

Sustainable Development Goals (SDGs) Compass

PT Indonesia Infrastructure Finance



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The Sustainable Development Goals (SDGs) provide a universal framework for addressing the world's most pressing social, environmental, and economic challenges.



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	Reduced Inequality	Sustainable Cities & Communities	Responsible Consumption & Production	Climate Action	Life on Land			

Guided by the SDG Compass, IIF aligns its business strategy, operations, and impact measurement with relevant SDG targets. This approach enables IIF to identify priorities, integrate sustainability into decision-making, and track contributions to inclusive and sustainable development across its infrastructure financing portfolio.

About IIF SDGs Compass

As a national financing institution with a sustainability mandate, IIF recognizes the importance of the SDGs as a universal framework for addressing global challenges—including poverty, climate change, and inequality—through responsible investment in infrastructure. The objective of the IIF SDGs compass is to report how IIF aligns its strategies as well as measure and manage its contribution to the sustainable development goals.

1. Understanding the SDGs

To ensure consistent alignment with sustainability values, IIF has established IIF Social Environmental Management System (SEMS), consists of **8 Social and Environmental (S&E) Principles**, which guide every project it finances. These principles serve as the foundation of IIF's commitment and embedded in its financing decisions.

In addition, IIF adopts the SDG framework into its strategic thinking, operational tools, and capacity-building processes to ensure internal teams and external stakeholders understand the relevance and applicability of the goals within the infrastructure development context.

2. Defining Priorities

To determine where IIF can have the greatest impact, we assess the positive and negative, current and potential impacts of IIF's financing activities across the value chain.

Through IIF SEMS, IIF ensures that all financed projects are screened for environmental and social risks and aligned with sustainability principles.

3. Setting Goals

IIF sets strategic sustainability goals aligned with national and global commitments, including reducing direct emissions, increasing climate- and gender-smart projects, and mobilizing green financing.

To ensure every financed project supports these goals, all projects must undergo IIF SEMS due diligence. This rigorous process ensures that projects meet environmental and social standards, making each sectoral investment sustainable by design. As part of its commitment to sustainability, IIF does not finance coal-based power plants.

4. Integrating

Sustainability is embedded in IIF's core governance structure, policies, and operational procedures, including investment decision-making, project due diligence, and post-financing monitoring.

In addition, IIF actively engages with stakeholders—government, multilateral partners, private sector entities, and civil society—to foster impactful partnerships and systemic change.

IIF 8 S&E PRINCIPLES & UN SDGs

IIF's Social and Environmental Principles for Every Project Financed

- | | |
|--|---|
| 1 Social and Environmental Assessment and Management System (SEMS) | 5 Land Acquisition and Involuntary Resettlement |
| 2 Labor and Working Conditions | 6 Biodiversity Conservation and Natural Resource Management |
| 3 Pollution Prevention and Abatement and Climate Change | 7 Indigenous Peoples (IP) |
| 4 Community Health, Safety and Security | 8 Cultural Property and Heritage |

UN SDGs



SDG 1: NO POVERTY

1 NO
POVERTY



4



Community Health, Safety
and Security



1.4: Ensure equal rights to economic resources, basic services, and property

Through the drinking water supply projects (SPAM), IIF has enabled **1.39 million households** to access adequate clean water, with a total supply capacity of **27,501** litres per second.

In parallel, renewable energy projects supported by IIF have provided electricity access to **693,900 households**, delivering a combined capacity of **699.9 MW**.

Moreover, IIF's financing of a port facility enhances the distribution and transport of staple food products, supporting food security and reducing economic vulnerability in remote and rural areas.

These efforts contribute directly to reducing poverty by improving access to basic infrastructure and supporting inclusive economic development.

SDG 3: GOOD HEALTH & WELL BEING

3 GOOD HEALTH
AND WELL-BEING



4



Community Health, Safety
and Security



3.8: Achieve universal health coverage and access to quality healthcare services

Through its financing support, IIF has contributed to the achievement of SDG 3.8 by enabling the provision of **1,051 hospital beds**, expanding access to quality healthcare services for approximately **351,000 patients annually**.

SDG 4: QUALITY EDUCATION

4 QUALITY
EDUCATION



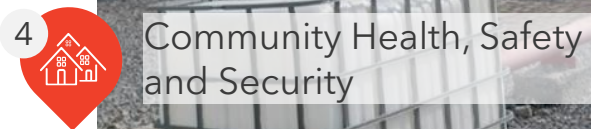
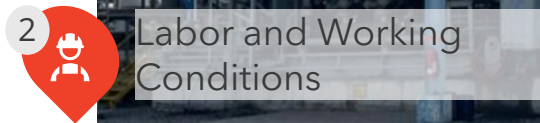
3.8: Build inclusive and safe education facilities

IIF contributes to SDG 4, particularly Target 4.a, which focuses on building and upgrading education facilities that are child, disability, and gender sensitive, and that provide safe, inclusive, and effective learning environments. By supporting essential infrastructure such as access to clean drinking water and reliable electricity, IIF helps create the foundational conditions for quality education.

Through the SPAM drinking water projects, **1.39 million households** benefit from improved water access at **27,501 liters per second**, supporting hygiene and sanitation in schools and communities. Additionally, renewable energy projects have delivered **699.9 MW of electricity capacity to 693,900 households**, enabling school lighting, learning tools, and inclusive school environments. These improvements empower students to learn in healthier, more stable environments.

SDG 5: GENDER

EQUALITY



5.1: End all forms of discrimination against women and girls

IIF has institutionalized its commitment to gender equality at the corporate level through the implementation of a Gender Equality Policy embedded in the Code of Conduct and Director Decree No. SK.2017.004/I/IIF-HRGA.

The policy upholds the right to respectful treatment in the workplace and ensures a working environment free from all forms of harassment. At the project level, IIF promotes gender mainstreaming through its Social and Environmental Management System (SEMS), specifically **Principles No. 2 on Labor and Working Conditions and No. 4 on Community Health, Safety, and Security.**

These efforts are operationalized through social and environmental due diligence and project consultations that include women’s groups, promote women’s employment opportunities, provide gender-inclusive facilities, and foster gender-responsive stakeholder engagement and capacity building.

SDG 6: CLEAN WATER & SANITATION



6 CLEAN WATER AND SANITATION



3 Pollution Prevention and Abatement and Climate Change

4 Community Health, Safety and Security

6.1: Achieve universal and equitable access to safe drinking water

6.2 : Achieve access to adequate and equitable sanitation

6.3 : The proportion of water bodies with good ambient water quality. (Quality of river water as raw water source).

6.4 : Increase water-use efficiency across all sectors

IIF’s financing of the SPAM project has enabled **1.39 million households** to access adequate clean water, with a total supply capacity of **27,501 liters per second**, This large-scale access plays a great role in improving public health, particularly in underserved and communities.

For Targets 6.2 and 6.3, which emphasize access to sanitation and improving water quality, the provision of clean and reliable water to support better hygiene practices, reducing contamination and public health risks. In alignment with Target 6.4, the use of metered water systems encourages efficient water use, promoting behavioral change in consumption patterns. This reduces over-reliance on groundwater resources, which are increasingly under stress in many parts of Indonesia. These initiatives collectively contribute to long-term water security and improved public health outcomes.

SDG 7 : AFFORDABLE & CLEAN ENERGY

7 AFFORDABLE AND
CLEAN ENERGY



6



Biodiversity Conservation
and Natural Resource
Management



7.1: Proportion of population with access to electricity


IIF contributes to SDG 7, Target 7.1, which aims to ensure universal access to affordable, reliable, and modern energy services.

By supporting renewable energy projects, IIF has helped provide electricity access to **693,900 households** across provinces, with a total installed capacity of **699.9 MW**.

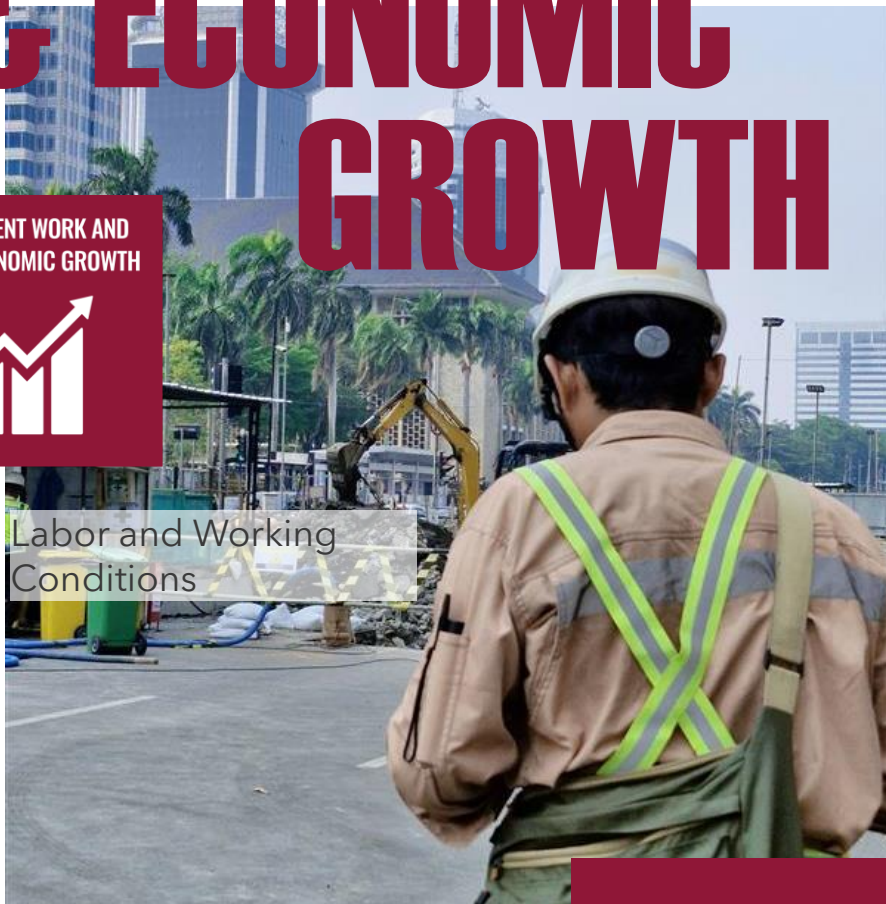
These projects not only expand energy access in underserved and remote areas but also promote the use of clean and sustainable sources. Access to reliable electricity empowers communities by improving household well-being, enabling productivity, and supporting essential services.

SDG 8 : DECENT WORK & ECONOMIC GROWTH

8 DECENT WORK AND ECONOMIC GROWTH




Labor and Working Conditions



8.7: Eradicate forced labor, end child labor

8.8 : Protect labor rights and promote safe working environments

IIF applies robust environmental and social risk management to uphold labor rights, eliminate forced and child labor, and promote safe, inclusive workplaces. Under **Principle No. 2** of its Social and Environmental Management System (SEMS), IIF prohibits clients from employing children in exploitative or hazardous conditions and from engaging in any form of forced labor.

Compliance is ensured through **due diligence, monitoring, corrective action plans, and capacity-building**. IIF also requires clients to maintain safe working conditions by managing sector-specific hazards—including physical, chemical, biological, radiological, and gender-specific risks—in line with international good practices. Preventive measures, worker training, incident reporting, and emergency preparedness are integral to this approach, reflecting IIF’s commitment to ethical labor practices and sustainable development.

SDG 9 : INDUSTRY, INNOVATION & INFRASTRUCTURE

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE




9.1: Develop sustainable and resilient infrastructure

Through its financing of key national infrastructure projects, IIF has supported the construction of **427 kilometers of toll roads**—enhancing connectivity and logistics efficiency across regions.

Additionally, IIF has contributed to the development of **13.32 kilometers of railway infrastructure** as part of the strategic rail-line, helping shift mobility toward more sustainable and inclusive transport.

IIF also financed the development of **7 airports**, improving air connectivity and accessibility in both urban and remote areas, and supported 2 strategic seaports that strengthen the movement of goods and staple commodities.

These investments not only support economic growth but also promote regional integration and long-term resilience by improving access, reducing travel time, and enhancing the overall competitiveness of Indonesia’s infrastructure network.

SDG 10 : REDUCED INEQUALITY



10.3: Ensure equal opportunity and reduce inequalities of outcome

IIF supports SDG 10.3 by promoting equal opportunity and reducing inequalities in the infrastructure sector through targeted financing, policy enforcement, and stakeholder engagement. Guided by Principle No. 2 of its Social and Environmental Management System (SEMS), IIF conducts due diligence to assess potential disproportionate impacts on vulnerable groups, including women, persons with disabilities, and indigenous peoples.

Clients are required to uphold fair labor practices, maintain grievance mechanisms, and implement action plans where needed. Employment must be free from discrimination in all stages—from recruitment and compensation to training, promotion, and termination—and must prevent harassment, intimidation, and exploitation, particularly of women and migrant workers. Through inclusive design, gender-sensitive approaches, and strict social safeguard compliance, IIF works to dismantle structural barriers and ensure equitable outcomes across its projects.

SDG 11 : SUSTAINABLE CITIES & COMMUNITIES

11 SUSTAINABLE CITIES
AND COMMUNITIES



8



Cultural Property and Heritage



11.4: Protect cultural and natural heritage

Through the implementation of IIF SEMS, particularly under Principle No. 8, IIF ensures that projects undergo thorough due diligence to identify, assess, and mitigate potential adverse impacts on sites of cultural, historical, archaeological, and natural significance. Where cultural or natural heritage may be affected, IIF mandates the implementation of appropriate mitigation measures such as redesigning project layouts, establishing buffer zones, applying chance-find procedures, and conducting ongoing monitoring.

In one of IIF's financed project located **in Sanur - Bali**, IIF implemented Principle 8 where the relocation and rehabilitation of several temples was conducted within and around the project area. This was done through close coordination and consultation with the local community.

A Cultural Heritage Management Plan also developed as a guidance to manage and monitor cultural heritage management throughout this project. Through these safeguards, IIF ensures that infrastructure investments not only comply with heritage protection requirements but also contribute to the long-term preservation and respectful integration of Indonesia's rich cultural and natural legacy into sustainable development.

SDG 12 : RESPONSIBLE CONSUMPTION & PRODUCTION

12.4 : Achieve environmentally sound management of chemicals and waste

IIF implements Principle No. 3 of IIF SEMS on Pollution Prevention and Abatement and Climate Change. At the project level, IIF requires its clients to avoid the generation of hazardous and non-hazardous waste. Where waste generation is unavoidable, clients must reduce, recover, and reuse waste in a safe manner for human health and the environment.

If disposal is necessary, clients are expected to apply good international industry practices (GIIP), including controlling emissions and residues, and using only licensed, reputable contractors with full chain-of-custody documentation. In managing hazardous materials, clients must avoid or minimize their release across the production, transportation, handling, storage, and use phases. The use of chemicals subject to international bans or phase-outs is prohibited, and clients are encouraged to adopt less hazardous alternatives.

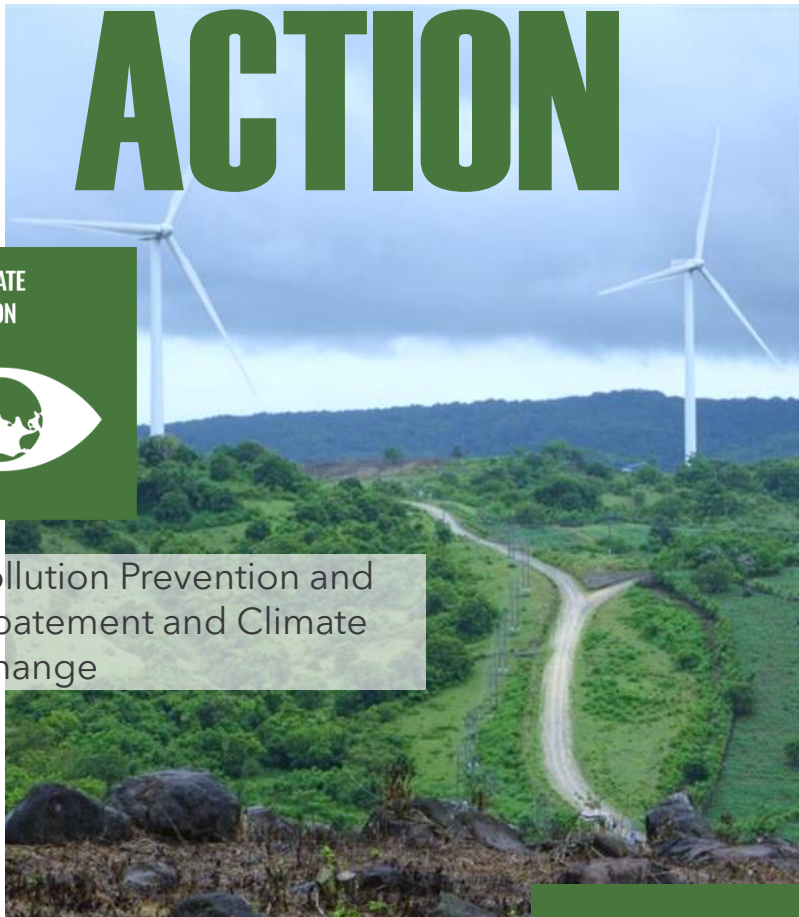
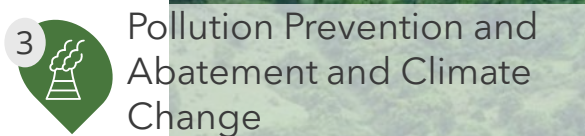
12 RESPONSIBLE CONSUMPTION AND PRODUCTION



3 Pollution Prevention and Abatement and Climate Change



SDG 13 : CLIMATE ACTION



13.2 : Integrate climate change measures into national policies and planning

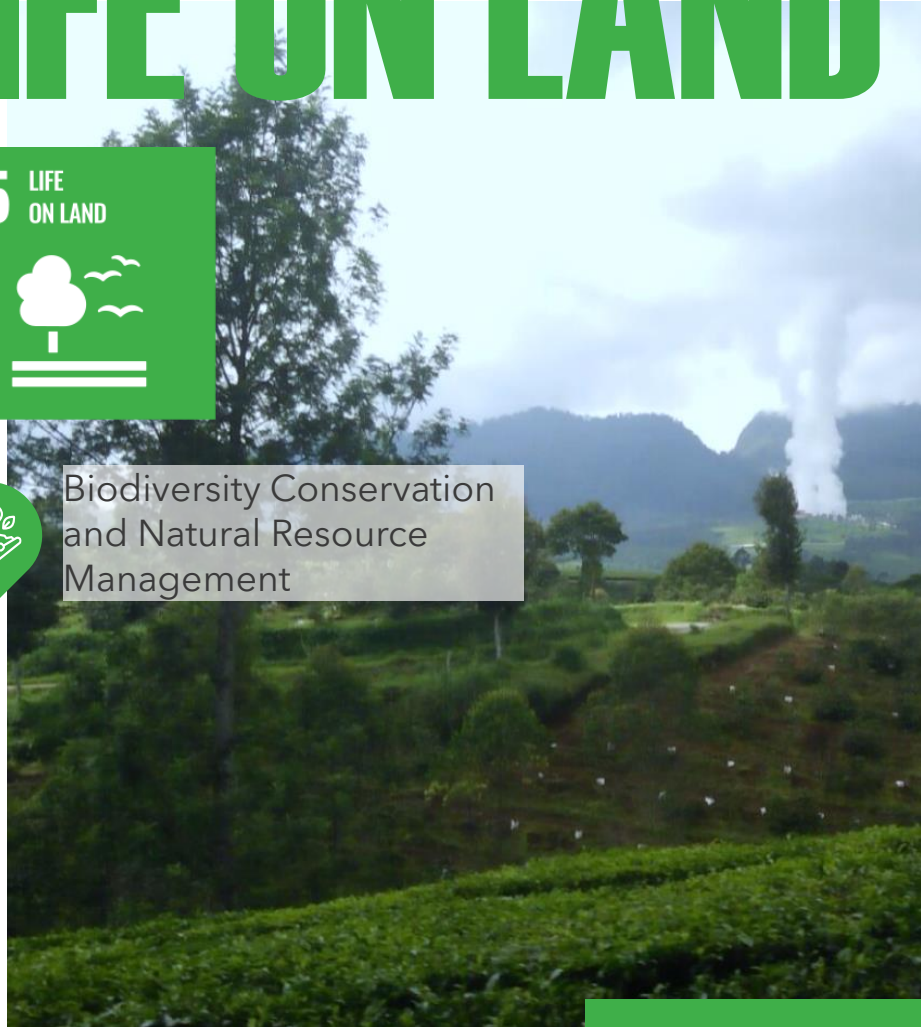
IIF supports SDG 13.2 by integrating climate change mitigation and adaptation into infrastructure financing through IIF SEMS, particularly Principle No. 3. Clients are required to measure, report, and manage greenhouse gas (GHG) emissions from their projects, enabling transparent carbon footprint tracking, alignment with emissions reduction targets, and informed adaptive management.

In collaboration with the **Carbon Trust**, IIF has **developed GHG quantification methodologies and tools** based on the GHG Protocol, and provides capacity building for both internal teams and clients. These efforts drive the transition toward low-carbon, climate-resilient infrastructure, supporting national climate objectives and the global fight against climate change.

SDG 15 : LIFE ON LAND



Biodiversity Conservation
and Natural Resource
Management



15.9 : Integrate ecosystem and biodiversity values into planning

In support of SDG 15, IIF integrates biodiversity conservation and natural resource management through Principle No. 6 of IIF SEMS. This principle acknowledges the importance of protecting and conserving biodiversity, maintaining ecosystem services, and promoting the sustainable use of renewable natural resources as essential pillars of sustainable development.

Through this approach, IIF ensures that its financed projects assess and mitigate biodiversity-related risks, in alignment with the broader objective of safeguarding natural ecosystems and promoting long-term environmental sustainability.

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IIF SDG Compass



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