

Carbon Neutral for Provision The Future Environment & Business

Climate change is becoming a high-profile topic around the world. It is a Pandora's box that has unleashed complex consequences that are difficult for humanity to assess accurately. The many extreme weather events and catastrophes over this past year were warnings of the serious situation we face and a stern reminder that we need to act faster. Moreover, global institutions and almost all business sectors will have aim and movement into new regulations such as Carbon Tax and businesses priority to green economics such as CBAM (Carbon Border Adjustment Mechanism). Finally we will have common understanding and direction to mitigate the climate change problems by Carbon Neutrality Activities.

Our Goals and Commitment

In alignment with global issues handling, Denso Indonesia pledge the strategic commitment for carbon neutrality, that we hope to realize carbon neutrality for Denso's own operations before 2035. In collaboration with our customers, partners and consumers up and down our ecosystem's value chain, we aim to reduce carbon intensity by 30% at 2030, using 2019 levels as a baseline. Moreover, as an infrastructure provider for a green economy, Denso Indonesia will take the lead and aim to achieve Scope 3 carbon neutrality by 2050.

Denso Indonesia aims to realise carbon neutrality by promoting ESA (Energy Saving Activities) and RE (Renewable Energy) by thorough internal effort from associates to top management and win-win collaboration with external parties starting from expertise (private and academic) until government. As more ambition target, Denso Indonesia pursue its efforts to become role model of decarbonization company in Denso Group and also within Indonesia automotive industry.

What We Do Within Our Company

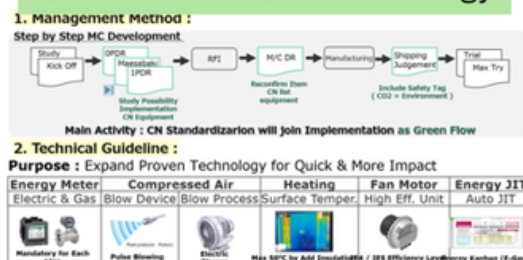
Denso Indonesia intends to accomplish internal emission reduction goals alongside millions of other companies by empowering our man power and technological business model innovations. We strive to make it progressively convenient to conduct thoroughly by three main priority pillar respectively :

- **1st Priority – ESA (Energy Saving Activity)**, Starting develop energy skill as the fundamental resources for each manufacturing and non-manufacturing members for wide involvement which called Energy Man. These Energy Man, currently total 49 Man Power, become spearhead of the ESA implementation and culture carrier for sustainability purpose. Furthermore, Energy Man become the pioneer personnel to initiate, create, and expand ESA standardization in terms of low energy equipment and low energy process either in development stage and existing operational process.

Energy Man Program



ESA Standardization Strategy



• **2nd Priority - RE (Renewable Energy)** mostly prioritize on Roof Top Solar PV by utilizing Power Purchase Agreements with No Investment. Persuasive and Progressive approach to stakeholder lead Denso Indonesia to become the biggest Solar PV in electricity provider business area at 4.9 MWPeak.



DNIA Bekasi Plant
3.6 MWPeak



DNIA Fajar Plant
1.3 MWPeak

This is one of the total strategy for green energy ecosystem development initiated by Denso Indonesia to other group companies



- **3rd Priority - RE Certificate**, is currently inevitable as the globally standard offsetting effort evidence to achieve Carbon Neutral with certificate. Denso Indonesia initiate strategy for low-cost price by bargaining power for ASIA volume power purchase which able to reduce certificate cost up to 50%. Next, Denso Indonesia will strengthen even more for ESA and RE to aim Zero RE Certificate before 2035.



Working with External Partners

Achieving sustainable ESA and RE for low-carbon manufacturing must rely on wide-spread adoption of three source of best practices which are:

- **Private Expertise** of reliance on GHG Management development for Net Zero Emission Road Map according to SBTi standard and new technology adoption provided by technology provider such as BESS (Battery Energy Storage System) and Solar PV Tracking (follow sun direction)



- **Academic Institution** which focus on competitive energy saving equipment development and in-house system digitalization for GHG management practices. One of the goal is to disseminate and accelerate research related-to-energy culture between industry and academic.



- **Government support**, form collaboration model in which regulator and private buyer perform end-to-end technically and financially feasible project that will address and handle the difficulties faced by private buyer during plan and implement. Denso Indonesia become one of funded company for investment-grade audit and RnD testing company for New Energy Development (Renewable Diesel and Energy Standardized Label)

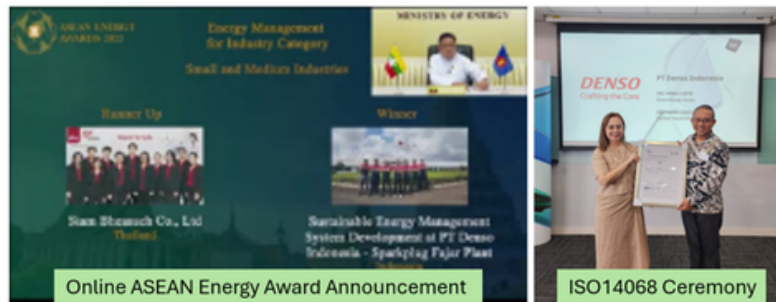


Denso Indonesia are convinced that collaboration will provide a great opportunity for enabling the transformation to a sustainable and "win-win" Carbon Neutrality achievement

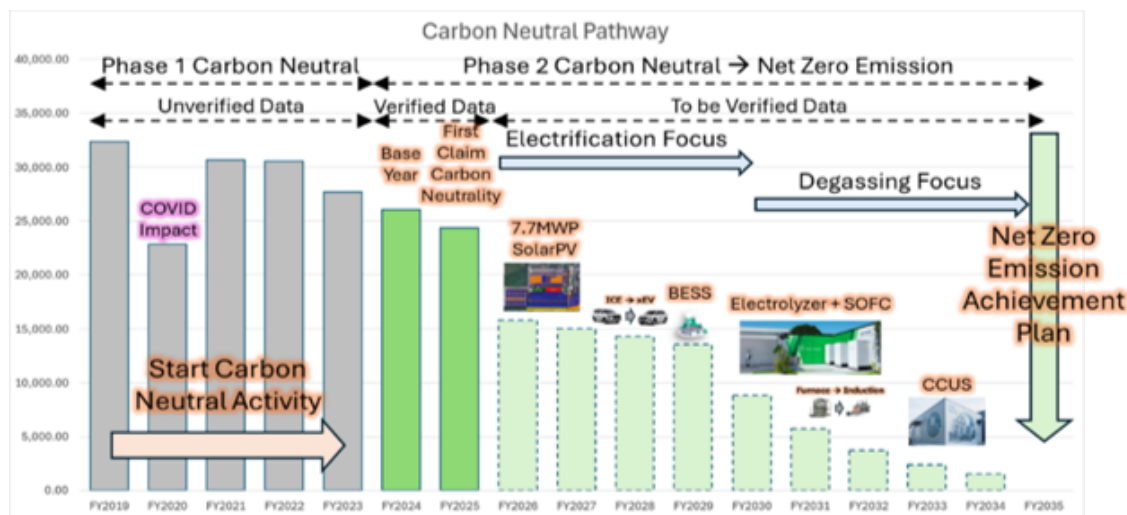
Our Achievements and Next Steps

After all of the efforts made starting base year at 2019, Denso Indonesia successfully implement energy management system program that has been recognized with two National Energy Efficiency Awards and two ASEAN Energy Awards which engages all management, operational, and relevant external stakeholders in accordance with ISO 50001 principles.

Furthermore, Denso Indonesia successfully achieved an energy reduction of 91,184 GJoules, resulting in cost savings of USD 1.77 Million and reduction of emissions to zero tonCO₂eq to achieve Carbon Neutrality. This achievement has been officially verified through ISO 14068 certification, establishing Denso Indonesia as the pioneer and the first automotive company in Indonesia to be certified as a Verified Carbon Neutral Company. Beside become role model of environmental-friendly company, Denso Indonesia also have zero risk of green-business regulation such as Carbon Tax and CBAM



As the commitment, Carbon Neutral pathway established and verified under ISO14068 standards for continues GHG management system review every year



The aforementioned success demonstrates that Denso Indonesia is one of the foremost companies as an Advance Green Company in supporting Denso Global and Indonesia to achieve Net Zero Emission (NZE) by 2035 and 2050 respectively.

More information about commitment to sustainability is available online at:

www.denso.com/id/id/

ENDS

For more information, interviews or images please contact:

Corporate Communication

email: corcomm.a8e@ap.denso.com

Marketing Communication

email: marcomm.a9n@ap.denso.com