

2023

Sustainability
Report

bank
btpn

A MEMBER OF
SMBC Group

PROMOTING A GREENER ECONOMY



PROMOTING A GREENER ECONOMY

As a financial institution, PT BANK BTPN Tbk (Bank BTPN) is committed to promoting a greener economy and therefore supports projects and initiatives that foster sustainable development and yield positive environmental impacts.

Bank BTPN encourages investment and increases its portfolio in environmentally friendly sectors, supports the development of green technologies, finances renewable energy projects, and provides incentives through Sustainability-linked Loan products to customers committed to environmentally friendly practices.

Through these efforts, Bank BTPN not only plays a crucial role in supporting the development of a greener economy, but also helps mitigate against negative environmental impacts, in order to create a more sustainable future for generations to come.

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VISION, MISSION & CORE VALUES

Vision

[GRI 2-22] [OJK C.1]

To become the first choice bank in Indonesia, giving significant change to the lives of millions of people, mainly with the support of digital technology.

Mission

[GRI 2-22] [OJK C.1]

To offer complete financial solutions and services to various segments of retail, micro, SME and corporate business in Indonesia, and for the Indonesian Nation and Country as a whole.

To provide a valuable opportunity for the professional growth of the Bank BTPN employees.

To create significant and sustainable values for stakeholders, including for Indonesian society.

To use technological innovation as the main differentiator while providing the best quality and experience in its class to the Bank BTPN clients and partners.



Core Values

[GRI 2-22] [OJK C.1]

The 5 (five) values Bank BTPN has adopted as guidelines for conducting business activities are as follows:



INTEGRITY

As a professional, always act with sincerity and with a high ethical standard.



CUSTOMER FIRST

Always look at it from the customers' point of view to provide additional value.



PROACTIVE & INNOVATIVE

Step up and innovate relentlessly.



SYNERGY

Collaborate as one team.



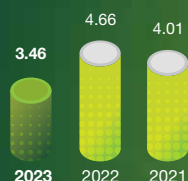
SPEED AND QUALITY

Differentiate ourselves through the speed and quality of our decision making and service delivery.

SUSTAINABILITY HIGHLIGHTS

Economy [OJK B.1]

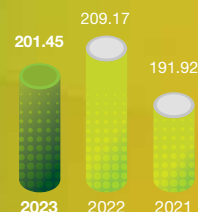
Net Operating Income*
(in Trillion Rupiah) [OJK B.1.b]



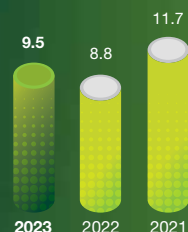
Net Profit* (in Trillion Rupiah)
[OJK B.1.c]



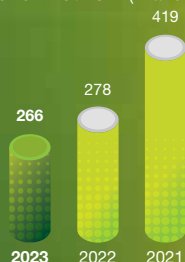
Assets* (in Trillion Rupiah)



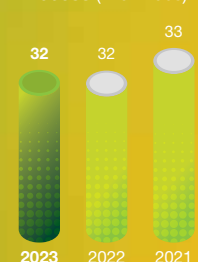
Customers* (in Million)



Branch Network (Branches)

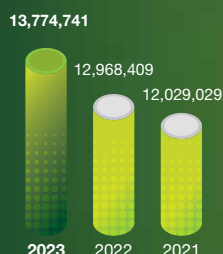


Access (Provinces)

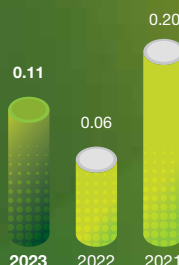


Economic Performance Related to Sustainability

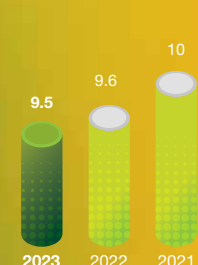
Nominal Portfolio of KKUB**
(in Million Rupiah)



Funding* (%)**



Financing** (%)**



Types of Sustainable Finance Products

2023

- 2 Funding Products (ESG Mutual fund, ESG Deposit)
- 3 Green Financing Products (Sustainability-linked Loan, Green Loan, Social Loan)
- 1 MSME Financing Product

2022

- 2 Funding Products
- 2 Green Financing Products
- 1 MSME Financing Product

2021

- 2 Funding Products
- 2 Green Financing Products
- 1 MSME Financing Product

Notes:

- * Consolidated financial data of Bank BTPN, which includes two other subsidiaries, PT Bank BTPN Syariah Tbk (with 70% shareholding) and PT Bank Syariah Ventura (with 69.3% indirect ownership through PT Bank BTPN Syariah).
- ** KKUB: Kategori Kegiatan Usaha Berkelanjutan/ Sustainable Business Activities Category.
- *** Percentage of total funding for sustainable business activities with total bank wide funding.
- **** Percentage of total financing for sustainable business activities with total bank wide financing portfolio.



Economic Performance Overview (in Billion Rupiah)

| Description | 2023 | 2022 | 2021 |
|--|------------|------------|------------|
| Financing [OJK B.1.a] | 145,173 | 134,596 | 125,155 |
| Sustainable Financing | | | |
| a. Micro | 115 | 136 | 108 |
| b. Small and Medium Enterprises | 5,977 | 5,905 | 5,727 |
| c. Green Financing [OJK B.1.d] | 7,682 | 6,927 | 6,194 |
| Total Number of Local Suppliers [OJK B.1.e] | 273 | 316 | 287 |

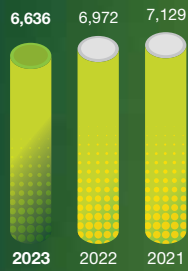
Sustainable Business Activities Category (KKUB)



Social [OJK B.3]

Employees

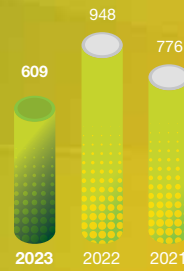
Number of Employees (Employees)



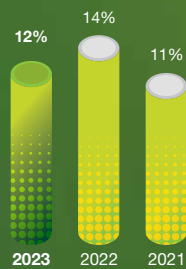
Percentage of Female Employees (%)



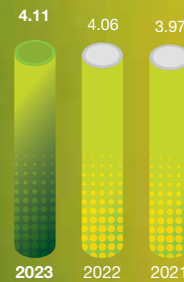
Employee Recruitment (Employees)



Turnover Rate (%)

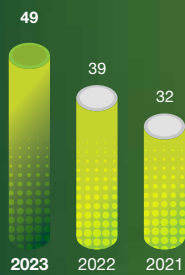


Employee Engagement Survey Score

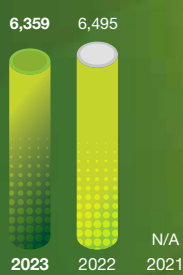


Training and Familiarization

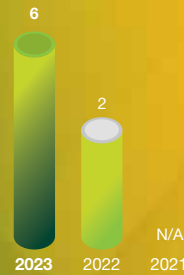
Average Training Hours (Hours/Employee)



Number of Participants in Anti-Fraud Trainings (Employees)



Number of Sustainability Trainings (Activities)



Corporate Social Responsibility (CSR) Activities

| Description | 2023 | 2022 | 2021 |
|--|-----------|-----------|-----------|
| Financial Literacy Participants (Participants) | 2,705,138 | 558,185 | 13,632 |
| Daya.id Website Visitors (Visitors) | 2,306,562 | 1,684,575 | 2,124,165 |



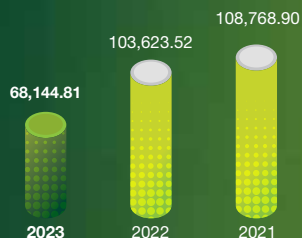
Allocation of Corporate Social Responsibility (CSR) Funds

| Regions | CSR Activities | 2023 | | 2022 | |
|----------------------|---|----------------------|--|----------------------|--|
| | | Cost (Rupiah) | Beneficiaries (Number of Participants) | Cost (Rupiah) | Beneficiaries (Number of Participants) |
| Sumatera | <ul style="list-style-type: none"> Financial Literacy Program Capacity to Grow for Business Program Retirement Preparation Program | 205,335,673 | 2,461 | 145,736,222 | 1,848 |
| Jawa | <ul style="list-style-type: none"> Financial Literacy Capacity to Grow for Business Program Retirement Preparation Program Sustainable Living Program Education Facility Development | 512,723,527 | 6,002 | 337,804,815 | 4,692 |
| Kalimantan | Retirement Preparation Program | 63,830,438 | 576 | 67,035,166 | 614 |
| Sulawesi | Retirement Preparation Program | 76,210,715 | 609 | 74,294,384 | 676 |
| Bali – Nusa Tenggara | Retirement Preparation Program | 63,789,039 | 528 | 42,127,926 | 517 |
| Maluku - Papua | Retirement Preparation Program | 8,832,600 | 140 | 11,132,423 | 151 |
| National | Competence Development Program | 335,464,511 | 164 | 1,117,978,746 | 3,142 |
| | Financial Literacy Program | 591,723,391 | 2,702,002 | 254,467,675 | 558,185 |
| | Capacity to Grow for Business Program | 307,627,656 | 7,700 | 94,650,576 | 997 |
| | Sustainable Living Program | 180,420,125 | 47,104 | 35,857,791 | 13,903 |
| | Daya Program for Corporate Customers | 102,705,201 | 2,944 | 178,426,470 | 3,856 |
| | Daya Program for Sinaya Priority Customers | 36,201,750 | 521 | 110,412,053 | 583 |
| | Daya.id | 357,625,347 | 2,306,562 | 956,980,058 | 1,605,540 |
| | Sahabat Daya | 36,599,657 | 415 | 41,729,073 | 307 |
| | Education Facility Development | - | 105,496 | - | 88,323 |
| Total | | 2,879,196,013 | 5,183,224 | 3,468,633,378 | 2,283,334 |

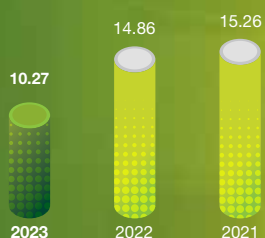
Environment [OJK B.2]

Energy Usage (GJ)

[OJK B.2.a]

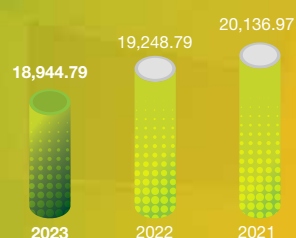


Energy Intensity (GJ/Person)

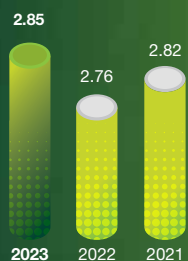


Emissions (Scope 1 & 2)

(Ton CO₂eq)

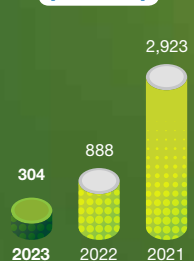


Emissions Intensity (Ton CO₂eq/Employee)

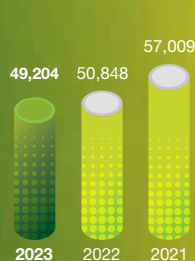


Emissions Reduction (Ton CO₂eq)

[OJK B.2.b]

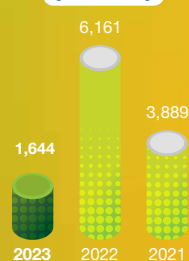


Paper Usage (Reams of Paper)



Reduction in Paper Usage (Reams of Paper)

[OJK B.2.c]



Other Environmental Programs



Planting 625 mangrove trees (employee contribution to Sahabat Daya program).



The conversion of one operational vehicle for the commissioners.

Governance

| Description | 2023 | 2022 | 2021 |
|--|---|---|--|
| Number of Whistleblowing Cases Received (Cases) | 42 | 32 | 34 |
| Percentage of Cases Resolved (%) | 98% | 96.9% | 94.1% |
| Number of Anti-Fraud Training Participants (Employees) | 6,359 | 6,495 | 6,821 |
| ASEAN Corporate Governance Scorecard | 99.19 Points (Predicate "Very Good" or Level 4 (90-99.99)) | 99.20 Points (Predicate "Very Good" or Level 4 (90-99.99)) | 97.92 Points (Predicate "Very Good" or Level 4 (90,00-99.99)) |



AWARDS





17 | February 2023

Award Name:

4th Anniversary Indonesia's Popular Digital Products Awards 2023

Award Category:

KBMI 3
Mobile Banking

Awarding Institution:

The Iconomics

Additional Information:

This award was presented to institutions that have innovated in the digital realm in Indonesia, enabling them to face the opportunities, challenges, and competition from the wave of technological disruption. Jenius from Bank BTPN received an award in the in the KBMI 3 category.

23 | February 2023

Award Name:

Triple A Country Awards 2022

Award Category:

Sustainable Finance 2022:

1. "Best Green Loan"
2. "Best Local Currency Green Loan"

Awarding Institution:

The Asset

Additional Information:

The "Best Green Loan" award was presented for a green financing program (totaling \$750 million) provided by Bank BTPN to PT Perusahaan Listrik Negara (PLN) in December 2022. Another award was the "Best Local Currency Green Loan" award for providing a green financing facility of Rp1.06 trillion to PT Kepland Investama since October 2021.

24 | February 2023

Award Name:

Indonesia Public Relations Award (IPRA) 2023: Winning Economic Growth through Consistent Collaboration

Award Category:

Category: Conventional Bank
Best Public Relations in Company Management on Expanding Mass Market Product and Services

Awarding Institution:

WartaEkonomi.co.id

Award Type:

Award

Additional Information:

This award was presented to the company's public relations team for their significant role in innovating to enhance the company's quality and performance amidst intensifying industry competition and improving economic conditions in Indonesia.

17 | March 2023

Award Name:

PR INDONESIA AWARDS (PRIA) 2023

Award Category:

Category: Most Popular in Print and Online Media 2022
Subcategory: National and Multinational Publicly Listed Private Companies

Awarding Institution:

PR INDONESIA

Award Type:

Award

Additional Information:

This award was presented to companies that have effectively garnered the most positive exposure in both print and online media.

05 | April 2023

Award Name:

Top 100 Most Outstanding Women 2023

Award Category:

Hanna Tantani, Top 100 Most Outstanding Women

Awarding Institution:

Infobank

Additional Information:

This award was presented as a form of appreciation and recognition to the best female leaders for their contributions through their experience and achievements towards the development of the institutions/corporations under their guidance.

12 | April 2023

Award Name:

12th Infobank Digital Brand Awards 2023

Award Category:

1. The Best Bank with Digital Service (KBMI 3) - Jenius
2. The 3rd Best Deposito Bank Umum Konvensional - BTPN Deposito Berjangka
3. The 3rd Best Kartu Debit Bank Umum Konvensional - Kartu Debit BTPN (Jenius)

Awarding Institution:

Infobank

Award Type:

Award and Certificate

Additional Information:

This award was presented to institutions that have effectively enhanced the company's brand and product through digital channels during the previous year (2022-2023) and are recognized as being one of the best banks based on public assessment and social media feedback regarding the digital banking products and services they offer.

08 | MAY 2023

Award Name:

PPKM Award 2023

Award Category:

Certificate of Appreciation for COVID-19 Handling
Category: Domestic Private Sector

Awarding Institution:

Ministry of Health of the Republic of Indonesia

Award Type:

Award

Additional Information:

This award was presented to Bank BTPN for its contribution to the handling of COVID-19 in Indonesia. Bank BTPN is among the 153 recipients of the award in the domestic private sector category.

20 | JUNE 2023

Award Name:

20th Infobank-MRI Banking Service Excellence 2023

Award Category:

1. Jenius - The Pioneer of Digital Banking in Indonesia (Special Rank)
2. The 2nd Best In Service Excellence
3. The 1st Best Bank With Digital - Jenius (BTPN)
4. The 1st Best Call Center
5. The 1st Best Email
6. The 2nd Best Mobile Banking
7. The 2nd Best Chatbot
8. The 2nd Best Live Chat

Awarding Institution:

Infobank

Award Type:

Award

Additional Information:

This award is a form of appreciation to the bank for its excellent service and customer experience in 2022, as determined by a study conducted by Infobank Research Bureau (BiRI) in collaboration with Marketing Research Indonesia (MRI). Jenius from Bank BTPN received a total of eight awards simultaneously.

27 | JUNE 2023

Award Name:

Best Companies to Work for in Asia 2023

Award Category:

Best Companies to Work for in Asia 2023 (Indonesia Region)

Awarding Institution:

HR Asia

Award Type:

Award & Certificate

Additional Information:

This award is presented to companies in Asia that have demonstrated the best performance in the field of human resources.

27 | JULY 2023

Award Name:

Indonesia Most Powerful Women Awards 2023

Award Category:

1. Indonesia Most Powerful Women 2023 in Maximizing Digital Technology Utilization to Support National Economic Resilience (Hanna Tantani)
2. Conventional Bank

Awarding Institution:

HerStory

Additional Information:

This award was presented to Hanna Tantani as a form of appreciation of her outstanding leadership as a female innovator, adept at consistently driving development within her company across all industry sectors.

27 | JULY 2023

Award Name:

Indonesia Digital Customer Engagement Champion 2023

Award Category:

Category: BANK FINANCIAL SERVICES

Predicate: VERY GOOD

Awarding Institution:

SWA & Business Digest Magazine

Award Type:

Certificate

Additional Information:

This award is a form of appreciation for companies that have been successful in managing digital engagement through strategies, innovation, and the implementation of excellent programs or performance to support sustainable company growth.



25 | AUGUST 2023

Award Name:

28th Infobank Award 2023

Award Category:

“DIAMOND TROPHY” EXCELLENT FINANCIAL PERFORMANCE BANK IN 20 CONSECUTIVE YEARS (2003-2023) & EXCELLENT FINANCIAL PERFORMANCE BANK IN 2022

Awarding Institution:

Infobank

Award Type:

Trophy, Award

Additional Information:

This award is a form of appreciation for 62 banks in Indonesia considered to have achieved the “Very Good” performance rating in the “Rating 106 Banks Version Infobank 2023”. Bank BTPN received the Diamond Trophy award for the bank’s excellent financial performance in 2022 and for 20 consecutive years (2003-2022).

04 | DECEMBER 2023

Award Name:

Infobank Top 100 CEO & The Next 200 Leaders 2023

Award Category:

Top 100 CEO 2023

Awarding Institution:

Infobank

Additional Information:

This award is a form of appreciation for the company leaders in the banking, life insurance, general insurance, financing companies (multifinance), State-Owned Enterprises (BUMN), and financial sector supporters who are deemed to have delivered outstanding results for the companies they lead. The award was presented to the President Director of Bank BTPN, Henoeh Munandar.

06 | NOVEMBER 2023

Award Name:

Asia Sustainability Reporting Rating (ASRRAT) 2023

Award Category:

Platinum Rank

Awarding Institution:

National Center for Corporate Reporting (NCCR)

Award Type:

Trophy

Additional Information:

This award is a form of an appreciation for the company’s contribution towards achieving the sustainable development goals through the application of environmental, social, and governance principles in its business operations. The assessment is based on the level of alignment with and the quality of sustainability reporting against the Global Reporting Initiative (GRI) standards. This year marks the third year that Bank BTPN has received a Platinum rating consecutively in its four years of participation in this event.

04 | DECEMBER 2023

Award Name:

Indonesian Sustainable Development Goals Award 2023

Award Category:

Platinum Award

Awarding Institution:

Corporate Forum for CSR Development

Award Type:

Award

Additional Information:

This award is dedicated to companies in Indonesia deemed successful in implementing programs that significantly support the 17 Sustainable Development Goals (SDGs). Bank BTPN received the Platinum award.

14 | NOVEMBER 2023

Award Name:

Top 20 Financial Institution Awards 2023

Award Category:

Predicate “Excellent” in the category of Banks with assets of Rp100 trillion to <Rp500 trillion

Best CFO Category Bank for Hanna Tantani

Awarding Institution:

The Finance

Award Type:

Certificate

Additional Information:

This award is a form of appreciation for banks, life and general insurance companies, as well as multifinance companies that have successfully maintained stable and positive growth in their performance over three financial periods.

29 | DECEMBER 2023

Award Name:

Detikcom Awards 2023

Award Category:

Digital Bank with the Most Innovative Features

Awarding Institution:

Detik.com

Additional Information:

This award is a form of appreciation for the various revolutionary innovations created by Jenius from Bank BTPN as a life finance solution for digital-savvy customers. Jenius from Bank BTPN has been awarded as the Digital Bank with the Most Innovative Features.

KEY HIGHLIGHTS FROM THE YEAR



25 | JANUARY 2023

Bank BTPN held a media gathering event to express appreciation to the media for their longstanding collaboration with the bank. During the event, the President Director of Bank BTPN, Henoch Munandar, presented the latest information about the profile and commitment of Bank BTPN, emphasizing its dedication to consistently supporting customers and contributing to the achievement of the SDGs through the bank's business units, programs, and products.



5 | FEBRUARY 2023

Jenius from Bank BTPN collaborated with Pocari Sweat as the primary sponsor for the POCARI SWEAT Run Indonesia 2023 press conference. Ridwan Kamil, the Governor of West Java, was present as a speaker at this press conference. The POCARI SWEAT Run Indonesia 2023 was conducted in a hybrid format, with the main flag-off taking place at Satay Building, Bandung on July 30, 2023. Jenius collaborated with Pocari Sweat to invite running communities to join the fun run activity #laribarengjenius in 34 cities, including Jakarta, Bogor, Bekasi, Bandung, Surabaya, Bali, Magelang, Malang, Yogyakarta, Makassar, Balikpapan, Pekanbaru, Semarang, and several other cities. From these cities, Jenius Co.Create conducted co-creation activities and community gatherings with runners in 15 cities, attended by over 600 participants.



13 | APRIL 2023

Bank BTPN held its Annual General Meeting of Shareholders (AGM) during which decisions were made regarding changes to the composition of the Board of Directors and Board of Commissioners, as well as the allocation of the net profit for the 2022 fiscal year for the first dividend payment since 2017.

Bank BTPN appointed Atsushi Hino as Director, replacing Kan Funakoshi. Additionally, BTPN also made changes to the composition of the new Board of Commissioners, appointing Onny Widjanarko following the resignation of Irwan Mahjudin from his position as the Company's Independent Commissioner, and his appointment will be effective after obtaining OJK approval until the AGM in 2025.



14 | APRIL 2023

Jenius by Bank BTPN held a virtual press conference on Jenius Study: Digital Savvy Society, Behavior Ahead of Eid al-Fitr 2023. Through a survey conducted in March-April 2023, Jenius observed the behavior of digital-savvy individuals who maintained positive financial habits from the pandemic period during the Ramadan and Eid al-Fitr moments in 2023.



4 | MAY 2023

Bank BTPN, together with four other creditors—PT Bank DBS Indonesia, PT Bank Mayapada Internasional Tbk, PT Bank Mizuho Indonesia, and Bank of China (Hong Kong) Ltd Jakarta branch—have agreed to provide a syndicated loan facility of Rp1.111 trillion to PT Seino Indomobil Logistics (PT SIL) for capital expenditure financing. The disbursement of this syndicated loan is expected to fuel the ongoing growth of Bank BTPN. The ceremonial marking of this collaboration was attended by the President Director of Indomobil Group, Jusak Kertowidjojo, and the Head of Wholesale Banking of Bank BTPN, Moses Ronald Supardi, on Friday, May 5, 2023, in Jakarta.



22 | JUNE 2023

BANK BTPN convened an Extraordinary General Meeting of Shareholders (EGMS) to decide on changes to the composition of the Board of Directors. During this meeting, Keishi Kobata was appointed as Director, replacing Hiromichi Kubo.



22 | JUNE 2023

Bank BTPN and the International Finance Corporation (IFC) have entered into a partnership for a social and green bond agreement to strengthen climate action and promote inclusive development in Indonesia. As part of this collaboration, IFC will invest up to US\$500 million in Bank BTPN through the issuance of social and green bonds. This bond issuance marks a significant milestone for Bank BTPN and underscores its commitment to empowering the Micro, Small, and Medium-Sized Enterprises (MSMEs) sector in Indonesia, with a particular focus on businesses led by women and initiatives for climate change adaptation.



21 | AUGUST 2023

Bank BTPN has transformed its Human Capital Management (HCM) process by partnering with Darwinbox, a globally recognized human resource technology provider. Through this platform, Bank BTPN seeks to drive innovation in the digital transformation of all integrated HR processes, spanning from new employee integration, performance management processes, to a continuous learning approach and a survey system designed to gauge employee feedback. This includes all aspects, from talent acquisition, talent management, to employee development.



22 | AUGUST 2023

Jenius, a product of Bank BTPN, held a press briefing to celebrate its seventh anniversary. At seven years old, Jenius remains committed to innovation through co-creation and collaboration with the digital-savvy community. As part of the seventh anniversary celebration, Jenius conducted a survey “Jenius Study: Digital Savvy Financial Habits 2023” and introduced the “7 Days 7 Nights #becomemorejenius” program, featuring a range of special offers for Jenius’ users to enjoy.



04 | SEPTEMBER 2023

On National Customer Day, the Board of Directors and management of Bank BTPN personally engaged in serving customers, explaining products, empowering customers, and facilitating credit agreements at various Bank BTPN branches in Indonesia. They also distributed roses and chocolates to customers and visited several Bank BTPN customers. Bank BTPN held a range of activities for customers from different business units, including Sinaya, Micro Business, Small and Medium Enterprises, Jenius, and retirement. These activities included providing health services for customers, Retirement Week, offering attractive deals from Jenius, and the Daya program. The event was also attended by officials from partners, PT TASPEN (Persero) and PT ASABRI (Persero).



12 | SEPTEMBER 2023

Bank BTPN has entered into a collaboration with Great Eastern General Insurance Indonesia (GEGI) in the area of bancassurance distribution. The collaboration was marked by the signing of a cooperation agreement, attended by Jeffrey Tjoeng, Head of Business Banking at Bank BTPN, and Linggawati Tok, the Marketing Director representing GEGI. Through this collaboration, Bank BTPN is actively contributing to the government’s efforts to achieve sustainable development goals by fostering the growth of small and medium-sized enterprises in Indonesia. The synergy between Bank BTPN and GEGI encompasses six products: industrial all-risk insurance, earthquake insurance, marine cargo insurance, motor vehicle insurance, contractor all-risk insurance, and contractor’s plants and machinery insurance. These products are tailored to meet the protection needs of Bank BTPN customers for their businesses and assets.



24 | SEPTEMBER 2023

Jenius, a product of Bank BTPN, provided support for the Garmin Run Asia Series 2023 event at Uptown Park - Summarecon Mall Serpong, Tangerang. The running event, themed “From Zero to Hero,” was attended by 5,000 participants of various ages who took part in the 5K, 10K, and 21K races as well as the Kids Dash. Jenius showcased the #laribarengjenius program at the event, featuring a fun run, workshops, and a talk show on preparing for running competitions. Additionally, Jenius offered special deals exclusively for Jenius users.



06 | OCTOBER 2023

Jenius, a product of Bank BTPN, is once again launching the 7 Days 7 Nights #jadilebihjenius program by introducing the Jenius Online Travel Fair for the first time, scheduled from October 11th to 17th, 2023. During this event, discounts of up to Rp7 million were made available for use on Traveloka for customers to purchase transportation tickets, accommodations, and vacation activities. The Jenius Online Travel Fair introduces a novel concept that has not been seen before. Jenius users can engage in a voucher competition for the chance to secure an up to Rp7 million discount by first purchasing a voucher for Rp7,007 on Loket.com using Jenius Visa Credit and Debit Cards.



12 | OCTOBER 2023

Bank BTPN held the 2023 Sustainability Seminar “Addressing Climate Change through Decarbonization Initiatives across Wider Business Sectors” with the theme “Beyond Energy Transition: Seizing Opportunities in The Pathway to Net Zero Economy”. The seminar, attended by at least 200 invited guests from 60 companies, took place at The Westin Hotel Jakarta on October 12, 2023. This event aimed to share knowledge with corporate customers about decarbonization efforts that can be undertaken by various business sectors. In addition to customers, the event was attended by 18 journalists from various media outlets. The seminar featured three keynote speakers: Abdul Malik Sadat Idris, Head of Region I, National Development Planning Agency; Lufaldy Ernanda, Director of Derivative Financial Supervision and Carbon Exchange at the Financial Services Authority (OJK); and Ignatius Denny Wicaksono, Head of Business Development 2 Division at the Indonesia Stock Exchange.



02 | NOVEMBER 2023

Bank BTPN announced a partnership with PT Manulife Asset Management Indonesia (“MAMI”), the largest investment manager in Indonesia. Through this collaboration, Bank BTPN will enhance its business by offering seven Manulife mutual funds to provide investment solutions for its customers. The products include one money market mutual fund in rupiah denomination; two fixed income mutual funds in rupiah denomination; one fixed income mutual fund in US dollar denomination; two equity mutual funds in rupiah denomination; and one offshore equity mutual fund in US dollar denomination with a portfolio consisting of globally scaled Asian company stocks.



22 | NOVEMBER 2023

Bank BTPN held the Economic Outlook 2024 event along with the launch of its latest product innovation, ESG Deposit, at the Grand Ballroom of Hotel Indonesia Kempinski, Jakarta. In this year's Economic Outlook event, Bank BTPN adopted the main theme "Navigating through 2024: Strategies for Resilience and Growth," reflecting the bank's strategic vision to walk alongside its customers through the challenges of the coming years with resilience and facilitating sustainable economic growth. The seminar featured three keynote speakers: Rabin Indrajad Hattari, Secretary of the Ministry of State-Owned Enterprises, Febrio Kacaribu, Head of the Fiscal Policy Agency (BKF) of the Ministry of Finance of the Republic of Indonesia, Chatib Basri, Co-Founder of the Creco Research Institute, Yustinus Prastowo as the Special Staff of the Minister of Finance for Strategic Communication, and Muhammad Qodari as a Political Observer and Executive Director of Indo Barometer.



23 | NOVEMBER 2023

Jenius from Bank BTPN held a press conference introducing the expansion of Yay Points redemption options on the Jenius Visa Credit Card, now including a travel category for exchanging points for KrisFlyer Miles and Traveloka Points. This represents a significant development following the earlier introduction of a new scheme in May 2023 which allowed Yay Points to be exchanged for e-Wallet balances, specifically GoPay and OVO.

30 | NOVEMBER – **01** | DECEMBER 2023



Bank BTPN held its Year-end Media Gathering 2023 themed "Back to the Roots: Getting to Know Bank BTPN Again" at the De Driekleur Building in Bandung. This event was also organized to express the bank's gratitude and appreciation to the media for their support and collaboration. The President Director of Bank BTPN Henoch Munandar, the Compliance Director of Bank BTPN Dini Herdini, the Head of Wholesale, Commercial, and Transaction Banking of Bank BTPN Nathan Christianto, the Digital Banking Business Stream Head of Bank BTPN Anita Ekasari, and the Communications and Daya Head of Bank BTPN Andrie Darusman, were present at the event. The series of activities commenced with a sharing session featuring Bank BTPN speakers in front of 22 journalists from 11 national media and 11 local media in Bandung.



07 | DECEMBER 2023



Bank BTPN held an Extraordinary General Meeting of Shareholders (EGMS) on December 7, 2023. During the EGMS, the shareholders officially approved: (1) the plan to withdraw the Company's shares resulting from the buyback ("Treasury Stock"); and (2) the plan for a Capital Increase with Preemptive Rights ("PMHMETD") or Rights Issue, in accordance with the Company's Articles of Association and the applicable regulations.

12-13 | DECEMBER 2023



Bank BTPN held its annual event, "Daya Fest 2023," on December 12-13, 2023. Under the theme "Empowerment for a More Meaningful Sustainable Life," the series of events at Daya Fest 2023 showcased Bank BTPN's commitments to implementing sustainable development, emphasizing the crucial involvement of external stakeholders engaging with the bank, and the provision of educational initiatives aimed at enhancing public awareness of sustainability topics.

MESSAGE FROM THE BOARD OF COMMISSIONERS AND DIRECTORS

Bank BTPN is committed to achieving greater sustainability and generating positive impacts for both society and the environment through careful implementation of sustainability policies and strategies during operational activities.



Message from The Board of Commissioners and Directors





**Bank BTPN
continues to
adapt, learn, and
grow in line with
the dynamics of
environmental
changes and global
sustainability
demands.**

**CHOW YING HOONG
President Commissioner**

MESSAGE FROM THE PRESIDENT COMMISSIONER

[GRI 2-22] [OJK A1]

Dear Respected Stakeholders,

Climate change has emerged as a critical global issue due to its widespread impact on various economic sectors, including banking. As an integral part of the global community, Bank BTPN is actively committed to preserving the planet through the incorporation of more sustainability initiatives within its operations. Bank BTPN is confident that, with the support of all stakeholders, it can positively contribute to the environment and generate sustainable social impact.

Bank BTPN seeks to actively address climate change issues through the implementation of our Sustainable Finance Action Plan (Rencana Aksi Keuangan Berkelanjutan/RAKB) which continues to serve as the guideline for our direction and strategy in upholding our sustainability principles. Bank BTPN's RAKB is designed to integrate responsible financial practices in our operations and endorses initiatives that minimize environmental impact. The development of Bank BTPN's RAKB plays a crucial role in providing clear guidance on the formulation of policies and financial products that bolster sustainable economic growth.

Furthermore, Bank BTPN is committed to supporting the achievement of the SDGs through a range of ongoing initiatives. Bank BTPN believes that the active involvement of the banking sector towards achieving the SDGs is a very essential factor for building an inclusive economy, strengthening environmental resilience, and creating a sustainable society. As part of our commitment to sustainability, Bank BTPN publishes an annual Sustainability Report to strengthen our transparency and accountability regarding our endeavours towards achieving our sustainability goals.

Bank BTPN is committed to continuously developing its capacity to ensure the achievement of its sustainability goals. One of the regular steps taken involves the enhancement of management, employee, customers, and partners competencies through diverse training and development programs. In particular, Bank BTPN aims to support the capacity development of senior management in sustainable finance.

Bank BTPN acknowledges that the skills and knowledge acquired by the management, employees, partners, and stakeholders in general play a pivotal role in strengthening sustainability practices throughout the organization.

Additionally, Bank BTPN consistently monitors the development of sustainability-related regulations and ensures strict compliance with these regulations. Bank BTPN strives to always comprehend and implement the latest standards related to sustainable banking practices. This not only enhances our compliance with legal requirements but also ensures that our practices align with global standards that promote global sustainability goals. In this case, the directors of Bank BTPN are responsible for executing the Environmental, Social, and Governance (ESG) strategy. This approach aims not only to enhance Bank BTPN's compliance with legal aspects but also to ensure that the bank's activities are performed in accordance with global standards that promote sustainability goals.

This commitment aligns with Bank BTPN's role as part of Sumitomo Mitsui Bank Corporation (SMBC Group), an international bank that has signed on to various sustainability initiatives, such as the Equator Principles (EP) and Principles for Responsible Banking (PRB). These two initiatives further encourage Bank BTPN to implement better risk management by integrating ESG aspects into the decision-making process and financing.

Various initiatives undertaken by Bank BTPN also aim to support SMBC Group's agenda in achieving its Net Zero Emissions (NZE) 2030 targets for operational activities, as well as the 2050 targets for the loans and investment portfolio. Therefore, SMBC Group will also continue to increase the level of financing in the environmental sector, such as in the renewable energy sector. This initiative has also been adopted by Bank BTPN. In addition, Bank BTPN also strives to increase its portfolio in the Sustainable Business Activities Category (KKUB) as outlined by the Financial Services Authority (Otoritas Jasa Keuangan/OJK).

2023 was a year of recovery from the pandemic's impact. Despite the lack of significant improvement in the global economy, the Board of Directors of Bank BTPN has made concerted efforts to enhance its performance during these challenging times.

Therefore, the Board of Commissioners would like to express sincere appreciation for the dedication and outstanding professionalism demonstrated by the Board of Directors and management during this reporting period. The hard work, innovation, and perseverance of the Board of Directors have laid a solid foundation for the sustainability of Bank BTPN, not only as a business entity but also as a positive agent of change in achieving sustainable finance.

The Board of Commissioners would also like to express our utmost gratitude to all employees enthusiastically contributing to implementing sustainable practices in all operational aspects of the bank. Additionally, the Board of Commissioners would like to extend our gratitude to the external stakeholders for their valuable support. Our strong collaboration with partners, regulators, customers, and the community has significantly bolstered our endeavours to promote sustainable finance. This support is a crucial pillar in Bank BTPN's journey towards a more sustainable and inclusive future.

Through collaboration and shared commitment, we can address the challenges of climate change and engage in responsible financial management. Let's welcome the year 2024 with a spirit of greater sustainability and greater commitment to preserving the earth together.

Jakarta, February 28, 2024



Chow Ying Hoong
President Commissioner



Message from The Board of Commissioners and Directors



bank
btpn



A MEMBER OF
SMBC Group



The sustainability initiatives pursued by Bank BTPN are aimed at supporting the achievement of the Sustainable Development Goals (SDGs), while also increasing our active role in climate change management.

HENOEH MUNANDAR
President Director

MESSAGE FROM THE PRESIDENT DIRECTOR

[GRI 2-22] [OJK A1]

Dear Respected Stakeholders,

2023 was the year when the world began to recover from the pandemic. According to the IMF's World Economic Outlook, the global economy was still in the process of recovering from the pandemic during 2023.¹ In response to this challenge, Bank BTPN has taken the responsibility of supporting economic recovery while continuing to prioritize sustainable financial initiatives. The year 2023 has been successful, due to the support of all stakeholders. Therefore, Bank BTPN express gratitude for the support of all stakeholders.

POLICY TO RESPOND THE CHALLENGES

[OJK D.1.a]

Bank BTPN acknowledges that preserving the earth is a shared responsibility in building a better future and ensuring a healthy planet for the next generation. As a tangible demonstration of this commitment, Bank BTPN actively participates in sustainability initiatives, recognizing that sustainability is not merely a demand, but a profound commitment to making positive contributions to the environment and society.

Bank BTPN's sustainability initiative is ingrained in the company's values and permeates its corporate culture, strategic planning, products and services, and day-to-day operations. Bank BTPN's commitment to sustainability is fortified through the implementation of the RAKB. By integrating this commitment into the RAKB, Bank BTPN not only affirms its resolve to make a positive impact on sustainability, but also establishes a robust framework to ensure that this commitment continues to steer every decision and action of the company.

Bank BTPN demonstrates its commitment to environmental sustainability through the integration of ESG risks into the bank's financing or operational processes, manifested in the form of:

- Offering a suite of sustainable finance products and services, including green financing and ESG Deposit.
- Adopting digital technologies to reduce paper usage and hence carbon footprint.

- Developing the BTPN Tower as a green building that has achieved the Greenship certificate from Green Building Council Indonesia with a Gold rating.
- Adopting the use of renewable energy in the company's operations, such as installing solar panels at one of Bank BTPN's branch offices and providing low-emission operational vehicles (electric cars) for senior management.
- Implementing the Project Dolfin (Digital Workspace Flexi Office in New Normal)² initiative that allows employees to work remotely. Through this initiative, employees do not have to go to the office every day, thereby reducing fuel consumption for commuting and minimizing electricity usage in the office. In addition, Project Dolfin also encourages BTPN employees to have a more balanced life.
- Implementing portfolio financed emissions control with the target of getting to Net Zero in portfolio financed emissions by 2050.

The dedication of Bank BTPN to climate management is demonstrated by the presence of a special committee tasked with strategic planning and sustainability implementation within Bank BTPN, namely the Sustainability Committee, chaired by the Director of Compliance and Legal.

Bank BTPN in 2023 will also continue to strengthen its commitment to the implementation of sustainability practices by issuing a Sustainability Policy. This Sustainability Policy is a basic guideline for all employees involved in the provisions that must be met by Bank BTPN in carrying out responsible banking business activities and prioritizing sustainability aspects. To ensure that sustainability policies are always in accordance and relevant to applicable policies and regulations, Bank BTPN conducts a review and evaluation of the Sustainability Policy every year.

In addition, in 2023, Bank BTPN will also launch a sustainability page on Bank BTPN's official website, namely <https://www.btpn.com> to support and strengthen information transparency related to sustainability policies and performance.

¹ International Monetary Fund. World Economic Outlook. Navigating Global Divergences. Oktober 2023. <https://www.imf.org/en/Publications/WEO/Issues/2023/10/10/world-economic-outlook-october-2023> [Accessed: 4 Jan 2023]

² Remote dan Balance Life

Bank BTPN also pays attention to the social aspects of sustainability implementation by developing a business model centered on the motto “Do good do well.” Bank BTPN not only acts as a provider of financial services, but also as a partner in enhancing the community’s capacity to build more meaningful lives. This aligns with Bank BTPN’s vision to become the preferred bank in Indonesia that can significantly change millions of people’s lives, with the support of digital technology.

Through Daya Program, Bank BTPN empowers customers and the community through its four pillars: competence development, financial literacy, capacity to grow for business, and sustainable living. Empowerment fosters an environment in which individuals can actively participate in making decisions concerning finance, education, health, and various other facets of life. Through offering appropriate access and support, we aim to cultivate a more self-reliant, empowered, and well-managed community. Bank BTPN is committed to making a positive contribution to community empowerment and view this as an integral part of our sustainability mission.

All of Bank BTPN’s sustainability programs are grounded in the triple bottom line philosophy (People, Planet, Profit), while also supporting the achievement of the SDGs and contributing to climate change management.

SUSTAINABLE FINANCE IMPLEMENTATION

[OJK D.1.b]

The year 2023 has been a period of great pride for Bank BTPN in achieving sustainability performance. The positive results serve as tangible proof of our commitment to integrating sustainable practices into all aspects of our operations and decision-making. Our launched initiatives have led to significant progress in creating a positive impact on the environment, society, and our business.

In the economic sector, Bank BTPN recorded a consolidated net profit of Rp2.68 trillion on 2023. Additionally, Bank BTPN’s net interest income increased by 3.1% to Rp12.04 trillion, while operational income increased by 3.1% to Rp14.12 trillion.

To support sustainability efforts, Bank BTPN increased its green financing portfolio, which grew by 10.9% compared to the previous year, with a total value of Rp7.68 trillion. In addition, Bank BTPN issued an ESG Deposit and an ESG Mutual Fund to offer investors the opportunity to make investments that not only yield personal income but also deliver social and environmental benefits.

In the social aspect, Bank BTPN enhanced the capabilities of MSME entrepreneurs. Empowering MSMEs is a key factor in enhancing societal welfare and fostering economic growth in Indonesia, as these enterprises significantly contribute to GDP, employment, and equitable development. Bank BTPN has provided training to 7,700 MSME entrepreneurs and has also offered various information and empowerment resources online through the daya.id website.

In addition to MSME participants, Bank BTPN also empowered the community by enhancing financial skills through seminars, infographics, and posters on Bank BTPN’s digital channels. This Financial Literacy Program has now reached 2,705,138 people.

An equally crucial endeavor is to increase the capacity of employees who spearhead Bank BTPN’s business performance. During 2023, Bank BTPN conducted 753 training programs attended by 6,544 employees with a total training hours of 322,849 hours, so that the average training hours for each employee is 49 hours per year. Bank BTPN also conducts empowerment activities for employees entering retirement, in the form of financial training, psychological and moral encouragement, so that retirement can be enjoyed vigorously and productively. This near-retirement training was attended by 70 participants.

In 2023, Bank BTPN successfully achieved awards from various parties, including: Best Bank 2023 from Infobank Magazine, Most Outstanding Sharia Banking in Microfinance from CNBC Indonesia, The Best Performance & The Most Efficient Sharia Bank from Bisnis Indonesia Financial Award. In the realm of sustainability, Bank BTPN also received the Platinum Award from the Indonesian Sustainable Development Goals Award 2023 and once again secured the Platinum Rank at the Asia Sustainability Reporting Rating (ASRRAT) 2023 event. These achievements are evidence of the Bank BTPN’s continued efforts to maintain excellent performance and deliver high-quality services to its customers.

TARGET ACHIEVEMENT STRATEGY

[OJK E.5] [OJK D.1.c]

Implementing sustainable finance is a challenging journey that also promises opportunities. The finance sector is encountering similar challenges as it strives to embed sustainable finance practices, including the need for culture change, a deep understanding of risk, and the integration of sustainability into investment decisions.

In conducting business, Bank BTPN is aware of the financial risks related to climate change and impacts to nature such as biodiversity loss, deforestation risk, marine environmental risk, flood and water scarcity. In addition, Bank BTPN also acknowledges social



risks that may arise from business activities, such as risks related to human rights, including labor and local community rights.

As a result, Bank BTPN regularly provides socialization and training sessions to encourage organizational culture transformation, helping employees across different levels to embrace and contribute to sustainability and social responsibility. Additionally, the bank focuses on building the knowledge and skills of Board of Directors and management in sustainable finance topics.

Understanding sustainability risks is also a challenge, as banks must be able to identify, measure, and manage risks related to sustainability aspects. Understanding this, Bank BTPN conducted an analysis of social, environmental, and corporate governance impacts. In addition, Bank BTPN uses sustainability performance metrics and indicators, and involves interested parties in the evaluation process.

Another challenge lies in integrating sustainability into investment decisions, which requires an understanding on how social and environmental factors can impact long-term financial performance. In addressing this challenge, Bank BTPN assesses how social and environmental factors may influence long-term financial performance. This includes a detailed analysis of potential effects on the bank's reputation, operational risks, and various business growth opportunities.

In addition to these challenges, the bank has benefitted from opportunities through the adoption of sustainable finance. This includes gaining access to sustainable financing, as financial markets are progressively favoring investments that promote sustainable business. Bank BTPN creates innovative products and services that promote sustainability. Bank BTPN's involvement in sustainable finance has bolstered its reputation, making it more attractive to investors.

The bank also sees an opportunity in operational efficiency initiatives, which aim to make an impact by reducing workplace energy consumption and and greenhouse gas emissions. In 2023, Bank BTPN started to adopt renewable energy in the company's operations, for example by installing solar panels that can convert sunlight into electrical energy in the office building of Bank BTPN Gunung Sahari Branch, Jakarta. In addition, Bank BTPN has also started converting fuel-based vehicles used for Commissioners to lower-emission electric vehicles.

As employee awareness continues to grow, Bank BTPN introduce working location flexibility through Project Dolfin and integrate digital technology into its operations, this will effectively reduce the bank's carbon footprint.

The year 2023 has been a successful one, marked by various outstanding achievements. On behalf of the management, Bank BTPN would like to express our gratitude to all levels of management and employees of Bank BTPN for their dedication and extraordinary contributions to various sustainable finance achievements in 2023. The successful implementation of sustainability initiatives and the positive achievements recorded in this report are inseparable from the joint efforts, commitment, and integrity of each individual involved. Additionally, we would like to extend our heartfelt gratitude to all stakeholders of Bank BTPN for their invaluable support and cooperation, which have been instrumental in our success and sustainable growth.

Together, let us give 2024 the positive momentum to continue supporting sustainable finance and preserve the earth together. Through commitment and collaboration, we can create a financial environment that supports sustainable growth, thereby benefiting both society and the environment.

Jakarta, February 28, 2024

Henoeh Munandar
President Director

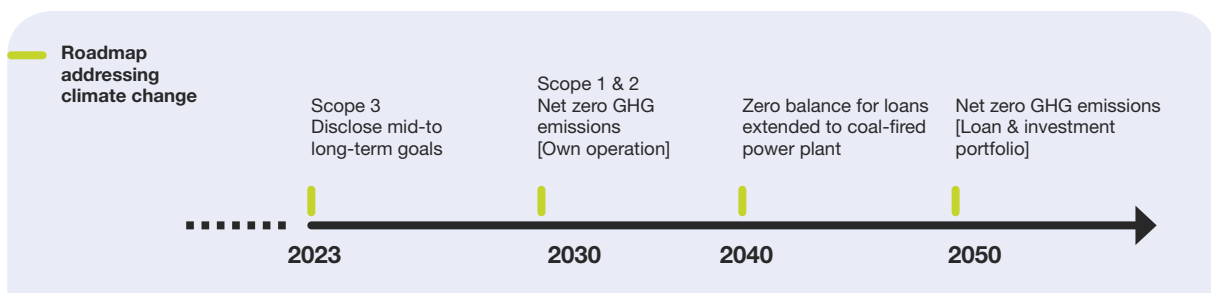
BANK BTPN & SUSTAINABILITY COMMITMENT

Bank BTPN demonstrates its commitment to sustainability through the implementation of sustainable policies and strategies in its operational and business activities, to create a positive impact for society and the environment.

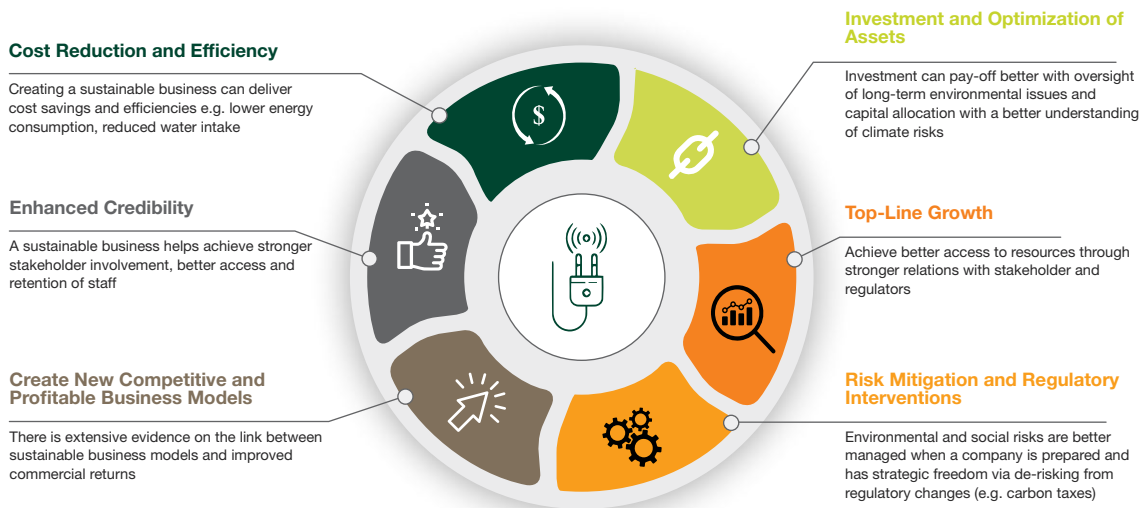


Bank BTPN considers sustainability to be an endeavor to manage social and environmental aspects in a manner that creates a more meaningful life for present and future generations. Consequently, Bank BTPN is aware of the significance of developing sustainable business practices as a strategic measure, not only to attain short-term financial success, but also to foster a lasting positive impact on society and the environment.

As part of the SMBC Group, Bank BTPN is strengthening its sustainability commitment to support the SMBC Group's target to achieve Net Zero Emission (NZE) by 2030 for the Bank's operational activities; and by 2050 for the NZE target for the Loan and Investment Portfolio. This commitment is part of how SMBC Group contributes to a more sustainable future, by taking specific actions to address climate change and advance a better society, including adopting long-term goals to achieve net zero emissions within the spirit of the Paris Agreement.



In line with the SMBC Group, Bank BTPN believe that robust integration of sustainability principles is essential to achieving sustainable business growth.



Bank BTPN realizes this commitment by continuously strengthening the integration of sustainability principles in all aspects of its business and operational activities. Having established the Sustainability Committee in 2022, Bank BTPN also went on to issue a Sustainability Policy is a guideline for all employees involved in supporting Bank BTPN in its responsible banking business activities and other sustainability related priorities.

The Sustainability Policy governs environmental and social aspects of Bank BTPN's operational and business activities in accordance with the direction of regulators, SMBC Group, and international standards. This policy also helps to increase awareness among employees and foster a culture that supports sustainability at Bank BTPN. To ensure that sustainability policies are in accordance and relevant to applicable policies and regulations, Bank BTPN conducts a review and evaluation of the Sustainability Policy annually.

This year, Bank BTPN also launched a sustainability page on Bank BTPN’s official website (www.btpn.com) to support and strengthen information transparency related to sustainability policies and performance.

BANK BTPN’S SUSTAINABILITY STRATEGY [GRI 2-22] [OJK A1]

To fulfill its sustainability commitments, Bank BTPN has formulated the following sustainability strategy:



1. Development of Sustainable Finance Product Innovations

As a financial services provider, Bank BTPN continues to strengthen its commitment to supporting sustainable finance in Indonesia by actively promoting an economic system oriented towards sustainable economic, social, and environmental principles. To this end, Bank BTPN continues to develop sustainable finance product innovations guided by its Sustainability Policy and RAKB. For further information on Bank BTPN’s Sustainability Policy and RAKB, please refer to www.btpn.com.

2. Employee Capacity Building

Bank BTPN upholds sustainability principles in its management of human resources to generate lasting value for the organization, its employees and the broader community. Human resource management is conducted through an approach that encompasses well-being, diversity and inclusion, as well as fair and transparent treatment. Bank BTPN endeavors to cultivate a conducive work environment that empowers employees to make a more positive impact on society (#MoreThanAJourney). For further information on Bank BTPN’s human resources management, please refer to the “Increasing Capacity for Sustainability” section on page 96.

3. Implementation of Sustainable Finance Principles Within the Organization and Governance

Bank BTPN is committed to integrating sustainability principles into its business and operations by prioritizing practices that value the environment and society. The bank actively promotes a sustainability culture by focusing on energy conservation, greenhouse gas (GHG) emissions reductions, and other initiatives aimed at achieving net-zero emission (NZE) for Scope 1 and 2 emissions by 2030. Furthermore, Bank BTPN aims to attain net-zero GHG emissions for scope 3 (financed emission) by 2050. Having these targets underscores the bank’s commitment to mitigating climate change. For more information on how we are working to achieve these targets, please refer to the “Prioritizing Environmental and Climate Commitments” section on page 114 and the “Innovation in Sustainable Governance” section on page 122.

Bank BTPN’s Net Zero Emissions (NZE) targets 

Bank BTPN has targeted NZE of operations by 2030 and NZE of loan and investment portfolios by 2050.

SUSTAINABILITY GOVERNANCE

Bank BTPN took concrete steps to demonstrate its commitment to sustainability and climate change mitigation by establishing the Sustainability Committee in 2022. This committee is authorized to determine the direction of climate risk management policies and identify new business opportunities. The Sustainability Committee consists of the Board of Directors and the heads of each relevant business unit. The committee is responsible for formulating sustainability strategies, policies, and targets, as well as overseeing the implementation of climate and sustainability issues with the following duties and responsibilities:

1. Formulating strategies, policies, and targets related to sustainable finance at Bank BTPN.
2. Monitoring, evaluating, and making recommendations regarding the implementation of sustainable finance in accordance with regulatory and SMBC directions.

The company's environmental, social, and governance (ESG) policies and business strategies are deliberated upon during the General Meeting of Shareholders (GMS), convened at least once a year. The formulation and execution of these policies takes into account input from both internal and external stakeholders through diverse channels provided by Bank BTPN, including corporate emails, letters, reports and other means. The feedback gathered from these interactions is used to help guide and improve the company's sustainability performance. [GRI 2-12]

The Board of Commissioners regularly receives sustainability update reports, including on climate-related issues annually, while the Board of Directors receives these update reports twice a year. The Board of Commissioners and the Board of Directors utilize this information to review and assess policies, strategies, budgets and climate-related risk management.

[TCFD G1]

The Board of Commissioners and the Board of Directors have appointed a dedicated officer, the Director of Compliance and Legal, to be responsible for the sustainability function within the company. Oversight day-to-day operations is delegated to the Communications and Daya Head, who also coordinates the respective heads of the Lines of Business (LOB) and relevant support functions. Additionally, Bank BTPN has Daya & Sustainability Development Unit to coordinate the integration of sustainability practices across relevant directorates. [GRI 2-13] [OJK E.1] [TCFD G2]

To ensure compliance with the bank's sustainability policies, Bank BTPN utilizes the Three Lines of Defense mechanism. The audit team conducts social and environmental audits of operations on an annual basis, additionally, for Bank BTPN's business activities, if such business activities already have and apply governance on social and environmental aspects, this will be included in the related audit.

In addition, Bank BTPN integrates sustainability principles into the monitoring and performance evaluation mechanisms of the Compliance and Legal Directorates, as well as the relevant business units or Lines of Business (LoBs), ensuring that the achievement of sustainability targets is duly considered.

The performance assessment and evaluation mechanism (Key Performance Indicator/ KPI) also extends to Daya & Sustainability Development Unit and the business directorates, ensuring that the achievement of sustainability targets is duly considered.



SUSTAINABILITY POLICY OF BANK BTPN

In 2023, Bank BTPN introduced a Sustainability Policy to provide a foundational framework for employees in the bank. This Sustainability Policy is a basic guideline for all Bank BTPN employees and outlines the provisions of Bank BTPN in conducting responsible banking practices and other sustainability priorities.

The aim of this Policy is to establish governance of environmental and social aspects in Bank BTPN operational and business activities in accordance with regulatory directives, SMBC Group, and international standards. Additionally, it is utilized to enhance the awareness and skills of all officials and employees in fostering a sustainability culture at Bank BTPN.

To ensure that the sustainability policy aligns and remains relevant to applicable policies and regulations, Bank BTPN conducts an annual review and evaluation of the Sustainability Policy, regularly.

ROLE OF THE GOVERNANCE BODY IN SUSTAINABILITY REPORTING [GRI 2-14]

The assessment and preparation of the Sustainability Report takes into account input from internal and external stakeholders and adheres to applicable national and international standards. The Sustainability Report is reviewed by all relevant directorates and approved by the Board of Directors and Commissioners.

In the preparation process, all disclosures submitted have received confirmation and approval from the relevant Directorate. Material topics around sustainability performance are determined based on surveys with stakeholders. The Communications & Daya Division is on duty.

RELATIONSHIP WITH STAKEHOLDER

[GRI 2-29] [OJK E.4]

| Stakeholders | Establishment Basis | Topic | Engagement Methods and Frequency | Governance Management Function |
|----------------------------|--|--|---|--|
| Shareholders and Investors | <ul style="list-style-type: none"> • Dependency • Influence • Responsibility | <ul style="list-style-type: none"> • Organizational Governance • Economic Performance Achievement • Sustainable Finance | <ul style="list-style-type: none"> • Providing information on Bank BTPN's achievements through the General Meeting of Shareholders, quarterly reports, and the issuance of annual reports • Direct communication and analysis to ensure the delivery of material information • Meetings as needed, at least once a year | <ul style="list-style-type: none"> • Corporate Secretary • Investor Relation |
| Customer | <ul style="list-style-type: none"> • Dependency • Responsibility • Influence • Geographic Proximity | <ul style="list-style-type: none"> • Customer Protection • Sustainable Relationships • Sustainable Business • Net Zero Emission | <ul style="list-style-type: none"> • Provision of products and services in accordance with applicable regulations • Timely, adequate, clear, and accurate provision of information on products and services • Development of high-quality services to ensure customer satisfaction • Implementation of Daya Program • Advertising and promotional media as needed • Implementation of sustainable finance seminars for customers • Meetings are convened whenever a customer visit occurs, or at least once a year | <ul style="list-style-type: none"> • Line of Business • Compliance • Corporate Communication • Daya & Sustainability |
| Employees | <ul style="list-style-type: none"> • Dependency • Responsibility • Influence • Attention • Geographic Proximity | <ul style="list-style-type: none"> • Industrial relations • Protection and working conditions • Competence building • Career development and self-actualization • Sustainable finance • Sustainability | <ul style="list-style-type: none"> • Objective, transparent, fair, and equal management of Bank BTPN's personnel • Establishing a conducive work environment for optimal productivity • Career development through talent management system and assessment center • Implementation of education and sustainability seminars for employees • Meetings for internal activities | <ul style="list-style-type: none"> • Human Resources |



| Stakeholders | Establishment Basis | Topic | Engagement Methods and Frequency | Governance Management Function |
|---|--|---|--|---|
| Community and Non-Governmental Organizations (NGOs) | <ul style="list-style-type: none"> • Dependency • Responsibility • Influence • Geographic Proximity | <ul style="list-style-type: none"> • Education and Culture • Technology and Access to Infrastructure • Welfare and Income • Sustainable Finance • Sustainability • Environment | <ul style="list-style-type: none"> • Intensification of involvement in community activities covering education, empowerment, culture, religion, humanity and the environment • Implementation of Daya Program • Conducting sustainable finance seminars • Meetings as needed, at least once a year | <ul style="list-style-type: none"> • Human Resources • Daya & Sustainability |
| Business Partners/Suppliers | <ul style="list-style-type: none"> • Dependency • Conflicting Opinion • Influence | <ul style="list-style-type: none"> • Sustainable Relationships • Economy • Equity • Sustainable Finance • Sustainability • Human rights | <ul style="list-style-type: none"> • Clear terms of partnership • Transparent performance assessment • Regular assessments • Meetings as needed • Implementation of sustainability and human rights seminars for Partners and Suppliers • Meetings as needed, at least once a year | <ul style="list-style-type: none"> • Procurement • Daya & Sustainability |
| Government and Regulators | <ul style="list-style-type: none"> • Dependency • Responsibility • Conflicting Opinion • Influence • Geographic Proximity | <ul style="list-style-type: none"> • Compliance with Laws and Regulations • Commitment to Banking Regulations • Clear, Accurate, Comprehensive and Timely Communication and Reporting • Sustainable Finance | <ul style="list-style-type: none"> • Refinement of the latest Good Corporate Governance (GCG) Manual • Implementation of GCG principles in all work units • Periodic meetings to improve Bank BTPN • Implementation of seminars and Forum Group Discussion (FGD) related to sustainable financial policies • Meetings as needed, at least once a year | <ul style="list-style-type: none"> • Compliance • Corporate Secretary • Risk Management |
| Community Leader/Local Official | <ul style="list-style-type: none"> • Dependency • Conflicting Opinion • Influence • Geographic Proximity | <ul style="list-style-type: none"> • Business Development • Regional Growth | <ul style="list-style-type: none"> • Direct visits • Official meetings and consultations • Development Planning Meeting (Musrenbang) • Periodic meetings as needed • Execution of Daya program | <ul style="list-style-type: none"> • Line of Business • Customer Service • Corporate Communication |

BANK BTPN'S STRATEGY AND CONTRIBUTIONS TO THE SUSTAINABLE DEVELOPMENT GOALS (SDGs)

[GRI 2-22] [OJK A1]

Through its various initiatives and programs, Bank BTPN strives to foster positive and sustainable change in Indonesia.

Bank BTPN's commitment is underscored by its achievement of the Platinum award at the 2023 Indonesia SDGs Award (ISDA). This accolade serves as a testament to the bank's unwavering commitment and dedication to realizing SDG 8: Decent Work and Economic Growth.

NO POVERTY



- Supporting economic growth through financing products for retail, micro, SMEs, and corporate businesses in Indonesia.
- Providing employment for 6,636 employees.
- Through the Daya program, providing financial literacy training for the community and training for the development of SMEs.
- Implementing economic recovery and customer loan restructuring programs during the COVID-19 pandemic.
- Expanding customer business market access online through [daya.id](#) and offline through customer product bazaars at Bank BTPN offices.
- Developing ESG Mutual Fund for environmental, social, and governance purposes, expected to have an impact on improving the general welfare of society and reducing poverty.

ZERO HUNGER



- Provision of financing for sustainable food & agriculture activities.

GOOD HEALTH AND WELL-BEING



- Through [daya.id](#), providing online training and information on health and business development for the community.
- Providing elderly-friendly branch facilities.
- Providing health facilities for employees and customers during the COVID-19 pandemic.
- Ensuring the implementation of health protocols in all activities and operation of Bank BTPN.
- Facilitating employee sports activities through BTPN Club.



QUALITY EDUCATION



- Through the daya.id program, providing various training and capacity building for the wider community.
- Collaborating with Djarum Foundation to help the younger generation through the development of education facilities.
- Providing growth opportunities for employees through various training programs.

GENDER EQUALITY



- Becoming Co-founder/promoter in the Indonesia Business Coalition for Women Empowerment (IBCWE).
- Through diversity and inclusion programs, practicing equality in career development and employee remuneration.
- Providing a safe working environment for women.
- Providing nursing rooms for women in the workplace.
- Assessing the bank's performance using the Gender Equality Assessment Result and Strategy (GEARS) tool.

CLEAN WATER AND SANITATION



- Providing financing for the development of clean water pipeline networks in DKI Jakarta of Rp 8.87 trillion.

AFFORDABLE AND CLEAN ENERGY



- Providing financing facilities to corporations in the renewable energy sector and electricity providers.

DECENT WORK AND ECONOMIC GROWTH



- Providing financing for the MSME segment.
- Through daya.id, conducting entrepreneurship training to support the growth of MSMEs.
- Providing suitable and comfortable working spaces for employees.
- Implementing flexible work arrangements for employees during the COVID-19 pandemic.

INDUSTRY, INNOVATION AND INFRASTRUCTURE



- Developing technological innovations in banking services.
- Collaborating with the Djarum Foundation in developing educational facilities.

REDUCED INEQUALITIES



- Providing financing for the retail, micro, and SME segments.
- Through the Daya.id program, providing financial literacy for the community.

SUSTAINABLE CITIES AND COMMUNITIES



- Providing financing for the green property sector.
- Reducing energy, water, and other resource consumption at Bank BTPN's head office. Bank BTPN's head office building (Menara BTPN) is a green building that has achieved a GreenShip certificate from the Green Building Council Indonesia with a rating of Gold rating.
- Preserving culture through the management of the Dago branch office, which has received an award from UNESCO.

RESPONSIBLE CONSUMPTION AND PRODUCTION



- Through its digital banking app (Jenius), Bank BTPN helps to reduce paper consumption by customers and mitigate GHG emissions by reducing their need to travel to bank locations.
- The bank has discontinued the provision of bottled drinking water at its headquarters.
- The bank has replaced the production of annual calendars with e-calendars.
- Providing green financing for waste management infrastructures and projects which the objective is to promote recycling and reusing of materials.

CLIMATE ACTION



- Providing green finance products for infrastructure essential to achieving net zero emissions, including renewable energy power generators, and battery and storage facilities for renewable energy.
- Reducing energy consumption and GHG emissions across Bank BTPN offices.
- Supporting the Net Zero Emission (NZE) Transition Plan initiated by SMBC Group.



LIFE ON LAND



- Implementing and enforcing environmental and social risk assessment procedures in all parts of Bank BTPN's business that include no deforestation rules in the Sustainability Policy.

PEACE, JUSTICE AND STRONG INSTITUTIONS



- Establishing an institution that upholds transparency and integrity, as well as providing a whistleblowing channel.
- Supporting employee participation in labor unions and collective labor agreements.

PARTNERSHIP FOR THE GOALS



- Partnering with expert partners to jointly enhance the community's capacity in entrepreneurship and health, such as the various professional partners on the daya.id website.
- Engaging as a member in various associations to help advance economic growth for Indonesia – for example, PERBANAS.

* In the reporting period, Bank BTPN was still looking for the opportunities to contribute to SDGs No. 14 in supporting the preservation efforts and responsible utilization of Marine and Ocean Resources.

ABOUT

BANK BTPN

Bank BTPN is committed not only to successful financial business, but also to empowering the community to achieve a better quality of life.



About Bank BTPN



Bank BTPN

 SMBC

A MEMBER OF
SMBC GROUP



COMPANY PROFILE

Company Name [GRI 2-1]

PT Bank BTPN Tbk

Line of Business [GRI 2-6]

Banking Services

Business Permit [GRI 2-6] [OJK C.4]

- Commercial Bank business permit
- Foreign Exchange Bank business permit

Products [GRI 2-6] [OJK C.4]

- Funding
- Financing

Legal Basis of Establishment

[GRI 2-1]

- Notarial Deed No. 21 dated October 6, 1959 of Notary Noezar S.H
- Notarial Deed No. 203 dated May 31, 1960 of Notary Noezar S.H
- Notarial Deed No. 53 dated November 7, 1960 of Notary Noezar S.H
- State Gazette No. 13, Supplement No. 5, dated February 14, 1961
- Notarial Deed No. 31 dated February 16, 1985 of Notary Komar Andasasmita, S.H, as amended by Notarial Deed no. 12 dated July 13, 1985 of Notary Dedeh Ramdah Sukarna, S.H.

Date of Establishment

February 16, 1958

Ownership [GRI 2-1] [OJK C.3.c]

- Sumitomo Mitsui Banking Corporation (89,98%)
- Public <5% (7,72%)
- PT Bank Central Asia Tbk (1,02%)*
- PT Bank Negara Indonesia (Persero) Tbk (0,15%)**
- Treasury Shares (1,13%)

* Shares resulting from a Merger

** Comply with Government Regulation No. 29 of 1999 concerning the Purchase of Shares of Commercial Banks

Operations Areas and Service Network

[GRI 2-1] [GRI 2-6] [OJK C.3.d]

In all regions of Indonesia

Bank BTPN serves individual, corporate, MSME and other customers.

Business Entity [GRI 2-2]

The business entities included in this report are Bank BTPN, without subsidiary entities, unless specifically stated in the section.

Head Office Address [GRI 2-1] [OJK C.2]

Menara BTPN,
CBD Mega Kuningan Jl. Dr. Ide Anak Agung
Gde Agung, Kav 5.5-5.6
Jakarta Selatan 12950, Indonesia

Phone : (62 21) 300 26 200

Fax : (62 21) 300 26 309

Linked in : PT Bank BTPN Tbk

Email : info@btpn.com

website : www.btpn.com



COMPANY RATING

AAA (Idn), Stable Outlook
(Long Term) -
PT Fitch Ratings Indonesia

F1+ (idn) (Short Term) -
PT Fitch Ratings Indonesia

idAAA (Triple A, Stable
Outlook) - PT Pemeringkat
Efek Indonesia (PEFINDO)

MEMBERSHIP OF ASSOCIATIONS [GRI 2-28] [OJK C.5]

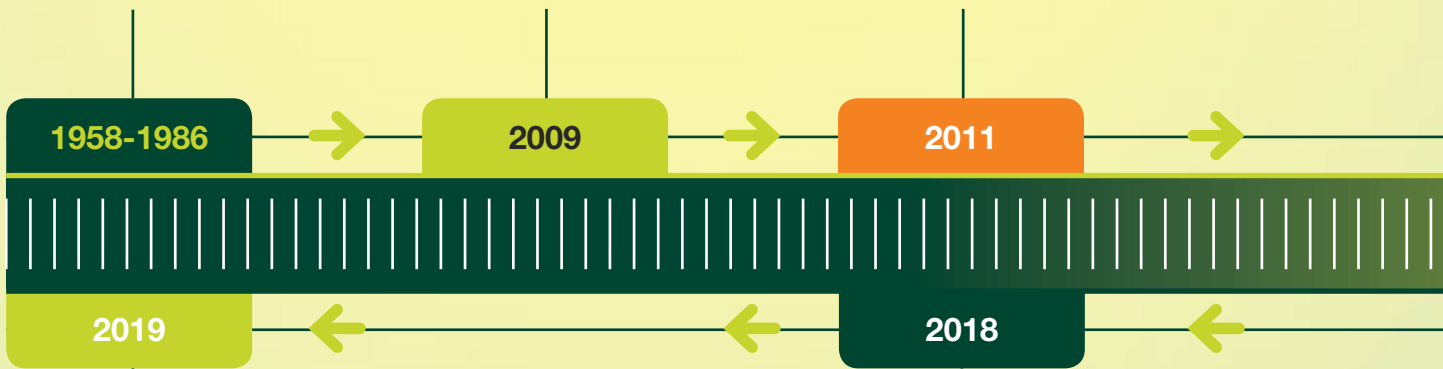
| Organization Name | Membership Status | Organization Scale |
|--|---|--------------------|
| Indonesian Issuer Association (AEI) | Member | National |
| Indonesia Sustainable Finance Initiative (IKBI) | Member | National |
| Indonesian Philanthropy Association | Member | National |
| Communication Forum of Compliance Directors (FKDKP) | Member of Regulation & Policy Board | National |
| National Private Bank Association (Perbanas) | Member | National |
| Indonesian Association of International Bank (PERBINA) | Member | National |
| Indonesian Payment System (ASPI) | Member | National |
| Indonesian Corporate Secretary Association (ICSA) | Director of Compliance and Corporate Secretary, as a member | National |
| Indonesia Business Coalition for Women Empowerment (IBCWE) | Founder/promotor | National |

COMPANY SCALE [GRI 2-6] [OJK C.3]

| Indicators | 2023 | 2022 | 2021 |
|--|------------------------|------------------------|--------------------------------|
| Number of Employees | 6,636 | 6,972 | 7,129 |
| Total Operating Income - Net (Rp million) [OJK B.1.b] | 2,580,781 | 2,710,216 | 2,306,104 |
| Authorized capital (Rp million) | 300,000 | 300,000 | 300,000 |
| Issued capital (Rp million) | 162,982 | 162,982 | 162,982 |
| Total capitalization (Rp million) [OJK C.3.a] | | | |
| · Third Party Funds | 96,055,759 | 102,818,019 | 98,406,669 |
| · Loans Received | 34,283,897 | 47,925,106 | 37,615,236 |
| · Equity | 33,730,820 | 32,229,878 | 30,206,074 |
| · Total Assets | 181,241,336 | 189,241,556 | 174,601,315 |
| Number of offices/networks | 266 offices 214 ATM | 278 offices 212 ATM | 419 offices 215 ATM and TCR |
| Total funding products [OJK B.1.a] | 13 | 11 | 12 |
| Total financing products [OJK B.1.a] | 17 | 17 | 18 |
| Number of services [OJK B.1.a] | 26 | 29 | 33 |

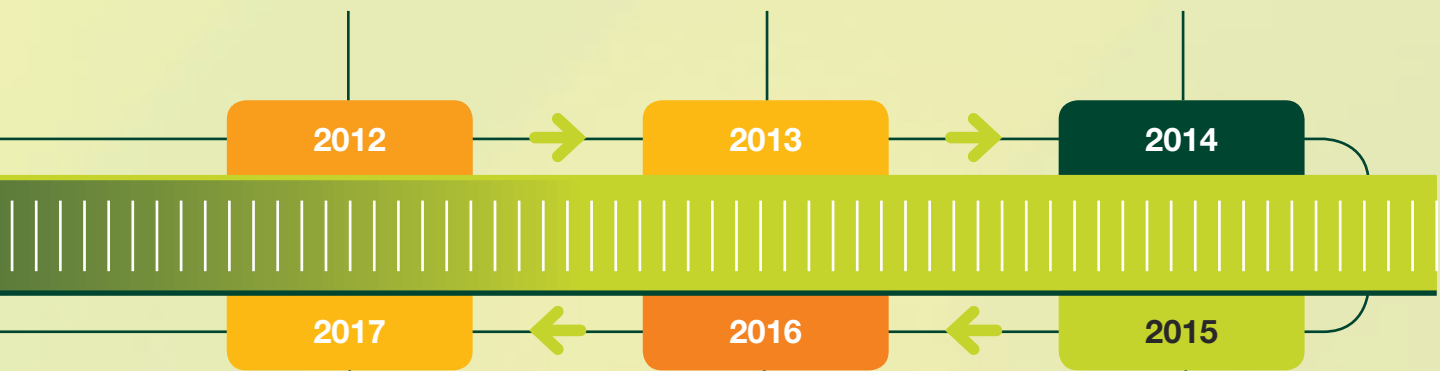
MILESTONES OF BANK BTPN

- In 1958, Bank was established in Bandung under the name Bank Pegawai Pensiunan Militer (Bapemil).
- In 1960, it obtained a license as a commercial bank.
- In 1986, Bapemil changed its name into PT Bank Tabungan Pensiunan Nasional (BTPN)
- Bank BTPN launched BTPN Mitra Usaha Rakyat to serve micro entrepreneurs.
- Bank BTPN opened 539 branch offices and recorded credit improvement of Rp2.3 trillion.
- Bank BTPN issued its first long-term obligation in Indonesian Rupiah, rated as A+ (National Scale Rating) by Fitch Ratings.
- Bank BTPN earned a long-term loan facility in Indonesian Rupiah from International Finance Corporation (IFC), a subsidiary of World Bank.
- BTPN finished the trial program for the new mobile banking service, BTPN Wow! This program was launched in 2015.
- Bank BTPN launched Daya, a continuous mass market empowerment program as an integral part on BTPN business activity.
- Bank BTPN launched the Sinaya funding program.
- Bank BTPN initiated a trial of the Sharia Community Banking business under the subsidiary of BTPN Bank (BTPN Syariah Bank - Tunas Usaha Rakyat).



- PT Bank BTPN Tbk (Bank BTPN) officially commenced operations as a new bank following the merger of PT Tabungan Pensiunan Nasional Tbk (BTPN) and PT Bank Sumitomo Mitsui Indonesia (SMBCI). Bank BTPN has transformed into a universal bank, expanding its range of services to cater to a broader customer base.
- Sumitomo Mitsui Banking Corporation (SMBC) divested 4.91% of its ownership, equivalent to 400 million shares of Bank BTPN, at a price of Rp3,600 per share. This divestment reflects SMBC's commitment as the controlling shareholder of Bank BTPN to meet its obligation to divest a portion of its shares, ensuring that the amount of publicly traded shares or shares held by non-controlling shareholders reaches 7.5%. Following the merger of BTPN and SMBCI, SMBC's ownership as the controlling shareholder increased to 97.34% due to the implementation of the cash offer and the conversion of shares resulting from the merger.
- Bank BTPN announced the issuance of bonds through the Fourth Tranche of Sustainable Public Offering (PUB) valued at Rp1 trillion. The funds raised from this bond issuance will be utilized to support credit expansion across various segments, including micro, small and medium enterprises (MSMEs), retail, and corporations.
- BTPN successfully executed a strategic corporate action by conducting an initial public offering for its subsidiary, BTPN Syariah.
- BTPN completed the merger process with PT Bank Sumitomo Mitsui Indonesia (SMBCI). The merger resulted in the formation of PT Bank BTPN Tbk.

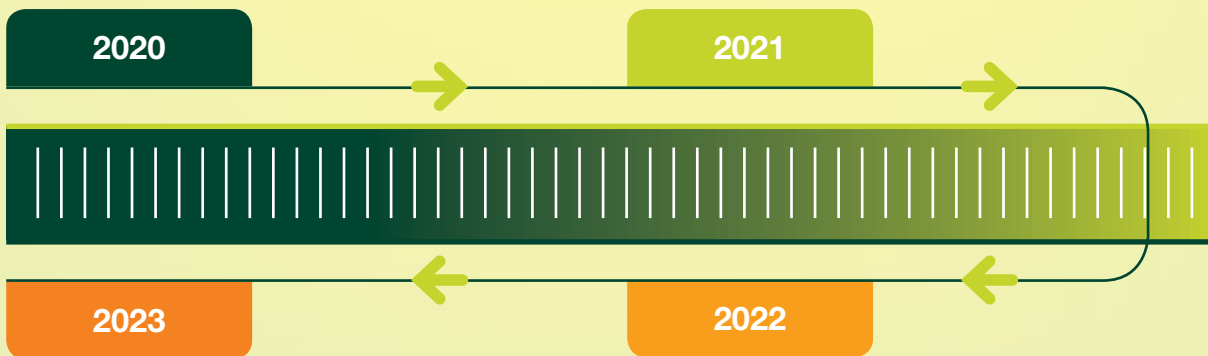
- BTPN finished the trial program for a new mobile banking service, BTPN Wow!³ This program was launched in 2015.
- BTPN acquired PT Bank Sahabat Purba Danarta (Bank Sahabat), subsequently transformed it into a Shariah Bank. Later that year, BTPN decided to spin-off its Shariah unit in 2014.
- Sumitomo Mitsui Banking Corporation (SMBC) from Japan owned 24.39% of BTPN's shares by the end of 2013 through the purchase of shares owned by TPG Nusantara S.à r.l. and other shareholders.
- SMBC, the second-largest bank in Japan by market value with assets worth US\$1,3 trillion, continued to increase its ownership stake in BTPN, reaching 40.0% and becoming the controlling bank.
- BTPN became more established as it now had access to the regional and international financial markets, if needed.



- Bank implemented the “Gemilang” transformation program, encompassing changes to the bank’s organizational structure, technology, human resources, and risk management.
- BTPN obtained its permit from Bank Indonesia in December 2015, allowing it to operate as a Foreign Exchange Bank. This authorization enables Bank BTPN to conduct transactions in foreign currencies, including fulfilling cash needs, offering loans, and raising funds.
- BTPN officially launched BTPN Wow!³, a banking service for the mass market. This innovative service utilized mobile phones and was supported by agent services, extending the bank’s reach to provide banking services to previously underserved communities.
- Bank BTPN launched its second mobile phone platform, Jenius. This innovative mobile phone service utilizes smartphones to link customers’ accounts with the bank, enabling them to perform various banking transactions. Jenius is tailored for urban communities with a good grasp of technology and higher incomes.

³ BTPN Wow! was discontinued in 2022.

- Jenius launched a new innovative feature called Moneytory, designed to assist tech-savvy customers in simplifying their cash flow management. This feature automatically records their expenses and income through the Jenius application.
- SMBC Group donated Rp13.17 billion to UNICEF Indonesia to aid in mitigating the impact of the COVID-19 pandemic.
- SMBC Group donated Rp1.3 billion to the Indonesian General Practitioners Association (PDUI) to support efforts in addressing the transmission and impact of COVID-19 in Indonesia.
- Jenius launched Jenius for Business, a starter kit for digital-savvy customers aiming to initiate and grow their business.
- Bank BTPN granted a green loan facility totaling Rp1.06 trillion to PT Kepland Investama, marking one of the pioneering instances of such a financial offering in the Indonesian market.
- Bank BTPN held “Daya Fest 2021,” a festival aimed at empowering MSME players, customers, and the general public through a series of inspirational and informative activities.
- Jenius launched the “Jenius Aman” program as a means of promoting financial literacy and providing continuous education on digital security.
- SMBC donated a total of 100 oxygen concentrator units to the Indonesian community in need through a collaborative effort involving the Ministry of Health and the Indonesian Medical Association (IDI). The IDI facilitated the distribution of these units to 35 cities and regencies across 19 provinces in Indonesia.
- Bank BTPN and SMBC jointly supplied 45 oxygen concentrator units, distributed to Bank BTPN branches for the benefit of employees and their families in need.



- Bank BTPN and the International Finance Corporation (IFC) entered into a partnership in a sustainable and social bond agreement to strengthen climate action and promote inclusive development in Indonesia. As part of the partnership, the IFC committed to invest US\$500 million. This bond issuance marks a significant milestone for Bank BTPN, underscoring its commitment to empowering micro, small, and medium-sized enterprises (MSMEs) in Indonesia, with a particular focus on businesses led by women and climate change adaptation efforts.
- Bank BTPN transformed its Human Capital Management (HCM) process by partnering with Darwinbox, a renowned global Human Resources (HR) technology provider. This strategic collaboration underscores Bank BTPN's commitment to realizing the bank's mission through a genuinely human-centered approach.
- Bank BTPN partnered with Great Eastern General Insurance Indonesia (GEGI) to distribute bancassurance products. This collaboration aligns with the government's sustainable development goals, particularly in supporting the expansion of small and medium-sized enterprises in Indonesia.
- Bank BTPN held its annual event, “Daya Fest 2023,” following a hiatus due to the pandemic.
- Bank BTPN partnered with Microsoft Indonesia in the Code; without Barriers (CWB) program, marking the first partnership of its kind in the Indonesian banking industry. The CWB program aims to help close the gender gap in the region's fast-growing cloud, artificial intelligence, and digital technology sectors.
- An Extraordinary General Meeting of Shareholders appointed Henoch Munandar as the CEO of Bank BTPN.
- Bank BTPN launched the Jenius Credit Card, offering various conveniences and a strong digital presence.
- As of the end of 2022, Bank BTPN, in collaboration with SMBC, disbursed a green loan of US\$93.75 million to PT Perusahaan Listrik Negara as part of a syndicated loan facility totaling US\$750 million.
- In September 2022, Bank BTPN established the Sustainability Committee as a tangible demonstration of its commitment to implementing sustainable finance.



GREEN

ECONOMY

INNOVATION

Bank BTPN is committed to promoting a green and sustainable economy by endorsing projects and initiatives that yield a positive impact on the environment and society, while also promoting sustainable development.



Green Economy
Innovation



Bank BTPN is committed to supporting national economic growth while mitigating climate impact through the incorporation of green economy principles into the company's business model framework. With this emphasis, Bank BTPN strives to ensure that its endeavors not only benefit the country's overall economy, but also foster a positive impact through sustainability initiatives, climate change management, and environmental preservation.

Bank BTPN fulfills this commitment by offering green financing facilities for activities or projects aimed at reducing greenhouse gas emissions and promoting sustainable economic initiatives. Several projects supported by Bank BTPN, in collaboration with its parent company SMBC Group, have emerged as significant milestones and benchmarks for sustainable development in Indonesia.

2020

Bank BTPN as the Lead Arranger for the refinancing of the first 75MW Wind Power Plant development in Indonesia, situated in Sidrap, South Sulawesi, with a total loan of US\$114.7 million.

2021

- Bank BTPN serves as the security agent in the development program of the Cirata Floating Solar Power Plant in West Java, marking the first large-scale solar power plant project in Indonesia.
- Bank BTPN serves as the sole lender of a Green Loan totaling Rp1.06 trillion to PT Kepland Investama for refinancing green building which was certified by the Building Construction Authority (BCA) Green Mark with a Platinum award.

2022

- Bank BTPN serves as the Mandated Lead Arranger for a syndicated Sustainability-Linked Loan of Rp 4.15 trillion and Rp2.74 trillion to PT Semen Indonesia & PT Solusi Bangun Indonesia.
- Bank BTPN serves as the Green Loan Coordinator for the US\$750 million Green Loan Syndicated Financing to PT Perusahaan Listrik Negara.

2023

- Bank BTPN serves as the Mandated Lead Arranger & Bookrunner (MLAB) for the financing of the clean water pipeline construction in DKI Jakarta by PT Air Bersih Jakarta (ABJ) totaling Rp8.87 trillion.
- Bank BTPN as the Mandated Lead Arranger for a syndicated Sustainability-linked Loan of USD 700 million to PT Sarana Multi Infrastruktur.



Through this credit financing, Bank BTPN in 2023, again won an award from The Asset Triple A 2023, for several categories including "Best Issuer for Sustainable Finance (Adviser award)" and "Best Sustainability Bond" for cooperation with IFC worth US\$ 500 million, and together with SMBC's parent company, Bank BTPN also won the "Indonesia Best Green Loan, Utility" award related to green syndicated financing for PT Perusahaan Listrik Negara (PLN).

Previously, in 2022 Bank BTPN also received similar awards from The Asset Triple A for "Best Green Loan" category related to the financing of PT Perusahaan Listrik Negara (PLN) and "Best Local Currency Green Loan" related to the financing of PT Kepland Investama.

In the future, Bank BTPN is prepared to expand its financing activities to encompass sectors and projects that promote energy efficiency, reduce pollution, and support low-emission transportation.

SUSTAINABILITY COMMITMENT OF BANK BTPN

[OJK A.1] [FS1]

Bank BTPN's commitment to sustainable finance is demonstrated through the integration of sustainability principles into the RAKB. Through the implementation of sustainable finance, Bank BTPN is determined to not only be a successful financial institution but also a partner in building a sustainable and inclusive economy for all stakeholder communities. The RAKB is prepared by the Board of Directors, approved by the Board of Commissioners, and is mandatory for implementation at all levels of Bank BTPN.

The RAKB is designed to support the achievement of Bank BTPN's performance aligned with the SDGs. Bank BTPN's targets outlined in the RAKB include:

1. Portfolio
Offering inclusive financial products and services to promote sustainable development and address climate change. During the reporting period, Bank BTPN commenced assessing the financial implications of climate change on the company's operations.
2. Business Processes
Delivering financial services that incorporate ESG risks into products, services and business decision-making, while also conducting more sustainable banking operations.
3. Learning and Growth
Developing the bank's internal capacity and capabilities and fostering partnerships, in order to implement and enhance sustainable finance according to stakeholder needs and business development objectives.

Bank BTPN's compliance with OJK Regulation No. 51/2017 on the implementation of sustainable finance for financial institutions is demonstrated through the bank's Sustainability Policy, including:

1. Providing the necessary funding sources to achieve progress on the UN SDGs and adequate funding related to climate change mitigation and adaptation.
2. Enhancing the resilience and competitiveness of Bank BTPN through effective management of social and environmental risks by developing financial products and services that are aligned to international standards and frameworks, thereby making a positive contribution to the stability of the financial system.
3. Reducing social disparities, mitigating and preventing environmental damage, preserving biodiversity, and promoting the efficient use of energy and natural resources.

Bank BTPN ensures compliance by periodically formulating a RAKB as mandated in the company's sustainability policy. In 2023, Bank BTPN formulated the RAKB for the second period, namely RAKB 2024-2028. In this latest RAKB, Bank BTPN is reinforcing sustainability initiatives in the financial, social, and corporate governance sectors.

In 2023, the RAKB included product development and various internal initiatives, as follows: [\[OJK F.1\]](#)

| Main Group | RAKB Program |
|--|---|
| Improvement of Sustainable Financial Portfolio | <p>Sustainable Financial Products:</p> <ol style="list-style-type: none"> 1. Expansion of Sustainable Financing Portfolio for corporate segments. 2. Introduction of ESG Deposits for corporate segments. 3. Introduction of ESG Mutual Funds. <p>Sustainable Financial Services:</p> <ol style="list-style-type: none"> 1. Pre-Retirement Program for Active and Independent Living. 2. Empowerment Program on Sustainable Finance Topics. 3. Thematic Environmental Campaign and Financial Management Skills. |
| Internal Capacity Development | Internal capacity enhancement program related to sustainability. |
| Organizational Adjustment, Risk Management, and Governance, and/or Standard Operating Procedures | Organizational development, policies, processes, and ESG integration. |

For realizing the vision and mission of Bank BTPN to improve the quality of life of the community, Bank BTPN provides the Daya program. This program offers training for competence development, financial literacy, capacity to grow for business, and sustainable living. for customers and the general public. For further information, please refer to "Strengthening the Culture of Empowerment and Expanding the Impact" section on page 80.

Bank BTPN's commitment to advancing sustainability initiatives is shown by the appointment of a dedicated official, namely the Communications and Daya Head, who is under the supervision of the Director of Compliance and Legal, to ensure monitoring and coordination between business lines and other departments in implementing RAKB runs well. Meanwhile, the implementation of sustainability strategies in each business line and its supporting functions is carried out by the Daya & Sustainability Development Unit under the Communications and Daya Head. [\[OJK E.1\]](#)

IMPLICATIONS OF CLIMATE CHANGE

[\[GRI 201-2\]](#)

The impact of climate change is increasingly spreading and affecting a wide range of industrial sectors throughout the world, including the banking sector. Therefore, responding to climate change is one of the global challenges that must be immediately addressed. Since the adoption of the Paris Agreement, global efforts to combat climate change have accelerated, including in Indonesia, whose government has announced its commitment to achieving net zero emission by 2060.

The banking sector plays a crucial role in addressing climate change through various mechanisms. These include but are not limited to financing sustainable projects, offering financing products that promote green initiatives, and climate risk management. Bank BTPN has played an active role at integrating climate-related risks into the bank's planning and risk management and financing green portfolios, including:

1. Green transportation;
2. Projects utilizing renewable energy sources;
3. Eco-efficient projects;
4. Green buildings;
5. Management of natural resources and sustainable land use; and
6. Financing other green business activities.



Bank BTPN has established a resilient strategy against climate-related risks in accordance with its Sustainability Policy for more selective credit provision. Bank BTPN also supports its customers in addressing climate risks by offering green financing for sustainable sectors.

BANK BTPN'S SUSTAINABILITY POLICY

[FS1]

Bank BTPN is committed to providing responsible financing by proactively assessing prospective customers and establishing policies related to credit provision.

Various aspects of these policies are also integral to the process of identifying climate-related risks. This commitment is further emphasized in Bank BTPN's Sustainability Policy document, wherein the company declares that it will not finance the following activities:

[TCFD R1]

- a. Trade in weapons, pornography, or other activities contrary to social norms.
- b. Businesses, companies, or projects that are expected to significantly harm the environment and/or employ labor that are not legally permitted.
- c. Large-scale development or construction projects that have a significant impact on the habitat of endangered species, without an appropriate environmental impact assessment or environmental management plan.
- d. Large-scale development or construction projects that are located or may have significant negative impacts on the sites that are subject to Ramsar Wetlands, UNESCO World Heritage Sites, and IUCN (International Union for Conservation of Nature) Category I-IV Protected Areas.
- e. Projects that are proven violating rights of local communities or those which operate in locations of social conflict. For large-scale projects, such as hydroelectric power plants and oil and gas mining are required to have a permit equivalent to FPIC (Free, Prior, and Informed Consent).
- f. Businesses engaged in deforestation and potential involvement in illegal logging or human rights violations.
- g. Coal mining industry:
 - (i) Engaging in mountain top removal (MTR) or infrastructure development for coal mining using MTR.
 - (ii) Thermal coal mining and infrastructure development for thermal coal mining.

- (iii) Companies whose primary business is thermal coal mining or coal infrastructure without outstanding exposure to the SMBC Group.
- h. Coal-fired Power Plants ((CFPP)), including:
 - (i) Captive (CFPP) for self-consumption.
 - (ii) New construction or expansion of (CFPP).
 - (iii) Companies whose primary business is coal-fired power plants without outstanding exposure and loans to the SMBC Group.
- i. Specifically regarding the framework of cooperation in the use of funds from third parties (e.g., IFC), Banks may follow the exclusion list imposed by the third parties.

In providing credit facilities to the corporate segment, Bank BTPN also enforces the following requirements for debtors:

- a. Debtors must possess documentation demonstrating compliance with regulations and environmental laws in Indonesia, including valid business permits and Environmental Impact Assessment (AMDAL) documents for businesses directly affecting the environment.
- b. Debtors must have capacity, commitment, and good track record on environmental and social aspects.
- c. Debtors whose main business are in sensitive sectors with substantial potential to impact the environment (such as the oil and gas industry, mining, energy, and electricity sectors) are required to have mitigation plans or decarbonization action plans (aimed at reducing greenhouse gas emissions) in their business activities to align with the goals of the Paris Agreement.
- d. Debtors must comply with labor standards equivalent to the ILO Fundamental Conventions or at least have complied with relevant labor regulations in Indonesia.
- e. Debtors must commit to uphold human rights in accordance with the UN Guiding Principles on Business and Human Rights or at least have complied with relevant human rights regulations in Indonesia, ensuring that debtors are not engaged in, causing, or contributing to human rights and labor rights violations.

Bank BTPN's Sustainability Policy also governs sector-specific financing, currently encompassing financing for the palm oil and forestry industries. For debtors in these sectors, Bank BTPN sets

specific requirements to ensure that the financing complies with national and international legal and standard parameters related to social and environmental issues.

- a. Palm Oil
 - i. Credit provision to the palm oil industry is permitted only for plantations that have been or are expected to be certified to RSPO (Roundtable on Sustainable Palm Oil).
 - ii. For the palm oil industries (including suppliers and buyers) that do not yet have RSPO certification, but other similar certifications that apply in Indonesia, such as but not limited to ISPO (Indonesian Sustainable Palm Oil), the Bank will ensure that the industries meet the sustainable governance principles according to the main criteria set by the RSPO. This does not apply to the provision of working capital facilities, where ISPO certification is still permitted without measuring the RSPO criteria.
- b. Forestry
 - i. Support to forest management businesses is only permitted for businesses that have been, or are expected to be, certified by Forest Stewardship Council (FSC) or Program for the Endorsement of Forest Certification (PEFC).
 - ii. For plantations of 10,000 hectares or more, the Bank will confirm that the customers have a public announcement of compliance with No Deforestation, No Peat, No Exploitation (NDPE) Commitment. If there is no NDPE public announcement, the Bank will confirm the customers' compliance with NDPE by conducting an interview and review the customers' plans for the NDPE public announcement.

The above policies are set by the Board of Directors to be implemented by each relevant work unit, including the Credit Committee, Credit Admin, Risk Management, and other work units.

In the reporting year, Bank BTPN screened all (100%) assets in the financing process to ensure that prospective debtors have fulfilled all environmental and social provisions. Bank BTPN prioritizes financing related to climate change management, environmentally friendly business, and social financing. [FS11]

In order to contribute the mitigation and adaptation actions related to environmental issues and climate change, Bank BTPN has developed the following sustainable finance products, including Green Loan, Social Loan, Sustainability-Linked Loans, ESG Mutual Fund and ESG Deposit.

The implementation of policies, risk management and opportunities related to environmental and social issues also relies on the comprehension of stakeholders related to Bank BTPN's business operations. For this reason, Bank BTPN conducts communication and education for stakeholders on these issues through a range of programs and initiatives, as well as utilizing internal and external communication channels owned by Bank BTPN, including activities carried out by the Daya Program through its four program pillars.

The implementation of policies, risk management and opportunities related to climate, environment and social issues also depends on the understanding of customers and partners. For this reason, Bank BTPN communicates and educates its customers on sustainability issues [FS5]. One of the interactions with customers was the holding of a Sustainability Seminar on 12 October 2023 on the topic of "Addressing Climate Change through Decarbonization Initiatives across Wider Business Sectors" with the title "Beyond Energy Transition: Seizing Opportunities in the Pathway to Net Zero Economy". The seminar was attended by at least 200 invited guests from 60 companies.

Bank BTPN also held an Economic Outlook 2024 with the headline "Navigating through 2024: Strategies for Resilience and Growth" at the Grand Ballroom of Hotel Indonesia Kempinski, Jakarta on November 22, 2023. At this event, Bank BTPN also launched the latest product innovation, ESG Deposit.

In addition, Bank BTPN also organized three webinars on the topic of sustainable business and human rights for its partners with the aim of increasing their understanding and supporting Bank BTPN in sustainable governance. This activity was attended by 332 participants from 190 companies.

In the reporting year, Bank BTPN interacted with 450 debtors/companies or 13.6% of its portfolio on environmental and social issues. [FS10]



ENVIRONMENTAL AND SOCIAL RISK ASSESSMENT PROCEDURES

[OJK E.3][FS2] [FN-CB-410a.2] [TCFD R2]

Bank BTPN conducts an assessment process to manage environmental and social risks. The following steps outline the procedures for decision-making and risk management, integral components of Bank BTPN's overall risk management framework. [TCFD R3]

1. Bank BTPN reviews ownership of debtor's business licensing documents in accordance with the regulations of the Minister of Environment and Forestry of the Republic of Indonesia No. 05 of 2012 and its amendments (if any) regarding Environmental Impact Assessment (AMDAL). This includes the requirement to adhere to an Environmental Management Plan (RKL) and an Environmental Monitoring Plan (RPL) as stipulated in the relevant AMDAL Document. [TCFD R1]
2. The Board of Commissioners plays a role in supervising the risk management activities of the Board of Directors, including approving the Sustainability Policy. This policy incorporates provisions related to green and social financing. The Board of Commissioners also has the authority to request explanations or hold the Board of Directors accountable in case of any deviations from the Sustainability Policy.
3. The Board of Directors is tasked with developing and executing the Sustainability Policy, which encompasses provisions for green and social

financing, as well as ensuring compliance with credit-related regulations and laws. Additionally, the Board of Directors is responsible for regularly reporting to the Board of Commissioners on the progress of the Sustainability Policy's implementation.

4. The Credit Committee conducts an assessment to verify that the prospective debtor is not part of a prohibited target market, meets the ESG criteria set (stated above), and has met the Risk Acceptance Criteria.
5. Bank BTPN evaluates the provided collateral, considering its condition upon receipt and during subsequent re-evaluations. Bank BTPN ensures that the environmental risk associated with the collateral does not pose a hindrance or burden to the bank, meaning that the value of the collateral does not become negative upon its sale.
6. Bank BTPN conducts periodic visits to debtors for supervision and guidance. The results of these visits are reported in call reports. Topics discussed include the overall condition of the debtor's business, including compliance with environmental aspects of regulations. These interactions are carried out by departments in each business line. [FS5]
7. Bank BTPN monitors debtors' compliance with environmental regulations, as stipulated in the Corporate Banking SOP and its addendum. This is part of Bank BTPN's efforts to contribute to climate change mitigation and adaptation efforts. [FS5]

8. Environmental and social risk aspects are one of the assessment points in the initial credit proposal and are periodically monitored through annual credit monitoring. Issues/cases identified during the assessment are taken into account in the credit approval process.

Bank BTPN also takes into account relevant climate change regulations, such as Presidential Regulation 59/2017 and POJK 51/2017 related to the implementation of the UN SDGs and sustainable finance, as well as the obligation of the Ministry of Environment and Forestry (KLHK) to conduct environmental impact assessments of debtors' business. [TCFD R1]

In the corporate segment, Bank BTPN takes into account the findings of Environment and Social (E&S) Screening and Review in making financing decisions. Bank BTPN may propose E&S-related covenants to be included in the loan agreement for the relevant project. [TCFD R3]

PROCESS OF MONITORING THE IMPLEMENTATION OF ENVIRONMENTAL AND SOCIAL COMPLIANCE [FS3]

Bank BTPN ensures the health of its credit portfolio by conducting thorough credit monitoring. This monitoring is tailored to deliver a thorough understanding of the dynamics of the credit authorization process, the journey of the credit, and the development of the debtor's business from the time the credit is granted until it is settled. Furthermore, credit monitoring also aims to ensure that debtors adhere to environmental and social regulations. The activities conducted include:

1. Monitoring the execution of credit approval.
2. Monitoring the development of the debtor's business.
3. Monitoring debtor compliance with environmental, social and governance regulations and other regulations.

Bank BTPN is committed to providing responsible financing by proactively assessing prospective customers and establishing policies related to credit provision.

In order to ensure compliance with the implementation of these provisions and requirements, Bank BTPN conducts evaluations of the financing provided on a regular basis, at least once a year.

As part of SMBC Group, Bank BTPN strengthens its sustainability commitment to support SMBC Group's target to achieve Net Zero Emission (NZE) by 2030 for the Bank's operational activities; and 2050 for the NZE target for the Loan and Investment Portfolio.

As part of its commitment to sustainability, Bank BTPN has adopted the Equator Principles as a guideline for making credit decisions. The Equator Principles serves as a risk management framework for financial institutions, enabling them to assess, manage, and forecast environmental and social risks associated with financing debtors. Bank BTPN implements the principles through the following approaches:

1. Bank BTPN has developed and implemented procedures to access and categorize the social and environmental risks of the business sector, supported by consultations with SMBC, which provides insights into these aspects in applied risk management.
2. Bank BTPN incorporates clauses in loan agreements to monitor corporate debtors' compliance with environmental regulations. This enables Relationship Managers, acting as representatives of the bank, to conduct on-site inspections during periodic visits. These clauses are established in accordance with internal provisions concerning social and environmental risks, as well as the Equator Principles.
3. Bank BTPN strengthens collaboration with other Equator Principles signatory institutions, including through financing initiatives.
4. Bank BTPN retains the right to review credit extensions in the event of discrepancies with the credit agreement.

PERFORMANCE OF BANK BTPN

Bank BTPN has recorded positive achievements in accordance with the ongoing economic growth in Indonesia in the reporting year, as depicted in the following table:

Comparison of Production Targets and Performance, Portfolio, Financing Targets, or Investment, Income, and Profit and Loss [OJK F.2]

| Description | 2023 | 2022 | 2021 |
|---|-------------|-------------|-------------|
| SUMMARY OF BALANCE SHEET (in Million Rupiah) | | | |
| Total Assets | 201,448,392 | 209,169,704 | 191,917,794 |
| Productive Assets | 197,325,929 | 204,169,669 | 187,244,094 |
| Credit/Bank Financing | 156,561,297 | 146,123,516 | 135,598,774 |
| Third-Party Fund | 108,198,576 | 114,866,548 | 109,380,130 |
| Loans Received | 34,283,897 | 48,025,106 | 37,615,236 |
| Securities Issued | 200,569 | 200,134 | 996,089 |
| Total Liability | 160,165,288 | 169,756,680 | 155,838,867 |
| Total Equity | 41,283,104 | 39,413,024 | 36,078,927 |
| SUMMARY OF PROFIT AND LOSS (in Million Rupiah) | | | |
| Net Interest Income | 12,044,063 | 11,678,315 | 11,143,040 |
| Other Operating Income | 2,073,443 | 2,012,615 | 1,959,784 |
| Operating Expenses | (7,606,552) | (7,193,087) | (6,982,870) |
| Allowance for Impairment Losses | (3,049,919) | (1,840,167) | (2,111,776) |
| Net Operating Income | 3,461,035 | 4,657,676 | 4,008,178 |
| Net Profit for the Current Year | 2,682,484 | 3,629,564 | 3,104,215 |
| Total Comprehensive Income | 2,700,832 | 3,474,962 | 3,182,819 |
| Bank Operating Income | 14,117,506 | 13,690,930 | 13,102,824 |
| Net Income of the Bank | 2,682,484 | 3,629,564 | 3,104,215 |
| PERFORMANCE RATIO | | | |
| Minimum Capital Sufficiency Ratio | 29.90% | 27.29% | 26.17% |
| Non-performing earning assets and non-earning assets to total earning assets and non earning assets | 0.68% | 0.68% | 0.78% |
| Non-performing earning assets to total productive assets | 0.68% | 0.68% | 1.26% |
| Allowance for impairment of financial assets to total productive assets | 2.46% | 1.85% | 2.18% |
| NPL <i>gross</i> | 1.36% | 1.43% | 1.68% |
| NPL <i>net</i> | 0.40% | 0.44% | 0.37% |
| Return on Assets (ROA) | 1.73% | 2.36% | 2.23% |
| Return on Equity (ROE) | 6.54% | 9.15% | 8.57% |
| Net Interest Margin (NIM) | 6.45% | 6.32% | 6.56% |
| Rasio Efisiensi (BOPO) | 83.72% | 75.05% | 76.01% |
| Loan to Deposit Ratio (LDR) | 142.68% | 126.66% | 123.10% |
| LIQUIDITY COVERAGE RATIO (LCR) VALUE | | | |
| a. LCR (individual) | 177.57% | 220.55% | 172.10% |
| b. LCR (consolidated) | 199.68% | 229.30% | 187.26% |

Notes:

- The data included in the table above is the consolidated financial data of Bank BTPN, which includes two other subsidiaries, PT Bank BTPN Syariah Tbk (with 70% shareholding) and PT Bank Syariah Ventura (with 69.3% indirect ownership through PT Bank BTPN Syariah).

Comparison of Economic and Financial Performance Related to Sustainability

| Description | 2023 | 2022 | 2021 |
|---|--|---|--|
| ECONOMIC PERFORMANCE RELATED TO SUSTAINABILITY [OJK B.1] | | | |
| Types of products that meet the criteria for sustainable business activities | 2 funding products (ESG mutual fund, ESG deposit) 3 sustainability financing products (sustainability-linked loan, green loan, social loan) 1 MSME financing product | 2 funding products, 2 green financing products, 1 MSME financing product | 2 funding products, 2 green financing product, 1 MSME financing product |
| Nominal products and/or services that meet the criteria for sustainable business activities (in Million Rupiah) | 13,774,741 | 12,968,409 | 12,029,029 |
| Percentage of total portfolio of sustainable business activities to total portfolio (%) | | | |
| a. Funding | 0.11% | 0.06%* | 0.20%* |
| b. Financing | 9.5% | 9.6% | 10% |
| INCLUSIVE FINANCIAL PERFORMANCE | | | |
| Development of digital access through Jenius ** | | | |
| Developed features | 4 | | |
| Number of Jenius Customers | 4,497,649 | | |
| Total transaction | 113,812,489 | | |

Note:

- * Funds came from the Filantropi Mutual Fund & BTPN Wow!
- ** In the reporting year, BTPN Wow! was replaced by the digital-based Jenius product, allowing banking activities to be expanded to all regions and community segments. Therefore, the data for the years 2021 and 2022 are not included in this report, considering that during those years, BTPN Wow! was still in use.
- With digitalization and internet technology advancement, marginalized and remote communities now have access to the required banking services. Nevertheless, Bank BTPN cannot distinguish between people based on their situations and locations, as these factors have become irrelevant with digitalization enabling outreach to people anywhere and anytime. [FS13] (Note: The GRI Financial Services Sector was published in 2008 when digital banking was non-existent. Hence, the disclosure requirements did not encompass provisions for unlimited digital banking).

Comparison of Production Target and Performance, Portfolio, Financing Target, or Investment, Income and Profit and Loss

| Year | Comparison of Financing Target and Realization (in Million Rupiah) | | Comparison of Operating Income Target and Realization (in Million Rupiah) | | Comparison of Profit/Loss Target and Realization (in Million Rupiah) | |
|------|--|-------------|---|-------------|--|-------------|
| | Target | Realization | Target | Realization | Target | Realization |
| 2023 | 160,131,042 | 156,561,297 | 14,231,912 | 14,117,506 | 2,825,729 | 2,682,484 |
| 2022 | 145,598,552 | 146,123,516 | 13,669,569 | 13,690,930 | 3,237,726 | 3,629,564 |
| 2021 | 138,257,407 | 135,598,774 | 12,673,670 | 13,102,824 | 2,439,234 | 3,104,215 |

Notes:

- The data included in the table above is the consolidated financial data of Bank BTPN, which includes two other subsidiaries, PT Bank BTPN Syariah Tbk (with 70% shareholding) and PT Bank Syariah Ventura (with 69.3% indirect ownership through PT Bank BTPN Syariah).

Comparison of Portfolio Targets and Performance, Financing Targets, or Investments in Financial Instruments or Projects that Align with Sustainable Finance [OJK F.3]

Comparison of Green and Social Portfolio Targets and Realization (in Million Rupiah)

| Year | Target | Realization |
|-------------|-------------------|-------------------|
| 2023 | 14,997,830 | 13,774,741 |
| 2022 | 14,947,214 | 12,968,409 |
| 2021 | 9,987,164 | 12,029,029 |

PERCENTAGE OF BUSINESS IN THE GREEN AND SOCIAL PORTFOLIO

[FS10] [OJK F.26]

In an effort to promote sustainable financing, Bank BTPN offers financing for a range of environment related initiatives.

In the reporting year, Bank BTPN disbursed financing of Rp 7,68 trillion to 14 green activities. This sum accounts for 7.32% of Bank BTPN's total Corporate Banking credit portfolio of Rp105 trillion. The financing is facilitated through Bank BTPN's sustainable finance products, including Green Loan, Social Loan, Sustainability-Linked Loans.

In addition, Bank BTPN offers financial assistance to Micro, Small, and Medium Enterprises (MSMEs), which significantly influence the nation's overall economy. This financing not only boosts local economic development but also generates new employment opportunities and promotes financial inclusion. The social sector credits, totaling Rp6.1 trillion, make up 4% of Bank BTPN's total financing.

Sustainable Financing Portfolio (In Miliion Rupiah) [OJK F.3] [FS7] [FS8]

| Description | 2023 | Proportion of Sustainable Financing to Total Bank Financing | 2022 | 2021 |
|---|-------------------|---|------------|------------|
| Funding | 109,791 | - | 62,582 | 195,625 |
| Financing | 13,774,741 | - | 12,968,409 | 12,968,409 |
| Renewable energy | 1,141,797 | 0.8% | 1,984,475 | 1,828,909 |
| Energy Efficiency | 396,952 | 0.3% | 518,552 | 582,239 |
| Management of natural biological resources and sustainable land use | 4,801,831 | 3.3% | 3,332,209 | 2,295,725 |
| Green transportation | 122,344 | 0.1% | 331,959 | 427,217 |
| Products that can reduce resource usage and generate less pollution (eco-efficient) | 660,000 | 0.5% | - | - |
| Green buildings that meet nationally, regionally, or internationally recognized standards or certifications | 560,000 | 0.4% | 760,000 | 1,060,000 |
| MSMEs Activities | 6,091,816 | 4.2% | 6,041,214 | 5,834,936 |

BUSINESS PORTFOLIO BY SECTOR AND SIZE [FS6]

Bank BTPN offers financing to debtors complying with environmental and social regulations. The following is the financing according to sector and size. The environmental assessment procedures can be found on page 61 under the topic of Environmental and Social Screening Procedures. However, Bank BTPN does not provide regional breakdowns as it exclusively operates in Indonesia. Bank BTPN also does not classify savings and checking accounts based on personal and business accounts. [FN-CB-000.A]

Financing by Business Segment/Sector and Size (in Million Rupiah)

[FN-CB-240a.1][FN-CB-000.B]

| Description | 2023 | | 2022 | | 2021 | |
|------------------------------|------------------|--------------------|----------------|--------------------|----------------|--------------------|
| | Total | Value | Total | Value | Total | Value |
| Corporate and Commercial | 2,418 | 104,904,359 | 2,204 | 97,450,293 | 2,236 | 85,936,309 |
| Retail Lending | 391,016 | 22,403,012 | 422,173 | 23,989,672 | 472,375 | 27,364,293 |
| Micro | 34,044 | 1,306,173 | 21,433 | 743,076 | 4,226 | 489,268 |
| Small and Medium Enterprises | 5,414 | 13,255,054 | 4,644 | 11,257,389 | 4,651 | 10,702,612 |
| Joint Finance | 161,533 | 1,138,955 | 34,454 | 145,699 | 33,804 | 201,529 |
| Jenius | 604,181 | 2,049,171 | 303,867 | 886,694 | 135,583 | 325,337 |
| Others | 2,395 | 116,713 | 2,591 | 123,300 | 2,899 | 135,957 |
| Total | 1,201,001 | 145,173,437 | 791,366 | 134,596,053 | 655,764 | 125,155,305 |

Note:

- There are data adjustments following business unit changes.

In the reporting year, MSME loans that encountered delays/defaults amounted to Rp404.5 billion and the NPL was 7%. [FN-CB-240a.2]

Conventional Financing by Business Segment (in Million Rupiah) [FN-CB-410a.1]

| Description | 2023 | 2022 | 2021 |
|----------------------------------|------------|------------|------------|
| Household | 25,789,367 | 25,244,414 | 28,033,763 |
| Trading | 18,889,593 | 18,208,371 | 16,803,625 |
| Industry | 32,871,116 | 34,576,505 | 27,852,380 |
| Other services | 33,503,307 | 27,500,978 | 22,258,313 |
| Agriculture | 3,989,350 | 5,642,226 | 6,585,951 |
| Accommodation services | 184,386 | 127,611 | 142,577 |
| Construction | 5,844,721 | 5,933,424 | 5,593,954 |
| Transportation and Communication | 12,925,039 | 7,471,934 | 8,440,046 |

| Description | 2023 | 2022 | 2021 |
|-------------|-------------|-------------|-------------|
| Mining | 6,028,609 | 5,460,463 | 4,011,595 |
| Others | 5,147,948 | 4,430,127 | 5,433,101 |
| Total | 145,173,437 | 134,596,053 | 125,155,305 |

INTERNAL AUDIT OF ENVIRONMENTAL AND SOCIAL POLICY IMPLEMENTATION, AND RISK ASSESSMENT PROCEDURES [FS9]

Bank BTPN employs an evaluation method using an environmental and social audit system. The main objective is to assess the company's operational suitability and performance in accordance with environmental and social regulations, as well as to identify potential risks that could impact environmental and social sustainability. This assessment serves not only as an evaluation but also as a preventive measure to ensure that the company consistently complies with high environmental and social standards.

Furthermore, Bank BTPN conducts credit inspections for the wholesale and commercial segments through the company's Internal Audit team, as stipulated in the Annual Audit Plan. This audit process encompasses an assessment of compliance with environmental and social policies, along with an assessment of risks in accordance with the Equator Principles.

The findings of the audit on credit disbursement and project financing are communicated to the relevant business units. Follow-up actions will be initiated if the audit findings reveal a necessity for improvement or adjustment.

ECONOMIC VALUE GENERATED AND DISTRIBUTED [GRI 201-1] [OJK B.1]

In the reporting year, Bank BTPN recorded a consolidated net profit of Rp2.68 trillion on 2023. This surge in revenue not only underscores the bank's business triumph but also paves the way for a more substantial positive influence on society and the broader economy. It's worth noting that Bank BTPN accomplished this without relying on any subsidies or financial aid from the government as it continues to develop its business. [GRI 201-4]

Distribution of Economic Value Acquisition (in Million Rupiah)

| Description | 2023 | 2022 | 2021 |
|---|------------|------------|------------|
| Direct Economic Value Generated | | | |
| Interest and Sharia Income | 18,815,673 | 15,899,646 | 14,748,604 |
| Other operating income (net) | 1,483,729 | 1,484,485 | 1,395,381 |
| Total direct economic value generated | 20,299,402 | 17,384,131 | 16,143,985 |
| Direct Economy Value Distributed | | | |
| Operational Expenses | 3,273,766 | 3,272,015 | 3,065,316 |
| Employee salaries and allowances | 3,756,478 | 3,403,319 | 3,364,534 |
| Interest expenses and Syirkah funds profit sharing | 6,771,610 | 4,221,331 | 3,605,564 |
| Payment of Dividends | 619,140 | - | - |
| Payments to Government (Income Tax and Value Added Tax) | 860,831 | 813,530 | 861,017 |

| Description | 2023 | 2022 | 2021 |
|----------------------------------|------------|------------|------------|
| Distribution of CSR Funds | 2,879 | 3,468 | 4,271 |
| Total economic value distributed | 15,284,704 | 11,713,663 | 10,900,702 |
| Total Retained Economic Value | 5,014,698 | 5,670,468 | 5,243,283 |

Note:

- There are data adjustments following business unit changes.
- The data included in the table above is the consolidated financial data of Bank BTPN, which includes two other subsidiaries, PT Bank BTPN Syariah Tbk (with 70% shareholding) and PT Bank Syariah Ventura (with 69.3% indirect ownership through PT Bank BTPN Syariah).

THE BANK'S APPROACH TO THE CHALLENGES RELATED TO SUSTAINABLE FINANCE [OJK E.5]

The implementation of sustainable finance presents several challenges to be addressed, including:

- **Uncertainty of risks.** Sustainable finance encompasses a range of factors, including shifts in government policies, fluctuations in energy prices, crop failures, or delays in mining jobs due to climate change. Bank BTPN addresses these challenges by effectively managing these risks within a comprehensive risk management system.
- **Lack of awareness.** Not all stakeholders, customers, partners, and employees are fully aware of the significance of integrating sustainability into their businesses and activities. Consequently, Bank BTPN aims to bolster their knowledge and understanding through a variety of educational initiatives, including seminars and webinars.
- **Collaboration and partnerships.** To achieve a substantial positive impact, the implementation of sustainable finance necessitates collaboration across diverse industries and partnerships with the government and other stakeholders. Therefore, Bank BTPN engages in collaborations with various parties to cultivate sustainable products and services.
- **Long-term investment and short-term performance pressure.** Certain sustainable financial practices indeed yield long-term impacts, yet the financial industry frequently faces pressure to deliver short-term results. This necessitates a paradigm shift, not only for Bank BTPN but also for other stakeholders. Therefore, Bank BTPN advocates for sustainability education alongside the launch of innovative products and services.

Bank BTPN is optimistic about building sustainable finance, and works closely with various parties to find

creative solutions to sustainable finance. Bank BTPN's commitment is also shown in the RAKB that has been prepared.

Additionally, Bank BTPN engages in diverse communications concerning sustainable finance with its employees and other stakeholders. These efforts are aimed at enhancing their comprehension. Throughout the reporting year, Bank BTPN developed three educational posters and wallpapers, which were disseminated through internal communication channels (BTPN INFO, Vibes, Portal Kita) as well as via an external platform (Instagram).

SUPPLY CHAIN [GRI 2-6]

In its operations, Bank BTPN relies on a supply chain comprising businesses integral to its operations. Bank BTPN has embraced a sustainable approach to managing its supply chain by engaging external service providers for security, customer service, and teller services. This decision was made to ensure that all procurement processes adhere to strict ethical standards and comply with Bank BTPN's guidelines.

During the reporting year, all suppliers (100%) within Bank BTPN's supply chain underwent a thorough assessment process based on social criteria. One of the measures taken is the implementation of Human Rights compliance screening for vendors and suppliers. To ensure and enhance compliance, Bank BTPN also conducts annual sustainability seminars for vendors.

By meeting these social criteria, Bank BTPN demonstrates its commitment to responsible business practices and its positive contributions to sustainable development. Consequently, no suppliers have been identified as having negative social impacts.

[GRI 414-1] [GRI 414-2]



In addition to the supply chain, Bank BTPN also engages with other goods and services providers, totaling 273 suppliers and a procurement value of Rp667,471,972,303. Bank BTPN ensures that the selection process is transparent through the purchase requisition (PR) process, selection process, and issuance of work orders (SPK), all managed with high accountability. In an endeavor to save costs and reduce emissions, Bank BTPN prioritizes the procurement of goods and services from the provinces where it operates. This commitment also promotes national economic equality and strengthens the local economy. The proportion of expenditure on local suppliers throughout 2023 was 99.6%. [GRI 204-1]

TAX

APPROACH TO TAX [GRI 207-1]

Bank BTPN views taxes as a crucial funding source for national development. As a significant contributor to state revenue, taxes play a pivotal role in propelling infrastructure development, enhancing public welfare, and serving as a vital tool in economic policy formulation. Consequently, Bank BTPN is committed to consistently and sustainably upholding its rights and obligations in taxation in compliance with the prevailing tax laws and regulations.

The Tax Management Division oversees the implementation of tax compliance strategies and obligations within Bank BTPN, with periodic review and approval by the Finance Director. This review is crucial, particularly in the event of significant changes in tax regulations that could impact the company. Specifically, Bank BTPN fulfills its tax rights and obligations in accordance with the prevailing tax laws and regulations.

TAX RISK MANAGEMENT AND GOVERNANCE

[GRI 207-2]

Tax management at Bank BTPN is under the responsibility of the Finance Director and the Tax Management Division. This division is tasked with implementing and supervising the company's tax strategy, ensuring its execution by the relevant units within the business and functional lines. Acknowledging the significance of taxes, Bank BTPN fosters awareness of tax rights and responsibilities across all business and functional lines within the company.

Bank BTPN has established standard operating procedures (SOP) for taxation to guide the implementation of the company's tax rights and obligations. These procedures encompass the identification, management, and monitoring of operational risks, including tax risks. Each business unit and functional line contributes to the identification, management, and oversight of the company's tax risks.

This is essential for mitigating potential tax risks associated with all business activities and company transactions. The evaluation of tax governance and controls for compliance is conducted through regular assessment procedures and the implementation of tax governance protocols. Bank BTPN enforces tax-related assurance processes through a review mechanism, including assessments stemming from internal or external reviews and audits of tax obligations implementation.

Bank BTPN is committed to upholding its integrity in the execution of tax rights and obligations. Therefore, Bank BTPN requires all employees, particularly those with tax-related responsibilities, to sign an Integrity Pact stating their commitment to integrity as outlined in the Bank BTPN Code of Conduct. To ensure its implementation, Bank BTPN provides a channel for reporting violations. Non-compliance with the Bank BTPN's Code of Conduct., including those related to taxes, may result in internal sanctions for the relevant employees.

STAKEHOLDERS AND TAX COMPLIANCE

[GRI 207-3]

Bank BTPN believes it is crucial to actively cultivate positive relationships founded on openness and transparency with the key stakeholders in the taxation sector, particularly the government through the tax authorities. Bank BTPN is committed to complying with all tax laws and regulations to maintain and enhance its credibility. Furthermore, Bank BTPN's tax-related policies and strategies are developed with input from stakeholders in the taxation field, including tax authorities, the Financial Services Authority (OJK), and the Banking Industry Association.

Bank BTPN operates exclusively in Indonesia, thus tax reports are solely prepared for the Indonesian authorities. [GRI 207-4]

PRODUCT AND SERVICE EXCELLENCE IN SUPPORTING SUSTAINABILITY

Bank BTPN is committed to driving the transition towards a green economy by providing support to initiatives and projects that focus on efforts to improve environmental sustainability and climate management.



Products and Services Excellence in Supporting Sustainability



As a bank committed to sustainability, Bank BTPN offers innovative products and services that support various sustainability initiatives, including environmental project financing and climate management. In 2023, Bank BTPN has launched ESG Deposit products to help corporate customers transition to a green economy and realize their sustainable initiatives through deposit products which strategically allocated for initiatives, projects, and activities that contribute to supporting sustainable development activities within ESG corridors. In addition, Bank BTPN also provides financing support for Micro, Small and Medium Enterprises (MSMEs).

BANK BTPN'S PRODUCTS

[GRI 2-6] [OJK C.4]

JENIUS

- Jenius Application
- Savings (Flexi Saver, Dream Saver and Foreign Currency)
- Term Deposit (Maxi Saver)
- Bill Payment
- ATM Card/Debit Jenius
- Transfer (RTOL, SKN, RTGS, BI FAST & Remittance)
- Top-up e-Wallet
- Loan (Flexi Cash)
- Jenius Pay
- Jenius QRIS
- Moneytory
- Sinaya Prioritas on Jenius
- Mutual Funds
- Jenius Credit Card
- Jenius Paylater
- Foreign Currency (FCY)

- Digital Micro Loan (unsecured loan)
 1. Installment Loan
- People's Business Credit (KUR)

C. Joint Finance/indirect Finance

- Joint Finance
- Channeling

BUSINESS BANKING

- Generic Products
 - Overdraft Loan
 - Demand Loan
 - Term Loan/Installment Loan
- ABF (Asset Based Financing)
- BPR Financing
- Giro Bisnis
- Giro Mitra
- Giro Karya

RETAIL LENDING BUSINESS

A. Pension Business

- Pension Loan
- Pre-Pension Loan
- Active Employee Loan
- Pension Saving (Tabungan Citra Pensiun)

B. Micro-Businesses

- Business Partner Saving
- Deposit-Equivalent Saving
- Maxi Micro Loan (secured loan):
 1. Current Account Loan
 2. Installment Loan
 3. Term Loan

TRANSACTION BANKING AND SUPPLY CHAIN

A. Cash & Digital Solution

- Current Account & Term Deposits
- Payment (SKN/RTGS, Payroll, Telegraphic transfer, Prima/Bersama)
- E-Tax Payment (non-import and import taxes)
- Collections (SKN/RTGS, Payroll, Telegraphic transfer, Cheque/Cash Deposit, Giro)
- Virtual Account
- Internet Banking/ Host to Host
- Liquidity Management (Domestic Cash Polling, Auto TD Placement, Cross Border Pooling)
- Auto Debit



Bank BTPN not only offers financial solutions to meet customer needs but also prioritizes digital innovation across all of our products and services. By concentrating on digital technology, Bank BTPN aims not only to provide a better customer experience but also to reduce negative environmental impact through operational efficiency. Therefore, our products and services not only reflect our concern for society and the environment but also deliver relevant and sustainable solutions for our customers' financial needs.

B. Trade

- Import & Export Letter of Credit & SKBDN
- Import & Export Bill Collection
- Import & Export Documentary Collection
- Bank Guarantee & SBLC & Counter Guarantee
- Trade Loan & TR
- Foreign Bills Bought & Forfaiting
- Account Receivable Purchase
- Import Avalization & LC Confirmation
- BL Endorsement & Shipping Guarantee

C. Supply Chain

- Supply Chain Financing (Distributor Financing/ Supplier Financing)
- Lending Program

TREASURY

- Foreign Exchange
- Derivatives
- Money Market
- Fixed Income

WEALTH MANAGEMENT BUSINESS

A. Wealth

- Mutual Funds
- Bancassurance
- Government Bonds

B. Liabilities & Sinaya Prioritas

- Sinaya Savings (Rupiah, Foreign Currency, Business)
- Time Deposit (Rupiah, Foreign Currency, Flexi, On Call)
- Checking Account (Rupiah, Foreign Currency)
- Sinaya ATM/Debit Card
- Safe Deposit Box
- Sinaya Prioritas

CORPORATE/ WHOLESALE BANKING

A. Hedging Products

IRS/CCS and foreign exchange transactions

B. Loan Product

- Bilateral and Syndicated Loans (IDR, USD and, JPY)
- Working Capital Loan
- Investment Loan
- Project/Structured Finance
- Export Credit Agency (ECA)
- Sustainability-linked Loan
- Green Loan
- Social Loan
- Other Loans

C. Funding Product

ESG Deposit

Stakeholders, including customers and regulators, appreciate Bank BTPN's products and services. These offerings have no detrimental social or direct negative environmental impacts. To guarantee that all of Bank BTPN's products, services, and portfolios adhere to environmental and social standards, the bank employs thorough scrutiny and screening processes. [OJK F.28] [OJK B.3]

FLAGSHIP PRODUCTS

JENIUS

Bank BTPN offers excellent digital products tailored to the tech-savvy generation, Jenius. Jenius empowers customers to carry out all banking activities digitally, from opening an account to managing their finances. With Jenius' life finance solutions, customers can effortlessly manage their finances, including bill payments, money transfers, setting up savings, allocating funds, and segregating funds for savings and daily transactions.

Jenius offers a range of savings programs that cater to different needs, offering flexibility, varying time periods, and desired interest rates. Moreover, Jenius' moneytary feature automatically tracks cash flow, enabling customers to promptly and effortlessly access a summary of their financial status. These innovative Jenius features embody a smart, user-friendly, and secure banking revolution.

Jenius is an excellent product that embodies a Customer-Centric and Science-Based approach, designed and developed through extensive research to tailor the product to the needs and behaviors of its consumers, particularly the millennial generation, both in terms of features and experience.

In its operations, Jenius actively contributes to Bank BTPN's sustainability initiatives. By embracing digitalization, Jenius effectively minimizes the reliance on paper within Bank BTPN's banking services. Furthermore, Jenius' digital services play a pivotal role in curbing emissions associated with customer mobility, which would otherwise occur when visiting Bank BTPN's branches for banking needs. This is made possible by enabling customers to access all services digitally from any location with internet connectivity.

ACCESS DEVELOPMENT

In order to enhance public access to financial services, Bank BTPN offers a range of facilities, including head offices, branch offices, sub-branch offices,

functional offices, ATM networks, and non-branch networks. Additionally, the bank offers digital services to ensure convenient and fast access, in response to the development of information technology and the community's transition into the digital era.

As part of this development, Bank BTPN made decision to cease 12 branch offices in various regions during the reporting year. To maintain high quality customer service, Bank BTPN added 2 ATMs networks in 2023 and optimize 8 ATMs in more potential locations.

In addition, Bank BTPN is committed to ensuring accessible facilities for customers with disabilities. This commitment is reflected in the design of its head office and branches, which feature ramp pathways to facilitate the mobility of customers using wheelchairs. Additionally, Bank BTPN's ATMs have been outfitted with special markers on the number 5, enter, clear, and cancel buttons to assist individuals with disabilities. [FS14]

QUALITY PRODUCTS AND SERVICES

[FS15][OJK.F.27]

Bank BTPN's commitment to delivering top-notch products is realized through a commitment to ensuring that Bank BTPN's products and services comply with applicable regulations. This ensures that all of Bank BTPN's products and services are developed in a safe, fair, and responsible manner, meeting the needs of the community.

Bank BTPN adheres to the guidelines set by the OJK under OJK Regulation No. 42/POJK.03/2017 concerning the Obligation to Prepare and Implement Credit or Financing Policies for Commercial Banks. Furthermore, all products and services undergo a comprehensive examination process, including:

1. Alignment of products with Bank BTPN's vision and mission.
2. Alignment of products and services with the needs and capabilities of customers.
3. Taking into account environmental issues, including nature conservation initiatives, climate change mitigation, and environmental risk management (for instance, waste disposal, and pollution management), Bank BTPN sets forth specific requirements pertaining to environmental risks, which must be outlined by the Business Unit in the loan approval process.
4. Taking into account social issues, such as extending credit and offering various training programs to SMEs.



5. Providing information based on the principle of transparency, Bank BTPN ensures that all products and services offered to customers come with a summary of information about the product at the time of the offer and/or the signing of the credit agreement. The summary of product provisions provided by Bank BTPN adheres to relevant OJK regulations, including those related to Consumer Protection.
6. Ensuring that each product has undergone comprehensive examination:
 - a. Risk Management Review, related to eight types of risks: credit risk, market risk, liquidity risk, operational risk, strategic risk, compliance risk, reputational risk, and legal risk;
 - b. Compliance Test Review;
 - c. Operational Review;
 - d. Financial Review;
 - e. IT Review;
 - f. And reviews related to sustainability aspects.
7. Ensuring that all products have obtained approval from relevant parties as regulated in Bank BTPN's Product and Service Policy, supported by standard procedures and adequate infrastructure, including Human Resources (HR) with the required certification, as well as a Business Continuity Plan (BCP) in place.
8. Bank BTPN ensures that products requiring approval from regulators are only launched after obtaining the necessary approval from the regulator.

Bank BTPN is committed to providing safe, fair, and responsible products. For this reason, the bank ensures this through regular supervision and evaluation carried out by its Internal Audit Division.

These efforts have yielded positive outcomes, as there have been no product withdrawals and no reports of non-compliance with economic and social regulations. [\[GRI 419-1\]](#) [\[OJK F.17\]](#) [\[OJK F.29\]](#) [\[OJK F.27\]](#)

IMPROVING SERVICE QUALITY

SERVICE QUALITY POLICY

Bank BTPN has implemented a range of comprehensive policies to deliver top-notch service to its customers. One such policy is the establishment of a Service Level Agreement (SLA), serving as the service standard and reference for Bank BTPN to meet customer requests and address issues. Regular evaluations are also carried out to ensure the compatibility of the established SLA with the relevant work processes, aiming to provide the best service in line with customer needs and expectations. Customer satisfaction is considered a key factor in the advancement of Bank BTPN's business.

CUSTOMER COMPLAINT HANDLING

Bank BTPN is committed to delivering excellent and responsive service to all customers. In handling customer complaints, the bank has implemented an integrated procedure, supported by the use of Customer Relationship Management (CRM) applications to record, monitor and manage all complaints received through various available channels.

Each complaint received through our communication channels, including telephone, email, and social media, is promptly and accurately identified and recorded. These complaints are then followed up in accordance with the relevant work processes and SLA to offer the best possible solution to the customer.

Bank BTPN also conducts thorough and comprehensive evaluations of the issues faced by customers. This is aimed not only at resolving the complaints but also at preventing similar problems from occurring in the future. Bank BTPN ensures that its complaint handling practices comply with the regulatory standards enforced in the banking sector. In the reporting year, Bank BTPN received 64,935 complaints, of which 97% were resolved within the reporting year.

Complaint Handling 2023 [OJK F.24]

| No. | Types of Financial Transactions | Resolved Complaints*) | | Complaints in Process*) | | Unresolved Complaints **) | | Total Complaints |
|--------------|---------------------------------|-----------------------|------------|-------------------------|------------|---------------------------|------------|------------------|
| | | Total | Percentage | Total | Percentage | Jumlah | Persentase | |
| 1 | Deposits | 26 | 100% | | 0% | | | 26 |
| 2 | Giro | 66 | 99% | 1 | 1% | | | 67 |
| 3 | Saving Account | 174 | 97% | 6 | 3% | | | 180 |
| 4 | btprWOW! | 2 | 100% | | 0% | | | 2 |
| 5 | Jenius | 4,486 | 98% | 75 | 2% | | | 4,561 |
| 6 | Pension Savings | 5 | 83% | 1 | 17% | | | 6 |
| 7 | Sinaya Savings | 30 | 100% | | 0% | | | 30 |
| 8 | btprWOW! Loan | | 0% | | 0% | | | 0 |
| 9 | Flexi Cash | 5,134 | 98% | 113 | 2% | | | 5,247 |
| 10 | Pay Later | 1,875 | 99% | 10 | 1% | | | 1,885 |
| 11 | Split Pay | 4 | 80% | 1 | 20% | | | 5 |
| 12 | Working Capital Loan | | 0% | | 0% | | | 0 |
| 13 | Pension Credit Loan | 266 | 95% | 14 | 5% | | | 280 |
| 14 | SME Loan | 43 | 93% | 3 | 7% | | | 46 |
| 15 | SME | 2 | 100% | | 0% | | | 2 |
| 16 | ATM | 17,427 | 98% | 338 | 2% | | | 17,765 |
| 17 | Credit Card | 8,175 | 92% | 748 | 8% | | | 8,923 |
| 18 | Internet Banking | 2 | 100% | | 0% | | | 2 |
| 19 | Mobile Banking | 25,162 | 98% | 395 | 2% | | | 25,557 |
| 20 | Remittance/Transfer | 132 | 94% | 9 | 6% | | | 141 |
| 21 | RTGS/SKN | 29 | 100% | | 0% | | | 29 |
| 22 | Bancassurance | 8 | 89% | 1 | 11% | | | 9 |
| 23 | Mutual Fund | 112 | 98% | 2 | 2% | | | 114 |
| 24 | Join Finance | 55 | 95% | 3 | 5% | | | 58 |
| TOTAL | | 63,215 | 97% | 1,720 | 3% | | | 64,935 |

CUSTOMER PRIVACY PROTECTION

Bank BTPN places the highest priority on protecting customer privacy to uphold public trust, particularly among its customers. The bank's protection of

customer personal information is in accordance with the prevailing laws and regulations in Indonesia. Essentially, Bank BTPN manages information security by adhering to risk management principles, including: [FN-CB-230a.2]



1. Training and Education for Information Security Awareness for:

- a. Employees:** Bank BTPN regularly and consistently ensures that all its employees receive ongoing training and education to consistently implement sufficient protection and security measures for the bank's information and its customers, particularly their personal information. Furthermore, they are also equipped with an understanding of the policies and procedures necessary to protect and maintain the security of customers' personal information.
- b. Customers:** Bank BTPN regularly and consistently provides literacy and education on information security awareness to its customers through various communication channels, including email, text messages, and information on the Bank BTPN website and application. This ongoing process is continuously updated to address the latest threats, aiming to ensure that customers have a comprehensive understanding of how to safeguard their personal information while conducting banking activities.

2. The implementation of policies and procedures for managing information security for:

- a. Employees:** Bank BTPN has established policies and procedures for managing information security, which encompass procedures and guidelines for employees in implementing protection and maintaining the security of information (including customer's personal information).
- b. Third Parties Collaborating with the Bank:** The policies and procedures for managing information security extend to third parties collaborating with Bank BTPN, in addition to being applicable to employees. In practice, Bank BTPN enforces third-party risk management by conducting comprehensive testing (due diligence), ongoing monitoring, incorporating data confidentiality clauses in contracts, and ensuring the secure disposal of information when collaborations with third parties come to an end (in accordance with relevant laws and regulations). These information security policies and procedures undergo regular review and updates to ensure alignment with applicable laws and regulations.



3. Technology Utilization

Bank BTPN consistently updates and employs cutting-edge security technology to safeguard customer data and thwart unauthorized access or data breaches. This includes the use of Data Loss Prevention (DLP) systems, which restrict access to external emails, as well as the implementation of authentication and Multi-Factor Authentication. Additionally, the bank proactively anticipates emerging trends in banking crime and deploys early detection measures to identify any irregular transaction patterns.

4. Collaboration with the Authorities

Bank BTPN collaborates with supervisory and regulatory authorities (Ministry of Communication and Information Technology, Directorate General of Civil Registration and Population, National Police Criminal Investigation Department, and E-Commerce) to ensure the accuracy and security of customer data. This collaboration also ensures that Bank BTPN's security and privacy protocols adhere to applicable legal standards and regulations.

In ensuring the security of customer data, Bank BTPN enforces stringent and multi-layered protection. Meticulous processes and well-defined security measures are implemented to ensure the safety and integrity of customer data. Due to these precautions, there have been no reports of personal data breaches or customer data loss in the reporting year. [\[GRI 418-1\]](#) [\[FN-CB-230a.1\]](#)

PRODUCT INFORMATION AND MARKETING

Bank BTPN recognizes that providing clear and accurate information about banking products and services is crucial for enabling customers to make informed and wise financial decisions. As a result, for products launched, Bank BTPN is required to provide comprehensive, clear, transparent, and easily understandable information about its products and services, in compliance with relevant regulations and regulatory provisions, including: [\[GRI 417-1\]](#)

1. Summary of product and/or service information;
2. Features, terms, and conditions;

3. Use of easily understandable Indonesian language;
4. Use of font size according to regulations;
5. Notification of changes in features or terms and conditions of a product;
6. Easy access to up-to-date information for customers and the public;
7. Explanation of products through personal communication channels for customers;
8. Services for consumers with special needs.

The products launched by Bank BTPN have undergone comprehensive evaluation and are constantly adjusted to the dynamics of society and the business world. Bank BTPN values input and feedback from the public regarding its products and services, aiming to improve the quality of products and services in line with customer needs and expectations.

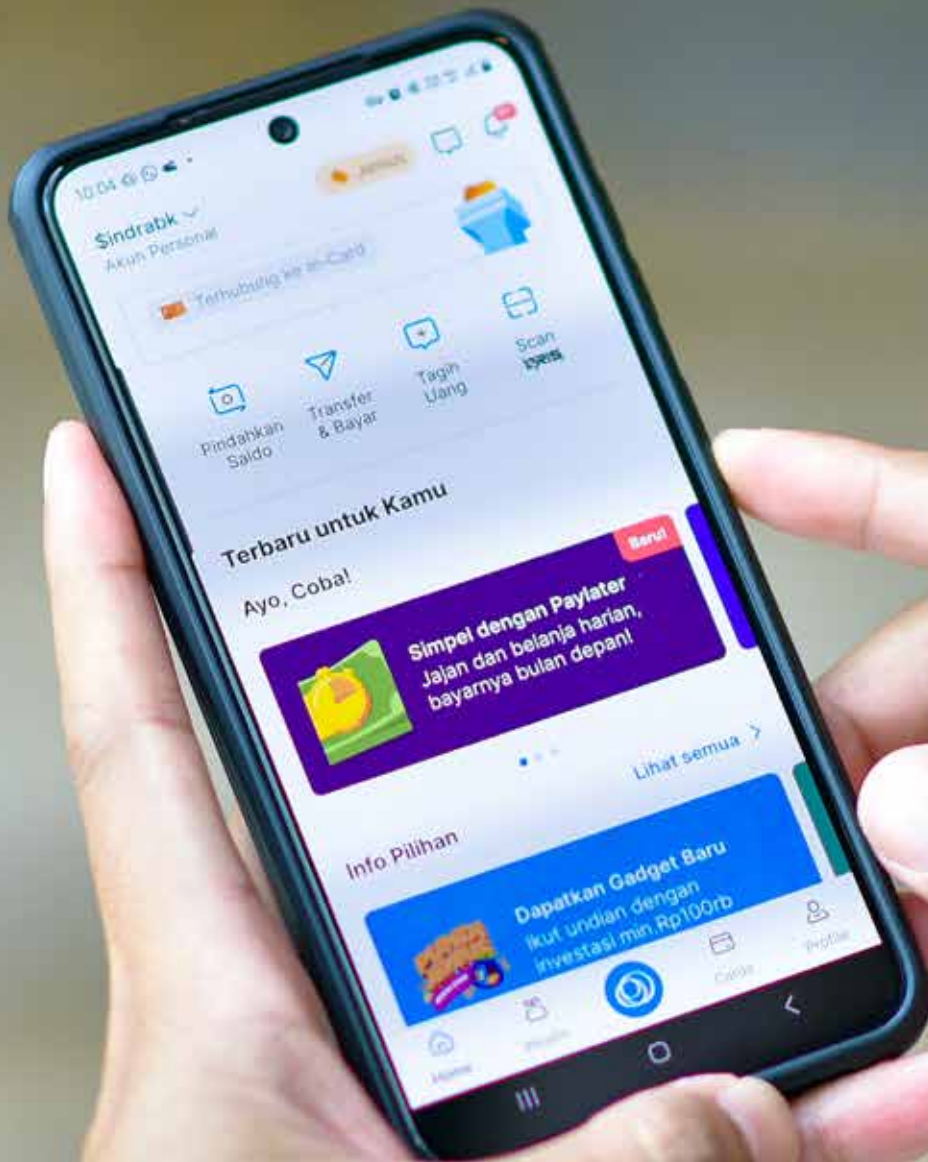
Bank BTPN is committed to delivering the best products and services to its customers while upholding compliance with all relevant regulations in the fields of information, labeling, and marketing. The bank consistently strives to manage and follow up on any incidents related to product and service communication, as well as marketing, in the best possible manner according to applicable provisions and procedures. [\[GRI 417-2\]](#) [\[GRI 417-3\]](#)

CUSTOMER SATISFACTION SURVEY [\[OJK F.30\]](#)

Bank BTPN regularly conducts customer satisfaction surveys as an integral part of our commitment to delivering top-notch service. The primary goal of these surveys is to gauge the level of customer satisfaction with Bank BTPN's products, services, and overall experiences. By comprehending customers' perspectives and experiences, we can pinpoint areas requiring improvement and fortify aspects that have contributed to satisfaction.

Customer satisfaction surveys are carried out by an independent entity for consumers of the Jenius product, utilizing the Customer Satisfaction Score (CSAT) and Net Promoter Score (NPS) methods, yielding the subsequent findings:

| | 2023 | 2022 | 2021 |
|------|------|------|------|
| CSAT | 64% | 74% | 69% |
| NPS | +22 | +16 | -22 |



STRENGTHENING THE CULTURE OF EMPOWERMENT AND EXPANDING THE IMPACT

Bank BTPN is committed to consistently strengthening its positive contribution to society through empowerment programs that offer opportunities for growth and a more meaningful life.



daya

PT BANK BTPN Tbk PRESENT

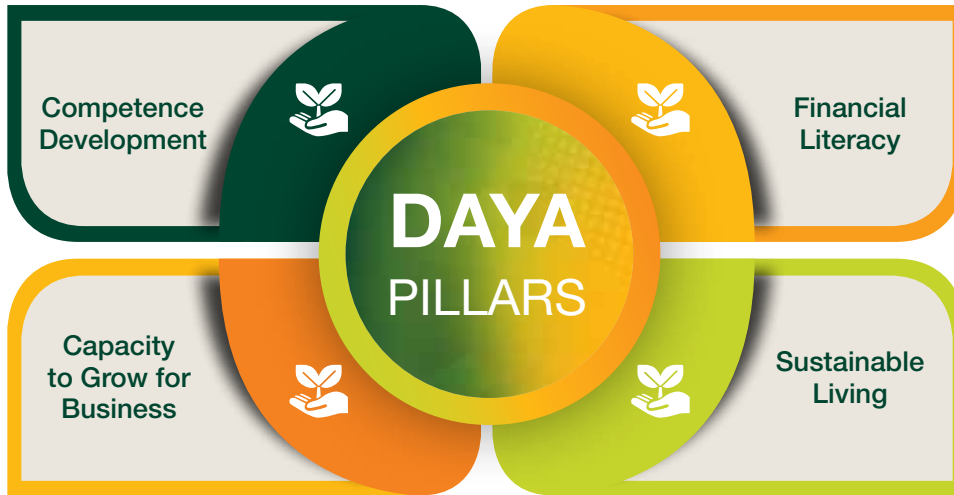
SAHABAT DAYA

Niat Menjadi Aksi Baik

SD Inpres Lae

Bank BTPN's commitment to implementing sustainable finance principles is realized through various initiatives aimed at enhancing the capacity of customers and the general public, providing them with access to growth and a more meaningful life.

Since 2011, Bank BTPN has launched Daya as its flagship program to promote the development of an inclusive and collaborative economic ecosystem for all layers of society and Bank BTPN's customer segments. For over a decade, Daya has achieved numerous awards at both national and international levels. In the planning and execution of Daya programs, Bank BTPN emphasizes four main pillars:



1. Competence Development

The competence development program encourages individuals to enhance their skills and competencies, encompassing both technical and non-technical aspects, in order to confront the growing intensity of market competition. Daya offers a self-capacity development program through specialized and targeted programs to match the skills desired by customers. Additionally, amidst the transition from pandemic to endemic, mental health has become essential for maintaining the mental condition of individuals in order to remain productive in the workplace.

Bank BTPN assists the community to develop their potential and improve their skills through high-quality seminars and training led by experts in their respective fields. The training themes provided include:

- Dealing with the Inner Child for A Productive Life
- Working from the Heart
- Becoming a Good People Manager
- How to Craft Your Career Breakthrough

2. Financial Literacy [FS16] [OJK F.23] [OJK F.25]

Financial literacy is an important foundation that can influence an individual's decision-making process in managing finances to achieve short-term and long-term financial goals. As a business entity operating in the financial services sector, it is Bank BTPN's obligation to promote financial literacy within the community.

Bank BTPN conducts online and offline financial literacy training programs and seminars through diverse digital channels, targeting a wide range of groups, including students, MSME owners, and retirees across different regions of Indonesia. The content of these financial literacy activities encompasses subjects such as the

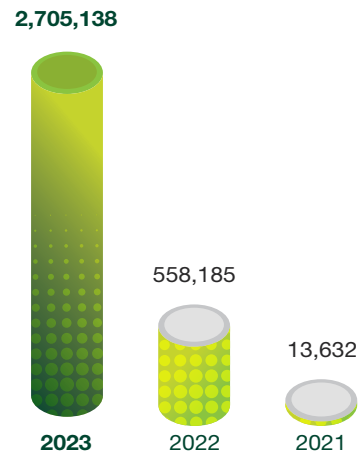
culture of saving, personal financial management, retirement planning, sound investment practices, banking product awareness for the elderly, and other relevant topics tailored to the community's needs.

The financial literacy program of Bank BTPN aims to:

- Enhance public awareness of financial products and services that align with their needs
- Providing the public education on how to identify and avoid fraudulent investments
- Enhance the community's capacity to prudently and responsibly manage finances
- Improve the quality of decision-making in financial management to enhance the community's well-being
- Expand financial inclusion.

Participants of Financial Literacy

[FN-CB-240a.4]





3. Capacity to Grow for Business [OJK F.23] [OJK F.25] [GRI 203-2]

Bank BTPN strives to improve financial access for individuals engaged in the micro, small, and medium-sized enterprise (MSME) sector by offering training and mentoring to enhance the skills of entrepreneurs. Daya offers opportunities for entrepreneurs to enhance their capabilities through entrepreneurship training, business insight development, and guidance on new business opportunities and market access.

In addition to offering training and learning modules, Daya also offers solutions to enhance MSME businesses and capacities through marketing MSME products on the daya.id website to reach a wider market. Through this program, MSME players have the opportunity to engage and connect with experts, providing inspiration and the necessary guidance.

This program is expected to enhance the sustainability of MSMEs, thereby increasing the role of MSMEs as a driving force in the Indonesian economy.

4. Sustainable Living

Endeavors to enhance the nation's economy must be complemented by endeavors to improve the quality of life for its people. This is because healthy and prosperous individuals are better positioned to work productively. Bank BTPN is committed to improving the community's health and well-being by providing access to information and education on healthy lifestyles, mental health, and environmental sustainability.

IMPACT ASSESSMENT OF THE DAYA PROGRAM

Bank BTPN conducted a study of the potential and needs of the community as an initial step to ensure that the Daya program can provide maximum benefits. All ongoing programs will undergo periodic assessments based on performance and the satisfaction level of the beneficiaries, the enhancement of the community's comprehension of the provided materials, and other feedback to be taken into account in the implementation of future programs. Bank BTPN offers a facility for the public to provide input for this program through a whistleblowing program detailed on page 134.

Daya program also assessed the impact of its programs by measuring social impact or Social Return On Investment (SROI) using globally recognized standards to determine the social investment value obtained from the program. Bank BTPN implemented all (100%) Daya programs with utmost care, resulting in no public complaints regarding the Daya programs during the reporting year. [GRI 413-1] [GRI 413-2] [OJK F. 25]

SROI DAYA PROGRAM

In 2023, Bank BTPN conducted SROI analysis on the daya.id website program. The daya.id website, launched in 2017, serves as a digital platform for the public to improve their skills and quality of life across multiple domains, encompassing economics, health, and social aspects. Through daya.id site, individuals can access resources on business management, financial literacy,

and healthy lifestyles. Additionally, they have the opportunity to engage in free consultations with experts in these areas.

The results of the SROI analysis indicate that the *daya.id* website has effectively delivered benefits such as:

1. Enhancing the image of Bank BTPN as a bank actively empowering its customers and the community.
2. Enhancing users' knowledge, awareness, abilities, and profits.
3. Increasing income, expertise in article creation, portfolio development, and branding.
4. Increasing profits from loan top-ups, customer base expansion, and sales performance.
5. Reducing operational costs related to communication media.

SROI impact calculation for the *daya.id* program in 2022 resulted SROI Ratio of 2.46. This indicates that for every 1 Indonesian Rupiah invested by Bank BTPN in the *daya.id* website, it generates a social value of Rp2.46.

DAYA.ID – A LEADING DIGITAL PLATFORM

Daya.id is a digital platform that empowers the community to enhance their capacity and quality of life across multiple domains, such as economic, health, and social well-being. Through *daya.id*, individuals can access resources on business management, financial literacy, and healthy lifestyles, and also engage in complimentary direct consultations with experts in these areas.

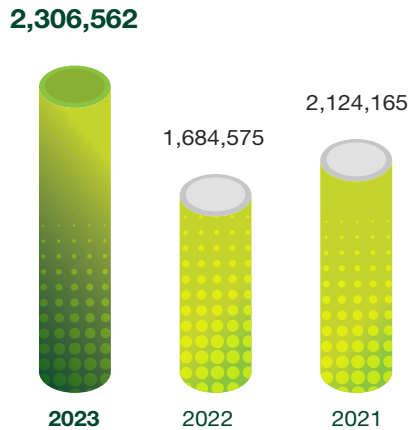
Daya.id assists the community in swiftly and easily accessing the information and services they require by offering excellent services, including:

1. Providing accurate information on entrepreneurship, financial management, and healthy lifestyles.
2. Providing access to empowerment programs available 24/7.
3. Boosting the competitiveness of customers' businesses through product and business promotions on the *daya.id* website.
4. Facilitating consultations with experienced experts in business, finance, and healthy living.
5. Establishing a network among business players to enhance business opportunities.

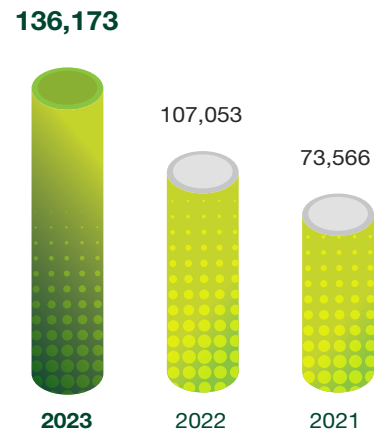


Number of Daya.id visitors [FN-CB-240a.4]

Website visitors



Registered users







In 2023, daya.id was visited by 2,306,562 visitors, 136,173 of whom were registered users.

Daya.id collaborated with experienced professionals in the fields of entrepreneurship and health, including:

1. Indonesia Sports Medicine Centre (ISMC)
2. Arsanara
3. Tangan Diatas Community

4. INTRAS (Coaching & Training Company)
5. Franchise Indonesia Magazine

This collaboration has led to the creation of numerous structured and accurate educational resources aimed at empowering the public to make informed decisions that can enhance their quality of life.

| | | | |
|--|---|--|---|
|  <p>3,639 Article Tips</p> |  <p>322 E-learning Module</p> |  <p>212 Success Stories</p> |  <p>10 partners Expert Partners</p> |
| *Data as of December 31, 2023 | | | |

In 2023, daya.id introduced several innovations to enhance the effectiveness and reach of its programs, including:

1. Collaboration with expert partners to effectively cater to users' needs.
2. Improvement of SEO and SEM strategies to enhance website traffic.
3. Development of Disaster Recovery Infrastructure to enhance website service availability.

TESTIMONIALS FROM MSME MENTORING DAYA PROGRAM PARTICIPANTS

GAIN PROFIT THROUGH DAYA'S TRAINING

Indonesia's vast marine territory positions it as a country with immense potential in the field of maritime and fisheries. Unfortunately, certain marine species with short lifespans are frequently underutilized or discarded. One such example is the "Serinding" fish, also known as Ambassis Nalua, frequently used as animal feed or simply disposed of.

Concerned by the underutilization of the Serinding fish, Siti Rochanah (63), a woman from the northern coast of Semarang, Central Java, was inspired to process it into a long-lasting fish product with a delightful flavor. She coats the Serinding fish with various fresh spices and flour, then fries it to produce a savory, crispy, and enjoyable snack.

Siti Rochanah named her processed Serinding fish product "Iwak Nyuzz," and its marketing has been highly successful. The Iwak Nyuzz brand now offers a total of 21 variants and has obtained various business permits, halal certification, and BPOM certification. Additionally, Siti Rochanah has patented the Iwak Nyuzz trademark with the Directorate General of Intellectual Property, Ministry of Law and Human Rights.

Siti Rochanah's processed Serinding fish products are frequently showcased at various exhibitions and events.

At one exhibition at SICCC Sentul, Bogor, her booth was visited by the President of the Republic of Indonesia, Joko Widodo, who engaged in a discussion about her products.

CHALLENGES

However, Siti Rochanah's success in developing processed fish products from the Serinding fish was the result of persistent effort. Prior to this endeavor, she began her business by making pastries in 2021 before transitioning to processed Serinding fish. The production of Iwak Nyuzz also entailed numerous trials to achieve the perfect blend of spices, determine the optimal flour thickness, and master the frying process in hot oil. Perfection was the ultimate goal.

"We once had 25 kg completely ruined because we had no prior experience in processing it, which led to burnt, overly thick flour. The trials were truly remarkable, spanning about two years," Rochanah revealed.

In addition to the product, Siti Rochanah's business of creating snacks from the Serinding fish also frequently faced challenges in sourcing raw materials from local fishermen. Despite this, Siti Rochanah continued to develop business strategies to ensure smooth production. One of the efforts she has made was actively participating in entrepreneurship training programs to enhance her knowledge and business acumen, supporting of the production process and the advancement of her business.

PRODUCTION & REVENUE OF IWAK NYUZZ

500%

REVENUE INCREASED

- ✓ 100 packs/day (2010)
- ✓ 1,500 packs/day (2023)

PRODUCT ADVANTAGES

1. Produced homemade
2. Continuously innovating
3. Holds business permits, halal certificates, and BPOM certificates for its products
4. Registered trademark patents for Iwak Nyuzz
5. Top-notch service to consumers



She participated in the “Daya” program offered by Bank BTPN, of which she is a customer. This program aims to enhance the capacity of the community, particularly Bank BTPN customers across all segments, from corporations to low-income (productive underprivileged) individuals.

During this training, Rochanah was introduced to Coach Ari, who assisted her in developing new products by utilizing leftover products to create separate economically valuable products. This led to the emergence of new products such as shrimp and fish crumbs with original and spicy variants, thereby increasing her profits.

“Before meeting Coach Ari, I had never considered using the remnants of Iwak Nyuzz. However, after our encounter, I started to explore ways to add economic value by utilizing these remnants, ensuring that the entire product was put to good use. I am truly grateful for this valuable advice,” she said.

She was also encouraged to develop marketing techniques by participating in exhibitions to enhance the branding of her products and expand their market by selling Iwak Nyuzz products at production houses, various retail stores, and to resellers.

As a result, the production and sales of Iwak Nyuzz have increased significantly. Currently, the production of processed fish Iwak Nyuzz has reached 1,500



packages per day, a substantial increase from the initial 100 packages per day in 2010 when she first started her processed fish business. Consequently, Rochanah’s total turnover has also risen sharply, by more than 500% since the inception of her business. With her expanding business, Siti Rochanah has been able to employ six to seven workers to assist her.

The Iwak Nyuzz product is now available beyond the island of Java and throughout Indonesia. Not only is it popular domestically, but on July 29, 2023, the Iwak Nyuzz product successfully made its first export.

PRODUCT VARIANTS

1. Soft-boned milkfish (presto milkfish)
2. Swamp baby fish original
3. Sea baby fish original
4. Spicy sea baby fish
5. Shrimp original
6. Spicy shrimp
7. Baby fish fillet crispy
8. Shrimp and salted fish fried rice seasoning
9. Various sambal and fried shallots
10. Crunchy Shrimp and fish flakes with original and spicy variants

IWAK NYUZZ PRODUCT PRICES

✓ Rp**22,000**
Baby Fish Crispy Original

✓ Rp**24,000**
Baby Fish Crispi Balado

✓ Rp**30,000**
Various Sambal

COMMUNITY EMPOWERMENT PROGRAM DAYA PROGRAM FOR RETIRED CUSTOMERS

This program is designed to cater to the needs of retired customers by offering information in the areas of psychology, health, and finance during retirement. Daya aims to enhance the quality of life for retired customers by offering services tailored to the needs of the elderly, health consultations with medical professionals, and opportunities to foster a sense of community among retirees.

Daya Programs for Retired Customers include:

01

HEALTH SEMINAR

Health seminar at the branch office, emphasizing on the treatment, diagnosis, and prevention of diseases and health disorders affecting the elderly. The seminar features a specialist geriatric doctor.

02

TELECONSULTATION

Online doctor consultations are available every working day, allowing patients to seek medical advice through text, voice calls, or video calls.

03

ONLINE COMMUNITY

Platform for retired customers to exchange information, share experiences, and build camaraderie with other retired customers. The community is also facilitated by healthcare professionals (doctors) to ensure they receive accurate health information.

Bank BTPN not only offers the Online Retirement Preparation program, emphasizing on elderly health, but also offers retirement preparation services to Indonesian Army (TNI) and POLRI (Indonesian Police) members. The program's curriculum is designed with has 2 main objectives, namely:

1. To prepare participants for retirement through dynamic seminar content, such as:
 - Retirement Mindset
This section aims to instill a positive mindset that retirement is a new chapter of life brimming with opportunities for creativity and joy.
 - Retirement Financial Planning
This section offers participants guidance on effectively managing their finances to ensure the fulfillment of all their essential needs during retirement.
 - Activities During Retirement
This section provides information on the diverse opportunities available to stay active and productive during retirement, including actively engaging in social activities, returning to work, starting a business, or becoming an investor.
2. To provide training and mentorship to participants aspiring to become entrepreneurs in retirement, enabling them to establish businesses aligned with their potential and interests. The second objective is manifested in its content, which comprises:
 - Entrepreneurial Mindset
This section assists participants in developing the mindset and acquiring the skills necessary to become resilient and adaptable entrepreneurs.
 - Business Interest Mapping
This section assists participants in making informed decisions regarding the type of business they will pursue based on their hobbies, interests, and risk profiles. Additionally, participants are provided with information about various business opportunities offered by Bank BTPN's partners as potential options for their businesses.
 - Business Plan Development
This section offers participants guidance on developing comprehensive business requirements and effective business plans, thereby enhancing their prospects for success in managing their businesses.
 - Business Implementation
This section offers participants the opportunity to simulate business implementation and provides them with tips for running a business, including strategies for managing business risks.

During 2023, there have been 56 offline and online training activities, attended by 7,698 members of TNI and POLRI throughout Indonesia.



DAYA FOR SINAYA PRIORITAS CUSTOMERS

Daya program for Sinaya Prioritas customers aims to enhance the loyalty of individual Bank BTPN (Sinaya Prioritas) customers through a capacity-building program for customers.

As a tangible manifestation of Bank BTPN's commitment in providing the best service for Sinaya Prioritas customers, in 2023 Bank BTPN collaborated with PT Kalbe Farma Tbk, to provide an offline seminar program with a health theme on the changing health trends from the application of curative and reactive measures to health phenomena will switch to preventive and predictive measures that are considered more efficient and improve quality of life. The seminar was attended by 90 participants from various areas in Jakarta.

Another program for Sinaya Prioritas customers is a webinar program with a taxation theme which is divided into 2 topics, namely:

1. Manage Annual Tax Return (SPT) and SP2DK Appeal Letter Wisely
2. Matching of the Customs Identification Number (NIK) and Taxpayer Identification Number (NPWP): Solution to Simplify Tax Administration

This webinar is a tangible manifestation of Bank BTPN supports the government's program to synchronize NIK and NPWP, as not all customers understand the process. This program was attended by 383 Sinaya Prioritas customers.

SAHABAT DAYA

Sahabat Daya is a program aimed at enhancing the capacity of the Indonesian community by engaging the participation of diverse stakeholders, including employees, partners, and Bank BTPN customers.

Sahabat Daya also serves as a platform for Bank BTPN to promote a culture of sustainability among its employees. The program, organized by Bank BTPN, promotes active employee engagement in a variety of Sahabat Daya volunteering activities or Employee Volunteering (EV).

The empowerment activities encompass a wide range of topics, including financial management, business management, health check-ups, environmental initiatives such as greening and mangrove planting, as well as literacy education for underprivileged children.



These diverse Sahabat Daya activities entail collaboration with external partners such as universities, experts, and practitioners engaged in these initiatives.

Through direct employee involvement, it is hoped that the company's positive impact on society will be further enhanced, bolstering Bank BTPN's reputation as a bank dedicated to empowerment. Additionally, employees stand to gain from participating in volunteer activities, as it provides them with a platform for personal growth and boosts their self-esteem. Consequently, the commitment to sustainability is not solely a corporate agenda and mission but has also become a commitment embraced by the employees.

The Sahabat Daya programs in 2023 include:

| Program | Description | Impact |
|---|---|---|
|  <p>Sahabat Daya Donation</p> | <p>Sahabat Daya program that accommodates and encourages employees' sense of social and environmental awareness to help groups/institutions in need or support other positive actions in the community through donation activities.</p> | <ul style="list-style-type: none"> • 32 volunteers/employees • 14 boxes of clothes and 5 boxes of books • Beneficiary locations: Java and Sumatra |
|  <p>Walking x Cycling for the Earth</p> | <p>The Sahabat Daya program promotes voluntary participation in low-emission activities, such as walking or cycling to and from the office, in order to mitigate the adverse effects of carbon emissions on climate change.</p> <p>The distance covered by employees walking and cycling is converted into mangrove trees, with 1 mangrove tree planted for every 10,000 steps walked or 20 kilometers cycled. The accumulated mangrove trees have been planted in the mangrove conservation areas in Pantai Indah Kapuk and Harapan Island, Thousand Islands, Jakarta.</p> | <ul style="list-style-type: none"> • Total participants: 46 employees from 8 central and branch offices • 3,488,431 steps walked • 5,950 km cycled • 625 mangrove trees converted |
|  <p>Sahabat Daya Wellbeing</p> | <p>The Sahabat Daya program aims to enhance the community wellbeing through its employees. They are encouraged to participate in activities that empower the people in their community, helping them to feel meaningful to their community.</p> <p>Employees form teams and submit proposal for empowerment. The selected proposals will receive financial assistance to carry out the empowerment activities.</p> | <ul style="list-style-type: none"> • 19 employee teams • 203 volunteers • 767 beneficiaries • 12 cities including Jakarta (headquarters), Medan, Makassar, Tuban, Lampung, Tasikmalaya, Manado, Salatiga, Serang, Bekasi, Karawang, Yogyakarta. • Empowerment activities include financial literacy, health check-ups for retired customers, mangrove planting, teak tree planting, healthy living and cleanliness campaign, stunting prevention, literacy enhancement for street children, urban farming. |
|  <p>Sahabat Daya Financial Literacy</p> | <p>Employees and/or the public voluntarily provide financial literacy counseling to the community, including high school students, university students, and communities (customers/non-customers).</p> | <p>Please refer to the Social Responsibility Activities table on page 92-93.</p> |



TESTIMONY OF SAHABAT DAYA PARTICIPANT WALKING X CYCLING FOR THE EARTH

MERISA DARWIS : OUR CONTRIBUTION, MEANINGFULL TO THE EARTH!

Amid her hectic schedule as the Operational Director of Bank BTPN, Merisa Darwis makes time to join the Sahabat Daya Walking x Cycling for the Earth (Berjalan Bersepeda untuk Bumi/BBUB) program. She considers this program a meaningful and positive endeavor.

“We are very grateful to have an office space with large windows. In addition to savoring the Jakarta cityscape from the BTPN Tower, I often observe the haze in the city’s sky caused by pollution. In my view, we all contribute to the environmental conditions in the capital city,” she said.

She admitted to feeling extremely enthusiastic when the Sahabat Daya BBUB program was initiated. This program provides us with the opportunity to take real action in reducing carbon emissions that cause pollution.

“Participating in this program offers two significant contributions. First, by walking or cycling, we refrain from adding to pollution. Second, our efforts in walking or cycling will be converted into the planting of mangrove trees, adding depth and significance to the program. I believe I should be able to contribute at least one tree!” she exclaimed.

“I walked in the morning, when I was heading to the office. From my house, I walked to the MRT station to board the train and disembark at the next station, just to cross the Semanggi intersection. From there, I proceeded on foot to the BTPN Tower. During this time, Satrio Street was heavily congested with diverse vehicles. By choosing to walk, I avoided the traffic congestion and, most importantly, diminished my impact on air pollution. I recently discovered that the sidewalks in that area are very pleasant for walking,” she said.

“I have walked to the office 5 times and accumulated over 20,000 steps, thus effectively contributing to the planting of two mangrove trees,” she continued.

Recognizing the significant benefits of this initiative, Merisa Darwis expressed her hope that all Bank BTPN employees would continue to be enthusiastic in their efforts to reduce emissions and pollution.

“The steps or cycling we take may seem small or insignificant, but at least we have done something to make the environment around us better, rather than doing nothing!” she emphasized. Meanwhile, another BBUB program participant, Firty Aryanti SH, from the Bandar Lampung Branch Office, expressed her enthusiasm for taking part in a program that benefits both physical health and the environment.

“If before, my walking only benefited me, like feeling healthier, now, with the Sahabat Daya BBUB program, my walking has an additional value for the environment. As we receive a special reward converted into mangrove trees to address pollution issues,” she said.

Another cycling participant in the BBUB program, Akbar Ismail, from the Gunung Sahari branch office in Jakarta, expressed that BBUB is highly inspiring in contributing to reduce pollution and carbon emissions, detrimental to the environment.

“The existing facilities provide robust support for cycling to the office. We can utilize public transportation, followed by cycling, and upon arrival, there are facilities available at the office for cleaning up. Therefore, the process is straightforward and convenient. It’s just a matter of whether we want to contribute to reducing pollution for the earth or not,” he said.

SOCIAL RESPONSIBILITY ACTIVITIES [OJK F.25]

| Type of Activity | Relevance to SDGs | Description | Participation Rate |
|-------------------------------|--|--|--|
| Competence Development | SDG 4 (Quality Education) SDG 5 (Gender Equality) SDG 17 (Partnerships for the Goals) | <ul style="list-style-type: none"> Seminar: 10 activities Topics: <ul style="list-style-type: none"> Leadership Performance Management People Management Career Development Fund Allocation: Rp335,464,511 | <ul style="list-style-type: none"> 164 participants attended the seminar |
| Financial Literacy | SDG 1 (No Poverty) SDG 4 (Quality Education) SDG 8 (Decent Work and Economic Growth) SDG 10 (Reduced Inequalities) SDG 17 (Partnerships for the Goals) | <ul style="list-style-type: none"> Seminar: 66 Infographics: 17 Website education: 19 Education through social media: 189 Fund Allocation: Rp632,630,139 | <ul style="list-style-type: none"> 3,616 participants attended the seminar 5,038 people read educational posters (infographics) 3,356 visited daya.id and Jenius website content 2,689,992 viewed social media content |
| Capacity to Grow for Business | SDG 1 (No Poverty) SDG 8 (Decent Work and Economic Growth) SDG 10 (Reduced Inequalities) SDG 17 (Partnerships for the Goals) | <ul style="list-style-type: none"> Seminar: 34 activities Coaching activities: 2 Infographics: 36 educational posters Daya.id website content: 2.210 Social Media Content: 28 Fund Allocation: Rp334,627,656 | <ul style="list-style-type: none"> 7,691 participants attended the seminar 9 participants received coaching 3,082 read educational posters (infographics) 1,853,371 people visited the website daya.id 127,334 viewed social media content |
| Sustainable Living | SDG 3 (Good Health and Well-Being) | <ul style="list-style-type: none"> Seminars: 16 activities Consultation activities at branches: 1,283 activities Online/telephone consultation activities: 2,302 activities Infographics: 45 educational posters Daya.id website content: 875 Social media content: 20 Fund Allocation: Rp195,622,125 | <ul style="list-style-type: none"> 43,519 participants attended the seminar 1,283 people received consultations at branches 2,302 people received online or teleconsultations 12,557 read educational posters (infographics) 323,825 people visited the website daya.id 362,972 people viewed social media content |



| Type of Activity | Relevance to SDGs | Description | Participation Rate |
|--|--|--|---|
| Daya for Corporate Customers | SDG 3 (Good Health and Well-Being) SDG 4 (Quality Education) SDG 8 (Decent Work and Economic Growth) SDG 10 (Reduced Inequalities) SDG 17 (Partnerships for the Goals) | <ul style="list-style-type: none"> • Seminars: 29 activities • Fund Allocation: Rp102,705,201 | <ul style="list-style-type: none"> • 2,944 participants attended the seminar. |
| Courses and Preparation for Prospective Retired Civil Servants, Military Personnel, and Police | SDG 3 (Good Health and Well-Being) SDG 4 (Quality Education) SDG 8 (Decent Work and Economic Growth) SDG 10 (Reduced Inequalities) | <ul style="list-style-type: none"> • 56 activities • Fund Allocation: Rp847,613,244 | <ul style="list-style-type: none"> • 7,698 participants |
| Development of Educational Facilities [GRI 203-1] | SDG 4 (Quality Education) | <ul style="list-style-type: none"> • 4,071 learning sessions | <ul style="list-style-type: none"> • 105,496 students |
| Daya for Sinaya Prioritas Customers | SDG 3 (Good Health and Well-Being) SDG 8 (Decent Work and Economic Growth) | <ul style="list-style-type: none"> • 6 seminars activities • Fund Allocation: Rp36,201,750 | <ul style="list-style-type: none"> • 521 participants |
| Sahabat Daya | SDG 3 (Good Health and Well-Being) SDG 4 (Quality Education) SDG 8 (Decent Work and Economic Growth) SDG 10 (Reduced Inequalities) | <ul style="list-style-type: none"> • 45 volunteer activities • Fund Allocation: Rp36,599,657 | <ul style="list-style-type: none"> • 415 volunteers from various backgrounds such as Bank BTPN employees, students, the general public, and others. • 2,030 people benefited from the activities carried out by the volunteers. |
| Daya.id | SDG 3 (Good Health and Well-Being) SDG 4 (Quality Education) SDG 8 (Decent Work and Economic Growth) SDG 10 (Reduced Inequalities) | <ul style="list-style-type: none"> • Article Tips: 3.639 • Modul e-learning: 322 • Success stories: 212 • Fund Allocation: Rp357,731,730 | <ul style="list-style-type: none"> • 2,705,138 people visited the daya.id website |

INCREASING CAPACITY FOR SUSTAINABILITY

Exceptional human resources are the key to the long-term success of a company. Bank BTPN is committed to creating a positive work environment that facilitates the development of employee competencies.



Increasing Capacity for Sustainability



HUMAN RESOURCES POLICY OF BANK BTPN

The human resources policy of Bank BTPN is designed to comprehensively support the achievement of the company's sustainability goals. Human resources management is executed through a range policy that prioritizes the principles of environmental sustainability, equality, and transparency in order to cater the interests of employees. Bank BTPN instills these sustainability principles in all individuals within the company through a variety of activities, including: [OJK F.1]

1. Disseminating Bank BTPN's values and sustainability targets to all company members, particularly to employees in decision-making roles.
2. Disseminating the sustainability activities implemented by Bank BTPN.
3. Fostering a culture of good corporate governance through anti-corruption campaigns and training for Bank BTPN's employees and partners.
4. Creating a conducive work environment through the implementation of strict security systems, adequate facilities, and a positive work culture.
5. Maintaining employees' mental health by providing various facilities to help manage stress and work pressure, such as sports facilities and relaxation rooms.
6. Encouraging employees to contribute to community development activities through training and providing social assistance to improve the community's quality of life.
7. Creating an environment that upholds human rights by providing human rights training for security personnel responsible for protecting the security of customers and Bank BTPN employees.

#MoreThanAJourney

Bank BTPN is committed to creating a comfortable and supportive working environment for its employees. This commitment is realized through the **#MoreThanAJourney** initiative, emphasizing that working life at Bank BTPN is not just a journey, but an opportunity to make a positive impact on society. The **#MoreThanAJourney** commitment also embodies a sustainable approach to managing Bank BTPN's employees, encompassing four main pillars:

- **Comfortable working environment**
Bank BTPN believes that employees experiencing a sense of comfort in their workplace are likely to exhibit higher productivity and make greater contributions to the company. In pursuit of

this goal, Bank BTPN offers sufficient facilities and work equipment, including comfortable workspaces, complete work tools, and a conducive working environment. Furthermore, the bank also provides recreational facilities within the office premises, such as games and karaoke, to allow employees a brief respite. Additionally, a music studio is provided for employees who wish to develop their hobbies.

- **Flexible workplace**
Bank BTPN acknowledges that employees have various needs. As a result, the bank provides a flexible workplace, allowing employees to tailor it to their needs. For instance, employees have the option to work from the office, from home, or from any other location of their choice. It is not mandatory for employees to work in the office every day. This approach also aligns with energy conservation initiatives by minimizing employees' commuting distances to the office.
- **Transparent career paths**
Bank BTPN ensures that employees have the opportunity to develop and advance in their careers. Therefore, the bank provides transparent and clear career paths, allowing employees to understand their career prospects and the necessary steps to achieve them.
- **Quality training**
Bank BTPN is committed to developing the competencies of its employees. In pursuit of this goal, the bank offers a wide range of high-quality training programs designed to develop both hard and soft skills, including leadership training. These programs aim to equip employees with the necessary skills and knowledge to effectively perform their duties and responsibilities.

ADOPTION OF DIGITAL TECHNOLOGY FOR EMPLOYEE MANAGEMENT

Bank BTPN is accelerating the adoption of technology to ensure the company's operations remain competitive and relevant in the era of Industry 4.0. The integration of digital technology serves not only to facilitate the operational functions of the bank in delivering financial and banking services, but also to streamline human resources management. This is aimed at bolstering the efficiency, effectiveness, and productivity of employee management.

Bank BTPN is undergoing transformation by implementing a cloud-based Human Resources

**Total Number of Employees By Employment Contracts
(Permanent and Temporary), By Region [GRI 2-7] [OJK C.3.b]**

| Description | 2023 | | 2022 | | 2021 | |
|--------------------------------|--------------|-----------|--------------|-----------|--------------|-----------|
| | Permanent | Temporary | Permanent | Temporary | Permanent | Temporary |
| Greater Jakarta | 3,032 | 171 | 2,918 | 223 | 2,767 | 224 |
| Java (exclude Greater Jakarta) | 1,778 | 57 | 1,969 | 69 | 2,070 | 94 |
| Outside Java | 1,536 | 62 | 1,697 | 96 | 1,849 | 125 |
| Sub Total | 6,346 | 290 | 6,584 | 388 | 6,686 | 443 |
| Total | 6,636 | | 6,972 | | 7,129 | |

**Total Number of Employees By Employment Contracts
(Permanent and Temporary), By Gender and Region [GRI 404-1] [OJK C.3.b]**

| Description | 2023 | | 2022 | | 2021 | |
|--------------------------------|--------------|-----------|--------------|-----------|--------------|-----------|
| | Permanent | Temporary | Permanent | Temporary | Permanent | Temporary |
| Male | 3,500 | 195 | 3,707 | 268 | 3,786 | 319 |
| Female | 2,846 | 95 | 2,877 | 120 | 2,900 | 124 |
| Total | 6,636 | | 6,972 | | 7,129 | |
| Greater Jakarta | 3,032 | 171 | 2,918 | 233 | 2,767 | 224 |
| Java (exclude Greater Jakarta) | 1,778 | 57 | 1,969 | 69 | 2,070 | 94 |
| Outside Java | 1,536 | 62 | 1,697 | 96 | 1,849 | 125 |
| Sub Total | 6,346 | 290 | 6,584 | 388 | 6,686 | 443 |
| Total | 6,636 | | 6,972 | | 7,129 | |

Bank BTPN does not employ workers on the basis of “non-guaranteed hours employees” (workers who are not guaranteed a minimum or fixed number of working hours per day, week, or month, but are required to be available to work as needed) and does not have any workers other than those mentioned above. The employee data is retrieved from the database stored in the HR Directorate. [GRI 2-7] [GRI 2-8]

INCLUSIVE WORKPLACE
[GRI 406-1] [OJK F.18]

The company establishes a safe work environment that upholds diversity and equality. It does not offer disparate treatment, exemptions, or preferences based on race, skin color, gender, religion, political opinion, lineage, or social origin. The company opposes all forms of discrimination and guarantees equality in the recruitment process, job assessment,

and career development opportunities. The company’s commitment to upholding the principle of equality is evident in the absence of discrimination incidents during the reporting year.

EMPLOYEE DIVERSITY
[GRI 405-1] [OJK C.3.b]

Bank BTPN views diversity as a source of innovation and creativity, a crucial aspect in enhancing the company’s competitiveness. As a result, the company values differences and consistently prioritizes a culture of diversity in all business activities. The company’s commitment to diversity is evident in the highly diverse backgrounds of its employees, ranging from genders, ages, and educational levels. The following is the demographic of Bank BTPN employees that illustrates the company’s diversity in terms of gender, age, and educational level.



Increasing Capacity for Sustainability



Diversity of the Governance Body and Employees by Gender

[GRI 405-1] [OJK C.3.b]

| Position | 2023 | | | 2022 | | | 2021 | | |
|---------------------|------------------------|------------------------|--------------|------------------------|------------------------|--------------|----------------|----------------|--------------|
| | Male | Female | Total | Male | Female | Total | Male | Female | Total |
| Board of management | 5 (50%) | 5 (50%) | 10 | 6 (50%) | 6 (50%) | 12 | 6 (55%) | 5 (45%) | 11 (50%) |
| Top management | 122 (69%) | 56 (31%) | 178 | 120 (70%) | 51 (30%) | 171 | 109 (71%) | 45 (29%) | 154 |
| Senior management | 460 (62%) | 283 (38%) | 743 | 447 (62%) | 271 (38%) | 718 | 451 (64%) | 259 (36%) | 710 |
| Management | 1,744 (60%) | 1,147 (40%) | 2,891 | 1,789 (61%) | 1,130 (39%) | 2,919 | 1,732 (61%) | 1,099 (39%) | 2,831 |
| Officer/Supervisor | 794 (50%) | 796 (50%) | 1,590 | 876 (55%) | 720 (45%) | 1,596 | 923 (57%) | 693 (43%) | 1,616 |
| Clerical | 570 (47%) | 654 (53%) | 1,224 | 727 (47%) | 819 (53%) | 1,556 | 884 (49%) | 923 (51%) | 1,807 |
| Total | 3,695 (56%) | 2,941 (44%) | 6,636 | 3,975 (57%) | 2,997 (43%) | 6,972 | 4,105 | 3,024 | 7,129 |

Diversity of the Governance Body and Employees by Age

[GRI 405-1] [OJK C.3.b]

| Position | 2023 | | | 2022 | | | 2021 | | |
|---------------------|--------------|--------------|------------|--------------|--------------|------------|--------------|--------------|------------|
| | 21-30 | 30-50 | >50 th | 21-30 | 30-50 | >50 th | 21-30 | 30-50 | >50 th |
| Board of management | - | 3 | 7 | - | 4 | 8 | 0 | 5 | 6 |
| Top management | - | 122 | 56 | - | 121 | 50 | 0 | 107 | 47 |
| Senior management | 3 | 625 | 115 | 6 | 608 | 104 | 4 | 600 | 106 |
| Management | 607 | 2,154 | 130 | 598 | 2,179 | 142 | 556 | 2,159 | 116 |
| Officer/Supervisor | 259 | 1,305 | 26 | 283 | 1,287 | 26 | 275 | 1,319 | 22 |
| Clerical | 359 | 859 | 6 | 466 | 1,077 | 13 | 569 | 1,223 | 15 |
| Total | 1,228 | 5,068 | 340 | 1,353 | 5,276 | 343 | 1,404 | 5,413 | 312 |



Total Number of Employees By Educational Level

[GRI 405-1] [OJK C.3.b]

| Education Level | 2023 | 2022 | 2021 |
|------------------------|--------------|--------------|--------------|
| Doctoral Degree | 4 | 4 | 1 |
| Master's Degree | 321 | 318 | 289 |
| Bachelor's Degree | 5,467 | 5,692 | 5,783 |
| Associate's Degree | 606 | 671 | 740 |
| High School/Equivalent | 238 | 287 | 316 |
| Total | 6,636 | 6,972 | 7,129 |

Bank BTPN always strives to maintain gender pay equality by not discriminating between male and female employees in terms of basic salary and remuneration. Differences in the amount of remuneration received by each employee are due to differences in job level, length of service, and job placement. The ratio of basic wages and remuneration for women to men for each job category and in every operational location of Bank BTPN is consistently maintained at 1:1. [GRI 405-2]

PROPORTION OF SENIOR MANAGEMENT FROM THE LOCAL COMMUNITY [GRI 202-2]

Bank BTPN is committed to supporting the government in strengthening the local and national economy. This commitment is demonstrated by prioritizing local communities to occupy senior management positions. Senior management refers to the Bank BTPN's Board of Directors. The majority of the Board members are Indonesian nationals. Out of the total board of directors, 5 individuals (62.5%) hold senior positions in the company and are Indonesian nationals.

The involvement of the local community in business decision-making is expected to aid the company identify the needs of the community and support the sustainable economic growth of the region. Information regarding job opportunities available at Bank BTPN is disseminated through various channels, such as social media, job portals, career fairs, collaborations with universities, and other communication platforms.

DECENT AND SAFE WORKING ENVIRONMENT [OJK F.21]

Bank BTPN consistently endeavors to cultivate a decent and safe working environment for the comfort of its employees, recognizing it as the cornerstone of their productivity and well-being. By offering a decent and safe working environment, Bank BTPN demonstrates its commitment to the well-being of its staff, ensuring that employees feel appreciated and supported in performing their duties.

A decent working environment also creates a positive work atmosphere, enhances motivation, and fosters trust and collaboration among teams. Therefore, Bank BTPN creates a decent and safe working environment through the following strategies:

1. Room temperature and lighting are adjusted according to the Indoor Health and Comfort (IHC) standards.
2. Quality desks and chairs are designed to promote good body posture.
3. Positive work culture based on transparent communication.
4. Harmonious industrial relations.

EMPLOYEE RECRUITMENT [GRI 401-1]

Recruiting employees, particularly in the banking sector, has become progressively more challenging in recent years. Several factors have contributed to this difficulty, such as evolving employee expectations, technological advancements, and a dynamic economic landscape. In response to these challenges, Bank BTPN has implemented a targeted

strategy in its employee recruitment process. Among the innovations and development programs offered by Bank BTPN are:

- Creative Hacknology Intensive Program (CHIP)**
 CHIP is an employee development program aimed at cultivating young talents in the field of technology. The program comprises two stages:
 - During the first stage, participants will undergo intensive training in various technological aspects, including programming, design, and data science.
 - During the second stage, participants will be assigned to strategic projects within Bank BTPN.
- Bank BTPN is establishing partnerships with diverse educational institutions to attract high-quality candidates. It is hoped that the CHIP program to enhance Bank BTPN's image as an appealing workplace for the younger generation.
- Leadership Acceleration Development (LEAD)**
 The Leadership Acceleration Development (LEAD) Program is Bank BTPN's acceleration program aimed at empowering individuals with the potential to become future leaders within the company. This program offers participants with the opportunity to cultivate leadership skills, gain business insights, and build professional networks within an intensive and challenging setting.

Through LEAD, employees undergo training to refine their leadership and problem-solving skills. The program is overseen by senior leaders of Bank BTPN and distinguished business practitioners. Participants will have the chance to directly learn from seasoned mentors and acquire valuable insights into the banking industry and leadership.

- Intern Development, Enhancement and Acceleration Space (IDEAS)**
 The Intern Development, Enhancement, and Acceleration Space (IDEAS) Program is an internship program at Bank BTPN aimed at cultivating the skills and knowledge of students and recent graduates. This program offers participants the chance to acquire hands-on work experience at Bank BTPN and develop the technical and non-technical skills necessary for a career in the banking industry. Exceptional performers with high potential may be offered the opportunity to join Bank BTPN upon completing the IDEAS program.

Bank BTPN offers equal opportunities to all prospective employees from diverse backgrounds, without discrimination based on ethnicity, religion, race, social class, or gender. Any individual meeting the company's qualifications has an equal opportunity to join and advance their career with Bank BTPN.

Employee Recruitment By Gender

| Description | 2023 | % | 2022 | % | 2021 | % |
|--------------|------------|-------------|------------|-------------|------------|-------------|
| Male | 326 | 54% | 535 | 56% | 446 | 58% |
| Female | 283 | 46% | 413 | 44% | 330 | 42% |
| Total | 609 | 100% | 948 | 100% | 776 | 100% |

Employee Recruitment By Age Group

| Description | 2023 | % | 2022 | % | 2021 | % |
|--------------------|------------|-------------|------------|-------------|------------|-------------|
| 20-30 years old | 331 | 54% | 525 | 55% | 470 | 61% |
| 30-50 years old | 265 | 44% | 418 | 44% | 295 | 38% |
| Above 50 years old | 13 | 2% | 5 | 1% | 11 | 1% |
| Total | 609 | 100% | 948 | 100% | 776 | 100% |

Employee Recruitment By Region

| Description | 2023 | % | 2022 | % | 2021 | % |
|--------------------------------|------------|-------------|------------|-------------|------------|-------------|
| Greater Jakarta | 454 | 75% | 654 | 69% | 524 | 68% |
| Java (exclude Greater Jakarta) | 87 | 14% | 155 | 16% | 117 | 15% |
| Outside Java | 68 | 11% | 139 | 15% | 135 | 17% |
| Total | 609 | 100% | 948 | 100% | 776 | 100% |

EMPLOYEE TURNOVER [GRI 401-1]

Employee turnover is a prevalent occurrence in all companies, and Bank BTPN is no exception. The turnover at Bank BTPN can be attributed to a variety of factors. Nevertheless, the bank strives to continuously enhance its workforce in accordance with the demands of the ever-evolving banking industry, and to implement human resource management policies prioritizing employee development and retention.

Employee Turnover By Gender

| Description | 2023 | % | 2022 | % | 2021 | % |
|--------------|------------|-------------|--------------|-------------|--------------|-------------|
| Male | 608 | 64% | 665 | 60% | 731 | 64% |
| Female | 343 | 36% | 446 | 40% | 406 | 36% |
| Total | 951 | 100% | 1,111 | 100% | 1,137 | 100% |

Employee Turnover by Age Group

| Description | 2023 | % | 2022 | % | 2021 | % |
|--------------------|------------|-------------|--------------|-------------|--------------|-------------|
| 20-30 years old | 204 | 22 | 288 | 26% | 326 | 29% |
| 30-50 years old | 639 | 67 | 751 | 68% | 717 | 63% |
| Above 50 years old | 108 | 11 | 72 | 6% | 94 | 8% |
| Total | 951 | 100% | 1,111 | 100% | 1,137 | 100% |

Employee Turnover by Region

| Description | 2023 | % | 2022 | % | 2021 | % |
|--------------------------------|------------|-------------|--------------|-------------|--------------|-------------|
| Greater Jakarta | 406 | 43% | 521 | 47% | 471 | 41% |
| Java (exclude Greater Jakarta) | 314 | 33% | 272 | 24% | 111 | 10% |
| Outside Java | 231 | 24% | 318 | 29% | 555 | 49% |
| Total | 951 | 100% | 1,111 | 100% | 1,137 | 100% |



Termination of Employment

| Description | 2023 | 2022 | 2021 |
|--------------|------------|--------------|--------------|
| Retirement | 314 | 193 | 140 |
| Death | 10 | 17 | 22 |
| Dismissal | 97 | 91 | 59 |
| Resignation | 470 | 711 | 607 |
| Others | 60 | 99 | 309 |
| Total | 951 | 1,111 | 1,137 |

Based on the data obtained from the Human Resources Directorate of Bank BTPN, the 2023 data reveals that the percentage of employee recruitment at Bank BTPN is 9.2% while the percentage of employee turnover is 12.4%. The relatively low percentage of employee turnover indicates high job satisfaction, as it reflects the employees' willingness to remain in their positions within the company for the long term.

During the reporting year, the company implemented various programs to promote diversity and inclusion in the workplace. This included collaboration with the SMBC Group, such as participation in the Diversity and Inclusion (D&I) program, partnership with the Indonesia Business Coalition for Women Empowerment (IBCWE) and Microsoft Indonesia, including programs such as Code without Barrier and The TrailblazHER (Women Mentoring Programs). Furthermore, Bank BTPN undertook several other initiatives, including sign

language sessions and "Together with Kopi Tuli, a coffee shop operated by deaf people" event.

EMPLOYEE RIGHTS ASPECTS REMUNERATION AND BENEFITS

Bank BTPN values employee performance and achievements through a fair and transparent remuneration system. The company ensures that its wage policies comply with local government regulations. All employees receive fair compensation, taking into account performance quality, job level, length of service, and employment status. The remuneration ratio at the entry level is the same for male and female employees in equivalent job levels and positions, maintaining a 1:1 ratio. Furthermore, the company guarantees that all employees receive wages equal to or exceeding the Regional Minimum Wage (RMW). [GRI 202-1]






















Regional Minimum Wage [OJK F.20]

| Region | Provincial Minimum Wage in 2022 | Entry-Level Salary | Ratio |
|------------------|---------------------------------|--------------------|-------|
| Bali | 2,713,672 | 3,000,000 | 111% |
| Banten | 2,661,280 | 3,110,000 | 117% |
| Bengkulu | 2,418,280 | 2,640,000 | 109% |
| DI Yogyakarta | 1,981,782 | 2,060,000 | 104% |
| DKI Jakarta | 4,901,798 | 4,910,000 | 100% |
| Jambi | 2,943,033 | 2,950,000 | 100% |
| West Java | 1,986,670 | 2,120,000 | 107% |
| Central Java | 1,958,170 | 1,970,000 | 101% |
| East Java | 2,040,244 | 2,140,000 | 105% |
| South Kalimantan | 3,149,978 | 3,240,000 | 103% |
| Lampung | 2,633,285 | 2,660,000 | 101% |

| Region | Provincial Minimum Wage in 2022 | Entry-Level Salary | Ratio |
|----------------|---------------------------------|--------------------|-------|
| Maluku | 2,812,827 | 3,080,000 | 109% |
| Papua | 3,864,696 | 3,870,000 | 100% |
| West Sulawesi | 2,871,795 | 2,910,000 | 101% |
| South Sulawesi | 3,385,145 | 3,390,000 | 100% |

Bank BTPN provides allowances in addition to the basic salary to increase employee motivation and productivity. However, in terms of remuneration, temporary or part-time employees do not receive the full range of compensation components. The details of the allowances received by employees based on their employment status can be seen in the following table.

Allowances Provided to Full-Time Employees That Are Not Available to Temporary or Part-Time Employees [GRI 401-2]

| Description | Permanent Employee | Temporary Employee |
|---|---|---|
| Salary |  |  |
| Holiday Allowance |  |  |
| Life Insurance |  |  |
| Disability Insurance |  |  |
| Employee Health Insurance |  |  |
| Health Insurance to Employees' Spouse |  |  |
| Health Insurance to Employees' Children |  |  |
| Pension Fund |  |  |
| Annual Leave |  |  |
| Maternity and Miscarriage Leave |  |  |
| Severance Pay |  | - |

PARENTAL LEAVE [GRI 401-3]

The well-being of the mother is crucial for the overall health and happiness of the family, making it a long-term investment. Maternity leave is essential for female employees to adequately prepare for childbirth and recuperate afterward, fostering a stronger bond between mother and child. Our company offers a three-month maternity leave for female employees

who give birth, ensuring their return to their original position. Additionally, male employees are granted four days of leave to accompany their wives during childbirth. Importantly, this leave is provided without any deduction or reduction in the employee's salary, rights, or position within the company.

| Gender | Employee entitled to take parental leave | Employee taking parental leave | Employee returning to work after leave | Employee continuing to work 1 year after completing leave |
|--------------|--|--------------------------------|--|---|
| Male | 3,695 | 133 | 132 | 121 |
| Female | 2,941 | 168 | 120 | 114 |
| Total | 6,636 | 301 | 252 | 235 |

RETIREMENT PROGRAM [GRI 201-3] [GRI 404-2]

Bank BTPN appreciates the dedication of all employees who have served until their retirement by providing a retirement program for all company employees to ensure financial stability for employees as they conclude their careers. The company is involved in several retirement programs for employees, including:

1. Pension Security under BPJS of Employment, a mandatory government program, entails a 1% employee contribution and 2% from Bank BTPN.
2. Old-Age Security under BPJS of Employment, a mandatory government program, entails a 2% employee contribution and 3.7% from Bank BTPN.

In addition to preparing financial management plans, the company also provides entrepreneurship training, along with physical and spiritual health preparation, held two to three years prior to retirement to equip employees with the skills and mental readiness needed during retirement. During the reporting period, a total of 70 employees took part in the training program.

COLLECTIVE LABOR AGREEMENT [GRI 2-30]

Bank BTPN guarantees the employees' right to unionize and express their aspirations to protect their interests and improve work productivity. Therefore, the company has established a labor union as a forum for employee organization. Bank BTPN ensures that all (100%) employees obtain their rights through the Bank BTPN Workers Union, established in September 2007 and registered at the Manpower and Transmigration Office under the number 256/DPP.SP.BTPNCTT.22-DISNAKER/2007.

The labor union advocates for fostering a harmonious industrial relationship between employees and management through the preparation of a Collective Labor Agreement (CLA) agreed upon by both parties. The CLA governs matters pertaining to occupational health and safety, remuneration, and

other employment-related matters that safeguard the interests of all (100%) Bank BTPN employees. All company employees, regardless of their union membership status, are protected in their interests under the Collective Labor Agreement (CLA) for the period 2022-2024.

Bank BTPN considers employee feedback to be a valuable asset that can be utilized to improve productivity and service quality. As part of this commitment, the bank conducts an employee engagement survey, allowing employees to evaluate their relationship with their work team, including their direct supervisors representing Bank BTPN. Furthermore, employees can offer constructive suggestions serving as a basis for consideration in taking necessary actions to address the company's challenges.

CHILD LABOR AND FORCED LABOR [GRI 408-1] [GRI 409-1] [OJK F.19]

Bank BTPN upholds human rights and opposes all forms of forced labor within its operational activities. The company ensures that employees' working hours adhere to the regulations outlined in the Collective Labor Agreement, stipulating a 5-day workweek with a 1-hour break for every 8-hour work period. Additionally, the company compensates employees who work overtime in accordance with relevant regulations. Through the implementation of this policy, no incidents of forced labor violations related to employees' rights were recorded during the reporting year. [GRI 409-1] [OJK F.19]

In addition, Bank BTPN is committed to not engaging in child labor or any form of child exploitation in accordance with the standards set by the International Labor Organization (ILO). The company ensures that the age limit for employees complies with ILO Convention No. 138 concerning the Minimum Age for Employment, which sets the minimum age for

employment at 18 years. No incidents of violations of employees' rights related to underage labor were recorded during the reporting year.

[GRI 408-1] [OJK F.19]

TRAINING AND DEVELOPMENT

TRAINING STRATEGIES AND PROGRAMS

[GRI 404-2]

In the current era of industrial development, the competitive nature of business demands that companies possess a competitive edge. Innovation from skilled and professional human resources is key to enhancing the company's competitiveness. Improving employee competence through training programs is one of the efforts to cultivate high-quality human resources.

Bank BTPN fosters a culture of continuous growth by empowering employees at all levels to unlock and harness their full potential. This is achieved through education and training programs, facilitated by the Human Resources Information System (HRIS), designed to cater to individual needs. The HRIS utilizes employee data to assess their competencies and performance, allowing Bank BTPN to tailor training and development programs to each employee's specific knowledge and skill requirements.

The company has arranged a comprehensive set of technical and non-technical competency development programs mandatory for all individuals within the organization, including employees, senior managers, and the Board of Directors. The competency development programs for employees conducted by Bank BTPN in 2023 include:

1. Continuing the process of Work Competency Certification in the banking sector, including certifications in Risk Management, Payment Systems and Rupiah Money Management, Mutual Fund Sales Agent (WAPERD), Securities Marketing Intermediary (WPPE-P), and Treasury for employees required to possess these certifications.
2. Continuing the process of competency certification beyond Work Competency Certification in the banking sector, including certifications in Human Resource Management, Compliance, Information Technology, Internal Audit, and Finance.

3. Bank Acceleration Program designed for fresh graduate talents.
4. Continuing other competency enhancement processes through training provided by the bank, including the use of the bank's e-learning system, access to Massive Open Online Courses (MOOC) for bank employees, and various training conducted both online and offline.
5. Holding a 2-day BTPN Hybrid Learning Festival on the topics of transformation, growth, and quality. The festival features seminars by experts, sharing sessions by Bank BTPN leaders, employee appreciation programs, learning areas/studios, and practical training sessions.
6. Continuing collaboration with the SMBC Group in the employee development process through several programs.

AVERAGE EMPLOYEE TRAINING HOURS

[GRI 404-1] [OJK F.22]

In the reporting year, Bank BTPN held 753 training programs attended by 6,544 employees for a total of 322,849 hours, resulting in an average of 49 hours of training per employee per year.



**Number of Training Participants by Position and Gender [GRI 404-1]**

| Position Level | 2023 | | 2022 | | 2021 | |
|-------------------|--------------|--------|--------------|--------|--------------|--------|
| | Male | Female | Male | Female | Male | Female |
| Top Management | 126 | 61 | 120 | 51 | 6 | 5 |
| Senior Management | 458 | 282 | 448 | 271 | 106 | 43 |
| Management | 1,710 | 1,120 | 1,710 | 1,095 | 437 | 248 |
| Office/Supervisor | 777 | 787 | 849 | 697 | 1,610 | 1,029 |
| Clerical | 570 | 653 | 734 | 818 | 837 | 650 |
| Sub Total | 3,641 | 2,903 | 3,861 | 2,932 | 2,996 | 1,975 |
| Total | 6,544 | | 6,793 | | 4,971 | |

Total Training Hours by Position and Gender [GRI 404-1]

| Position Level | 2023 | | 2022 | | 2021 | |
|-------------------|----------------|---------|----------------|---------|---------------|--------|
| | Male | Female | Male | Female | Male | Female |
| Top Management | 5,612 | 3,192 | 6,036 | 2,488 | 80 | 72 |
| Senior Management | 19,323 | 13,825 | 20,253 | 12,780 | 1,442 | 602 |
| Management | 70,094 | 58,424 | 68,176 | 50,105 | 5,406 | 3,231 |
| Office/Supervisor | 33,635 | 49,967 | 27,221 | 28,609 | 18,583 | 12,063 |
| Clerical | 23,784 | 44,997 | 22,440 | 31,222 | 9,371 | 7,374 |
| Sub Total | 152,446 | 170,404 | 144,126 | 125,204 | 34,882 | 23,342 |
| Total | 322,849 | | 269,330 | | 58,224 | |

Average Training Hours by Position and Gender [GRI 404-1]

| Position Level | 2023 | | 2022 | | 2021 | |
|-------------------|-----------|--------|-----------|--------|-----------|--------|
| | Male | Female | Male | Female | Male | Female |
| Top Management | 44 | 52 | 50 | 49 | 40 | 39 |
| Senior Management | 42 | 49 | 45 | 47 | 37 | 41 |
| Management | 40 | 52 | 40 | 46 | 25 | 26 |
| Office/Supervisor | 43 | 63 | 32 | 41 | 27 | 25 |
| Clerical | 41 | 68 | 31 | 38 | 28 | 34 |
| Sub Total | 42 | 56 | 37 | 43 | 31 | 33 |
| Total | 49 | | 39 | | 32 | |

IMPROVING EMPLOYEE COMPETENCE IN SUSTAINABLE FINANCE

[OJK E.2] [FS4]

A vital aspect of achieving the vision of sustainable finance is a commitment to enhancing employee competence in sustainable finance. As a result, Bank BTPN has implemented tangible measures by organizing a variety of training and development

programs for its employees. Through these programs, Bank BTPN not only ensures that our employees have a profound understanding of sustainable finance, but also equips them with the skills and tools necessary to address the challenges in the constantly evolving financial landscape. The wide variety of training programs we have conducted include:

| Training Topic | Date | Number of Participants | Training Format | Remarks |
|---|--------------------------------------|--|-----------------|-----------------------------|
| Sustainability E-Learning | September 15 2023 - December 15 2023 | 6,431 employees | E-Learning | Mandatory for all employees |
| Net Zero: Maintaining Health X Maintaining Sustainability | July 21, 2023 | 227 employees | Online Seminar | |
| Sustainable Finance Seminar: Crafting Innovative Strategies to Boost ESG Impact | August 11, 2023 | 113 employees | Offline Seminar | |
| Seminar on Seizing Opportunities in The Pathway to Net Zero Economy | October 12, 2023 | <ul style="list-style-type: none"> 247 participants Offline (179 customers, 50 Bank BTPN employees, and 18 media representatives) 124 participants Online (58 Bank BTPN employees and SMBC Members, 76 clients / General Public) | Offline Seminar | |
| Seminar on Turning Good Intentions into Sustainable Actions | October 20, 2023 | 100 employees | Online Seminar | |
| Seminar on the Benefits of Implementing Human Rights in Business Activities | November 20, 2023 | 108 vendor representatives | Online Seminar | |

PERFORMANCE REVIEW [GRI 404-3]

Bank BTPN conducts regular performance evaluations to assess the performance and achievements of all employees against predetermined work targets, as outlined in their Key Performance Indicators (KPIs). The outcomes of these performance evaluations are utilized to determine incentives, rotations, or potential employee transfers. Performance evaluations also serve as an evaluation tool for the company to enhance employees' skills through the provision of relevant feedback and training. These evaluations are conducted biannually for all employees, regardless of gender, at every organizational level. Furthermore, all employees (100%) have received their performance evaluations in the reporting year.

HUMAN RIGHTS TRAINING FOR SECURITY OFFICERS [GRI 410-1]

As a financial institution entrusted with managing customer funds, Bank BTPN requires a rigorous security system capable of safeguarding all its valuable assets. Adequate security encompasses not only physical measures, such as alarm systems and

security personnel, but also non-physical security, which includes providing human rights training for security officers. This human rights training is a tangible demonstration of Bank BTPN's commitment to integrating human rights principles into all of its operational activities. Security officers equipped with a solid understanding of human rights are expected to deliver professional service to customers. In the reporting year, 99% of Bank BTPN's security officers have undergone training in human rights practices through the Garda Pratama training program. Human rights training is also mandatory for third-party security personnel. [GRI 410-1]

WORK-LIFE BALANCE

Work-life balance is a crucial factor that can significantly impact employee productivity and performance. Employees maintaining a good work-life balance are likely to exhibit higher job satisfaction, increased motivation, and enhanced productivity. Consequently, Bank BTPN has established a supportive work environment that promotes work-life balance through a range of programs, including:



BTPN CLUB

In order to support BTPN Bank employees to be able to work optimally and achieve high performance, BTPN Bank support is needed for work life balance and employee wellbeing at BTPN. The implementation of sports and recreation at Bank BTPN is carried out through an employee social organization called the BTPN Club. This organization is facilitated by Bank BTPN, by deploying employees to manage its own activities. The employees involved were volunteers, who were then organized into the management of the BTPN Club through board of directors' decision letter.

BTPN Club activities include sports, arts, spirituality and interests (hobbies) that are recreational and not for the pursuit of achievement. The activities are organized voluntarily by several employees who join communities according to certain interests including Futsal, Badminton, Basketball, Football, Strong Nation, Gymnastics, Yoga, Tennis, Cycling and Running for the sports category. Meanwhile, for the arts category there are Dance Club, Vocal Group, and Photography. Apart from that, there are also spiritual categories such as Islamic Spirituality, Christian Spirituality, and Hindu Spirituality. The last category contains various interesting hobbies such as Diecast, Nature Lovers, E-Sport, and Korean Corner.

BTPN club carries out 13 routine activities every week. BTPN Club also holds special events such as Blood Donations which are starting to be held regularly every 3 months as well as fun games which are participated by all Bank BTPN's employees from Sumatra to Papua. The number of cities actively participating in BTPN club during 2023 is 192 cities, which is led by 1 Champion in each city.





SAHABAT DAYA

This program offers Bank BTPN employees the opportunity to engage in community empowerment through a variety of social initiatives and skills training aimed at enhancing community well-being. Further information on Sahabat Daya can be found in “Strengthening the Culture of Empowerment and Expanding the Impact” section on page 80.

BERANDA

Beranda is a shared space with a variety of games where employees can take a moment to relax during their busy work schedules. The area also includes a music studio and a karaoke room for employees with a passion in music. Additionally, they also have the option for group movie nights in the Beranda theater, featuring a wide screen and high-quality sound system, allowing employees to enjoy popular movies and sports events.



Increasing Capacity for Sustainability



PRIORITIZING ENVIRONMENTAL AND CLIMATE COMMITMENTS

Bank BTPN integrates environmentally friendly principles into all aspects of its industrial operations through the implementation of policies and regulations, as well as monitoring the bank's operations with the aim of reducing the negative impact of business activities on the environment.



Prioritizing Environmental and Climate Commitments



Bank BTPN is committed to building sustainable regional and national economic growth through the adoption of energy-efficient practices and green investments. The company's pursuit of its targets aligns with its endeavors to establish a green business that mitigates climate change and prevents environmental damage and overexploitation.

In terms of operations, the environmental impact of Bank BTPN's business activities is limited to energy usage, water, and emissions and does not have a direct and significant effect on the environment and climate change. However, as a financial and banking service provider, Bank BTPN's business activities carry the potential risk of indirectly causing environmental impacts, such as carbon emissions from projects or business activities carried out by its customers (Financed Emissions).

In response, Bank BTPN has implemented policies and risk management strategies aimed at preventing and minimizing environmental impacts and carbon emissions resulting from its financing activities. This commitment is being realized through the continuous expansion of the sustainable financing services portfolio, with the goal of achieving Net Zero Emission (NZE) targets. This involves no longer financing or being exposed to business activities that contribute to emissions or industries that cause increased pollution and temperature, thereby triggering climate change.

The company's commitment to environmental protection policies and climate change management is realized through the implementation of the RAKB. The RAKB, as mandated by the Financial Services Authority Regulation (OJK) 51/2017, is designed to ensure that the company's operations and business activities align with the principles of sustainable finance and the SDGs by taking into consideration social and environmental aspects.

Bank BTPN's RAKB encompasses the company's strategic plan to introduce sustainable finance programs allocating funding for sustainable projects, such as clean energy initiatives and natural resource management projects. Bank BTPN offers green financing to both the corporate and individual levels, including: [\[OJK F.28\]](#)

1. Corporate Level

Bank BTPN provides financing for sustainable businesses, such as:

- Renewable energy industry.
- Projects related to energy efficiency initiatives.
- Management of natural biological resources and sustainable land use.
- Green transportation.
- Green buildings.
- Products that can reduce resource usage and produce less pollution (eco-efficient).

2. Individual Level

Bank BTPN offers mutual fund investments with an Environmental, Social, and Governance (ESG) theme through its Sinaya business line.

In addition to covering sustainable financial practices, Bank BTPN's RAKB also encompasses the bank's strategies and innovations to promote green operations and mitigate the adverse impacts of the company's activities.

CLIMATE STRATEGY

Climate change affects all industries, including banking. For this reason, Bank BTPN has initiated the development of a framework to assess climate-related risks and opportunities in the short, medium, and long term. [\[TCFD S1\]](#)

Climate-related issues that may arise in the short, medium, and long term and have financial impacts on Bank BTPN include: [\[TCFD S1\]](#)

- Transition risks, such as changes in government policies and regulations, increasing costs of low-emission technology, rising carbon prices, stranded assets, changes in customer behavior, changes in stakeholder and shareholder preferences, reputational damage due to financing activities in sectors sensitive to environmental and social issues.
- Physical risks, such as increasing of natural disasters at the debtor's business locations, rising temperatures and sea levels.

To prepare for the implementation of climate-related risk assessments, Bank BTPN undertakes the following steps: [\[TCFD S2\]](#)

- Conducting studies on the current conditions, such as existing sustainability policies and products.



- Holding workshops with relevant departments to discuss risks and opportunities to be developed based on the current conditions.
- Preparing a framework for implementing climate-related risk assessments.

To mitigate climate issues, Bank BTPN has taken several initiatives: [\[TCFD S2\]](#)

1. Developing sustainable products, such as Green Loan, Social Loan, Sustainability-Linked Loan, ESG Mutual Funds, and ESG Deposit.
2. Adjusting credit policy and procedures.
3. Striving to conserve electricity and reduce emissions from operational activities through a range of innovative measures, including organizing electricity-saving competitions among branches, promoting digital banking, providing shuttle buses for employee commuting, and other initiatives.
4. Conducting sustainability awareness campaigns for employees, customers, and suppliers
5. Conducting environmental-themed campaigns through the bank's internal and external media channels.

Currently, Bank BTPN has not set any climate related scenarios, including 2°C or lower scenario. [\[TCFD S3\]](#)

CLIMATE TARGET [\[TCFD M1\]](#)

In order to manage the impacts of climate change, Bank BTPN, part of the SMBC Group, has set the following targets and measurements:

- Net zero emissions (NZE) by 2030 for operational activities
- Net zero emissions (NZE) by 2050 for loan and investment portfolio

Furthermore, the SMBC Group has a Roadmap Addressing Climate Change and has adopted the Equator Principles, providing guidelines for managing the impacts of climate change.

Bank BTPN also carries out measurement of climate-related risks and opportunities through a range of initiatives, such as:

- For specific sectors, Bank BTPN is developing stress tests, requiring debtors to meet environmental requirements with metrics set by official regulations.
- Setting targets for the Sustainable Business Activities Category (Kategori Kegiatan Usaha Berkelanjutan/KKUB) portfolio, including financing for sustainable businesses, green transportation, and various other forms of environmentally related financing.

GREEN BUILDING

The design and operation process of Bank BTPN's headquarters building incorporates the concept of green building, focusing on constructing a building with careful consideration of its environmental impact to improve resource usage efficiency and create a more comfortable environment for employees.

Bank BTPN's headquarters building, the BTPN Tower, situated in the Mega Kuningan area of Jakarta, has been awarded the Green Building certification Greenship Gedung Baru V.1.2 from the Green Building Council Indonesia with a Gold rating since 2020. Currently, the building management of Bank BTPN's headquarters is in the process of renewing this certification.

The Bank BTPN headquarters building implements the following strategies to create a green building:

1. Utilizing sunlight as the primary source of lighting
2. Reducing the use of partitions
3. Using energy-efficient LED lights
4. Installing motion sensors to automatically turn off lights.

In addition to reducing the company's carbon footprint, green office buildings enhance employee comfort by fostering a healthier work environment. Optimal air quality is maintained through the use of open ceilings, which facilitate the free circulation of fresh air, and ultraviolet germicidal irradiation technology, effectively eliminating various airborne microorganisms.

The cleanliness of the building significantly impacts employee comfort. Therefore, the office spaces utilize epoxy floor coating, which has been proven effective in inhibiting the growth of bacteria, germs, and fungi. Healthy and satisfied employees are expected to work more productively and make a significant contribution to the company.

DIGITAL SERVICES

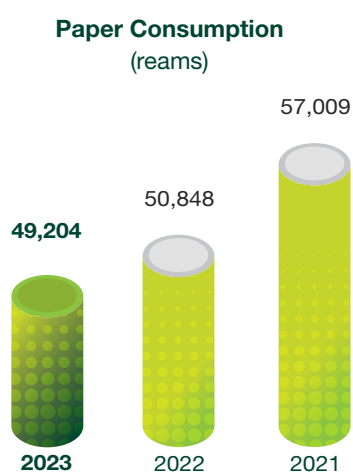
Bank BTPN's vision and mission revolve around leveraging digital technology innovation to deliver the highest quality of service to customers. Bank BTPN develops digital banking services to streamline customer transactions while also serving as a solution to reduce paper usage.

In addition, Bank BTPN utilizes digital calendar technology to reduce the production of paper-based calendars. In the reporting year, paper usage in Bank BTPN decreased by 3.2% compared to the previous year.

Bank BTPN offers comprehensive and innovative digital banking services, eliminating the necessity for customers to visit branch offices for their banking needs. Consequently, customers can reduce their reliance on vehicles, leading to a decrease in motor vehicle emissions.

ENVIRONMENTAL EDUCATION

Sustainable business operation relies heavily on the awareness and comprehension of employees regarding the significance of environmental conservation. As a result, Bank BTPN offers training in sustainable finance and green operations, including a seminar on low-emission sustainable lifestyles under the theme “Healthy People x Healthy Environment,” taking place on July 21, 2023. This environmental education seminar was attended by 227 participants.



ENERGY USAGE

All company business activities, whether direct or indirect, have an impact on the environment through the generated emissions. Bank BTPN records energy usage at each branch office and its headquarters to measure the efficiency of energy usage and identify potential opportunities for savings.

Bank BTPN does not calculate energy consumption outside the organization due to the absence of significant energy usage processes outside the organization [GRI 302-2]. Additionally, Bank BTPN does not calculate emissions per product as its operations do not involve specific physical products. [GRI 302-5]

Energy Consumption in the Organization [GRI 302-1][GRI 302-3][OJK F.6]

| Types of Energy | 2023 | | 2022 | | 2021 | |
|---|---------------|-----------|---------------|------------|---------------|------------|
| | Volume | GJ | Volume | GJ | Volume | GJ |
| Fuel (Liters) | 1,019,766.20 | 1,393.06 | 1,107,463.00 | 36,546.28 | 1,184,063.85 | 39,074.11 |
| Electricity (kWh) | 18,542,154.51 | 66,751.76 | 18,632,568.19 | 67,077.25 | 19,359,664.18 | 69,694.79 |
| Total energy consumption | | 68,144.81 | | 103,623.52 | | 108,768.90 |
| Number of employees (people) | | 6,636 | | 6,972 | | 7,129 |
| Energy consumption intensity per employee (GJ/person) | | 10.27 | | 14.86 | | 15.26 |

Note:

- 1) Electricity usage in kWh is converted to Gjoules using The Greenhouse Gas Protocol Initiative, 2004.
- 2) Fuel usage in liters is converted to Gjoules using The Greenhouse Gas Protocol Initiative, 2004.
- 3) Fuel usage (Pertamax) in liters is calculated by dividing the total amount spent on fuel (in Rp) by the price of fuel per liter.
- 4) Fuel usage in liters is converted to gigajoules using The Greenhouse Gas Protocol Initiative, 2004.
- 5) Denominator chosen in calculating energy consumption intensity is the number of employees as of December 31st.
- 6) Recalculation of the energy consumption for the year 2021 was carried out due to a correction in the data of fuel usage for that year.
- 7) The types of fuel used are Peralite, Pertamina, Pertamina Turbo, Pertamina Dex, and Dextlite. [GRI 302-1]

In 2023, Bank BTPN's endeavors to improve electrical energy efficiency were realized through the initiative of installing a 20 kWp capacity solar panel at the Gunung Sahari branch. Bank BTPN utilized this Renewable Energy (EBT) to meet the branch's electricity needs. This further solidifies Bank BTPN's commitment to sustainable development.

Bank BTPN is committed to reducing energy consumption by encouraging all employees to conserve electricity across all branch offices. Bank BTPN held an energy-saving competition in all branch offices, resulting in a 1% energy saving from the previous year [GRI 302-4] [OJK F.7]. In addition, Bank BTPN also implements various energy-saving initiatives, such as:

1. Implementing the operation of room Air Conditioning (AC) at a Temperature Setting of 24°C in the branch office.
2. Using shuttle buses for employees to save on fuel.
3. Selecting vendors in close proximity to the branches that require their services
4. Utilizing energy-efficient lighting.
5. Installing a lighting system in the BTPN Tower Head Office with motion sensors to automatically switch off lights in unoccupied rooms.
6. Offering a comprehensive digital application service to reduce the need for customers to physically visit Bank BTPN branch offices.

Energy-saving initiatives at Bank BTPN also include adjusting employees' work schedules, allowing them to work remotely on certain days. While this arrangement undoubtedly decreases fuel consumption, the bank faces challenges in accurately measuring the resulting

reduction in fuel usage due to variations in employees' commuting distances and modes of transportation.

All initiatives to reduce energy consumption have effectively reduced Bank BTPN's energy consumption intensity per employee in 2023 by 4.59 gigajoules per person compared to the previous year. This figure was obtained from the calculation of the difference in greenhouse gas emission intensity from the use of fuel and electricity between the current and the previous year. [GRI 302-4]

EMISSION

Bank BTPN conducts emission calculations as a metric used to assess climate-related risks and opportunities. This process involves accurate measurement and assessment of the company's greenhouse gas emissions, taking into account factors such as energy consumption and production processes. By complying with regulatory guidelines and industry standards, Bank BTPN ensures an accurate assessment of its carbon footprint, leading to a comprehensive understanding of climate-related risks and opportunities.

This data-driven approach aligns with the company's strategy and risk management processes, enabling informed decision-making and proactive measures to address climate-related challenges and leverage opportunities for sustainable practices. Bank BTPN conducts management of greenhouse gas emissions by tracking emissions and implementing energy-saving programs with the goal of controlling the emissions generated. [TCFD M3]

Greenhouse Gas Emissions in Tons CO₂e

[GRI 305-1] [GRI 305-2] [GRI 305-3] [GRI 305-4] [OJK F.11] [TCFD M2]

| Emissions Source | 2023 | 2022 | 2021 |
|--|------------|-----------|-----------|
| Scope 1 (Fuels) | 2,506.91 | 2,722.30 | 2,910.64 |
| Scope 2 (Electricity) | 16,437.87 | 16,526.49 | 17,226.33 |
| Total GHG Emissions (Scope 1 and 2) | 18,944.79 | 19,248.79 | 20,136.97 |
| Number of Employees | 6,636 | 6,972 | 7,129 |
| GHG Emissions Intensity/Employee (Scope 1 and 2) | 2.85 | 2.76 | 2.82 |
| Scope 3 | | | |
| Business Travel | 173.17 | 114.48 | 7.62 |
| Financed Emission* | 228,678.98 | - | - |
| Total GHG Emissions (Scope 3) | 228,852.15 | 114.48 | 7.62 |

Notes:

1. Calculation of GHG emissions from fuel usage (Pertamax) is based on the reference Technical Guidelines for calculating the baseline of energy-based sector GHG emissions, Bappenas, 2014.
2. Calculation of GHG emissions from electricity consumption is carried out based on the provisions of the Directorate General of Electricity of the Ministry of Energy and Mineral Resources, 2017.
3. Calculation of GHG emissions from official travel is carried out in accordance with the standards of the International Civil Aviation Organization (ICAO).
4. Denominator chosen in calculating the GHG emission intensity is the number of employees as of December 31.
5. The fuel consumption data for 2021 has been revised, along with the emission factors (for all gasoline types except Pertamina Turbo) used in the calculations for 2021, 2022, and 2023. Therefore, adjustments have been made to the emission calculations as follows:
 - a) For emission source - coverage 1 year 2022: recalculation has been performed using adjusted emission factors.
 - b) For emission source - coverage 1 year 2021: recalculation has been performed using adjusted emission factors and corrected 2021 data.
6. *Notes on Financed Emissions are included in the narrative, following this table.

Energy savings throughout Bank BTPN's branch offices in 2023 led to a significant reduction in electricity usage, leading to a reduction in emission of 304 tons CO₂e [GRI 305-5][OJK F.12]. The calculation is based on the reduction in emissions in 2023 compared to the previous year, taking into account CO₂ gas emissions in scopes 1 and 2.

Bank BTPN did not include Ozone Depleting Substances (ODS) in its calculations as the bank's operations do not significantly involve the use of these substances. Furthermore, Bank BTPN also did not calculate Nitrogen oxides (NOX), Sulfur oxides (SOX), and other pollutants, as they are not relevant to the bank's business activities. [GRI 305-6] [GRI 305-7]

FINANCED EMISSIONS

In 2023, Bank BTPN initiated the calculation of carbon emissions of its corporate debtors. The emission calculation, particularly falling under scope 3 category 15, includes Financed Emissions utilizing the Partnership for Carbon Accounting Financials (PCAF, 2022) standard. Bank BTPN calculates Financed Emissions using option 1: Reported Emissions, which is an emissions calculation based on the sustainability report of the debtors.

During the corporate debtor screening process, Bank BTPN identified 25 debtors who have disclosed emissions data in their sustainability reports, as published by the corporations over the past three

years, and particularly in 2022. As of the preparation of this report, none of the debtors have published a Sustainability Report for 2023. Therefore, the report presents the Financed Emissions for the 2022 period.

WATER [OJK F.8]

Bank BTPN does not utilize water for production or other business processes, but solely for domestic purposes such as sanitation and office upkeep. The bank does not calculate water consumption, as it is deemed to be a component of the building rental facilities.

WASTE [OJK F.13] [OJK F.14]

The primary type of waste produced by Bank BTPN's operations is paper waste. Nevertheless, the quantity of paper waste has significantly diminished following the implementation of the Front End System (FES) digital information system in 2016. This system allows customers to access it online, eliminating the need for paper in account opening processes and other banking transactions.

Bank BTPN strives to reduce waste from its operational activities by sorting organic and inorganic waste. Inorganic waste, such as plastic and paper, is sorted and collected for reuse. In 2023, Bank BTPN strengthened this initiative by collaborating with environmental organizations to repurpose the collected inorganic waste.



Furthermore, in an effort to reduce plastic waste, Bank BTPN actively promotes the use of refillable water bottles among its employees. The company has implemented a reverse osmosis system to provide high-quality, eco-friendly drinking water, eliminating the need for plastic bottled water. Waste management is overseen by a third-party certified by the building owner, and as such, the company does not monitor waste quantities.

DOLFIN PROJECT INITIATIVE (DIGITAL WORKSPACE FLEXI OFFICE IN NEW NORMAL)

Despite the pandemic being over, Bank BTPN views the opportunity for employees to work from home as a method to conserve energy and reduce emissions from employee commuting. Additionally, this project



reduces energy consumption and emissions in the office by reducing the use of office space, thereby contributing to a reduction in electricity usage.

However, to ensure seamless work operations and the effectiveness of implementing Work From Home (WFH), Bank BTPN introduced the Dolfin initiative as a solution and mitigation for this situation through the implementation of attendance and surveillance, as well as a digital workspace. The Dolfin framework serves as a fundamental requirement for its implementation.

Further implementation is determined by the policies of each Board of Directors (BOD) and Board of Management (BOM). The Dolfin framework referred to is as follows:

1. Identifying a list of activities for each work unit.
2. Providing tools for accurate check-in/out processes.
3. Providing tools to monitor employees with access to sensitive bank data/information.
4. Providing tools to monitor tasks assigned to employees.
5. Providing tools to facilitate the digital approval process for documents.

It is expected that the Dolfin Project will yield the following maximum outcomes:

1. Monitoring of employee working hours and locations
2. Ensuring individual and departmental performance aligns with KPIs
3. Improving information security during Work From Home (WFH)
4. Reducing paper usage for administrative processes and transitioning to digital systems

The Dolfin Project has been implemented since 2022 and has been gradually implemented in five directorates: Operations, Human Resources, Compliance, Legal, Corporate Secretary (CLCS), Risk Management, and Internal Audit. The beneficial impacts of the Dolfin Project are evident among employees, including:

1. Improved mental well-being for employees, particularly those with young children and long commutes to the office, in managing their work.
2. Implementing Work From Anywhere (WFA) with a combination of WFH and WFO to enhance office space and utilities efficiency.

In relation to environmental expenses, Bank BTPN does not specifically itemize environmental living costs, as they are included in other expenses, such as green building maintenance, emission management costs, and other related expenses. [\[OJK F.4\]](#)

INNOVATION IN SUSTAINABLE GOVERNANCE

Bank BTPN continues to innovate in the practice of governance to consider climate impact and advance green economy as a manifestation of a deep awareness to actively participate in efforts to mitigate climate impact and commitment to sustainability.



Bank BTPN is committed to transforming into a sustainable finance institution by integrating ESG aspects into its overall banking governance practices. Good Corporate Governance (GCG) practices are implemented to enhance customer trust and ensure transparent, credible, and accountable operational activities to all stakeholders.

Therefore, in its execution, Bank BTPN complies with regulations, various applicable standards, and best practices at both national and international levels. The legal bases for Bank BTPN's governance include:

1. Law No. 40 of 2007 concerning Limited Liability Companies.
2. Law No. 10 of 1998 concerning amendments to Law No. 7 of 1992 concerning Banking.
3. OJK Regulation No. 17 of 2023 concerning the Implementation of Governance for Commercial Banks.
4. OJK Regulations, including those governing the Audit Committee, Nomination and Remuneration Committee, Board of Commissioners and Directors, General Meeting of Shareholders, Internal Audit, Public Accountants and Public Accounting Firms, as well as Compliance Director and Corporate Secretary.
5. General Guidelines for Good Corporate Governance in Indonesia from the National

Committee for Governance Policy (Komite Nasional Kebijakan Governansi/KNKG).

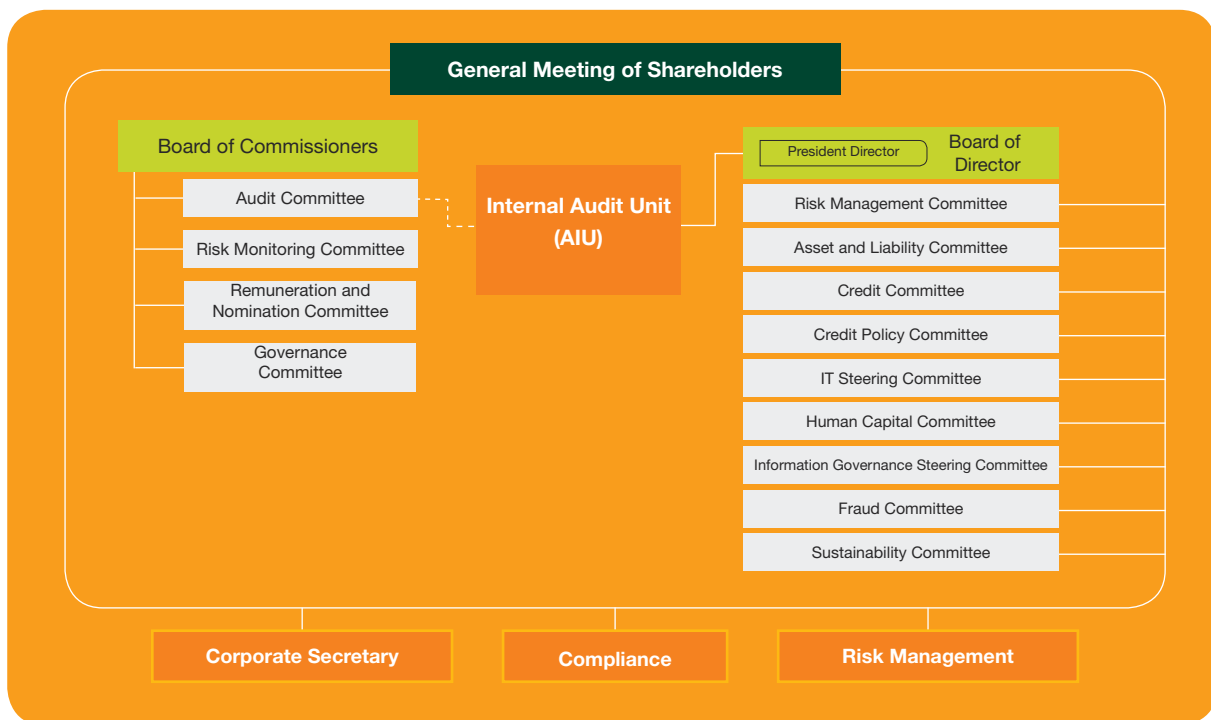
6. Bank's Articles of Association.
7. Bank Policies and Procedures.

Ensuring compliance with legal regulations in the implementation of Good Corporate Governance (GCG) fosters positive relationships between the company's organs and external stakeholders in carrying out their duties and responsibilities to achieve the company's objectives. Bank BTPN employs diverse governance strategies that align with business ethics and applicable regulations, including:

1. Preventive action,
2. Early detection,
3. Corrective action,
4. Supervision with the four-eyes principle,
5. Segregation of duties,
6. Audit trail.

GOVERNANCE STRUCTURE [GRI 2-9]

Bank BTPN's governance structure is established in accordance with Law No. 40 of 2007, stipulating a governance structure comprising the General Meeting of Shareholders (GMS), the Board of Commissioners, and the Board of Directors.



GENERAL MEETING OF SHAREHOLDERS (GMS)

The General Meeting of Shareholders (GMS) is the highest organ in the company responsible for making important decisions related to the company. According to the law, the authority held by the GMS is not delegated to the Board of Commissioners and the Board of Directors. The authorities of the GMS include:

1. Approval of company reports, such as corporate governance (GCG) implementation reports, board of commissioners' supervisory task reports, financial reports, and annual reports;
2. Determination of the use of profits and/or company losses;
3. Changes in the composition of the Board of Commissioners and the Board of Directors;
4. Determination of the amount of salaries and allowances for members of the Board of Commissioners and the Board of Directors, and others.
5. Appointment of public accountants and/or public accounting firms.
6. Approval of company resolution plans.
7. Elaboration of company reports including the bank's business plan, sustainable finance action plan, and company action plan.

Bank BTPN convenes General Meeting of Shareholders (GMS) at a minimum once a year, and if necessary, an Extraordinary GMS can be convened. In the reporting year, Bank BTPN convened 1 Annual GMS on April 13, 2023, and 2 Extraordinary GMS on June 22, 2023, and December 7, 2023.

BOARD OF COMMISSIONERS

The Board of Commissioners is the highest supervisory body within a company, responsible for overseeing strategic policies, decision-making, and the activities of the Board of Directors. The Board of Commissioners is tasked with safeguarding shareholders' interests by ensuring that the company's operations comply with applicable laws and regulations, as well as upholding good corporate governance principles to promote the company's success.

In general, the Board of Commissioners has the following duties and responsibilities:

1. Ensuring the implementation of corporate governance across all levels of the organization in every aspect of the Bank's operations.

2. Overseeing the implementation of the Board of Directors' duties and responsibilities and providing advice to the Board of Directors.
3. Directing, monitoring, and evaluating the execution of the Bank's strategic policies.
4. Allocating sufficient time to effectively carry out its duties and responsibilities.
5. Ensuring that the Board of Directors has followed up on audit findings and recommendations from the internal audit unit of the Bank, external auditors, the Financial Services Authority's supervision, and/or the supervision of other regulatory bodies.
6. In carrying out the supervision as referred to in point 2, the Board of Commissioners is prohibited from being involved in making decisions regarding the Bank's operational activities, except for:
 - 1) Providing funds to related parties as regulated in the Financial Services Authority provisions on the Maximum Limits of Commercial Bank Credit Provision; and
 - 2) Other matters stipulated in the Bank's Articles of Association or applicable regulations.
7. Duty of care

The Board of Commissioners is responsible for carrying out its duties and responsibilities in good faith and based on the principle of prudence and professionalism. In this regard, the Board of Commissioners must, among other things:

 - Always act honestly and in a good faith.
 - Always use the principle of prudence in decision-making.
 - Not cause the Company to violate applicable provisions.
 - Attend and actively participate in Board of Commissioners meetings.
 - Ensure the efficient and effective implementation of the internal control system.
8. Duty of loyalty

The Board of Commissioners in its decision-making must be carried out solely for the benefit of the Bank, and in this regard, personal or group interests must be set aside in favor of the company's interests. In this regard, the Board of Commissioners is prohibited from:

 - Having direct or indirect transactions with the Bank without first disclosing their related interests and obtaining the approval of the Board of Commissioners and/or the General Meeting of Shareholders.
 - Utilizing the Bank, including but not limited to using the Company's assets and facilities, for personal, family, and/or other parties' interests that may harm or reduce the Bank's profits.

- Disclosing non-public information to third parties.
 - Taking and/or receiving personal benefits from the Bank other than remuneration and other facilities determined by the General Meeting of Shareholders.
 - Using internal information for personal gain.
9. Evaluate, direct, and monitor the strategic plan for Information Technology (IT); and
 10. Evaluate, direct, and monitor the implementation of IT governance.

The Board of Commissioners has supporting structures (committees), as follows:

1. Audit Committee,
2. Remuneration and Nomination Committee,
3. Risk Monitoring Committee,
4. Corporate Governance Committee.

Each committee is tasked with conducting reviews and oversight in accordance with the duties and responsibilities outlined in the guidelines and working regulations specific to each committee.

BOARD OF DIRECTORS

The Board of Directors is tasked with managing the company and representing the company in and out the court. The Board of Directors is responsible for the daily operations and the implementation of policies established by the Board of Commissioners. In general, the Board of Directors holds the following duties and obligations:

1. The Board of Directors shall be fully responsible for the implementation of the Bank's management.
2. The Board of Directors shall manage the Bank in accordance with its authority and responsibilities as stipulated in the Articles of Association and prevailing laws and regulations.
3. The Board of Directors shall implement the principles of corporate governance in all business operations of the Bank across all organizational levels.
4. The Board of Directors shall follow up on audit findings and recommendations from the Internal Audit unit, external auditors, supervisory examinations by the Financial Services Authority and/or other authorities.

The Board of Directors establishes committees to manage specific areas and assist in the operational management of the company. These committees include:

1. Asset and Liability Committee
2. Risk Management Committee
3. Information Technology Steering Committee
4. Credit Policy Committee
5. Credit Committee
6. Information Governance Steering Committee
7. Human Capital Committee
8. Fraud Committee
9. Sustainability Committee

The Board of Commissioners and the Board of Directors lead Bank BTPN independently without any overlapping positions between the two corporate bodies. The independence of the Board of Commissioners and the Board of Directors is crucial for them to carry out their duties and responsibilities objectively and free from the influence of other parties that may cause conflicts of interest.

Bank BTPN ensures the independence of the Board of Commissioners and the Board of Directors by ensuring that: [\[GRI 2-11\]](#)

1. They do not have any direct or indirect business relationship related to Bank BTPN's business activity;
2. They do not hold concurrent positions as directors or executive officers overseeing the bank.
3. They do not have family relationships up to the second degree with other members of the Board of Commissioners and/or the Board of Directors.

The committees within the Board of Commissioners and the Board of Directors mentioned above are accountable for overseeing Bank BTPN's impact on the economy, environment, and society, within their respective roles and responsibilities. The Board of Directors' performance is assessed in an objective, transparent, and accountable manner using Key Performance Indicators (KPIs) agreed upon with the Board of Commissioners. [\[GRI 2-9\]](#)

BOARD OF COMMISSIONERS [GRI 2-9]

The Board of Commissioners is non-executive body that operates independently from the Board of Directors.

| Name | Position | Gender | Tenure | Competence |
|-----------------------------|--------------------------|--------|-----------|------------|
| Chow Ying Hoong | President Commissioner | Male | 2022-2025 | Economy |
| Takeshi Kimoto | Commissioner | Male | 2022-2025 | Economy |
| Ninik Herlani Masli Ridhwan | Independent Commissioner | Female | 2022-2025 | Economy |
| Onny Widjanarko | Independent Commissioner | Male | 2023-2025 | Economy |
| Edmund Tondobala | Independent Commissioner | Male | 2022-2025 | Economy |
| Ongki Wanadjati Dana | Commissioner | Male | 2022-2025 | Economy |

| Name | Position and Other Commitment | Representative of Stakeholder |
|-----------------------------|--|---|
| Chow Ying Hoong | Senior Regional Advisor, Asia Pacific Division of Sumitomo Mitsui Banking Corporation | Non-Independent, representing the interests of the controlling shareholder. |
| Takeshi Kimoto | Executive Officer, Managing Director of Asia Growing Markets Department of Sumitomo Mitsui Banking Corporation and Sumitomo Mitsui Financial Group | Non-Independent, representing the interests of the controlling shareholder. |
| Ninik Herlani Masli Ridhwan | | Independent |
| Onny Widjanarko | | Independent |
| Edmund Tondobala | | Independent |
| Ongki Wanadjati Dana | Commissioner of PT Bank BTPN Syariah Tbk | Non-Independent due to the absence of a cooling-off period from the previous position as the President Director of Bank BTPN, thus deemed to have an affiliation with Bank BTPN |

BOARD OF DIRECTORS [GRI 2-9]

The Board of Directors is an executive body that operates independently from the Board of Commissioners.

| Name | Position | Gender | Tenure | Competence |
|-----------------|---------------------------|--------|------------|---------------------------------|
| Henoch Munandar | President Director | Male | 2022 -2025 | Economy |
| Kaoru Furuya | Deputy President Director | Male | 2022 -2025 | Laws |
| Darmadi Sutanto | Deputy President Director | Male | 2022 -2025 | Civil Engineer |
| Dini Herdini | Compliance Director | Female | 2022 -2025 | Laws |
| Atsushi Hino | Director | Male | 2023 -2025 | Business and Commercial Science |
| Keishi Kobata | Director | Male | 2023 -2025 | Information Engineering |
| Merisa Darwis | Director | Female | 2022 -2025 | Information Technology |
| Hanna Tantani | Director | Female | 2022 -2025 | Economy |

NOMINATION AND SELECTION OF BOARD OF COMMISSIONERS AND DIRECTORS

[GRI 2-10]

BOARD OF COMMISSIONERS

Policies and Procedures

The policy for nominating members of the Board of Commissioners is carried out in the context of the election and/or replacement of members of the Board of Commissioners, to subsequently be presented at the General Meeting of Shareholders. The candidate selection process is carried out by the Remuneration and Nomination Committee. The committee takes into account competence, professional experience, as

well as diversity of composition without discriminating based on race, ethnicity, gender, and religion.

The Remuneration and Nomination Committee proposes selected candidates to the Board of Commissioners for approval and ratification at the General Meeting of Shareholders. However, prior to this, the Board of Commissioners must have passed a fit and proper test before carrying out their duties. The Bank's management must meet the requirements of integrity, competence, and financial reputation. As of December 2023, all members of the Board of Commissioners have met the requirements to pass the fit and proper test.

Nomination Process for Candidates of Board of Commissioners

| PROPOSAL | SELECTION & RECOMMENDATION | DECISION |
|---|--|--|
| <ol style="list-style-type: none"> Proposed Board of Commissioners candidates from the Shareholders/ Directors/ Commissioners. Submitting the candidates list to the Remuneration and Nomination Committee. | <ol style="list-style-type: none"> Selection process by the Remuneration and Nomination Committee, including: <ol style="list-style-type: none"> Analysis of Competence and background of the candidates. Interview (if needed). Submitting the F&P test result to OJK. | <ol style="list-style-type: none"> Approval from the OJK for the proposed candidates for the Board of Commissioners. Submission of recommendations from the Remuneration & Nomination Committee to the Board of Commissioners. The Board of Commissioners proposes candidates to the General Meeting of Shareholders (GMS) taking into account the recommendations from the Remuneration & Nomination Committee. GMS's Decision regarding the composition of the Board of Commissioners. Notifying OJK on the changes in the composition of the Board of Commissioners. |

BOARD OF DIRECTORS

Policies and Procedures

The policy for nominating members of the Board of Directors is carried out in order to select and/or replace members of the Board of Directors, to subsequently be presented at the General Meeting of Shareholders. The candidate selection process is carried out by the Remuneration and Nomination Committee. The committee takes into account competence, professional experience, and diversity of composition without discriminating based on race, ethnicity, gender, or religion.

The Remuneration and Nomination Committee proposes selected candidates to the Board of Commissioners for approval and ratification at the General Meeting of Shareholders. However, prior to this, the Board of Directors must pass a fit and proper test before assuming their duties. The Bank's management must meet the requirements of integrity, competence, and financial reputation. As of December 2023, all members of the Board of Directors have met the requirements to pass the fit and proper test.

Nomination Process for Candidates of Board of Directors

| PROPOSAL | SELECTION & RECOMMENDATION | DECISION |
|--|--|--|
| <ol style="list-style-type: none"> 1. Proposal of members of the Board of Directors from Shareholders/Directors/Commissioners. 2. Submission of proposed Director candidates to the Remuneration & Nomination Committee. | <ol style="list-style-type: none"> 1. The Selection Process by the Remuneration & Nomination Committee includes: <ol style="list-style-type: none"> a. Analysis of the candidates' competencies and backgrounds. b. Interviews (if necessary). 2. Submission of the Fit & Proper Test process to the OJK. | <ol style="list-style-type: none"> 5. Approval from the OJK for the proposed Board of Directors candidates. 6. Submission of recommendations from the Remuneration & Nomination Committee to the Board of Commissioners. 7. The Board of Commissioners proposes Director candidates to the General Meeting of Shareholders (GMS) while considering the recommendations from the Remuneration & Nomination Committee. 8. GMS's Decision regarding the composition of the Board of Directors. 9. Notifying OJK on the changes in the composition of the Board of Directors. |

CONFLICT OF INTEREST [GRI 2-15]

Conflict of interest impedes a company's performance when its members prioritize personal interests, leading to biased decisions that harm the shareholders or other stakeholders. Conflict of interest can lead to the loss of trust from stakeholders, affecting the company's reputation and competitiveness.

As a result, Bank BTPN has formulated policies and procedures aimed at preventing conflicts of interest, outlined in the Bank BTPN Code of Conduct and disseminated to all Bank BTPN personnel. The bank employs various strategies to identify and prevent potential conflicts of interest within the organization, including:

1. Employees are prohibited from accepting or soliciting any form of gift from employees/prospective employees, customers/prospective customers, partners/prospective partners in exchange for services that are already part of their job responsibilities.
2. Employees must report to Human Resources (HR) should there be any family-bond relationships with other employees/candidates. HR is required to note it down in each employee's personal file as one of the considerations relating to transfer and/or promotion.
3. Employees are prohibited from entering into employment agreements with any other parties during their working hours, and/or earning income other than from Bank BTPN related to their job or position in the Bank.

4. Employees are prohibited from engaging in any personal business or enterprise that interferes with or compromises their professionalism and integrity while employed at Bank BTPN.
5. Employees are prohibited from offering any other products/services/businesses other than the bank's offerings to bank customers.
6. Employees are prohibited from processing a loan application or selecting vendors who are their family members and relatives. In such cases, employees are required to notify their manager, who will then assign the loan processing or vendor selection to other employees.

Bank BTPN enforces several regulations to prevent conflicts of interest, including:

1. Implementing the "Four-Eyes Principle";
2. Separating functions and responsibilities that may cause a conflict of interest;
3. Ensuring the implementation of Good Corporate Governance (GCG) to prevent conflicts of interest in all Bank BTPN's operations, including vendor selection process, procurement of goods and services, and entertainment of third parties;
4. All potential conflicts of interest aspects are closely monitored and managed by independent entities, including internal audit teams and external public accountants.

The Bank BTPN Code of Conduct is enforced by Bank BTPN's Board of Commissioners and the Board of Directors to reduce the potential of conflicts of interest. In the event of a conflict of interest, the matter will be addressed and disclosed to the relevant stakeholders in accordance with the established policy.

POLICY COMMITMENTS [GRI 2-23]

Members of the Board of Commissioners, the Board of Directors, and employees of Bank BTPN are required to carry out their responsibilities in accordance with the company's integrity principles in order to maintain the trust and loyalty of customers. Bank BTPN's commitment to fostering an industrial relationship founded on integrity principles is manifested in the Bank BTPN Code of Conduct, serving as the basis for the conduct of all individuals within Bank BTPN.

The integrity-related policy commitments outlined in the Bank BTPN Code of Conduct include:

1. Compliance and risk management
2. Conflict of interest
3. Establishing a conducive work environment by:
 - a. Ensuring fair treatment for all employees
 - b. Preventing discrimination and harassment
 - c. Maintaining workplace safety
 - d. Proper use of company facilities
 - e. Conducting activities outside the company
 - f. Appropriate use of social media
 - g. Communication through LInK and HELP
 - h. Implementing the Know Your Employee guidelines
4. Information management and security
5. Relations with stakeholders
 - a. Relations with customers
 - b. Anti-money laundering
 - c. Relations with partners or business associates
 - d. Relations with regulators
 - e. Relations with shareholders and subsidiaries
 - f. Bribery and corruption
 - g. Giving and receiving entertainment and gifts
 - h. Insider information and personal investment transactions

In addition to governance policies, Bank BTPN prioritizes human rights in its employment practices. The company's employee management policies adhere to both Indonesian regulations and international labor standards, including the International Labour Organization (ILO) conventions.

Bank BTPN is also committed to contributing to address climate change through green financing schemes that

channel funds to sustainable projects and industries. The bank ensures that potential debtors comply with environmental and social regulations through several policies, including:

1. Ownership of Environmental Impact Analysis (AMDAL) as one of the legal aspects for debtor's business in a certain segment.
2. Performance Achievement in the Company's Performance Rating Program in Environmental Management (PROPER) from the Ministry of Environment and Forestry.
3. Requirements for corporations in the plantation sector to own a Plantation Business Permit (IUP), a Cultivation Plantation Business Permit (IUP-B), a Plantation Business Permit - Processing (IUP-P), a Plantation Business Registration Certificate (SPUP), and a Roundtable on Sustainable Palm Oil (RSPO) Certificate for those exporting palm oil industry.
4. All corporations operating in forest cultivation are required to own a Forest Stewardship Council (FSC) Certificate or Programme for the Endorsement of Forest Certification (PEFC).
5. And other requirements in accordance with the prevailing laws and regulations.

The Board of Directors has established this series of policies to be integrated into all Bank BTPN's business activities. The bank strives to foster a culture of sustainability by conducting dissemination on environmental and social policies to all individuals within Bank BTPN and all parties working with Bank BTPN through direct communication, training, email, e-learning, integrity pacts, and dissemination via Bank BTPN's website. These policy commitments can be found on the Bank BTPN website: <https://www.btpn.com/id/tentang-kami>.

COMMITMENT FOR RESPONSIBLE BUSINESS CONDUCT [GRI 2-24]

Bank BTPN is committed to conducting its business activities in an ethical, transparent, and sustainable manner, as outlined in its business strategy, Standard Operational Procedure (SOP), and guidelines. When collaborating with external parties, Bank BTPN ensures that this commitment is effectively communicated to its business partners.

Bank BTPN conducts a range of activities, including training, socialization, and the signing of anti-fraud integrity pacts and ethical codes, to ensure that all business activities align with the company's ethical standards.

These activities encompass anti-fraud awareness training, entertainment and gift training, induction of the Bank BTPN Code of Conduct, and data confidentiality governance training.

Bank BTPN also integrates compliance and respect for Human Rights as an integral part of the company's business operations, across all aspects and business lines of the company. Bank BTPN ensures that external parties as its partners are committed to upholding human rights in accordance with the United Nations Guiding Principles on Business and Human Rights, or have at least complied with relevant human rights regulations in Indonesia.

Bank BTPN has adopted a human rights-centered approach by integrating the Modern Slavery Act in its labor aspects. The Modern Slavery Act aims to address modern slavery practices, human trafficking, and labor exploitation. This act is designed to encourage companies to identify and reduce the risk of modern slavery in their supply chains. This commitment is realized through the enforcement of the Modern Slavery Act screening against Bank BTPN's business partners.

To enforce the Modern Slavery Act and Human Rights, Bank BTPN also strives to enhance vendor capacity by organizing human rights seminars. These seminars aim to raise awareness and understanding of relevant human rights issues. By taking this approach, Bank BTPN not only ensures compliance with relevant regulations but also plays an active role in educating and promoting social responsibility among its business partners.

PROCESSES TO REMEDIATE NEGATIVE IMPACTS [GRI 2-25]

Bank BTPN strives to minimize the negative impact caused by its business operations by adhering to risk management principles, including internal control systems, data and information leakage mitigation systems, and other relevant measures.

In terms of environmental impact, Bank BTPN always strives to minimize significant negative impacts on the environment through selective credit disbursement processes and responsible operational management. Bank BTPN also applies Social Return On Investment (SROI) analysis to the programs and activities carried out by the company in an effort to better understand the environmental and social impacts and to ensure that the company continues to prioritize sustainability in its business practices.

Bank BTPN strives to establish a clean work environment free from any violations, whether they are committed by employees, management, or other parties associated with the company. For this reason, Bank BTPN has implemented a Whistleblowing System, allowing stakeholders to submit complaints and report fraud or ethical violations. This system is designed to provide convenience for both internal and external parties of Bank BTPN when submitting complaints or reports. Further information on the Whistleblowing System can be found on page 134.

INTERNAL CONTROL SYSTEM

Internal control system is crucial for ensuring good corporate governance. Bank BTPN is committed to upholding integrity and enhancing operational effectiveness and efficiency through an internal control system based on the three lines of defense model, ensuring that each unit operates independently. The functions and responsibilities of the Three Line of Defense in Bank BTPN's internal control system are as follows:

1. The First Line of Defense comprises the Business and Support Units, also known as Risk-Taking Unit responsible for directly managing and controlling operational risks in all their work activities with discipline. At the operational level, the bank has established a Quality Assurance (QA) function to support the Risk Taking Unit (RTU) in managing daily operational risks.
2. The Second Line of Defense comprises the Risk Management Unit (RMU) along with the Compliance Unit and other related units. These units serve as risk overseers responsible for developing frameworks, policies, procedures, methodologies, and tools to define, refine, coordinate, and ensure the overall risk management implementation across all units.
3. The Third Line of Defense is Internal Audit, which conducts independent assessments and reviews to ensure that inherent risks have been managed and are within the established risk tolerance and appetite. Internal Audit carries out supervision and assessment of risk management, the effectiveness of internal controls, and governance processes in all aspects of Bank BTPN's operations. This oversight is extended to the first and second lines of defense.

Periodically, Internal Audit assesses systems and procedures aimed at safeguarding Bank BTPN's assets, ensure the accuracy and reliability of accounting data, and safeguard the funds of the public

and other third parties. Additionally, assessments are conducted on a range operational activities at Bank BTPN, including customer service, infrastructure, human resources, and other activities that may pose financial and reputational risks.

The findings of these assessments are communicated to the President Director, Board of Commissioners, Audit Committee, and the Board of Directors if applicable. Additionally, Internal Audit undergoes an independent assessment once every three years to verify compliance with relevant standards and the reliability of the audit process.

PREVENTION AND ERADICATION OF FRAUD

Fraud is a deliberate act of deviation or omission aimed at deceiving, cheating, or manipulating a bank, customer, or other party. This can occur within the bank's environment and/or using its facilities, leading to financial losses for the bank, customer, or other party, while the perpetrator gains direct or indirect financial benefits. Fraud can manifest as corruption, bribery, asset misuse, report manipulation, document forgery, and other actions that can harm the company's reputation and erode the trust of customers, investors, and other stakeholders.

Bank BTPN has adopted a zero-tolerance approach to fraud and has implemented a comprehensive system to prevent various fraudulent activities in accordance with the OJK Regulation No. 39/POJK.03/2019 concerning the Implementation of Anti-Fraud Strategy for Commercial Banks.

Bank BTPN conducts risk identification for all its business activities to ensure sufficient controls and prevent various risks, including fraud. Bank BTPN has found 45 processes with a high level of risk, or 7.29% of the total processes at Bank BTPN. [\[GRI 205-1\]](#)

The tangible manifestation of Bank BTPN's commitment to combating fraud is demonstrated through the implementation of signing anti-fraud integrity pacts and codes of conduct, as well as the dissemination of anti-fraud awareness via e-newsletters, B Connect, Now You Know, News Sharing, Email Blast, Desktop Wallpaper, and the implementation of training and e-learning to raise awareness of fraud risks. Bank BTPN provides a whistleblowing mechanism for internal and external parties to report suspected fraud, ethical, and integrity violations.

Bank BTPN's anti-fraud education covers several topics, including:

- Definition of fraud;
- Anti-fraud strategies;
- Classification of fraud;
- Background of fraud occurrences;
- How to prevent fraud;
- Sanctions for perpetrators of fraud and parties involved in fraudulent activities; and
- Various means to report indications or occurrences of fraud.

Communication and Training on Anti-Corruption/Anti-Fraud by Regions [\[GRI 205-2\]](#)

| | The Organization Communicated About Anti-Corruption/Anti-Fraud Policies and Procedures | | Attended Anti-Corruption/Anti-Fraud Training | |
|-----------------|--|------------------------------------|--|------------------------------------|
| | Total (Employee) | Percentage From The Total Employee | Total (Employee) | Percentage From The Total Employee |
| Greater Jakarta | 3,206 | 48% | 3,022 | 47% |
| Java | 1,831 | 28% | 1,786 | 28% |
| Outside Java | 1,592 | 24% | 1,565 | 25% |
| TOTAL | 6,629 | 100% | 6,373 | 100% |

Communication and Training on Anti-Corruption/Anti-Fraud by Employee Categories [GRI 205-2]

| | The Organization Communicated About Anti-corruption/Anti-Fraud Policies and Procedures | | Attended Anti-Corruption/Anti-Fraud Training | |
|---------------------|--|------------------------------------|--|------------------------------------|
| | Total Number of Participants (Participant) | Percentage From The Total Employee | Total Number of Participants (Participant) | Percentage From The Total Employee |
| Board of Management | 10 | 0,2% | 8 | 0,1% |
| Top Management | 177 | 2,7% | 170 | 2,7% |
| Senior management | 740 | 11,2% | 712 | 11,2% |
| Management | 2,881 | 43,6% | 2,747 | 43,2% |
| Officer/Supervisor | 1,586 | 24,0% | 1,527 | 24,0% |
| Clerical | 1,215 | 18,4% | 1,195 | 18,8% |
| TOTAL | 6,609 | 100% | 6,359 | 100% |

All members of the Board of Commissioners and Directors of Bank BTPN, both in Indonesia and abroad, have completed anti-fraud training via regular e-Learning sessions.

Bank BTPN has also communicated anti-fraud measures to its business partners collaborating with the bank through sharing sessions and notification letters. The data of business partners collaborating with the bank is as follows:

Business Partners Receiving Anti-Corruption/Anti-Fraud Communication [GRI 205-2]

| Description | Total | % |
|------------------|-------|------|
| Service Provider | 446 | 75% |
| Supplier | 148 | 25% |
| TOTAL | 594 | 100% |

Bank BTPN enforces strict measures and imposes sanctions on individuals involved in fraud, ethical misconduct, and breaches of integrity. Any employees, management personnel, or business partners found to be in violation of the regulations will be subject to sanctions based on the nature of the offense. These sanctions may include written warnings, demotion, termination of employment, and claims for damages. Bank BTPN does not disclose the number of fraud cases due to confidentiality reasons. [GRI 205-3]

WHISTLEBLOWING SYSTEM

[GRI 2-26] [FN-CB-510a.2]

In an effort to improve business transparency, prevent fraud and ethical violations, and uphold integrity, Bank BTPN has implemented a violation reporting system via whistleblowing channels.

Whistleblowing channels provide a platform for individuals to report incidents related to fraudulent activities, legal violations, violations of company regulations, violations of ethical codes, and conflicts

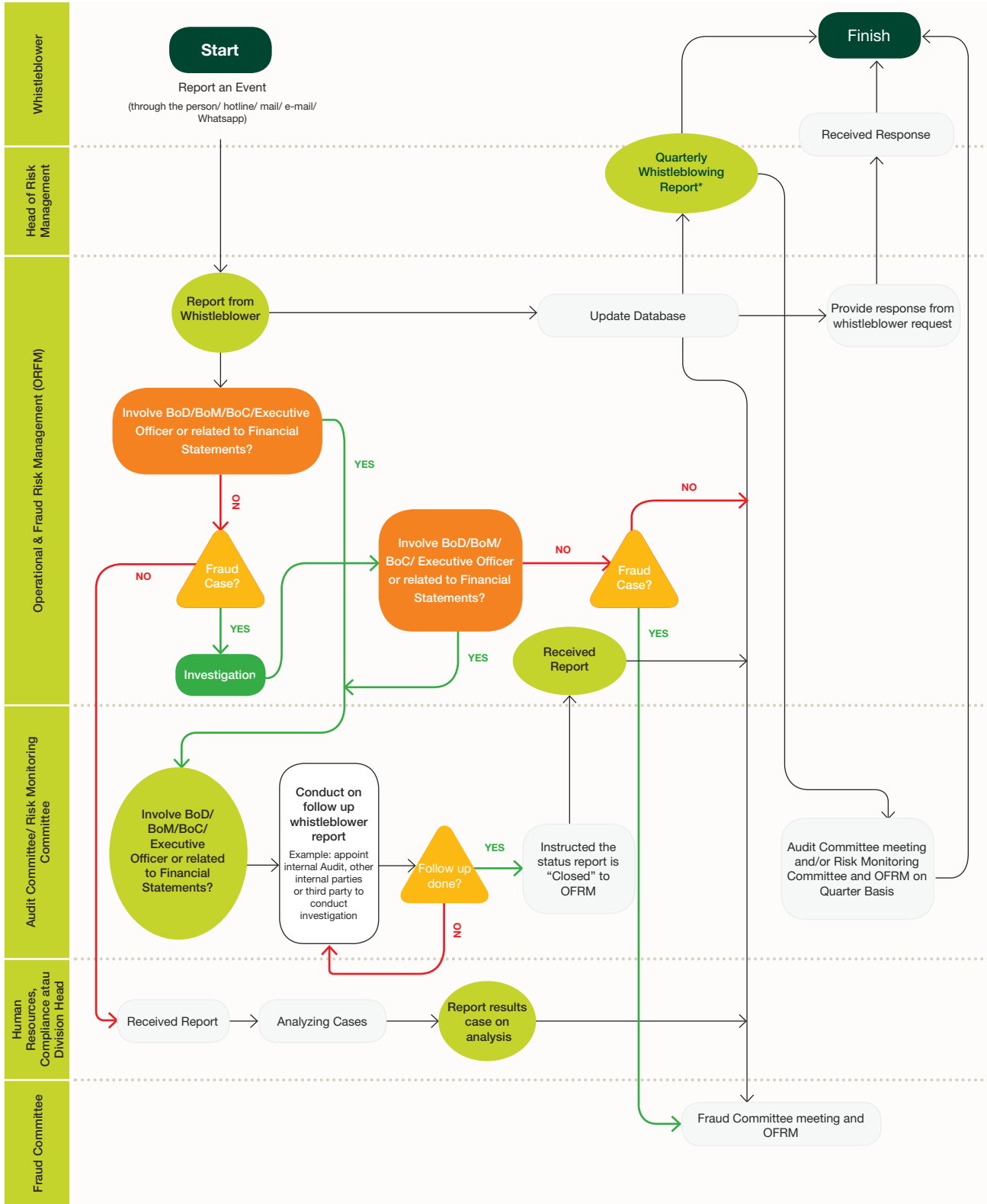
of interest involving Bank BTPN employees. These reports are expected to be made in good faith and should not stem from personal grievances or defamation.

Bank BTPN shall follow up on the complaints submitted according to the following criteria:

1. Whistleblowers must provide their identity, including their name (anonymous is allowed).
2. Active phone number/email for follow-up.
3. Reports must at least explain (4W1H): what happened (what), the parties involved (who), time of incident (when), place of the incident (where), and how did it happen (how).

Bank BTPN guarantees the confidentiality of the whistleblower's personal data and provides assurance of protection against any form of pressure related to the complaints submitted by the whistleblower. Bank BTPN upholds the principle of protecting human rights and ensures the confidentiality of the whistleblowers. In 2023, the whistleblowing channel received 42 complaints, with 98% of them have been resolved, while the remaining complaints are currently being processed. [OJK F.24]

Whistleblowing Process Flow Diagram



COMMUNICATION OF CRITICAL CONCERNS

[GRI 2-16]

Bank BTPN has devised a comprehensive strategy to mitigate significant risks by presenting procedures to the Board of Commissioners and the Board of Directors for the swift and efficient detection and management of critical concerns. This process involves the dissemination of written reports and participation in meetings of the Board of Commissioners, the Board of Directors, as well as joint meetings of Board of Commissioners and Directors.

During the reporting year, no critical concerns related to Bank BTPN’s business operations were brought to the attention of the Board of Commissioners and the Board of Directors.

ENHANCEMENT OF THE BOARD OF COMMISSIONERS AND DIRECTORS’ CAPACITY [GRI 2-17] [OJK E.2]

The successful implementation of strategies and achievement of corporate goals is greatly influenced by the decisions made by the Board of Commissioners and the Board of Directors regarding the company’s operational policies. Hence, Bank BTPN offers training in the areas of economics, environment, social, and governance for the Board of Commissioners and the Board of Directors, as follows:

Enhancement of the Board of Commissioners’ Capacity [GRI 2-17] [OJK E.2]

| No | Name | Trainings | Date |
|----|--|---|---|
| 1. | Chow Ying Hoong – President Commissioner | <ol style="list-style-type: none"> Economic Outlook Update by Raden Pardede Executive Risk Management Certification Refresher Leadership Series: Influence for Impact Political Update by Philips J. Vermonte | <ol style="list-style-type: none"> June 6, 2023 July 26, 2023 December 5, 2023 December 8, 2023 |
| 2. | Takeshi Kimoto - Commissione | <ol style="list-style-type: none"> Economic Outlook Update by Raden Pardede Executive Risk Management Certification Refresher Leadership Series: Influence for Impact Political Update by Philips J. Vermonte | <ol style="list-style-type: none"> June 6, 2023 July 26, 2023 December 5, 2023 December 8, 2023 |
| 3. | Ninik Herlani Masli Ridhwan – Independent Commissioner | <ol style="list-style-type: none"> Leadership Series : Creating Strategy to Connect The Generation Gap Economic Outlook Update by Raden Pardede Executive Risk Management Certification Refresher Leadership Series: Influence for Impact Political Update by Philips J. Vermonte | <ol style="list-style-type: none"> March 4, 2023 June 6, 2023 July 26, 2023 December 5, 2023 December 8, 2023 |
| 4. | Onny Widjanarko – Independent Commissioner | <ol style="list-style-type: none"> Training: Risk Management Certification Level 2 Induction 2022: BTPN Overview Economic Outlook Update by Raden Pardede Induction 2022 : Compliance Leadership Series: Influence for Impact Political Update by Philips J. Vermonte | <ol style="list-style-type: none"> January 12, 2023 June 5, 2023 June 6, 2023 June 17, 2023 December 5, 2023 December 8, 2023 |
| 5. | Edmund Tondobala – Independent Commissioner | <ol style="list-style-type: none"> Leadership Series : Creating Strategy to Connect The Generation Gap Economic Outlook Update by Raden Pardede Executive Risk Management Certification Refresher Leadership Series: Influence for Impact Political Update by Philips J. Vermonte | <ol style="list-style-type: none"> March 4, 2023 June 6, 2023 July 26, 2023 December 5, 2023 December 8, 2023 |
| 6. | Ongki Wanadjati Dana - Commissione | <ol style="list-style-type: none"> Leadership Series : Creating Strategy to Connect The Generation Gap Economic Outlook Update by Raden Pardede Leadership Series : Managing Global Business Risk Executive Risk Management Certification Refresher Leadership Series: Influence for Impact Political Update by Philips J. Vermonte | <ol style="list-style-type: none"> 4 Maret 2023 6 Juni 2023 14 Juni 2023 26 Juli 2023 5 Desember 2023 8 Desember 2023 |

Enhancement of the Board of Directors' Capacity [GRI 2-17] [OJK E.2]

| No | Name | Trainings | Date |
|----|--|--|---|
| 1. | Henoch Munandar - President Director | <ol style="list-style-type: none"> 1. Thriving in the age of Analytics with Digital Mindset 2. Leadership Series : Creating Strategy to Connect The Generation Gap 3. Media Training 4. Executive Risk Management Certification Refresher - 2023 5. Sustainable Finance Offline Seminar 6. National Seminar "Macroprudential Liquidity Incentive Policy" 7. Bank BTPN Sustainability Seminar 2023 8. CEO Networking 2023 9. Bank BTPN Economic Outlook 2024 10. Year-End Dialogue of OJK Board of Commissioners Members and the Financial Services Industry 11. Leadership Series: Influence for Impact with Najwa Shihab 12. Political Update by Philip J. Vermonte | <ol style="list-style-type: none"> 1. January 18, 2023 2. March 14, 2023 3. July 6, 2023 4. July 26, 2023 5. August 11, 2023 6. September 13, 2023 7. October 12, 2023 8. November 7, 2023 9. November 22, 2023 10. December 1, 2023 11. December 5, 2023 12. December 8, 2023 |
| 2. | Kaoru Furuya – Deputy President Director | <ol style="list-style-type: none"> 1. Leadership Series : Creating Strategy to Connect The Generation Gap 2. BTPN Leaders' Onboarding Program: Indonesia Professional Etiquette and HR Practices 3. Economic Outlook Update by Raden Pardede 4. X-Talk Leadership Series : "Managing Global Business Risks: A Proactive Approach" by Tantowi Yahya 5. BTPN Supply Chain Approach Workshop 6. Media Training 7. Executive Risk Management Certification Refresher - 2023 8. Sustainable Finance Offline Seminar 9. Bloomberg CEO Forum @ASEAN 10. Bank BTPN Sustainability Seminar 2023 11. Bank BTPN Economic Outlook 2024 12. Leadership Series: Influence for Impact with Najwa Shihab 13. Political Update by Philip J. Vermonte | <ol style="list-style-type: none"> 1. March 14, 2023 2. May 26, 2023 3. June 6, 2023 4. June 14, 2023 5. June 25, 2023 6. July 6, 2023 7. July 26, 2023 8. August 11, 2023 9. September 6, 2023 10. October 12, 2023 11. November 22, 2023 12. December 5, 2023 13. December 8, 2023 |
| 3. | Darmadi Sutanto – Deputy President Director | <ol style="list-style-type: none"> 1. Leading in Digital Era 2. Economic Outlook Update by Raden Pardede 3. Media Training 4. Executive Risk Management Certification Refresher - 2023 5. Sustainable Finance Offline Seminar 6. Bank BTPN Sustainability Seminar 2023 7. Bank BTPN Economic Outlook 2024 8. Leadership Series: Influence for Impact with Najwa Shihab 9. Political Update by Philip J. Vermonte | <ol style="list-style-type: none"> 1. April 16-21, 2023 2. June 6, 2023 3. July 6, 2023 4. July 26, 2023 5. August 11, 2023 6. October 12, 2023 7. November 22, 2023 8. December 5, 2023 9. December 8, 2023 |

| No | Name | Trainings | Date |
|----|---------------------------------------|---|--|
| 4. | Dini Herdini – Compliance Director | <ol style="list-style-type: none"> 1. Thriving in the age of Analytics with Digital Mindset 2. Leadership Series : Creating Strategy to Connect The Generation Gap 3. HKHPM Seminar “Law on the Development and Strengthening of the Financial Services Sector in Indonesia: Implications for the Capital Market Sector” 4. ICSA-OJK Webinar: Deepening POJK No.14/ POJK.04/2019 - Capital Increase of Public Companies by providing Pre-emptive Rights 5. Media Training 6. Executive Risk Management Certification Refresher - 2023 7. Sustainable Finance Offline Seminar 8. Deloitte Southeast Asia Financial Crime Symposium The Emerging Issue of Financial Crime 9. Bank BTPN Sustainability Seminar 2023 10. IMD’s Orchestrating Winning Performance, Singapore Leadership Series: Influence for Impact with Najwa Shihab 11. Political Update by Philip J. Vermonte | <ol style="list-style-type: none"> 1. January 18, 2023 2. March 14, 2023 3. March 20, 2023 4. June 8, 2023 5. July 6, 2023 6. July 26, 2023 7. August 11, 2023 8. October 3, 2023 9. October 12, 2023 10. November 20-24, 2023 11. December 8, 2023 |
| 5. | Atsushi Hino – Director | <ol style="list-style-type: none"> 1. Economic Outlook Update by Raden Pardede 2. Media Training 3. Bank BTPN Sustainability Seminar 2023 4. Talent Insight Discovery Training 5. Bank BTPN Economic Outlook 2024 6. Political Update by Philip J. Vermonte | <ol style="list-style-type: none"> 1. June 6, 2023 2. July 6, 2023 3. October 12, 2023 4. October 16, 2023 5. November 22, 2023 6. December 8, 2023 |
| 6. | Keishi Kobata – Director | <ol style="list-style-type: none"> 1. Executive Risk Management Certification Refresher - 2023 2. Sustainable Finance Offline Seminar 3. Bank BTPN Sustainability Seminar 2023 4. Bank BTPN Economic Outlook 2024 5. Leadership Series: Influence for Impact with Najwa Shihab 6. Political Update by Philip J. Vermonte | <ol style="list-style-type: none"> 1. July 26, 2023 2. August 11, 2023 3. October 12, 2023 4. November 22, 2023 5. December 5, 2023 6. December 8, 2023 |
| 7. | Merisa Darwis – Director | <ol style="list-style-type: none"> 1. Leadership Series : Creating Strategy to Connect The Generation Gap 2. Economic Outlook Update by Raden Pardede 3. IMD - Individual Learning Development – Orchestrating Winning Performance 4. Media Training 5. Executive Risk Management Certification Refresher - 2023 6. Sustainable Finance Offline Seminar 7. Bank BTPN Sustainability Seminar 2023 8. Bank BTPN Economic Outlook 2024 9. Leadership Series: Influence for Impact with Najwa Shihab 10. Political Update by Philip J. Vermonte | <ol style="list-style-type: none"> 1. March 14, 2023 2. June 6, 2023 3. June 26-30, 2023 4. July 6, 2023 5. July 26, 2023 6. August 11, 2023 7. October 12, 2023 8. November 22, 2023 9. December 5, 2023 10. December 8, 2023 |

| No | Name | Trainings | Date |
|----|----------------------------|--|---|
| 8. | Hanna Tantani- Director | <ol style="list-style-type: none"> 1. OJK Webinar - Banking Trends in 2023 2. Thriving in the age of Analytics with Digital Mindset 3. OJK Webinar - Implementasi Artificial Intelligence di Industri Jasa Keuangan 4. OJK Webinar - The Role of GRC in Supporting Financial Sector Performance 5. Webinar - PwC Indonesia Economic Update Q1 – 2023 6. Harvard yang Driving Digital Strategy 7. Leadership Series : Creating Strategy to Connect The Generation Gap 8. McKinsey session with BTPN on “AI-enabled customer service” 9. BCG and AC Ventures’ report launch: Shaping the Future of Fintech in Indonesia 10. Economic Outlook Update by Raden Pardede 11. Empowering Women <IDX> 12. Media Training 13. Executive Risk Management Certification Refresher - 2023 14. PwC WEBINAR: Tax Breakfast Briefing - Discussion on the new rules of Benefits In-Kinds 15. Sustainable Finance Offline Seminar 16. Bank BTPN Sustainability Seminar 2023 17. Bank BTPN Economic Outlook 2024 18. Leadership Series: Influence for Impact with Najwa Shihab 19. Political Update by Philip J. Vermonte | <ol style="list-style-type: none"> 1. January 17, 2023 2. January 18, 2023 3. February 2, 2023 4. February 23, 2023 5. March 9, 2023 6. March 12-17, 2023 7. March 14, 2023 8. March 16, 2023 9. March 29, 2023 10. June 6, 2023 11. June 8, 2023 12. July 6, 2023 13. July 26, 2023 14. August 2, 2023 15. August 11, 2023 16. October 12, 2023 17. November 22, 2023 18. December 5, 2023 19. December 8, 2023 |

EVALUATION OF THE PERFORMANCE OF THE BOARD OF COMMISSIONERS AND DIRECTORS [GRI 2-18]

The performance evaluation of the Board of Commissioners and the Board of Directors is a crucial factor in guiding the enhancement of the company's governance body. The Board of Commissioners and Directors conduct a self-assessment based on established Key Performance Indicators (KPIs) on an annual basis. The results of this evaluation are then utilized to enhance the governance system of Bank BTPN in the following year.

REMUNERATION OF THE BOARD OF COMMISSIONERS AND THE BOARD OF DIRECTORS

REMUNERATION POLICY [GRI 2-19]

The remuneration of the company's Board of Commissioners and Board of Directors is determined by the General Meeting of Shareholders (GMS) and is aligned with the principle of meritocracy. It is adjusted based on individual performance assessment and work achievements. Remuneration is determined taking into account the company's profits in the

respective fiscal year, as well as fairness principles within the internal peer group and industry standards in the banking sector.

PROCESS TO DETERMINE REMUNERATION [GRI 2-20]

To determine remuneration, Bank BTPN appoints an independent party to conduct a remuneration survey in similar industries. The results serve as a reference for the amount of remuneration for the Board of Commissioners and the Board of Directors. In addition, the determination of remuneration takes into account the performance of each individual. The process of determining remuneration commences with proposals from the Remuneration and Nomination Committee, presented to the GMS to gather feedback and secure approval from stakeholders, particularly the shareholders. In determining the remuneration, Bank BTPN does not include external parties.

ANNUAL TOTAL COMPENSATION RATIO [GRI 2-21]

Bank BTPN provides fair and just remuneration as a form of appreciation for the hard work and dedication of its employees. However, Bank BTPN does not disclose the annual total compensation ratio as it is considered company confidential information.

RISK MANAGEMENT

Bank BTPN implements a risk management system to identify, assess, and manage potential risks arising from its business operations. Bank BTPN's risk management includes strategies to evaluate corporate strategies, ensure capital adequacy, facilitate long-term planning, and address various other business activities [FN-CB-550a.2]. Bank BTPN is classified as a Domestic Systemically Important Bank (D-SIB) [FN-CB-550a.1].

Risk management is an integral part of Bank BTPN's operations to ensure the continuity of its business. The risk management policy is established by the Board of Commissioners and the Board of Directors, and its implementation is executed through:

1. Active supervision by the Board of Commissioners and the Board of Directors.
2. Adequacy of risk management policies and procedures and setting risk limits.
3. Adequacy of processes for identifying, measuring, monitoring, and controlling risks, as well as the functionality of risk management information systems.
4. Comprehensive internal control systems and other processes.

The risk management policy and strategy are outlined in the Risk Management Policy, approved by the Board of Commissioners and the Board of Directors. The Board of Commissioners oversees the risk management conducted by the Board of Directors. Risks identified by Bank BTPN include:

1. Credit Risk
2. Market Risk
3. Liquidity Risk
4. Operational Risk
5. Legal Risk
6. Strategic Risk
7. Compliance Risk
8. Reputational Risk

Bank BTPN implements a precautionary approach to environmental risk management by enforcing a policy that prohibits lending to industries that contravene national and international environmental regulations, as outlined in the Credit Policy and Sustainability Policy.

Bank BTPN prioritizes compliance with applicable laws and regulations in the economic, social, and environmental domains to prevent any legal or financial repercussions stemming from fraud, insider trading,

anti-competitive behavior, monopolistic practices, manipulation, or other legal violations during the reporting period. [FN-CB-510a.1] [GRI 206-1] [GRI 2-27]

CYBER RISK MANAGEMENT

In the current digitalization era, effective cybersecurity management, including information security management, has emerged as a top priority for participants in the financial and banking sector due to the escalating threats to cybersecurity and information security, particularly for Bank BTPN.

For this reason, Bank BTPN consistently enhances and reinforces the standards for the implementation and management of the Bank's cybersecurity through the issuance of the Cyber Security Risk Management Policy 0.0. This policy supersedes the previous Information Management and Security Policy 2.1.

In general, this policy encompasses regulations governing the management and execution of cyber security risk management at Bank BTPN, including:

1. General Provisions of Cyber Security Risk Management
2. Duties and Responsibilities of Management and Work Units as well as all Employees at BTPN.
3. Bank's Cyber Security Risk Management Framework.
4. Stages of Implementing Cyber Security Risk Management (along with its general provisions):
 - a. Identification
 - b. Protection
 - c. Detection
 - d. Response and Reporting
 - e. Recovery
5. Evaluation
6. Annex - Information Retention Period Table

The Cyber Risk Management 0.0 implementation aims to protect Bank BTPN's assets, including information, IT assets, and other related assets, with the goal of preventing potential cybersecurity risks. Ultimately, it is also expected to build and enhance stakeholders' interests, such as customers, owners, and others, and to ensure the continuity of the Bank's operational activities and business.

CLIMATE RISK MANAGEMENT

During the reporting period, Bank BTPN was selected as one of the banks participating in the trial phase of the Climate Risk Stress Test (CRST) conducted by the OJK. This program promotes the integration of climate

change considerations into the bank's overall risk management, encouraging the banking industry to address climate-related risks. In response to this, Bank BTPN is currently in the process of developing a policy or framework regarding climate risk management.

ANTI-MONEY LAUNDERING AND COUNTER TERRORISM FINANCING POLICY

The rising complexity of banking products and services, driven by the expanding use of technology in the banking industry, has the potential to elevate the risk of misuse of banking services for money laundering, terrorism financing, and financing of proliferation of weapons of mass destruction. Bank BTPN has developed an Anti Money Laundering (AML) Counter Terrorism Financing (CTF) and Counter Proliferation Financing of Weapons of Mass Destruction (CPFWMMD) program that encompasses the following activities:

1. Active participation of the Board of Commissioners and the Board of Directors in regular discussion regarding the execution of the AML CTF and CPFWMMD programs of Bank BTPN, as well as relevant issues.
2. Regularly updating Bank BTPN's AML, CTF, and CPFWMMD programs in accordance with changes in local regulations, the parent company, and the bank's operational and business landscape.
3. Coordinating with regulators to ensure the effective implementation of Bank BTPN's AML, CTF, and CPFWMMD programs.
4. Continuously assessing the effectiveness and execution of the AML, CTF, and CPFWMMD programs through:
 - a. Adapting the Policies and Procedures for the implementation of Bank BTPN's AML, CTF, and CPFWMMD programs to align with the provisions of OJK Regulation Number 8 of 2023 concerning the Implementation of Anti Money Laundering, Counter Terrorism Financing, and Counter Proliferation Financing of Weapons of Mass Destruction Programs in the Financial Services Sector, and incorporating new policies from the shareholders relevant to the SMBC subsidiary.
 - b. Regularly performing an assessment of the AML, CTF, and CPFWMMD programs' implementation at all Bank BTPN Branch Offices (Branch Review) carried out by the AML Compliance Champion (ACC) team.
 - c. Providing an assessment of the development of the bank's product programs and services,

distribution networks, and new and existing activities, taking into account the evolving risks of money laundering, terrorism financing, and financing of proliferation of weapons of mass destruction faced by the bank, as well as recommendations for AML CTF and CPFWMMD risk mitigation measures, ensuring that the bank's products, services, and offerings are not utilized to facilitate money laundering, terrorism financing, and/or the financing of weapons of mass destruction activities.

- d. Coordinating the preparation of targets and monitoring the regular updating of Customer Due Diligence (CDD), and strengthening control over the updating of CDD documents.
- e. Monitoring, analyzing, and reporting on cash financial transactions, suspicious financial transactions, fund transfers to and from abroad, customer information, and reinforcing control mechanisms (maker-checker) as well as the quality of reporting data.
- f. Reviewing transaction monitoring system parameters and scenarios, and periodically adjusting parameters and scenarios based on the outcomes of such reviews.
- g. Regularly performing a self-assessment of AML, CTF, and CPFWMMD risks within the AML CTF Division and across the entire bank.
5. Enhancing and optimizing Bank BTPN's AML, CTF, and CPFWMMD system to facilitate the execution of the identification, analysis, transaction monitoring, and reporting processes for AML, CTF, and CPFWMMD, including:
 - a. Developing a reporting system for regulators (APOLO OJK and GoAML PPAK).
 - b. Developing a system for checking DTTOT.
 - c. Developing a management information system for AML CTF and CPFWMMD-related reports.
 - d. Developing a system for monitoring credit card transactions.
 - e. Developing a transaction screening system through BI FAST.
 - f. Developing a screening system for customer-related parties.
 - g. Developing a system related to the integration of core banking systems.
 - h. Developing a system for the implementation of ISO 20022 (Electronic Message Exchange Standard) on SWIFT and screening systems for transaction-related transaction information.

- i. Developing a system to enhance the due diligence process for customers.
 - j. Evaluating the completeness and accuracy of customer data processed in the AML CTF and CPFWMD system.
6. Promoting a culture of awareness of money laundering, terrorism financing, and financing of proliferation of weapons of mass destruction to all employees through a series of training and dissemination activities related to AML CTF and CPFWMD provisions:
- a. Conducting regular AML CTF and CPFWMD training for all Bank BTPN employees, including new hires and existing employees
 - b. Providing training with AML CTF and CPFWMD materials, as well as thematic materials related to AML CTF and CPFWMD to branch staff and work units.
 - c. Conducting regular refreshment training on AML CTF and CPFWMD by the AML Compliance Champion (ACC) team at branches.
 - d. Disseminating information on the latest developments/issues related to AML CTF and CPFWMD through Bank BTPN's internal media to all Business/Support Units.
- e. Taking part in Bank BTPN's Business Risk Forum as a participant in mitigating AML CTF and CPFWMD risks.
 - f. Monitoring the completion of mandatory AML CTF and CPFWMD training programs via Bank BTPN's platform and regularly updating AML CTF and CPFWMD training materials.
 - g. Enhancing the competence and awareness of AML CTF Division staff through training, sharing sessions, and dissemination related to AML CTF and CPFWMD materials.
7. Participating in the dissemination of regulations, coordination meetings, and reviews (Financial Integrity Rating/FIR PPAK 2023) organized by the regulator.

COMPLIANCE WITH LAWS AND REGULATIONS [GRI 2-27] [FN-CB-510a.1]

Bank BTPN prioritizes compliance with prevailing laws and regulations. As a result, there were no significant violations affecting the financial position or liquidity of Bank BTPN throughout the reporting year. [GRI 206-1] [GRI 2-17]



ABOUT

THE REPORT

Bank BTPN reaffirms its commitment to sustainability reporting as an instrument that provides transparent and relevant information for stakeholders.



Sustainability reporting is crucial to measuring, reporting, and understanding the social, environmental, and economic impacts of an entity, which is vital for shaping sustainable business practices. Therefore, Bank BTPN is committed to publishing an annual sustainability report. This is Bank BTPN's fifth sustainability report, encompassing data from January 1, 2023, to December 31, 2023. This reporting period aligns with Bank BTPN's financial reporting period. The previous Sustainability Report was issued in March 2023. This report contains restatement from the previous report, as explained in the Environmental Section related to carbon emission calculations. Nonetheless, there have been no significant organizational changes. [GRI 2-3] [GRI 2-4] [OJK C.6]

In 2023, there were no significant organizational changes.

REPORTING STANDARDS

This report has been prepared in accordance with the Global Reporting Initiative (GRI) and financial sector standards. As a public company in the financial services sector, this report has also been prepared in accordance with the OJK Circular Letter No. 16/SEOJK.04/2021 concerning the Form and Content of the Annual Report of Issuers or Public Companies. To address investor requests, this report also includes other standard disclosures, such as the Sustainability Accounting Standards Board (SASB) and the Task Force on Climate-related Financial Disclosures (TCFD).

The GRI standard, SEOJK 16/2021, and SASB applied in this report are marked with numbering brackets in **red** (for GRI standard), **green** (for the financial sector), **blue** (for SEOJK 16/2021), **brown** (for SASB), and **purple** (for TCFD) on each relevant page. Meanwhile, the list of GRI, FS, OJK, SASB, and TCFD indices is presented sequentially on page 161-170. [OJK G.4]

ASSURANCE

Bank BTPN employs assurance services to assure stakeholders of the high reliability and credibility of the information presented in the sustainability report. The assurance service provider is selected independently to ensure impartiality and prevent conflicts of interest. The primary focus in this process is to prioritize the quality of the evaluation, providing stakeholders with confidence in the reliability and transparency of the sustainability report.

Following a thorough assessment, the management has decided that PT. Sucofindo is appointed as the assurer of Bank BTPN's 2023 Sustainability Report [GRI 2-5] [OJK G.1]. In carrying out the assurance work, Sucofindo employs the AA 1000 Assurance Standard V3 and ISAE 3000 'Assurance Engagements other than Audits or Reviews of Historical Financial Information' issued by the International Auditing and Accounting Standards Board of the International Federation of Accountants (IFAC). The independent assurance report on this sustainability report can be found on page 149-150.

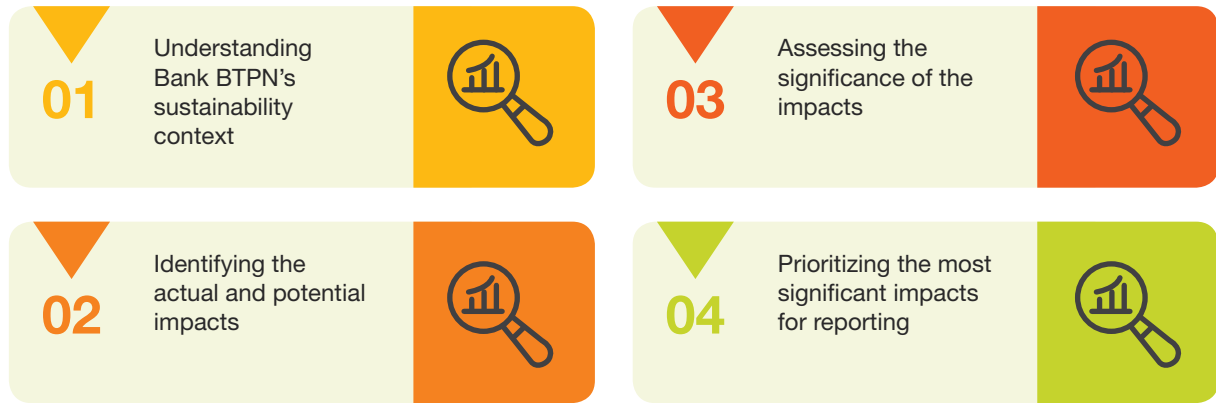
DETERMINATION OF MATERIAL TOPICS AND BOUNDARY [GRI 3-1]

The material topics are those that exert the most significant influence on the economic, environmental, and social spheres. These topics are derived from the GRI Topic Standards 2021, taking into account the financial sector standards. However, as there is no 2021 Financial Sector Standard, the Financial Sector GRI G4 remains in use.

The determination of material topics in this report follows these steps:

1. Understanding the business context of Bank BTPN
2. Identifying actual and potential impacts.
3. Assessing the significance of the impacts. Bank BTPN engages stakeholders through materiality surveys to determine these topics, while also taking into account topics in the Financial Sector.
4. Bank BTPN proceeds to prioritize the most significant impacts for reporting arising from steps 2 and 3. In determining material topics, Bank BTPN engages external experts, such as the National Center for Corporate Reporting (NCCR), to oversee the impacts of Bank BTPN in the economic, environmental, and social domains.

Bank BTPN determines the same material topics as the previous year, despite the variations in their levels of materiality compared to the previous year. The following is the flow chart outlining the process for determining material topics:



LIST OF MATERIAL TOPICS [GRI 3-2] [GRI 3-3]

| Material Topics | Reasons Why the Topics are Considered Material |
|---------------------------------|---|
| Economic Performance and Impact | Have a significant impact on the improvement of the national and regional economy and stakeholders. |
| Market Presence | Have a significant impact on human resources, both in terms of well-being and employee careers. |
| Indirect Economic Impacts | Have a significant impact on the improvement of the regional economy and on community empowerment. |
| Procurement Practices | Have a significant impact on the development of the local economy. |
| Anti Corruption | Have a significant impact and influence on the trust of shareholders, the community, and other stakeholders. |
| Energy | Have a significant impact on the sustainability of the earth and environmental preservation, in addition to economic savings for Bank BTPN. |
| Emissions | Have a significant impact on the sustainability of the earth and environmental preservation, in addition to economic savings for Bank BTPN. |
| Employment | Have a significant impact on the comfort and performance of employees. |
| Education and Training | Have a significant impact on the comfort and performance of employees as well as the capacity/skills of employees. |
| Diversity and Equality | Have a significant impact on the comfort and performance of employees as well as respect for human rights. |
| Non-discrimination | Have a significant impact on the comfort and performance of employees as well as respect for human rights. |
| Marketing and Labelling | Have a significant impact on the improvement of products and customer trust. |
| Customer Privacy | Have a significant impact on the improvement of products and customer trust. |
| Security Practices | Have a significant impact on the improvement of products and customer trust. |
| Local Communities | Have a significant impact on the improvement of welfare and product development for marginalized communities. |
| Supplier Social Assessment | Have a significant impact on the enforcement and implementation of sustainability concepts by business relations/vendors of the company. |
| Product Responsibility | Have a significant impact on the improvement of products and customer trust. |
| Information Security | Have a significant impact on the improvement of products and customer trust. |
| Socio Economic Compliance | Have a significant impact on the enforcement and implementation of sustainability concepts by business relations/vendors of the company. |

LIST OF NON-MATERIAL TOPICS

There are several topics that are not considered as material in this report. However, this does not mean that Bank BTPN considers these topics do not have a significant role in supporting sustainability or for Bank BTPN's sustainability agenda.

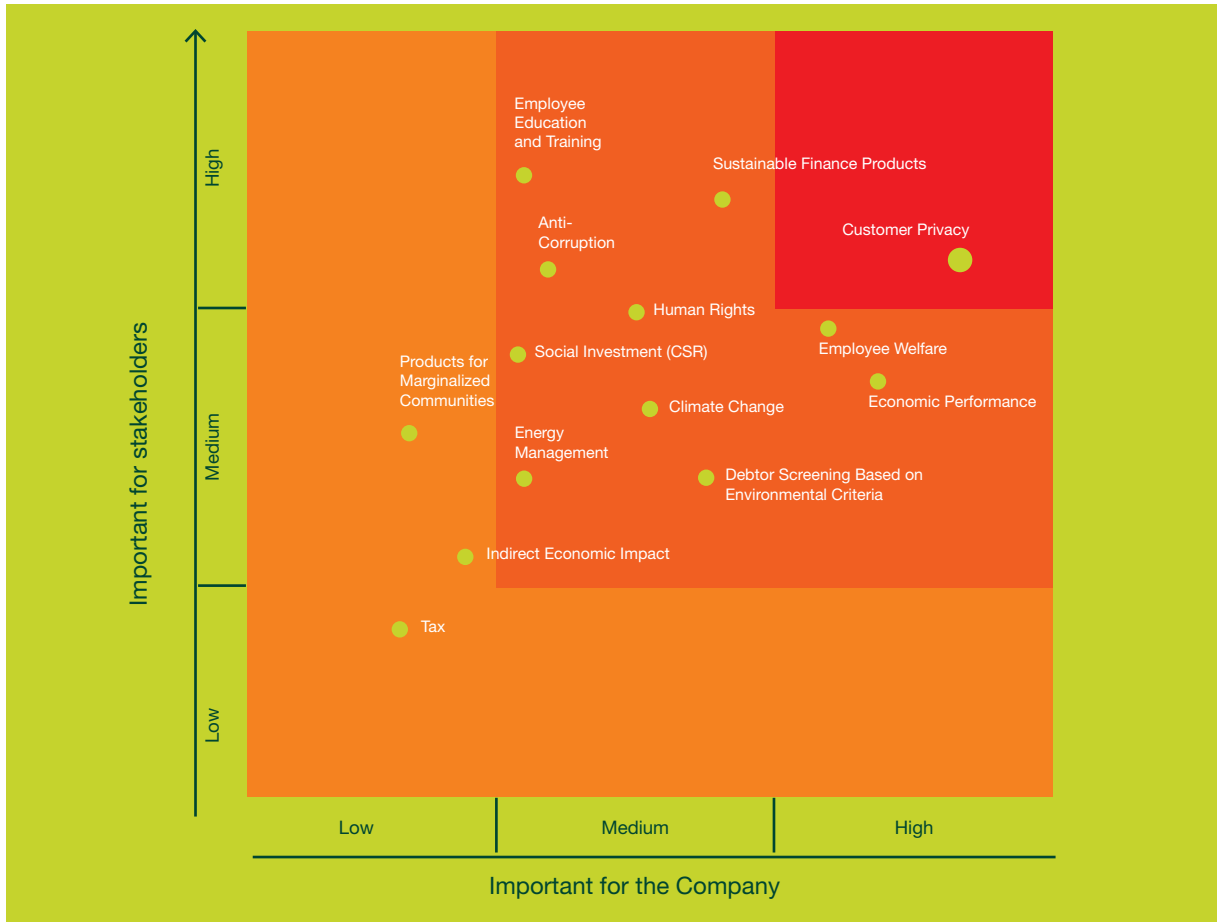
In the future, Bank BTPN will continue to increase its efforts and initiatives in expanding the sustainability impact from the operational and business activities.

These topics are considered non-material for the following reasons:

| Non-Material Topics | Reasons |
|--|--|
| Material | Bank BTPN does not use specific materials in its business operations. |
| Water and Effluent | Bank BTPN does not produce any effluent. Domestic wastewater is managed by the building management. |
| Biodiversity | Bank BTPN does not operate in protected areas or areas with high biodiversity. |
| Waste | Bank BTPN does not produce significant amounts of hazardous or non-hazardous waste. The majority of operational waste is domestic waste. |
| Environmental Compliance | Bank BTPN's business is not directly related to the environment. |
| Supplier Environmental Assessment | Bank BTPN's suppliers are not directly related to the environment. |
| Labor Relations and Management | Bank BTPN complies with all applicable laws and regulations in Indonesia, including labor relations and management. |
| Occupational Health and Safety | Bank BTPN's operations do not involve heavy equipment or specific hazardous conditions. |
| Freedom of Association and Collective Bargaining | Bank BTPN complies with all applicable laws and regulations in the field of labor relations. There is no area where freedom of association in Bank BTPN is restricted or threatened. |
| Indigenous Peoples' Rights | Bank BTPN's work area does not adjoin indigenous communities. |
| Human Rights Assessment | Bank BTPN complies with all applicable laws and regulations in the field of labor relations, and no Bank BTPN operations are threatened in the implementation of human rights. |
| Public Policy | Bank BTPN is not involved in political activities. |
| Customer Health and Safety | Bank BTPN's products and services are not physical products that can harm customers. |

MATERIALITY LEVEL

The following graph offers an overview of the materiality level of the reported topics/issues. It is based on the findings of a materiality level survey conducted through a questionnaire distributed to stakeholders.



Bank BTPN consistently strives to enhance the quality of the Sustainability Report. As such, we welcome input from all our readers to contribute to the advancement and refinement of our next report. We would like to note that we did not receive any feedback on the 2022 sustainability report. [\[OJK G.3\]](#) Feedback and suggestions can be submitted by fill out the feedback sheet at the end of this report. [\[GRI 2-3\]](#) [\[OJK G.2\]](#)

STATEMENT GRI STANDARDS IN ACCORDANCE CHECK

IAC0262402SA



National Center for Corporate Reporting

Laporan Kesesuaian dengan Standar GRI dan SEOJK 16/OJK.04/2021 Statement of GRI Standards and SEOJK 16/OJK.04/2021 in Accordance Check

National Center for Corporate Reporting (NCCR) telah melakukan pengecekan kesesuaian dengan Standar GRI dan SEOJK 16 OJK.04/2021 atas Laporan Keberlanjutan PT Bank BTPN Tbk 2023 ("Laporan"). Pengecekan dilakukan untuk memberikan gambaran tentang sejauh mana Standar GRI dan SEOJK 16/OJK.04/2021 telah diterapkan dalam Laporan tersebut. Pengecekan ini bukan merupakan opini atas kinerja keberlanjutan maupun kualitas informasi yang dimuat dalam Laporan tersebut.

Kami menyimpulkan bahwa Laporan ini telah disusun sesuai dengan Standar GRI dan SEOJK 16/OJK.04/2021.

Jakarta, 13 Februari 2024

The National Center for Corporate Reporting has conducted a GRI Standards and SEOJK 16/OJK.04/2021 in Accordance Check on PT Bank BTPN Tbk Sustainability Report 2023 ("Report"). The check communicates the extent to which the GRI Standards and SEOJK 16/OJK.04/2021 have been applied in the Report. The check does not provide an opinion on the sustainability performance of the reporter or the quality of the information provided in the Report.

We conclude that this report has been prepared in accordance with GRI Standards and SEOJK 16/OJK.04/2021.

Jakarta, February 13, 2024

National Center for Corporate Reporting
GRI Standards Aligning Service

A handwritten signature in black ink, appearing to read 'Andrew K. Twohig'.

Andrew K. Twohig, BCom, BA (Hons), MA, CSRA
Director

INDEPENDENT ASSURANCE STATEMENTS



Independent Assurance Statement No. 0439/KP-II/2024

To the Management and Stakeholders of PT Bank BTPN Tbk

We were engaged by PT Bank BTPN Tbk ("Bank BTPN") to provide assurance in respect to its Sustainability Report 2023 ('the Report'). The assurance engagement was carried out by our assurance team, who have extensive relevant professional and technical competencies and experience. The assurance team was composed of certified sustainability reporting specialists as well as certified sustainability reporting assurers in order to ensure a high level of competence in carrying out the engagement.

Independence

We carried out all assurance undertakings with independence and autonomy having not been involved in the preparation of any key part of the Report. Nor did we provide any services to Bank BTPN during 2023 that could conflict with the independence of the assurance engagement.

Assurance Standards, Levels and Criteria

Our work was carried out in accordance with AA1000 Assurance Standards v3 (AA1000AS v3) issued by AccountAbility. In addition, we have also planned and carried out our work in accordance with ISAE 3000 (Revised) 'Assurance Engagements other than Audits or Reviews of Historical Financial Information' issued by the International Auditing and Accounting Standards Board of International Federation of Accountant (IFAC).

Our evidence-gathering procedures was designing to obtain a moderate level of assurance as set out in AA1000AS v3 and limited assurance engagement as set out in ISAE 3000 (Revised). As such, the readers of the report can be confident that all risks or errors have been reduced to a very low level, although not necessarily to zero. Moreover, Bank BTPN adherence to the AccountAbility Principles (AP) was evaluated in accordance with the criteria of AA1000AP (2018) of Inclusivity, Materiality, Responsiveness and Impact. In addition, the Report, in relation to the agreed scope, has been assessed in accordance with the criteria of GRI Standards.

Limitations

Our scope of work was limited to a review of the accuracy and reliability of specified data and interviews with data providers, persons in charge of data collection and processing, as well as persons in charge of sustainability performance-related information. It was not designed to detect all weaknesses in the internal controls over the preparation and presentation of the Report, as the engagement was not performed continuously throughout the period and the procedures performed were undertaken on a test basis.

Responsibility

Bank BTPN is responsible for the preparation of the Report and all information and claims therein, which include establishing sustainability management targets, performance management, data collection, and other performative actions.

In performing this engagement, meanwhile, our responsibility to the management of Bank BTPN is solely for the purpose of verifying the statements it has made in relation to its sustainability performance, specifically as described in the agreed scope, and expressing our opinion on the conclusions reached.

Methodology

The engagement process thoroughly assessed the accuracy of specific assertions and data sets presented in the report, along with the underlying systems and processes that manage and report them. This included comprehensive reviews of the report, internal policies, documentation, management and information systems, as well as interviews with relevant staff in sustainability-related management and reporting functions. Data trails were traced back to their initial aggregated source, and data samples underwent in-depth verification.

Scope of Assurance

We provided a Type 2 assurance engagement under AA1000AS v3 and limited assurance engagement under ISAE 3000 (Revised). This involved:

- 1) Assessment of Bank BTPN adherence to the AA1000 AP (2018); and
- 2) Assessment of the accuracy and quality of the specified sustainability performance information contained within the Report, focusing on adherence to the agreed-upon scope of the GRI Standards.
 - 203-1. Infrastructure investments and services supported
 - 203-2. Significant indirect economic impacts
 - 302-1. Energy consumption within the organization
 - 302-3. Energy intensity
 - 305-1. Direct (Scope 1) GHG emissions
 - 305-2. Energy indirect (Scope 2) GHG emissions
 - 305-3. Other indirect (Scope 3) GHG emissions
 - 305-4. GHG emissions intensity
 - 413-1. Operations with local community engagement, impact assessments, and development programs
 - 413-2. Operations with significant actual and potential negative impacts on local communities



Conclusions

BTPN's adherence to the AA1000 AP (2018) principles of Inclusivity, Materiality, Responsiveness, and Impact is assessed as follows:

- Inclusivity**
Bank BTPN is committed to promoting diversity, equity, and inclusion (DE&I) in its operations, as evidenced by its comprehensive policies and procedures designed to meet the diverse needs of all stakeholders. This commitment is further demonstrated by their initiatives and programs, such as training and awareness programs on DE&I. Additionally, the bank has established dedicated feedback platforms to receive suggestions from stakeholders.

Bank BTPN can solidify its position as a leader in inclusivity by enhancing its communication channels to ensure its commitment reaches all stakeholders. By continuing its efforts to promote inclusion and diversity, the bank can not only enhance stakeholder trust and engagement but also improve long-term business sustainability.

- Materiality**
Bank BTPN demonstrates a clear commitment to materiality principles through its transparent and stakeholder-focused sustainability framework. Their assessment process comprehensively considers diverse stakeholder interests while emphasizing significant sustainability topics.

However, incorporating a more robust stakeholder engagement framework could further enhance this process. Implementing enabler technology could create materiality mechanisms that improve accessibility, availability, and reliability of information, fostering better stakeholder understanding of BTPN's progress towards sustainability goals.

- Responsiveness**
Bank BTPN's established mechanisms for transparently addressing stakeholder concerns and ensuring prompt follow-up are commendable. However, taking a more collaborative approach could elevate their responsiveness. Regularly seeking feedback through diverse channels and actively engaging stakeholders in solution-finding can lead to mutually beneficial outcomes and create a culture of shared ownership.

- Impact**
Bank BTPN demonstrates its commitment to sustainability through a well-defined impact assessment process that minimizes negative environmental and societal impacts while maximizing positive ones. This comprehensive approach

assesses and manages the social, environmental, and economic consequences on stakeholders, society, and the broader environment, reflecting ethical business practices.

By transparently aligning its impact assessment with the SDGs and using their indicators to provide clear information and accessible platforms, BTPN would empower stakeholders to actively participate in contributing to achieving global sustainable development goals.

Conclusion on the accuracy and quality of the specified sustainability performance:

Based on our limited assurance engagement, nothing has come to our attention that causes us to believe the data of the Report, in relation to the agreed scope, has been materially misstated.

All key assurance findings are included herein, while detailed observations and follow-up recommendations have been submitted to Bank BTPN management in a separate report.

Jakarta, 13 February 2024
PT Sucofindo
SBU KSP Head



Rikrik Supriadi
Certified Assurance Practitioner No 10023116
Certified Sustainability Reporting Assurer No A-06-1407059
Certified Sustainability Practitioner No 10231411
Certified Sustainability Reporting Specialist No S-27-1306322

Sucofindo is an independent and state-owned company based in Indonesia that offers a wide range of inspection, testing, and certification services, established since 1956. The Company offers various services such as inspection and testing of industrial products, marine surveys, quality assurance and quality control, certification of management systems such as ISO 9001, ISO 14001, and OHSAS 18001, as well as certification of various product standards. Sucofindo is member of IDSURVEY Holding Company.




Sucofindo is known for its high level of professionalism and competence, and its services are recognized not just in Indonesia, but also internationally. Sucofindo has a variety of technologies and equipment that helps them provide expertise and support their client's business objectives. Over the years, Sucofindo has gained a reputation for its reliability, integrity, and consistency with delivering quality services.



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SDGs LINKS IN GRI STANDARDS

| SDGs | Business Theme | GRI Standard Relevance | Disclosure | Title Disclosure | Page | | |
|--|--|---|--|--|-------|--|----|
|  <p>NO POVERTY End poverty in all its forms everywhere</p> | Income, salary and benefits | GRI 202: Market Presence (2016) | 202-1 | Ratios of standard entry level wage by gender compared to local minimum wage | 103 | | |
| | Economic Development in areas of high poverty | GRI 203: Indirect Economic Impacts (2016) | 203-2 | Significant indirect economic impacts | 83 | | |
| | | | 207-1 | Approach to tax | 69 | | |
| | | | | | 207-2 | Tax governance, control, and risk management | 69 |
| | | | | | 207-3 | Stakeholder engagement and management of concerns related to tax | 69 |
| | 207-4 | Country-by-country reporting | 69 | | | | |
| Operations that have an impact on community | GRI 413: Local Communities (2016) | 413-2 | Operations with significant actual and potential negative impacts on local communities | 83 | | | |
|  <p>ZERO HUNGER End hunger, achieve food security and improved nutrition and promote sustainable agriculture</p> | Economic Performance | GRI 201: Economic Performance (2016) | 201-1 | Direct economic value generated and distributed | 67 | | |
| | Economic Development in areas of high poverty | GRI 203: Indirect Economic Impacts (2016) | 203-2 | Significant indirect economic impacts | 83 | | |
| | | | 413-2 | Operations with significant actual and potential negative impacts on local communities | 83 | | |
|  <p>GOOD HEALTH AND WELL-BEING Ensure healthy lives and promote wellbeing for all at all ages</p> | Economic development in areas of the highest poverty | GRI 203: Indirect Economic Impacts (2016) | 203-2 | Significant indirect economic impacts | 83 | | |
| | Air Quality | GRI 305: Emission (2016) | 305-1 | Direct (Scope 1) GHG emissions | 117 | | |
| | | | 305-2 | Energy indirect (Scope 2) GHG emissions | 117 | | |
| | | | 305-3 | Other indirect (Scope 3) GHG emissions | 117 | | |

| SDGs | Business Theme | GRI Standard Relevance | Disclosure | Title Disclosure | Page | | |
|--|------------------------|--|---|---|---|---|----------|
| | | | 305-6 | Emissions of ozone depleting substances (ODS) | 117 | | |
| | | | 305-7 | Nitrogen oxides (NO), sulfur oxides (SO), and other significant air emissions | 118 | | |
| | Well-being | GRI 401: Employment (2016) | 401-2 | Benefits provided to fulltime employees that are not provided to temporary or part-time employees | 118 | | |
|  | Training and education | GRI 404: Training and Education (2016) | 404-1 | Average hours of training per year per employee | 98, 106, 107 | | |
| | | | 404-2 | Programs for upgrading employee skills and transition assistance programs | 105, 106 | | |
| QUALITY EDUCATION Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all | | | | | | | |
|  | Equal opportunity | GRI 2: General Disclosure (2021) | 2-9 | Governance structure and composition | 122, 124, 125 | | |
| | | | 2-10 | Nomination and selection of the highest governance body | 126 | | |
| GENDER EQUALITY Achieve gender equality and empower all women and girls | Gender equality | GRI 202: Market Presence (2016) | 202-1 | Ratios of standard entry level wage by gender compared to local minimum wage | 103 | | |
| | | | GRI 203: Indirect Economic Impacts (2016) | 203-1 | Infrastructure investments and services supported | 93 | |
| | | | | GRI 401: Employment (2016) | 401-1 | New employee hires and employee turnover | 100, 102 |
| | | | | | 401-2 | Benefits provided to fulltime employees that are not provided to temporary or part-time employees | 104 |
| | | | 401-3 | Parental leave | 104 | | |
| GRI 404: Education and Training (2016) | 404-3 | Percentage of employees receiving regular performance and career development reviews | 108 | | | | |

| SDGs | Business Theme | GRI Standard Relevance | Disclosure | Title Disclosure | Page |
|------|----------------------------|---|------------|---|-------|
| | | GRI 405-1: Diversity and Equal Opportunity (2016) | 405-1 | Diversity of governance bodies and employees | 98 |
| | | | 405-2 | Ratio of basic salary and remuneration of women to men | 100 |
| | Anti- discrimination | GRI 406: NonDiscrimination (2016) | 406-1 | Incidents of discrimination and corrective actions taken | 98 |
| | Social impact of suppliers | GRI 414: Supplier Social Assessment (2016) | 414-1 | New suppliers that were screened using social criteria | 68-69 |
| | | | 414-2 | Negative social impacts in the supply chain and actions taken | 68-69 |



CLEAN WATER AND SANITATION


Ensure availability and sustainable management of water and sanitation for all



AFFORDABLE AND CLEAN ENERGY

Ensure access to affordable, reliable, sustainable and modern energy for all

| | | | | |
|-------------------|------------------------|-------|--|-----|
| Energy Efficiency | GRI 302: Energy (2016) | 302-1 | Energy consumption within the organization | 116 |
| | | 302-2 | Energy consumption outside of the organization | 116 |
| | | 302-3 | Energy intensity | 116 |
| | | 302-4 | Reduction of energy consumption | 117 |
| | | 302-5 | Reductions in energy requirements of products and services | 116 |



| SDGs | Business Theme | GRI Standard Relevance | Disclosure | Title Disclosure | Page | | |
|--|----------------------|------------------------------------|--------------------------------------|-------------------------------|--|--|-----|
|  <p>DECENT WORK AND ECONOMIC GROWTH Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all</p> | Work opportunity | GRI 102: General Disclosure (2021) | 2-7 | Employees | 97, 98 | | |
| | | | 2-8 | Workers who are not employees | 98 | | |
| | Economic improvement | Income, wages, and benefits | GRI 201: Economic Performance (2016) | 201-1 | Direct economic value generated and distributed | 67 | |
| | | | | 202-1 | Ratios of standard entry level wage by gender compared to local minimum wage | 103 | |
| | | | | | 202-2 | Proportion of senior management hired from the local community | 100 |
| | | | | 203-2 | Significant indirect economic impacts | 83 | |
| | | | | 204-1 | Proportion of spending on local suppliers | 69 | |
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| | | GRI 405: Diversity and Equal Opportunity (2016) | 405-1 | Diversity of governance bodies and employees | 98 |
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| | | | 404-3 | Percentage of employees receiving regular performance and career development reviews | 104 |
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|  <p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION Ensure sustainable consumption and production patterns</p> | Air Quality | GRI 302: Energy (2016) Energy | 302-1 | Energy consumption within the organization | 116 |
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| | | | 305-3 | Other indirect (Scope 3) GHG emissions | 117 |
| | | 305-6 | Emissions of ozone depleting substances (ODS) | 118 | |
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| | | Information and Labeling of products and services | GRI 417: Marketing and Labeling (2016) | 417-1 | Requirements for product and service information and labeling |

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|  <p>CLIMATE ACTION Take urgent action to combat climate change and its impacts</p> | Economic Impact | GRI 201: Economic Performance (2016) | 201-1 | Direct economic value generated and distributed | 67 |
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TCFD INDEX

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| G1 | Describe the board's oversight of climate-related risks and opportunities. | | | 38 |
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FEEDBACK SHEET [OJK G.2]

YOUR PROFILE (Please fill out the information below)

Name : _____

Institution/company : _____

Email: _____

Phone : _____

Groups of Stakeholders:

- | | | |
|---|---|---|
| <input type="checkbox"/> Shareholders/Investor | <input type="checkbox"/> Customer | <input type="checkbox"/> Employees |
| <input type="checkbox"/> Labor Union | <input type="checkbox"/> Media | <input type="checkbox"/> Suppliers |
| <input type="checkbox"/> Community Organization/NGO | <input type="checkbox"/> Government/OJK | <input type="checkbox"/> Business Organizations |

Others : _____

| How do you rate the writing of this report: | Strongly Disagree | Disagree | Neutral | Agree | Strongly Agree |
|---|-------------------|----------|---------|-------|----------------|
|---|-------------------|----------|---------|-------|----------------|

This report is easy to understand

This report is useful

This report describes the performance of Financial Services Institutions in sustainable development

| How do you rate the materiality level of the following topics: | Not at all important | Not much important | Neutral | Important | Very important |
|--|----------------------|--------------------|---------|-----------|----------------|
|--|----------------------|--------------------|---------|-----------|----------------|

Economic performance

Indirect economic impact

Sustainable finance performance

Education and training

Employment

Customer privacy

Anti-corruption

Environmental performance

Feedback and suggestions can be submitted to the following address:

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2023

**Sustainability
Report**

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