Our experts raised concerns about finding the identity of the brand, knowing how to target consumers and how to create products with the right market position. The finalists will use ideas from the workshop to adjust their designs and get ready for their presentation.



# Organizational Cultures

## ORGANIZATIONAL CULTURE LEADING TO BUSINESS PERFORMANCE

Global economic fluctuations are a factor that affects the revenue and growth of companies around the world. In order to deal this, a company must prepare itself from the inside. Organizational culture is considered to be one of the most important tools to enhance competencies that will further help a company to achieve its goal. Divided into two parts, this issue starts with an explanation of organizational culture and its different types. In the next issue, we will continue with the adoption of this practice and how it affects business performance.

Like people's personality, the identity of an organization is the result of how personnel in a company act over how the company positions itself to the public. A positive culture not only attracts the high potential employees but also builds up public recognition and relationships with customers and stakeholders.

### WHAT COMPRISES OF ORGANIZATIONAL CULTURE?

Organizational culture is a combination of three basic components. The first is the company's **values**. This is something employees admire and consider agree to adopt as a norm with each other internally as well as with external parties. For example, the creation of a set of values such as 'customer first', meaning that everyone in the company must concern themselves with the customer as first priority. The second component is the understanding of **assumptions**. It might be hard for a company to define a set of values. Thus, assumptions are not written down but form as people's perceptions. Finally, there are **artifacts** that represent a company in the form of verbal communication, products and branding. For example, a slogan can express the values and beliefs of organizational culture. The slogan for Indorama Ventures, 'Closer than you think', refers partially to the company's products, which are in everyday materials; at the same time, it also signifies the company's concern with customer engagement.

The combination of organizational cultural practices is a set of shared values that guide employees to act and decide in a way that corresponds to what the company takes as its values.

### TYPE OF ORGANIZATION CULTURE

In order to measure the most important values of an organization, executives must analyze external factors alongside the company's vision and strategy. According to **The Denison organizational cultures model**, there are four groups of culture.

*The involvement culture occurs* in a flexible organization. This type of organization focuses mainly on the development of human resource in order to deal with rapid changes caused by external factors. The cohesion and support at work are important as the workplace is considered as an open and friendly space where people share ideas.



This type of culture avoids discriminated status. Involvement culture is about impartiality, teamwork and efficiency. These factors create a sense of ownership and loyalty among all personnel.

**The adaptability culture** is one the aims to enhance business competitiveness. An organization focuses on the ability to deal with the signals from the external environment, including customers and market situations. The company provides a creative place and encourages their employees to experiment at work without penalties arising from making mistakes but rewards for innovative projects. Employees are allowed to think differently and make decisions. This is so-called 'employee empowerment'.

**The consistency culture** gives importance to internal procedures, in which stability and control are considered necessary. The point is to maintain a smooth-running organization. This is sometimes called a bureaucratic working culture. Formal policies and highly structured work process are what this type of organizations upholds. Top management aims for security and predictability, but less flexibility.

**The mission culture** appears in a company with clear strategies. This type of company desires a remarkable growth and an increase in its market share. The employees become highly competitive and goal-oriented. In the long term, the organization aims to be proactive and competitive. Individual initiatives ultimately help achieve the company's goals.

Recognizing organizational culture helps align employees' action and see the company's goals clearer. This also helps improve productivity and increase performance. After reading this, you may consider finding out more about your company's culture. In the next issue, we will discuss how to create an organization culture that leads to business excellence.

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**IVL in collaboration with Nestle shares knowledge on waste separation and recycling.**



# "I am doing it"



Indorama Ventures, as a world-class intermediate petrochemicals company, recognises the importance of PET recycling. Our recycling business provides not only benefits the company but also has a positive impact on the environment. Thus, it is considered an important activity that we have unceasingly developed. IVL has now expanded our recycling facilities in different countries. In Europe, we own the largest recycling plant in the region. In Thailand, in Nakhon Pathom Province, our recycling facility is managed by experts.

IVL sees the importance of waste segregation and education about recycling. Recently, we collaborated with Nestle (Thailand), our customer for PET, to arrange a CSR project called 'I am Doing it'. The project is supported by many sectors, including the Thailand Institute of Packaging and Recycling manage for Sustainable environment (TIPMSE), the Federation of Thai Industries and Wongpanit Suvarnabhumi Ltd.,. The aim is to raise awareness of young people about environmental conservation, to educate them about recycling and to make use of plastic in order to help reduce wastes.

At the opening ceremony, Mr. Richard Jones, representing IVL, was invited as a speaker to educate about the recycling process, from used bottles to recycled yarns. Moreover, IVL also provided staff to participate in activities during the project.

Joining this project is an opportunity for IVL to build relationship with our stakeholder to develop the environment, human resources and the community.

By Hataichanok Ngowroongrueng

# IN THE VICINITY OF CADIZ

# SPAIN

Indorama Ventures Public Company Limited recently acquired Cepsa Química S.A. a subsidiary of Compañía Española de Petróleos S.A.U. (“CEPSA”). Located in Guadarranque-San Roque, Cadiz, Spain, the company is a production facility for Purified Isophthalic Acid (PIA), Polyethylene Terephthalate (PET) and Purified Terephthalic Acid (PTA).

Cadiz is one of the seven provinces in Andalusia, an autonomous community in the South of Spain. Founded by the Phoenicians in 1104 BC, it was named Gadir or Agadir which means The Wall. The city is one of the most ancient still standing in Western Europe. It has a population of more than 128,000 in an area covering 7,385 square kilometers.

The region has advantaged transportation facilities nearby, including seaport, airport, roads as well as railroads. The climate of the entire province is Mediterranean; however, there is a big difference in summer temperatures compared to neighbouring provinces Jerez and Tarifa depending on the distance from the coastline.

Further than the convenience of transportation and the weather which make Cadiz one of the best destinations to relax on vacation, the city is also famous from its sightseeing. Cadiz, like the other provinces of Andalusia such as El Populo, La Viña and Santa María, has an ancient quarter. There is a contrast between the modern area, where the wide roads and new buildings are situated, and the old town where the narrow roads lead to a small square. To walk around the old city and admire the Moorish architecture takes about one hour. The central quarter of Cadiz is known from its picturesque charm and the buildings reflect the result of the influences of mixed foreign cultures.

Moreover, thanks to its location on a peninsula, the panoramic view of the ancient city of Cadiz from the beach is exquisite. For nature-lovers, the city’s coast has several of the most beautiful beaches in Spain, including the La Caleta which appeared as the setting of the James Bond movie: Die Another Day (in the beginning of the movie, La Caleta was referred to as a beach in Havana, Cuba).





# CG Training

## Corporate Governance (CG) Training



The first quarter of 2016 marked the kick start of a new round of corporate governance training for Indorama Ventures' employees. Our training team received warm welcomes and had meaningful discussions with management teams of all plants in Thailand and China about the importance of good corporate governance and ways to help a good governance culture flourish at Indorama Ventures.

Though it may not be as sexy as terms like 'sustainability,' 'big data analysis,' or 'digital economy'; corporate governance (CG) is as important to the future of Indorama Ventures as they are. While those other terms give a company advantages to compete and grow, CG ensures our company's stability. Enron, Siemens, Olympus, Volkswagen and even FIFA are clear examples of organizations with poor corporate governance despite their impressive performance financially. As Indorama Ventures aims to be a global leading firm with sustainable growth, we need to ensure that our governance foundation is solid and cannot be weakened. This is where our people play a vital role.

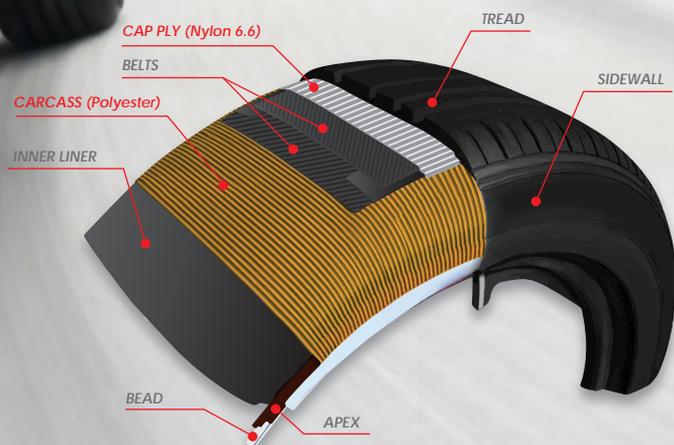
It is useless for our company to have stringent policies if only a handful of our employees understand them and co-operate. The company would likely end up spending huge budgets on policing our employees instead of investing in more beneficial items. We need our people's support in this to make them effective. With that in mind, Indorama Ventures initiated CGPAC (the Corporate Governance Policy Awareness Campaign) in 2013 to provide our employees with information about our

policies including guidelines for best practice. The campaign adopted several channels to communicate policies with our people. Employees can visit our website ([www.indoramaventures.com](http://www.indoramaventures.com)) for details of all policies. We also provide policy training for our employees at offices and plants as well as support for locally-arranged sessions.

In addition to anti-corruption in previous CGPAC training, 2016 training covers more issues regarding corporate disclosure and transparency, one of the corporate governance principles that our company believes in. It starts with laying out how important it is for Indorama Ventures to have good corporate governance. Then, it moves on to introduce concepts of conflict of interest; the use of inside information and confidential information through videos and pop quizzes. This opened up the floor for discussion among participants the policies that have possibility of severe liability, yet often overlooked. It also highlighted our company Whistleblower Policy with contact information for those who have useful information of non-compliance practices. The session wraps up with key points for how participants can help create good corporate governance culture at Indorama Ventures.

CGPAC training will be carried out throughout the year and will cover more topics from our policies. Local offices and plants can contact our corporate governance specialist here: [kongkun.t@indorama.net](mailto:kongkun.t@indorama.net) for support with training materials and corporate governance information.

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