

Environmental and Social Due Diligence (ESDD) Summary

Issuer	PT Indonesian Paradise Property Tbk ("INPP")
Use of CGIF's guarantee	<p>The use of proceeds (UOP) is for refinancing of seven (7) underlying property assets across the INPP's core business:</p> <ul style="list-style-type: none"> (i) Four (4) hotels (Harris Waterfront Batam, Harris Batam Center, Harris Hotel Tuban and Maison Aurelia Sanur) and (ii) Three (3) retail malls (i.e., Antasari Retail, 23 Semarang and Park 23).
Countries of operations	Indonesia
Categorisation	<p>General-purpose Corporate Bond (GCB)</p> <p>ESMS – High</p>

Environmental and social management system (ESMS)	<p>INPP enhanced its existing E&S management systems and associated policies and procedures through the development of an integrated environmental and social management system (ESMS) to include screening and categorization procedures for new developments, management of occupational and community health, safety, and environment (OCHSE), land acquisition and resettlement (where triggered), stakeholder engagement and grievance management, labor management (including the prohibition of child and forced labor (CFL) also extended to Suppliers and contractors).</p> <p>The overriding ESMS structure will allow INPP to consistently manage how environmental and social issues are identified and addressed against the objectives and principles of ESMS and CGIF ESS requirements.</p>
Screening and identification of risks	<p>The ESDD confirmed that the operational properties (5) and the under-construction properties (2) would be deemed classified as Category B for Environment, given limited operational impacts and temporary typical construction impacts:</p> <ul style="list-style-type: none"> (i) Low environmental sensitivity of the location of five (5) of the properties, given none are located within or in close proximity to any legally protected areas (PA) or areas designated as key biodiversity areas (KBA). The other two (2) properties are located on Batam Island and within the Batam Island KBA and the Alliance for Zero Extinction site. However, while located within KBAs, the ESDD confirmed that the operational hotel activities are not having, or are expected to have, adverse impacts on biodiversity features due to their scope of operations. No suitable habitat (required as freshwater swamp forest) for KBA trigger species was

	<p>identified in or immediately adjacent to the two Batam-situated sites.</p> <p>(ii) No significant adverse environmental impacts were identified or expected. The key environmental issues assessed through local environmental requirements for typical construction and operational activities of hotels and shopping malls are related to wastewater, waste (hazardous and non-hazardous), traffic, fire, air quality, noise intensity, erosion, land vegetation and aquatic biota, job opportunities, community income/livelihood, disturbance of hotel and security. Appropriate management practices are in place to mitigate these impacts.</p> <p>The existing environmental management documents will be enhanced to a comprehensive Construction (or Operational Environmental & Social Management Plans (CESMP/OESMP) for hotels and shopping malls based on the framework developed under the ESMS.</p> <p>No involuntary resettlement (IR) is identified or triggered for the hotels and shopping malls, given these are five existing sites already operational and the land was previously acquired. The ESDD confirmed that the land acquisition process was based on a voluntary basis (i.e., willing buyer – willing seller principles) where land was acquired in the form of building right use/ Sale and Purchase Agreement. There are also no signs of involuntary resettlement from INPP operations once land is acquired. The ESDD findings support a deemed Category C classification for IR.</p> <p>The ESDD confirmed that the location of INPP's hotels and shopping malls are not known to be settled claimed, or owned by any distinct or vulnerable ethnic/Indigenous Peoples (IP) groups, supporting a deemed Category C Classification.</p>
<p>Institutional capacity, commitment, and development</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 Coordinators each for hotel and shopping mall operations.</p> <p>As a post-issuance requirement, CGIF will provide high-level ESMS awareness training to INPP relevant personnel, including those with designated roles and responsibilities under the ESMS. The ESMS also incorporates the requirement to develop an E&S competence and training framework to effectively implement and manage the ESMS and to cascade the ESMS and E&S requirements to INPP corporate and hotel and shopping mall staff.</p>
<p>Stakeholder communication, participation, and consultation</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&S risks and impacts. The SEP outlines the identified stakeholders, stakeholder engagement programs,</p>

	implementation, and monitoring. The GRM sets out the responsibilities and obligations of the parties to manage grievances.
Reporting requirements	The ESMS Manager will monitor and report the Environmental and Social Safeguards Performance of INPP to CGIF on an annual basis during construction and operations.

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