

## Environmental and social due diligence summary

<b>Issuer</b>	PT Polytama Propindo (PT Polytama)
<b>Use of CGIF's guarantee</b>	The proceeds are specifically allocated for financing (i) polypropylene production activities (working capital), (ii) granule product development, and (iii) propylene tank procurement.
<b>Countries of operations</b>	Indonesia
<b>Categorisation</b>	Specific Purpose Corporate Bond Environment B Involuntary resettlement C Indigenous Peoples C

<b>Environmental and social management system</b>	<p>PT Polytama had an existing environmental and social management system (ESMS) which incorporates (i) air and noise pollution control and gas emission reduction, (ii) wastewater (iii) energy efficiency, (iv) water efficiency, (v) hazardous and non-hazardous wastes, (vi) biodiversity, (vii) pest control, (viii) community development, (ix) emergency preparedness and response, and (x) monitoring and reporting. Supplementary work has been undertaken to ensure compliance with CGIF's Environmental and Social Safeguards (ESS) specifically on stakeholder engagement and community health and safety (CHS).</p> <p>The ESMS was updated prior to issuance of CGIF's guarantee, appropriate to the nature and scale of the environmental and social (E&amp;S) risks of the polypropylene production facility in Indonesia.</p> <p>A new CHS management plan is under development that includes (i) CHS assessment at the closest potentially impacted communities, including along the natural gas pipeline and polypropylene land transportation route, and (ii) emergency response procedures related to CHS.</p>
<b>Screening and identification of risks</b>	<p>The operations of PT Polytama are classified as category B for environment and category C for both involuntary resettlement and Indigenous Peoples. Management of environmental and social (E&amp;S) risks and impacts associated with the various operational activities of the closed-loop production system of the facility are undertaken in accordance with the governing laws and regulations relating to impacts on air quality, noise, waste (hazardous and non-hazardous), wastewater, and odour. Appropriate E&amp;S management plans and standard operating procedures (SOPs) are also in place to mitigate these impacts.</p>

	<p>PT Polytama acquired the production site location through negotiated lease agreement and it was not known to be settled by, claimed by or owned by any distinct or vulnerable ethnic/Indigenous Peoples groups, nor are there any Indigenous Peoples groups in proximity that will be affected by PT Polytama’s activities.</p> <p>An overarching stakeholder engagement plan (SEP) is included in the PT Polytama’s ESMS to outline the identified stakeholders, stakeholder engagement programs and monitoring of SEP implementation. The SEP includes requirements for disclosure of E&amp;S related information to local communities to capture and resolve any potential legacy issues associated with impacts on access to sources of livelihood, or additional E&amp;S related operations.</p>
<p><b>Institutional capacity, commitment and development</b></p>	<p>PT Polytama has appointed an ESMS Manager to ensure that the enhanced ESMS is effectively implemented and maintained.</p>
<p><b>Stakeholder communication, participation and consultation</b></p>	<p>The ESMS includes an overarching SEP that incorporates a grievance mechanism that is disclosed to local communities to capture any potential legacy or new issues associated with land acquisition and other E&amp;S impacts.</p> <p>The ESMS also requires i) the monitoring of the E&amp;S performance of PT Polytama’s production facility by the ESMS Manager and ii) reporting E&amp;S performance to CGIF on an annual basis for the tenor of the bond.</p>