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# OUR DECARBONIZATION'S STRATEGY & OPPORTUNITIES

A Better Future with Sustainable Steel




20 March 2024 | IESR WEBINAR





# PT Gunung Raja Paksi Tbk


One of the largest private steel companies in Indonesia


## Company Highlights


 Unparalleled track record with over 50 years of experience by GRP and its affiliates

 Crude steel production capacity of 2.2 mtpa



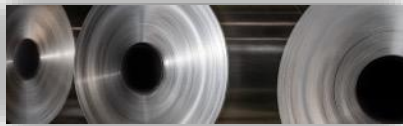
 Experienced management team supported by over 3,700 qualified employees

 Product range of more than 30 specialized products catering to customers' specific needs

 Established partnerships with over 10 corporations across the globe

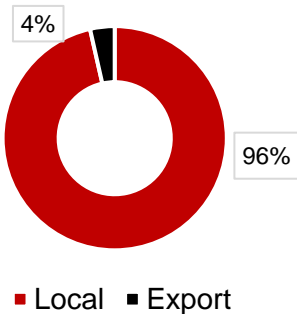
 Established prominence with various consumers in over 40 countries

## Product Overview

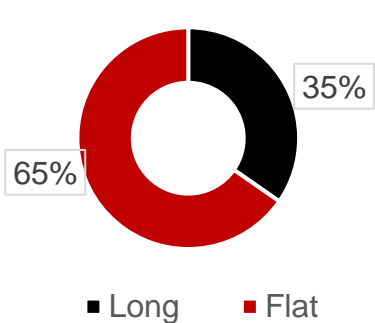
Flat	Long	Downstream
 <ul style="list-style-type: none"> <li>■ Dominates the domestic market with superior quality slabs</li> <li>■ <b>Example applications:</b> <ul style="list-style-type: none"> <li>✓ Ship building plates</li> <li>✓ Pressure vessel</li> <li>✓ Storage tanks</li> <li>✓ Welded pipes</li> </ul> </li> </ul>	 <ul style="list-style-type: none"> <li>■ Produces high tensile strength products to ensure strong foundation</li> <li>■ <b>Example applications:</b> <ul style="list-style-type: none"> <li>✓ Communication towers</li> <li>✓ Power towers</li> <li>✓ Various machinery</li> </ul> </li> </ul>	 <ul style="list-style-type: none"> <li>■ Strong competitive advantage in catering to a variety of downstream products</li> <li>■ <b>Example applications:</b> <ul style="list-style-type: none"> <li>✓ Foundation piling</li> <li>✓ Jetty construction</li> <li>✓ Steel structures</li> <li>✓ Concrete walls/floor</li> </ul> </li> </ul>

## Revenue Split – FY 2023

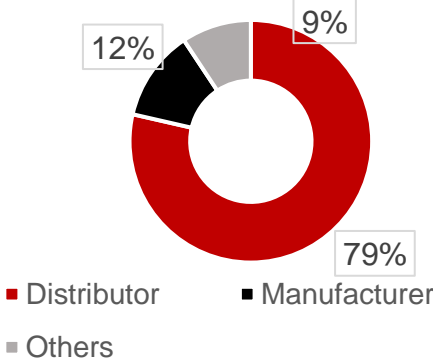
Geography



Product



End-customer profile



Revenue: US\$ 710 million

# High Quality Steel to Build Nation

Product portfolio that continues to grow and adapt to market needs.



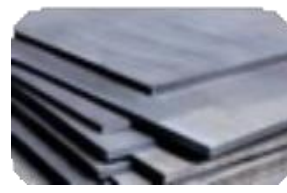
HBEAM



WIDE FLANGE/IWF



WELDED BEAM



STEEL PLATE



HOT ROLL COIL



COLD ROLL COIL



TBEAM



ANGLE (HR & CF)



SPIRAL PIPE



ERW PIPE



LIPPED CHANNEL



SQUARE PIPE



RECTANGULAR PIPE



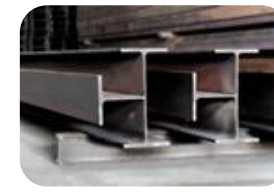
CUT TO SHAPE (CTS)



HONEYCOMB



KING CROSS



QUEEN CROSS

**& 10+ global standard JIS-JQA, SIRIM, SNI, etc.**

Diversified consumer base



construction



Oil and gas



Machinery



Tower Manufacturer



shipyard



Boiler & gas pipeline manufacturing



Mild steel manufacturing

**And other industries.**

Contribution of GRP in developing the country

Well-known project



Jembatan Sungai Masjid



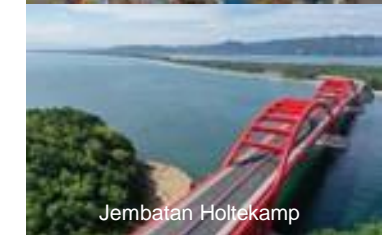
LRT Palembang



PLTA Jatigede



PLTU Java 7



Jembatan Holtekamp

# GRP launched the ESG Roadmap & Decarbonization Strategy

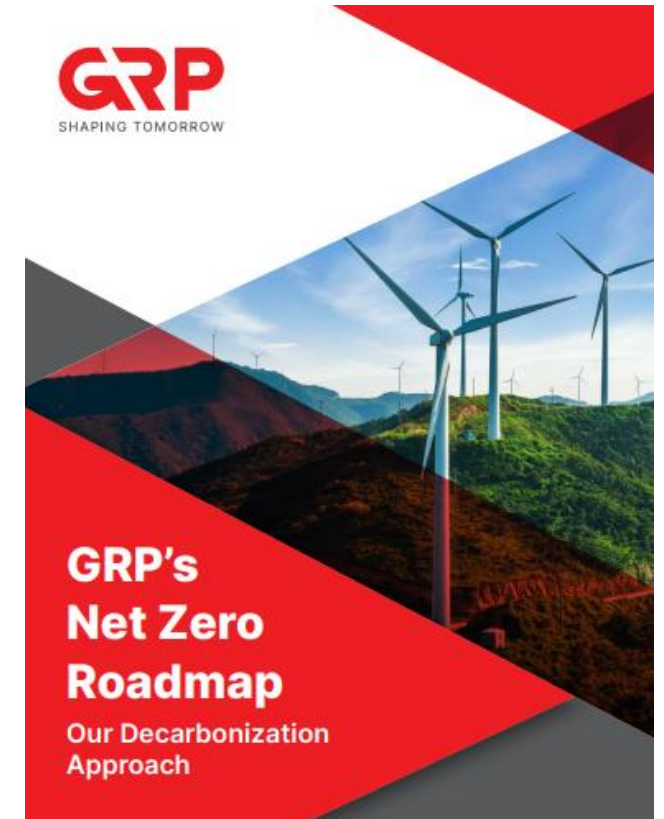
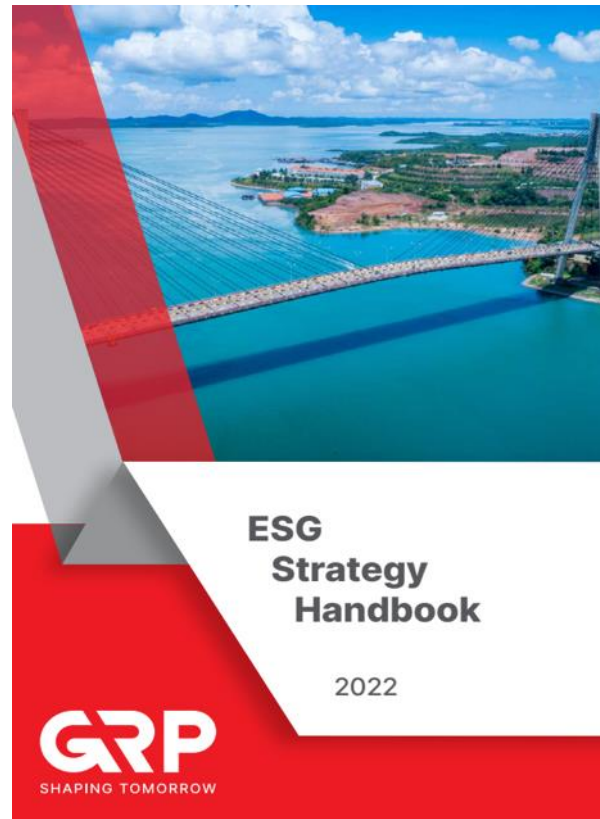


ESG Strategy Handbook Launching



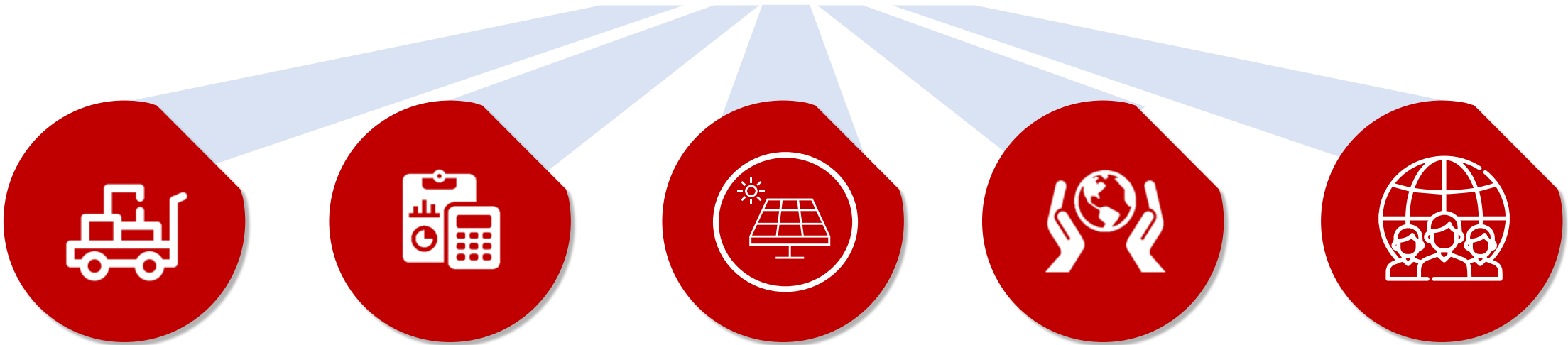
Net Zero Roadmap Launching

- Establishment of ESG Roadmap in October 2022 will guide GRP in developing its business strategy.
- Launched their Net Zero Roadmap, GRP aims to emphasize its decarbonisation initiatives and strategy by reducing the energy usage and emissions – to achieve carbon neutrality by 2050



GRP aim deliver GRP's commitment to driving profitability whilst generating positive impact to our people and planet.

## GRP's Sustainability Framework



### RESPONSIBLE PROCUREMENT

The commitment to ensure environmental and social objectives are met throughout the value chain.

### ENVIRONMENTAL AND SOCIAL COMPLIANCE

To comply with regulatory requirements and manage social and environment-related topics guided by global standards

### ENERGY TRANSITION AND LOW-CARBON SOLUTIONS

GRP's strategies to respond to and manage climate-related risks and opportunities throughout the value chain.

### CONTRIBUTING TO RESPONSIBLE ENVIRONMENTAL MANAGEMENT

Managing environmental impacts of GRP's operations with transparency and accountability.

### NURTURING TALENT

GRP's commitment in providing training and investing in our talent to develop human capital to achieve GRP's vision and mission



# Net Zero Strategy

## Pillar 1



**Fuel  
switching**

## Pillar 2



**Production  
improvements and  
resource efficiency  
improvements**

## Pillar 3



**Green power  
sourcing**

## Pillar 4



**Offsetting carbon  
through project  
investment or  
credits purchasing**

## Pillar 5



**Collaboration  
and Partnership**

## Key Activities

# GRP Inaugurates One of West Java's Largest Rooftop Solar Power Plant with Total Capacity of 9.3 MWp



- The Rooftop Solar Power Plant installation confirms GRP's dedication to its disclosed Net Zero Strategy.
- The total installed electrical capacity from solar energy in GRP will reach **9.3 MWp** (Megawatt Peak), making it one of the largest Rooftop Solar Power Plants in West Java.
- **Phase 1 concluded in 2022 has a capacity of 0.9 MWp**, while **phase 2 completion in December 2023 has a capacity of 8.4 MWp**. GRP targets an installed Rooftop Solar Power Plant total capacity of 33 MWp, planned to be completed by 2025, with an expected reduction in carbon emissions of around 47,400 tons of CO<sup>2</sup> per year.

## Key Activities

# Indonesian, Australian firms team up on zero-emission steel



- PT Gunung Raja Paksi Tbk (GRP) is working towards a greener and more inclusive future, with a plan to reduce carbon emissions from the steel industry by replacing natural gas with **green hydrogen** produced on site using Australian technology.
- The Technical Feasibility Study was foreshadowed in GRP and Fortescue's memorandum of understanding signed at the B20 summit in Bali in November 2022. Under the MOU, the two parties agreed to investigate how green hydrogen and green ammonia supplied by Fortescue could be used to help decarbonize GRP's steelmaking factories.
- The MOU and Technical Feasibility Study could aid GRP's ambition to achieve full operational carbon emission reduction in its existing processing plant by 2030 and carbon neutrality by 2050.



## Key Activities

### Gunung Raja Paksi (GRP) champions sustainability initiatives in Southeast Asia with USD 32 million Sustainability-Linked Loan from BNI



- December 18, 2022, GRP has achieved a milestone as the first steel company in Indonesia to obtain a **Sustainability Linked Loan (SLL)** facility through **Bank Negara Indonesia** worth 500 billion rupiahs.
- In the second year of being assessed, we have made significant progress and shown movement in our scores. This indicates that we have made improvements and are moving in the right direction.

# Key Activities

## GRP achieves Gold designation for Green Label Indonesia certification



- GRP officially achieved the **Green Label Indonesia certificate** from the Green Product Council Indonesia (GPCI) in January 2024.
- The comprehensive assessment from production process to finished products includes **10 flagship steel products** such as hot rolled plate, hot rolled coil, coil plate, cold rolled coil, steel pipe galvanize, carbon steel pipe, carbon steel square pipe, H-Beam, WF-Beam, and U-Channel.
- GRP was able to obtain a score 95%, thus qualifying for **the GOLD designation**. As a Type I ecolabel following the ISO 12024-based development process, this in line with SDG goal no.12 on responsible production and consumption.

# Internationally recognized certificate showing our carbon footprint



Year		EPD Publication		
2022	EPD AS/NZS	 <p><b>Environmental Product Declaration</b> In accordance with ISO 14025 and EN 15804:2014+A2:2019 for <b>STRUCTURAL STEEL WELDED I-SECTION</b> (Meeting: AS/NZS 3679.2:2016)</p> <p>From <b>GRP</b> PT Gunung Raja Paksi Tbk</p> <p><b>Valid until:</b> February 22, 2027</p>	 <p><b>Environmental Product Declaration</b> In accordance with ISO 14025 and EN 15804:2014+A2:2019 for <b>HOT ROLLED SHEET COIL PLATE</b> (Meeting: AS/NZS 1594:2002)</p> <p>From <b>GRP</b> PT Gunung Raja Paksi Tbk</p> <p><b>Valid until:</b> February 22, 2027</p>	 <p><b>Environmental Product Declaration</b> In accordance with ISO 14025 and EN 15804:2014+A2:2019 for <b>HOT ROLLED PLATE</b> (Meeting AS/NZS 3678:2016)</p> <p>From <b>GRP</b> PT Gunung Raja Paksi Tbk</p> <p><b>Valid until:</b> February 22, 2027</p>
2023	EPD ASTM / ASME	 <p><b>Environmental Product Declaration</b> In accordance with ISO 14025:2008 and EN 15804:2014+A2:2019/AC:2017 for <b>Hot Rolled Coil &amp; Sheet</b> (Meeting ASTM/ASME Standard)</p> <p>From <b>GRP</b> PT Gunung Raja Paksi Tbk</p> <p><b>Valid until:</b> August 17, 2028</p>	 <p><b>Environmental Product Declaration</b> In accordance with ISO 14025:2008 and EN 15804:2014+A2:2019/AC:2017 for <b>Hot Rolled Structural Steel Shapes</b> (Meeting ASTM/ASME Standard)</p> <p>From <b>GRP</b> PT Gunung Raja Paksi Tbk</p> <p><b>Valid until:</b> August 17, 2028</p>	 <p><b>Environmental Product Declaration</b> In accordance with ISO 14025:2008 and EN 15804:2014+A2:2019/AC:2017 for <b>Hot Rolled Plate</b> (Meeting ASTM/ASME Standard)</p> <p>From <b>GRP</b> PT Gunung Raja Paksi Tbk</p> <p><b>Valid until:</b> August 16, 2028</p>



# Summaries & Key Takeaways

01

## Regulatory and policy uncertainty

Industry actors often face challenges in navigating complex and evolving regulatory frameworks related to decarbonization. Clear and consistent policies are needed to provide a stable and predictable environment for investment in low-carbon technologies.

02

## Access to finance

Decarbonization often requires significant upfront investments in new technologies and infrastructure. Industry actors need access to affordable financing options, as well as incentives and subsidies to support the transition to low-carbon operations.

03

## Technology and innovation

Many industries require access to new and advanced technologies to reduce their carbon footprint. Research and development support, as well as collaboration with technology providers, are essential to drive innovation in decarbonization.

**THANK  
YOU!**

To get more information, production range visit our website :  
[www.gunungrajapaksi.com](http://www.gunungrajapaksi.com)

