

INDOCEMENT SIGNS MEMORANDUM OF UNDERSTANDING WITH KRAKATAU POSCO TO STRENGTHEN THE SUPPLY OF ENVIRONMENTALLY FRIENDLY CEMENT

PT Indocement Tungal Prakarsa Tbk. (Indocement) signed a Memorandum of Understanding (MoU) with KRAKATAU POSCO regarding Strategic Cooperation in the utilization of steel by-products, namely granulated blast furnace slag (GBFS), steel slag, sludge, and dust, as alternative raw materials for environmentally friendly cement on 11 September 2023 in Jakarta. The MoU was signed by Indocement President Director Christian Kartawijaya and KRAKATAU POSCO President Director Kim Kwang Moo.

The signing of this MoU is a continuation of the strategic cooperation previously established between the two parties to conduct a broader study on the utilization of steel by-products as alternative raw materials for environmentally friendly cement in order to meet market demand and support efforts to reduce carbon emissions from the construction sector.

Indocement is a company that places great importance on emissions generated from its business operations and consistently implements environmental, social, and governance (ESG) principles and values. “Our company also continues to strive to realize Indocement’s new purpose, Materials to Build Our Future, which reflects our commitment to providing future solutions by producing and supplying environmentally friendly and sustainable building materials through the use of alternative fuels and raw materials, energy-efficiency measures and initiatives, as well as other sustainable practices. Indocement seeks to reduce its environmental impact while paving the way for a greener and more sustainable future,” said Indocement President Director Christian Kartawijaya.

Meanwhile, KRAKATAU POSCO President Director Kim Kwang-Moo stated that the company will continue to collaborate with cement companies in Indonesia to utilize environmentally friendly steel by-products as multipurpose materials as part of its contribution to Indonesia’s development and environmental preservation. “Around the world, steel by-products are utilized as construction materials, such as cement raw materials and aggregates. However, Indonesia is still at an early stage in implementing this practice, and therefore knowledge of recycling systems and market awareness still need to be further developed,” said Kim Kwang-Moo.

This cooperation is part of Indocement’s efforts to mitigate climate change. Previously, Indocement had already utilized various alternative fuels such as rice husks, oil sludge, municipal waste, used tires, sawdust, used packaging materials, and refuse-derived fuel

(RDF) to replace coal. Over the past five to six years, Indocement has invested more than Rp1 trillion in developing various facilities to consume alternative fuels and raw materials. These investments include the construction of feeding, shredding, and mixing facilities for refuse-derived fuel, as well as the company's most recent investment in a hot-disc facility.

About Indocement

Indocement is one of Indonesia's largest cement producers, manufacturing Tiga Roda Cement and Rajawali Cement. Currently, Indocement and its subsidiaries operate in several business segments, including the production and sale of cement (as its core business), ready-mix concrete, and the mining of aggregates and trass, employing approximately 3,400 people. Indocement has 13 plants with a total annual production capacity of 25.5 million tons of cement. Ten plants are located at the Citeureup Factory, Bogor, West Java; two plants at the Cirebon Factory, Cirebon, West Java; and one plant at the Tarjun Factory, Kotabaru, South Kalimantan. In 2022, Indocement signed an Asset Lease Agreement with PT Semen Bosowa Maros and PT Bosowa Corporindo. Heidelberg Materials has been the majority shareholder of Indocement since 2001.

About KRAKATAU POSCO

KRAKATAU POSCO is a steel manufacturing joint venture between POSCO (South Korea) and PT Krakatau Steel (Persero) Tbk., with a production capacity of three million tons per year. Its main products are steel slabs and steel plates. In 2022, KRAKATAU POSCO added a hot rolled coil (HRC) production facility with a capacity of 1.5 million tons per year. KRAKATAU POSCO has integrated upstream-to-downstream production facilities, ranging from iron making and steel making to rolling mills, occupying an area of 380 hectares in the Krakatau Industrial Estate, Cilegon, Banten. The company is currently in the exploratory stage of increasing its production capacity to six million tons per year.

Jakarta, 11 September 2023