

## ESG Financing Policy for the Toll Road Development Sector

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### Disclaimer

This document is the “Environmental, Social, and Governance (ESG) Financing Policy for Toll Road Development Sector” of PT Bank Central Asia, Tbk based on Decree No. 203/SK/DIR/2022, which is prepared in accordance with the company's business processes and refers to regulations and standards concerning national and international issues. This policy is made in line with BCA's commitment to responsible financing. This policy is a sectoral umbrella that serves as the basis for BCA in providing financing to debtors in the toll road development sector by considering environmental, social, and governance (ESG) risks. This policy will be implemented gradually, effectively, and efficiently in accordance with the availability of resources, needs, and the level of urgency of each aspect stated in this policy.

### Introduction and Scope

PT Bank Central Asia Tbk (BCA), hereinafter referred to as "BCA", understands that lending carries risks that may affect the health and business continuity of the bank. The toll road development sector has the potential to pose environmental, social, and governance risks. Therefore, BCA considers, manages, and harmonizes environmental, social, and governance (ESG) aspects in carrying out sustainable business practices.

BCA encourages debtors in the toll road development sector to minimize the negative impact of their business activities, which aligns with BCA's commitment to responsible financing. Therefore, BCA applies sound credit principles and prudential principles in disbursing financing to the toll road development sector to maintain the quality of the bank's financing portfolio and reputation. This policy applies to productive credit in the corporate category of the toll road development sector.

### Toll Road Development Sector Financing Policy

In channeling financing to the toll road development sector, BCA has the following policies.

#### 1. **BCA requires (prospective) debtors to comply with the following conditions:**

- Holding complete documents related to readiness criteria, business licenses, environment, and social in accordance with applicable laws.
- Complying with laws and regulations, government regulations, and government policies that apply to (prospective) debtors, especially those related to minimum service standards for toll roads and toll road construction, occupational safety and health, labor, the environment, and applicable social responsibility.

## **2. BCA encourages prospective debtors to implement sustainable practices, including:**

- Having clear policies and system management related to environmental management.
- Holding environmental and occupational health and safety certificates.
- Executing development that pays attention to adequate measures in maintaining, protecting, and controlling the environment as well as occupational health and safety.
- Managing and improving environmental conditions from the impact of development activities, both through land rehabilitation and other efforts.
- Conducting and ensuring efforts to reduce the impact of water, air, and soil pollution.
- Minimizing the disturbance to the communities affected by toll road construction projects, including considering the construction time that will not disturb the community activities in farming/gardening/trading/socializing, including not damaging community property and minimizing the obstruction of transportation access of the surrounding community due to toll road construction.
- Conducting empowerment and coaching programs for the surrounding community to improve their quality of life.
- Monitoring the dissemination of the land acquisition process by authorized agencies to affected communities and paying attention to the replacement process.
- Fulfilling employees' rights in accordance with applicable regulations.
- Ensuring that the development process is in accordance with applicable regulations.
- Implementing Good Corporate Governance (GCG) practices.
- Having sustainability initiatives related to ESG implementation.
- Strategically, effectively, and efficiently engaging stakeholders in managing sustainability aspects and mapping ESG risks.
- Evaluating the ESG impact to ensure that there are no violations of provisions of laws, government regulations, and government policies so that the impact of ESG is mitigated and resolved.

### **Monitoring and Evaluation**

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

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



## **Closing**

For more information, please contact:

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