Presentation Book

Investor Relation Unit Republic of Indonesia

"Navigating Global Dynamics through Policy Synergy to Maintain Stability and Strengthen Economic Growth"

SEPTEMBER 2025

About Investor Relations Unit of the Republic of Indonesia

Investor Relations Unit (IRU) of the Republic of Indonesia has been established through a collaborative effort between the Coordinating Ministry of Economic Affairs, the Ministry of Finance and Bank Indonesia since 2005. The primary objective of IRU is to actively communicate Indonesian economic policies and to address the concerns of investors, particularly those in financial markets.

As an important part of its communication strategy, IRU maintains a website hosted under Bank Indonesia website, which is administered by the International Department of Bank Indonesia. However, day-to-day activities of IRU are supported by all relevant government agencies, among others: Bank Indonesia, Ministry of Finance, Coordinating Ministry for Economic Affairs, Ministry of Investment, Financial Services Authority, Ministry of State-Owned Enterprises, and The Committee for Acceleration of Priority Infrastructure Delivery.

IRU also actively engages with investors by organizing a monthly Investor Conference Call. Additionally, it promptly addresses inquiries through email and telephone channels. Furthermore, IRU may also facilitates direct visit of banks/financial institutions to Bank Indonesia and other relevant government offices. This multifaceted approach underscores the commitment of the IRU to foster transparent communication and address the needs of the investors.

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This Presentation Book is also available for download at: https://www.bi.go.id/en/iru/presentation/default.aspx

Green Policy

“Indonesia's Climate Resilience: Strong Commitment, Bright Future”

Executive Summary

Inclusive Growth, Sustainable Future: Indonesia's Commitment to Green and Sustainable Finance

Amid unprecedented global challenges, Indonesia remains resolute in its efforts to promote inclusive and resilient economic growth. Classical risks such as inflation, trade tensions, social unrest, and geopolitical conflicts persist, alongside emerging challenges such as high debt levels, sluggish growth, evolving technology, and urgent climate concerns, shaping an uncertain decade ahead. Indonesia pledges to expand and fortify initiatives for a sustainable, inclusive economy and to bolster financial frameworks supporting long-term economic health. The government will enhance policy coordination across sectors to foster a stable, inclusive, and environmentally conscious financial system. Addressing climate change and environmental preservation requires collaborative efforts, leveraging the potential of all stakeholders to maximize impact.

Indonesia Commitment Towards Climate Change Agenda

Paris Agreement and Enhanced Nationally Determined Contribution (NDC) 2030

Target:
31.89% with current financial capacity
43.2% with International Support

Mention on:
- First NDC (2016)
- Updated NDC (2021)
- Enhanced NDC (2022)

Emission Reduction Targets based on Sector according to NDC (M Ton CO2e)

Indonesia Emission Reduction Target	Forestry	Energy and transportation	Waste	Agriculture	IPPU
31.89%	500	358	40	10	7
43.2%	729	446	43.5	12	9

Policy Strengthening and Implementation

Carbon Pricing
- Carbon trading
- Carbon Tax
- (Tarif minimum: Rp30/Kg CO2e)

Climate Change Financing

Technology Development and Transfer

Capacity Building

Climate Resilience

1 Economic Resilience
2 Social Resilience
3 Environment Resilience

ADAPTATION

Long-Term Strategy for Low Carbon and Climate Resilience 2050

Mandate from:
- Paris Agreement Article. 4.19
- Dec.1/CP.21 Para 35

LCCP Scenario:
- Emission Peak on 5 sector on 2030 = 540 M ton CO2e
- Net-Sink FOLU in 2030
- Net Zero Emission in 2060

Net Zero Emission in 2060 or sooner

Climate Change Mitigation Financing Needs

Reference	Scope	Cost/Impact estimation
Second Biennial Update Report, KLHK (2021)	Climate Change Mitigation Cost to achieve NDC	Accumulative Mitigation Cost until 2030= USD 281 Billion
Roadmap NDC Mitigation Indonesia, KLHK (2020)	Climate Change Mitigation Cost to achieve NDC(using the mitigation action cost approach)	Accumulative Mitigation Cost until 2030 = USD 263.5 Billion (USD 23.96 Billion/year)

- The current financing capacity to achieve the NDC target is still insufficient.

Indonesia's Climate Commitment and Financial Challenge

Long Term Vision and Commitment

- Rencana Pembangunan Jangka Menengah Nasional (RPJMN) 2020-2024
- Enhanced Nationally Determined Contribution (ENDC)
- Long-Term Strategy for Low Carbon and Climate Resilience (LTS-LCCR) 2050

Sustainable and Green Economy

"A Just, Prosperous, and Developed Country in 2045"

"A Low Carbon and Climate Resilient Nation"

"Net Zero Emission by 2060 or sooner"

Enhanced NDC Target & financial needs (Mton CO_2e)

		FOLU	Energy	IPPU	Waste	Agriculture	Total
CM 1	31,89%	500	358	7	40	10	915
CM 2	43,20%	729	446	9	43,5	12	1.239,5

In 2022, the Indonesian Government submitted its Enhanced Nationally Determined Contribution (ENDC) to the UNFCCC with a more ambitious emission reduction target by 2030. The financial requirements for the Enhanced NDC are still being estimated. The estimated financial need to achieve the previous target in Indonesia's updated NDC (29% in 2030) is around USD 281.23 billion (IDR 4,002 trillion).

Mitigation Financing Needed

Land & Forestry	Energy & Transportation	IPPU	Waste	Agriculture	TOTAL	
309,01	3.500,00	0,93	185,27	7,23	**4.002,44**	**IDR Triliun**
21,86	245,99	0,07	12,99	0,50	**281,23**	**USD Milyar**

Source: Indonesia 3rd BUR

For adaptation, Indonesia focuses on three areas of resilience: economic resilience, social and livelihood resilience, and ecosystem and landscape resilience. These three areas of resilience have been outlined in the NDC Adaptation Roadmap which mainly covers several areas, namely food, water, energy, health and ecosystems.

The financial need to implement adaptation actions is estimated at around USD 2.3 – 12.14 billion to build resilience and adaptive capacity to reduce the risk of losses of up to 2.87% of GDP.

The Consequences of Funding for Climate Change Mitigation

Funding Needs for Mitigation

Forestry	Energy & Transportation	IPPU	Waste	Agriculture	TOTAL	Unit
309,01	3.500,00	0,93	185,27	7,23	**4.002,44**	**IDR Trillion**

Funding Needs for Adaptation

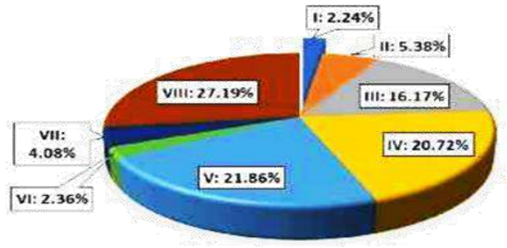
Based on Third BUR

Financial requirement to implement adaptation action is estimated at about USD 2.3 – 12.14 billion to build resiliency and adaptive capacity to reduce the risk of loss to 2.87% of GDP.

Within the Adaptation NDC Roadmap

Assuming an investment ratio of 30% of the estimated economic losses of 0.66% to 3.45% of GDP (Rp110.38 trillion to Rp577.01 trillion; 2020 Rupiah value), the estimated cost of adaptation is around Rp33.12 trillion to Rp173.19 trillion.

Funding for roadmap governance (5% - 10%) and implementation of adaptation (90% - 95%).



I. Policy Instrument
II. Integration of development planning and finance
III. Increasing climate literacy
IV. Spatial-based approach
V. Strengthening local capacity in best practices
VI. Improvement of knowledge management
VII. Stakeholder Participation
VIII. Adaptive Technology Adaptation

Climate Finance Strategy

FINANCING RESOURCES

DOMESTIC

APBN

- Tax incentive
- Central Gov. Expenditure
- Provincial Gov. Expenditure (APBD dan Dana Desa)
- Other Financing (Green Sukuk, SDGs Bond, Blue Bond, Disaster Pooling Fund)

Non-APBN

- Carbon Trading
- Private Sector Investment and CSR
- Financial Sector Services (Bank and Non-Bank)
- Capital Market
- Philantropies
- SMV*

INTERNATIONAL

Bilateral

- Sovereign
- Private

Multilateral

- Green Climate Fund
- Global Environment Facility
- Adaptation Fund
- MDBs
- IFIs
- Carbon Trading

National Trust Fund

ICCTF Indonesia Climate Change Trust Fund

Indonesia Climate Change Trust Fund (ICCTF)

National Public Service Agency

ief Indonesian Environment Fund

Indonesia Environemt Fund (BPDLH)

*MOF Special Mission Vehicle

SMI PT SARANA MULTI INFRASTRUKTUR (PERSERO)

PT Geo Dipa Energi (Persero)

PT PII PENJAMINAN & INFRASTRUKTUR Guarantee & Infrastructure

PT. SMI as Country Platform of:

SDG Indonesia One

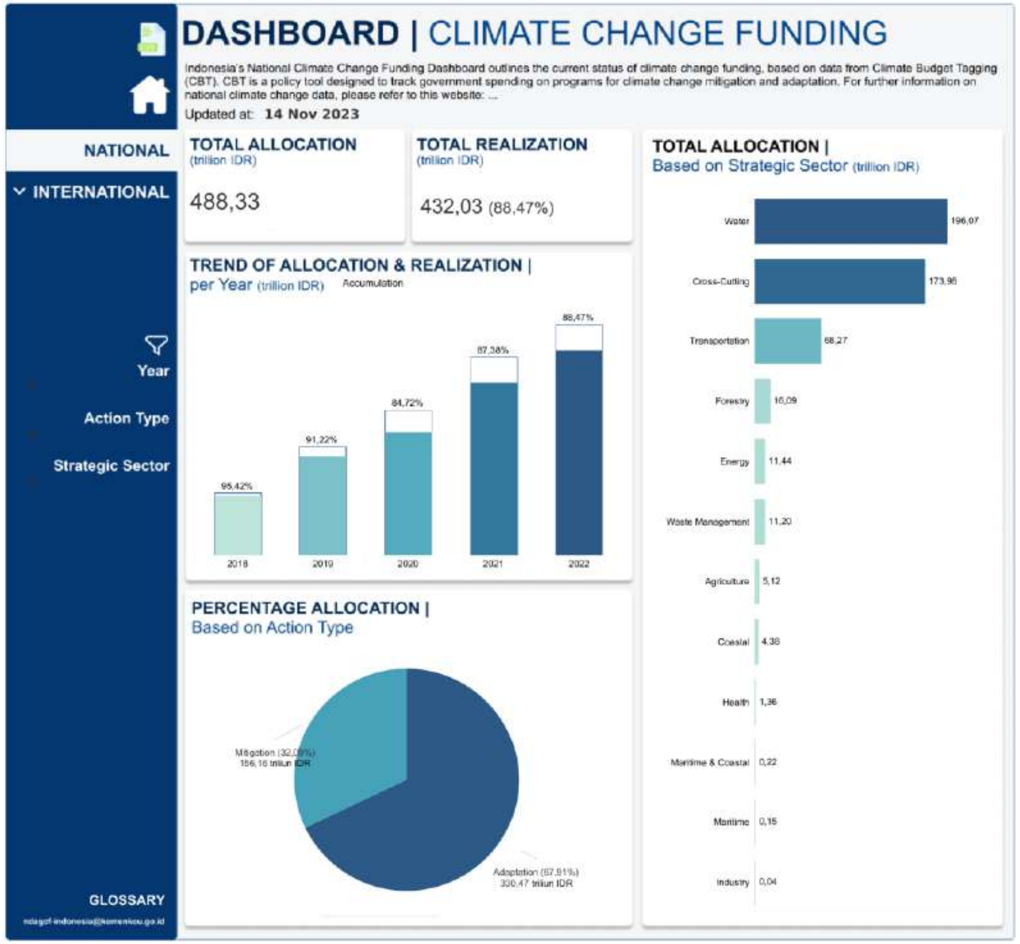
ENERGY TRANSITION MECHANISM (ETM)

Climate Change Funding Dashboard

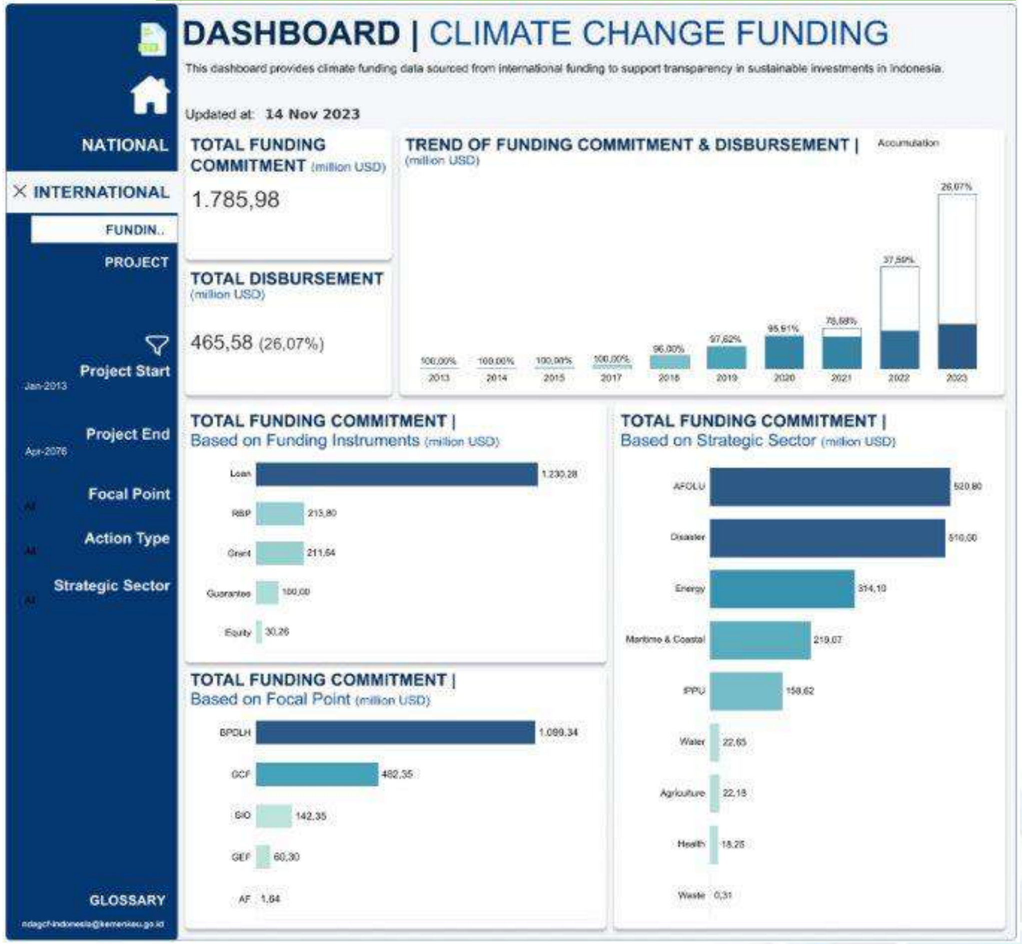
Showing the status of climate change funding in Indonesia, sourced from the national budget (APBN) and international funds.

This serves as a form of climate finance transparency to the public to support sustainable investment.

Climate change funding from the State Budget



Climate change funding from international resources



AKSES: https://fiskal.kemenkeu.go.id/cffp/en/dashboard/

Climate-Related Fiscal Policy

STATE REVENUE

State revenue policies are directed towards maintaining the **sustainability of natural resources and environmental management**, stimulating **investment in renewable energy and clean technology**, and ensuring **a just and affordable transition**.

- Tax facilities to stimulate renewable energy, EV, and clean technology investment (VAT cut, property tax cut, tax allowance, tax holiday, luxury tax cut for EV)
- Import duty exemption on renewable energy and/or clean technology machines and equipment.
- Non-tax revenue from forestry, fishery, and geothermal management.
- Preparation of imposing carbon tax to Coal-Fired Power Plant

STATE EXPENDITURE

State expenditure policies also supporting **a low-carbon and climate-resilient development**, strengthening the capacity of regional expenditure through **ecological fiscal transfer**, providing fiscal buffers for **disaster financing**, and developing **green infrastructures**.

- Line Ministries mitigation and adaptation budget/spending
- Ecological Fiscal Transfer, indirect climate-related fiscal transfer such as Physical Special Allocation Fund (DAK Fisik), regional incentive fund (DID), profit sharing fund from sustainable natural resources management (DBH-DR, DBH Panas Bumi).
- Disaster Risk Financing

BUDGET FINANCING

The financing policy is aimed to **greening the financing** through ESG framework and promote more sustainable innovative financing instruments through the implementation of **Green Bond/Sukuk Framework** and **SDG Government Securities Framework**.

- The issuance of Global Green Sukuk and Retail Green Sukuk
- The issuance of SDG Bond that consist of Social Focus, Green Focus, and Blue Focus.

Fiscal Incentives for Renewable Energy Sources and Green and Blue Economy

Tax Holiday
PMK 130/2020

100% corporate income tax reduction for up to 20 years for pioneer industries: motor vehicle manufacturing, including electric vehicles, and upstream basic metal industry, including nickel smelters for battery production.

Tax Allowance
PP 78/2019

Income tax facilities for specific industries in certain areas, including nickel mining, battery stone industry, and motor vehicle manufacturing.

Super Deduction for Vocational Education Income Tax
PMK 128/2019

Income tax facilities up to 200% for vocational activities in the industry, focusing on competencies that drive the electric vehicle ecosystem.

Super Deduction for R&D Income Tax
PMK 153/2020

Income tax facilities up to 300% for R&D activities in Indonesia, including R&D related to electric vehicles and their components.

Tax Facilities For Special Economic Zones
PP 40/2021 – PMK 33/2021

Tax incentives in Special Economic Zones include: Tax Holiday for SEZs, exemption of customs duties on capital goods imports, and exemption of VAT on imports/delivery of capital goods.

Exemption from Customs Duties
PMK 176 Th 2009 jo PMK 188 Th 2015
PMK 66 Tahun 2016
PMK 26/ 2022

Customs duty exemption for investment in and development of electric power generation industry. 0% import duty for incompletely knocked down (IKD) electric vehicles and 0% import duty for completely knocked down (CKD) electric vehicles under various FTA/CEPA agreements including with Korea and China.

Government-borne VAT and exemption
PP 49/2022
PMK 38/2023

VAT exemption for mining goods including nickel ore used as raw material for electric vehicle batteries, and for imported machinery and factory equipment (including motor vehicle industry). Government covers VAT for electric cars and buses, at rates of 11%/10%/5% based on domestic component value.

Luxury Goods Sales Tax 0%
PP 74/2021

0% PPNBM (Luxury Goods Sales Tax) for electric vehicles using battery electric vehicle or fuel cell electric vehicle technology.

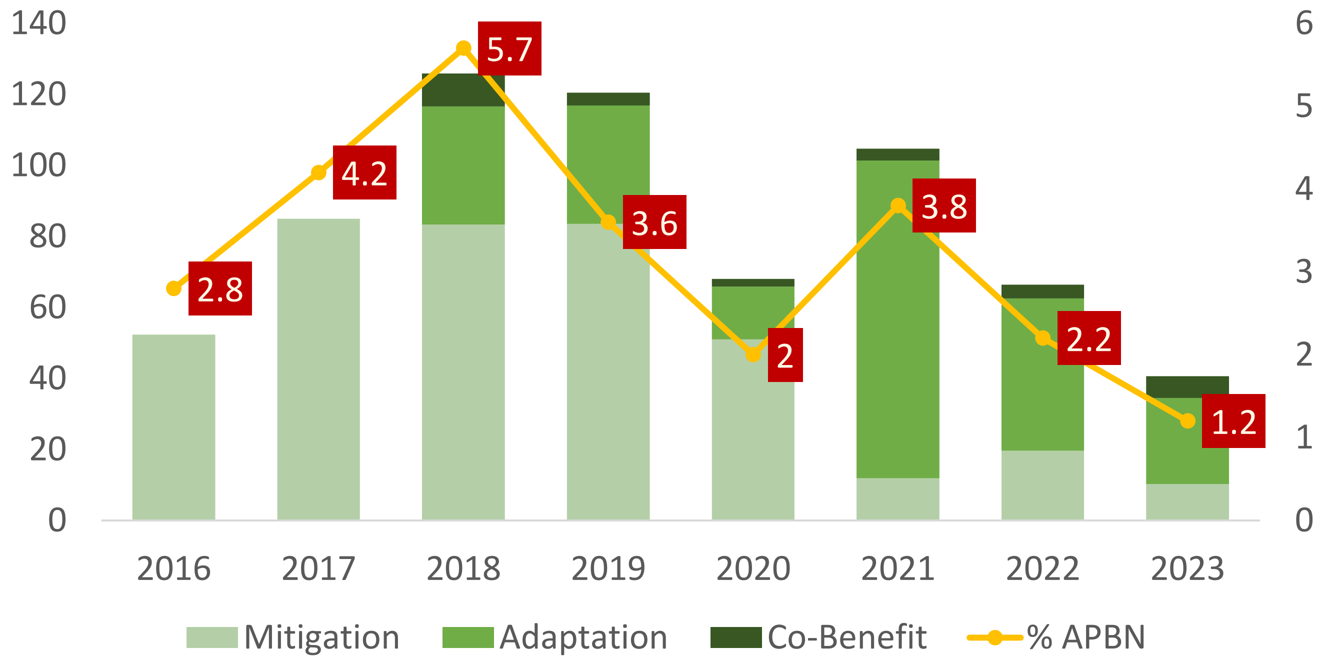
Local Tax Incentives (PKB)
Permendagri 6 tahun 2023

Local tax incentives include a 0% reduction in vehicle registration fees (BBN-KB) and motor vehicle tax (PKB).

Subsidy for the Purchase of Electric Motorcycles
Permen Perindustrian 21/ 2023

Subsidy of Rp7 million for the purchase of electric motorcycles per person.

Climate-Related Central Government Expenditure 2016 - 2023



CUMULATIVE

Rp610,1 trillion or USD 36,2 billion*

Rp343 trillion for mitigation

Rp244,4 trillion for adaptation

Rp22,6 trillion for Co-Benefit

AVERAGE PER YEAR

3,2% of the National Budget

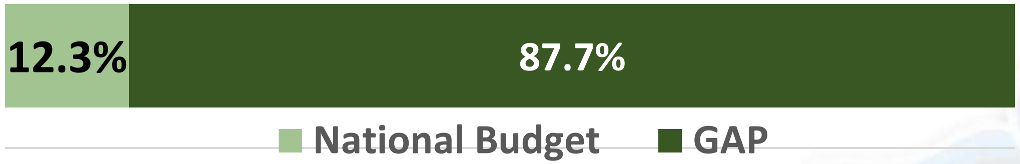
Rp76,3 trillion or USD 4,5 billion*

*1 USD = 16.859,2 IDR

CUMULATIVE ACTION PROPORTION (2016-2023)

ANNUAL RESOURCES PROPORTION

(for mitigation only 2018-2023 compare to mitigation financing needs on 3rd BUR)



Green Sukuk, Blue Bond, and SDG Bond Issuance

Global Green Sukuk	Domestic-Retail Green Sukuk	Project-Based Green Sukuk
USD 6 billion	**IDR 30,68 trillion** **(USD 2,09 billion)**	**IDR 22,22 Trillion** **(USD 1,5 billion)**
2018: USD 1,25 bio Yield: 3,75% Tenor: 5 yr **2019: USD 750 m** Yield: 3,90% Tenor: 5,5 yr **2020: USD 750 m** Yield: 2,30% Tenor: 5 yr **2021: USD 750 m** Yield: 3,55% Tenor: 30 yr **2022: USD 1,5 bio** Yield: 4,70% Tenor: 10 yr **2023: USD 1 bio** Yield: 5,6% Tenor: 10 yr	**2019: IDR 1,4 trilion** Yield: 6,75% Tenor: 2 yr Investors: 7.735 **2020: IDR 5,4 trilion** Yield: 5,50% Tenor: 2 yr Investors: 16.992 **2021: IDR 5,0 trilion** Yield: 4,80% Tenor: 2 yr Investors: 14.337 **2022: IDR 10 trilion** Yield: 6,15% Tenor: 2 yr Investors: 35.397 **2023: IDR 3,3 trilion** Yield: 6,4% Tenor: 4 yr Investors: 8.027 **2023: IDR 5,5 trilion** Yield: 6,5% Tenor: 4 yr Investors: 11.497	**2022: IDR 6,73 trilion** Yield: 6,625% Tenor: 7 yr **2023: IDR 15,49 trilion** Yield: 6,625% Tenor: 6 yr

SDGs Bond Global

USD 1,26 bio

2021: EUR 500 m
Yield: 1,35% Tenor: 12 yr
2022: IDR 2,26 trilion
Yield: 7,48% Tenor: 8 yr
2022: IDR 1 trilion
Yield: 7,2% Tenor: 8 yr
2023: IDR 4,55 trilion
Yield: 6,5% Tenor: 7 yr
2023: IDR 1,05 trilion
Yield: 6,3% Tenor: 7 yr
2023: IDR 1,65 trilion
Yield: 7,1% Tenor: 7 yr

Contribution to Indonesia's SDGs

2021


2022


2023


Cumulative Distribution of Green Sukuk by Sector (2018–2023)

73,99%	24,78%	0,5%	0,43%	0,17%	0,07%	0,06%
Sustainable Water and Wastewater Management	Resilience to Climate Change	Sustainable Transport	Sustainable Management of Natural Resources	Green Building	Renewable Energy	Energy Efficiency

Source: Green Sukuk Allocation and Impact Report 2024

Blue Bond

JPY 20,7 bio

2023: JPY 14,7 bio
Yield: 1,2% Tenor: 7 yr
2023: JPY 6 bio
Yield: 1,43% Tenor: 10 yr

Blue Bond Focus:
Marine and coastal area development and blue carbon activities

Source: SDG Bond & Blue Bond Alllocation and Impact Report 2024

Source: Green Sukuk Allocation and Impact Report 2023

The Republic Of Indonesia Sustainable Government Securities Framework

Demonstrate RoI's Major Advancement for Sustainable Finance

2016
Implementation of Climate Budget Tagging

January 2018
Published **a Green Bond and Green Sukuk Framework** & obtained a Second Party Opinion from CICERO

2018 - 2021
Successfully **issued 4 Global Green Sukuk and 3 Domestic Retail Green Sukuk** based on ROI Green Bond and Green Sukuk Framework

August 2021
SDGs Framework developed to demonstrate how ROI intends to issue **Green** and **Blue** Bonds and Sukuk ("Green Securities") and **Social** and Sustainability Bonds and Sukuk ("SDGs Securities") to fund projects that will deliver environmental and social benefits that support the nation to achieve its 2030 development agenda

September 2021
Successfully issued **EUR 500 million SDG Bond** based on ROI SDGs Government Securities Framework

2022
Successfully issued **USD 1.5 billion Global Green Sukuk** and the first **Domestic Green Sukuk through Wholesale Auction** based on ROI SDG Government Securities Framework

2023
Successfully issued the first **Samurai Blue Bonds in the amount of JPY 20.7 billion in May** and **USD 1 billion Global Green Sukuk in November** based on ROI SDG Government Securities Framework

2024
Successfully issued **Samurai Blue Bonds in the amount of JPY 25 billion in May**, **USD 600 million Global Green Sukuk in July,** and **EUR 750 million SDG Bond in September** based on ROI SDG Government Securities Framework

2025
Indonesia Sustainable Government Securities Framework

Successfully issued **Samurai Blue Bonds, Domestic Green Sukuk** (Retail and Whole Sale) and **Global Green Sukuk.**

Sustainable Government Securities Framework

1. **Use of Proceeds**
An equivalent amount of the net proceeds of Sustainable Securities will be allocated to finance and/or refinance, in whole or in part, new or existing Eligible Sustainable Expenditures with a Green, Blue, and/or Social focus ("Eligible Expenditures").

2. **Process for Project Evaluation and Selection**
Eligible Sustainable Expenditures are identified through KRISNA-based Budget Tagging. Green/Blue focus use the Climate Budget Tagging (CBT) mechanism, with the option to include other nationally recognized climate or ocean-related references. Social/SDGs focus are tagged by KRISNA system to identify SDGs-related expenditures tagged by Line Ministries under BAPPENAS coordination.

3. **Management of Proceeds**
Proceeds will be managed within the Government's general account in line with prudent treasury practices. A dedicated allocation register will track the use of proceeds for financing and/or refinancing Eligible Expenditures, ensuring transparency and compliance with the Framework.

4. **Reporting**
The Ministry of Finance will publish annual allocation and impact reports for each Sustainable Securities issuance, covering project details, use of proceeds, SDGs alignment, and measurable environmental and/or social outcomes.

Aligned with International Standards & Principles

- All Green/Blue Securities, Social Securities, Sustainability Securities and SDGs securities issued under The Republic of Indonesia ("ROI") Sustainable Government Securities Framework will align with international standards and principles

The Green Bond Principles | The Sustainability Bond Guidelines | The Social Bond Principles | ACMF

- A Second-Party Opinion on Indonesia's Sustainable Government Securities Framework has been provided by Sustainable Fitch (Fitch) on April 30th 2025. Fitch considered transactions under the framework to be fully aligned with the ICMA Green Bond Principles, Social Bond Principles and Sustainability Bond Guidelines; and the ASEAN Green Bond Standards, Social Bond Standards and Sustainability Bond Standards from the ASEAN Capital Markets Forum.
- Fitch's Second-Party Opinion is that the framework's alignment is GOOD.

Source: Sustainable Fitch: SPO Provided for Indonesia's Sustainable Government Securities Framework

- To promote new and renewable energy development, the Government provides fiscal support in the form of **government guarantee for electricity projects (credit guarantee and business viability guarantee), guarantee for SOEs direct lending from international financial institutions,** and **Geothermal Fund Facility (PISP Fund).**
- Several guarantees has been provided to renewable energy power plant construction and Power Purchase Agreement (PPA), i.e hydropower, geothermal, and solar PV.
- PISP funds (and its co-finance), can be used for geothermal development in the exploration stage and eligible for *Government Drilling, SOE Drilling/Public Window, and Private Drilling/Private Window*.

PISP Fund Exploration Financing Facilities
(MOF Regulation 80/2022)

Objective	Unlocking geothermal market by providing support and financing for geothermal exploration
Fund Manager	PT Sarana Multi Infrastruktur (SMI)
Total Funds	IDR 3,1 Trillion (revolving fund)
Fund Distribution	Loans and data provisions
Main feature	De-risking facility for exploration stage
PISP Co-Financing	▪ Geothermal Energy Upstream Development Project (GEUDP) - World Bank; CTF grant (USD49million) and GEF grant (USD6,25million). ▪ Geothermal Resource Risk Mitigation (GREM). Total USD655 million (loan, grant, and PISP co-finance)

Source: Ministry of Finance

Direct Lending with Government Guarantee
(MOF Regulation 189/2015)

Started in 2015, by Presidential Decree No. 82 / 2015 on Gov't support to SOE to raise financing from MDBs with **Government Guarantee**

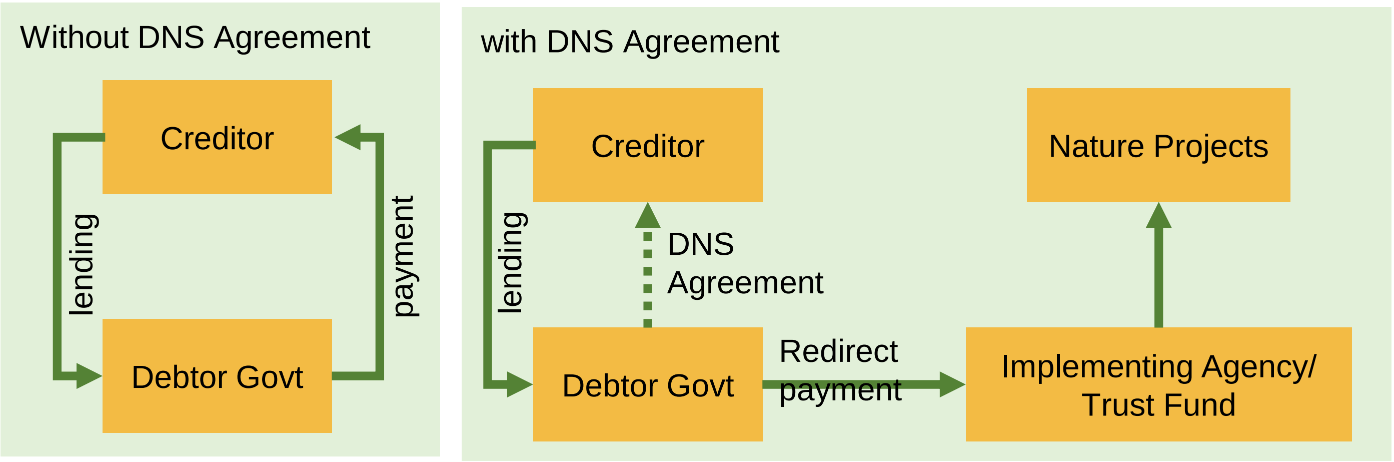
Gov't provides guarantee to SOEs to utilize facilities from *Development Banks* without relying on Gov't budget circle.

The purpose is to give access to **concessional loan with longer tenor** (equal to *sovereign debt*) for SOEs to develop national infrastructure project as *credit enhancement* specially for priority and strategic infrastructure projects.

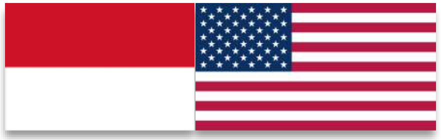
Gov't guarantee provide financial benefits to SOEs, but it will be risks for Gov't when SOE's default on its liability. That is the reason for Gov't to set up the criteria and managing the risk from this guarantee scheme.

Debt-for-nature Swap (Dns) as a Tool For Innovative Sustainable Debt Management

General Framework of DNS



- Signed in 2002 and 2004
- Debt swapped EUR 25 million
- the Indonesian government should contribute EUR 12.5 million (50% of debt swapped) in rupiah to fund nature project.
- Projects: Financial Assistance for Environmental Investment for Micro and Small Enterprises Project (2006 – 2011) and Strengthening the Development of National Parks in Fragile Ecosystems Project (2007-2013)



- Signed in 2009-2021 and 2024
- Debt swapped USD 106.2 million
- the Indonesian government should contribute USD 106.2 million to fund nature project.
- Projects: Tropical Forest Conservation Act (Sumatera and Borneo Forest) and Tropical Forest and Coral-Reef Conservation Act (Sunda-Banda Kecil and Kepala Burung area)

Opportunities:

Indonesia is the home of tropical forest and biodiversity. Nature project is highly relevant for Indonesia

DNS shows commitment of developed countries to support climate and nature action in developing countries.

DNS relief debt burden for project host/debtor countries and shows their commitment on nature reservations.

Strengthen triple helix between gov, NGO's, and society.

Challenges:

Limitation on Technical capacity

Complexity of regulation

Coordination and institutional arrangement

Transparency and accountability

Carbon Market Exchange

Carbon Market Exchange Commencement

"The inauguration of the carbon market exchange marks a significant milestone in Indonesia's commitment to addressing climate change and promoting sustainable environmental practices. I am optimistic that Indonesia will be the world's carbon center and remain consistent in building and maintaining the country's carbon ecosystem."
President Joko Widodo.

NET ZERO

The potential for Carbon Exchange trading is expected to continue to expand as more industries set net zero emission commitments.

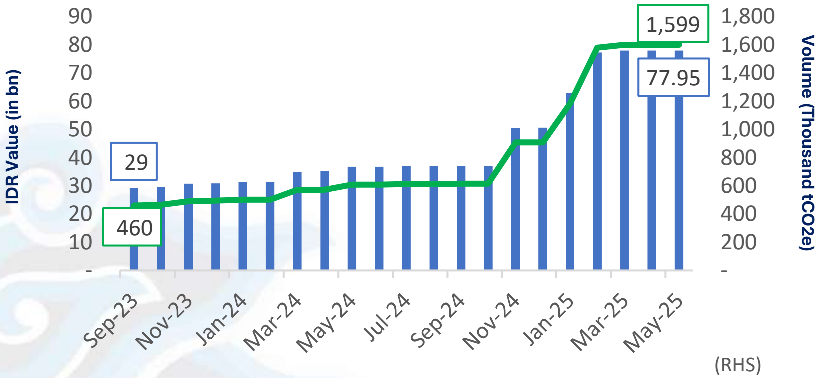
OJK is committed to continue to encourage the financial services sector to take part in carbon exchange trading and other sustainable financing schemes.

Indonesia Carbon Exchange Development

IDR77.95 Billion total transaction value

1,599,314 tCO_2e total transaction volume

112 registered users of the carbon exchange



Carbon Trading Ecosystem

Individuals/ Legal Entity

Primary Market

Secondary Market

Establishment of BAE

Business Actors

Project Developer

Corporation

Financial Institutions and Intermediaries

Related Ministers

Ministry of Energy and Mineral Resources (ESDM)

Ministry of Environment and Forestry (KLHK)

Ministry of Marine and Fisheries (KKP)

Ministry of Industry (Kemenprin)

Ministry of Agriculture

International Standard

Standard Recognition Mechanism

Allocation of PTBAE-PU

SPE-GRK License

National Registry System (SRN-PPI)

Share/Integrate Data Usage

Listing and Secondary Trading

OTORITAS JASA KEUANGAN

OJK Supervises of Carbon Trading (POJK 14/2023):

- Secondary trading through carbon market exchange
- Carbon Market Exchange organizer

BAE: GHG Emissions Cap
PTBAE-PU: GHG Emissions Cap for Businesses
SPE GRK: Certificate of GHG Emission Reduction

Carbon Market Has Been Officially Established

- As a form of support in achieving Indonesia's NDC, the Indonesia Stock Exchange (IDX) has developed an **"IDXCarbon"** which accommodates the needs of carbon trading in Indonesia.
- **The President of the Republic of Indonesia launched the Indonesian Carbon Exchange (IDXCarbon) on 26th September 2023**

IDXCarbon
Indonesia Carbon Exchange

Value Propositions

Price Transparency	Efficiency	Market Liquidity	Accessibility
Trusted and Credible trading by Prioritizing information disclosure that is publicly accessed	Fast completion carbon unit trading transactions at affordable fees	High market liquidity to get the best price	Trading infrastructure that is easily accessible to service users through innovative products and services

Allowance Market | **Offset Market**

Trading Methods

Auction
The government or Emission Mitigation Project Owner can sell carbon units through an auction mechanism on the Carbon Exchange. Prospective carbon unit buyers submit purchase requests at the desired volume and price.

Regular Trading
The trading is conducted by a continuous auction mechanism which all parties can submit their buy and sell offers in real time.

Negotiated Trading
Facilitate the completion of the previously agreed trades through the IDXCarbon system transparently and securely.

Marketplace
Emission Mitigation Project Owners can sell their carbon units at a predetermined price.

Source: IDXCarbon.co.id

ETM To Address The Energy Transition Challenges

Photo: Grand Launching ETM Country Platform, Bali (2022)

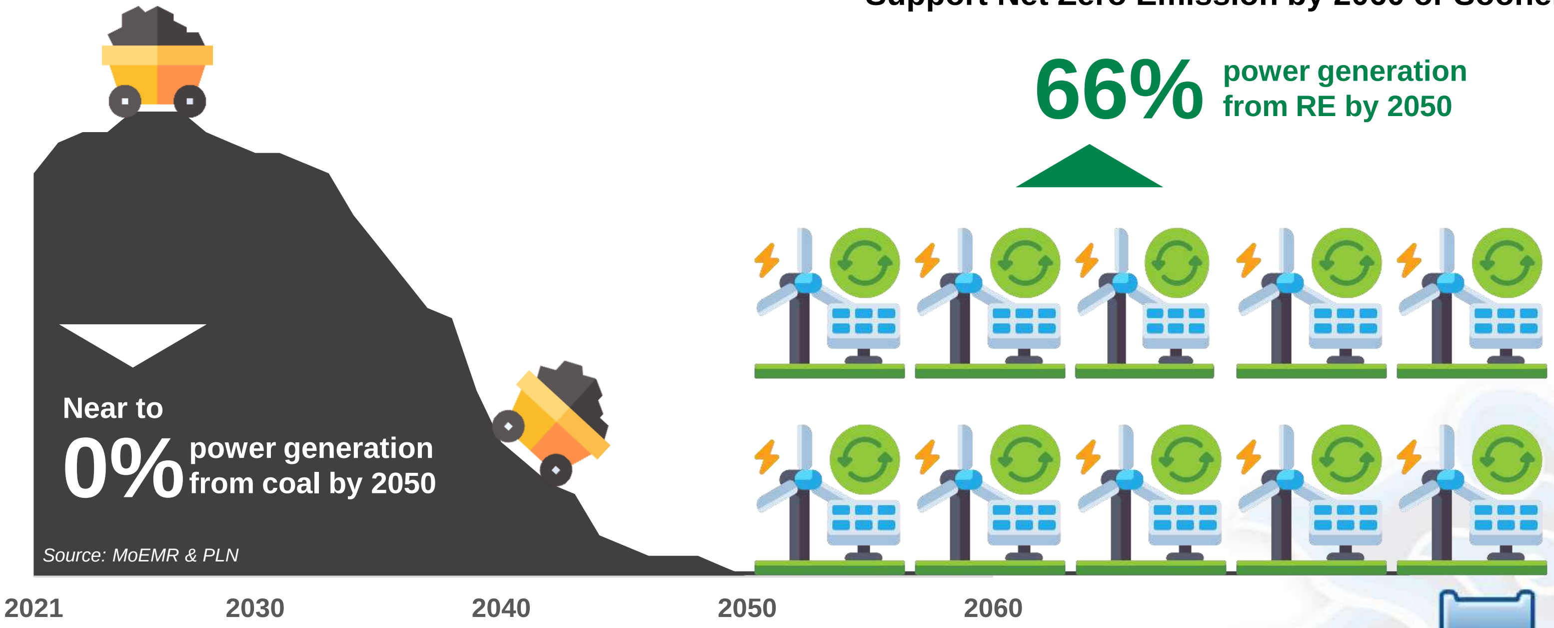
INDONESIA

Energy
Transition
Mechanism

ETM Main Objectives:

- Optimizing energy mix progression based on National Energy Policy
- Accelerate early retirement of Coal-Fired Power Plant (CFPP)
- Enhancing emission reduction in electricity subsector to achieve NDC and NZE targets
- Boost renewable energy power generation investment

ETM Aligned with Electricity Power Generation Roadmap to Support Net Zero Emission by 2060 or Sooner



JETP Works to Enhance Indonesia's Green Economy
by Constructing Eco-friendly Infrastructure and Refining Financial Support for Sustainable projects

Photo: G20 Leaders Summit, Bali (2022)

Just
Energy
Transition
Partnership

On November 15 2022, President Joko Widodo and leaders of International Partners Group (IPG) of likeminded countries, co-led by the United States and Japan, and including Canada, Denmark, EU, France, Germany, Italy, Norway, and UK, **launched a Just and Enery Transition Partnership (JETP)** developed with Indonesia during its G20 Presidency. The landmark partnership supports an ambitious and just power sector transition in Indonesia, consistent with keeping 1.5 °C global warming limit within reach.

A just and affordable transition is our principle to balancing the recovery and transition agenda.

JETP Main Objectives:

- Capping power sector emissions **at 290 megatons of CO2e** in 2030, down from baseline value of 357 megatons of CO2e.
- Accelerate the deployment of **renewable energy power plant** to reach 34% of all power generation by 2030
- Support **early retirement** and restrict the development of CFPPs
- Supporting **affected communities** to adapt with the transition

USD 20 B = IDR 330 T

50% Public: G7 countries, Norway, and Denmark
50% Private: Glasgow Financial Alliance for Net Zero (GFANZ) consist of Bank of America, HSBC, Citibank, Standard Chartered, MUFG, and Macquarie

Financing Scheme

- Concessional Loans
- Grants
- Guarantees
- Market-rate Loans

The Green Climate Fund as an Alternative Low-Cost Financing Source for the Energy Sector

- The GCF is the operational entity of the UNFCCC financial mechanism established by the Conference of Parties (COP) in 2010.
- The largest global climate financing mechanism in the world

Funding Areas of GCF:

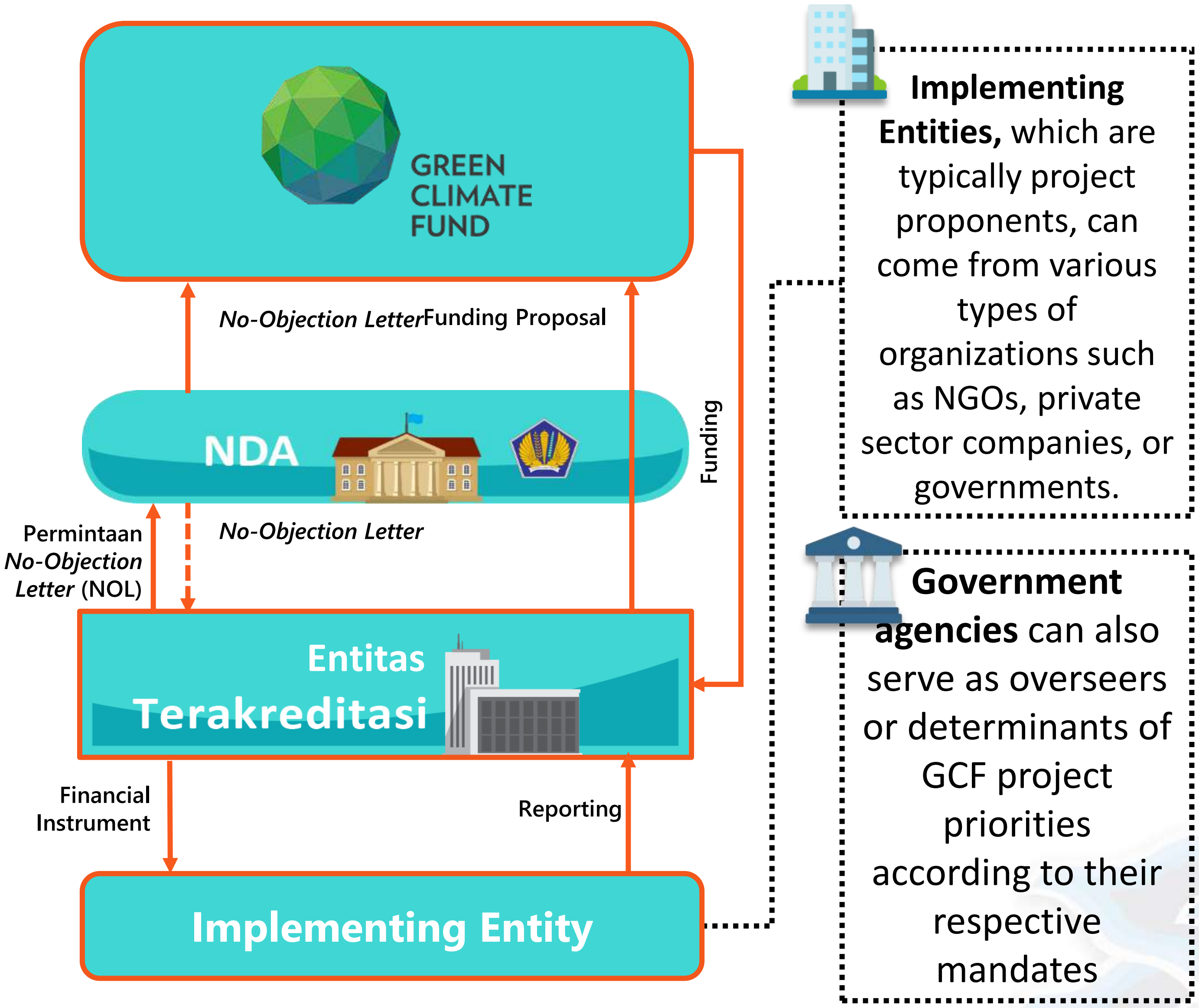
Mitigation:

- Energy and transmission
- Transportation
- Land-based sectors and forestry
- Buildings, urban areas, industry, and supporting infrastructure

Adaptation:

- Health, food, and clean water resilience
- Livelihoods of communities
- Built environment infrastructure
- Ecosystems and ecosystem services

The Architecture of the Green Climate Fund and the Role of National Actors



Special Economic Zones Promote Inclusive and Sustainable Economic Growth

7 SEZs in Java and 18 SEZs outside Java (13 Industrial SEZs, 12 Service SEZs)

- Investment realization (cumulative) amounted to Rp.294.4 trillion
- Employment absorption of 187 thousand worker

Cumulative achievements of the SEZ until June 30, 2025
IDR294,4T

Business Operator Realization
IDR31,6T (10,8%)

Business Entity (tenant) Realization
IDR262,7T (89,2%)

Export realization data from SEZs continues to increase, reaching IDR82.04 trillion in Q2-2025.

Largest exports: Galang Batang SEZ (alumina), Kendal SEZ (anodes), Gresik SEZ (copper)

Development of SEZs

Increasing Exports and Import Substitution
Export-competitive industries and halal industries

Industrial Downstreaming
To increase added value by processing raw materials into high value-added goods

Acceleration of Industry 4.0 Implementation
Automation-based manufacturing industry

Accelerating the Development of the Service Sector
Digital industry, information technology, finance, education, and health services

Equitable Development (Inclusive)
Development of industrial centers in the regions to spur economic growth

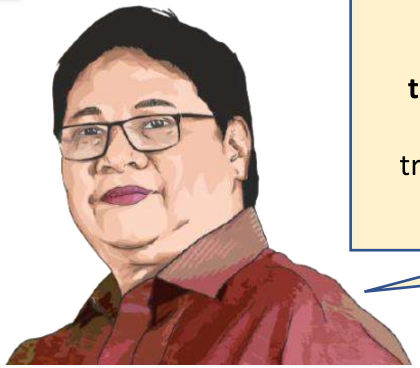
Promoting Trade Surplus
Import substitution industries, such as chemicals, machinery, and electronics, including the development of the service sector, have been causing foreign exchange outflows.

Resilience and Sustainability
Green Economy, Blue Economy, and Circular Economy Development

Source: Special Economic Zones

About The Energy Transition And Green Economy Task Force

1 Background



A National Energy Transition Task Force is needed, encompassing initiatives such as **AZEC, JETP, and other policies related to energy transition and the green economy**, to ensure stronger synergy among various financing schemes, investments, and sustainable energy transition policies. This will support Indonesia's decarbonization targets and the development of a green economy.

Airlangga Hartarto
Coordinating Minister for Economic Affairs

2 Main Objective

To support the realization of a green economic transformation, as outlined in the 2025–2029 National Medium-Term Development Plan (RPJMN)

3 Roles and Responsibilities

THE ENERGY TRANSITION AND GREEN ECONOMY TASK FORCE

- **Develop a roadmap and policies** for the energy transition and green economy, including decarbonization.
- **Harmonize, adapt, and formulate regulations** that support the energy transition and green economy.
- **Ensure the effective implementation** of policies and regulations related to the energy transition and green economy.
- **Identify and coordinate financing mechanisms** from domestic and international sources to support the energy transition and green economy.
- **Promote investment and technology transfer** in the sustainable energy sector through collaboration with national and international strategic partners.
- **Manage the social, economic, and environmental impacts** of the energy transition and green economy, including those affecting the workforce in impacted sectors.
- **Develop human resource and research capacity** to support the energy transition and green economy.

Source: Coordinating Ministry for Economic Affairs

JETP Indonesia Stands As The Largest Individual Energy Transition Financing Effort

On 16 November 2022, the Government of Indonesia (GoI) and the International Partners Group (IPG) launched the Just Energy Transition Partnership for Indonesia (JETP Indonesia).

X **IPG Members** &

GFANZ Glasgow Financial Alliance for Net Zero

Bank of America, Citi, Deutsche Bank, HSBC, Macquarie, MUFG, and Standard Chartered

Comprehensive Investment and Policy Plan (CIPP) 2023 as a Strategic Recommendation for Indonesia's Energy Transition

Main Result

Technical

- An ambitious yet achievable on-grid power sector roadmap.
- A list of priority projects in 5 investment areas, compiled

Financing

- Funding needs to meet the electricity sector roadmap and priority projects.
- Clarification of general terms and conditions of IPG funding provisions.

Policy

- Policy reform recommendations for 7 key topics.

Just Transition

- A just transition framework for managing social, economic and environmental impacts.
- Opportunities for government stakeholders to advance just transition principles.

Targets in JETP Scenario

Target in 2030: CO_2 emissions 250 MT (on-grid) 44% share of renewable energy

USD 97.3 billion needed for just transition by 2030

400+ priority projects (USD 66.9 billion investment required) to be initiated by 2030

Positive socio-economic impacts during the energy transition process

Key assumptions for achieving JETP targets

Policies supporting the energy transition are in place and implemented (refer to policy recommendations in CIPP 2023 Chapter 8)

Accessible financing available

- ❑ Concessional financing for low return projects is easily accessible
- ❑ Commercial financing for commercially viable projects
- ❑ Grants/TA to support studies, including feasibility studies that will lead to project implementation

There are no obstacles in implementing the project such as land acquisition and licensing.

Procurement is carried out periodically for renewable energy and transmission projects by PLN with bankable PPAs & fair risk sharing between PLN and IPPs.

Source: Coordinating Ministry for Economic Affairs

GCF Funding in Indonesia – Dashboard (as of Nov 2024)

19 **projects**
- 4 country-specific
- 15 multi-country

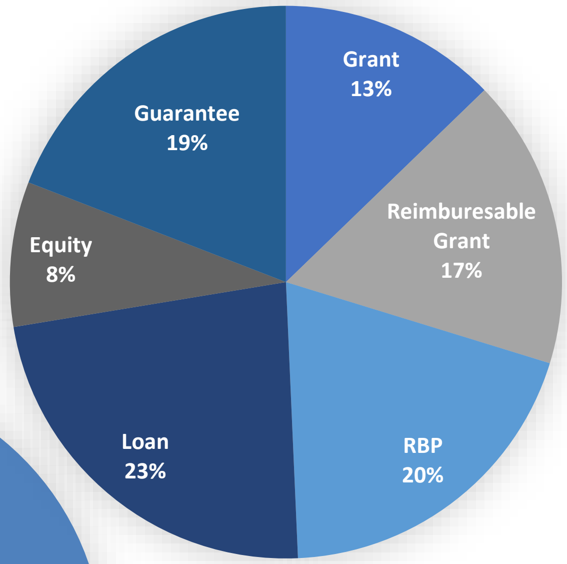
400 million*
ton CO2eq

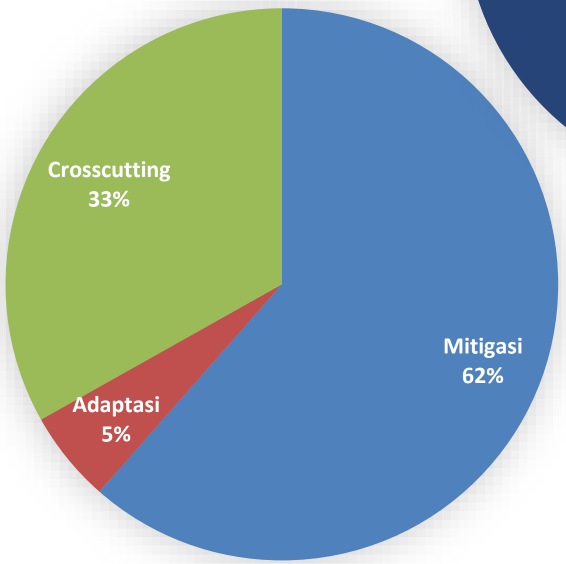
9,45 million*
beneficiaries

GCF Funding Allocation for Indonesia
625,6 million**
Source: Web GCF

*Multi-country projects' funding allocation and impacts to Indonesia are based on indicative data
***Co-financing* not included

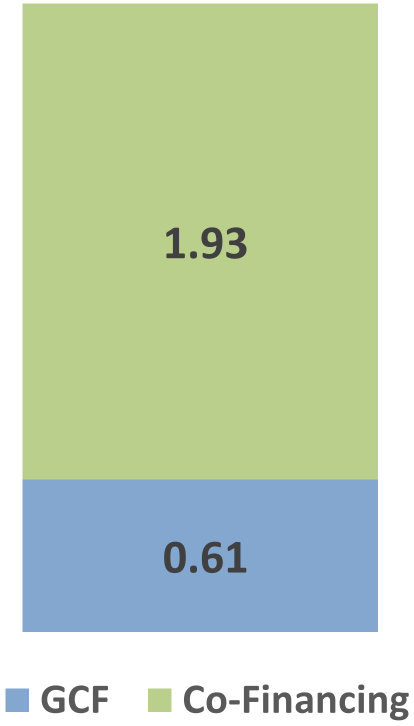
Funding Share by Instrument*
(In Percentage)





Funding Amount by Target*
(In Percentage)

Total Project Value*
(In Billion USD)



Funding Amount by Sectors*
(In Billion USD)

Source: NDA GCF Indonesia

SDG Indonesia One

SDG Indonesia One is an innovative financing instrument that supports infrastructure development in achieving 16 out of the 17 SDG goals

SDG INDONESIA ONE FINANCING SCHEME

Investor	**Donor (Philanthropy) and *Impact/Climate Funds***	**Donor, *Impact/Climate Funds* and Development Bank**	**Commercial Bank and *Institutional Investor***	***Institutional Investor and Developer***
Contribution	**Contribution:** Grant, Technical Assistance **Target:** Support for pre-construction project development	**Contribution:** Loan,Grant **Target:** Project risk transfer (Enhancing access to banking)	**Contribution:** Loan, Bonds, Sukuk **Target:** Construction/post-construction financing	**Contribution:** Equity **Objective:** Impact Investing
Product	**Development Facility** Grant (Project Preparation, Technical Assistance, Research)	**Risk Management Facility** *Concessional Loan, First-Loss Facility, Interest Subsidy, Premium Subsidy for Guarantees, VGF (Viability Gap Funding) etc.*	**Financing Facility** Senior Loan, Subordinated Loan	**Equity Financing** Equity, Equity-Linked Investment

SDG Indonesia One (managed by PT SMI)

SDGs' Project

The Health, Education, Renewable Energy (EBT), and urban infrastructure sectors (transportation, water & waste management)*
*potentially expandable

SDG Indonesia One

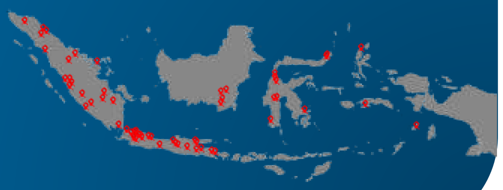
Highlight SDG Indonesia One – as of March 2025

Achievements Highlight

57% of Support Channeled to Renewable Energy Programs

48% Agreed Partner Support Has Been Disbursed to the Project Level

127 Projects Have Been Supported



38 Partners

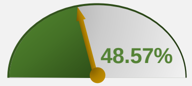
International Organization, **Multilateral** Organization, **Bilateral** Organization, **Development** Bank, **Commercial** Bank, **Government**, **Corporation**, **Philanthropy**

Fund Mobilization*

$3.13 billion commitment

$810 million agreement

$396 million realized



Realization of agreement

Agreement's realization to commitment

Ongoing Program

- Renewable Energy
- Waste Management
- Social Infrastructure
- Water and Sanitation

Blended Finance Projects

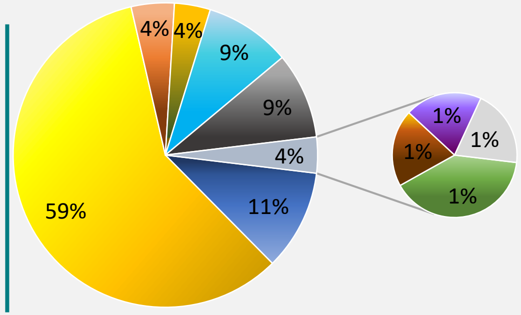
Σ111 Projects

Blended finance through SDG Indonesia One Platform

Beneficiaries:

Local Gov	36.15%
Private Entities	63.85%

Total support according to the sectors:



Ecosystem Enabler Activities

Σ 97 Activities

*) Assumptions as of 27 March 2025: USD/IDR = 16,588

Source: PT Sarana Multi Infrastruktur (Persero)

Indonesia Sustainable Finance Regulatory Framework

Law No. 4 of 2023 on Development and Strengthening the Financial Sector (Financial Sector Omnibus Law/FSOL)

Sustainable Finance (SF)

An ecosystem with comprehensive support, including policies, regulations, norms, standards, products, transactions, and financial services that align with economic, environmental, and social interests **in financing sustainable activities and financing the transition to sustainable economic growth.**

The Sustainable Finance Implementation in the Financial Sector

Financial institutions (FIs), financial market infrastructure, payment systems, supporting institutions in the financial sector, and other financial sector institutions that conduct business activities both conventionally and in accordance with Sharia principles, are required to implement Sustainable Finance.

Sustainable Finance Implementation (Article 222)

Role of Financial Sector Business Actors, Issuers and Public Companies

1. **Implementing Sustainable Finance in their business activities.**
2. **Conducting:**
   a. business practices and investment strategies that **integrate environmental, social and governance**; and
   b. products, transactions, and services development for sustainable activities and transition financing.
3. Developing **capacity on Sustainable Finance.**
4. **Publishing the Sustainability Report as part of performance accountability for the implementation of Sustainable Finance.**

Role of Regulators

Further provisions regarding the implementation of Sustainable Finance shall be regulated by **the financial sector authority and the Ministry of Finance in accordance with their duties and authorities.**

Establishment of Sustainable Finance Committee (Article 223-224)

To develop Sustainable Finance, the Ministry of Finance, Indonesia Financial Services Authority (OJK), and Bank Indonesia conduct:

1. Coordination in developing and establishing **Sustainable Finance strategies, policies, and programs;**
2. **Optimization of** fiscal, microprudential, monetary, payment system, and macroprudential supporting policies*;
3. Development of **database and infrastructure**** to **support the implementation of Sustainable Finance**; and
4. Coordination in **developing a sustainable taxonomy**.

Next Step

Government Regulation on Sustainable Finance Committee and Sustainable Taxonomy

***) Optimization of supporting policies, including:**

- **The Ministry of Finance** is responsible for developing and establishing **fiscal policy instruments** to support the development of Sustainable Finance.
- **OJK is responsible for supervising and enhancing the performance of the financial services sector in developing Sustainable Finance.**
- **Bank Indonesia** is responsible for supporting the implementation of Sustainable Finance to maintain economic and financial stability from climate change threats.

****) The supporting infrastructure** for the Sustainable Finance implementation includes **verification, certification, competency development of related professions, development of sustainability report standards, and securities rating institutions.**

OJK's Sustainable Finance Journey & Going Forward

2015 - 2021

- **Sustainable Finance Roadmap Phase I** (2015 -2019)
- **Regulation on the Implementation of Sustainable Finance** for Financial Services Institutions, Issuer Companies, and Public Companies (**POJK 51 of 2017**)
- **Regulation on Green Bonds** Issuance (**POJK 60 of 2017**)
- Incentives **for the development of Electric Vehicle (EV) Ecosystem financing**
- **Sustainable Finance Roadmap Phase II** (2021-2025)
- Establishment of **Sustainable Finance Task Force in the Financial Services Sector**

2022-2023

- **Indonesia Green Taxonomy Version 1.0**
- Consultative Paper **"Principles for the effective management and supervision of climate-related financial risks"**
- Incentive to financing and insurance companies to **support EV financing**
- Regulation on Carbon Trading through **the Carbon Exchange (POJK 14 of 2023**)
- Regulation on **Commercial Banks Governance**, including **climate risk (POJK 17 of 2023)**
- **Regulation on Sustainability Bond/Sukuk** Issuance (**POJK 18 of 2023)**

2024 - 2025

- **Indonesia Taxonomy for Sustainable Finance (TKBI) Version 1** – Energy Sector and pilot project
- Issuance and implementation of **Climate Risk Management & Scenario Analysis (CRMS)** and pilot project
- Launch of **Accelerator Program** for **Bond and/or Sukuk based on Sustainability (EBUS)**
- **Recognition of Indonesia's Sustainable Finance as entering the Maturing Phase (since 2021) by SBFN,** the highest among other Emerging Markets and Developing Economies (EMDEs).
- Launch of **International Carbon Trading** (January 2025).
- **TKBI Version 2 (February 2025)**
  Sector Coverage: **Construction & Real Estate (C&RE), Transportation & Storage (T&S), and some activities in the AFOLU sector**

Going Forward

OJK-wide

- **Development of TKBI to cover all NDC-related sectors (2026)**
- Updating the **OJK Regulation No. 51/2017** to align with **ISSB IFRS S1 and S2**
- Preparation of guidance for the development of **a transition plan** to support the adoption of IFRS S1 and S2
- Digitalization of **sustainability reporting systems and centralized database (TKBI, GHG emissions, SR)**
- Development of **Sustainable Finance Information Hub (SFIH)** with additional tools/features, including the **Taxonomy Navigator, CRMS Scope 1-3 emission calculation tools, Climate Scenario,** and **Projected Climate Data**
- Active participation of OJK in the **Sustainable Finance Committee establishment**
- OJK's active involvement in **the ASEAN Taxonomy Board** to develop the ASEAN Taxonomy for Sustainable Finance Version 4
- **SF workshops, seminars, and capacity building**

Banking

- Issuance of **CRMS version 2 guidance and pilot project**
- **Industry Wide Stress Test (IWST)**
- **Banking Maturity Level Assessment** of Sustainable Finance Implementation
- Issuance of **carbon emissions reporting** for banks

PMDK / Capital Market

- Development of **Sustainable Capital Market Roadmap**
- Accelerator Program for **Thematic Bonds and Sukuk Issuance**
- Expanding Incentives for **Sustainability-Based Bonds and Sukuk**
- Development of **carbon exchange** ecosystem and supervision

PPDP / Insurance, Pension Fund, Guarantee

- Development of a **Sustainable Roadmap** in the PPDP sector
- **The Implementation Guidelines of Sustainable Finance** in the PPDP sector
- **Feasibility Study on CRMS Implementation** for PPDP

PVML / Financing, Venture Capital, others

- **The Implementation Guidelines of Sustainable Finance** in the PVML sector
- **Mapping and Developing Sustainable Finance Products**

Note: **PMDK:** Capital Market, Financial Derivative, and Carbon Exchange; **PPDP:** Insurance, Guarantee Institution, and Pension Fund; **PVML:** Financing Institutions, Venture Capital, Microfinance, and Other Financial Institutions

OJK's Sustainability Finance Policies Highlights – Roadmap and Regulations

Sustainable Finance Roadmap – Phase II (2021-2025)

Focus on the establishment of a comprehensive **Sustainable Finance ecosystem** with seven main components (**Policy, Products, Market Infrastructure, Coordination with Ministries/Institutions, Non-Governmental Support, Human Resources, *Awareness*)**

POJK No. 51/POJK.03/2017

on Implementation of Sustainable Finance for Financial Services Institutions, Issuers, and Public Companies

- Serves as an **umbrella policy** for the implementation of Sustainable Finance for Financial Institutions, Issuers, and Public Companies in Indonesia.
- Regulates the mandatory application of **Sustainable Finance Principles,** the submission of **Sustainable Finance Action Plans** for Financial Services Institutions, the submission of *Sustainability Reports* for Financial Services Institutions, Issuers and Public Companies, and the mandatory implementation of **Social and Environmental Responsibility** (CSR).
- The implementation is carried out in stages.

Indonesia Sustainable Finance Taxonomy (TKBI)

TKBI is a classification of economic activities that support Indonesia's Sustainable Development efforts and Goals, covering economic, environmental, and social aspects.

POJK 17/2023: Commercial Bank Governance

Managing Climate Risk

a. The Bank is obliged to **implement Good Governance in managing climate-related risks**

b. In managing climate-related risks, the Bank must:

1) develop and implement a **process to understand and assess the potential impact of climate-related risks** on the Bank's business and incorporate these risks into business strategy and risk management frameworks;

2) establish the roles and responsibilities of the Board of Directors, Board of Commissioners and relevant units within the Bank in accordance with the organizational structure, coordination mechanisms for managing climate-related risks, and ensure effective oversight;

3) Establish **suitable policies, procedures, and controls** to ensure effective climate risk management.

4) Consider climate-related risks into the internal control framework through the three lines of defense to ensure that the identification, measurement, and mitigation of climate-related risks are conducted accurately, comprehensively, and effectively.

POJK 14/2023: Carbon Trading

- On September 26, 2023**, the launch and inaugural trading of the carbon exchange** were conducted.
- **The launch of international carbon trading inauguration** was held in in January 2025

The substance of the **Carbon Exchange POJK** includes:

1. **Carbon Units traded on the Carbon Exchange** are classified as Securities and must be registered in advance with the National Registry System for Climate Change Control (SRN-PPI) and the Carbon Exchange Operator.
2. **Entities authorized to conduct business activities as a Carbon Exchange** are market organizers that have obtained a business license as a Carbon Exchange Operator from the Financial Services Authority (OJK).
3. **OJK supervises Carbon Trading through the Carbon Exchange which includes**: Carbon Exchange Organizers, market infrastructure supporting Carbon Trading, users of Carbon Exchange services, Carbon Unit transaction and transaction settlement, Carbon Trading governance, Risk management, Consumer protection, Parties, products, and/or activities related to Carbon Trading through the Carbon Exchange.

POJK 18/2023: Issuance and Requirements for Debt Securities and Sukuk Based on Sustainability

- Replaces/revokes **POJK 60/2017** on the Issuance and Requirements for Environmental-centric Debt Securities (Green Bond) by expanding the scope of issuance to **not only Environmental EBUS, but also Social EBUS, Sustainability EBUS, Waqf Sukuk, Sustainability-Related EBUS, and other sustainability-based EBUS as determined by OJK.**
- Sustainability-linked bond and/or sustainability-linked sukuk, also known as sustainability-linked EBUS, are debt securities and/or sukuk whose issuance is linked to the achievement of certain sustainability key performance indicators.

Climate Risk and Scenario Analysis (CRMS)

- An integrated framework encompassing **governance, strategy, risk management, and disclosure aspects** to assess the resilience of banks' business models and strategies in facing climate change in the short, medium, and long term.
- It has been gradually implemented in the banking industry since 2023, with full implementation of climate risk management policies scheduled for 2026

Update Plan of POJK 51/POJK.03/2017 (1/2) (In Progress)

Jan 2023

Law Number 4 of 2023 on the Development and Strengthening the Financial Sector

Implementation of Sustainable Finance (Article 222)

PUSK, Issuers, and Public Companies

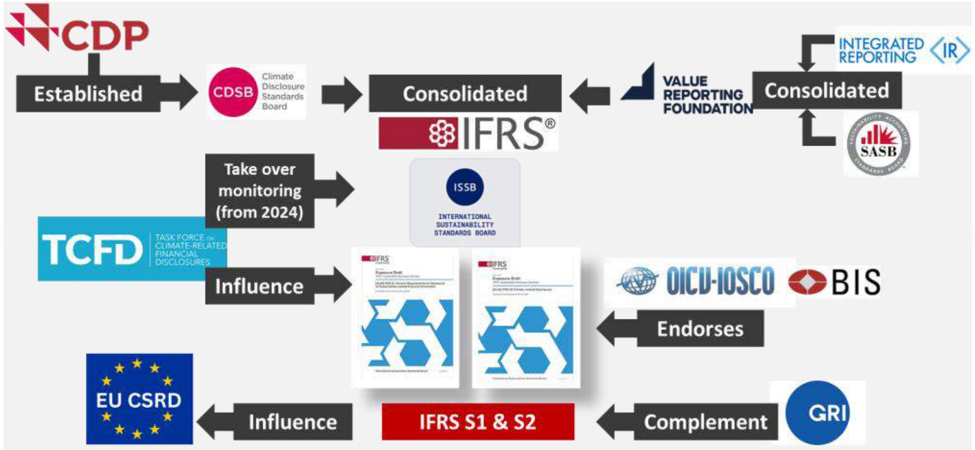
1. Business Actors of Financial Services (*Pelaku Usaha Jasa Keuangan*/PUSK), issuers, and public companies shall **implement Sustainable Finance in their business activities.**
2. In implementing Sustainable Finance, PUSK, issuers, and public companies shall:
   a. carry out business practices and investment strategies that **integrate environmental, social, and governance (ESG) aspects**; and
   b. **develop products, transactions, and financing services** for sustainable activities and transition financing.
3. PUSK, issuers, and public companies must **build capacity to implement Sustainable Finance.**
4. **PUSK, issuers, and public companies shall prepare a sustainability report as part of the accountability of their Sustainable Finance implementation performance.**

Regulator

Further provisions regarding the implementation of Sustainable Finance shall be regulated by the financial sector authority and ministry in accordance with their respective duties and authorities.

Jun 2023

Development of Sustainability Standard and Framework



In June 2023, **International Financial Reporting Standards (IFRS)-International Sustainability Standards Board (ISSB) issued IFRS S1 *General Requirements for Disclosure of Sustainability-related Financial Information* and IFRS S2 *Climate-related Disclosures.***

1. **IFRS S1** requires disclosures designed to enable entities to communicate sustainability-related risks and opportunities they face over the short, medium, and long term to investors. The focus is on general disclosure of sustainability-related financial information, as well as regulating the **conceptual foundation, core content, general requirements, judgment, uncertainty, and errors**.
2. **IFRS S2** requires disclosure of information regarding sustainability-related risks and opportunities that entities face over the short, medium, and long term to investors. The focus is specifically on **climate-related disclosures**.

IKATAN AKUNTAN INDONESIA
Institute of Indonesia Chartered Accountants

Nov 2023 – saw the establishment of:

Indonesian Sustainability Standards Oversight Board (DPSK-IAI)

Indonesian Sustainability Standards Board (DSK-IAI)

December 2024 – saw the issuance of:

Sustainability Disclosure Standards Roadmap

1 July 2025

Adoption of the Sustainability Disclosure Standards by the Indonesian Institute of Accountants (IAI)

11 August 2025

The launch of Sustainability Disclosure Standards (PSPK) 1 – General Requirements for Disclosure of Sustainability-related Financial Information and PSPK 2 – Climate-related Disclosures

Update Plan of POJK 51/POJK.03/2017 (2/2) (In Progress)

Law Number 4 of 2023 on the Development and Strengthening the Financial Sector (Article 222)

International Standards

IFRS S1 dan S2

National Standards

PSPK 1 dan 2

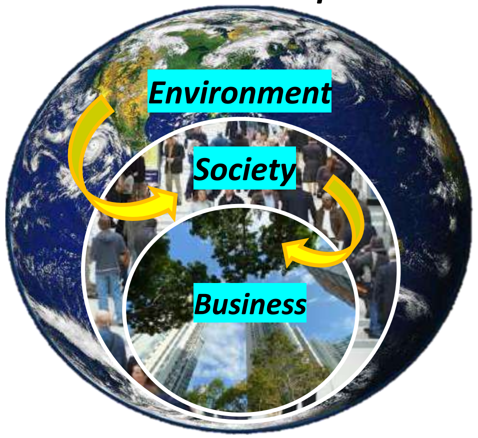
OJK Regulation on the Implementation of Sustainable Finance for PUSK, Issuers, and Public Companies

POJK 51/POJK.03/2017 on Implementation of Sustainable Finance for Financial Services Institutions, Issuers, and Public Companies

"Inside-Out" Impacts

PSPK 1&2

"Outside-In" Impacts



OJK

2017-2021

- POJK No. 51/POJK.03/2017 the Implementation of Sustainable Finance for Financial Service Institutions, Issuers, and Public Companies
- SEOJK No. 16/SEOJK.04/2017 the Form and Content of the Annual Report of Issuers or Public Companies

UU P2SK

January 2023

The Development and Strengthening the Financial Sector Law (P2SK Law) mandates that Financial Service Institutions and Issuers to prepare a sustainability report as part of accountability for the implementation of Sustainable Finance

IFRS-SSB

June 2023

IFRS ISSB publishes IFRS S1 (*General Requirements for Disclosure of Sustainability-related Financial Information*) dan IFRS S2 (*Climate-related Disclosures*)

DSK IAI

December 2024

The establishment of Sustainability disclosure roadmap

1 July 2025

Adoption of Sustainability Disclosure Standards PSPK 1 and PSPK 2

OJK

2025 - 2026

- Academic study on the revision of POJK No. 51/POJK.03/2017
- Issuance of transition policies (ISFT/TKBI, CRMS, reporting system, etc.)
- Preparation for the implementation of PSPK 1 and PSPK 2

2027 and onwards

Effective implementation of PSPK 1 and PSPK 2

OJK Initiatives in Preparation the Adoption of IFRS S1&S2 and Encouragement of the Development of Sustainability Disclosure Ecosystem

1 Developing Academic Studies on Sustainability Disclosure

Scope of Study:

1. **Industry Readiness Analysis**
   - Assessing the current state and conducting benchmarking
   - Mapping the maturity level of the industry
   - Mapping financial industry coverage (scope expansion)
   - Providing recommendations for improvement
2. **Market Gap Analysis**
   - Identification of sectoral needs beyond climate/IFRS Standards (BCBS, POJK 51/2017. GRI, TCFD, SASB, etc.)
   - Identification of bridging policies (transition plans, etc.)
3. **Analysis of the Latest Global and Regional Updates on IFRS S1 and S2 Adoption**
4. **Designing Sustainability Disclosure Framework**
   - Review of the current gap analysis (including bridging to future standards S3 and S4)

2 Preparing Bridging Policies (completed and ongoing)

Policies

1. **TKBI Development and Implementation Pilot Project**
2. **Climate Risk Management & Scenario Analysis (CRMS) + Pilot Project**
   Covering aspects of governance, strategy, risk management, and disclosure to assess the resilience of the bank's business model and strategy in facing climate change.
3. **Transition Plan Guidance**, to **help entities prepare a transition/decarbonization plan to** reduce emissions and manage climate risk by understanding the components of the transition and their implications for business processes, thereby enabling them to formulate appropriate strategies. **Focus on internalizing the transition process within the organization's business activities,** not just for the purpose of disclosure (beyond disclosure purpose).
4. **Transition Finance Guidance for different sectors**
5. **Sustainability Maturity Assessment**
6. **Development of SF Roadmap in different sectors**

Infrastructure and Data

1. Sustainability Report and Action Plan **Digitalization and Reporting System**
2. **Digitalization of green portfolio (TKBI) and GHG emissions reporting via APOLO starting in 2026**
3. **Development of the Indonesia Policy Climate Scenario**
4. **Enhancement of physical risk projection data until 2100**
5. **Development of financed emissions tool**

Human Resources

1. **Capacity building on Sustainable Finance policies for supervisors and the financial industry**
2. **Public dissemination of SF policies and regulations**

Stakeholders Collaboration

Coordination and collaboration with stakeholders at the national and international levels:

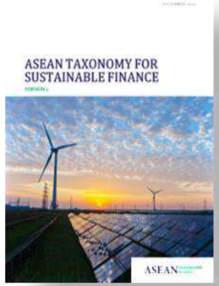
1. **Sustainable Finance Committee**
2. **Ministries/Institutions**
3. **Financial Sector Business Actors, Issuers, and Public Companies**
4. **Professional Associations**
5. **Real sector industry**
6. **International Fora/Organizations (NGFS, ATB, IFRS-ISSB, BCBS, IOSCO, SBFN, ITPN, ACMF, WCCMD, AIRM, etc.)**

Adoption of sustainability disclosure standards, Assurance/Verification Ecosystem, GHG emissions calculation methodology, development of databases, and collection of sustainability-related data

TKBI Development and Implementation

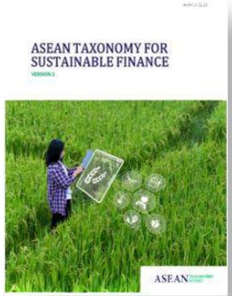
TKBI is developed with the concept of "living document (in stages)" in accordance with national and regional policy developments

ASEAN Taxonomy for Sustainable Finance (ATSF)



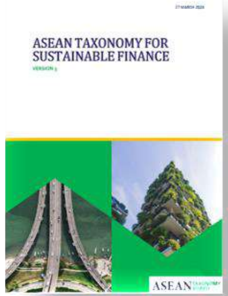
ATSF Version 1 (2021)

Main Framework



Version 2 (2023)

Energy Sector + Social Aspect



Version 3 (2024)

Construction & Real Estate (C&RE) + Transportation & Storage (T&S) Sector

Version 4 (2025)

Focus Sector:

1. Agriculture, forestry & fishery
2. Manufacturing
3. Water supply, sewerage & waste management

Enabling Sector:

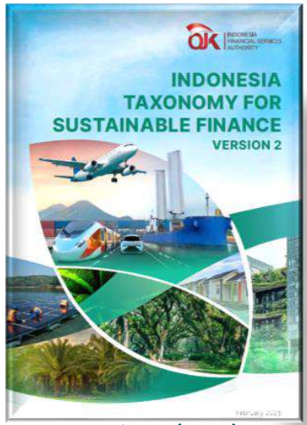
1. Information & communication
2. Professional, scientific & technical activities

Indonesia Taxonomy for Sustainable Finance (TKBI)

Indonesia Green Taxonomy (2022)

Version 1 (2024)

Main Framework (including social aspect) + Energy Sector



Version 2 (2025)

C&RE Sector + T&S + some activities in AFOLU (forestry and palm oil plantation)

Version 3

Focus Sector:

1. AFOLU (including fishery)
2. Manufacturing/IPPU
3. Water supply, sewerage & waste management

Enabling Sector:

1. Information & communication
2. Professional, scientific & technical activities

Linkage of TKBI to Sustainable Finance Policy

TKBI Implementation in Domestic Landscape

FSOL

As a foundation in establishing the Government Regulation on Sustainable Taxonomy.

Government

- As a **criteria** for renewable energy projects eligible for financing through the Energy Transition Platform, as outlined in Minister of Finance Regulation No. 103 of 2023: Provision of Fiscal Support through a Funding and Financing Framework in the Context of Accelerating Energy Transition in the Electricity Sector.
- References in identifying sustainable economic activities/financing in other Ministry/Agency programs (i.e. National Development Planning Agency, local governments, and BKPM.

Industry/ Investor

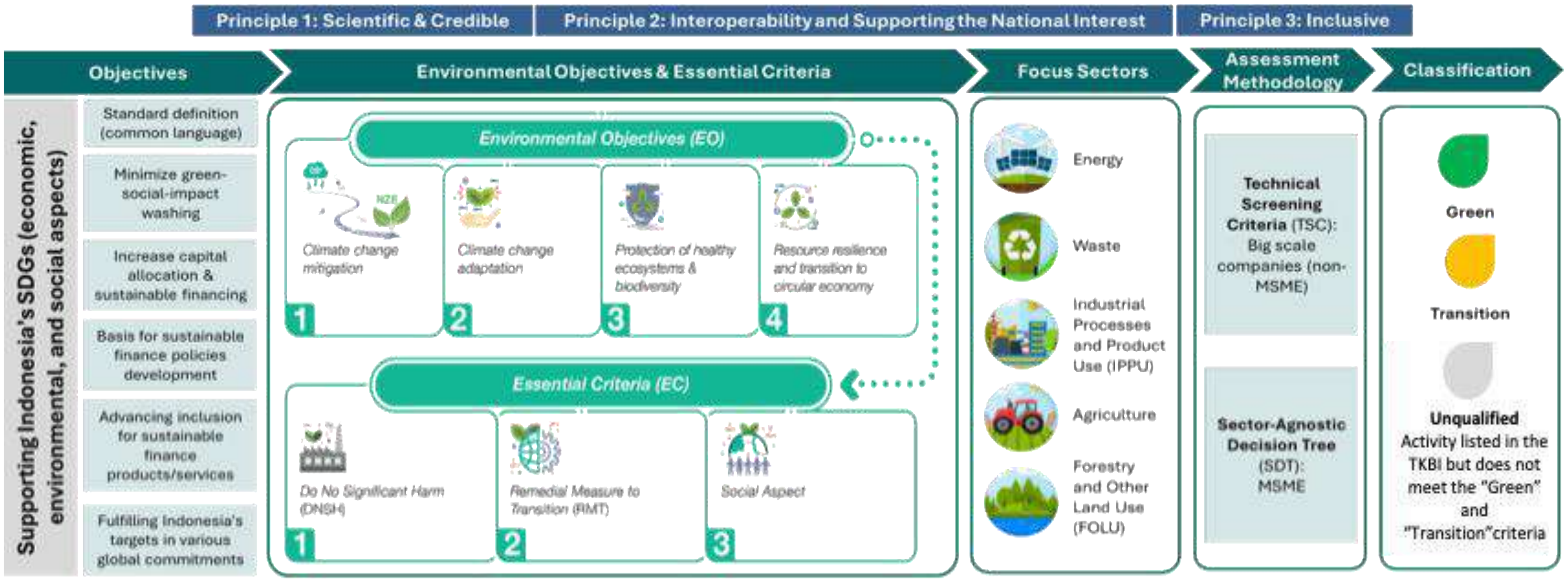
- Reference in establishing ***corporate budget tagging*** *in real sector*.
- Reference in labelling sustainable equity
- Reference in developing sustainable financing **portfolio, sustainable index/investment**.

TKBI Implementation in OJK

- TKBI can be applied in setting **green/sustainable performance indicator** in sustainability disclosures by entities (in line with the Metrics and Targets Pillars in **IFRS S1 and S2**).
- TKBI can be applied to support other OJK Sustainable Finance Policy, includes calculation of sustainable portfolios in **Climate Risk Management & Scenario Analysis**, *use of proceeds* for **Sustainable Bond/or Sukuk**

Framework of Indonesia Taxonomy for Sustainable Finance (TKBI)

TKBI is a classification of economic activities that supports Indonesia's Sustainable Development Goals, covering economic, environmental and social aspects.



Green	
General Principles	**Remarks**
In line with the **commitment of keeping the global temperature rise below 1.5°C** as per the Paris Agreement, including considering Indonesia's net zero emission by 2060 (or earlier) and fulfilling social aspects.	Activities that meet the **"Green"** criteria in one of the EO and all essential criteria, namely: a) Does not cause damage/loss (DNSH) to other EO. In cases where such damage or loss occurs, RMT are conducted to mitigate the impact and ensure no further damage/loss is caused to other EO. b) Fulfill all Social Aspects

Transition	
General Principles	**Remarks**
Activities that are not currently aligned with the commitment to keep the global temperature rise, and have not embarked on the Net zero emissions pathway, however: • **Transitioning** toward "Green" classification within a specified timeframe; • **Facilitating significant emission reduction**s in a short or medium term with specific deadlines; or • **Encouraging other activities** to be sustainable. and fulfilling the social aspects.	Activities that meet the **"Transition"** criteria in one of the EO and partially fulfill the ECs, namely: a) Still causing damage/loss (DNSH) to other EO, despite after conducting remediation (RMT) b) Has a future improvement plan; and c) Comply with all social aspects.

**) Using ASEAN Taxonomy for Sustainable Finance as main reference.*

TKBI Sectoral Coverage

Energy Sector

Number of Activity

20

Indonesian Standard Industrial Classification (*Klasifikasi Baku Lapangan Usaha Indonesia*/ KBLI) Level 5

Reference

- **ASEAN Taxonomy for Sustainable Finance (ATSF)**
- Domestic Policies on Coal Phase Out and critical mineral to support energy transition

Scope of Activity

1. **Electricity Generation (including Energy Efficiency)**
2. **Mining and Quarrying**

Construction and Real Estate Sector

Number of Activity

41

KBLI Level 5

Reference

- **ASEAN Taxonomy for Sustainable Finance (ATSF)**
- Domestic Policies and international standard on Green Building Certification, Credible Sustainable Construction Certification, and Housing Program for Low Income Communities

Scope of Activity

1. **New Building** Construction
2. **Existing Building** Construction/Renovation
3. **Real Estate**/Residential Area
4. **Civil Engineering** Construction
5. **Demolition** and **Site Preparation**
6. ***Renewable Technologies* - Electrical Installation**
7. ***Energy Efficient Equipment***
8. ***Energy Performance Measurement, Regulation & Control***
9. ***Enabling Activities*** that support the construction of main buildings as referred to in points 1) to 6).

Transportation and Storage Sector

Number of Activity

95

KBLI Level 5

Reference

- **ASEAN Taxonomy for Sustainable Finance (ATSF)**
- Domestic Policies and international standard i.e. **EURO**, **International Maritime Organization (IMO) GHG Strategy**, **International Civil Aviation Organization (ICAO), and Government's Sustainable Aviation Fuel (SAF) Roadmap**

Scope of Activity

1. **Bus** Transportation for Passengers
2. Transportation by **motorcycle, passenger car**, and other **commercial vehicles**
3. **Land** Transportation **for Goods**
4. **Non-Motorized** Transportation for Passengers and Goods
5. **Rail** Transportation **for Passengers**
6. **Rail** Transportation **for Goods**
7. **Road Infrastructure** and Public Transportation
8. **Infrastructure** Supporting **Rail Transportation**
9. **Water Transportation - Sea** for **Passengers and Retrofit**
10. **Water Transport - Sea** for **Goods and Retrofit**
11. Water Transport - Rivers, Lakes and Crossings for **Passengers and Retrofit**
12. Water Transport - Rivers and Lakes for **Goods and Retrofit**
13. Infrastructure for **Water Transport**
14. Air Transport for Passengers and Goods
15. Airport Infrastructure
16. *Enabling Activities*

In developing TKBI, **various stakeholders are consulted** including Sectoral Ministries, international and domestic stakeholders (ie. Think tanks, sectoral industry representatives/association, financial industry, academics, civil society organization, MSMEs, etc).

AFOLU Sector

Number of Activity

38

KBLI Level 5

Reference

- Best practices in various global Taxonomy
- Domestic policies such as ***Sistem Verifikasi Legalitas dan Kelestarian* (SVLK), Indonesian Sustainable Palm Oil (ISPO)**,
- Other sustainable AFOLU certification in national and international level.

Scope of Activity

1. **Sustainable Forest Management**
2. **Plantation Forestry**
3. **Non-timber Forest Product**
4. **Forestry Supply Chain**
5. **Crops: Whole Production Unit**)

The *FOLU* sector already covers all economic activities in the KBLI, while *Agriculture* only covers **Palm Oil Plantations**. This coverage will be expanded by referring to ATSF Version 4, which will be published at the end of 2025.

CRMS Framework

CRMS is an integrated framework that encompasses **governance, strategy, risk management and disclosure aspects** to assess the resilience of banks' business models and strategies in addressing climate change over the short, medium and long term.
(Currently under development for version 2)

Governance

Banks must implement a good governance related to climate risk:

1. Climate risk impact assessment
2. Responsibilities of the Board of Directors and commissioners
3. Climate risk management policies, procedures and controls
4. Assessment of climate-related risks through 3 (three) lines of defense

Strategy

The Bank must integrate the potential impact of climate risk into its business strategy through the implementation of risk mitigation and *transition plan* towards low carbon business.

Risk Management

RISK IDENTIFICATION

CLIMATE-RELATED RISKS

TRANSITION RISK DRIVERs:
- Policy (Carbon Price/Tax, NZE Target)
- Technology: *Fossil Energy Phase Out*
- Market Sentiment

PHYSICAL RISK *Drivers[4]:*
- Floods
- Forest Fires

RISK MANAGEMENT FRAMEWORK

Credit Risk[1]	Market Risk	Liquidity Risk	Operational Risk	Other Risk[2]
Quantitative *(Macroeconomic Variables , PD, LGD)*	***Qualitative*** *(Description of impact on the Bank, e.g. impact on LCR and LDR, disruption of branch operations)*			

PARAMETER STRESS TEST

TERM	***Short Term:*** 3 Years (2024-2026) ***LongTerm:*** 30 Years (2030, 2040, 2050)	SECTOR COVERAGE	**Productive Credit for Priority Sectors[3]**
B/S	**Dynamic and Static**		**Property Ownership and Agriculture Loans**

$$CAR = \frac{Capital}{ATMR}$$

NPL | $CKPN$

Qualitative analysis standard of risk parameters

[1] *Based on practices in various countries, credit risk is currently the main focus that is analyzed quantitatively.*
[2] *Other Risks include strategic, reputation, and compliance risks , among others.*
[3] *Priority Sectors include Agriculture, Mining, Energy, Construction, Transportation, and Processing Industry*
[4] refers to disaster data available from BNPB and BMKG

Measurement and Target

The Bank shall measure and set targets to assess the impact of climate risks related to its business activities.

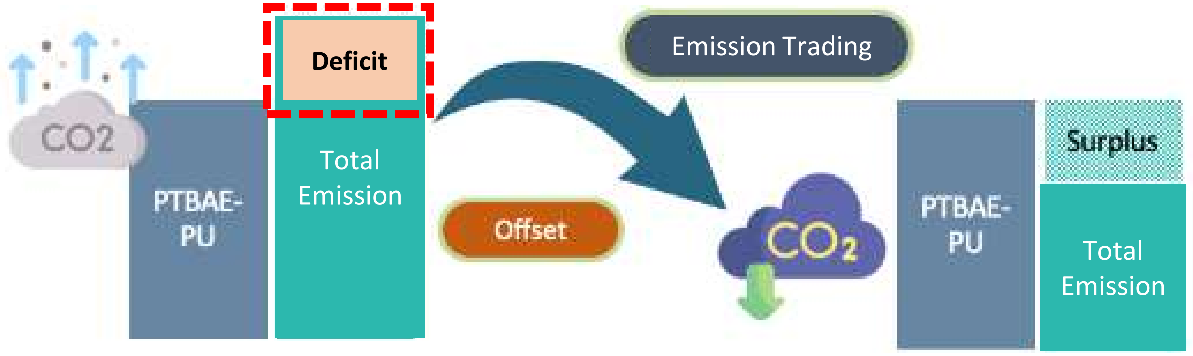
Disclosure

Banks must provide both qualitative and quantitative disclosures regarding the measurement of climate risk management.

Overview of Carbon Trading

Carbon trading is a market-based mechanism for reducing GHG emissions through the buying and selling of carbon units.

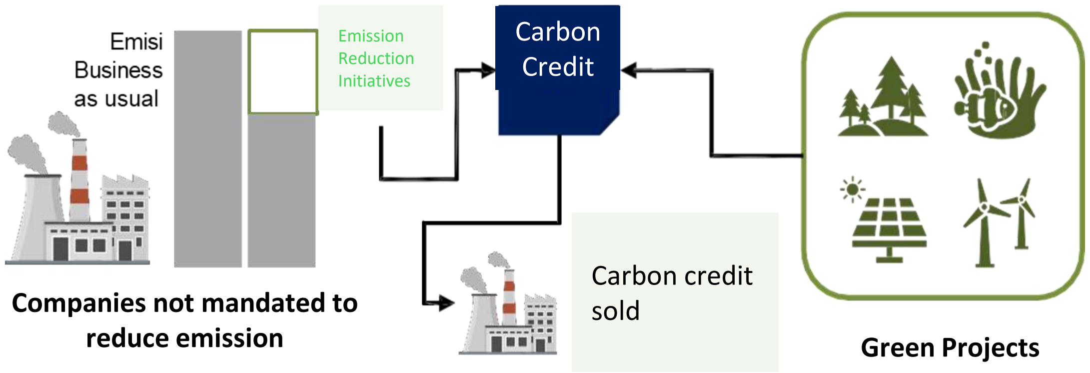
Carbon Trading



Actual Emission exceeding PTBAE-PU

Actual Emission below PTBAE-PU

GHG Emission Offset



	Carbon Trading	GHG Emission Offset
Mechanism	Cap and Trade (and Tax)	Baseline and Crediting
Carbon Unit	Carbon Allowance (*Persetujuan Teknis Batas Atas Emisi-Pelaku Usaha*/PTBAE-PU)	Emission Reduction Certificate/ Carbon Credits/Offsetting
Carbon Measurement	• The sectoral emission allowance cap is determined in accordance with the sectoral cap for the emission reduction target. • Emission allowance are allocated based on historical emission. Allowance will be gradually allocated through auction mechanism in the primary market	**Carbon Credit is issued based on:** • Claim of emission reduction by companies not required to emission cap • Green projects measured by carbon avoidance/sequestration
Sellers / Buyers	• Sellers: Companies with allowance surpluses • Buyers: Companies with allowance deficits	• Seller: Companies with green project/carbon reduction/sequestration • Buyer: Companies wish to offset their carbon emission

*PTBAE-PU (Persetujuan Teknis Batas Atas Emisi-Pelaku Usaha)/*Technical Approval on Emission Cap – Business Entity*

Carbon Exchange Statistics

	TOTAL TRANSACTION VOLUME	TOTAL TRANSACTION VALUE	CARBON EXCHANGE PARTICIPANTS	TRANSACTION FREQUENCY
	▲248%	▲167%	▲ 625%	1118%
31 July 2025 (YTD)	1.6 million tCO_2e	IDR 77.95 Billion	116	268 x
26 September 2023	0.46 million tCO_2e	IDR 29.21 Billion	16	22 x

Standardized Products	Closing Price on 8 August 2025 (IDR)
IDTBS – Technology Based Solution	58,800
IDTBS- RE - Technology Based Solution Renewable Energy	61,000
IDTBSA - Technology Based Solution Authorized	96,000
IDTBSA- RE - Technology Based Solution Authorized Renewable Energy	144,000

Listed Projects

Geothermal Energy - Lahendong Unit 5 & Unit 6 PT Pertamina Geothermal Energy Tbk

Mini Hydro Power Plant

(PLTM) Gunung Wugul

Combined Cycle Power Plant (CCPP/PLTGU) Blok 3 PJB Muara Karang

Conversion of Single Cycle system into Combined Cycle (Add On) PLTGU Grati Blok 2

Operationalization of Combined Cycle Power Plant (CCPP/PLTGU) Priok Blok 4

Conversion into **Combined Cycle Power Plant (CCPP/**PLTGU) Blok 2 PLN NP UP Muara Tawar

Combined Cycle Power Plant (CCPP/PLTGU) PLTMG Sumbagut 2 Peaker 250 MW

Utilization of Palm Oil Mill Effluent (POME) for Biogas Co-Firing Riau

PTBAE – PU (APPLE GATRIK)

COMING SOON

245 PLTU of 2024

Transaction Volume

7.04 Million tCO2e

Transaction Value

IDR 82.8 Billion

2024

Source: DPKT OJK, IDX Carbon

The Republic of Indonesia's **Green Sukuk** demonstrates the government's commitment to addressing climate change and mainstreaming innovative financing to achieve the SDGs, while also strengthening Indonesia's position in the global Shariah market.

- **Global sukuk issuance (2018-2025) : USD 7.7 Bio**
- **Retail domestic sukuk issuance (2019 – 2025) : IDR 44.6 T**
- **Wholesale domestic sukuk issuance (2022-2025) : IDR 41.37 T**

The debut "Sustainable Development Goals" ("SDG") bonds in 2021 is an important step forward in the Republic's commitment to the achievement of the SDGs, and a major advance for sustainable finance. Since 2022, GoI also issued the SDG bonds in the domestic market.

- **Global SDG Bonds issuance (2021-2024) : EUR 1.25 Bio**
- **Retail domestic SDG Bonds issuance (2024) : IDR 3.04 T**
- **Wholesale domestic SDG Bonds issuance (2022-2024) : IDR 13.81 T**

As of May 2025, GoI has Successfully issued Samurai Blue Bonds totaling **JPY 49.4 billion**

- **2023 (debut) : JPY 20.7 billion (7 years and 10 years tenor)**
- **2024 : JPY 25 billion (7 years, 10 years, and 20 years tenor)**
- **2025 : JPY 3.7 billion (20 years tenor)**

Navy Blue (high relevance): Waste management, Marine and coastal protection and restoration of biodiversity and ecosystems, Sustainable fisheries.

Sapphire Blue (moderate relevance); Disaster management and risk reduction, Marine renewable energy, Ecotourism.

Source: Ministry of Finance

2025 Republic of Indonesia Samurai Bonds Deal Review

- The Republic of Indonesia ("RoI") successfully priced a JPY 103.2 billion multi-tranche Samurai Bonds transaction, marking RoI's eleventh consecutive year accessing the Samurai market. Notably, for the third consecutive year, the 20-year tranche was labeled as a Blue Bond under RoI's renewed Sustainable Government Securities Framework, underscoring the nation's continued commitment to sustainable development. With this transaction, RoI became the first sovereign issuer in the Samurai market in 2025.

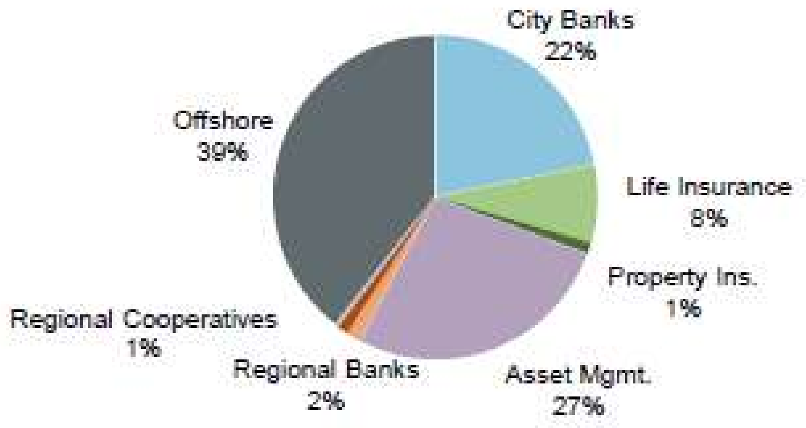
- Despite the substantial impact of the Bank of Japan's rate hikes on the Japanese bond market since last year—along with heightened market volatility and pronounced global uncertainty following "Liberation Day" in early April 2025—RoI's robust creditworthiness and strong presence in global capital markets elicited solid demand from both domestic and international investors.

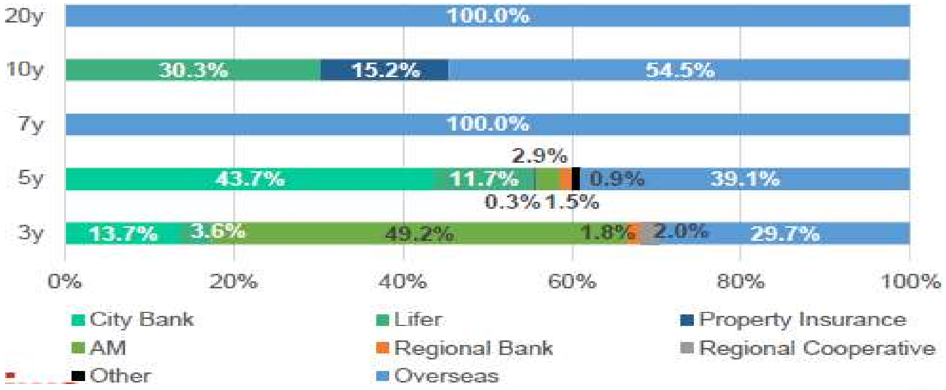
- Reflecting the volatile market environment, investor demand skewed toward the shorter tenors, consistent with other recent cross-border JPY transactions, with more than 80% of orders placed in the 3- and 5-year tranches across a wide range of investors. The longer-dated tranches (7-, 10-, and 20-year) were well supported by offshore investors, while 45% of demand for the 10-year tranche came from domestic investors (mainly life insurers).

Issuer	Republic of Indonesia				
Pricing Date	May 23rd 2025				
Issue Date	June 2nd 2025				
Format	Samurai				
Total Size	**JPY 103.2bn**				
Ranking	Senior, Unsecured				
Bond Rating	Baa2(Moody's) / BBB(S&P) / BBB(Fitch)				
Tenor	3 year	5 year	7 year	10 year	20 year
ESG Label	-	-	-	-	BLUE
Size (JPY bn)	JPY 54.9bn	JPY 34.3bn	JPY 3.7bn	JPY 6.6bn	JPY 3.7bn
Maturity Date	3rd July 2028	2nd July 2030	2nd June 2032	1st June 2035	2nd June 2045
Re-offer Spread (YMS, TONA based)	75bp	93bp	98bp	105bp	125bp
Coupon	1.56%	1.87%	2.05%	2.35%	3.26%
Issue Price	100%				

Sour

Investor Breakdown





2025 Republic of Indonesia Global Green Sukuk USD2.2 Billion

❖The Republic of Indonesia (the "Republic") approached the markets for its first Sukuk issuance in 2025 and successfully priced a US$ 2.2 billion Sukuk offering comprising of US$ 1.1 million 5-year, and a US$ 1.1 million 10-year Green

❖The offering drew strong investor interest from the outset, with orderbooks covered within the first hour. Final orderbooks exceeded US$2.9bn and US$3.1bn for the 5-year and 10-year, reflecting an oversubscription of 2.6x and 2.8x respectively. The transaction was priced at 4.55% for the 5-year, and 5.20% for the 10-year tranche

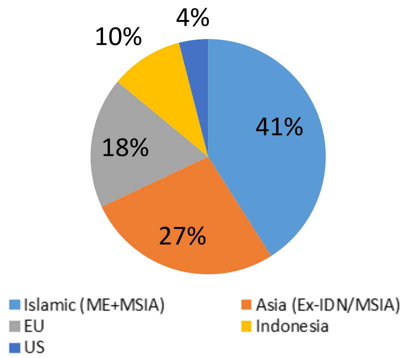
Issuer	**Perusahaan Penerbit SBSN Indonesia III**	
Issue Format	144A / Reg S / 3 (c) (7), Senior, Unsecured, Wakala US$ Trust Certificate ("Sukuk") issued under a US$45 billion Trust Certificate Issuance Programme	
Issuer Ratings	Baa2 stable (Moody's) / BBB stable (S&P) / BBB stable (Fitch)	
Issue Ratings	Baa2 (Moody's) / BBB (S&P) / BBB (Fitch)	
Pricing Date	16 July 2025	
Issue Date	23 July 2025	
Tenor	**USD 5Y Sukuk**	**USD 10Y Sukuk Green**
Maturity Date	23 July 2030	23 July 2035
Tranche Size	USD 1.1 billion	USD 1.1 billion
Profit Rate	4.550% Fixed, Semi-annual, 30/360	5.200% Fixed, Semi-annual,30/360
Re-Offer Price	100.00%	100.00%
Reoffer Spread	UST + 57 bps	UST + 74.7 bps
Reg S ISIN	US71567RBD70	US71567RBE53
144A ISIN	US71567WAA36	US71567WAB19
Use of Proceeds	The Obligor will use the net proceeds it receives from the issue of Certificates to meet part of its general financing requirements, provided for the 10-year Green Sukuk, the Obligor will apply an amount equal to the net proceeds from the issue of the Sukuk exclusively to finance or re-finance Eligible Green Expenditures as defined in the Obligor's Sustainable government Securities Framework	
Other Details	USD200k/1k denoms., English / Indonesian Law	
Listing	Singapore Exchange Securities Trading Limited and Nasdaq Dubai	
Joint Bookrunners	BofA Securities, Deutsche Bank (B&D), Dubai Islamic Bank, HSBC, Mandiri Securities	
Co-Managers	PT BRI Danareksa Sekuritas and PT Trimegah Sekuritas Indonesia Tbk	

ORDERBOOK DISTRIBUTION

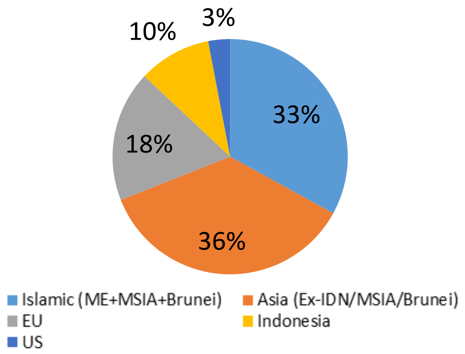
USD 5-Year	USD 10-Year Green
US$ 2.9bn+ From **103** accounts	**US$ 3.1bn+** From **150** accounts

INVESTORS BY GEOGRAPHY (ALLOCATION)

5Y

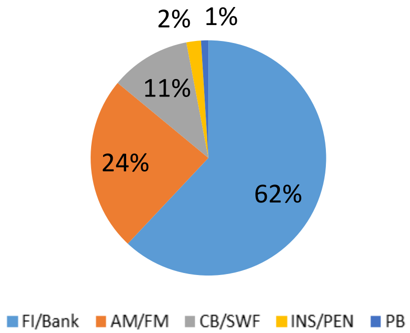


10Y

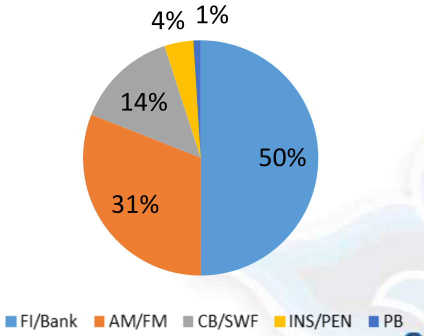


INVESTORS BY TYPE (ALLOCATION)

5Y



10Y

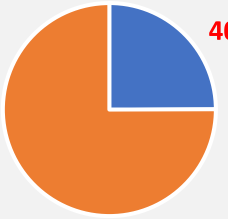


Allocation And Impact – Green Sukuk

The Government of Indonesia has issued seven sovereign global green sukuk, consecutively in March 2018, February 2019, June 2020, June 2021, May 2022, November 2023, and July 2024 with total amount of USD 6.6bn

2018	2019	2020	2021	2022	2023	2024
USD 1.25bn	USD 750mm	USD 750mm	USD 750mm	USD 1.5bn	USD 1bn	USD 600mm

Financing vs Refinancing (2023 Global Green Sukuk)



Use of Proceeds

2023 Global Green Sukuk

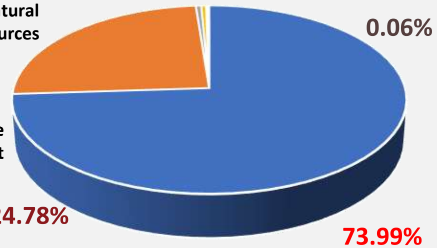
Breakdown by Sector

Sustainable Water and Wastewater Management	82.77%
Resilience to Climate Change	16.50%
Sustainable Transport	0.65%
Sustainable Management of Natural Resources on Land	0.06%
Energy Efficiency	0.003%

Breakdown by Project Owner

Ministry of Public Work and Housing	99.29%
Ministry of Transport	0.65%
Ministry of Environment and Forestry	0.06%

Cumulative 2018–2023 Green Sukuk Proceed Allocation by Sector



Projected Environmental and Social Impacts

2023 Global Green Sukuk, 2022 Project Based Sukuk, and 2023 Retail Green Sukuk

Sustainable Transportation

Contribute to the annual GHG emission reduction at 2,777,421.09 tCO2e in total from railway infrastructure development and improvement and 129.53 tCO2e from the conversion of ICE to electric motorcycles.

Resilience to Climate Change

Enhance the infrastructure service capacity of water management areas that are prone to floods and droughts through the development and/or maintenance of Flood Control Infrastructure, Coastal Protection Structures, Raw Water Infrastructures, Water Supply infrastructure, and Reservoir Storage infrastructures.

Sustainable Water and Wastewater Management

- Reservoir and Water Storage Development
- Domestic Wastewater Connections
- Agricultural Water Supply
- Reservoir Storage Enhancement

Renewable Energy

The project supports renewable energy development for geothermal resources by enhancing geophysical data quality, improving the validity of surveyed prospects, and reducing exploration risks.

Waste to Energy and Waste Management

Improve municipal solid waste management, projected to benefit a total of 3.7 million people

Green Building

The project will construct environmentally friendly and socially acceptable buildings, resulting in 2,523 room units that contribute to sustainable development and community well-being.

Sustainable Management of Natural Resources

Contribute to the annual GHG emission reduction at 582.105 million tCO2e in total from forest and land rehabilitation and 92.88 tCO2e from PROPER assessment and compliance

Source: Ministry of Finance

Allocation And Impact - SDG And Blue Bond

2021

IDR8,48 trillion

- Completed Basic Vaccination for **30 million** babies
- Scholarships for **11.4 million** elementary school students
- Internet access in **2,146** Borderline Frontier, Outermost, and Least Developed Regions in Indonesia

2022

IDR3,30 trillion

- Supporting more than **470,000** farmers Producing over **470,000** tons of rice with high micronutrient content (GKG)
- Providing scholarship for **1 million** Islamic elementary school students
- Extended access to essential basic services for **3 million** underprivileged families
- Supporting more than **1,600** children in need of special protection **23,000** orphans **7,900** entrepreneurial groups

2023

IDR7,69 trillion

- Improving over **61,000** hectares of planted areas Benefiting more than **24,000** workers (over 397,000 working days) during the construction phase
- Benefiting over **15,000** small and medium enterprises
- Supporting more than **3,500** vocational higher education graduates
- Extended access to education for over **4.2 million** Islamic elementary school students **3.3 million** Islamic junior high schools students

IDR2,22 trillion

- Constructing and maintaining safety measures across all projects is approximately **684.19 km**, with a total area coverage of **1,920.11 hectares (Ha)**, aimed at preventing disasters in 33 provinces.
- Rehabilitated **41,821 Ha** of mangrove forest and **2,104.56 m²** of coral reef, while establishing **4.29 million Ha** of new conservation areas and distributing seeds to support biodiversity management.
- 12 waste processing facilities developed, each handling an average of **1.5 tons** of waste per month

SDG Bond | Blue Bond

International Awards

Green Sukuk

Islamic Finance News

Finance Asia

Climate Bond Initiative

IFR Asia

Cambridge IFA

The Asset Triple A

Global Capital, Euromoney

The ROI Green Sukuk has been awarded **21 international awards** from prominent organizations since 2018.

Challenges and Lessons Learned

Thematic bond/sukuk needs extra effort:
framework preparation, framework review from Second Party Opinion, impact report, and report assurance (audit) from external auditor.

Having the right, knowledgeable and reputable partners are crucial to support framework development, issuances, including investor meetings, and impact reporting.

Need strong commitment and coordination from all stakeholders, especially line ministries.

Incentives are needed, especially *pricing benefit (greenium),* to encourage more parties to issue green/SDG instruments.

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