

PT PAN BROTHERS Tbk TOWARD NET ZERO WITH KADIN NET ZERO HUB

In Indonesia Net Zero Summit 2022:
Industrial Decarbonization at All Cost



Bali, 11 November 2022, PT Pan Brothers Tbk (the Company) signed the KADIN Net Zero Hub's Call to Action MoU which was held at the Indonesia Net Zero Summit 2022 at the Bali Nusa Dua Convention Center (BNDCC) 1, Bali.

The company participated in B2O Indonesia 2022 as a collaborator consisting of various series of events, one of which is the Indonesia Net Zero Summit 2022: Industrial Decarbonization at All Cost which was held by KADIN Net Zero Hub. Attended by more than 1,000 participants consisting of representatives from 30 countries and various industrial sectors. The event provided an opportunity for national and international companies to discuss challenges, opportunities, and developments in Indonesia's transition towards resilient country to the climate crisis in order to encourage Indonesia to achieve its net zero target.



The opening of the event was delivered out by Mrs. Shinta Widjaja Kamdani as Chairwoman B2O, Mr. Norimasa Shimomura as the Head of UNDP Representative, Mr. M. Arsjad Rasjid P.M. as Chairman of the Indonesian Chamber of Commerce and Industry, and followed by an explanation of the context of the issue by Mr. Bahliil Lahadalia as the Minister of Investment. The opening of the event ended with a Keynote Speech delivered by Mr. Luhut Binsar Pandjaitan as the Coordinating Minister for Maritime Affairs and

Investment. Indonesia Net Zero Summit 2022 also opened the discussion through five panel sessions which underlined the urgency to transition to a greener economy. The topics raised in the five panels



are Value Chain Decarbonization, Call for Ambitions: Hard to Abate Industries, Decarbonizing Power Grid, Corporate Climate Governance, and Engagement Through the Financial Sector.

The Indonesian Chamber of Commerce and Industry (KADIN) conveyed the industry's dilemma and the urgency to transition to a low-carbon economy, which underlies the formation of KADIN Net Zero Hub after last year's COP26. Through KADIN Net Zero Hub, KADIN Indonesia has succeeded in partnering with more than 50 national companies in the transition towards net zero. However, UNDP also

emphasized that the process of changing Indonesia towards a national net zero target will be a road full of challenges, so that support and cooperation from all parties to build a supportive ecosystem and ensure a fair and sustainable energy transition will be very much needed. From the government side, Minister of Investment Mr. Bahlil Lahadalia conveyed the huge potential of Indonesia's natural resources to support the transition to new and renewable energy. Continuing with that statement, Mr. Luhut B. Pandjaitan as the coordinating minister



for Maritime Affairs and Investment, also explained Indonesia's awareness of the impact of the climate crisis and the urgency of policies for climate change that can encourage real climate action. Thus, policies designed by the Indonesian government will not harm the future of the next generation.

As an industry player, the Company is also aware of the urgency of reducing emissions and taking the initiative to support the government to decarbonize and become a pioneer in the textile and garment industry in line with the sustainability initiatives carried out by the Company since 2019. Based on the awareness, the Company, represented by Ms. Anne Patricia Sutanto as The Vice CEO of the Company has signed an MoU with KADIN Net Zero Hub in the Call of Actions session at the Indonesia Net Zero Summit 2022. This MoU was signed as a commitment in line with the Company's real work towards net zero. Currently, the Company has a strategy for the realization of the Company's net zero which is contained in the following pathways:

1. Issuance of the Company's carbon emission baseline in January 2023, in partnership with NZH/CDP/SBTi (scope 1&2), followed by target setting.
2. Solar panel initiatives in early 2021 have resulted in 15-18% new energy use in 3 factories (1.8 MW in total) and we are in the process of installing an additional 1.2 MW in 3 locations this year as the second batch. The 3rd batch will be implemented in 2023.
3. Procurement of a survey in January 2023 to the Company's supply chain to encourage emission measurement to identify the Company's value chain reduction plans towards a Net Zero journey. (Scope 3)
4. Modernizing fossil-fueled transportation into electronic vehicles (EV) and motorbikes (EM). Replacing light bulbs with LEDs and placing sensors as energy efficiency.



5. Changing boilers from fossil fuels to non-fossil fuels.

These five pathways are expected to provide significant change in value to the Company's progressive involvement towards a low carbon future.



In addition, the Company is also involved in the 1,000,000 Electric Motorbikes program in 2023 Association of Indonesian Retailers & Shopping Center Tenants (HIPPINDO) with Marco Green Solutions together with various parties, such as financing, motor manufacturers, suppliers, retailers, the government, and other parties. The company signed an MoU on the cooperation of 3,000 electric motorbikes in the side event B20 of Kadin Net Zero Summit 2022. The MoU is a continuation of the test

drive event that was held at PT Pancaprima Eka Brothers last September. The company hopes that this MoU able to accelerate the transition of oil-fueled vehicles to electric-fueled vehicles by becoming a pioneer of sustainability for the surrounding environment by paying attention to the 3 basic foundations, People, Planet, Profit.



With this step, the Company is Ready for 2024 Carbon Credits & 2025 Carbon Tax.

Together Indonesia Can!

