

CONSTRUCTION SERVICES AND INFRASTRUCTURE SECTOR GUIDANCE

Bank already has developed a Sector Guidance that provides financing guidelines for Banks in sectors/industry considered as having high sustainability risks, including Construction Services and Infrastructure. Sector/industry identification is carried out by taking into account environmental, social, governance, climate change, and human rights aspects. The Sector Guidance is expected to be able to encourage the formation of a financing ecosystem towards a low-carbon economy, achieve the Sustainable Development Goals, and contribute positively to climate change mitigation and adaptation actions in line with Paris Agreement goal.

Bank expects construction service company to have Occupational Safety & Health (OSH) management plan covering worker safety and health, conditions and requirements of the work place and environment, and installation standards and equipment standards for occupational accidents and safety. Bank also expect infrastructure companies to have environmental documents such as AMDAL or UKL-UPL. Debtors are also expected to prioritizing the principles of Human Rights in terms of use the principle of Free, Prior and Informed Consent (FPIC), have a Human Rights commitment/policy, identify main risks related to human rights, and have a grievance mechanism.

Bank also continues to encourage debtors to implement best sustainability practices in construction services and infrastructure companies including but not limited to; have public commitment in the form of policies on material environmental & social issues, monitor and report direct GHG emissions and land use change emissions, and to have strategy and target to reduce emissions, and incorporate responsible water conservation and/or stewardship in the business operations.