

MINING AND QUARRYING 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 Mining and Quarrying. Sector/industry identification is carried out by taking into account environmental, social, governance, climate change, carbon emissions, biodiversity, 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 mining and quarrying, mining and quarrying refining product, and mining and quarrying contractor companies to have Environmental Document, Mining Business License, prioritizing the principles of human rights in terms of using the principle of Free, Prior and Informed Consent (FPIC), have a Human Rights commitment/policy, identify main risks related to human rights, have a grievance mechanism and prioritizing the principles of Occupational, Health, and Safety (OHS). In addition, contractor service companies are obliged to ensure that the mining and quarrying company have license/permit to operate.

Bank also continues to encourage debtors to implement best sustainability practices in mining and quarrying sector including mining and quarrying, mining and quarrying refining product, and mining and quarrying contractor companies but not limited to; control of air and water pollution as reported through the Environmental Management Plan (RKL) and Environmental Monitoring Plan (RPL) documents, strongly discourage sourcing raw materials from mining and quarrying activities in areas containing high biodiversity and/or High Carbon Stock (HCS), and identify potential physical and transitional risks.