

## Environmental and Social Due Diligence (ESDD) Summary

<b>Issuer</b>	PT Adhi Commuter Property Tbk (“ADCP”)
<b>Use of CGIF’s guarantee</b>	The use of proceeds (UOP) is for <ul style="list-style-type: none"> <li>(i) financing two (2) construction projects (LRT City Tebet Project, South Jakarta and LRT City Cibubur Project, Depok, West Java) in Indonesia; and</li> <li>(ii) refinancing of four (4) land acquisition projects (Adhi City Sentul Project, LRT City Cibubur Project, Oase Park Project and LRT City Bekasi Project) in Indonesia.</li> </ul>
<b>Countries of operations</b>	Indonesia
<b>Categorisation</b>	Special-purpose Corporate Bond (SCB) <ul style="list-style-type: none"> <li>Environment – B</li> <li>Involuntary Resettlement – B</li> <li>Indigenous Peoples - C</li> <li>ESMS – High</li> </ul>

<b>Environmental and social management system (ESMS)</b>	<p>The environmental and social due diligence (ESDD) confirmed that ADCP has existing environmental and social principles, policies, and procedures to manage environmental and social (E&amp;S) risks at the corporate level. However these are not systematically and consistently implemented (and cascaded) from the ADCP corporate level to each of the projects; therefore, a High categorization is allocated to ESMS risk. Supplementary enhancements to procedures and management processes were required to ensure compliance with CGIF Environmental and Social Safeguards (ESS) Policy specifically on the management of E&amp;S impacts of the projects under the use of proceeds and the monitoring and reporting procedures between the project level and ADCP corporate level.</p> <p>Prior to bond issuance, ADCP, supported by CGIF enhanced its existing E&amp;S management systems and associated policies and procedures through the development of an integrated ESMS to include: screening and categorization of new developments, due diligence, and management of occupational and community health, safety and environment (OCHSE), land acquisition and resettlement, stakeholder engagement and grievance, labor aspects, procurement including contractor and supplier contracts related to labor standards, particularly prohibition of child and forced labor (CFL). The overriding ESMS structure will allow ADCP to consistently manage how E&amp;S issues are identified, addressed and managed against the objectives and principles of the ESMS and CGIF ESS requirements.</p>
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**Screening and identification of risks**

The ESDD confirmed that the two (2) projects under construction would be classified as Category B for Environment given that the construction impacts are likely to have only limited and temporary environmental impacts during the construction and operation phases, due to:

- (i) Low environmental sensitivity of the location, given it is not located within or in close proximity to any legally protected areas (PA) or areas designated as key biodiversity area (KBA);
- (ii) No significant adverse environmental impacts were identified or expected. Typical construction related impacts were anticipated during the development of the projects included waste generation, noise impacts, dust generation, air emissions, health and safety risks to construction workers and adjacent communities, and traffic impacts. These impacts are temporary and can be readily mitigated through appropriate management measures. Property and real-estate development projects are not considered to be highly resource-intensive and the cause of excess pollution, subject to management plans being consistently implemented and
- (iii) Key environmental issues have been assessed through local Environmental Impact Assessment (EIA) relating to air quality, noise and vibration, groundwater and surface water quality, drainage disturbance, waste management (hazardous and non-hazardous), water supply, and biodiversity.

Operation-related impacts such as domestic activities, offices, commercial areas, and its supporting facilities were also assessed. No significant impacts were identified due to the nature of activities not resulting any material air and water pollution, occupational health and safety impacts and social disturbance. An environmental management and monitoring plan (EMMP) at each project was also established to address all potential environmental and social impacts risks. This document includes proposed mitigation measures, environmental monitoring and reporting requirements, implementation schedule, and performance indicators.

No involuntary resettlement (IR) is identified or triggered for the two (2) projects under construction and for three (3) land acquisition sites. One (1) land acquisition site under the LRT City Bekasi Project which was acquired on a willing buyer-seller agreement, comprised a small number of illegal squatters/residents on the site that required rehousing by the local government and existing landowner prior to transfer to ADCP (hence was deemed a legacy case). This potential IR legacy impact triggered a B categorization (IR) assigned for this site (and the transaction as a whole). The ESDD confirmed that the resettlement of these informal settlers was not a material risk for ADCP, as the resettlement was locally managed by the Indonesian

	<p>government and previous landowner, with no ongoing issues or complaints, prior to the handover of the plot to ADCP.</p> <p>The ESDD confirmed that the location of the projects under construction and all the land acquired under the transaction are not known to be settled, claimed, or owned by any distinct or vulnerable ethnic/Indigenous Peoples (IP) groups and in urban areas where the character of the community tends to be heterogenous, supporting a Category C classification under IP.</p>
<p><b>Institutional capacity, commitment and development</b></p>	<p>An ESMS Manager has been appointed at the corporate level with overall responsibility to oversee effective and consistent implementation of ESMS. The ESMS Manager will be supported by ESMS Co-ordinators within the Project Management Team at the construction project site level (2 sites).</p> <p>As a post issuance requirement, CGIF will provide a high level ESMS awareness training to ADCP personnel, including those with designated roles and responsibilities under the ESMS. The ESMS also incorporates the requirement to develop E&amp;S competence and training framework to effectively implement and manage the ESMS and to cascade the ESMS and E&amp;S requirements to ADCP corporate and project staff.</p>
<p><b>Stakeholder communication, participation and consultation</b></p>	<p>The ESMS includes an overarching stakeholder engagement plan (SEP) and grievance redress mechanism (GRM) that are disclosed to relevant stakeholder groups in order to capture and resolve any potential issues and concerns related to E&amp;S risks and impacts. The SEP outlines the identified stakeholders, stakeholder engagement programs, implementation, and monitoring. The GRM set outs the responsibilities and obligations of the parties to manage grievances.</p> <p>The ESMS Manager will monitor and report the E&amp;S performance of ADCP to CGIF on semi-annual during construction of two sites and annual during operations (once construction is completed).</p>