

MANUFACTURING 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 Manufacturing. 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 expect manufacturing companies to be required to have Environmental Documents such as AMDAL or Detailed RKL-RPL and prioritizing the principles of Occupational, Health, and Safety (OHS) which contains OHS risk management, mitigation, and monitoring. 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 manufacturing sector including but not limited to; commit to a carbon emission reduction plan in line with the Enhanced Nationally Determined Contribution (ENDC), implement an Environmental Management System up to industry standard certification (e.g. ISO14001:2005), and develop and implement a sustainable sourcing policy.