

ESG Financing Policy for Oil and Gas Industry Sector

Disclaimer

This document outlines the “Environmental, Social, and Governance (ESG) Financing Policy for the Oil and Gas Industry Sector” of PT Bank Central Asia Tbk, based on Decree No. 216/SK/DIR/2025. The policy has been developed with due consideration to the Company’s business processes and in alignment with applicable national regulations and guidelines. This policy reflects BCA’s commitment to responsible financing and serves as a sectoral framework that guides the Bank in providing financing to debtors within the oil and gas industry. It emphasizes the importance of assessing and managing Environmental, Social, and Governance (ESG) risks associated with this sector. The implementation of this policy will be carried out in a gradual, effective, and efficient manner, in accordance with the resource availability, specific needs, and the urgency of each aspect outlined in the policy.

Introduction and Scope

In conducting responsible business practices, PT Bank Central Asia Tbk (BCA)—hereinafter referred to as “BCA”—recognizes the importance of integrating Environmental, Social, and Governance (ESG) aspects into its operations. The oil and gas industry sector presents significant ESG-related risks, including greenhouse gas emissions, environmental pollution, and social impacts on surrounding communities. Therefore, BCA is committed to carefully evaluating and actively encouraging (prospective) debtors in the oil and gas sector to adopt responsible business practices that support the broader transition toward a low-carbon economy.

This policy applies to productive corporate lending, specifically for the financing of projects and infrastructure within the oil and gas industry. It covers upstream and downstream oil and gas activities, as well as supporting activities related to both upstream and downstream operations.

Oil and Gas Industry Sector Financing Policy

In channeling financing to the oil and gas industry, PT Bank Central Asia Tbk (BCA) has established the following policies:

1. BCA requires (prospective) debtors to comply with the following criteria:

- holding all documents required under applicable laws and government regulations relevant to the oil and gas sector, in accordance with the type of financing and the nature of their business activities.
- comply with all legal and regulatory requirements (including Acts and Government Regulations) applicable to the type of financing and the nature of their business activities, particularly those related to environmental protection, occupational health and safety (OHS), labor practices, and corporate social responsibility.
- for (prospective) debtors subject to the Company Performance Rating Program in Environmental Management (PROPER) by the Ministry of Environment/Environmental Control Agency (KLH/BPLH), the results of the PROPER assessment must be disclosed to BCA. If the results of the PROPER assessment do not meet the applicable environmental requirements, appropriate follow-up actions must be taken in accordance with prevailing regulations.

- for (Prospective) debtors engaged in non-conventional oil and gas exploration and production activities—such as tar sands, shale oil and gas, ultra-deep-water operations, Arctic oil and gas—as well as liquefied natural gas (LNG) projects, are required to comply with applicable regulations issued by the Ministry of Energy and Mineral Resources (ESDM), along with other relevant laws and regulations.

2. BCA encourages (prospective) debtors to implement sustainable practices in various aspects, including:

- having clear policies, certifications, and/or management systems related to environmental management.
- conducting operational activities with appropriate measures to preserve, protect, and manage the environment.
- implementing and ensuring effective measures to reduce environmental pollution and its impacts on water, air, soil, and biodiversity including efforts to reduce emissions, where relevant, in accordance with the applicable laws and government regulations of the oil and gas sector in Indonesia.
- improving the quality of other environmental aspects in line with the criteria outlined in the Indonesia Taxonomy for Sustainable Finance (TKBI), as relevant to the oil and gas industry.
- integrating human rights principles and minimizing other social risks within its operational areas.
- fulfilling workers' rights, including occupational health and safety (OHS), in accordance with applicable regulations.
- implementing proactive measures to reduce social risks in alignment with the criteria outlined in the Indonesian Taxonomy for Sustainable Finance (TKBI), particularly those relevant to the oil and gas sector.
- implementing Good Corporate Governance (GCG) practices.
- managing to minimize the potential for incidents or events that could lead to ESG-related risks due to failure to comply with applicable laws and regulations.
- conducting ESG impact assessments to ensure compliance with legal and regulatory requirements, and to effectively mitigate and address any identified ESG risks.
- establishing a clear and transparent grievance mechanism regarding ESG-related concerns and designed to be accessible to all stakeholders, both internal and external.

Monitoring and Evaluation

In implementing and monitoring aforementioned policy, BCA takes the following measures:

- identifying the condition of (prospective) debtor in fulfilling the mandatory provisions in the policy.
- encouraging (prospective) debtors to adopt sustainable business practices.

Closing

For further information regarding the Environmental, Social, and Governance (ESG) Policy on Financing for Oil and Gas Industry Sector, please contact the Environmental Socia & Governance (ESG) Subdivision via email at esg_group@bca.co.id.