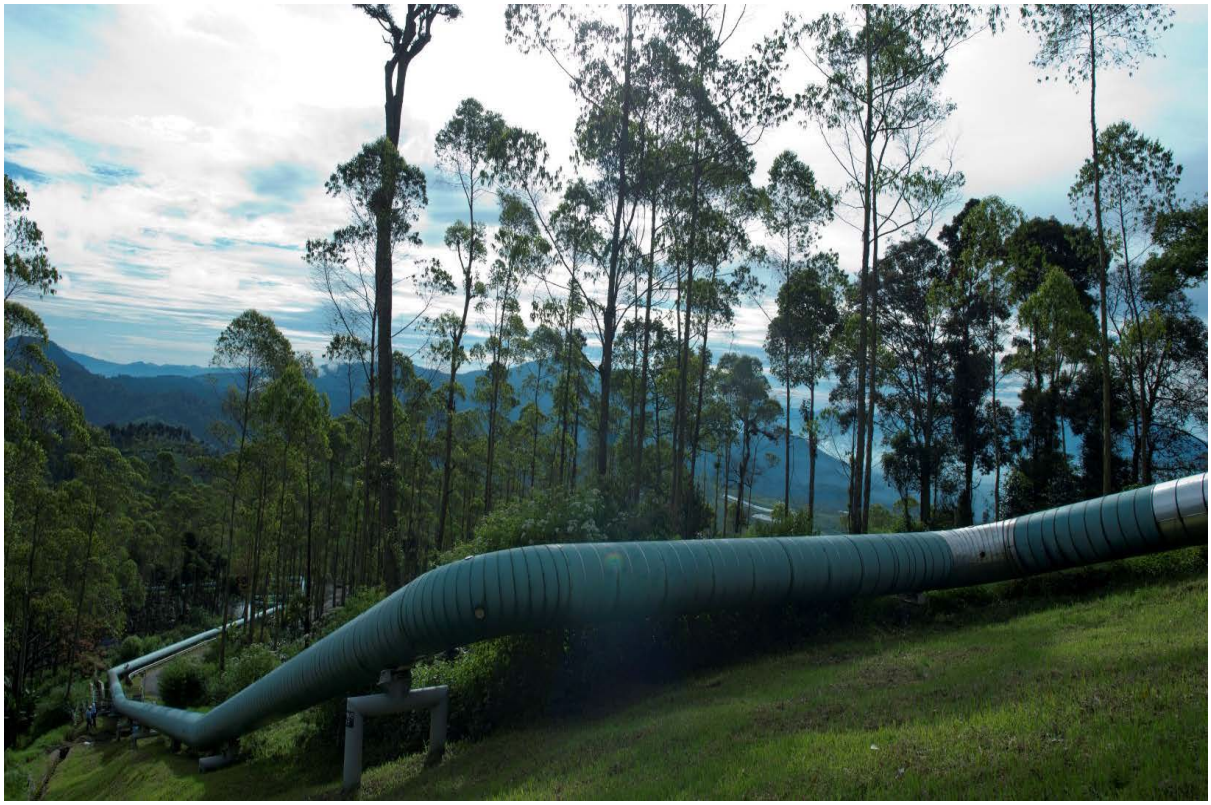
Star Energy Geothermal Salak, Ltd and Star Energy Geothermal Darajat II Limited

Annual Green Bond Report 2022



August 2022

Star Energy Geothermal Salak, Ltd and Star Energy Geothermal Darajat II Limited

a. Green Bond Framework Summary

Pillar	Framework
Use of Proceed	• Geothermal Energy • Other asset category that are complimentary to geothermal energy generation or are comparable environmental benefit
Project Evaluation and Selection	• Agreed with Use of Proceeds criteria • Financial Compliance and Treasury Department propose the Use of Proceeds • Environmental and Social Impact Committee validate and confirm the eligibility
Management of Proceeds	• Use of Proceeds tracked via Green Bond register
Reporting	• Salak and Darajat is committed to publish information in a dedicated Green Bond Report, which shall be made available, on the company's corporate website (www.starenergy.co.id) on an annual basis • The Green Bond Report will be written on the basis of the company's Green Bond Register and provide the following information: ✓ The total amount of outstanding Green Bonds ✓ Examples of Eligible Green Assets financed or refinanced subject to confidentiality arrangements ✓ Proportion of net proceeds allocated within each Eligible Green Asset category, as well as the balance of unallocated proceeds invested in liquid marketable instruments; and ✓ Proportion of net proceeds used for new financing versus refinancing

b. Excluded Use of Proceeds

1.	2.	3	4.	5.
Oil and gas power plant	Clean coal or any other fossil fuel-related technologies	Nuclear and nuclear related technologies	Large-scale hydropower plant	Infrastructure that facilitate no.1-4 forms of energy generation

c. Summary

Overall, the proceeds of 2020 Green Bond has been fully and entirely used for

i. the repayment of outstanding indebtedness under the Existing Senior Debt Facilities of Salak-Darajat Geothermal Assets;
ii. the payment of expenses to be incurred as a result of the repayment of the Existing Senior Debt Facilities of Salak-Darajat Geothermal Assets, including the termination fees related to the existing interest rate swaps and loan repayment fees;
iii. the funding of the Debt Service Reserve Accounts and Major Maintenance Reserve Accounts; and
iv. general corporate purposes relating to the Darajat and Salak Geothermal Operations (including, but not limited to, our working capital requirements, future investments in power plants and other equipment, and other distributions of available cash in accordance

Introduction

a. Issuer Overview

Star Energy Geothermal Salak Ltd ("Salak") and Star Energy Geothermal Darajat II Ltd ("Darajat"), both part of Star Energy Geothermal Pte Ltd (the "Group"), are leading geothermal energy producers in Indonesia.

Situated in Sukabumi, West Java province, Salak manages Indonesia's largest geothermal field and is capable of producing 381MW of electricity. Located in Garut, also in West Java province, Darajat supplies geothermal energy and has an installed capacity of 272.5MW. Both Salak and Darajat geothermal fields are among the largest geothermal fields globally

Salak and Darajat geothermal power plant helps to reduce Indonesia's overall carbon emissions. Indonesia's energy mix shows that the national electricity grid is still heavily reliant on carbon-intensive electricity.

Salak and Darajat is an active supporter of various programmes in the environmental sector, as well as of the economic development of the community in its operational area. The company was awarded and certified many times for its environmental management and community empowerment, nationally and internationally.

Throughout the year, Salak and Darajat attained awards and certifications include among others:

- **Salak PROPER Green** Award from the Indonesian Ministry of Environment and Forestry. PROPER's rating presents the Company's performance on how companies manage environmental and social aspects. PROPER inauguration was held on 28 December 2021 for period 2020-2021.
- **Darajat PROPER Green** Award from the Indonesian Ministry of Environment and Forestry. PROPER's rating presents the Company's performance on how companies manage environmental and social aspects. PROPER inauguration was held on 28 December 2021 for period 2020-2021.
- **P2 Covid-19 award** from The Indonesia Ministry Of Employment for Salak was received on April 2021.
- **P2 Covid-19 award** from The Indonesia Ministry Of Employment for Darajat was received on April 2021.
- **P2HIV AIDS** award from The Indonesia Ministry of Employment for Salak was received on April 2021.
- **P2HIV AIDS** award from The Indonesia Ministry of Employment for Darajat was received on April 2021.
- **Zero Accident** Award from The Indonesia Ministry of Employment for Darajat was received on April 2021.
- **Darajat SMK3 (PP 50/2012) OHS Management System certification** from Sucofindo was held on 21 - 23 July 2021.
- **Salak SMK3 (PP 50/2012) OHS Management System certification** from Sucofindo was held on 29-30 November 2021.
- Continue Implementation of **Integrated Geothermal Operations Management System (IGOMS)** and Certification of ISO 14001:2015 Environmental Management System and ISO 45001:2018 OHS Management System.

b. Indonesian / Regional Energy Outlook

Proceeds of Bonds issued in accordance with the Framework will only be used in connection with assets with emissions of less than 100gCO2/kWh and 35 mgH2S/Nm3 estimated carbon intensity. This

compares favorably to the local grid (Jamali) average emission factor for electricity of over 870g CO2 per kWh in 2019

Furthermore, as geothermal projects can have different negative environmental impacts, Salak and Darajat established a variety of programmes to demonstrate its high commitment to environmental protection. These programmes mainly cover the areas of water conservation, energy efficiency, waste reduction, and re-vegetation and help to eliminate or minimise unwanted side effects.

Indonesia's primary energy is dominated by coal energy. Referring to the Electricity Supply Business Plan (Rencana Usaha Penyediaan Tenaga Listrik 2021-2030 – the "2021-2030 RUPTL") shows the following national grid-mix breakdown in year 2020:

- Fossil fuels: 85.7%
- Hydroelectric: 6.6%
- Geothermal: 5.7%
- Other: 2.0%

c. Inaugural Green Bond Issuance

Issuance Details		
Issuer	Star Energy Geothermal Salak, Ltd and Star Energy Geothermal Darajat II Limited.	
Notional	US$320 million for 2029 Notes and US$790 million for 2038 Notes	
Issue Price	100% of the principal amount of the Notes.	
Issue Date	October 14, 2020	
Maturity Date	April 14, 2029 for 2029 Notes and October 14, 2038 for 2038 Notes	
Coupon	3.25% for 2029 Notes and 4.85% for 2038 Notes	
ISIN	**2029 Notes** Rule 144A Global Note: ISIN: US85513LAA26 Regulation S Global Note: ISIN: USG8438NAA57	**2038 Notes** Rule 144A Global Note: ISIN: US85513LAB09 Regulation S Global Note: ISIN: USG8438NAB31
Listing	SGX-ST	

The Green Bond Framework

a. Use of Proceeds

We applied the entire proceeds of US$1,110 million from the issues of the Notes towards the repayment of outstanding indebtedness under the Existing Senior Debt Facilities of Salak-Darajat Geothermal Assets, the payment of expenses to be incurred as a result of the repayment of the Existing Senior Debt Facilities of Salak-Darajat Geothermal Assets, including the termination fees related to the existing interest rate swaps and loan repayment fees, the funding of the Debt Service Reserve Accounts and Major Maintenance Reserve Accounts; and general corporate purposes relating to the Darajat and Salak Geothermal Operations (including, but not limited to, our working capital requirements, future investments in power plants and other equipment, and other distributions of available cash in accordance with our distribution policies)

b. Project evaluation and selection

Since the proceed of 2020 Green Bond has been fully and entirely used, there was no project evaluation and selection in 2021 whether the proceeds of bond issuance was used toward refinancing eligible green or renewable energy assets.

c. Management of Proceeds

We did not conduct monitoring whether the proceeds of bond issuance were used toward refinancing eligible green or renewable energy assets due to the proceed of 2020 Green Bond has been fully and entirely used.

As of 30 June 2022, the outstanding amount of Green Bond is US$ 1,092,998,400.

d. Reporting

The followings are Salak latest indicator of environment impact:

Indicator	Description
CBI category:	Geothermal
Location:	Indonesia
Facility capacity (MW)	381
Total gross production of clean energy (MWh 2021)	3,146,731
Total net production of clean energy (MWh 2021)	2,937,960
Facility CO2 emission (g/KWh)	84.24
National average CO2 emission (g/KWh) *	870[1]
Total CO2 emission avoided (TCO2)	= (total gross production)*(facility CO2e per unit production – national average CO2 emission per unit production) = - 2,472,560.84
Facility Average H2S emission (mg/Nm3)	1.76
Total H2S emission (TH2S)	8,680.49

The followings are Darajat latest indicator of environment impact:

Indicator	Description
CBI category:	Geothermal
Location:	Indonesia
Facility capacity (MW)	272.5
Total gross production of clean energy (MWh 2021)	2,206,963
Total net production of clean energy (MWh 2021)	2,117,299
Facility CO2 emission (g/KWh)	30.03
National average CO2 emission (g/KWh) *	870[1]
Total CO2 emission avoided (TCO2)	= (total gross production)*(facility CO2e per unit production – national average CO2 emission per unit production) = -1,853,783.81
Facility Average H2S emission (mg/Nm3)	0.89
Total H2S emission (TH2S)	3,575

[1] https://jcm.ekon.go.id/en/index.php/content/Mzg%253D/emission_factor