

SUSTAINABILITY REPORT 2021



BUSINESS AND SUSTAINABLE FINANCE ACTION PLAN

PT TERREGRA ASIA ENERGY TBK
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APPROVAL SHEET

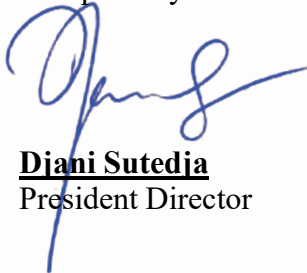
**IN ACCORDANCE WITH POJK NUMBER 51/POJK.03/2017 CHAPTER IV,
ARTICLE 4, PARAGRAPH 4**

ABOUT

IMPLEMENTATION OF SUSTAINABLE FINANCE
FOR FINANCIAL SERVICE INSTITUTIONS, ISSUERS AND PUBLIC COMPANIES

Jakarta, 30th June 2022

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TABLE OF CONTENTS

APPROVAL SHEET	2
TABLE OF CONTENTS	3
TABLE LIST AND DIAGRAM LIST	4
CHAPTER I	
EXECUTIVE SUMMARY	
1.1 Achievement of Business and Sustainable Finance Action Plan	5
1.2 Vision and Mission	8
1.3 Business and Sustainable Finance Action Plan Objectives	9
1.4 Programs and Target Implementation Time	9
1.5 Resource Allocation (Funds, People and Partners)	10
1.6 Person in Charge of Employees, Officials or Work Units	11
CHAPTER II	
THE PROCESS OF PREPARING A SUSTAINABLE FINANCE ACTION PLAN	
2.1 References Used	12
2.2 RABKB Preparation Process	12
2.3 Governance Structure Business and Sustainable Finance Action Plan	14
2.4 Business Balance Structure and Sustainable Finance Terregra	15
CHAPTER III	
DETERMINING FACTORS OF A SUSTAINABLE FINANCE ACTION PLAN	
3.1 Business Strategic Plan	17
3.2 Organizational Capacity	18
3.3 Financial Condition and Technical Capacity	19
3.4 Cooperation with External Parties	19
3.5 Communication Strategy	20
3.6 Monitoring, Evaluation and Mitigation System	20
3.7 Government Policy	20
CHAPTER IV	
PRORITAS AND DESCRIPTION OF THE SUSTAINABLE FINANCE ACTION PLAN	
4.1 Rationale	2
4.2 Business and Sustainable Finance Action Plan Activities	21
4.3 Resources	22
4.4 Program Implementation Evaluation System	
CHAPTER V	
FOLLOW-UP BUSINESS & SOUGHT ACTION PLAN & SUSTAINABLE FINANCE	
5.1 Person in Charge of Monitoring and Evaluation of Sustainable Financial Action	23
5.2 Timing to Measure the Realization of a Sustainable Financial Action Plan	23
5.3 Sustainable Finance Action Follow-up	23
5.4 Risk Mitigation	24

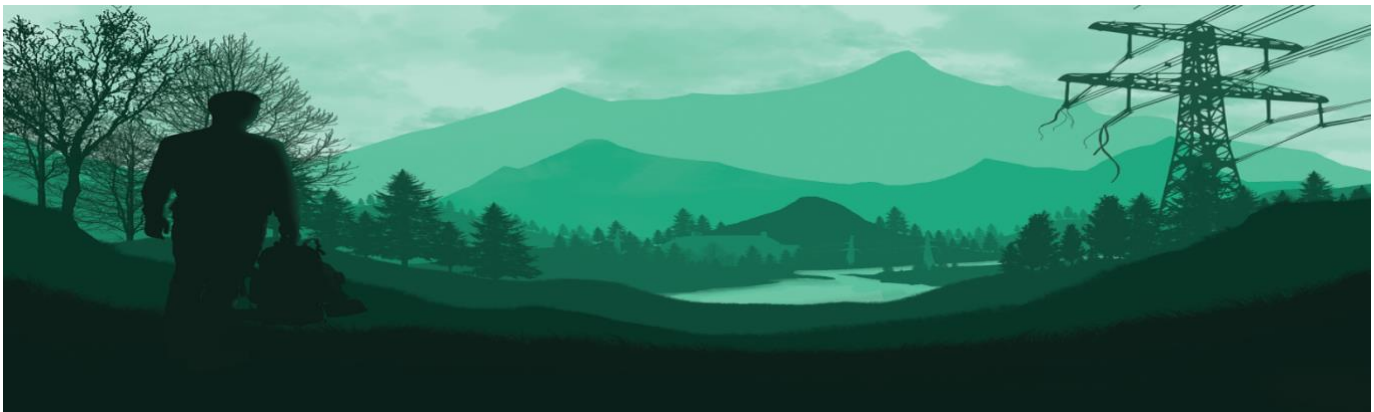
TABLE LIST AND DIAGRAM

TABLE LIST

Table 1. Person in Charge of Business and Sustainable Finance Action Program Implementation	11
Table 2. The process of preparing the RABKB	13
Table 3. Interaction and management of relationships with stakeholders	16
Table 4. Communication Strategies	20
Table 5. RABKB Terregra	22

DIAGRAM LIST

Diagram 1. Corporate Sustainability Program	8
Diagram 2. Governance Structure of RABKB	14
Diagram 3. Sustainable Business Balance Structure	15



I. EXECUTIVE SUMMARY

1.1 ACHIEVEMENT OF A SUSTAINABLE BUSINESS AND FINANCE ACTION PLAN

The Sustainable Business and Finance Action Plan (RABKB) is an industrial practice that prioritizes sustainable growth by aligning economic, social, and environmental aspects.

In the 2021 period, the sustainable business actions implemented by Terregra are only at the stage of implementing corporate social responsibility to the company's business environment, and have not covered a wider field in all of the company's business activities.

Achievements of Business Action and Sustainable Finance carried out by the company, among others:

1. Obtaining strategic partners who have a business vision by applying sustainable principles;
2. Providing financial donations for disaster victims experienced by communities in the environment of *hydropower* projects owned by the company in North Sumatra Province and Nanggroh Aceh Darussalam Province;
3. Providing socialization to the surrounding community about the importance and benefits of *hydropower* projects in their environment;
4. Donating to the grief disaster and health care costs for the communities surrounding the company's *hydropower* projects;
5. Together with the local government, develop environmental care programs and provide counseling to the surrounding community to protect the forest and river environment around the environment of the company's *hydropower* projects;
6. And other corporate social responsibility programs.

Therefore, in this Report, the company conveys a Sustainable Business Action Plan that will be implemented in 2022 in the future.

In implementing the RABKB, PT Terregra Asia Energi Tbk (Terregra) refers to Government Regulations, Financial Services Authority Regulations, Sustainable Assessment Protocols from the Company's Business Associations, and the underlying Sustainable Business Principles, namely:

1. The Financial Services Authority (OJK) issued a regulation on the application of sustainable finance in [POJK No.51/POJK.03/2017](#) concerning the Implementation of Sustainable Finance for Financial Services Institutions, Issuers and Public Companies.
2. OJK issued POJK No. 60/POJK.04/2017 concerning the Issuance and Requirements for Environmentally Sound Debt Securities (*Green Bond*);
3. Presidential Regulation of the Republic of Indonesia No. 59 of 2017 concerning the Implementation of the Achievement of sustainable development goals;
4. *Hydropower Sustainability Assessment Protocol* published by the International Hydropower Association (IHA), May 2020 Edition;
5. Business Principles and Sustainable Finance which are the Guidelines of PT Terregra Asia Energi Tbk (Terregra) in running its business.

This sustainable action is actually closely related to sustainable development, social responsibility and futures corporate planning. The company's business activities are seen as an important pillar in the context of sustainability, considering that the activities of its business activities have had a real impact on the quality of social life and environmental sustainability.

Terregra's sustainability strategy directs corporate social responsibility to pay more attention to efforts to create business values that coincide with efforts to address humanitarian and environmental social problems. Terregra's contribution to the sustainable development goals by minimizing negative impacts and maximizing positive impacts.

Terregra's implementation of the *Hydropower Sustainability Protocol* is a sustainability assessment framework for the development and operation of hydroelectric power plants. It allows the production of sustainability profiles for a project through performance appraisals in important sustainability topics. To reflect the different stages of hydropower development, the Protocol includes four sections, which have been designed for use as self-contained documents.

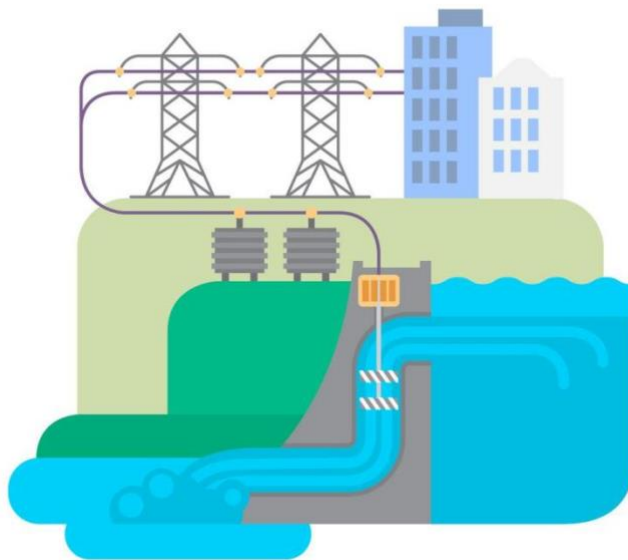


Illustration : hydro power plant vector-vecreezy.com

Through the evaluation of basic and advanced expectations, the first stage, is a tool to be able to be used in risk assessment and for dialogue before proceeding into detailed planning.

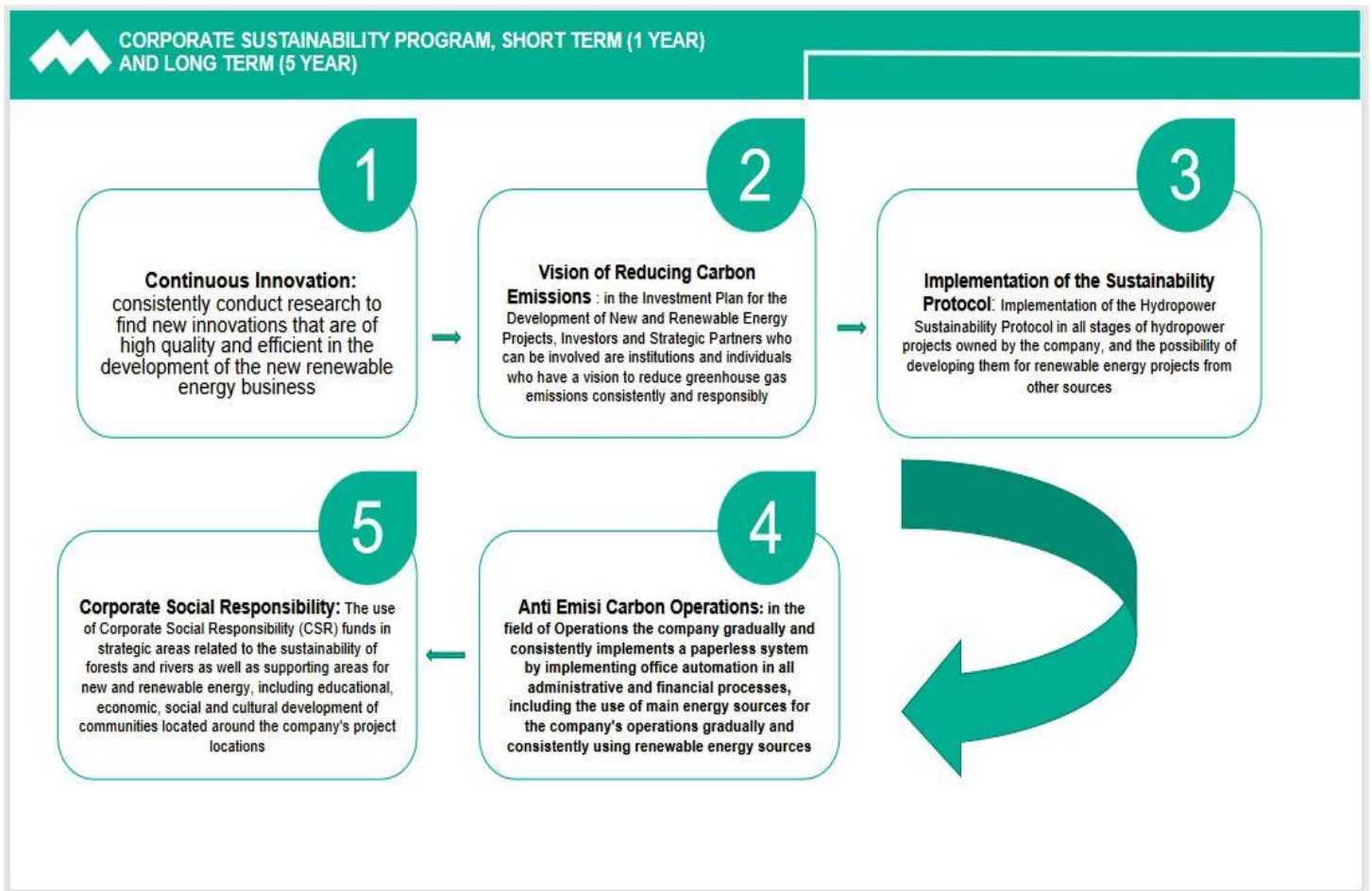
The other three documents, Preparation, Execution, and Operation, set out a spectrum of graded practices calibrated with statements of good foundational practices and proven best practices. The performance assessed in each sustainability topic also provides an opportunity to drive structured and sustainable improvement.

Terregra has designed a Corporate Sustainability Program, Short Term (1 year) and Long Term (5 Years), with 5 (five) Sustainable Business Principles which are outlined and described below :

1. **Principle-1: Sustainable Innovation**, the application of which is: consistently conducting research to find new innovations that are of high quality and efficient in the development of the new renewable energy business;
2. **Principle-2: Vision of Reducing Carbon Emissions**, its application is: in the Investment Plan for the Development of New and Renewable Energy Projects, *Investors* and *Strategic Partners* who can be involved are institutions and individuals who have a vision to reduce greenhouse gas emissions consistently and responsibly;
3. **Principle-3: Implementation of the Sustainability Protocol**, namely the Implementation of the *Hydropower Sustainability Protocol* in all stages of *hydropower* projects owned by the company, and the possibility of its development for renewable energy projects from other sources;
4. **Principle-4: Anti-Carbon Emission Operations**, the application is: in the field of operations the company gradually and consistently implements a *paperless system* by implementing *office automation* in the entire administration and financial process, including the use of the main energy source for the company's operations gradually and consistently using renewable energy sources;
5. **Principle-5: Corporate Social Responsibility**, its application is: The use of *Corporate Social Responsibility (CSR)* funds in strategic areas related to the sustainability of forests and rivers as well as areas supporting new and renewable energy, including the development of education, economy, social and cultural communities located around the company's project locations.



Diagram 1. Corporate Sustainability Program, Short Term (1 year) and Long Term (5 Years)



1. 2 VISION AND MISSION

VISION

"Becoming a Quality New renewable energy company in Indonesiaa"

MISSION

1. Develop and promote clean & renewable energy in Indonesia.
2. Provides electricity in remote areas across the country.
3. Reducing emissions and carbon footprint on earth.
4. Empowering & improving the quality of life of the surrounding community.

1.3 OBJECTIVES OF THE BUSINESS AND FINANCIAL ACTION PLAN SUSTAINABLE

Terregra as one of the issuers in the Indonesian Capital Market, seeks to realize POJK Regulation No.51 / POJK.03 / 2017 concerning the Implementation of Sustainable Finance for Financial Service Institutions, Issuers, and Public Companies; by implementing the Sustainable Business Action Plan (RABKB) in the company's business activities.

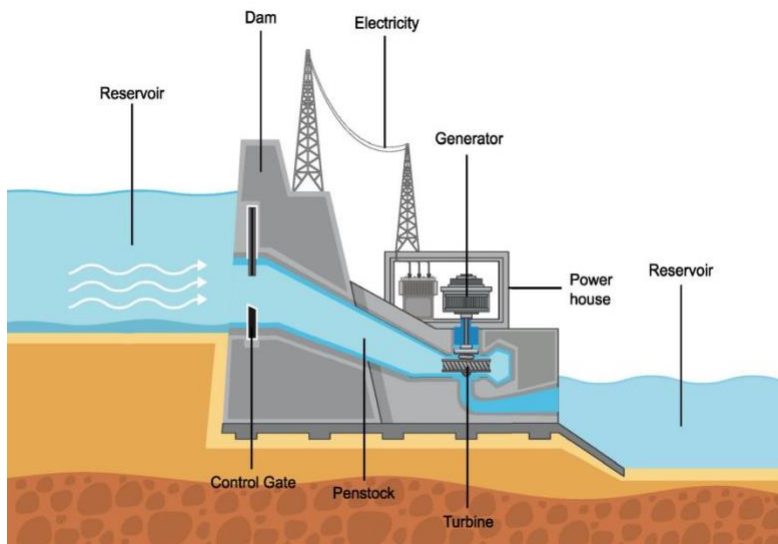


Illustration : Hydro powered electrical power plant-vecteezy.com

In addition to the business performance that has been comprehensively conveyed in the 2021 Annual Report, Terregra seeks to strengthen the company's business foundation which focuses on the development, construction and operation of power plants sourced from new and renewable energy; guided by corporate governance based on the principles of transparency, social responsibility and accountability as the core principles of sustainability.

1.4 PROGRAM AND TARGET IMPLEMENTATION TIME

Plan of Sustainable Business Activities in the Short Term (1 year) :

1. Prepare Work Guidelines based on Regulations, Guidelines and Practices of Business and Sustainable Finance, and implement them through internal training and socialization to all levels of the company, so as to become the *way of life* of all people in the company;
2. Organizational Restructuring of the company from the level of the Parent Company, subsidiaries, and Operations of power projects;
3. Recruitment and training of personnel to fill the various work units needed by the company;
4. Implement the *Sustainability Protocol for Hydropower* projects on all *hydropower* projects owned by the company;
5. Implementing Corporate Social Responsibility (CSR) Program Guidelines.

Long-Term Sustainable Business Activity Plan (5 years):

1. Develop and/or revise the Continuous Work Guidelines in accordance with the development of knowledge and the results of their application, so that they are of higher quality and adapted to the latest regulations, guidelines, and protocols;
2. Application of new innovations in the development and construction and operation of new renewable energy plants owned by the company, including the application of new technologies in the National Energy Conversion Program;
3. Carrying out Corporate Actions in the National and Global Capital Markets in accordance with the conditions that can be controlled by the company in the context of fertilizing funds, through the issuance of *Medium Term Notes (MTN)*, Green Bonds and Issuance of New Shares for the company and / or subsidiaries of the company as well as acquisition plans.

1.5 ALLOCATION OF RESOURCES (FUNDS, PEOPLE AND PARTNERS)

Terregra will allocate adequate funds for the plan, operation and monitoring of business action and sustainable finance programs implemented by the company, both at the parent and subsidiary levels as well as power plant project units owned by the company.

The allocation of human resources must be believed to meet the requirements of ethical quality and expertise as well as an adequate and efficient quantity, because it is supported by the application of a work culture that upholds the quality of integrity, service, expertise and cooperation between individuals in each work unit in the company. The quality of this work will be supported by a remuneration and promotion / award system as well as the application of engineering technology, information system technology, and visual technology and data base that continues to be developed according to the demands of the quality of work results. The policy in partnership is principled to an assessment protocol that is objective, fair and upholds the quality of services and goods as well as awareness of cost efficiency, provided by potential partners and partners, which are consistently assessed periodically.

In addition to the three resources above, Terregra applies the concept of partnership to communities in the company's business environment; through corporate social responsibility programs. In the fund allocation policy, the company allocated social responsibility funds of 1.5% of the company's net profit in the previous year. To achieve the above resource allocation policy, the company will restructure the organization by adding 6 (six) work units at the Main Office, including: Project and Environmental Risk Monitoring Group, Sustainability Program Group, Social Responsibility Program Group, Sustainable Investment Group, Partnership Relations Group, and Investor Relations Group. The scope of duties and responsibilities of these working groups covers all levels of the company, from holding companies, subsidiaries and generating projects.

1.6 EMPLOYEES, OFFICERS OR WORK UNITS WHO ARE RESPONSIBLE

The Sustainable Business Action Program, currently coordinated and managed by the *Corporate Secretary group is supported by Finance, Risk Management, Marcomm PR, HRD and Compliance.* After the completion of all sustainable business guidelines, it will be the responsibility of all work units of the company with the responsibility of planning and monitoring resting with the Sustainable Program Group.

Table 1. Person in Charge of Business & Sustainable Finance Action Program Implementation

NO.	OFFICIALS	DUTIES & AUTHORITIES
1	Management	<ul style="list-style-type: none"> a. Policy setting, management and monitoring as well as revising the policies of the Business & Sustainable Finance Action Program as a whole. b. Communicating the principles of Business & Sustainable Finance applied by the company to Shareholders, Business Relations, Government Authorities, and the public.
2	Board of Commissioners	<ul style="list-style-type: none"> a. Provide advice on the draft policy determination of the Board of Directors on Sustainable Business Action; b. Supervise the implementation of the Sustainable Business Action & Finance Guidelines that have been established by the Board of Directors; c. Provide suggestions for improvement to the Board of Directors on the results of the evaluation of the implementation of Sustainable Business Action.
3	Corporate Secretary/ Corporate Planning/ Compliance	<ul style="list-style-type: none"> a. Develop Business & Sustainable Finance Guidelines and their application in the company; b. Recommend the establishment of new work units to support the implementation of the Business and Sustainable Finance Guidelines; c. Communicating to all levels in the company about the implementation of the Business and Sustainable Finance Guidelines and the results of their monitoring and revisions to their implementation; d. Providing information to Shareholders, Capital Market and the public who are interested in the implementation of Business and Sustainable Finance implemented by the Company.
4	Finance	<ul style="list-style-type: none"> a. Allocate the sources of funds needed in the preparation of guidelines and the implementation of guidelines in accordance with the policies of the Board of Directors; b. Controlling the use of sources of funds so as to achieve a level of effectiveness and efficiency; c. Report on the use of funds.
5	Risk Management	<ul style="list-style-type: none"> a. Develop risk control guidelines for the implementation of sustainable business and financial action guidelines; b. Monitoring and reporting risks related to the implementation of sustainable business and financial actions. c. Provide risk mitigation recommendations from the implementation of sustainable business and financial actions to the Board of Directors and the Board of Commissioners.
6	HRD	<ul style="list-style-type: none"> a. Recruiting and training the company's personnel to understand the application of Business Action & Sustainable Finance b. Develop Employee Performance Appraisal Guidelines that support the achievement of the implementation of the Business & Sustainable Finance Action Guidelines; c. Assess employee performance in the implementation of Business Action & Sustainable Finance guidelines, in addition to other assessment parameters.
7	Other Workgroups	<ul style="list-style-type: none"> a. Implementing sustainable Business and Financial Action guidelines in all work activities and are work attitudes, communication and decision making in activities; b. Provide recommendations for improving the implementation of Business & Sustainable Finance Actions in accordance with the results of daily implementation.

II. THE PROCESS OF PREPARING SUSTAINABLE BUSINESS AND FINANCIAL ACTIONS

2.1. References Used

In accordance with POJK No. 51/POJK.03/2017 concerning the Implementation of Sustainable Finance for Financial Services Institutions, Issuers, and Public Companies listed in Article 4, the Sustainable Finance Action Plan must be prepared by the Board of Directors and approved by the Board of Commissioners.

2.2. RABKB Preparation Process

As stated in POJK No.51/POJK.03/2017 concerning the Implementation of Sustainable Finance for Financial Services Institutions, Issuers, and Public Companies, Terregra carried out the process of preparing the RABKB. The parties involved in the process of drafting the RABKB are as shown in **table 2**.

PARTNERSHIP

Terregra applies the concept of partnership also to communities in the company's business environment; through corporate social responsibility programs. In the fund allocation policy, the company allocated social responsibility funds of 1.5% of the company's net profit in the previous year.

ALLOCATION OF FUNDS

Terregra will allocate adequate funds for the plan, operation and monitoring of business action and sustainable finance programs implemented by the company, both at the parent and subsidiary levels as well as power plant project units owned by the company.

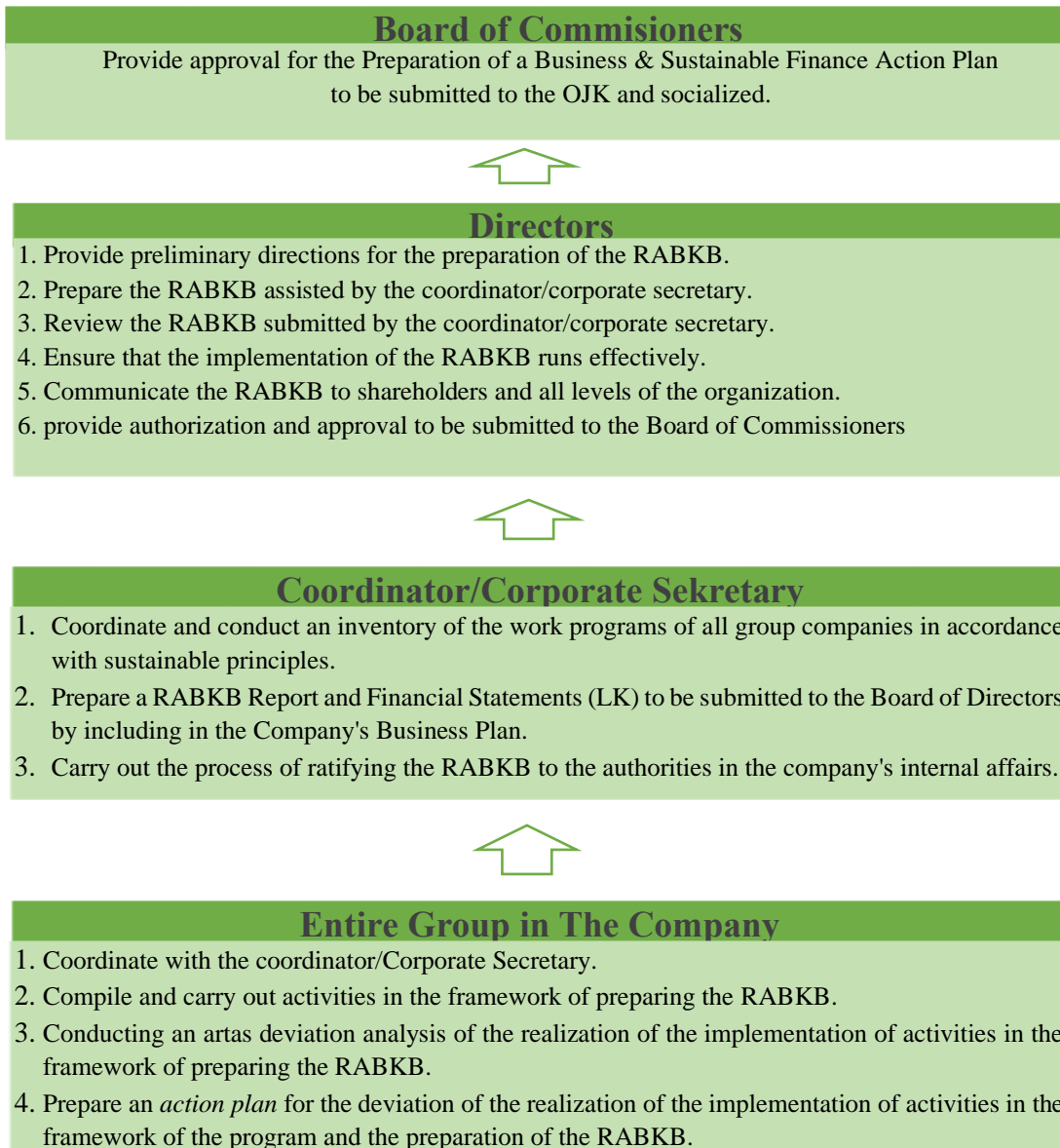
Table 2. The process of preparing the RABKB Terregra

No	Process of preparing the RABKB
1	Socialization of OJK Regulations and Government Regulations and Hydropower Sustainability Protocols
2	Formulation of Business Action Road Map & Sustainable Finance
3	Sustainable Business Action Priorities
4	Formulation of RABKB content format
5	Data collection to related work units and the company's business environment
6	Projected cost distribution to sustainable business units / MSMEs
7	Preparation of RABKB
8	Approval of the Board of Directors
9	Approval of the Board of Commissioners

2.3. GOVERNANCE STRUCTURE OF THE BUSINESS ACTION PLAN AND SUSTAINABLE FINANCE

With reference to POJK No. 51/POJK.03/2017 as mentioned above, the Governance Structure of RABKB Terregra is prepared as follows:

Diagram 2. Struktur Tata Kelola RABKB

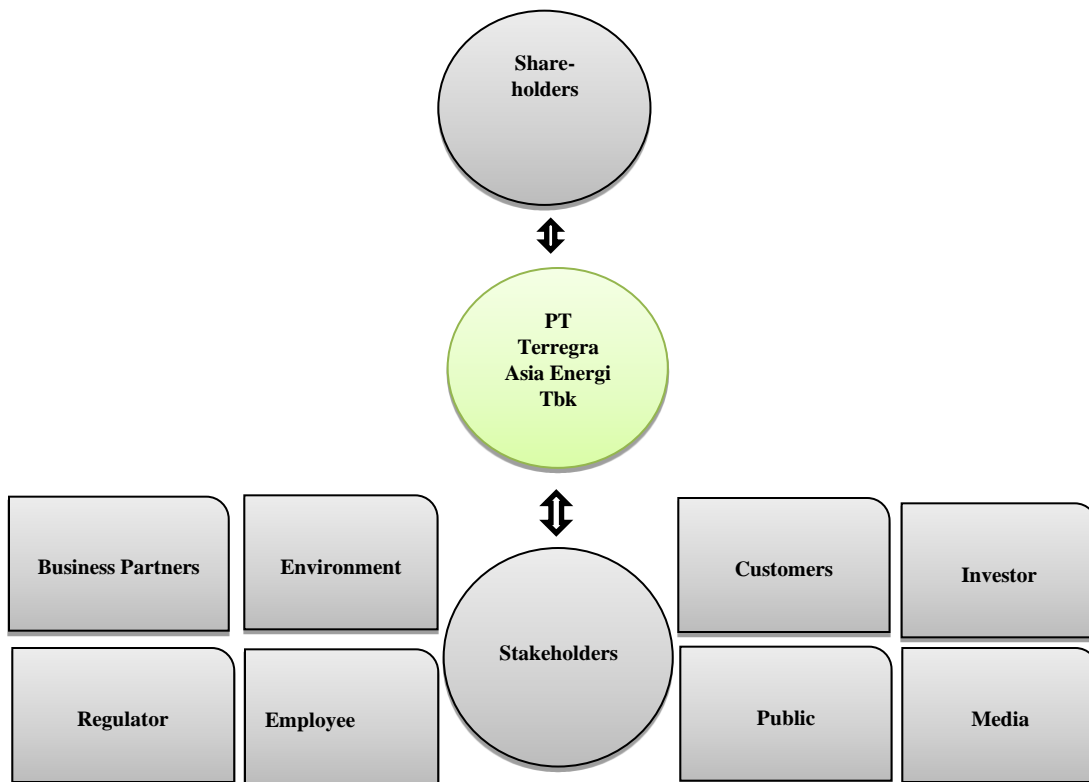


2.4. BUSINESS AND FINANCIAL BALANCE STRUCTURE SUSTAINABLE TERREGRA

Terregra understands that sustainable business & finance is also a requirement for companies to care more about the environment and incorporate the principles of sustainable development into business decisions.

Therefore, Terregra is committed to producing environmentally friendly products. Terregra stated that he will firmly continue to maintain environmental principles in the course and development of his business by always involving interested elements in the balance of the business. (Seen in diagram 2).

Diagram 3. Business Balance Structure & Sustainable Finance



The interaction and management of relationships with stakeholders carried out by Terregra is as table 3:

Table 3. Interaction and management of relationships with stakeholders

No	Stakeholders	Forms of Engagement	Influence/Impact of Company Activities
1	Shareholder	<ul style="list-style-type: none"> ● General Meeting of Shareholders ● Company Performance Report 	<ul style="list-style-type: none"> ● Increased business performance of the company. ● Increased corporate values. ● The company's support to the interests of shareholders
2	Employee	<ul style="list-style-type: none"> ● Joint Formulation of Company Regulations, ● Education and Training, ● Support for Health Facilities and Infrastructure ● Work Safety 	<ul style="list-style-type: none"> ● Guaranteed welfare of employees > their families. ● The working atmosphere is conducive, healthy and safe; ● Career paths and assessments are fair and transparent; ● Fulfillment of employee rights; ● Improving the effectiveness of management and employee relationships ● Providing guarantees of occupational health and safety.
3	Government/Regulator	<ul style="list-style-type: none"> ● The Company complies with all matters related to Government Regulations ● Corporate Health 	<p>The company's contribution to the economy to the Government:</p> <ul style="list-style-type: none"> ● Tax ● The company's support for regional development activities through the development of community involvement
4	Community and Environment	<p><i>Community Involvement & Development</i> activities, including;</p> <ul style="list-style-type: none"> ● Involvement of local communities around the project ● Sustainable environmental community development 	Improving the community's economy by empowering the community in a sustainable manner through various programs implemented by companies, both physical and non-physical
5	Customer	<ul style="list-style-type: none"> ● Customer Satisfaction Survey ● Other attachment programs 	<ul style="list-style-type: none"> ● Increased innovation to provide satisfaction to customers, ● Improved facilities for the company's products that can provide comfort and a better quality of life.
6	Partners	<ul style="list-style-type: none"> ● Contracts and Cooperation Agreements with business partners ● Operational Process 	<ul style="list-style-type: none"> ● A fair and transparent procurement/cooperation process meets the elements of GCG. ● An objective evaluation process of business partners. ● Harmonious relationships
7	Investors	<ul style="list-style-type: none"> ● Contracts and Cooperation Agreements with business partners ● Operational Process 	<ul style="list-style-type: none"> ● Putting Funds for Business Progress. ● Making Short-Term and Long-Term Investments.
8	Media	<ul style="list-style-type: none"> ● Press Release ● Disclosure of information 	<ul style="list-style-type: none"> ● Obtain and provide access to accurate and up-to-date general company information. ● Establishing good relations with electronic media (TV, Radio, Online or print (Newspapers, Magazines, Bulletins)

III. DETERMINING FACTORS OF A BUSINESS AND FINANCIAL ACTION PLAN

Based on the relationship with sustainable finance principles and the results of the analysis of strengths and weaknesses, the determining factors of the RABKB are as follows:

3.1. BUSINESS STRATEGY PLAN

2021 is a tough test not only for Terregra but also for the whole world due to the covid pandemic, which in consequence has changed many things. In the next one year, Terregra is trying to adapt to this pandemic situation and remain focused on living his vision and mission.

The strategic plans and steps that will be implemented by the company are related to Sustainable Business Action in 2022, namely:

1. Implementation of Business &swelling Finance Guidelines by implementing sustainable protocol standards related to the company's business focus and business environment

- a. Applying sustainable business principles to all activities of the company's business lines, namely: **Principle-1**: continuous innovation, **Principle-2**: vision of reducing carbon emissions, **Principle-3**: implementation of sustainable protocols, **Principle-4**: anti-carbon emission operations and **Principle-5**: corporate social responsibility.
- b. Adopting *the Hydropower Sustainability Protocol 2020* issued by the *International Hydropower Association (IHA)* in the life cycle of *hydropower plant* projects owned by the company. This is important considering that these projects are only in the *early stages* in the protocol structure stage, so that from an early age, sustainable protocols can already be used in assessments at an early stage, and will strengthen the assessment and preparation process in later stages;
- c. Improvements to the company's sustainability action implementation strategy which will be expanded in all lines of the company's activities;
- d. Socialization within the company for the implementation of sustainable business &financial actions in all lines of the company's organization to plant operations.

2. Organizational Restructuring That Supports the Implementation of Business &sustainable Financial Actions

Complementing the company's work units to support the implementation of Sustainable Business Action in stages starting in 2022, namely:

- a. Project and Environmental Risk Monitoring Group, Sustainability Program Group, Social Responsibility Program Group, Sustainable Investment Group, Partnership Relations Group, and Investor Relations Group;
- b. Recruitment and training of personnel to fill new work units at the Parent and Subsidiary levels.

3. Implementing Corporate Social Responsibility (CSR) Program Guidelines

Revise to improve the Guidelines for the Implementation of Corporate Social Responsibility Programs and coordinate with local governments at the plant site and surrounding communities.

4. Develop Guidelines for Indigenous Engagement Programs at Power Plant Sites

The International Hydropower Association (IHA) Limited, London; has published *Guidelines* entitled *Hydropower and Indigenous People* in 2021, which will be used as a guide for the implementation of indigenous engagement around hydropower plant areas. These guidelines are based on international business practices related to *hydropower sustainability tools*. With the implementation of this guideline, it is hoped that the involvement of indigenous people around the *hydropower plant* area is effective and has a positive impact on the indigenous population and the *hydropower plant* itself.

5. Preparing a Fund Fertilization Program through Corporate Action in the Capital Market

To support the Sustainable Business Action plan, especially to finance the company's *hydropower plant* projects, the company plans a corporate action in the Indonesian Capital Market in the form of issuing *MTN, Green Bond, or right issue*, which will be implemented in stages in the next one to five years.



Illustration : Hydro electric power station-vecteezy.com

3.2. ORGANIZATIONAL CAPACITY

To increase organizational capacity, in the company's strategic plan as presented above, namely restructuring the organization by adding 6 groups of work units to support the implementation of the company's Business & Sustainable Finance Actions, both short and long term.

3.3. FINANCIAL CONDITION AND TECHNICAL CAPACITY

With Terregra's Equity Position until December 31, 2021 of IDR 365.51 billion, compared to the estimated investment amount that can reach IDR 12.5 trillion, it requires the company's management to take corporate action in the capital market through the issuance of new shares through a right issue that has been prepared, as well as the mix of issuance of debt securities instruments to support the creation of a solid and efficient sustainable financial structure.

The company's current equity amount has actually met the capital requirements for the company in accordance with the Financial Services Authority Regulation Number 51 / POJK.03 / 2017 concerning the Implementation of Sustainable Finance for Financial Services Institutions, Issuers, and Public Companies; but in accordance with investment needs, management must continue to strive to strengthen the equity structure and sustainable financing fund structure for the company.

The technical capacity owned by the company is supported by the technical capacity owned by the company's founders, the Board of Commissioners, and the Board of Directors as well as experts owned by the company with ten to thirty years of experience in the power generation industry, both at the national and global levels.

To strengthen the technical capacity of the personnel, management also plans to recruit experts in the expertise of implementing sustainability programs at the business as well as social and environmental levels.

3.4. COOPERATION WITH EXTERNAL PARTIES

1. Terregra collaborates with other companies, both state-owned enterprises and companies from within and from abroad.
2. The company's management policy in cooperation with external parties will only accept investments in business segments that support the use of *renewable energy*.
3. Investors who will be used as partners are only investors whose business focus is the same as corporations, namely in the *renewable energy* segment.
4. The Company cooperates with other companies that are not related to the fossil industry, except in the context of converting fossil energy to new and renewable energy, and/or companies that have programs and operations that use new and renewable energy sources.
5. The Company will not cooperate with external parties that have the potential to damage the environment.
6. The Company collaborates with local governments where the location of the company's power plants is in various sustainable programs.
7. The Company collaborates with indigenous groups, communities located around the location where the company's power plant is located.

3.5. COMMUNICATION STRATEGY

1. The use of online media (the company's website), public exposes, press releases, General Meeting of Shareholders, and various effective communication media channels are the choices for the company to convey the implementation of Business Action & Sustainable Finance;
2. Seminars, webinars, and meetings with interested parties are the choice of communication strategies that will be used by the company to communicate the business & sustainable finance programs implemented by the company.
3. Articles, brochures, and other offline media are also used by the company to communicate business action & sustainable finance programs.

Table. 4 Communication Strategies

NO.	STRATEGY 1	STRATEGY 2	STRATEGY 3
1	Company website	Seminar	Article
2	Public expose	Webinar	Brochure
3	Press Release (media online/offline)	Meetings with interested parties	Media offline/online
4	General Meeting of Shareholders	-	Electronic media (TV/Radio)
5	Various communication media channels are considered effective.	-	-

3.6. MONITORING, EVALUATION AND MITIGATION SYSTEMS

In order to monitor the implementation of business and sustainable finance action plan activities, Terregra has had a number of monitoring activities that are carried out periodically by involving all relevant parties. The results of the monitoring carried out will be an evaluation material for the implementation of the Business and Sustainable Finance Action Plan.

Mitigation of the implementation of the RABKB is carried out to avoid the possible risk of failure of business and sustainable financial action programs and to improve the next program.

3.7. GOVERNMENT POLICY

POJK Number 51 of 2017 was issued in order to carry out the mandate of the *Sustainable Finance Roadmap in Indonesia 2015-2019*. In essence, POJK regulates a number of issues related to the implementation of sustainable finance including sustainable principles, sustainable finance implementation, the application of sustainable finance, incentives, social and environmental responsibility.

IV. PRIORITIES AND DESCRIPTION OF THE BUSINESS AND FINANCIAL ACTION PLAN

4.1 THOUGHT POLICY

To ensure the *company's going-concern*, the implementation of the Business Action Plan and Sustainable Finance is a strategic program that has been proven by the international business practices of various corporations in the world that have carried out their business leadership relay in generations. This rationale is the foundation for the company to implement a sustainable business and financial action plan, and not just follow existing regulations.

The priorities of the Business and Sustainable Finance Action Plan are;

1. Improving the Guidelines for the implementation of the Business And Sustainable Finance Action Plan in accordance with regulations, guidelines and business practices in accordance with the challenges and opportunities faced and owned by the company;
2. Strengthens the company's organizational structure and personnel to carry out its Business and Sustainable Finance Action Plan;
3. Strengthening equity and financial structures through corporate actions in domestic capital markets and if possible globally to create a strong and efficient sustainable financial structure;
4. Create reliable monitoring and mitigation system to achieve the strategic goals of Business Action and Sustainable Finance.
5. Making the Business and Sustainable Finance Action Program a guide and *way-of-life* of all lines of the company's organization.

4.2. SUSTAINABLE ACTION PLAN ACTIVITIES

From the foregoing it can be submitted that the priorities of the Business and Sustainable Finance Action Plan focus on Terregra's mission, with a plan of activities as shown in table 5 on the next page.

Table 5. RABKB Terregra

No.	SHORT-TERM (Period Year 1-Year 2)	MEDIUM TERM (Period Year 3- Year 5)	LONG-TERM (Period Year 6- Year 10)
1	Obtain the right <i>Strategic Partner</i> to strengthen the Equity and Project Financing structure.	Issuing New Shares, <i>MTN, Green Bonds</i> in the Indonesian and/or Global Capital Markets in order to strengthen the capital structure and financing schemes for new and renewable energy projects in Indonesia.	Business Expansion <i>organically</i> and <i>non-organically</i> in order to increase the contribution of energy conversion in Indonesia.
2	Organizational Restructuring to support the implementation of the Business and Sustainable Finance Action Plan.	Improving the competence and quality of implementation of sustainable business and financial action programs on all lines of organization and projects.	Involving the active role of Local Government Organizations and Interested Community Organizations, indigenous peoples and those around the company's power plant project site.
3	Implementation of Continuous Guidelines and Protocols.	Involving community groups around the project in implementing sustainable guidelines and protocols implemented by the company.	Implementation of strategic programs for the surrounding community in the form of scholarships, training, provision of free electricity to households and community industries around the company's power plant site.

4.3 RESOURCES

Resources have been prepared by the company to implement a sustainable business and financial action program as presented in CHAPTER-I point (5) of this Report.

4.4 PROGRAM IMPLEMENTATION EVALUATION SYSTEM

Evaluation of the implementation of the Terregra RABKB program is carried out quarterly. The evaluation includes the successful implementation of sustainable business and financial programs and activities.

V. FOLLOW-UP BUSINESS AND FINANCIAL ACTION PLAN SUSTAINABLE

5.1 PERSON IN CHARGE OF MONITORING AND EVALUATION OF SUSTAINABLE FINANCIAL ACTION

Currently, the monitoring and evaluation of RABKB is carried out by the Corporate *Secretary* group which includes:

1. Compile and carry out activities in the framework of preparing the RABKB
2. Conducting *artas* deviation analysis of the realization of the implementation of activities in the framework of preparing the RABKB
3. Prepare an *action plan* for the deviation of the realization of the implementation of activities in the framework of the program and the preparation of the RABKB

The Corporate Secretary then coordinates and conducts an inventory of the work programs of all group companies in accordance with sustainable principles and prepares a RABKB Report to be submitted to the Board of Directors. The Board of Directors conducts a review submitted by the Corporate Secretary group, ensures that the implementation of RABKB runs effectively, and communicates the RABKB to shareholders and all levels of the organization.

5.2 TIMING TO MEASURE THE REALIZATION OF A SUSTAINABLE FINANCIAL ACTION PLAN

The results of the implementation of the RABKB are reported periodically (quarterly) to the Board of Directors and then reported to the regulator/OJK every year, in accordance with the provisions of POJK Number 51/POJK.03/2017 concerning the Implementation of Sustainable Finance for Financial Service Institutions, Issuers and Public Companies.

5.3 FOLLOW-UP ON SUSTAINABLE FINANCIAL ACTION

If the planned RABKB cannot be realized and has not been implemented according to the program and time limit that has been launched, the company will carry out various ways / follow-ups as follows up as follows:

1. Reviewing/reviewing the performance indicators used for the next years based on the realization of the RABKB program that has been implemented previously.
2. Revise the RABKB.

5.4 RISK MITIGATION

Risk mitigation of sustainable business and financial actions needs to be carried out if the RABKB cannot be implemented and does not run well or its achievements are not in accordance with the objectives, it will have an impact on the risks managed by the company. Hence Terregra will do:

1. Risk mapping of sustainable financial actions
2. Structuring the management of the RABKB program
3. Determining a risk management framework that is in the same direction as the level of risk
4. Improve coordination with all work units.