

# Empowering the Transition to a Sustainable Future



## ***Empowering Transition to a Sustainable Future***

” In line with its name change, PT Bank SMBC Indonesia Tbk (SMBC Indonesia) is empowering the transition towards a sustainable future in response to the global shift towards a green economy and energy transformation. After promoting a greener economy in the previous year, this year, SMBC Indonesia focuses on empowering customers and partners to adapt to green regulations and implement sustainability practices. Proactively, SMBC Indonesia supports the sustainability journey of its customers while continuing to enhance the implementation of sustainable finance within SMBC Indonesia.

”

# TABLE OF CONTENTS

- 1 Theme Explanation
- 4 Vision, Mission and Core Values
- 6 Sustainability Highlights
- 16 Key Sustainability Events
- 18 Sustainability Awards



## Message from the President Commissioner and the President Director

→  
**01**

- 22 Message from the President Commissioner
- 25 Message from the President Director



## About SMBC Indonesia

→  
**02**

- 32 General Information
- 33 Business Entity
- 33 Significant Changes
- 33 Company Rating
- 34 Operational Areas and Service Network
- 36 Membership of Associations
- 36 Company Scale
- 37 Milestones of Smbc Indonesia



## SMBC Indonesia and Sustainability Commitment

→  
**03**

- 41 SMBC Indonesia's Sustainability Journey
- 42 Implementation of Sustainable Finance
- 43 SMBC Indonesia Sustainability Policy
- 46 Environmental and Social Risk Assessment Procedure
- 47 Monitoring Process for Environmental and Social Compliance Implementation
- 47 Environmental and Social Risk Assessment
- 49 Governance
- 51 SMBC Indonesia's Sustainability Strategy
- 52 Risk Management
- 52 Metrics and Targets
- 54 SMBC Indonesia's Strategies and Contributions to the SDGs



→  
**04**

## Sustainable and Eco-Friendly Economy

- 60 SMBC Indonesia's Inclusive Finance Initiative
- 61 Impact and Management
- 61 Customer and Stakeholder Education
- 62 Coordination and Collaboration
- 62 Performance of SMBC Indonesia
- 64 Sustainable Finance Taxonomy
- 64 Percentage of Green And Social Businesses in The Portfolio
- 66 Business Portfolio by Sector and Size
- 67 Implementation of Environmental and Social Policies and Procedures
- 67 Economic Value Generated and Distributed
- 68 Challenges in The Implementation of Sustainable Finance
- 68 Supply Chain
- 69 Tax



→  
**05**

## Financial Services for Sustainable Transformation

- 72 SMBC Indonesia's Products
- 74 Flagship Products
- 76 Expanding Access
- 76 Quality Products and Services
- 77 Enhancing Service Quality
- 78 Customer Privacy Protection and Information Security
- 80 Product Information and Marketing
- 80 Customer Satisfaction Survey



→  
**06**

## Daya: Building A Resilient, Inclusive, and Sustainable Future

- 84 Social Responsibility Activities
- 85 Community Empowerment Program
- 90 Empowerment Support through the Digital Platform - Daya.id
- 91 Sahabat Daya
- 92 The Daya Program Impact Assessment



→  
**07**

## Unlocking Potential, Building the Future

- 96 Five Pillars of SMBC Indonesia's EVP
- 97 Highlight of the #Morethanajourney 2024 Initiative
- 98 Support for Diversity and Inclusion
- 99 Adoption of Digital Technology for Employee Management
- 99 SMBC Indonesia Personnel
- 100 Employee Diversity and Equality
- 101 Proportion of Senior Management from the Local Community
- 101 Decent and Safe Working Environment
- 102 Employee Recruitment
- 103 Employee Turnover
- 105 Employee Rights
- 107 Retirement Program
- 107 Collective Labor Agreement
- 107 Child Labor and Forced Labor
- 107 Training and Development
- 109 Enhancing Employee Competency in Sustainable Finance
- 112 Performance Review
- 112 Security Personnel Trained in Human Rights Policies or Procedures
- 112 Work-Life Balance



→  
**08**

## Prioritizing Commitment to Climate and the Environment

- 116 Energy Usage
- 117 Utilization of Renewable Energy
- 118 Green Technology Asset Management
- 118 Emissions
- 119 Financed Emissions
- 119 Green Building
- 120 Paper Saving
- 121 Environmental Education
- 121 Water and Effluent
- 121 Waste Management
- 121 Flexible Workplace Initiative
- 122 Environmental Costs



→  
**09**

## Sustainable Governance for Responsible Growth

- 127 Governance Structure
- 127 General Meeting of Shareholders (GMS)
- 128 Board of Commissioners
- 128 Board of Directors



→  
**10**

## About the Report

- 128 The Role of The Board of Commissioners and Directors in Overseeing the Management of the Organization's Impacts
  - 128 Independence and Membership in the Governance Structure
  - 129 Nomination and Selection of The Board of Commissioners and Directors
  - 129 The Role of Governance Structure in Sustainability Reporting
  - 129 Conflict of Interest
  - 130 Policy Commitment
  - 132 Implementation of Responsible Business Practices
  - 133 Whistleblowing System
  - 133 Grievance Mechanism
  - 134 Internal Control System
  - 135 Prevention and Eradication of Corruption and Fraud
  - 138 Communication of Critical Concerns
  - 138 Enhancement of The Board of Commissioners and Directors' Capacity
  - 138 Evaluation of the Board of Commissioners and Directors
  - 139 Remuneration of The Board of Commissioners and Directors
  - 139 Anti-Money Laundering and Counter-Terrorism Financing Policy
  - 140 Compliance with Laws and Regulations
  - 140 Risk Management
  - 144 Stakeholder Engagement
- 
- 148 Reporting Standards
  - 148 Assurance Service
  - 149 Determination of Material Topics
  - 150 List of Material Topics
  - 152 List of Non-Material Topics
  - 153 Materiality Level
- 
- 155 Statement on GRI Standards in Accordance Check
  - 156 Independent Assurance Statements
  - 158 SDGs Links in GRI Standards
  - 166 GRI Standard Index
  - 170 GRI Standard - Financial Sector (FS) Index
  - 171 SE OJK 16/2021 Index
  - 174 SASB - Financial Sector Index
  - 175 SUSBA Index
  - 178 TCFD Index
  - 179 Feedback Sheet

## VISION, MISSION & CORE VALUES

### VISION

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

To become the first choice bank in Indonesia, which give significant change in the life of millions of people, mainly with the support of digital technology.

### MISSION

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



#### TO OFFER

complete financial solution and service to various segments of retail, micro, SME and corporate business in Indonesia, and for Indonesian Nation and Country as a whole



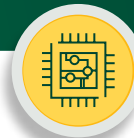
#### TO PROVIDE

a valuable opportunity for the professional growth of the SMBC Indonesia employees.



#### TO CREATE

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



#### TO USE

technology innovation as the main differentiator to provide the best quality and experience in its class to the SMBC Indonesia clients and partners.

### CORE VALUES

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



#### 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 relentlessly innovate.



#### SYNERGY

Collaborate as one team within the SMBC Indonesia financial conglomeration.



#### SPEED & QUALITY

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





# SUSTAINABILITY HIGHLIGHTS

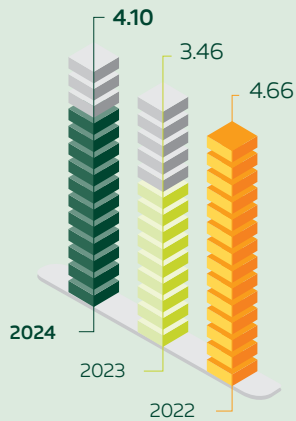
## ECONOMY [OJK B.1]

### ECONOMIC PERFORMANCE OVERVIEW



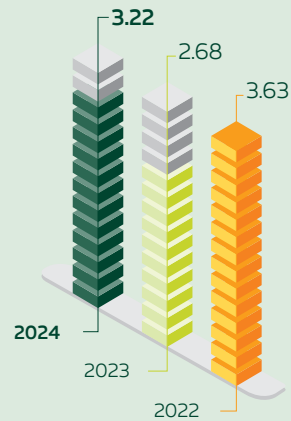
#### NET OPERATING INCOME\*

(Rp Trillion) [OJK B.1.b]



#### NET PROFIT\*

(Rp Trillion) [OJK B.1.c]



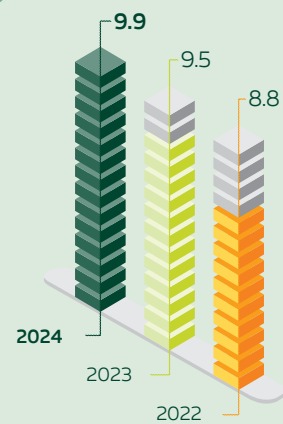
#### ASSET\*

(Rp Trillion)



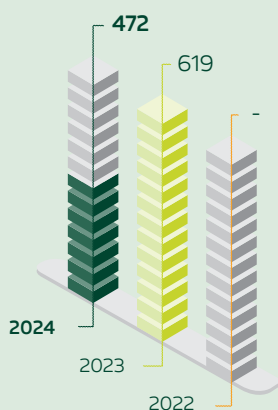
#### CUSTOMERS\*

(in Million)



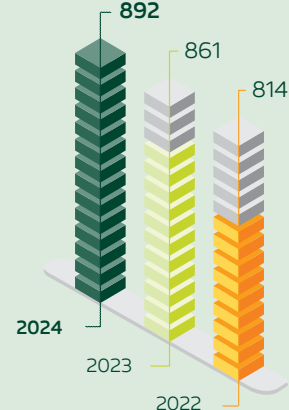
#### DIVIDEND PAYMENTS

(Rp Billion)



#### TAX PAYMENTS

(Rp Billion)



Note:  
Consolidated financial data of SMBC Indonesia, including its three subsidiaries: PT Bank BTPN Syariah Tbk, PT Oto Multiartha (OTO), and PT Summit Oto Finance (SOF).

## ECONOMIC PERFORMANCE RELATED TO SUSTAINABILITY

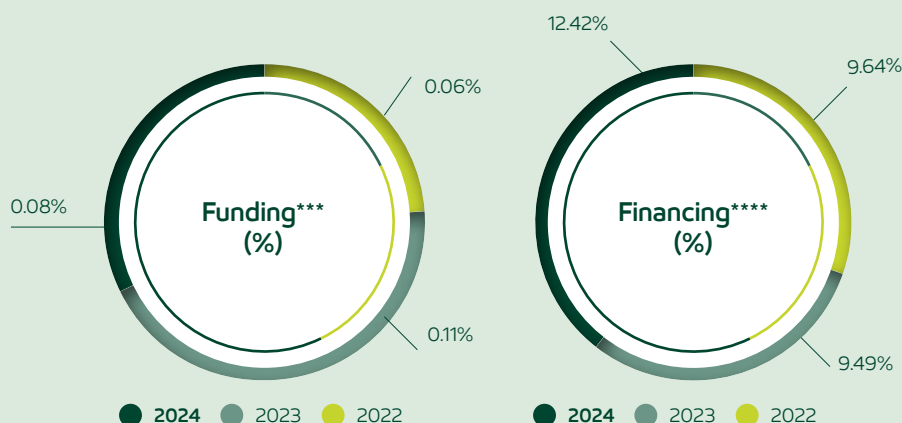
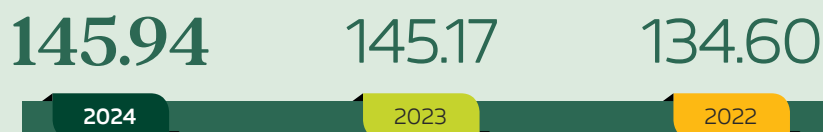


## TYPES OF SUSTAINABLE FINANCE PRODUCTS\*

2024	2023	2022
<ul style="list-style-type: none"> <li>• 2 funding products</li> <li>• 3 sustainable financing products</li> <li>• 1 MSME financing product</li> <li>• ESG Mutual Funds</li> </ul>	<ul style="list-style-type: none"> <li>• 2 funding products</li> <li>• 3 sustainable financing products</li> <li>• 1 MSME financing product</li> <li>• ESG Mutual Funds</li> </ul>	<ul style="list-style-type: none"> <li>• 1 funding product</li> <li>• 3 sustainable financing products</li> <li>• 1 MSME financing product</li> <li>• Philanthropic Mutual Funds</li> </ul>



## PERCENTAGE OF TOTAL FINANCING PORTFOLIO FOR SUSTAINABLE BUSINESS ACTIVITIES RELATIVE TO THE TOTAL PORTFOLIO (%)

FINANCING  
(Rp Trillion) [OJK B.1.a]TOTAL NUMBER OF LOCAL SUPPLIERS  
[OJK B.1.e]

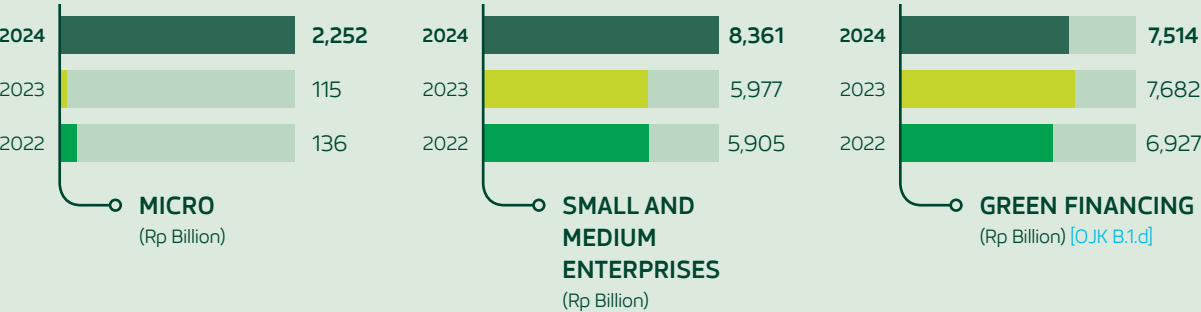
## Notes:

- \* Adjustment in the disclosure of information on types of sustainable finance-related product.
- \*\* Sustainable Business Activities Category (KKUB)
- \*\*\* Percentage of total funding allocated to sustainable business activities relative to the bank's total funding.
- \*\*\*\* Percentage of total financing for sustainable business activities relative to the bank's overall financing portfolio.





SUSTAINABLE FINANCING



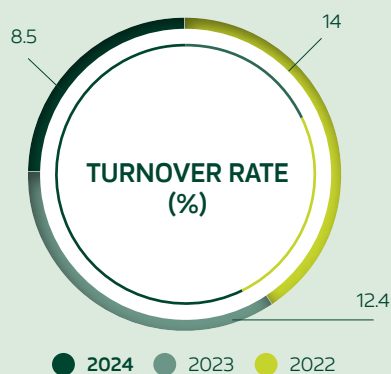
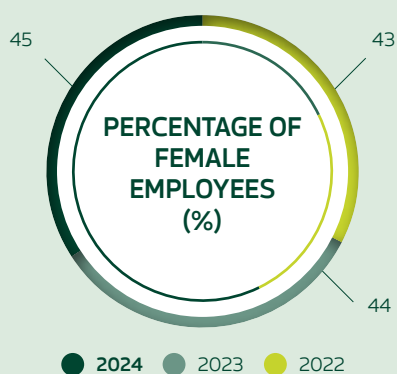
SUSTAINABLE BUSINESS ACTIVITIES CATEGORY (KKUB)

(Rp Billion) [OJK B.1.d]

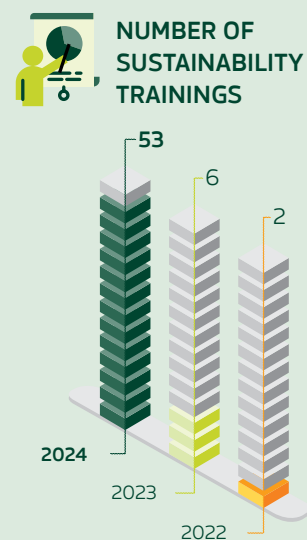
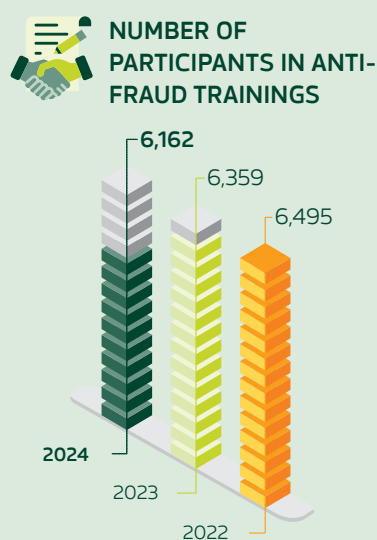
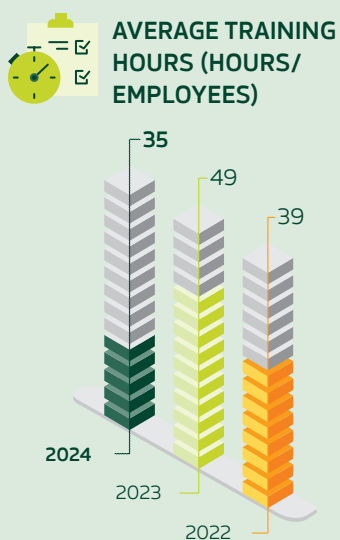


## SOCIAL [OJK B.3]

### EMPLOYEES



### TRAINING AND FAMILIARIZATION



## CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES



NUMBER OF FINANCIAL LITERACY PARTICIPANTS (PARTICIPANTS)

**8,620,804**

2024

2,705,138  
2023

558,185  
2022



DAYA.ID WEBSITE VISITORS (VISITORS)

**1,994,473**

2024

2,306,562  
2023

1,684,575  
2022



TOTAL CSR FUNDS (RP BILLION)

**3.42**

2024

2.88\*  
2023

3.47\*  
2022

\*Adjustment in data presentation from actual figures to Rp billion.



CSR BENEFICIARIES (PARTICIPANTS)

**10,324,196**

2024

5,561,660\*  
2023

2,282,332\*  
2022

\*Adjustment in data presentation from figure

## FINANCIAL INCLUSION



NUMBER OF MSME CUSTOMERS

**17,880**

2024

39,458  
2023

32,690  
2022



NUMBER OF WOMEN CUSTOMERS

**896**

2024

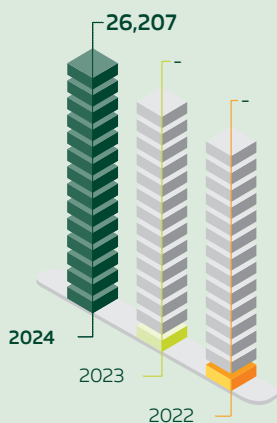
965  
2023

-  
2022

\*Initiatives/programs implemented as of 2023.



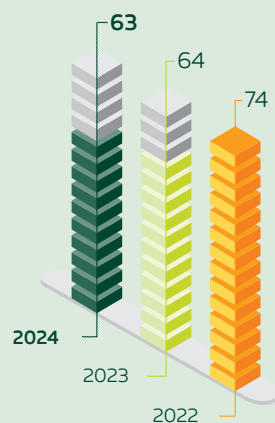
TOTAL DONATIONS VIA JENIUS APP



\*Initiatives/programs implemented as of 2023



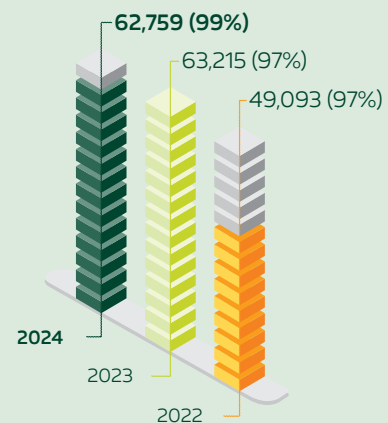
CUSTOMER SATISFACTION LEVEL (%)



\*Derived solely from the Jenius customer satisfaction survey



CUSTOMER COMPLAINT RESOLUTION RATE



## ALLOCATION OF CORPORATE SOCIAL RESPONSIBILITY (CSR) FUNDS



Regions	CSR Activities	2024		2023		2022	
		Cost (Rp Miliar)	Beneficiaries (Number of Participants)	Cost (Rp Miliar)	Beneficiaries (Number of Participants)	Cost (Rp Miliar)	Beneficiaries (Number of Participants)
Sumatera	Financial Literacy Program	-	260	-	204	-	200
	Capacity to Grow for Business Program	98	1,256	205	2,257	146	1,648
Java	Personal Capacity Development Program	-	110,813	-	-	-	-
	Financial Literacy Program	20	1,719	-	2,064	-	-
	Capacity to Grow for Business Program	555	5,287	513	3,848	338	4,692
	Sustainable Living Program	5	70	-	90	-	-
Kalimantan	Financial Literacy Program	-	214	-	-	-	-
	Capacity to Grow for Business Program	123	603	64	576	67	614
Sulawesi	Financial Literacy Program	-	228	-	-	-	-
	Capacity to Grow for Business Program	185	1,221	76	609	74	676
Bali - Nusa Tenggara	Capacity to Grow for Business Program	40	515	64	528	42	517
Maluku - Papua	Capacity to Grow for Business Program	13	131	9	140	11	151
National	Personal Capacity Development Program	709	13,663	335	106,591	1,118	90,643
	Financial Literacy Program	519	8,498,751	731	2,699,551	543	557,696
	Capacity to Grow for Business Program	288	3,390	308	10,522	95	11,207
	Sustainable Living Program	351	45,411	180	61,414	36	15,090
	Daya.id	371	1,637,184	358	2,670,821	957	1,596,543
	Sahabat Daya	143	3,480	37	2,445	42	2,655
<b>Total</b>		<b>3,422</b>	<b>10,324,196</b>	<b>2,879</b>	<b>5,561,660</b>	<b>3,469</b>	<b>2,282,332</b>

### Notes:

Adjustments have been made to the presentation of CSR cost data for 2023 and 2022 as follows:

- The retirement preparation program has been categorized under the Capacity to Grow for Business Program.
- The Daya program for corporate customers and the Daya program for Sinaya Priority customers have been categorized under the Financial Literacy Program.
- The Educational Facilities Development Program has been categorized under the Personal Capacity Development Program.

Positive Impacts of SMBC Indonesia include economic advancement and improved welfare for the community, support for MSMEs, job creation, financial literacy initiatives, and support for renewable energy projects. Potential negative impacts include GHG emissions from financed projects and challenges in waste management for clients. Therefore, SMBC Indonesia has adopted sustainable banking practices, encouraging clients to adopt sustainable business models.

[OJK B.3]



## ENVIRONMENT [OJK B.2]



### ENERGY USAGE (GJ) [OJK B.2.a]

94,863.48 100,404.04 103,623.52

2024

2023

2022



### ENERGY CONSUMPTION INTENSITY/EMPLOYEE (GJ/Person)

14.61 15.13 14.86

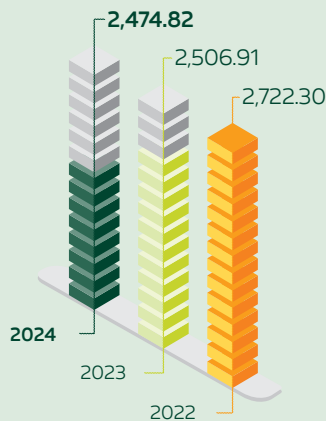
2024

2023

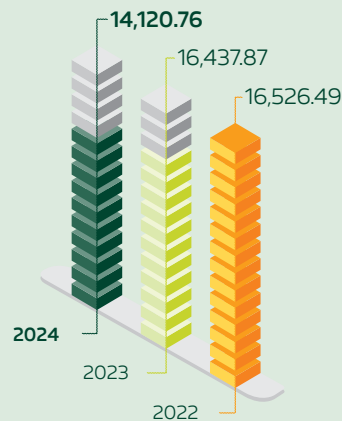
2022



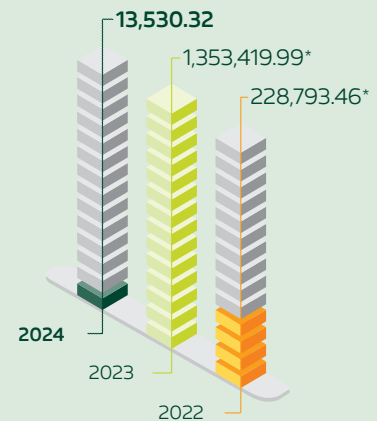
### SCOPE 1 EMISSIONS (tonCO<sub>2</sub>eq)



### SCOPE 2 EMISSIONS (tonCO<sub>2</sub>eq)



### SCOPE 3 EMISSIONS (tonCO<sub>2</sub>eq)



### EMISSION INTENSITY\*\* (ton CO<sub>2</sub>eq/Employee)

2.32

2024

2.85  
2023

2.76  
2022

### EMISSIONS REDUCTION\*\* (ton CO<sub>2</sub>eq) [OJK B.2.b]

3,894.33

2024

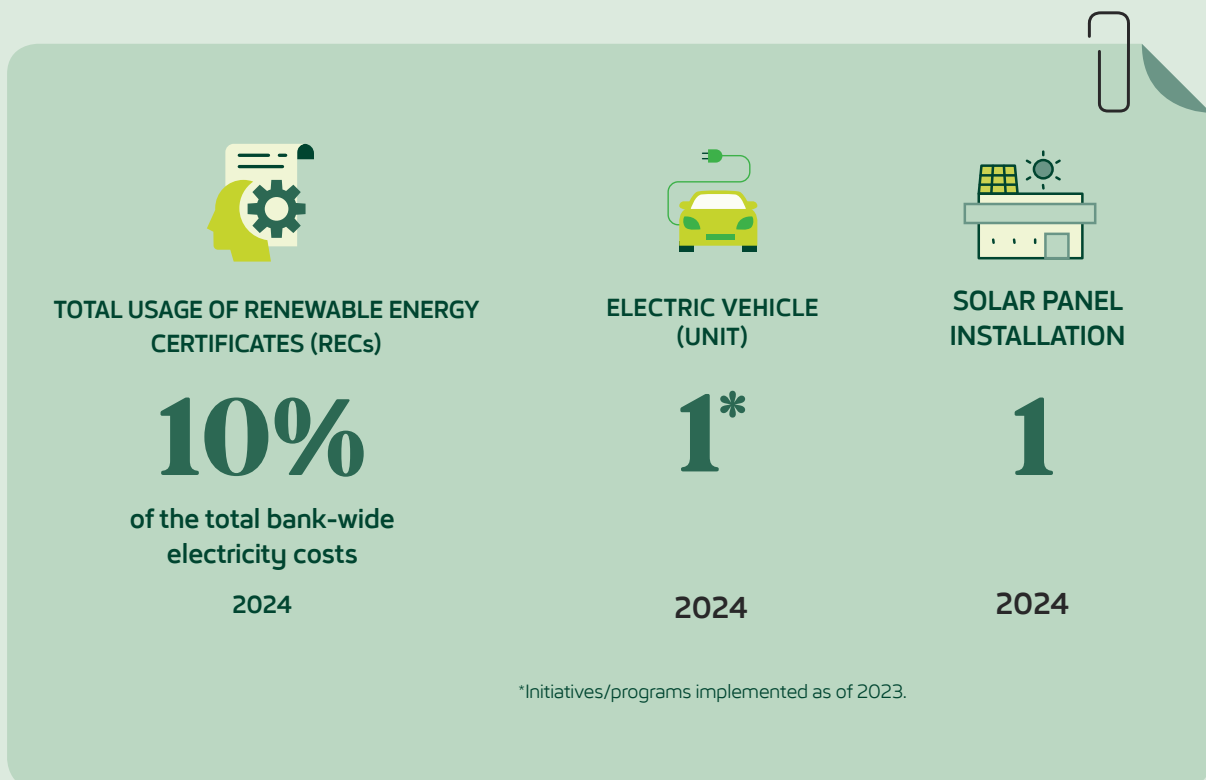
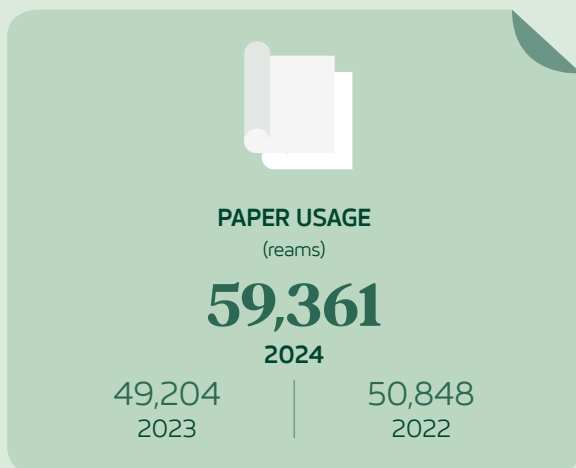
304.00  
2023

888.18  
2022

Notes:

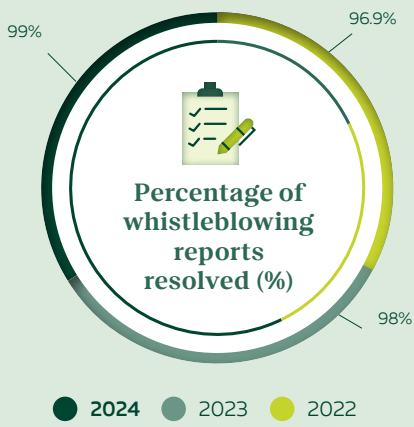
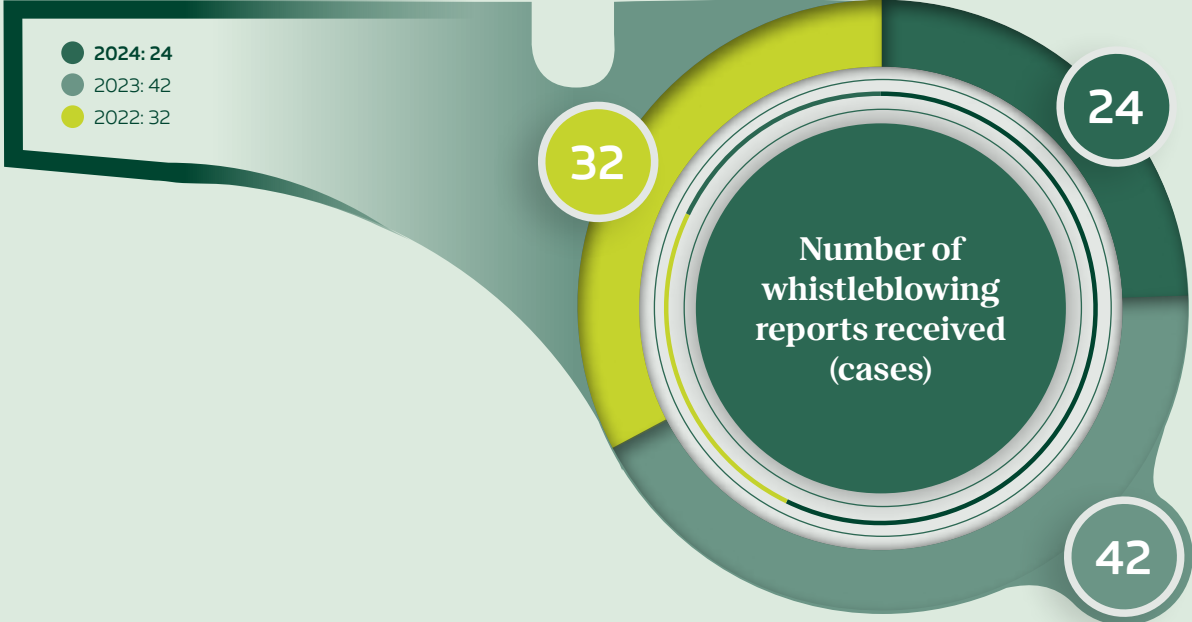
\* Including emissions from financing

\*\* Compared to total Scope 1 and 2 GHG emissions





GOVERNANCE



**ASEAN CORPORATE GOVERNANCE SCORECARD (POIN)**

**108.22**

**2024**

points with a predicate of "Leadership in Corporate Governance" or Level 5 (over 100)

Year	Score
2023	99.19
2022	99.20

with a predicate of "Very Good" or Level 4 (90-99.99)

**ISO/IEC 27001:2013**

**SCOPE IN ACCORDANCE WITH SOA: THE INFORMATION SECURITY MANAGEMENT IN THE DEVELOPMENT AND OPERATIONS OF JENIUS SYSTEM**







## KEY SUSTAINABILITY EVENTS



**APRIL 23, 2024**

Bank BTPN continues to strengthen its comprehensive and innovative financial services with a focus on sustainability by signing a USD 15 million sustainable credit agreement with PT Indo-Rama Synthetics Tbk (Indorama). This collaboration aims to support efforts to reduce emissions and adopt environmentally friendly practices.

**JANUARY 31, 2024**

Jenius from Bank BTPN has launched a new campaign, "Think Unthinkable", serving as both a reflection of its identity and a reaffirmation of its spirit and delivering over 40 innovations and features in ways previously unimagined, aimed at empowering the lives of digitally savvy individuals.



**JUNE 3, 2024**

Bank BTPN and SMBC have extended a USD 450 million syndicated loan to PT IMG Sejahtera Langgeng (IMGSL), a subsidiary of the Indomobil Group. This syndicated loan comprises several tranches for fund utilization, including a green financing tranche of USD 225.8 million to support the transition towards a green economy through the development of an electric vehicle ecosystem. This initiative underscores Bank BTPN and SMBC's commitment to promoting meaningful and sustainable growth. In this syndicate involving 32 creditors, Bank BTPN and SMBC serve as Coordinating Mandated Lead Arranger and Bookrunner, as well as Lead Green Loan Coordinator, Facility Agent, Security Agent, and Account Bank.

**FEBRUARY 19, 2024**

Bank BTPN offers innovative ESG Deposit products for corporate clients, reflecting its commitment to driving meaningful change in achieving net-zero emission targets through a variety of sustainable financial solutions. ESG Deposit not only provides corporate customers with financial instruments offering optimal returns but also supports them in realizing their sustainability initiatives. This is achieved through strategically allocation of deposit funds to initiatives, projects, and activities that contribute to sustainable development. Since its introduction to customers in late 2023, Bank BTPN has begun receiving ESG Deposit placements from several prominent corporations, including PT Mitsubishi Krama Yudha Motors & Manufacturing, PT Senayan Trikarya Sempena, and PT Abadi Tambah Mulia Internasional.

**MARCH 21, 2024**

Bank BTPN held its Annual General Meeting of Shareholders (AGMS) which decided on a cash dividend distribution for the fiscal year 2023 of Rp471.66 billion. This amount is equivalent to Rp44.30 per share and represents 20% of Bank BTPN's net profit for the fiscal year 2023, which was recorded at Rp2.35 trillion.



**MARCH 26, 2024**

In celebration of Eid al-Fitr, Jenius by Bank BTPN launched a survey entitled "Jenius Study: Behavior of Digital-Savvy Communities During Ramadan and Ahead of Eid al-Fitr 2024." The survey, conducted from February 28 to March 18, 2024, involved 233 respondents aged 17–40 years from various regions in Greater Jakarta and beyond (such as Bandung, Surabaya, Sidoarjo, Semarang, Medan, Palembang, Makassar, Manado, and Aceh). The findings of the Jenius Study revealed insights into the behavior of digital-savvy communities this year, underscoring their focus on creating a more meaningful Ramadan by enhancing the quality of worship, better managing holiday allowances, and strengthening family bonds through gatherings.

**AUGUST 27, 2024**

Bank BTPN hosted Daya Fest 2024, themed "Empowerment for the Nation," on August 27, 2024, at BTPN Tower in Jakarta. This event was part of Bank BTPN's ongoing commitment to creating a positive impact on the empowerment of Indonesian communities through the micro, small, and medium enterprises (MSMEs) sector.

## AUGUST 29, 2024

Bank BTPN held an Extraordinary General Meeting of Shareholders (EGMS), officially approving the company's name change from PT Bank BTPN Tbk to PT Bank SMBC Indonesia Tbk.



## SEPTEMBER 4, 2024

Bank BTPN commemorated National Customer Day 2024 by organizing a "Retirement Week" event at its Cililitan Branch Office in Jakarta on September 4. The event provided an opportunity for retired customers to interact with one another and express themselves through various activities such as singing, dancing, and visiting bazaars. Customers were also offered free health check-ups and consultations from doctors affiliated with the Indonesian Medical Association (IDI). This event reaffirmed the company's commitment to supporting retired customers in achieving more meaningful growth in their lives.



## SEPTEMBER 7, 2024

Jenius from Bank BTPN, in collaboration with OneShieldt, held a financial literacy class entitled "Dana Pendidikan Anak Ready, Ibu Pun Jadi Happy" (Children's Education Fund Ready, Moms Stay Happy). The session was held on September 7, 2024, as part of Jenius' support for the Single Moms Indonesia 10th Anniversary celebration at the Ministry of Education, Culture, Research, and Technology building in Jakarta. This financial literacy class aimed to enhance the financial literacy and education of single mothers, particularly in preparing for their children's education funds.

## DECEMBER 3, 2024

SMBC Indonesia officially introduced its new name to the public during a press conference held at the Fairmont Hotel in Jakarta. The event featured Henoch Munandar, President Director of SMBC Indonesia; Akihiro Fukutome, President and CEO of SMBC; and Yoshihiro Hyakutome, Senior Managing Executive Officer and Co-Head of the Global Banking Unit at SMBC, as key speakers. By combining SMBC's global expertise and extensive network with the local strengths of SMBC Indonesia, SMBC Indonesia is committed to fostering strong collaborations, driving national economic growth, and delivering comprehensive and innovative financial solutions tailored to the diverse needs of customers across all segments.

## DECEMBER 10, 2024

Through its Daya program, SMBC Indonesia held a charity run with the theme "Berlari untuk Bumi" (Running for the Earth). The event involved approximately 1,500 SMBC Indonesia employees across seven cities: Jakarta, Bandung, Semarang, Yogyakarta, Surabaya, Medan, and Makassar. This initiative also aligns with SMBC Indonesia's efforts to support Indonesia's net-zero emissions target.

Participants collectively ran a total distance of 5,245 kilometers, equivalent to the distance from Sabang to Merauke. For every 3.5 kilometers run, SMBC Indonesia and the Bakti Lingkungan Djarum Foundation (BLDF) pledged to plant one mango tree as part of the #OneActionOneTree movement. As a result, the total distance covered was equivalent to 1,500 mango tree saplings planted in the Patiayam hills area, Kudus Regency, Central Java. A symbolic tree-planting ceremony was held on November 28, 2024, attended by several members of SMBC Indonesia's board of directors.



## DECEMBER 19, 2024

SMBC Indonesia signed a loan facility agreement worth USD 10 million with PT Surya Utama Nuansa, one of the largest solar energy project development companies in Indonesia, to support the development of solar energy projects in Indonesia.

## SUSTAINABILITY AWARDS

The commitment and performance of SMBC Indonesia in implementing sustainable finance principles throughout 2024 have been acknowledged and appreciated by various stakeholders through several prestigious awards.



**FEBRUARY 1, 2024**

**Award Name**

7<sup>th</sup> Infobank Satisfaction, Loyalty, and Engagement 2024

**Category**

The Best Digital Bank in Satisfaction Index

**Awarding Institution**

Infobank

**Description**

Appreciation to the bank that has delivered excellent services in maintaining customer trust, emotional engagement, and loyalty. The assessment is based on surveys and data analysis conducted by Marketing Research Indonesia (MRI).



**MAY 31, 2024**

**Award Name**

HR Asia Awards 2024

**Category**

HR Asia Best Companies to Work for in Asia 2024

**Awarding Institution**

HR Asia

**Description**

This award is a form of appreciation to companies in Asia with outstanding performance in human resources, reflected in high employee engagement and excellent work culture. This year, SMBC Indonesia received the "HR Asia Best Companies to Work for in Asia" award for the fourth time.

**FEBRUARY 2, 2024**

**Award Name**

The Asset Triple A Awards

**Category**

Sustainable Finance Awards 2024:

1. Best Issuer for Sustainable Finance in Indonesia
2. Best Sustainability Bond in Indonesia

**Awarding Institution**

The Asset

**Description**

This award was achieved through the collaboration of SMBC Indonesia with the International Finance Corporation (IFC) in a USD 500 million investment, comprising the issuance of social and green bonds in 2023.

**JUNE 27, 2024**

**Award Name**

Bisnis Indonesia Corporate Social Responsibility Award 2024

**Category**

Gold Champion

**Topic**

"Digital Community Empowerment through Daya.id"

**Awarding Institution**

Bisnis Indonesia

**Description**

This award is a form of appreciation to companies with the best Corporate Social Responsibility (CSR) programs that have made a significant impact on the community.

**JULY 24, 2024**



**Award Name**

HR Excellence Award 2024

**Predikat**

Very Good

**Category**

1. HR Digitization & People Analytics
2. Employer Branding and Talent Acquisition
3. Wellbeing Management

**Awarding Institution**

SWA Media Group and the Management Institute of the Faculty of Economics & Business, University of Indonesia (LM-FEBUI)

**Description**

An award event that assesses the processes and practices of human resource management across various organizations.



## SEPTEMBER 6, 2024

**Award Name**  
Fortune Indonesia 100

**Ranked**  
56 out of 100

**Awarding Institution**  
Fortune Indonesia

**Description**  
This award is given to companies recognized as leaders in their industry and contributors to Indonesia's economic development.

## OCTOBER 2, 2024

**Award Name**  
Indonesia Most Powerful Women Awards 2024

**Rating**  
Indonesia Most Powerful Women 2024 in Optimizing Financing Segment

Performance and Funding Resources Diversification

**Category**  
Conventional Bank

**Awarding Institution**  
HerStory

**Description**  
Award for companies that have fostered a culture of inclusion and gender equality by supporting women to grow and innovate in the workplace. The award was presented to Finance Director, Hanna Tantani.

## OCTOBER 30, 2024

**Award Name**  
Global Corporate Sustainability Awards (GCSA) 2024

**Rating**  
Great Practice

**Category**  
Best Practice Award

**Awarding Institution**  
Taiwan Institute for Sustainable Energy (TAISE)

**Description**  
Awards for companies, organizations, and individuals for their efforts in implementing sustainability principles in business operations. SMBC Indonesia received this award for its community empowerment program through the Daya.id platform, demonstrating the bank's commitment to sustainability, financial inclusion, and community development.



## NOVEMBER 11, 2024

**Award Name**  
Asia Sustainability Reporting Rating (ASRRAT) 2024

**Category**  
Platinum Rank

**Awarding Institution**  
National Center for Corporate Reporting (NCCR)

**Description**  
This award is given to companies and organizations dedicated to transparency, accountability, and efforts to measure and mitigate environmental and social risks through Sustainability Reporting.

## NOVEMBER 29, 2024

**Award Name**  
Infobank Top 100 CEO & The 200 Future Leaders 2024

**Category**  
Henoch Munandar as one of the Bankers of the Year & Top 100 CEOs

**Awarding Institution**  
Infobank

**Description**  
Appreciation for the dedication and contributions of leaders from the banking, life insurance, general insurance, multifinance, state-owned enterprises (SOEs), and financial sector supporters considered to have delivered outstanding results for their companies.

## DECEMBER 4, 2024

**Award Name**  
Investing on Climate by Editor's Choice Award 2024

**Category**  
Best Literacy for Climate Resilience

**Awarding Institution**  
Editor's Choice

**Description**  
Awarded to companies that have made significant contributions to advancing investments supporting environmental sustainability. SMBC Indonesia received this award for its dedication to enhancing public understanding of climate change mitigation measures, driving positive change for environmental and economic sustainability.





Message from the President Commissioner  
and the President Director



# Message from the President Commissioner and the President Director

01





**CHOW YING HOONG**

President Commissioner



# Message from the PRESIDENT COMMISSIONER

[GRI 2-22] [OJK A1] [SUSBA 1.11.5]

“ SMBC Indonesia is committed to actively contributing and being part of the global solution to preserve the sustainability of our planet. ”

## Dear respected stakeholders,

Climate change stands as one of the most pressing challenges facing the world today. As a responsible financial institution, SMBC Indonesia recognizes the critical nature of our role in addressing the issue of climate change. Climate change not only impacts the environment but also poses significant social and economic risks that affect the lives of many. We firmly believe that our active contribution can be part of the global solution to safeguarding the sustainability of our planet.

In response to the challenges posed by climate change, SMBC Indonesia has set ambitious targets to achieve net-zero emissions (NZE) by 2030 for all our operations. Beyond this, we are also committed to achieving NZE across our entire loan and investment portfolio by 2050. These targets are not merely goals but serve as a guideline for all strategic decisions taken. By integrating sustainability principles into our operations and financial decisions, we aim to drive significant change within the financial sector and the wider community.

As part of our commitment to sustainability, SMBC Indonesia has developed a Sustainable Finance Action Plan (SFAP). The SFAP aims to accelerate the implementation of sustainable finance, promote the development of eco-friendly products, enhance financing portfolios in priority sectors while internally fostering the implementation of sustainable operations. With the SFAP, we ensure that our sustainability strategy has a clear and measurable framework aligned with our vision to support a greener and more inclusive future.

SMBC Indonesia fully supports the achievement of the globally agreed Sustainable Development Goals (SDGs). We believe that the banking sector plays a strategic role in accelerating the achievement of the SDGs, particularly in the areas of poverty eradication, inequality reduction, and environmental protection. Through various initiatives, we strive to create tangible positive impacts on society and the environment.



## Message from the President Commissioner and the President Director

One of our key initiatives in supporting sustainability is financing the environmental sector. We continue to expand our portfolio of credit and financing under the Sustainable Business Activities Category (KKUB) to promote more eco-friendly economic growth. This step aligns with our strategy to support the transition toward a low-carbon economy. We also place special emphasis on sectors with significant potential to generate positive environmental impacts, such as renewable energy, energy efficiency, and sustainable resource management.

As a manifestation of transparency and accountability, I, as the President Commissioner, have mandated the Board of Directors of SMBC Indonesia to regularly publish a sustainability report. This report aims to communicate our progress in achieving sustainability targets, explain

the impacts resulting from the initiatives undertaken, and strengthen stakeholder confidence in our sustainability commitments. With the publication of the sustainability report, we hope to be more responsive to stakeholder expectations and continuously enhance our efforts to create positive impacts.

In closing, I would like to express my deepest gratitude to all stakeholders, including employees, business partners, regulators, and the community, for their support and collaboration in supporting SMBC Indonesia's sustainability journey. I also invite all parties to further strengthen our shared commitment to creating a more sustainable future. By working together, we can realize the SDGs by creating a greener, more inclusive, and prosperous world for future generations.

Jakarta, March 27, 2025



**CHOW YING HOONG**  
President Commissioner

**HENOCH MUNANDAR**  
President Director



# Message from the PRESIDENT DIRECTOR

[SUSBA 1.1.1.6.]

“ SMBC Indonesia is committed to supporting the national economy through innovative and sustainable financial services. ”

As we usher in 2024, Indonesia's economy is demonstrating strong signs of recovery despite facing persistent global challenges, such as geopolitical uncertainties and economic slowdowns in several countries. Supported by solid economic fundamentals, robust domestic consumption as the primary driver of growth, and proactive government policies, Indonesia continues to strengthen its position as one of Asia's most promising economic powerhouses. In this context, SMBC Indonesia remains committed to supporting the national economy through innovative and sustainable financial services, while capitalizing on growth opportunities arising from these developments.

We recognize that 2024 also presents its own set of challenges, from the rapid acceleration of digital transformation to the growing emphasis on sustainability issues. As a financial institution, SMBC Indonesia adopts an adaptive and strategic approach to continue delivering added value to all stakeholders.

The year 2024 also marks a significant milestone for our organization, as on December 3, 2024, PT Bank BTPN Tbk officially changed its name to PT Bank SMBC Indonesia Tbk (SMBC Indonesia), following the resolution made at the Extraordinary General Meeting of Shareholders (EGMS) in August 2024. Through this transformation, we are determined to strengthen our commitment to innovation by delivering trusted financial solutions.

Guided by the spirit of #BersamaLebihBermakna (Do Good, Be Great), SMBC Indonesia will combine the global reputation and extensive network of Sumitomo Mitsui Banking Corporation (SMBC) with the local strengths of SMBC Indonesia, to collaborate in driving national economic growth, and provide innovative financial services that benefit the community. SMBC Indonesia will offer comprehensive and innovative financial solutions tailored to the diverse needs of customers across all segments.

## POLICY TO ADDRESS SUSTAINABILITY CHALLENGES

[OJK D.1.a] [SUSBA 1.1.1] [SUSBA 1.1.2] [SUSBA 1.1.4]  
[SUSBA 1.1.5] [SUSBA 1.1.7]

Climate change has emerged as one of the most significant global challenges that cannot be overlooked. Its impacts are widespread, affecting various sectors and threatening economic, social, and environmental stability. As part of the SMBC, deeply committed to sustainability, SMBC Indonesia has set ambitious goals to achieve NZE by 2030 for all our operations. Additionally, we are committed to reaching NZE in our loan and investment portfolios by 2050.

These initiatives reflect our commitment and responsibility as a financial institution to support the transition toward a low-carbon economy. We believe that through collaboration with various stakeholders, we can accelerate the implementation of innovative sustainability solutions that deliver positive impacts on society and the environment.

To strategically support sustainability, SMBC Indonesia has developed a Sustainable Finance Action Plan (SFAP). This plan serves as a structured roadmap to ensure that all our financial activities align with sustainability principles. Through the SFAP, we can identify opportunities, risks, and concrete steps necessary to support the achievement of the Sustainable Development Goals (SDGs).

This framework not only strengthens our market position but also enables us to create meaningful impacts for the communities we serve. One of SMBC Indonesia's key commitments is to provide responsible financing. In conducting our banking business, SMBC Indonesia recognizes the financial risks associated with climate change and environmental degradation, such as biodiversity loss, deforestation, marine ecosystem damage, flooding, and water scarcity. Furthermore, SMBC Indonesia acknowledges the potential social risks arising from business activities, including those related to human rights, labor rights, and the rights of local communities. [SUSBA 1.2.1.4]

Projects financed by SMBC Indonesia will be developed in a socially responsible manner, taking into account human rights considerations and reflecting sound environmental

management practices. This approach ensures that negative impacts on ecosystems, communities, and climate change resulting from these projects are avoided, minimized, mitigated, and/or appropriately offset.

This commitment is enshrined in the Sustainability Policy of SMBC Indonesia, affirming that the bank will not provide financing to sectors listed on the Exclusion List and imposes specific requirements for financing certain sectors (sectoral policies).

For sectors prone to causing environmental and natural ecosystem impacts, such as land clearing, SMBC Indonesia has established stringent requirements. For instance, financing for the palm oil plantation sector is only extended to customers possessing Roundtable on Sustainable Palm Oil (RSPO) sustainability certification. Meanwhile, for the forestry sector, financing is contingent upon certification from the Forest Stewardship Council (FSC) or the Programme for the Endorsement of Forest Certification (PEFC), as well as compliance documentation with the No Deforestation, No Peat, No Exploitation (NDPE) Commitment.

In any financing transaction, SMBC Indonesia proactively conducts due diligence on prospective customers and establishes credit-related policies. In 2024, SMBC Indonesia also issued the Environmental and Social Assessment Procedure. Through these provisions, SMBC Indonesia ensures that environmental and social impact considerations are appropriately integrated into financing decisions. The bank will take steps to encourage customers to incorporate appropriate environmental and social considerations from the earliest stages. After making a decision regarding providing support or financing, SMBC Indonesia will, if deemed necessary, conduct monitoring to ensure that the established environmental and social considerations are effectively implemented.

From a social perspective, in complying with human rights principles, regarding financing projects that could potentially impact Affected Communities, such as indigenous or local communities, SMBC Indonesia establishes licensing requirements equivalent to Free, Prior, and Informed Consent (FPIC). [SUSBA 1.2.1.18]

The Environmental and Social Assessment Procedure also includes a Grievance Mechanism, which mandates that customers are required to establish an effective grievance mechanism. This mechanism is intended for



use by Affected Communities and Workers to receive and facilitate the resolution of concerns and complaints regarding the environmental and social performance of a project.

The issuance of this Environmental and Social Assessment Procedure strengthens the bank's existing Credit Policy document and aligns with the environmental policies of the SMBC Group. The implementation of these sustainability commitments is rigorously overseen by the Sustainability Committee.

## IMPLEMENTATION OF SUSTAINABLE FINANCE

[OJK D.1.b]

### ECONOMIC PERFORMANCE

By maintaining a focus on operational efficiency and service innovation, SMBC Indonesia achieved positive performance in the reporting year. The consolidated net profit indicated a significant increase compared to the previous year, reaching Rp3,216 billion or an increase of 19.9% compared to the previous year. Meanwhile, our net interest income continued to grow consistently at 26.3%. The company's operating income also recorded solid growth, increase 26.9% into Rp17,429 billion demonstrating our resilience and competitiveness amidst a competitive market dynamic.

In addition, we have further expanded green financing as part of our commitment to sustainability. Financing in eco-

friendly sectors, such as renewable energy and sustainable infrastructure, with a value of Rp7,514 billion. We also launched an ESG deposit product, offering sustainability-based options for customers. These initiatives not only strengthen our portfolio but also support the transition toward a low-carbon economy.

### SOCIAL PERFORMANCE

In the social sector, SMBC Indonesia continues to contribute to the development of MSMEs as the backbone of the national economy. We provide access to affordable financing and mentoring programs to assist MSMEs in enhancing their competitiveness. SMBC Indonesia has conducted training for 11,129 MSME actors, while also empowering them through the daya.id platform, offering online information and empowerment resources.

SMBC Indonesia is also actively involved in improving financial literacy among the public through seminars and training programs attended by 8,620,804 participants. These initiatives aim to assist the community in managing their finances more effectively, increasing financial inclusion, and raising awareness about the significance of sustainability in financial decision-making.

Internally, we continue to enhance the capacity of our employees through comprehensive training programs, attended by 6,970 employees, averaging 35 training hours per employee. Investing in human resource development remains one of our top priorities to ensure that our team is well-equipped to face future challenges with greater confidence.



## ENVIRONMENTAL PERFORMANCE

In support of environmental conservation, SMBC Indonesia has implemented the "Run for the Earth" program. The activity is converted into a tangible action in the form of planting 1,500 trees. This program not only creates a positive impact on the environment but also raises awareness among our employees about the significance of preserving nature.

We believe that small, consistent steps can lead to significant change. Therefore, we continue to expand our environmental initiatives and collaborate with various stakeholders to create a broader impact.

## STRATEGY FOR ACHIEVING TARGETS

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

In conducting its business, SMBC Indonesia recognizes the various impacts and financial risks associated with climate change, such as floods, droughts, deforestation, and disruptions to terrestrial and marine ecosystems. These risks must be managed to achieve SMBC Indonesia's targets in both economic and sustainability areas.

[SUSBA 1.2.1.10]

To ensure the achievement of the targets outlined in the SFAP, SMBC Indonesia adopts a measurable and data-driven approach. We regularly monitor and evaluate the implementation of our sustainability programs. Additionally, we integrate Environmental, Social, and Governance (ESG) principles into our decision-making processes at both strategic and operational levels. Examples of these initiatives include: [SUSBA 1.1.1.3.]

Collaboration with stakeholders is a key element of our strategy. By working closely with customers, business partners, regulators, and communities, we can identify new opportunities, address challenges, and accelerate the achievement of our sustainability goals.

We recognize that implementing sustainability initiatives is not without challenges. One of the primary challenges is raising awareness and participation among all stakeholders regarding the significance of sustainability. To address this, we continuously conduct education and effective communication to build a deeper understanding of the impact of sustainability on the future.

Furthermore, the implementation of sustainability within portfolios and investments requires a deep understanding of how environmental and social impacts affect the long-term financial performance of SMBC Indonesia. To address this, SMBC Indonesia conducts a comprehensive evaluation of the social and environmental aspects that could potentially affect future financial performance. This process includes an in-depth analysis of the impact on reputation, operational risks, and various business growth opportunities.

Another challenge lies in ensuring that all our financial activities align with sustainability goals without compromising profitability. To this end, we develop innovative products and services and strengthen our ESG-based risk management framework to ensure that we can meet stakeholder expectations in a balanced manner.

## CLOSING

In conclusion, I would like to express my deepest gratitude to all stakeholders for their support and contributions to SMBC Indonesia's sustainability journey. Our success is inseparable from the hard work and strong collaboration among our employees, business partners, regulators, and the community.

I urge all parties to continue strengthening our shared commitment to creating a greener, more inclusive, and sustainable future. By working together, we can achieve a greater vision and deliver a positive impact for future generations. Thank you.

Jakarta, March 27, 2025



**HENOCHO MUNANDAR**  
President Director



# About SMBC Indonesia

As a financial institution committed to the principles of sustainability, SMBC Indonesia continues to grow by offering innovative, responsible, and competitive solutions to support economic growth and shared prosperity.

# 02



## GENERAL INFORMATION



### Company Name

[GRI 2-1]

**PT Bank SMBC Indonesia 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

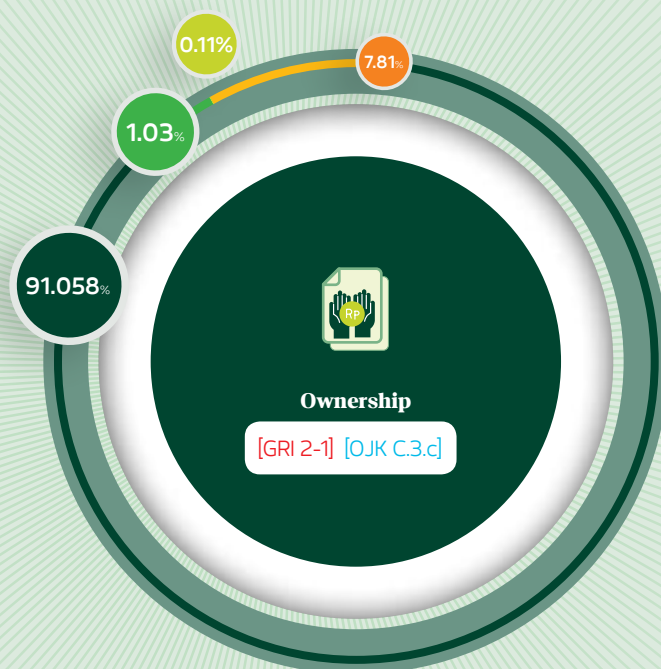
[GRI 2-6] [OJK C.4]

- Funding
- Financing



### Date of Establishment

- February 5, 1958



### Ownership

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

- Sumitomo Mitsui Banking Corporation
- PT Bank Central Asia Tbk\*
- PT Bank Negara Indonesia (Persero) Tbk\*\*
- Public

\* in compliance with Government Regulation No.29 of 1999 concerning the Purchase of Commercial Bank's Shares and converted shares due to the Merger with PT Bank Sumitomo Mitsui Indonesia

\*\* converted shares due to Merger with PT Bank Sumitomo Mitsui Indonesia



### 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.



**Head Office**

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



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



(62 21) 300 26 200



(62 21) 300 26 309



www.smbci.com



PT Bank SMBC Indonesia Tbk



info@smbci.com

**Business Entity**

[GRI 2-2]

All information contained in this report is the property of SMBC Indonesia, including both the head office and regional offices, and does not involve any subsidiary entities unless explicitly stated in a specific section. The audited consolidated financial data includes three subsidiaries, excluding PT BTPN Syariah Ventura.

**SHAREHOLDING****70%**PT Bank BTPN Syariah Tbk  
(BTPN Syariah)**51%**PT Oto Multiartha  
(OTO)**51%**PT Summit Oto Finance  
(SOF)**1%**PT BTPN Syariah Ventura  
(BTPN Syariah Ventura)\*\*69.3% indirect ownership through  
PT Bank BTPN Syariah Tbk.**Significant Changes**

During the reporting year, there were significant changes within the organization, specifically the renaming of PT BANK BTPN Tbk, or Bank BTPN, to "PT Bank SMBC Indonesia Tbk," abbreviated as SMBC Indonesia. [GRI 2-6] [OJK C.6]

**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)

## OPERATIONAL AREAS AND SERVICE NETWORK

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

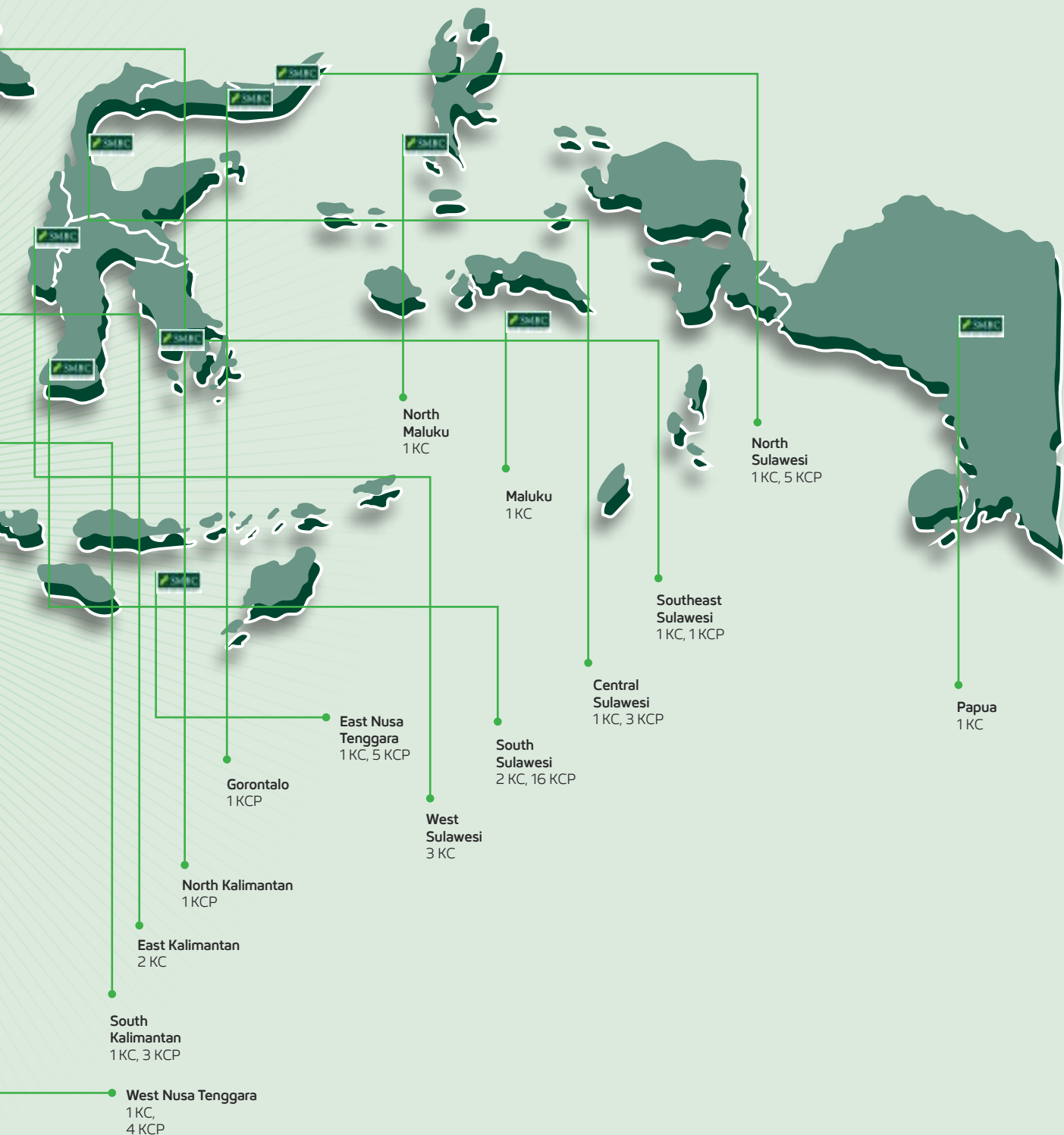


### Description:

- KPO = Kantor Pusat Operasional (Operational Head Office)
- KFO = Kantor Fungsional Operasional (Operational Functional Office)
- KC = Kantor Cabang (Branch Office)
- KCP = Kantor Cabang Pembantu (Sub-Branch Office)



In all regions of Indonesia, **SMBC Indonesia** offers services to individual customers, corporations, MSMEs, and other customers.



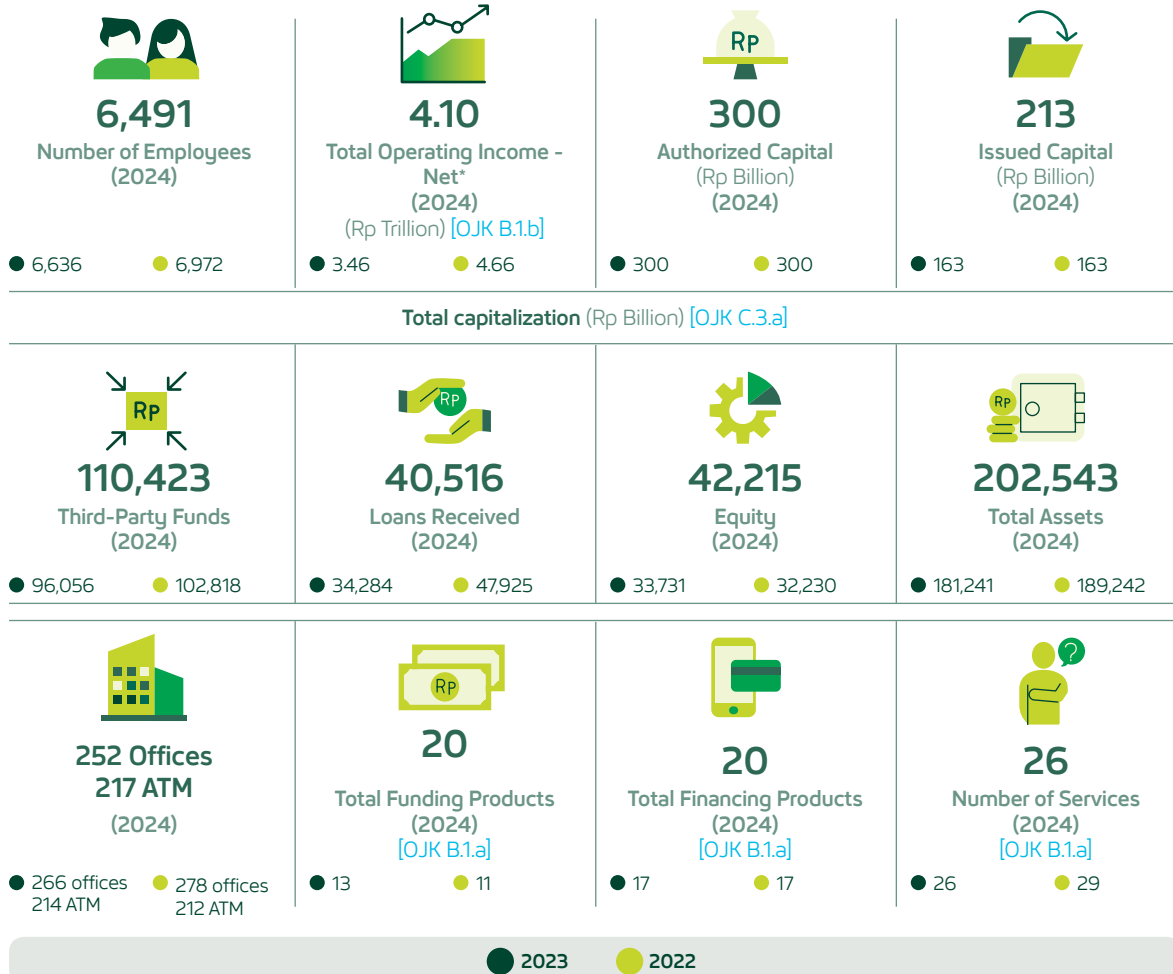
## Membership of Associations

[GRI 2-28] [OJK C.5]

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

## Company Scale

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



Note:

\* Consolidated financial data of SMBC Indonesia, including its three subsidiaries: PT Bank BTPN Syariah Tbk, PT Oto Multiartha (OTO), and PT Summit Oto Finance (SOF).



## Milestones of SMBC Indonesia

### 1958-1986



- Officially commenced operations in Bandung under the name Bank Pegawai Pensiunan Militer (Bapemil).
- Obtained a license to operate as a commercial bank.
- Bapemil changed its name to PT Bank Tabungan Pensiunan Nasional.

### 2005-2010



- Launched micro and small enterprise (SME) operations under the name BTPN Mitra Usaha Rakyat.
- Issued its first IDR-denominated bonds, rated A+ (National) by Fitch Ratings.
- Secured long-term IDR loan facilities from the International Finance Corporation (IFC), a subsidiary of the World Bank.

### 2016-2020



- Operated as a Foreign Exchange Bank.
- Launched the \*Jenius\* product.
- Established BTPN Syariah as a subsidiary.
- Merged PT Bank Tabungan Pensiunan Nasional Tbk (BTPN) and PT Bank Sumitomo Mitsui Indonesia (SMBCI).

### 2011-2015

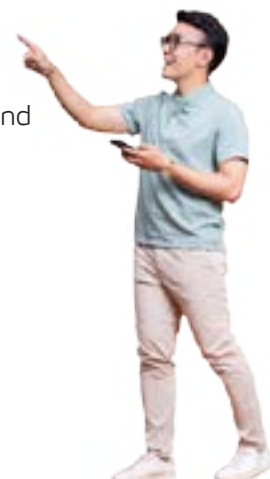


- Launched Daya, a sustainable mass-market empowerment program as an integral part of BTPN's business activities.
- Launched the Sinaya funding program.
- Developed BTPN Syariah.
- SMBC became the controlling bank with a 40% asset share.



### 2021-2024

- Formed a sustainability committee.
- IFC and SMBC Indonesia establish a partnership in a social and green bond agreement.
- Partnered with Great Eastern General Insurance Indonesia (GEGI) in bancassurance distribution.
- Officially renamed as PT Bank SMBC Indonesia Tbk.





# SMBC Indonesia Sustainability Commitment

SMBC Indonesia is committed to integrating sustainability principles into all aspects of its operations, supporting inclusive economic growth while creating a positive impact on the environment and society.

# 03







Sustainability has become a key element in addressing global challenges such as climate change, social inequality, and the need for inclusive economic development. As a cornerstone of the economy, the banking sector plays a vital role in driving the transition toward a more sustainable future.

Through responsible financing policies, banks can support green projects, empower small and medium-

sized enterprises, and facilitate innovation focused on sustainability. By integrating environmental, social, and governance (ESG) principles into their business strategies, banks not only safeguard long-term assets but also create a positive impact on society and the planet as a whole.

SMBC Indonesia ensures the effective implementation of sustainability by adopting the following steps:

## 01 SUSTAINABILITY COMMITTEE

SMBC Indonesia reaffirms its commitment to sustainability and climate change management through the establishment of the Sustainability Committee. This committee plays a key role in ensuring that sustainability principles are comprehensively implemented in alignment with international standards and regulatory requirements.

## 02 THREE LINES OF DEFENSE [SUSBA 1.4.1.4]

This approach guarantees comprehensive risk management through three layers: controls by business units, oversight by the Compliance and Risk Management Directorate, and independent audits to ensure adherence to sustainability policies.

## 03 AUDIT OF SOCIAL AND ECONOMIC ASPECTS

SMBC Indonesia conducts regular audits to assess compliance with sustainability standards, both from social and economic aspects, ensuring that all operational activities align with the company's sustainability objectives.

## 04 PERFORMANCE MONITORING AND EVALUATION

Relevant divisions and lines of business are systematically monitored and evaluated to ensure compliance with sustainability policies and the achievement of established targets.

## SMBC INDONESIA'S SUSTAINABILITY JOURNEY

### 2024

- › SMBC Indonesia was selected to participate in the Climate Risk Management and Scenario Analysis (CRMS) pilot phase held by the OJK
- › Establishing the Sustainable Business Strategy unit to monitor sustainable financial performance.
- › Developing procedures for environmental and social risk assessment.
- › Providing sustainability training to suppliers on GHG emissions.
- › Planting 1,500 trees in collaboration with the Djarum Environmental Care Foundation in Kudus, Central Java
- › Installing solar panels at the Gunung Sahari branch
- › Purchasing Renewable Energy Certificates (REC).
- › Incorporating the Sustainable Banking Assessment (SUSBA) standards into the Sustainability Report.

### 2022

- › Established a Sustainability Committee
- › Established a Sustainable Program Development work unit
- › Has a commitment to net zero emission by 2030 for bank operational activities, and by 2050 as the target for net zero emissions in the loan and investment portfolio.
- › Conducted Green Taxonomy Reporting for the top 350 debtors
- › Developed the concept of diversity and inclusion
- › Conducted a self-assessment related to sustainable finance (SUSBA)
- › Conducted a self-assessment related to sustainable finance (SUSBA provided Sustainability training on sustainable business opportunities to suppliers.
- › Developing sustainability strategies, plans, and targets

### 2020

- › Disclosure of the GRI-Comprehensive Options Index in the Sustainability Report
- › Disclosure of GRI-Financial Sector Index
- › Conducting Independent Assurance on the Sustainability Report
- › Received a Gold Rating in The Asia Sustainability Reporting Rating from the National Center for Sustainability Reporting
- › Conducted a self-assessment on sustainability aspects (GEARS - gender equality)

### 2018

- › Publication of the Sustainable Finance Action Plan (SFAP) 2019-2023

### 2023

- › Publication of the SFAP 2024-2028
- › IFC and SMBC Indonesia establish partnership in social and green bond agreement to strengthen climate action and promoting inclusive development in Indonesia with an investment value of USD 500 million.
- › Calculating GHG Emissions for scope 3 financed emissions.
- › SUSBA assessment by WWF has begun
- › Preparing a green taxonomy report through the APOLO application (for the top 450 debtors)
- › Issuing the Sustainability Policy.
- › Issuing the ESG-Based Lending Procedure.
- › Enhanced employee capacity on sustainability through the implementation of online training modules.
- › Launching a sustainability page on the SMBC Indonesia website
- › Providing sustainability training to suppliers on the implementation of human rights and anti-fraud management.
- › Disclosure of SDGs, GRI SASB, TCFD Indices in the Sustainability Report
- › Mangrove planting of 625 trees.

### 2021

- › Received the Platinum Rating in The Asia Sustainability Reporting Rating (ASRRAT).
- › Developed procedures for Sustainable Financial Reporting.
- › Conducted a self-assessment of Corporate Social Responsibility (CSR) activities based on ISO 2600

### 2019

- › Providing financing to Women-Owned MSMEs, Green Loans, and SCF Loans.
- › Signing of a cooperation agreement with IFC to promote green financing and supply chain financing in Indonesia worth USD 150 million
- › Commenced calculating scope 1, scope 2, and scope 3 (business travel) emissions.
- › Preparation of the Sustainability Report
- › Disclosure of the GRI-Core Options Index in the Sustainability Report
- › Bank SMBC Indonesia held its first employee engagement survey



## IMPLEMENTATION OF SUSTAINABLE FINANCE

SMBC Indonesia reaffirms its commitment to sustainability by developing a Sustainable Finance Action Plan (SFAP) for the period 2024-2028, incorporating environmental, social, and governance (ESG) principles. The SFAP, prepared by the Board of Directors and approved by the Board of Commissioners, serves as the primary guideline for all units of SMBC Indonesia in implementing sustainable finance at all operational levels.

During the reporting period, SMBC Indonesia submitted the 2025 SFAP and the Implementation Progress Report of the 2024 SFAP. SMBC Indonesia continues to demonstrate its commitment to implementing the SFAP through various strategic initiatives. The achievements made in 2024 reflect the bank's tangible efforts in supporting sustainability principles and responsible economic growth. The following are the sustainable finance initiatives undertaken by SMBC Indonesia in 2024.

Program	Sustainable Finance Initiative	Achievement
Development of Sustainable Finance Product and Portfolio	Increasing the financing portfolio through financial products and services that align with the Sustainable Business Activities Category (KKUB) by Rp7.2 trillion.	KKUB portfolio reached Rp7.5 trillion.
	Increasing the social financing portfolio for Women Small Medium Entrepreneur (WSMEs) by 8% per year.	WSME customer portfolio reached Rp3.3 trillion, an increase of 8.34% compared to the position as of December 31, 2023.
	Improving the competence of women MSME entrepreneurs.	Educated 85 women MSME entrepreneurs about digital business.
	Conducting fundraising for ESG mutual funds with a target of Rp15 billion.	ESG Mutual Fund portfolio reached Rp 38.7 billion, equivalent to 158% of the set target.
Internal Capacity Development	Achieving 100% completion of online training modules on sustainability.	Successfully implementing online training modules on sustainability with 100% completion.
Education and Empowerment for External Parties	Organizing empowerment programs through the Daya Program.	The Daya Program carried out 12,158 activities with a total of 10,324,196 beneficiaries.
Policy and SOP Adjustments	The annual review and updating of sustainability policies are 100% completed.	Review and updating of the Sustainability Policy were 100% completed.
Sustainable Operations	Enhancing sustainable operations through the following programs: - Reduction in fuel consumption of 5%. - Reduction in electricity consumption of 0.5%. - Utilization of renewable energy	<ul style="list-style-type: none"> <li>- Reduction in fuel consumption by 1.6%</li> <li>- Decrease in electricity consumption by 7%</li> <li>- Utilization of renewable energy:</li> <li>- Installation of solar panels.</li> <li>- Installation of Electric Vehicle Charging Stations.</li> <li>- Conversion of operational vehicles to electric vehicles.</li> <li>- Purchase of Renewable Energy Certificates (RECs).</li> </ul>
	Enhancing Diversity and Inclusion	Conducted sign language workshops.

## SMBC INDONESIA SUSTAINABILITY POLICY

[FS1]

The SMBC Indonesia Sustainability Policy, published in 2023, serves as the basis for the company to conduct responsible business practices. This policy underscores SMBC Indonesia's commitment to good governance in environmental and social aspects, aligning with regulatory provisions, international standards, and the company's core values.

In 2024, the Sustainability Policy was updated as part of a periodic review process to reinforce SMBC Indonesia's sustainability commitments. The review and evaluation process included internal audits to measure performance, stakeholder engagement to gather feedback, and benchmarking against international standards. [SUSBA 1.3.2.6]

### EXCLUSION LIST

SMBC Indonesia conducts thorough due diligence on prospective clients, considering this a material factor in financing decisions. SMBC Indonesia's Sustainability Policy outlines specific business types and projects that are excluded (exclusion list/exclusionary principles) as they do not meet the criteria for financing by SMBC Indonesia. The company is committed to not supporting business activities related to the following: [SUSBA 1.1.1.7] [SUSBA 1.2.1.1]

1. Trade in weapons, pornography, or activities contrary to social norms.
2. Activities that significantly harm the environment or violate labor regulations.  
[SUSBA 1.2.1.6] [SUSBA 1.2.1.12] [SUSBA 1.2.1.16]
3. Activities that threaten or damage the habitats of endangered wildlife species.  
[SUSBA 1.2.1.4] [SUSBA 1.2.1.6]
4. Activities that threaten or damage the conservation of Ramsar Wetlands, UNESCO World Natural Heritage Sites, and International Union for Conservation of Nature (IUCN) Category I-IV Protected Areas.  
[SUSBA 1.2.1.9].
5. Activities that violate or threaten the rights of local communities (Indigenous peoples).
6. Deforestation.
7. Human rights violations and the employment of underage workers.
8. Financing or investment in new or expanded coal mining industries, particularly those involving mountain top removal (MTR), thermal coal mining\*, or thermal coal mining projects with deadlines extending beyond the fiscal year 2030 in OECD countries\* and the fiscal year 2040 in non-OECD countries.  
[SUSBA 1.2.1.3]
9. Financing or investment in coal-fired power plants (CFPPs)\*.
10. In cases involving third-party funding frameworks (e.g., IFC), the Bank will adhere to the exclusion list applied by the respective third party.



11. Financing or investment in wood-based biomass power plants (WBPPs) that involve the logging of primary forests or human rights violations in their production processes.
12. Business activities involving the production of cluster munitions and other weapons of mass destruction, including nuclear, biological, and chemical weapons, as well as anti-personnel mines.

Note:

\*Exceptions may apply to businesses contributing to the transition from fossil fuel-based operations.

## GENERAL ENVIRONMENTAL, SOCIAL, AND GOVERNANCE (ESG) POLICY

In providing financing support, SMBC Indonesia adheres to the General Environmental, Social, and Governance (ESG) Policy outlined in the Sustainability Policy, which includes:

01

### SMBC INDONESIA'S COMMITMENT TO IMPLEMENTING SUSTAINABLE FINANCE

>	Developing a Sustainable Business Activities (KUB)
>	Assessing the management and monitoring of environmental and social risks related to customer operations
>	Involving the three lines of defense
>	Avoiding greenwashing practices
>	Supporting customers in building capacity to manage environmental and social risk
>	Encouraging customers to adopt best practices in sustainability
>	Categorizing portfolios based on Sustainable Business Activity Categories (KKUB), the Indonesia Green Taxonomy (THI), and the Indonesian Sustainable Finance Taxonomy (TKBI), and other classifications recommended by regulators
>	Developing sustainability products in alignment with credible principles
>	Implementing capacity-building programs related to environmental and social risk
>	Integrating environmental and social governance into credit/investment approval mechanism

02

### COMMITMENT TO COMPLIANCE

>	Possessing environmental documents (e.g., AMDAL, UKL-UPL, etc.)
>	Demonstrating strong capacity, commitment, and track record in addressing environmental and social aspects
>	Promoting decarbonization initiatives for business activities, including those in sensitive sectors
>	Complying with labor regulations
>	Having a commitment to respecting human rights

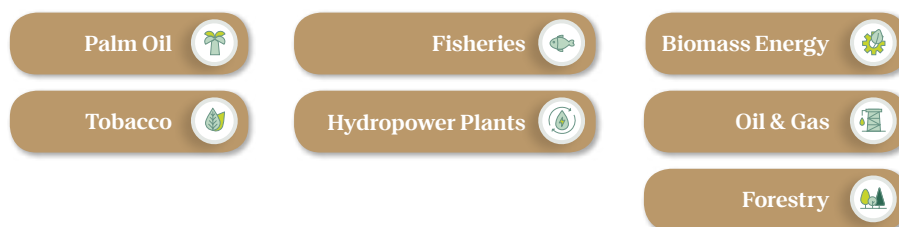
03

### ENVIRONMENTAL AND SOCIAL DUE DILIGENCE (ESDD)

>	The Bank conducts ESDD for all credit facilities extended to business sectors with potential negative environmental and social impacts, specifically for projects with a certain limit value.
---	---

## SECTORAL POLICY

In providing credit facilities to the corporate segment, SMBC Indonesia establishes specific requirements for debtors in specific sectors to ensure that all forms of financing support sustainable practices and comply with environmental and social regulations and standards, both at the national and international levels. The sectors include:



This sectoral policy must meet the following requirements to qualify for credit facilities from the Bank:

[SUSBA 1.1.2.1] [SUSBA 1.1.2.5] [SUSBA 1.2.1.5] [SUSBA 1.2.1.8] [SUSBA 1.2.1.11] [SUSBA 1.2.1.12] [SUSBA 1.2.1.13] [SUSBA 1.2.1.15] [SUSBA 1.2.2.1] [SUSBA 1.2.2.2] [SUSBA 1.2.2.3]

Description	Palm Oil	Forestry	Fisheries	Hydropower Plants	Biomass Energy	Tobacco	Oil & Gas
Possessing Environmental Impact Assessment (AMDAL) or Equivalent	✓	✓	✓	✓	✓	✓	✓
Compliance with Labor Regulations <sup>1)</sup>	✓	✓	✓	✓	✓	✓	✓
Human Rights	✓	✓	✓	✓	✓	✓	✓
Mandatory Certifications	• RSPO or • ISPO <sup>2)</sup>	• FSC or • PEFC	• ASC, • MSC or • Other Ecolabels <sup>3)</sup>				
NDPE Commitment	✓	✓					
FPIC				✓			✓

Note:

<sup>1)</sup> compliance includes not employing illegal workers or child labor, and prioritizing workers' rights as stipulated in national labor regulations and ILO Fundamental Conventions.

<sup>2)</sup> meeting the principles and criteria of RSPO is acceptable, with exceptions made for working capital credit facilities.

<sup>3)</sup> exemptions apply to the micro-segment.

Sectoral policies also stipulate provisions for debtors whose primary operations are in environmentally sensitive sectors with significant potential environmental impact (including oil and gas, mining, and energy and electricity sectors). These debtors are expected to have mitigation plans or decarbonization action plans (GHG emission reduction plans) integrated into their business activities to support the objectives of the Paris Agreement.

[SUSBA 1.2.1.2] [SUSBA 1.5.1.1] [SUSBA 1.5.1.2]

SMBC Indonesia is committed to ensuring that all debtors comply with applicable environmental and social regulations. This commitment is upheld through a comprehensive and rigorous evaluation process of the entire financing portfolio. In the reporting year, 100% of SMBC Indonesia's portfolio underwent a review process aligned with the best international standards. [SUSBA 1.2.2.4] [FS11]

## ENVIRONMENTAL AND SOCIAL RISK ASSESSMENT PROCEDURE

[OJK E.3] [SUSBA 1.1.10] [SUSBA 1.3.1.2] [SUSBA 1.3.2.1]  
[FS2] [FN-CB-410a.2]

SMBC Indonesia implements comprehensive assessment criteria for environment and social aspects for debtors and business partners to ensure compliance with sustainability principles. All assets (portfolio) of SMBC Indonesia (100%) have passed environmental and social screening. [FS11]

SMBC Indonesia has established policy frameworks to ensure that the evaluation conducted effectively in making financing support decisions.

### 01 SUSTAINABILITY POLICY

Serves as a general guideline for compliance in assessing ESG aspects.

### 02 ENVIRONMENTAL AND SOCIAL RISK ASSESSMENT PROCEDURE

Provides guidelines for evaluating environmental and social aspects in financing, based on predetermined financing thresholds.

The Sustainability Policy outlines the general provisions for financing conducted by SMBC Indonesia, in alignment with the principles of the General ESG Policy as previously explained. The approach taken is as follows:

1. SMBC Indonesia verifies the debtor's ownership of business permit documents by referring to the Regulation of the Minister of Environment of the Republic of Indonesia No. 05 of 2012 and its amendments (if any) concerning Environmental Impact Analysis (AMDAL) or Environmental Management and Monitoring Efforts (UKL-UPL) for businesses with direct environmental impacts.
2. The Board of Commissioners oversees risk management practices carried out by the Board of Directors, including approving the Sustainability Policy, which incorporates provisions for environmentally and socially responsible financing. The Board of Commissioners may also request

explanations and/or accountability from the Board of Directors in the event of deviations in the implementation of the Sustainability Policy.

3. The Board of Directors is responsible for the preparation and implementation of the Sustainability Policy, including provisions of green and social financing, ensuring compliance with credit-related regulations, and periodically reporting to the Board of Commissioners on the execution of the Sustainability Policy. [SUSBA 1.4.1.1]
4. SMBC Indonesia conducts checks to ensure that prospective debtors are not part of prohibited business activity, meet the ESG criteria outlined in the Sustainability Policy, and fulfill the Risk Acceptance Criteria.

SMBC Indonesia applies comprehensive evaluation on debtors and business partners, applied universally in accordance with the Sustainability Policy. These criteria include the following:

1. SMBC Indonesia reviews collateral provided, taking into account its condition at the time of receipt and during re-examination. The bank ensures that environmental risks associated with collateral do not hinder or burden SMBC Indonesia, such as the collateral's value turning negative upon sale.
2. SMBC Indonesia conducts regular visits to debtors for supervision and guidance. The outcomes of these visits are documented in call reports, covering topics such as the overall business condition of the borrower, including compliance with environmental regulations. These interactions are managed by departments within each business line. [FS5]
3. SMBC Indonesia conducts a monitoring process of the debtor's compliance with environmental regulations as outlined in the Corporate Banking Standard Operating Procedures (SOP) and its addendums. This is part of the bank's efforts to contribute to climate change mitigation and adaptation. [FS5]
4. Environmental and social risk aspects are integral to the initial credit proposal evaluation and are monitored annually through credit reviews. Any identified issues or cases during the assessment are taken into account in the credit approval process. [SUSBA 1.3.1.1]

SMBC Indonesia considers applicable climate change regulations, including Presidential Regulation No. 59/2017 and OJK Regulation No. 51/2017, governing the implementation of Sustainable Development



Goals (SDGs) and sustainable finance. Additionally, SMBC Indonesia ensures that debtors' business activities comply with the regulations of the Ministry of Environment and Forestry (KLHK) by demonstrating ownership of environmental impact assessment documents. [TCFD R1]

For the corporate segment, SMBC Indonesia takes into account the results of environmental assessments and reviews in financing decision-making. The bank may also recommend the inclusion of clauses related to environmental and social aspects in loan agreements to strengthen the implementation of sustainability principles. [SUSBA 1.3.1.3] [SUSBA 1.3.1.5] [TCFD R3]

## MONITORING PROCESS FOR ENVIRONMENTAL AND SOCIAL COMPLIANCE IMPLEMENTATION

SMBC Indonesia conducts comprehensive monitoring to ensure the quality of its credit portfolio while maintaining the sustainability of its financing activities. This effort is carried out by examining various critical aspects, including:

1. **Credit Allocation:** Ensuring that financing is provided in accordance with established internal plans and policies.
2. **Debtor Business Development:** Monitoring the business conditions of debtors to identify potential risks and growth opportunities.
3. **Compliance with ESG Regulations:** Evaluating the implementation of environmental, social, and governance (ESG) principles by debtors, in accordance with applicable standards and regulations.

SMBC Indonesia also conducts ongoing monitoring of prospective debtors to ensure their business operations align with the sustainability standards set by the institution. The financing procedures are evaluated at least once a year to ensure the portfolio remains consistent with sustainability criteria and supports the achievement of SMBC Indonesia's strategic objectives. [SUSBA 1.3.2.3] [SUSBA 1.3.2.4]

If a prospective debtor is found to not fully comply with environmental and social (E&S) policies, SMBC Indonesia requires the debtor to develop and implement a performance improvement action plan within a specified timeframe. SMBC Indonesia ensures that the plan is executed within the agreed period, either before or after the disbursement of the loan. [SUSBA 1.3.2.2] [SUSBA 1.3.2.5] [SUSBA 1.6.1.1]

## ENVIRONMENTAL AND SOCIAL RISK ASSESSMENT

In 2024, SMBC Indonesia issued the Environmental and Social Risk Assessment Procedure document as a guideline for conducting financing activities for the development of specific new projects, or the expansion or enhancement of certain existing projects, subject to thresholds defined within the procedure.

Through the implementation of this guideline, SMBC Indonesia is committed to making its best efforts to ensure that appropriate environmental and social considerations are consistently integrated into all financing decisions. Furthermore, the projects financed are expected to comply with applicable laws and standards in Indonesia, as well as other relevant international standards.

The mechanism for conducting environmental and social risk assessments is as follows: [SUSBA 1.3.1.3]

### 1. Collection of Required Information

SMBC Indonesia requests clients to provide the necessary information to conduct an Environmental and Social Assessment (ESA). This may include an Environmental and Social Impact Assessment (ESIA), an Environmental and Social Management Plan (ESMP), or documents with a more limited scope (such as audits, risk assessments, hazard assessments, and relevant project-specific environmental permits). [SUSBA 1.2.1.11]

These documents serve as the basis for determining the potential environmental and social impacts and risks (including human rights and climate change risks, if applicable) of the proposed project within its area of influence. The impacts include impacts on the



environment, such as biodiversity loss, deforestation risks, risks of damage to the marine environment, floods, and water scarcity, as well as social impacts such as human rights risks, including labor rights and the rights of local communities. These efforts must be conducted in a manner relevant to and commensurate with the nature and scale of the proposed project.

The ESA document outlines the measures proposed by the client or debtor to minimize, mitigate, and offset any adverse impacts that may arise from their business activities.

For projects with the potential for significant adverse impacts on Affected Communities, the client undertakes a Consultation and Participation process. This process must be free from external manipulation, interference, coercion, and intimidation. Projects adversely affecting indigenous communities require Free, Prior, and Informed Consent (FPIC) from the affected Indigenous Communities. Clients are required to establish an effective

grievance mechanism designed for use by Affected Communities and Workers, where necessary, to receive and facilitate the resolution of concerns and complaints regarding the environmental and social performance of the project. [SUSBA 1.2.1.18]

## 2. Environmental Screening

SMBC Indonesia classifies projects into categories of environmental and social risk potential based on the following criteria: projects with significant adverse environmental and social risk potential, projects with limited adverse environmental and social risk potential, and projects with minimal or no environmental and social risks and/or impacts: [SUSBA 1.3.1.4]

## 3. Environmental Review

SMBC Indonesia conducts a review to ensure or confirm that the project complies with or is expected to comply with applicable laws and standards in Indonesia, as well as other relevant regulations and standards.

SMBC Indonesia carries out an escalation process and seeks input from the SMBC Group, incorporating their considerations into the loan agreement if necessary. Subsequently, SMBC Indonesia negotiates the proposed terms the customer. [SUSBA 1.3.1.45]

#### 4. Support Decision Making

Based on the completed assessment stages, SMBC Indonesia makes a support decision that reflects the findings of the ESA. If, based on the Environmental Screening and Environmental Review, SMBC Indonesia assesses that there are no appropriate environmental and social considerations, then the bank will encourage the customer adopt suitable environmental and social measures. [SUSBA 1.3.1.4] [SUSBA 1.3.1.5]

#### 5. Environmental Monitoring [FS3] [SUSBA 1.3.2.5]

SMBC Indonesia conducts Environmental Monitoring, including verifying established environmental requirements to ensure that customer adequately fulfill the Environmental Requirements for projects with significant environmental and social impacts over a specified period. [SUSBA 1.3.2.2]

Environmental Monitoring for projects meeting the threshold is conducted as follows, based on the project category: [SUSBA 1.3.2.2]

- SMBC Indonesia conducts environmental monitoring based on information provided by the client and through independent monitoring by environmental and social consultants.
- SMBC Indonesia also conducts environmental monitoring based on information provided by the client.

If the customer fails to comply with the environmental requirements, SMBC Indonesia will encourage customers to comply with applicable regulations. If customers fail to meet these requirements, SMBC Indonesia will take necessary actions as needed. [SUSBA 1.3.2.3]

## GOVERNANCE

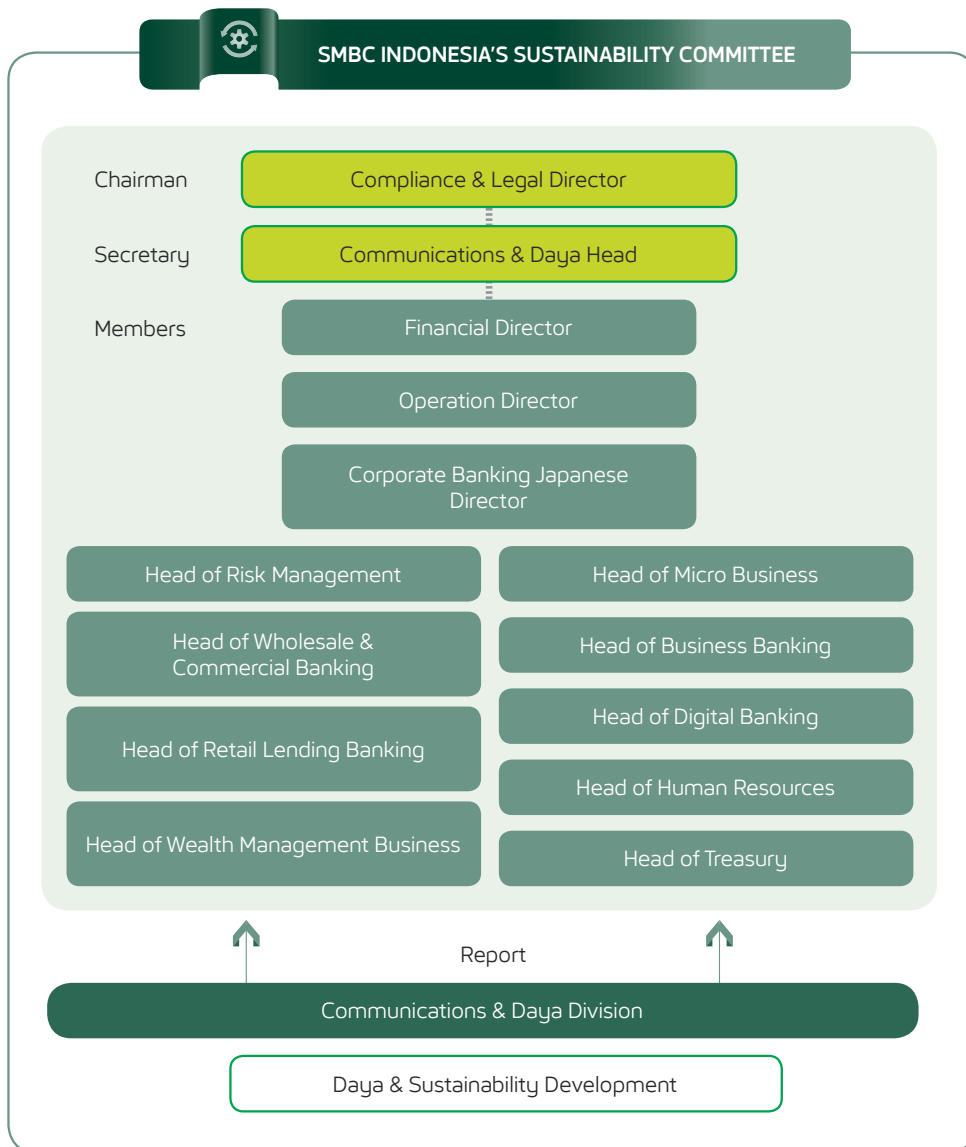
Strong and integrated governance is the foundation of SMBC Indonesia's sustainability implementation. SMBC Indonesia has established a dedicated governance structure to ensure responsible, transparent, and sustainable decision-making.

SMBC Indonesia demonstrates a tangible commitment to sustainability and climate change management by forming a Sustainability Committee. This committee is responsible for ensuring the integrated implementation of sustainability principles in alignment with global standards and regulatory guidelines. The main tasks of the Sustainability Committee include: [TCFD G2] [SUSBA 1.4.1.2] [SUSBA 1.4.1.3] [SUSBA 1.4.2.1]

- (1) Developing strategies, policies, and targets related to sustainable finance, consistently applied across SMBC Indonesia;
- (2) Monitoring, evaluating, and providing recommendations on the implementation of sustainable finance to ensure compliance with regulations and SMBC Group directives.

The committee comprises members of the Board of Directors and heads of relevant business units. Through its strategic role, the Sustainability Committee serves as the driving force behind SMBC Indonesia's efforts to achieve its sustainability vision holistically. SMBC Indonesia's sustainability strategy is transparently discussed during the Annual General Meeting of Shareholders (AGMS), taking into account input from stakeholders.

Senior Management, the Sustainability Committee, and relevant SMBC Indonesia staff are evaluated based on established sustainability criteria. This evaluation ensures that every initiative and strategy aligns with the company's sustainability objectives. [SUSBA 1.4.2.4] [SUSBA 1.4.2.5]



The Sustainability Committee is chaired by the Compliance and Legal Director. In day-to-day operations, this function is delegated to the Communications and Daya Head, subsequently overseeing its execution by respective Line of Business (LOB) leaders and relevant support functions. These division leaders ensure effective monitoring and coordination across departments in implementing the Sustainable Finance Action Plan (SFAP). The Communications and Daya Head operates under the supervision of the Compliance and Legal Director, subsequently overseeing the overall implementation of the company's sustainability strategy, including management by the Daya Unit & Sustainability Development Team across all business lines. [\[TCFD G2\]](#)

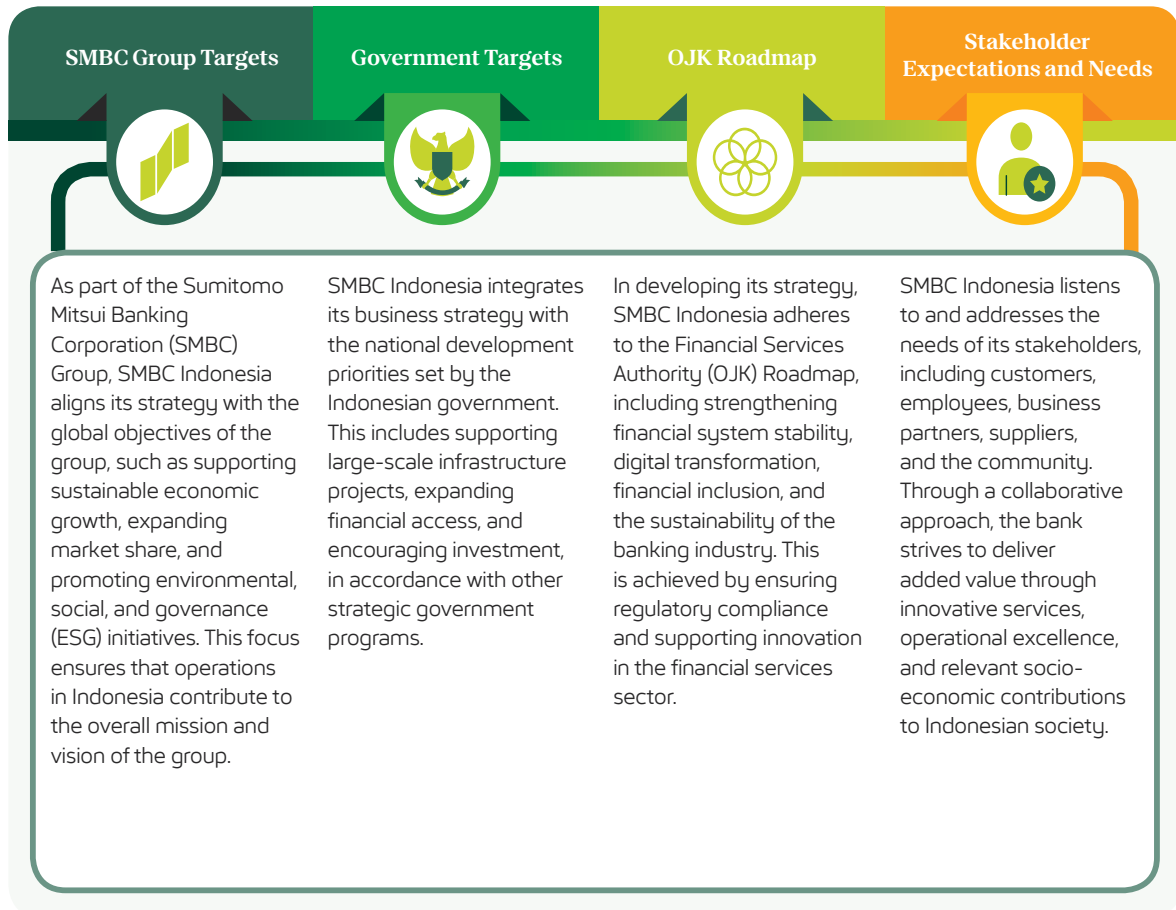
To ensure effective implementation, the Board of Commissioners receives sustainability reports once a year, while the Board of Directors receives reports twice a year through the Sustainability Committee. These reports are used to conduct in-depth reviews of policies, strategies, budgets, and risk management related to climate change issues, enabling the sustainability strategy to be continually adjusted to evolving business needs and regulatory requirements. [\[GRI 2-12\]](#) [\[GRI 2-13\]](#) [\[OJK E.1\]](#) [\[TCFD G1\]](#)



## SMBC INDONESIA'S SUSTAINABILITY STRATEGY

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

In formulating its business strategy, SMBC Indonesia ensures that its approach aligns with various stakeholders and key policies influencing its operations. This includes synchronization with the SMBC Group's targets, the priorities of the Indonesian government, guidelines from the OJK Roadmap, as well as the expectations and needs of stakeholders.



This strategy enables SMBC Indonesia to serve as a reliable partner in supporting national economic growth while strengthening its position in the Indonesian

financial market. The following is SMBC Indonesia's sustainability strategy.

## SMBC INDONESIA'S SUSTAINABILITY STRATEGY

### Development of Sustainable Finance Products and Portfolios

- Expanding the sustainable business portfolio
- Enhancing the portfolio of women-owned SMEs
- Increasing sustainable investments

### Education and Empowerment Programs

Enhancing SMBC Indonesia's social value through the Daya program

### Internal Capacity Building on Sustainability

Strengthening internal capacity through mandatory sustainability training



### Policy and Procedure Adjustments

- Updating the Sustainability Policy and aligning Information Technology policies
- Developing a climate risk framework and reporting standards

### Sustainable Operational Implementation

- Striving to reduce electricity and fuel consumption
- Conducting GHG emission calculations
- Implementing diversity and inclusion programs

## RISK MANAGEMENT

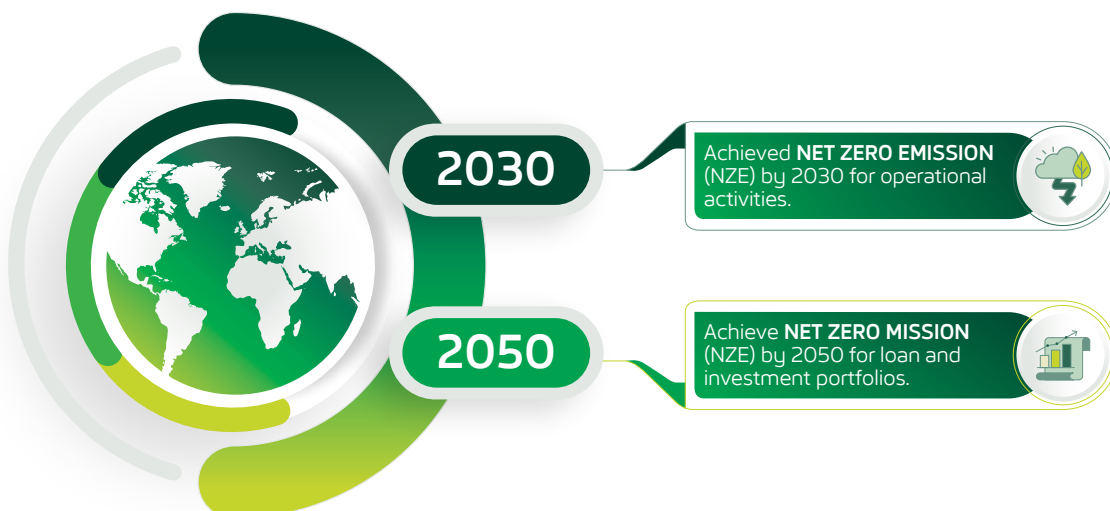
SMBC Indonesia has established a comprehensive risk approach to identify and manage risks associated with climate change. Environmental considerations are a key factor in the credit approval process to ensure sustainability and compliance with regulations. This risk identification process includes: [\[TCFD R1\]](#)

- (1) Reviewing the obligation to conduct an Environmental Impact Assessment (AMDAL) in accordance with the Regulation of the Indonesian Minister of Environment No. 05 of 2012,
- (2) Ensuring that debtors are not part of prohibited business activities,
- (3) Assessing customer's compliance with environmental regulations.
- (4) SMBC Indonesia is in the process of formulating regulations on climate change applicable to the credit granting process.

## METRICS AND TARGETS

[\[SUSBA 1.1.1.1\]](#) [\[SUSBA 1.6.2.9\]](#) [\[TCFD M3\]](#)

As part of the SMBC Group, SMBC Indonesia is committed to supporting the achievement of net zero emission (NZE) targets, aligning with Indonesia's efforts to achieve net zero emission by 2060. SMBC Indonesia has established the following targets:

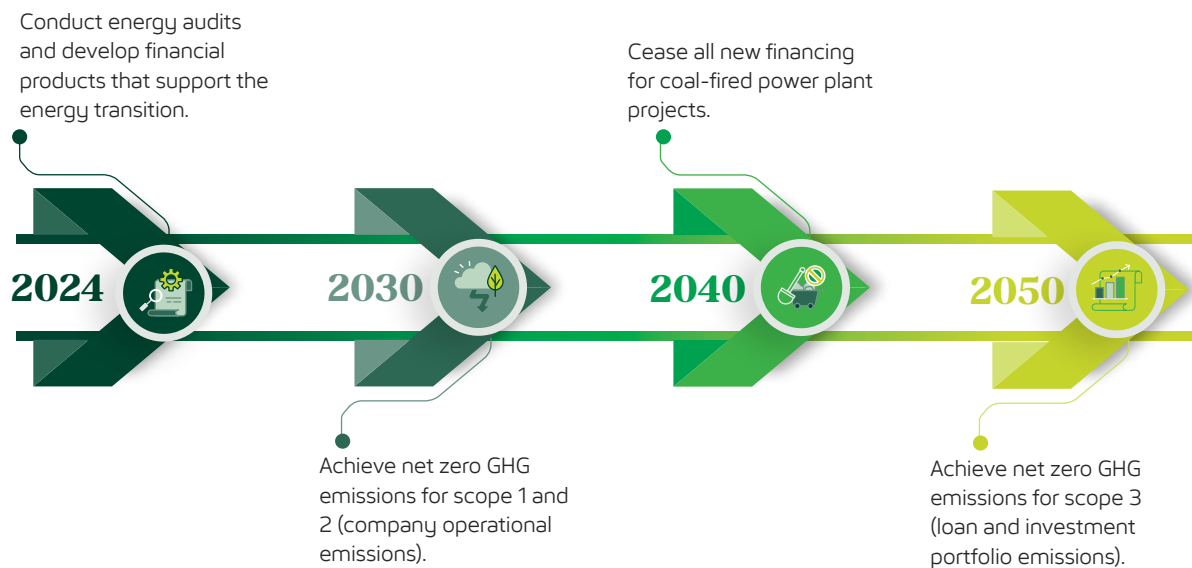


Additionally, the SMBC Group has developed a Roadmap for Addressing Climate Change, providing guidelines on managing the impacts of climate change. SMBC Indonesia has set several qualitative targets to support its climate objectives, including:



SMBC Indonesia has adopted a long-term goal to achieve net-zero emissions in alignment with the Paris Agreement. This commitment is being realized through strategic measures such as integrating sustainability into financing policies, promoting investments in green projects, and minimizing carbon impacts in its operations. Through this approach, SMBC Indonesia not only supports the transition to a low-carbon economy but also plays an active role in driving positive change for the environment and society.

### ROADMAP TO ADDRESS CLIMATE CHANGE



### MEASUREMENT

[TCFD M1] [TCFD M2] [TCFD M3]

SMBC Indonesia conducts calculations of Scope 1, 2, and 3 emissions as part of its efforts to assess risks and opportunities associated with climate change. These measurements are expressed in units of Ton CO<sub>2</sub>e (tons of carbon dioxide equivalent) to provide a clear overview of the company's operational impact on the environment. Within Scope 3, SMBC Indonesia measures emissions from both non-finance (operational) and finance categories. Finance emissions refer to GHG emissions generated from the financing portfolio, investments, and other financial services, reflecting the institution's responsibility in supporting the transition

to a low-carbon economy. In 2024, SMBC Indonesia expanded its Scope 3 emissions calculations to include:

- Purchased goods and services
- Capital goods
- Fuel- and energy-related activities (not included in Scope 1 or Scope 2)
- Waste generated in operations
- Business travel
- Employee commuting
- Financed emissions

Information on emissions calculations can be found in 'Prioritizing Commitment to Climate and The Environment' section on page 119.

## SMBC INDONESIA'S STRATEGIES AND CONTRIBUTIONS TO THE SDGs [GRI 2-22] [OJK A1] [SUSBA 1.1.1.4]

SMBC Indonesia is committed to supporting the achievement of the Sustainable Development Goals (SDGs) by integrating sustainability principles into its operations and financing. Through various strategic initiatives, SMBC Indonesia contribute to creating a positive impact on the environment, society, and the economy.

### 1 NO POVERTY No Poverty

- › Supporting economic growth through financing products for the retail, micro, small and medium enterprises (SMEs), and corporate business segments in Indonesia.
- › Providing employment opportunities for 6,491 employees.
- › Through the Daya program, offering financial literacy training for the community and business development training for MSMEs.
- › Expanding market access for customers' businesses both online through Daya.id and offline through customer product bazaars at SMBC Indonesia offices.
- › Developing Environmental, Social, and Governance Mutual Funds (ESG Mutual Funds), expected to contribute to improving overall community welfare and reducing poverty.

### 2 NO HUNGER No Hunger

- › Providing financing in the agricultural sector.

### 3 GOOD HEALTH AND WELL-BEING Good Health and Well-Being

- › Through Daya.id, offering online training and information on health and business development for the community.
- › Providing elderly-friendly branch facilities.
- › Offering pre-retirement preparation for civil servants, police, and military retirees.
- › Facilitating sports activities for employees through the SMBCI Club.





## Quality Education

- › Through the Daya.id program, providing various training and capacity-building initiatives for the community.
- › Collaborating with the Djarum Foundation to empower the younger generation through the development of educational facilities.
- › Providing growth opportunities for employees through various training programs.



## Gender Equality

- › Serving as a founder/promoter of the Indonesia Business Coalition for Women Empowerment (IBCWE).
- › Through diversity and inclusion programs, promoting equality in career development and employee remuneration.
- › Creating safe employment opportunities for women, including the provision of lactation rooms.



## Clean Water and Sanitation

- › Providing financing for the construction of clean water pipeline networks in DKI Jakarta of Rp8.87 trillion.



## Affordable and Clean Energy

- › Offering financing facilities to corporations in the renewable energy and electricity supply sectors.



## Decent Work and Economic Growth

- › Providing financing for the MSME segment.
- › Through Daya.id, organizing entrepreneurship training to support MSME growth.
- › Ensuring a decent and comfortable working environment for employees.



### Industry, Innovation and Infrastructure

- › Developing technological innovations in banking service activities.
- › Collaborating with the Djarum Foundation to enhance educational facilities.



### Reduce Inequalities

- › Providing financing for the retail, micro, and small medium enterprises (SME) segments.
- › Through the Daya.id program, providing financial literacy to the community.



### Sustainable Cities and Communities

- › Offering financing for the green property sector.
- › Implementing the green building concept at the SMBC Indonesia Head Office.
- › Preserving culture through the management of the Dago branch office, which received recognition from UNESCO.



### Responsible Consumption and Production

- › Through its digital banking product (Jenius), SMBC Indonesia support emission reduction from customers' travel to bank locations.
- › SMBC Indonesia no longer provides bottled drinking water at its head office's meeting room.



### Climate Action

- › Providing sustainable financial products.
- › Implementing energy savings and emission reductions across the entire office network of SMBC Indonesia.
- › Participating in the net zero emission (NZE) transition Plan initiated by the SMBC Group.
- › Absorption of carbon dioxide (CO<sub>2</sub>) through the planting of 2,125 trees since 2023.



### Life on Land

- ▶ Implementing environmental and social risk assessment procedures in all business processes, as outlined in SMBC Indonesia's credit policy.



### Peace, Justice and Strong Institution

- ▶ Building a clean and integrity-driven institution, and providing a whistleblowing system for reporting violations.
- ▶ Encouraging employee participation through labor unions and collective labor agreements.



### Partnerships for the Goals

- ▶ Collaborating with various expert partners to jointly enhance community capacity in entrepreneurship and health sectors. This is reflected in the diverse expert partnerships featured on the Daya program.
- ▶ Engaging in memberships with various associations to advance performance and contribute to Indonesia's economic growth.

# Sustainable and Eco-Friendly Economy

SMBC Indonesia supports the achievement of sustainability goals by promoting projects that have a positive impact on the environment and society.

04







In 2024, Indonesia's economic conditions demonstrate solid recovery amidst global challenges, driven by growth in the domestic consumption sector, increased commodity-based exports, and strengthened infrastructure investment. The government continues to push for economic transformation through digitalization, green energy development, and structural reforms to enhance competitiveness. However, global economic uncertainties, including energy price fluctuations and geopolitical dynamics, remain challenges that require collaboration among various stakeholders to maintain stability and promote sustainable development.

SMBC Indonesia plays a strategic role in supporting the achievement of positive macroeconomic conditions and sustainable financial development. Through financing green infrastructure projects, investing in renewable energy sectors, and collaborating with MSME players, SMBC Indonesia promotes economic inclusivity while integrating sustainability principles into its operations. SMBC Indonesia's initiatives, rooted in sustainable development, align with the national agenda to create resilient, inclusive, and eco-friendly economic growth. This positions the institution as a strategic partner in strengthening Indonesia's financial ecosystem for the future.

SMBC Indonesia is committed to serving as an agent of change in the environmental and social sectors by integrating sustainability principles into all aspects of its business operations. The company strives to generate significant positive impacts on the environment and society while contributing to a more sustainable future.





This commitment is realized through various financing initiatives supporting the agenda of sustainable financial development in Indonesia, particularly by promoting an inclusive and eco-friendly economic transition.

In 2024, SMBC Indonesia supported several strategic projects, focusing on efforts to reduce greenhouse gas emissions and mitigate the impacts of climate change. These initiatives include:

- The disbursement of a USD 450 million syndicated loan to PT IMG Sejahtera Langgeng (IMGSL) for the development of an electric vehicle ecosystem.
- The provision of a USD 15 million sustainability-linked loan to PT Indo-Rama Synthetics Tbk (Indorama) to support the company in reducing carbon emissions and adopting environmentally friendly practices.
- SMBC Indonesia has signed a USD 10 million loan facility agreement with PT Surya Utama Nuansa, one of the largest solar energy project developers in Indonesia, to support the development of solar energy projects in the country.

In addition, throughout 2024, SMBC Indonesia continued to strengthen its initiatives to promote financial inclusion domestically by promoting increased financing to women and MSME segments. The commitment to promoting financial inclusion is also demonstrated by continuously enhancing financial literacy education through the Daya program.

## SMBC INDONESIA'S INCLUSIVE FINANCE INITIATIVE

Initiative	Description and Achievements of the Initiative
 Increasing Financing for Women Small Medium Entrepreneurs (WSMEs)	SMBC Indonesia is committed to expanding its financing portfolio for WSMEs. As of December 2024, the total financing portfolio for WSME reached Rp3.31 trillion, an increase of 8.34% compared to December 2023.
 Enhancing the Use of Donation/Zakat Feature in the Jenius App	SMBC Indonesia has collaborated with several domestic zakat management institutions to facilitate public access to zakat/donation channels while promoting good and transparent zakat practices. The total number of zakat transactions through the donation feature in the Jenius app reached 26,207 transactions.
 Capacity Building for Entrepreneurs	Through the Daya program, SMBC Indonesia has implemented an empowerment program for women MSME entrepreneurs, focusing on digital business skills. The program was attended by 85 participants from women entrepreneur communities.
 Financial Literacy	SMBC Indonesia is driving increased financial literacy in the community through the Daya program. Total beneficiaries: 8,620,804.

In recognition of SMBC Indonesia's performance and contributions throughout 2024, SMBC Indonesia has successfully earned appreciation and recognition from various stakeholders, solidified by the achievement of several prestigious awards in sustainability.



## IMPACT AND MANAGEMENT

[SUSBA 1.6.2.11] [SUSBA 1.1.1.2] [OJK F.23]

SMBC Indonesia recognizes that our banking activities have both direct and indirect impacts on the economy, environment, and society. Through our lending and financial services, the Bank generates positive impacts, such as enhanced financial access for MSMEs, driving local economic growth, creating employment opportunities through financing productive sectors, and supporting renewable energy projects that promote the transition to a low-carbon economy. SMBC Indonesia also contribute to community empowerment through financial literacy programs and capacity-building initiatives for business actors.

However, SMBC Indonesia also acknowledges the potential negative indirect impacts of financing activities. These include indirect greenhouse gas emissions (Scope 3) from projects financed in carbon-intensive sectors such as manufacturing and energy, potential social risks from infrastructure projects affecting local communities, and challenges related to waste management and resource utilization in customers' operations. To manage these impacts, SMBC Indonesia implements stringent sustainable financing policies, conducts environmental and social risk assessments during the credit approval process, and actively encourages customers to adopt more sustainable business practices through mentoring programs and special incentives.

SMBC Indonesia regularly monitors and evaluates these indirect impacts through a comprehensive monitoring system, including assessing customers' sustainability performance, measuring the carbon footprint of our portfolio, and engaging stakeholders on a regular basis. The findings from this monitoring serve as the basis

for refining SMBC Indonesia's policies and strategies to promote more sustainable banking practices.

## CUSTOMER AND STAKEHOLDER EDUCATION [F55] [SUSBA 1.5.1.4]

The implementation of policies and risk management related to climate, environmental, and social aspects requires a deep understanding from stakeholders. Therefore, SMBC Indonesia actively conducts education and communication initiatives to raise stakeholders' awareness of these issues. The Bank utilizes both internal and external communication channels, including initiatives under the Daya program implemented through its four program pillars.

In addition, SMBC Indonesia actively engages with customers to support sustainability agendas. One of the contributions includes speaking at the following seminars and training sessions:

- A corporate financing masterclass training for integrated oil & gas companies, covering financing topics to support energy transition.
- A corporate financing training for natural gas distribution companies, focusing on sustainable finance-based financing.

SMBC Indonesia also provided education to suppliers through the seminar "Protecting the Earth through Carbon Emission Control," which was attended by 145 participants from 100 companies. It is expected that through this seminar/education, the awareness of sustainable practices of suppliers will improve.

## COORDINATION AND COLLABORATION

[SUSBA 1.1.2.2]

SMBC Indonesia actively collaborates with civil society, non-governmental organizations (NGOs), and government agencies to understand and manage the sustainability impacts of SMBC Indonesia's business activities. One such effort includes:

- Financial Services Authority (OJK) - In providing products and services under the Sustainable Business Activities Category (KKUB).
- Ministry of Communication and Information Technology - In fulfilling customer information requirements.
- Ministry of Cooperatives and Small and Medium Enterprises - in implementing the Daya program for business capacity development.
- Indonesian Medical Association (IDI) - In delivering services to customers.

- Tangan Di Atas Community - Providing education and mentorship for MSME entrepreneurs.
- Perempuan DigDaya - Supporting women entrepreneurs in the MSME sector.

Through collaboration with civil society and NGOs, SMBC Indonesia continue to strengthen our commitment to sustainability and create positive value for the environment, society, and the economy as a whole.

## PERFORMANCE OF SMBC INDONESIA

In 2024, SMBC Indonesia achieved an operating revenue of Rp17,429 billion, reflecting an increase of 26.9% compared to 2023. Net profit for the same period was Rp3,216 billion, marking a 19.9% increase from the previous year. The economic performance of SMBC Indonesia is subject to an external audit team and is regularly reported to the Finance Director.

### COMPARISON OF PRODUCTION TARGET AND PERFORMANCE, PORTFOLIO, FINANCING TARGET, OR INVESTMENT, INCOME AND PROFIT/LOSS

[OJK F.2]

Description	2024	2023	2022
<b>BALANCE SHEET SUMMARY (Rp Billion)</b>			
Total Assets	241,096	201,448	209,170
Productive Assets	202,950	197,326	204,170
Credit/Bank Financing	149,972	156,561	146,124
Third-Party Fund	121,318	108,199	114,867
Loans Received	52,633	34,284	48,025
Securities Issued	2,940	201	200
Total Liability	186,350	160,165	169,757
Total Equity	54,746	41,283	39,413
<b>PROFIT AND LOSS SUMMARY (Rp Billion)</b>			
Net Interest Income	15,208	12,044	11,678
Other Operating Income	2,221	2,073	2,013
Operating Expenses	(9,428)	(7,607)	(7,193)
Allowance for Impairment Losses	(3,897)	(3,050)	(1,840)
Net Operating Income	4,104	3,461	4,658
Net Profit for the Current Year	3,216	2,682	3,630
Total Comprehensive Income	3,291	2,701	3,475
Bank Operating Income	17,429	14,118	13,691
Net Income of the Bank	3,216	2,682	3,630

COMPARISON OF PRODUCTION TARGET AND PERFORMANCE, PORTFOLIO, FINANCING TARGET, OR INVESTMENT,  
INCOME AND PROFIT/LOSS  
[OJK F.2]

Description	2024	2023	2022
<b>PERFORMANCE RATIO (Rp Billion)</b>			
Minimum Capital Sufficiency Ratio	30.02%	29.90%	27.29%
Non-Performing Earning Assets and Non-Earning Assets to Total Earning Assets and Non-Earning Assets	1.20%	0.68%	0.68%
Non-Performing Earning Assets to Total Earning Assets	1.19%	0.68%	0.68%
Allowance for Impairment Losses on Financial Assets to Total Earning Assets	2.60%	2.46%	1.85%
Gross NPL	2.50%	1.36%	1.43%
Net NPL	1.07%	0.40%	0.44%
Return on Asset (ROA)	1.80%	1.73%	2.36%
Return on Equity (ROE)	6.83%	6.54%	9.15%
Net Interest Margin (NIM)	7.10%	6.45%	6.32%
Efficiency Ratio (BOPO)	83.21%	83.72%	75.05%
Loan to Deposit Ratio (LDR)	147.04%	142.68%	126.66%
<b>LIQUIDITY COVERAGE RATIO (LCR) VALUE</b>			
a. Individual LCR	221.49%	177.57%	220.55%
b. Consolidated LCR	253.71%	199.68%	229.30%

Note:

- The data in the table above represents the consolidated financial data of SMBC Indonesia, including three subsidiary entities: PT Bank BTPN Syariah Tbk, PT Oto Multiartha (OTO), and PT Summit Oto Finance (SOF).
- Data presentation has been adjusted from Rp million to Rp billion.

ECONOMIC PERFORMANCE RELATED TO SUSTAINABILITY

Description	2024	2023	2022
<b>ECONOMIC PERFORMANCE RELATED TO SUSTAINABILITY [OJK B.1.d]</b>			
Types of products that meet the criteria for sustainable business activities	<ul style="list-style-type: none"> <li>• 2 funding products*</li> <li>• 3 sustainable financing products**</li> <li>• 1 MSME financing product</li> <li>• ESG mutual funds</li> </ul>	<ul style="list-style-type: none"> <li>• 2 funding products*</li> <li>• 3 sustainable financing products**</li> <li>• 1 MSME financing product</li> <li>• ESG mutual funds</li> </ul>	<ul style="list-style-type: none"> <li>• 1 funding product***</li> <li>• 3 sustainable financing products**</li> <li>• 1 MSME financing product</li> <li>• Philanthropic mutual funds</li> </ul>
Nominal value of products and/or services that meet the criteria for sustainable business activities (Rp billion)	18,126	13,775	12,968
Percentage of total portfolio of sustainable business activities to total portfolio (%)			
a. Funding	0.08%	0.11%	0.06%
b. Financing	12.42%	9.49%	9.64%
<b>INCLUSIVE FINANCIAL PERFORMANCE</b>			
Digital access development through Jenius****			
Features developed	1	4	-
Number of Jenius customers	5,199,264	4,497,649	-
Number of transactions	136,048,634	113,812,489	-

Note:

\* Funds came from the ESG Deposit and Green Deposit.

\*\* Green Loan, Social Loan, and Sustainability-linked Loan.

\*\*\* In the 2023, BTPN Wow! as a branchless banking product has been replaced by Jenius, a digital-based product, enabling banking activities to be expanded across all regions and for all segments of society.

\*\*\*\* With digitalization and internet technology advancement, marginalized and remote communities now have access to the required banking services. Nevertheless, SMBC Indonesia 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/LOSS [OJK F.2]

Year	Comparison of Financing Target and Realization (Rp Billion)		Comparison of Operating Income Target and Realization (Rp Billion)		Comparison of Profit/Loss Target and Realization (Rp Billion)	
	Target	Realization	Target	Realization	Target	Realization
2024	199,125	179,405	18,456	17,429	199,125	179,405
2023	160,131	156,561	14,232	14,118	160,131	156,561
2022	145,599	146,124	13,670	13,691	145,599	146,124

Note:

- The data in the table above represents the consolidated financial data of SMBC Indonesia, including three subsidiary entities: PT Bank BTPN Syariah Tbk, PT Oto Multiartha (OTO), and PT Summit Oto Finance (SOF).
- Data presentation has been adjusted from Rp million to Rp billion.

### COMPARISON OF PORTFOLIO TARGET AND PERFORMANCE, FINANCING TARGET, OR INVESTMENT IN FINANCIAL INSTRUMENTS OR PROJECTS ALIGNED WITH SUSTAINABLE FINANCE [OJK F.3]

Comparison of Green and Social Portfolio Target and Realizations (Rp Billion)		
Year	Target	Realization
2024	23,718	18,126
2023	14,998	13,775
2022	14,947	12,968

Note:

- Data presentation has been adjusted from Rp million to Rp billion.

## SUSTAINABLE FINANCE TAXONOMY

SMBC Indonesia is committed to supporting sustainable economic growth by implementing the principles of green finance. As part of this initiative, SMBC Indonesia follows the Financial Services Authority (OJK) guidelines in piloting the Indonesian Green Taxonomy (THI) reporting. Additionally, since 2024, SMBC Indonesia has also begun piloting the Indonesian Sustainable Finance Taxonomy (TKBI), an advancement of THI. As of December 2024, 29% of the 230 key debtors were classified under the green and yellow/transition categories, equivalent to IDR 17.96 trillion based on outstanding loan balances.

## PERCENTAGE OF GREEN AND SOCIAL BUSINESSES IN THE PORTFOLIO

[OJK F.26] [SUSBA 1.5.1.2]

During the reporting period, SMBC Indonesia continued to actively support environmental preservation and climate change mitigation through various green financing initiatives. A portion of the credit portfolio was allocated to eco-friendly sectors, such as green transportation and resource efficiency, through sustainable financial products including Green Loans, Social Loans, and Sustainability-Linked Loans. During the reporting year, SMBC Indonesia engaged with at least 230 selected debtors with a total financing portfolio of IDR 46.41 trillion, equivalent to 32% of the bank's total financing portfolio. [FS10]



## SMBC INDONESIA'S SUSTAINABLE FINANCIAL PRODUCTS



In the reporting year, SMBC Indonesia disbursed financing of Rp7,514 trillion, supporting green activities, accounting for 5.15% of the total Corporate Banking credit portfolio of Rp145,938 billion.

Additionally, financing was also directed towards MSMEs. This initiative plays a significant role in promoting regional economic development by creating new job opportunities, thereby delivering a direct positive impact on community welfare. Social sector financing was recorded at Rp10.613 trillion, accounting for 7.27% of the total financing disbursed by SMBC Indonesia.

## SUSTAINABLE FINANCE PROJECT PORTFOLIO (RP BILLION)

[OJK F.3] [FS7] [FS8] [SUSBA 1.6.2.1]

Description	2024	Proportion of Sustainable Financing to Total Bank Financing	2023	2022
Funding	91	0.08%*	110	63
Financing	18,126	12.42%	13,775	12,968
Renewable energy	1,244	0.85%	1,142	1,984
Energy efficiency	294	0.20%	397	519
Sustainable management of biological natural resources and land use	4,058	2.78%	4,802	3,332
Green Transportation	100	0.07%	122	332
Products that can reduce resource usage and generate less pollution (eco-efficient)	901	0.62%	660	-
Green buildings that meet nationally, regionally, or internationally recognized standards or certifications	510	0.35%	560	760
Other green business activities and/or other activities	406	0.28%	-	-
MSME Activities	10,613	7.27%	6,092	6,041

\* Proportion to the total funding of the bank.

## BUSINESS PORTFOLIO BY SECTOR AND SIZE

[FS6]

SMBC Indonesia's business portfolio encompasses a diverse range of sectors and business sizes, aligning

with the company's efforts to diversify its funding sources and support various aspects of the economy. SMBC Indonesia's financing is directed to support sectors that adhere to environmental and social standards. Additionally, SMBC Indonesia does not classify savings and current accounts based on personal or business accounts [FN-CB-000.A]

### FINANCING BY BUSINESS SEGMENT (SECTOR) AND SIZE

[FN-CB-240a.1] [FN-CB-000.B] [SUSBA 1.6.2.1]

Description	2024		2023		2022	
	Number of Customers	Rp Billion	Number of Customers	Rp Billion	Number of Customers	Rp Billion
Corporate and Commercial	3,285	98,896	2,418	104,904	2,204	97,450
Retail Lending	798,845	21,867	391,016	22,403	422,173	23,990
Micro	8,916	1,940	34,044	1,306	21,433	743
Small and Medium Enterprises	8,964	14,362	5,414	13,255	4,644	11,257
Joint Finance	354,161	5,565	161,533	1,139	34,454	146
Jenius	5,565,263	3,198	604,181	2,049	303,867	887
Others	1,987	110	2,395	117	2,591	123
<b>Total</b>	<b>6,741,421</b>	<b>145,938</b>	<b>1,201,001</b>	<b>145,173</b>	<b>791,366</b>	<b>134,596</b>

During the reporting year, MSME loans that were overdue or defaulted were Rp599.45 billion, with an NPL ratio of 5.6%. [FN-CB-240a.2]

### CONVENTIONAL FINANCING BY BUSINESS SEGMENT (RP BILLION)

[FN-CB-410a.1] [SUSBA 1.6.2.1]

Description	2024	2023	2022
Household	29,137	25,789	25,244
Trading	17,297	18,890	18,208
Industry	29,558	32,871	34,577
Other services	36,814	33,503	27,501
Agriculture	3,875	3,989	5,642
Accommodation services	190	184	128
Construction	5,391	5,845	5,933
Transportation and Communication	15,588	12,925	7,472
Mining	2,404	6,029	5,460
Others	5,685	5,148	4,430
<b>Total</b>	<b>145,938</b>	<b>145,173</b>	<b>134,596</b>

## IMPLEMENTATION OF ENVIRONMENTAL AND SOCIAL POLICIES AND PROCEDURES

[FS9] [SUSBA 1.4.1.1]

SMBC Indonesia has established a robust internal audit mechanism to maintain good corporate governance and ensure compliance with applicable regulations. A key focus of this audit is the assessment of environmental and social aspects, aiming to ensure that SMBC Indonesia's operations align with sustainability principles and to identify risks associated with the environmental and social impacts of the company's operations.

Additionally, SMBC Indonesia conducts credit reviews for the wholesale and commercial segments through the Internal Audit team, integrated into the company's Annual Audit Plan. This audit process includes an assessment of compliance with environmental and social policies.

The results of the environmental and social audits are communicated transparently to management and relevant stakeholders, enabling the effective planning

and implementation of corrective measures. The communication of audit findings ensures that any identified issues are addressed promptly, thereby enhancing the integrity and overall performance of SMBC Indonesia.

## ECONOMIC VALUE GENERATED AND DISTRIBUTED

[GRI 201-1] [OJK B.1]

In 2024, SMBC Indonesia achieved a net profit of Rp3,216 billion, reflecting the effectiveness of its growth strategies. This income has supported various initiatives that positively impact communities while contributing to national economic growth. The economic value generated was distributed as operating expenses, employee salaries, dividend payments, tax payments, and community development funds. In conducting its operations, SMBC Indonesia did not receive any subsidies or financial assistance from the government [GRI 201-4]. SMBC Indonesia is classified as a Domestic Systemically Important Bank (D-SIB). [FN-CB-550a.1]

### ECONOMIC VALUE GENERATED AND DISTRIBUTED (RP BILLION)

[GRI 201-1] [OJK B.1]

Description	2024	2023	2022
<b>Direct economic value generated</b>			
Interest and Sharia Income	23,588	18,816	15,900
Other Operating Income (Net)	1,590	1,484	1,484
Total Economic Value Generated	25,179	20,299	17,384
<b>Direct economic value distributed</b>			
Operational Expenses	3,951	3,274	3,272
Employee Salaries and Allowances	4,850	3,756	3,403
Interest Expense and Profit Sharing of Shirkah Funds	8,380	6,772	4,221
Dividend Payments	472	619	-
Payments to Government (Income Tax and VAT)	892	861	814
CSR Fund Disbursement	3.42	2.88	3.47
Total Economic Value Distributed	17,182	15,282	11,714
Economic Value Retained	7,997	5,018	5,670

Note:

- The data in the table above represents the consolidated financial data of SMBC Indonesia, including three subsidiary entities: PT Bank BTPN Syariah Tbk, PT Oto Multiartha (OTO), and PT Summit Oto Finance (SOF).
- Restatement of 2023 data for the economic value distributed and economic value retained.

## CHALLENGES IN THE IMPLEMENTATION OF SUSTAINABLE FINANCE

[OJK E.5]

SMBC Indonesia is committed to implementing the principles of sustainable finance in all aspects of its operations. A range of internal and external challenges encountered in the implementation of these principles has served as a catalyst for SMBC Indonesia to develop innovative and adaptive strategic solutions. As a result, every step taken aligns with the company's sustainability vision and aims to deliver long-term benefits for all stakeholders.

Internal challenges, such as a lack of employee understanding, have been addressed through intensive training and workshops, while the integration of sustainability principles into operations has been managed through regular system evaluations without compromising work efficiency. On the external front, SMBC Indonesia has responded to the impact of climate change on debtors by conducting climate-based risk assessments and loan restructuring. SMBC Indonesia has also addressed low awareness in the supply chain sector by providing sustainability education to vendors, monitoring regulatory changes through a dedicated team, and maintaining its reputation through regular audits.

This strategic approach reflects SMBC Indonesia's commitment to overcoming challenges while reinforcing its dedication to promoting the implementation of sustainable finance.

## SUPPLY CHAIN

[GRI 2-6] [GRI 414-1] [GRI 414-2]

SMBC Indonesia's operations are supported by a robust supply chain, comprising a network of vendors that facilitate various aspects of the company's business. SMBC Indonesia's supply chain includes providers of external workforce services, such as security personnel and customer service representatives. All vendors within the supply chain (100%), totaling 187 vendors, have undergone a rigorous screening process, including an evaluation of their compliance with human rights standards. SMBC Indonesia ensures that no vendors are involved in social violations or breaches of ESG standards. As part of its commitment to sustainable practices, SMBC Indonesia conducts annual training programs to assist vendors in implementing ethical, compliant, and environmentally responsible principles in their operations. Therefore, there are no negative social impacts within SMBC Indonesia's supply chain.



In addition to its supply chain, SMBC Indonesia collaborates with various goods and services providers, encompassing a total of 247 vendors, with procurement values of Rp1,092 billion. The vendor selection process is conducted transparently through stages such as purchase requisition (PR), selection evaluation, and the issuance of a work order letter (SPK), all governed by high accountability principles. To enhance cost efficiency and reduce emissions, SMBC Indonesia prioritizes the procurement of goods and services from provinces where its branches operate. This approach supports the equitable distribution of the national economy and strengthens the local economy. Throughout 2024, the proportion of expenditure allocated to local vendors reached 100%. [GRI 204-1]

## **TAX**

### **APPROACH TO TAX**

[GRI 207-1]

SMBC Indonesia views taxes as a vital instrument for making a tangible contribution to economic development and public welfare. As such, SMBC Indonesia consistently adheres to applicable tax regulations and ensures that tax payments are made in a timely, transparent, and accurate manner, in accordance with the provisions set by the national tax authorities. This approach reflects SMBC Indonesia's dedication to supporting the sustainability of the national economy, while also delivering broader benefits to society through the financing for public programs, infrastructure, and social services.

The management of tax payments and tax strategies at SMBC Indonesia is overseen by the Tax Management Division. All strategies developed by this division are approved by the Finance Director and are reviewed annually to ensure alignment with evolving regulations and to support the company's sustainability objectives.

SMBC Indonesia's tax policy is communicated transparently in SMBC Indonesia's Sustainability Report, designed to provide comprehensive information to stakeholders regarding SMBC Indonesia's commitment to tax compliance and economic contribution. This policy is not available on SMBC Indonesia's website, as it is deemed sufficiently detailed in the Sustainability Report, which includes information on the principles of tax governance, transparency, and the approach

to responsible tax management. This approach also reflects the efficiency of corporate communication, taking into account the context of stakeholder needs.

## **TAX GOVERNANCE AND RISK MANAGEMENT**

[GRI 207-2]

The oversight of tax strategy at SMBC Indonesia is the responsibility of the Finance Director, with the Tax Management Division supporting its effective implementation across all business units in accordance with applicable regulations. SMBC Indonesia manages tax obligations through standardized operational procedures (SOPs) that ensure compliance and tax risk control while integrating tax responsibilities into the corporate culture through training programs and seminars for employees.

Additionally, SMBC Indonesia conducts regular tax monitoring and evaluations through internal and external audits performed by independent parties. This ensures adherence to regulations and sustains the company's reputation and accountability.

SMBC Indonesia periodically conducts tax monitoring and evaluations involving both internal and external audits by independent entities. These measures aim to ensure that all tax-related processes comply with prevailing regulations while safeguarding the company's reputation and accountability.

## **STAKEHOLDER ENGAGEMENT AND MANAGEMENT OF CONCERNS RELATED TO TAX**

[GRI 207-3]

SMBC Indonesia prioritizes a cooperative and transparent approach to managing its tax responsibilities. The company collaborates with tax authorities to ensure compliance with regulations through real-time audits and structured tax risk management. Tax policies are designed to support the company's strategic objectives while taking into account the perspectives and input of stakeholders, including the Financial Services Authority (OJK) and the Banking Industry Association.

SMBC Indonesia operates exclusively within Indonesia, and as such, tax reporting is prepared solely for activities conducted in Indonesia.

[GRI 207-4]





# Financial Services For Sustainable Transformation

SMBC Indonesia offers innovative products and services designed to support economic growth while promoting sustainability for both society and the environment.

05



SMBC Indonesia is committed to supporting Indonesia's transformation towards a green economy through various financing initiatives that promote eco-friendly projects. This commitment is demonstrated by offering one of its flagship product innovations, the ESG Deposit, to its corporate clients. The ESG Deposit offers a financial instrument with optimal returns for corporate customers, while also enabling them to realize their sustainability initiatives through strategically allocated deposit products that support projects and activities contributing to sustainable development within the ESG framework. Another flagship product is the Green Deposit. The Green Deposit is an investment product that allows customers to contribute to funding aligned with the SDGs. Funds from the Green Deposit are strategically allocated to support projects that deliver tangible environmental

benefits, such as renewable energy development and sustainable resource management. [\[SUSBA 1.5.1.5\]](#) [\[SUSBA 1.5.1.2\]](#)

In addition, SMBC Indonesia is constantly developing digital services to enhance operational efficiency by reducing emissions generated from conventional banking activities. In the social aspect, SMBC Indonesia supports MSMEs through financing that strengthens their competitiveness and fosters the growth of small businesses as a vital pillar of the community economy. This strategy underscores SMBC Indonesia's role as a financial institution committed to promoting environmental sustainability, empowering communities, and supporting comprehensive national economic growth. [\[OJK F.28\]](#)

## Awards for Services and Products

**7<sup>th</sup> INFOBANK  
SATISFACTION, LOYALTY,  
AND ENGAGEMENT 2024**

**BANK SERVICE  
EXCELLENCE MONITOR  
2024**

**13<sup>TH</sup> INFOBANK  
DIGITAL BRAND  
AWARDS -  
THE 3RD BEST  
CONVENTIONAL  
COMMERCIAL BANK  
2024 - KBMI**

**PAYMENT PARTNER OF  
PT ASABRI (PERSERO)  
2024 - TOP  
PERFORMER PARTNER**

**TOP DIGITAL  
COMPANY AWARD  
2024**

## SMBC INDONESIA'S PRODUCTS

[\[GRI 2-6\]](#) [\[OJK C.4\]](#)

### Jenius

- Jenius Application
- Savings Accounts (Flexi Saver, Dream Saver, and Foreign Currency)
- Time Deposit (Maxi Saver)
- Bill Payment
- Jenius ATM/Debit Card
- Fund Transfers (RTOL, SKN, & RTGS)
- E-Wallet Top-up
- Loans (Flexi Cash)
- Jenius Pay
- Jenius QRIS
- Moneytory
- Sinaya Prioritas on Jenius Application
- Mutual Funds
- Jenius Credit Card
- Jenius Paylater
- Jenius for Business
- Bisniskit by Jenius
- Jenius Application for SMBCI Retail Business Lines (Jenius as a Platform)
- Foreign Currency (FCY)
- Insurance Products

## Retail Lending Business



- A. Pension Business
  - Pension Loan
  - Pre-Pension Loan
  - Active Employee Loan
  - Citra Pension Saving
- B. Mikro Business
  - Business Partner Saving
- Maxi Micro Loan
  1. Current Account Loan (PRK)
  2. Installment Loan (PAB)
  3. Term Loan (PB)
- Digital Micro Loan
  1. Installment Loan
- People's Business Credit (KUR)
- C. Joint Finance/indirect Finance
  - Joint Finance
  - Channelling

## Business Banking



- A. Core/Generic Products
  - Current Account Loan (PRK)
  - Time Loan (PB)
  - Term Loan (PAB)
- B. Asset Based Financing (ABF)
- C. BPR Financing
- D. Business Current Account
- E. Partner Current Account
- F. Employee Current Account
- G. TOUCHBIZ Platform:
  - Online Customer Registration and Activation
  - TOUCHBIZ Application with Biometric-Based Customer Verification
  - Funding Products: Current Account, Business Savings, Business Deposits
  - Fund Transfers (BIFAST, RTOL, SKN, RTGS)
  - Bill Payments (e-wallet top-up, telephone, electricity)
- Checkbook Ordering (checks & GIRO bills)
- Soft Token Access for Transaction Authorization
- Current Account & Loan Information
- Transaction History and Electronic Transaction Receipts
- Account Consolidation Reports
- Notifications & Reminders
- Multi-Role Access & Approval Matrix

## Treasury



- Foreign Exchange
- Derivative
- Money Market
- Fixed Income

## Wealth Management Business



- A. Wealth
  - Mutual Funds
  - Bancassurance
  - Government Bonds
- B. Liabilities & Sinaya Prioritas
  - Sinaya Savings Accounts (Rupiah, Foreign Currency, Business)
  - Time Deposits (Rupiah, Foreign Currency, Flexible, On Call)
- Sinaya Current Accounts (Rupiah, Foreign Currency)
- Sinaya ATM/Debit Card
- Safe Deposit Boxes
- Sinaya Prioritas

## Corporate/ Wholesale Banking



- A. Hedging Products
  - IRS/CCS and foreign exchange transactions
- B. Loan Product
  - Bilateral and Syndicated Loans (IDR, USD, EUR, and JPY)
- Working Capital Loan
- Investment Loan
- Project/Structured Finance
- Export Credit Agency (ECA)
- Green/Social Loans
- Sustainability-Linked Loans
- Other Loans
- C. Funding Product
  - ESG Deposit
  - Green Deposit



## Custody & Securities Services



- |  |   |   |
|--|---|---|
| <p>A. Core Custody</p> <ul style="list-style-type: none"> <li>• Securities Account Administration</li> <li>• Securities Safekeeping</li> </ul> | <ul style="list-style-type: none"> <li>• Securities Transaction Settlement</li> <li>• Corporate Actions and Income Collection</li> <li>• Confirmations and Reporting</li> </ul> | <ul style="list-style-type: none"> <li>• Custody Service Fee and Tax Billing</li> </ul> <p>B. Fund Administration</p> <ul style="list-style-type: none"> <li>• Fund Administration</li> <li>• Transfer Agent</li> </ul> |
|--|---|---|

## Transaction Banking & Supply Chain



- |  |   |  |
|--|---|--|
| <p>A. Cash &amp; Digital Solution</p> <ul style="list-style-type: none"> <li>• Current and Time Deposit Accounts</li> <li>• Funds Transfers (SKN/RTGS, BI-FAST, Payroll, Overbooking, Telegraphic Transfer)</li> <li>• Funds Receipts (SKN/RTGS, BI-FAST, Telegraphic Transfer, Check/Cash Deposit)</li> <li>• e-Tax Payment</li> <li>• Virtual Accounts</li> <li>• Internet Banking</li> <li>• Host-to-Host (SFTP)</li> </ul> | <ul style="list-style-type: none"> <li>• Open API SNAP</li> <li>• Liquidity Management (Domestic Cash Pooling, Automated Time Deposit Placement, Cross-Border Pooling)</li> <li>• Automated Debits</li> </ul> <p>B. Trade</p> <ul style="list-style-type: none"> <li>• Import &amp; Export Letter of Credit &amp; SKBDN</li> <li>• Import &amp; Export Bill Collection</li> <li>• Import &amp; Export Documentary Collection</li> </ul> | <ul style="list-style-type: none"> <li>• Bank Guarantee &amp; SBLC &amp; Counter Guarantee</li> <li>• Trade Loan &amp; TR</li> <li>• Foreign Bills Bought &amp; Forfaiting</li> <li>• Account Receivable Purchase</li> <li>• Import Avalization &amp; LC Confirmation</li> <li>• BL Endorsement &amp; Shipping Guarantee</li> </ul> <p>C. Supply Chain</p> <ul style="list-style-type: none"> <li>• Supply Chain Financing (Distributor Financing/ Supplier Financing)</li> <li>• Lending Program</li> </ul> |
|--|---|--|

## FLAGSHIP PRODUCTS

### ESG DEPOSIT

ESG Deposit is an innovative sustainable financial product designed to enable corporate clients to contribute to sustainable development. This product not only offers competitive returns but also helps companies fulfill their commitments to ESG principles. Funds invested in the ESG Deposit will be strategically allocated to support initiatives and projects aligned with sustainability goals, including efforts to achieve net-zero emissions.

With a fixed deposit-based scheme, the ESG Deposit offers corporate clients with flexibility in terms of investment amounts and tenors. Available in both Rupiah and USD currencies, this product offers a broader range of investment options. In addition to contributing to ESG objectives, clients can also ensure that their

funds are managed transparently and accountably through the portfolio approach implemented by SMBC Indonesia.

Funds accumulated in the ESG Deposit will be allocated to green and social projects that meet the criteria outlined in the ESG Deposit framework. These projects will be managed within green loan and/or social loan portfolios to ensure sustainable positive impacts. Through the ESG Deposit, SMBC Indonesia demonstrates its commitment to providing innovative financial solutions that support sustainability while delivering benefits to clients seeking responsible investment opportunities. Further information on the ESG Deposit can be found on [the SMBC Indonesia website](#).

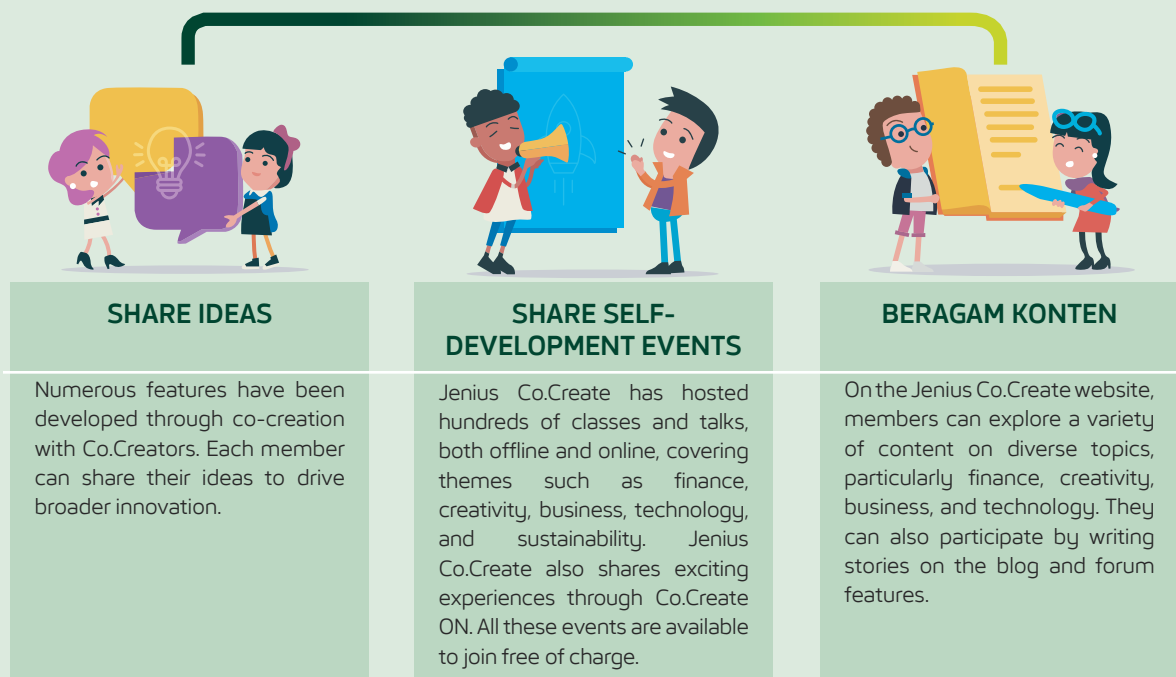


## JENIUS

Jenius, the flagship digital banking product of SMBC Indonesia, is designed to meet the needs of digitally savvy individuals by providing easy, intelligent, and secure access to banking services. As a comprehensive life finance solution, the Jenius app offers a wide range of features, including transactions, savings, financial management, loans, and investments, all available digitally and accessible anytime, anywhere.

Jenius consistently prioritizes user needs, with all product and service innovations undergoing a co-creation process to deliver relevant experiences for its users. By offering fully digital services, Jenius supports the reduction of paper usage and emissions, reflecting its commitment to sustainability. This is evident in the entirely online registration process, which eliminates the need to visit a branch office or fill out lengthy forms. Additionally, Jenius customer service is available online 24/7, including on holidays, to address user inquiries and needs related to the platform.

Additionally, Jenius provides a platform for sharing ideas, inspiration, and creativity to create better financial services through Jenius Co.Create. All members can be part of the Jenius Co.Create community and participate in co-creating to generate various financial service innovations. Jenius Co.Create was launched on December 14, 2017, and currently has more than 47,000 Co.Creators. Within Jenius Co.Create, members can:



**Co.Create Club**  
(Personal Finance & Creative)



**Co.Create Business**  
(Small to Medium Business Owners)



**Co.Create Tech**  
(Developers & Tech Enthusiasts)

## EXPANDING ACCESS

SMBC Indonesia remains committed to expanding the reach of its financial services as part of its efforts to support economic inclusion and enhance financial literacy across Indonesia. This strategy is implemented through the addition of ATMs and the development of digital systems facilitation for the public to access financial services in a more practical and efficient manner.

In addition to focusing on service expansion, SMBC Indonesia also places special emphasis on addressing the needs of individuals with disabilities. Several branch offices have been equipped with disability-friendly facilities, such as ramps for wheelchair users and ATMs with tactile markers on key buttons, including the number 5, enter, clear, and cancel. SMBC Indonesia's dedication to creating inclusive services ensures all individuals, regardless of their limitations, can access banking services comfortably and securely. [\[FS14\]](#)

For communities in remote and underserved areas, SMBC Indonesia offers Jenius, a banking service accessible across Indonesia. This service caters to various segments of society with access to technology, particularly mobile devices that support the Jenius application. Users are required to understand and agree to the product terms and conditions set forth by SMBC Indonesia. [\[FS13\]](#)

## QUALITY PRODUCTS AND SERVICES

[\[OJK.F.17\]](#) [\[FS15\]](#)

SMBC Indonesia provides high-quality products and services that meet customer needs while complying with applicable regulations. Each product is designed with a customer-centric approach, prioritizing customer satisfaction and addressing the financial needs of Indonesian society. In delivering its banking products and services, SMBC Indonesia refers to the Financial Services Authority Regulation (POJK) No. 13/POJK.03/2021 concerning the Implementation of Commercial Bank Products to ensure that quality and compliance remain a priority in all aspects of the company's operations. In developing and launching products, SMBC Indonesia implements a rigorous set of criteria to ensure the highest standards of product quality and operational responsibility. These criteria include: [\[OJK.F.27\]](#)

1. Alignment of products with SMBC Indonesia's vision and mission.
2. Alignment of products and services to customer needs and capabilities.

3. Consideration of environmental issues, such as natural resource conservation, climate change mitigation, and environmental risk management (e.g., waste disposal, pollution control, and others). SMBC Indonesia establishes specific requirements related to environmental risks, which must be included by Business Units in loan approval procedures.
4. Consideration of social issues, such as providing credit and various training programs for MSME communities.
5. Providing information based on the principle of transparency. All products and services offered by SMBC Indonesia to customers are conveyed through a summary of product information during the offering and/or credit agreement signing process. The product summary provided by SMBC Indonesia complies with applicable OJK regulations, particularly those related to Consumer Protection.
6. Ensuring that all products undergo thorough review:
  - a. Risk Management assessment, covering 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 a review of sustainability aspects.
7. Ensuring that all products have received approval from relevant parties as stipulated in SMBC Indonesia's Product and Service Policy, supported by standardized procedures and adequate infrastructure, including certified Human Resources (HR) and a Business Continuity Plan (BCP).
8. For products requiring regulatory approval, SMBC Indonesia ensures that the products are only launched after obtaining the necessary regulatory approvals.

SMBC Indonesia consistently conducts evaluation and monitoring of all (100%) products and services offered to ensure compliance with quality standards and applicable regulations. Evaluation and monitoring are carried out through the three lines of defense, each within their respective scopes. Procedures related to product implementation have been adequately applied, ensuring no products have been recalled [\[OJK F.27\]](#) [\[OJK F.29\]](#).

The procedures related to product implementation have been adequately implemented. However, in 2024, SMBC Indonesia recorded a total of 72 administrative sanctions imposed by the local regulator, amounting to Rp160,950,000 (one hundred sixty million nine hundred fifty thousand rupiah). All administrative sanctions imposed on SMBC Indonesia have been duly addressed. [\[2-27\]](#)

## ENHANCING SERVICE QUALITY

### SERVICE QUALITY POLICY

SMBC Indonesia is committed to a high-quality service policy, placing customer satisfaction at the forefront of all operational aspects. SMBC Indonesia implements a Service Level Agreement (SLA) as the basic guideline for effectively addressing customer requests and complaints. The SLA establishes clear and measurable service standards, ensuring that all actions taken meet customer expectations. Regular evaluations are conducted to guarantee consistent SLA implementation and to drive continuous improvement in service quality.

### COMPLAINT HANDLING

SMBC Indonesia views customer complaints as a critical element in its efforts to enhance service quality in accordance with customer needs and expectations.

Supported by a Customer Relationship Management (CRM) application, SMBC Indonesia is able to monitor and address each complaint effectively.

The complaint resolution process at SMBC Indonesia is carried out in accordance with the guidelines outlined in the SLA, emphasizing prompt and accurate responses. The SLA sets specific timelines for complaint resolution, reflecting SMBC Indonesia's commitment to customer satisfaction. Verbal complaints are resolved within a maximum of 5 working days, while written complaints are addressed within a maximum of 10 working days. Customers can submit complaints through various communication channels, including the SMBC Indonesia Contact Center, accessible at any time, customer service email, and official social media platforms such as Facebook, Instagram, and X (formerly Twitter).

During the reporting year, SMBC Indonesia received a total of 63,673 complaints. Of these, 99% were resolved, while 1% remain under processing.

**COMPLAINT HANDLING 2024**  
[OJK F.24]

Type of Financial Transaction	Resolved		In Process		Unresolved		Total Complaints
	Number	Percentage	Number	Percentage	Number	Percentage	
Deposits	-	-	-	-	-	-	-
Giro	26	93%	2	7%	-	-	28
Saving Account	74	100%	-	-	-	-	74
Jenius	5,455	99%	47	1%	-	-	5,502
Pension Saving	8	100%	-	-	-	-	8
Sinaya Saving	26	100%	-	-	-	-	26
Flexi Cash	4,677	99%	41	1%	-	-	4,718
Pay Later	1,813	99%	11	1%	-	-	1,824
Split Pay	-	-	-	-	-	-	-
Working Capital Loan	-	-	-	-	-	-	-
Pension Loan	281	99%	2	1%	-	-	283
SME Loan	61	100%	-	-	-	-	61
SME	9	100%	-	-	-	-	9
ATM	13,079	98%	265	2%	-	-	13,344
Credit Card	14,191	97%	375	3%	-	-	14,566
Internet Banking	5	100%	-	-	-	-	5
Mobile Banking	22,655	99%	168	1%	-	-	22,823
Remittance/Transfer	171	99%	2	1%	-	-	173
RTGS/SKN	22	100%	-	-	-	-	22
Bancassurance	15	100%	-	-	-	-	15
Mutual Fund	112	100%	-	-	-	-	112
Joint Finance	78	99%	1	1%	-	-	79
	<b>62,759</b>	<b>99%</b>	<b>914</b>	<b>1%</b>	-	-	<b>63,673</b>

## CUSTOMER PRIVACY PROTECTION AND INFORMATION SECURITY

[FN-CB-230a.2]

The rapid advancement of Information Technology (IT) has driven increased utilization of digital technology in the provision of customer services, offering greater accessibility and convenience. However, this growing reliance on digital technology also elevates cybersecurity and information security risks for financial institutions. This is particularly concerning as the evolution of IT and digital technology is accompanied by an equally rapid rise in cybersecurity and information security threats.

In delivering services to customers, SMBC Indonesia consistently regards the protection of privacy and information security as critical aspects that must be upheld to maintain customer trust. Therefore, SMBC Indonesia implements comprehensive privacy and information security measures across various dimensions, including human, system, process, and external factors. These measures are executed through the establishment of policies, frameworks, and the implementation of cybersecurity and information security strategies, also encompassing privacy protection. The following are the policies, frameworks, and strategies for cybersecurity and information security implemented by SMBC Indonesia:

01

### CYBERSECURITY AND INFORMATION SECURITY AWARENESS CAMPAIGNS AND/OR TRAINING FOR EMPLOYEES AND THIRD PARTIES

- ▶ To ensure that all parties managing Bank and/or customer information possess adequate awareness and understanding of cybersecurity and information security, SMBC Indonesia conducts regular awareness campaigns and/or training programs for employees and third parties collaborating with the Bank.

02

### INFORMATION SECURITY EDUCATION AND LITERACY PROGRAMS FOR CUSTOMERS

- ▶ SMBC Indonesia continuously enhances customer awareness of the significance of information security and the protection of personal data through various educational programs delivered via email, the SMBC Indonesia's website, and other digital platforms.

03

### CYBERSECURITY AND INFORMATION RISK MANAGEMENT

- ▶ The cybersecurity and information risk management process involves identifying IT and information assets, assessing potential risks, conducting risk reviews for initiatives and applicable regulations, and determining, measuring, and monitoring risks on an ongoing basis (risk appetite and risk tolerance). This includes evaluating the maturity level of cybersecurity and information security, implementing Third-Party Risk Management, and other risk management processes.

04

### THIRD-PARTY RISK MANAGEMENT

- ▶ SMBC Indonesia ensures the security of customer information and privacy, even when such information is managed by third parties. The Bank reviews third-party compliance with cybersecurity and information security standards in accordance with Bank policies and applicable regulations. This is achieved through due diligence, periodic reviews, contract evaluations, and the secure deletion of customer information upon termination of third-party partnerships, as stipulated in the relevant agreements.

05

### IMPLEMENTATION OF INFORMATION TECHNOLOGY SUPPORTING SECURITY MEASURES

- ▶ SMBC Indonesia conducts a thorough review of its information technology systems before implementation to ensure alignment with and support for the applicable security standards within SMBC Indonesia.

06

## SECURITY PERIMETER IMPLEMENTATION

- SMBC Indonesia establishes a security perimeter by deploying security tools such as Firewalls, firewalls, intrusion prevention systems (IPS), privileged access management, internet proxy, data loss prevention (DLP), user access management, and others to safeguard customer information and privacy stored within the Bank's systems from unauthorized access.

07

## SECURITY FEATURES IMPLEMENTATION

- SMBC Indonesia implements security features such as user authentication, multi-factor authentication (MFA), biometric recognition, behavioral identification, location recognition, and other advanced features to ensure that access to and transactions within the Bank's systems are restricted to authorized parties only.

08

## DATA ENCRYPTION

- SMBC Indonesia adheres to standard encryption protocols and guidelines for user devices. Additionally, all sensitive Bank information, including customer data, is secured using encryption or password protection when transmitted to or from external environments.

09

## REAL-TIME SECURITY MONITORING

- The Bank's systems are continuously and real-time monitored by the cybersecurity and information security team to detect potential threats early and respond promptly, accurately, and effectively.

10

## INCIDENT RESPONSE MANAGEMENT

- SMBC Indonesia has established a robust mechanism for handling cybersecurity and information security incidents. A dedicated cybersecurity team coordinates the response to potential incidents, including but not limited to incident resolution and recovery, reporting to regulators and relevant parties, root cause analysis, and the implementation of preventive measures and necessary learning.

11

## INFORMATION SECURITY CERTIFICATION AND PERIODIC AUDITS

- SMBC Indonesia ensures information security certification for the Bank's core payment systems in compliance with applicable standards. Additionally, the Bank conducts regular cybersecurity and information security audits, including those involving independent external parties, to ensure regulatory compliance, identify vulnerabilities, and implement necessary improvements to enhance the Bank's security standards.

12

## COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS

- SMBC Indonesia consistently ensures compliance with cybersecurity and information security standards, as well as privacy protection, in accordance with applicable laws and regulations. This includes, but is not limited to, consumer protection regulations, IT management provisions, cybersecurity resilience requirements, and other data privacy and information security regulations.

During the reporting period, no incidents of customer data leakage, loss, or privacy breaches were detected. SMBC Indonesia also received no complaints regarding

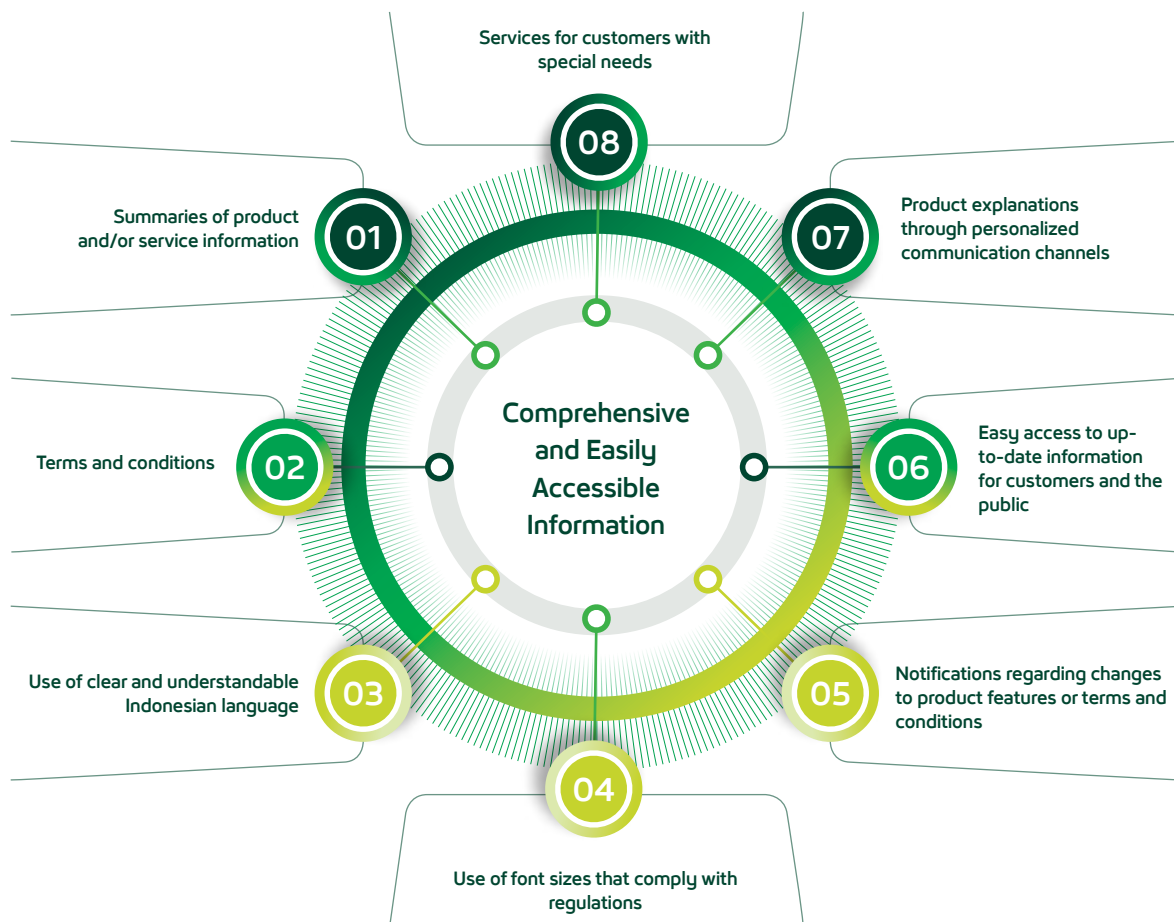
customer data confidentiality, and there were no reports of data leaks from customers or third parties. [GRI 418-1] [FN-CB-230a.1]



## PRODUCT INFORMATION AND MARKETING

SMBC Indonesia ensures that all marketing information and product labeling are conveyed accurately and transparently. This is carried out to assist customers in understanding the features and benefits of each

product, enabling them to make informed decisions tailored to their needs. Additionally, providing clear descriptions is part of the Bank's efforts to comply with applicable regulations, maintain service integrity, and build customer trust. SMBC Indonesia offers comprehensive and easily accessible information through various means, such as: [\[GRI 417-1\]](#)



Furthermore, SMBC Indonesia ensures that all (100%) digital banking products and services offered have undergone a thorough evaluation process to guarantee quality and compliance with applicable regulations. This effort reflects SMBC Indonesia's commitment to providing transparent and accurate information to customers. As a result of consistently applying transparency principles, SMBC Indonesia has not experienced any incidents of non-compliance with regulations related to labeling, product information, or marketing communications during the reporting year. [\[GRI 417-2\]](#) [\[GRI 417-3\]](#) [\[OJK F.27\]](#)

## CUSTOMER SATISFACTION SURVEY

[\[OJK F.30\]](#)

SMBC Indonesia conducts an annual customer satisfaction survey to gather valuable feedback that supports the continuous improvement of service quality. This survey is carried out by an independent party to ensure objectivity and accuracy of the results. The methods used in this survey are the Customer Satisfaction Score (CSAT) and Net Promoter Score (NPS), designed to evaluate various aspects of the customer experience.



### CUSTOMER SATISFACTION SCORE (CSAT)

This survey measures the level of customer satisfaction with specific products or services and serves to help SMBC Indonesia understand its strengths as well as areas that require improvement.



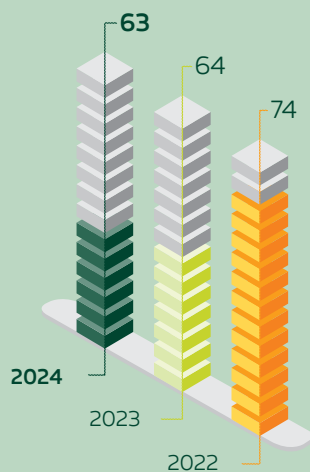
### NET PROMOTER SCORE (NPS)

This survey is conducted to assess customer loyalty and the likelihood of customers recommending SMBC Indonesia's services to others.

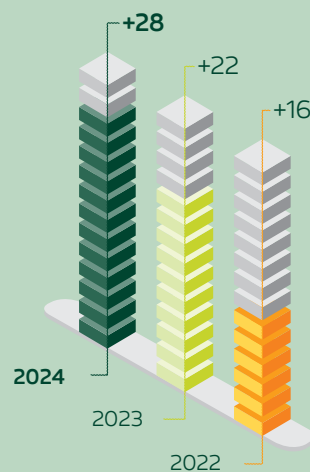
## THE RESULTS OF THE SMBC INDONESIA JENIUS CUSTOMER SATISFACTION SURVEY



### CSAT (%)



### NPS



# Daya: Building a Resilient, Inclusive, and Sustainable Future

SMBC Indonesia is committed to creating a positive impact through social responsibility programs that empower communities and promote inclusive growth.

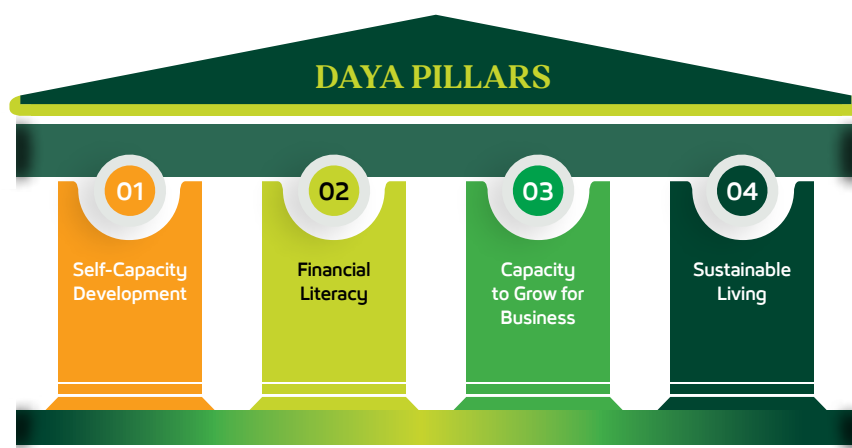
06





As a pioneer in financial innovation, SMBC Indonesia introduced the Daya program as an innovative solution to address the social and economic challenges faced by Indonesian society. Launched in 2011, Daya has become a flagship program in driving the development of an inclusive and collaborative economic ecosystem for all layers of society and customer segments of SMBC Indonesia.

The Daya program is designed to create an ecosystem that supports sustainable economic growth by combining banking expertise and community-based approaches. The implementation of the Daya program aligns with the established SFAP framework and is governed by the Sustainability Policy. Each year, SMBC Indonesia also strives to enhance employee capacity in empowerment initiatives to ensure the program's implementation runs smoothly and achieves its intended targets. The Daya program focuses on four key pillars:



## SOCIAL RESPONSIBILITY ACTIVITIES

[OJK F.25]

PILLAR	DESCRIPTION	ACHIEVEMENTS	SUPPORT FOR SDGS
Self-Capacity Development	Encouraging individuals to develop their skills and competencies, both technical and non-technical, needed to face increasingly competitive market demands, in accordance with in-demand expertise. The program is conducted through seminars and digital educational materials.	<ul style="list-style-type: none"> <li>267 seminars, benefiting 13,663 participants:</li> <li>3,817 learning activities, benefiting 110,813 students</li> <li>Fund allocation of Rp712,794,409</li> </ul>	
Financial Literacy [OJK F.23] [OJK F.25] [FS16] [FN-CB-240a.4]	Improving financial literacy and quality of life of students, MSME actors, employees, and retirees throughout Indonesia. The program is held through training, on-site and online seminars, and through various SMBC Indonesia digital channels.	<ul style="list-style-type: none"> <li>65 seminars, attended by 7,689 participants</li> <li>690 digital educational materials, benefiting 8,620,804 individuals</li> <li>Fund allocation: Rp547,364,110</li> </ul>	



PILLAR	DESCRIPTION	ACHIEVEMENTS	SUPPORT FOR SDGS
Capacity to Grow for Business [OJK F.23] [OJK F.25] [GRI 203-2] [SUSBA 1.5.1.6]	Increasing financial access for people engaged in the micro, small, and medium enterprise (MSME) sector by providing training and mentoring to improve the capacity of entrepreneurs.	<ul style="list-style-type: none"> <li>82 seminars, attended by 11,129 participants</li> <li>134 business coaching sessions</li> <li>1,276,073 beneficiaries from 1,496 educational materials on business through digital channels</li> <li>Fund allocation: Rp1,621,873,143</li> </ul>	   
Sustainable Living	Improving the nation's economy through improving the quality of life of a healthy and prosperous society, enabling the community to actualize themselves and work productively.	<ul style="list-style-type: none"> <li>26 seminars, attended by 27,234 participants</li> <li>4,882 online and offline consultations</li> <li>256,180 beneficiaries from 665 educational materials on digital media</li> <li>Fund allocation: Rp396,446,675</li> </ul>	  

In 2024, the empowerment initiatives carried out by SMBC Indonesia gained recognition from several organizations through the successful attainment of numerous awards, including:



## COMMUNITY EMPOWERMENT PROGRAM

SMBC Indonesia is committed to actively participating in promoting community welfare and empowerment through its 4 pillars of Daya, implemented in various community empowerment programs.

### SUPPORT FOR EDUCATION

SMBC Indonesia is committed to supporting the development of education as part of its efforts to cultivate exceptional human resources capable of competing in the workforce and addressing its challenges. This commitment also aims to foster positive contributions from SMBC Indonesia to society and sustainable development.

01

## DEVELOPMENT OF EDUCATIONAL FACILITIES

[GRI 203-1]

In 2024, SMBC Indonesia provided a grant in the form of a Powder Coating machine to support the Teaching Factory program at SMK NU Ma'arif, a vocational high school partnered with PT Bank SMBC Indonesia Tbk, Sumitomo Mitsui Banking Corporation (SMBC), and the Djarum Foundation. This grant reflects SMBC Indonesia's commitment to advancing education, particularly vocational education, to ensure its relevance to industry needs.

The Powder Coating machine, used for dry painting processes in metal fabrication, is widely utilized in the manufacturing sector. It is expected that students will master modern painting techniques, equipping them with competencies that align with labor market demands.

02

## CREATIVE AND FINANCIALLY SAVVY TEACHER PROGRAM

SMBC Indonesia is committed to enhancing the competencies of educators to facilitate meaningful learning experiences for students. This includes creating educational media through design thinking and financial literacy initiatives. The program aims to inspire teachers to develop impactful educational tools and equip students with the skills to address real-world challenges, including sound financial management. In collaboration with the Guru Belajar Foundation, this program has engaged over 9,000 teachers from various regions.

03

## CAPACITY BUILDING FOR THE YOUNG GENERATION

SMBC Indonesia supports the capacity building of the young generation by providing relevant and inspiring knowledge and skills, enabling them to become high-quality and reliable talents. This commitment is realized through scholarship programs for outstanding students from the Bogor Agricultural University's School of Business (SB IPB) and seminars/workshops conducted in partnership with three universities: the Bogor Agricultural University's School of Business, Podomoro University, and the London School of Public Relations (LSPR). These initiatives have involved 1,340 participants.

## SUPPORT FOR ENHANCING FINANCIAL LITERACY

[OJK F.23] [OJK F.25] [FS 16] [FN-CB-240a.4]

Financial literacy aims to deliver financial education to the public, enabling them to achieve financial freedom and improve their quality of life. This program is expected to enhance public understanding of financial products and services that align with their needs, thereby empowering them to manage their finances more effectively, make informed financial decisions, and promote financial inclusion. Ultimately, this initiative seeks to contribute to their overall well-being.

The financial literacy program is conducted by SMBC Indonesia through both offline and online platforms, as well as via various digital channels owned by the bank. It is designed to cater to diverse groups, including students, MSME owners, and retirees across various regions in Indonesia.

	2024	2023	2022
 <b>FINANCIAL LITERACY PARTICIPANTS (NUMBER OF PARTICIPANTS)</b>	<b>8,620,804</b>	<b>2,705,138</b>	<b>558,185</b>

01

### Financial Literacy for Students: Education About the Benefits of Saving

SMBC Indonesia conducted financial literacy seminars for both high school and elementary school students, focusing on promoting the good habit of saving. For elementary school students, on November 9, 2024, SMBC Indonesia held a financial education event entitled "The Joy of Saving to Achieve My Dreams" at SDN 1 Parapat, Tangerang City, attended by 112 participants. Meanwhile, for high school students, the financial education program carried the theme "Let's Get to Know Kakeibo – The Japanese Way of Saving." This seminar encouraged students to make wise financial decisions and cultivate disciplined saving habits to support the realization of their aspirations. The program was implemented in collaboration with 5 schools and involved 1,270 participants.

02

### Financial Literacy for the Elderly: Seminar on Avoiding Online Fraud

The rise in online fraud has become a pressing social issue, prompting a response from the Daya Financial Literacy Program. Retired elderly citizens are among the groups most vulnerable to online fraud. The Daya Program conducted a seminar entitled "Healthy and Financially Smart Retirement: Recognizing Scam Tactics and How to Prevent Online Fraud," aimed at retired customers across several branch offices. During the seminar, participants were educated by financial advisors on ways to avoid online scams. Throughout 2024, three seminars were held with a total of 265 beneficiaries.

03

### Financial Literacy Program for the Community

In support of efforts to improve financial literacy within the community, SMBC Indonesia collaborated with corporate clients to organize tailored seminars and talks on financial management topics relevant to the needs of employees at beneficiary companies. In 2024, a total of 34 seminar sessions were successfully conducted, attracting 3,567 participants.

## SUPPORT FOR MSMEs

Through the pillar of capacity to grow for business, SMBC Indonesia strives to enhance the business capacity of MSME actors and foster MSME growth by offering various programs designed to increase their income and productivity, including:

- **Credit Solutions:** SMBC Indonesia provides a range of credit products tailored to the needs and business plans of MSMEs.
- **Training and Mentorship:** SMBC Indonesia conducts training programs across various fields, including financial management, marketing management, sales management, operational management, and human resource management, to support the growth of MSMEs.
- **Promotional Platform:** SMBC Indonesia offers promotional space on the Daya.id website to assist MSMEs in marketing their products online to visitors of the platform.
- **Q&A Sessions with Experts:** This program provides MSME business owners with the opportunity to interact directly with experts, such as digital marketing specialists, MSME mentors, business coaches, legal and licensing advisors, and other trusted professionals.

### WOMEN ENTREPRENEURS EMPOWERMENT PROGRAM

The Daya Program supports efforts to enhance the welfare and independence of women micro, small, and medium enterprise (MSME) actors through the "Mentorship and Personal Success" initiative. This program is carried out through a series of online and offline seminars focused on digital business development. In collaboration with the women entrepreneurs' community, Perempuan DigDaya, the Daya Program encourages women MSME actors to learn strategies for improving marketing opportunities and promoting their products through digital channels. Approximately 85 women MSME participants participated in this initiative.

### DAYA FEST 2024: SMBC INDONESIA'S SUSTAINABLE COMMITMENT TO COMMUNITY AND LOCAL MSME EMPOWERMENT



SMBC Indonesia is proud to once again host Daya Fest 2024 under the theme "Empowerment for the Nation," aimed at expanding the company's positive impact on the progress of MSMEs in Indonesia. The event took place on August 27, 2024, at the Bank SMBC Tower in Jakarta.

Daya Fest is an annual event organized by Daya. One of the highlights of Daya Fest 2024 is the Empowerment Festival, focusing on the core pillars of SMBC Indonesia's empowerment initiatives. This festival provides visitors with the opportunity to learn from experts in entrepreneurship, enabling them to unlock greater growth opportunities in the future. Among the notable speakers are director Ernest Prakasa, discussing personal development, and content creator Fellexandro Ruby, delivering a session on financial literacy.

Additionally, Daya Fest featured the Selendang Mayang event, an annual bazaar that opens broader market access for SMBC Indonesia's fostered MSME partners. This year, Selendang Mayang showcased over 900 diverse products from more than 100 MSME entrepreneurs, who are also SMBC Indonesia customers.

"We are delighted to once again host Daya Fest, which has been held annually since 2021. Daya Fest 2024 is here to support MSME entrepreneurs in developing their capabilities and business networks through various strategic programs," said Henoch Munandar, President Director of SMBC Indonesia.

"The entire series of Daya Fest 2024 activities is tailored to address the diverse needs of our MSME partners in sustaining their businesses and expanding public awareness of high-quality local products. Through this initiative, we hope to create a positive impact for MSMEs and the broader community," Henoch concluded.

Daya Fest 2024 is held in conjunction with the celebration of Indonesia's 79th Independence Day, adding to the essence of the event as a driver of national progress. It also underscores SMBC Indonesia's commitment to supporting the development of Indonesia.

## **SUPPORT FOR ENHANCING COMMUNITY'S QUALITY OF LIFE**

SMBC Indonesia is committed to supporting the enhancement of the community's quality of life through various initiatives in the following empowerment areas:

**01**

### **HEALTHCARE SERVICES FOR THE ELDERLY**



This program aims to facilitate the needs of retired customers by supporting a quality life through the provision of information on psychological, health, and financial needs during retirement. Activities include organizing health seminars on managing and preventing diseases and health issues affecting the elderly, as well as providing teleconsultation services with doctors on weekdays. In 2024, a total of 4,882 participants accessed these services.

Additionally, Daya supports the establishment of an online community as a platform for retired customers to exchange information, share experiences, and build camaraderie with other retirees. This community is also facilitated by healthcare professionals (doctors) to ensure they receive accurate health information.

**02**

### **RETIREMENT PREPAREDNESS**

This Daya program aims to prepare participants, including members of the Indonesian National Armed Forces (TNI) and the Indonesian National Police (POLRI), for retirement through seminar content on retirement mindset, financial planning for retirement, and post-retirement activities. It also provides training for participants wishing to become entrepreneurs during retirement, enabling them to start businesses aligned with their potential and interests. In 2024, 61 retirement preparation seminars were held, attended by 8,118 participants.

**03**

### **HEALTHY LIFESTYLE SERVICES**

The Daya program for Sinaya Prioritas customers is a strategic initiative by SMBC Indonesia aimed at enhancing customer value. Activities include online seminars on current topics that broaden perspectives on health and healthy living.



EMPOWERMENT SUPPORT THROUGH THE DIGITAL PLATFORM – DAYA.ID

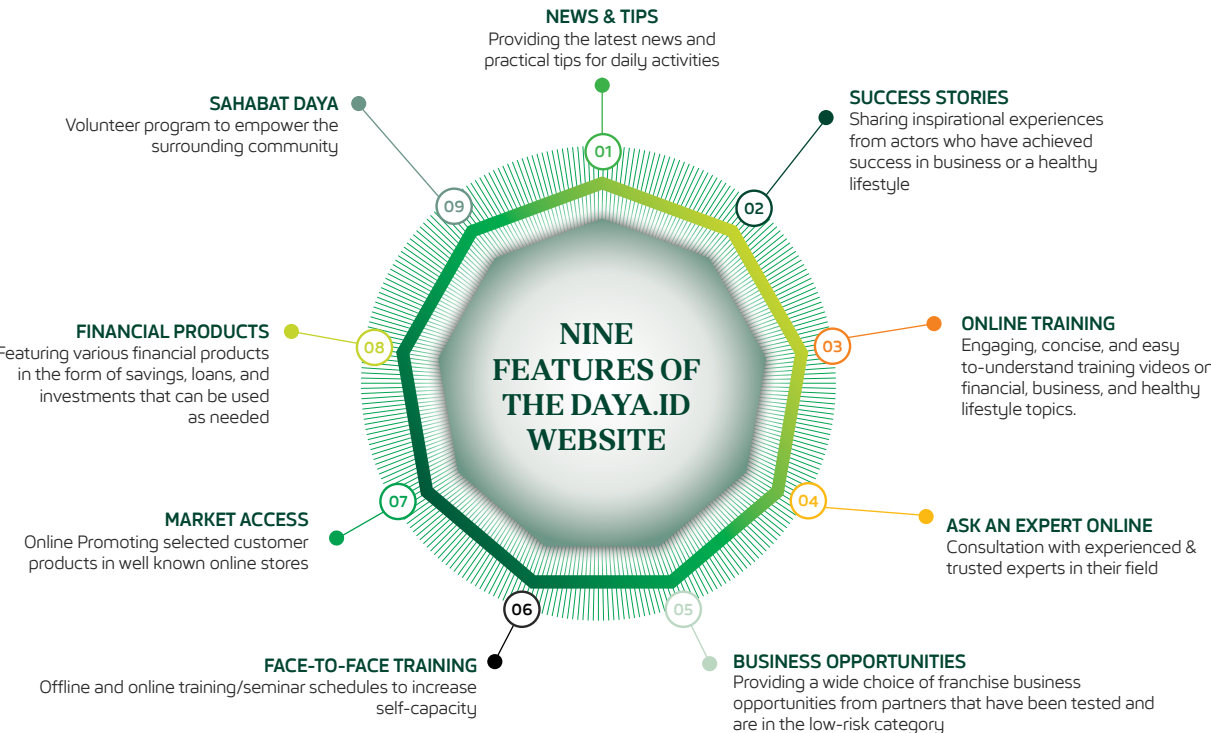
[GRI 203-1]

To enhance digital empowerment, SMBC Indonesia manages a website that serves as a digital platform/channel, presenting the four pillars of the Daya program. This platform provides users with access to a comprehensive array of educational and self-development content, encompassing financial literacy, business development, and sustainable living. The content is available in various formats, including articles, training videos, and expert consultations, which can be accessed through features such as tips and insights, online training, expert consultations, success stories, in-person training, and new business opportunities. The establishment of Daya.id further enhances the accessibility of the Daya program, enabling a broader audience to benefit from a user-friendly information

platform and high-quality services. This initiative facilitates the acquisition of essential knowledge and support, empowering individuals to achieve financial well-being and an improved quality of life.

To achieve these goals, Daya offers a range of services, including:

- 1. Providing tailored information on entrepreneurship, financial management, and healthy lifestyles.
- 2. Offering access to empowerment programs available 24 hours a day, 7 days a week.
- 3. Enhancing the competitiveness of customers' businesses through product and business promotion on the Daya.id website.
- 4. Facilitating consultations with experienced experts in business, finance, and healthy living.
- 5. Building networks among business actors to expand business opportunities.



\* 2024 google analytics data

To ensure the quality of education, Daya.id has established strategic partnerships with experienced experts in their respective fields, including Arsanara, INTRAS (a human resources training and development company), Wisnu Dewabroto (an expert and practitioner in the MSME sector), and Dian Savitri (a financial planning expert and practitioner), among others. This collaboration enables Daya to provide thousands of high-quality educational materials, empowering individuals to make more informed decisions.



## SAHABAT DAYA

Sahabat Daya is a volunteer program initiated by SMBC Indonesia, designed to provide employees and the community with opportunities to actively engage in empowerment initiatives that deliver positive impacts to communities. The Sahabat Daya program conducted in 2024 :

Program	Program Description	Performance Achievements 2024
Sahabat Daya Financial Literacy	An employee volunteering program to support financial education efforts for the community. In addition to employees, customers and non-customers can also participate.	<ul style="list-style-type: none"> <li>Volunteers: 18 employees and 50 external participants</li> <li>Activities: 15 sessions</li> <li>Beneficiaries: 1,718 participants</li> <li>Locations: Jakarta, Karawang, Pandeglang, Kudus, Bogor, Tangerang</li> </ul>
Sahabat Daya Run for the Earth	An environmental-themed program that aims to promote a healthy lifestyle while raising awareness of sustainability and climate change issues. Employee participation will be converted into tree planting activities to increase carbon emission absorption.	Volunteers: 1,526 employees from 8 branches and the head office. The planting of 1,500 mango trees was attributed to the participants who attended in Patiyam, Kudus, Central Java.
Sahabat Daya Freedom to Empower	A program that accommodates the concern and empowerment spirit of employees through social and/or environmental activities for the community. SMBC Indonesia provides empowerment funds for selected empowerment proposals submitted by employees.	<ul style="list-style-type: none"> <li>Volunteers: 177 employees and 17 external participants</li> <li>Activities: 19 activities (literacy, financial literacy, healthy lifestyle, and environmental clean-up activities)</li> <li>Beneficiaries: 833 participants</li> <li>Locations: Jakarta, Medan, Salatiga, Bali, Mataram, Bogor, Bandung, Batam, and Surabaya.</li> </ul>
Sahabat Daya Donation	A philanthropic program that aims to assist institutions in need or support other positive initiatives in society through donations from employees and SMBC Indonesia.	<ul style="list-style-type: none"> <li>Volunteers: 30 employees</li> <li>Donations: 221 new books and 124 pre-owned books</li> <li>Beneficiaries: 4 vocational schools in Kudus and Karawang, as well as a public library in Depok, West Java</li> </ul>
Sahabat Daya Next Generation Capacity Building	The employee volunteering program provides an opportunity to share knowledge and relevant skills to inspire the younger generation in becoming highly competent and skilled talent. This program is conducted in collaboration with SMBC Indonesia's partner universities.	The program was conducted in collaboration with three universities: Sekolah Bisnis Institut Pertanian Bogor, Universitas Podomoro, and London School of Public Relations (LSPR), with a total of 1,340 participants taking part in the activities.

## RUN FOR THE EARTH



SMBC Indonesia is committed to fostering a greener environment through various initiatives, including organizing the Sahabat Daya "Run for the Earth" event. The event was held at the Jakarta headquarters on November 24, 2024, and at eight branch offices on December 1, 2024 (in Bandung, Semarang, Surabaya, Yogyakarta, Medan, and Makassar). Additionally, a virtual run was conducted from November 24 to December 1, 2024.

A total of 1,526 employees participated in the event, running a distance of 3.5 kilometers. The number of participants in this employee volunteer program was then converted into 1,500 trees. SMBC Indonesia partnered with the Djarum Foundation's Environmental Conservation Program (BLDF) through the "One Tree One Action" initiative to plant trees as part of the "Run for the Earth" program in the conservation area of Mount Muria's slopes.

A symbolic tree-planting ceremony took place in the Patiayam hills on November 28, 2024. The Patiayam hills, once a lush forest, had become barren due to illegal logging by local communities. This deforestation led to flash floods and the disappearance of several natural springs in the area. SMBC Indonesia collaborated with the Wonorejo Farmers Group, consisting of 300 members, to plant mango trees in the region. In addition to addressing environmental issues in the Patiayam area, this tree-planting initiative is also part of the community's efforts to establish Patiayam as a center for mango production.

**"Our members now understand the benefits of planting hardwood trees on the Patiayam slopes, not only for the environment but also economically. Mango cultivation has proven to be profitable. Therefore, we are very grateful for this assistance with mango seedlings, as acquiring them on our own would require a significant investment," said Mashuri, Chairman of the Wonorejo Farmers Group.**

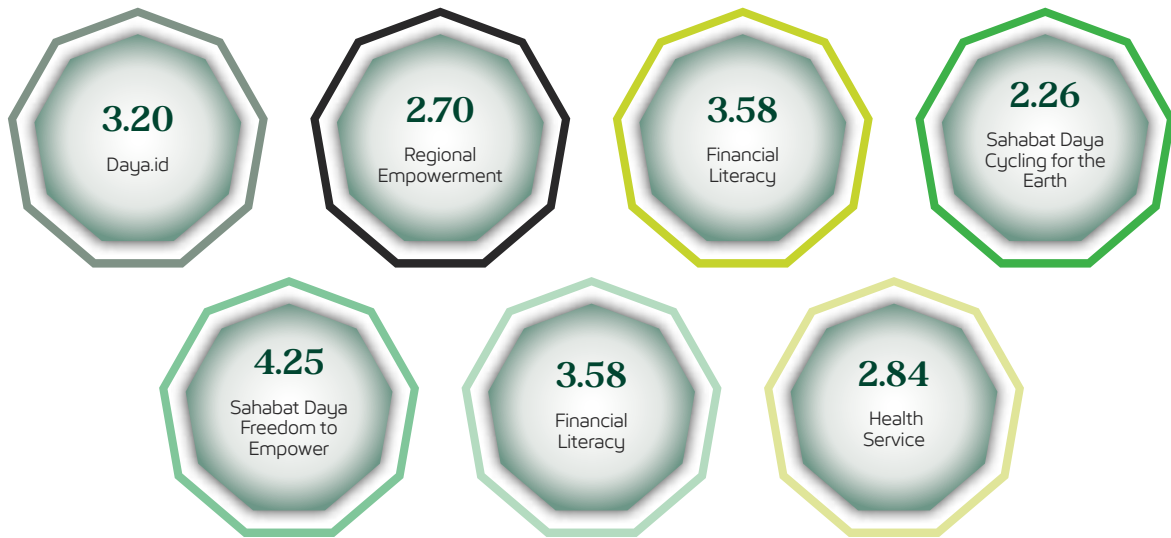
## THE DAYA PROGRAM IMPACT ASSESSMENT

SMBC Indonesia is committed to ensuring that the Daya Program delivers significant beneficial and sustainable impacts to the community. This commitment is realized through the implementation of comprehensive assessment to measure the success and impact of the program. One of the approaches taken is the use of the Social Return on Investment (SROI) method to ensure the quality and accountability of ongoing programs. This method enables SMBC Indonesia to quantitatively measure the social value generated by each program.

SMBC Indonesia ensures that all Daya Programs adhere to established standards, resulting in no public complaints regarding the implementation of these programs during the reporting year. [\[GRI 413-1\]](#) [\[GRI 413-2\]](#) [\[OJK F. 24\]](#)

During the reporting period, SMBC Indonesia conducted impact assessments on 7 empowerment programs held in 2023. The results of SROI calculations, indicating the social value generated for every Rp. 1 invested in each program, are presented in the following table: [\[GRI 203-2\]](#)

SROI CALCULATION RESULTS





# Unlocking Potential, Building the Future

SMBC Indonesia is committed to creating an inclusive, productive work environment that empowers the growth of all individual potentials.

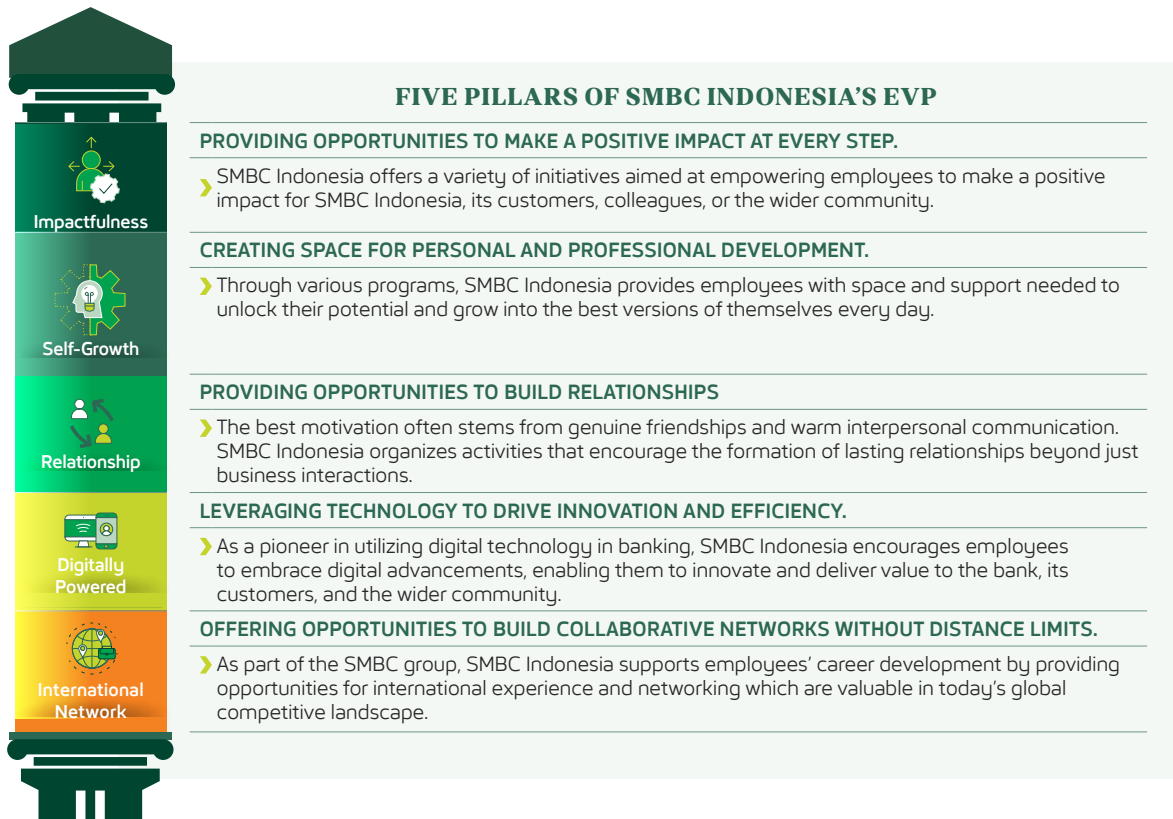
07



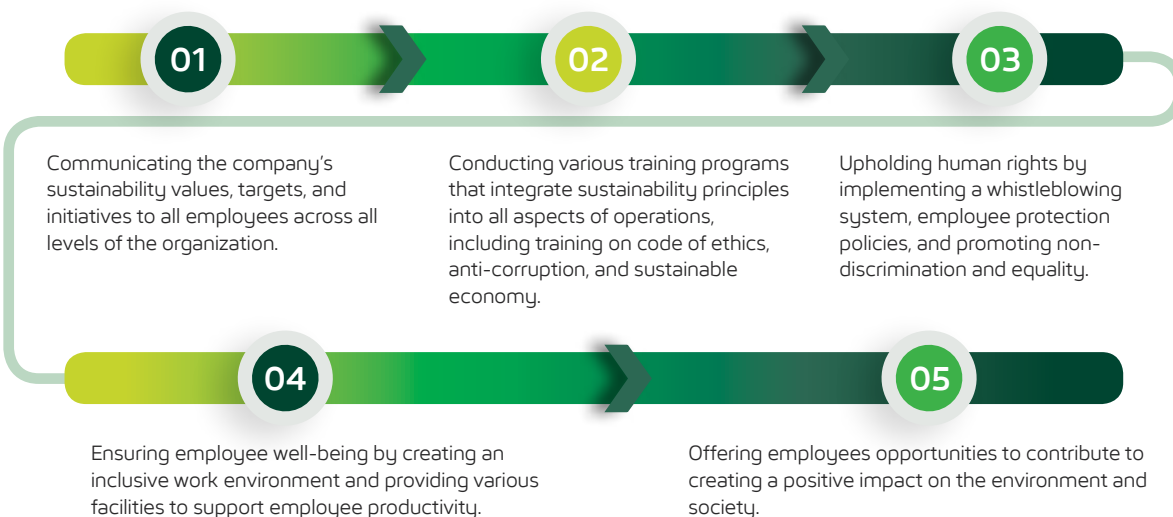


SMBC Indonesia's Human Resources (HR) policies are designed based on the principles of sustainability, with a primary focus on employee well-being and satisfaction. SMBC Indonesia firmly believes that employees who feel valued and supported will contribute their best to the company's success. SMBC Indonesia is committed to creating a work environment that supports employee development while ensuring their active involvement in achieving the company's sustainability goals.

Through the spirit of #MoreThanAJourney, SMBC Indonesia offers a rich and meaningful career experience, providing opportunities for professional development, global collaboration, and a work culture that supports both individual and organizational growth. This initiative is designed as an Employee Value Proposition (EVP), inspiring employees to embark on a career journey that goes beyond just a job.

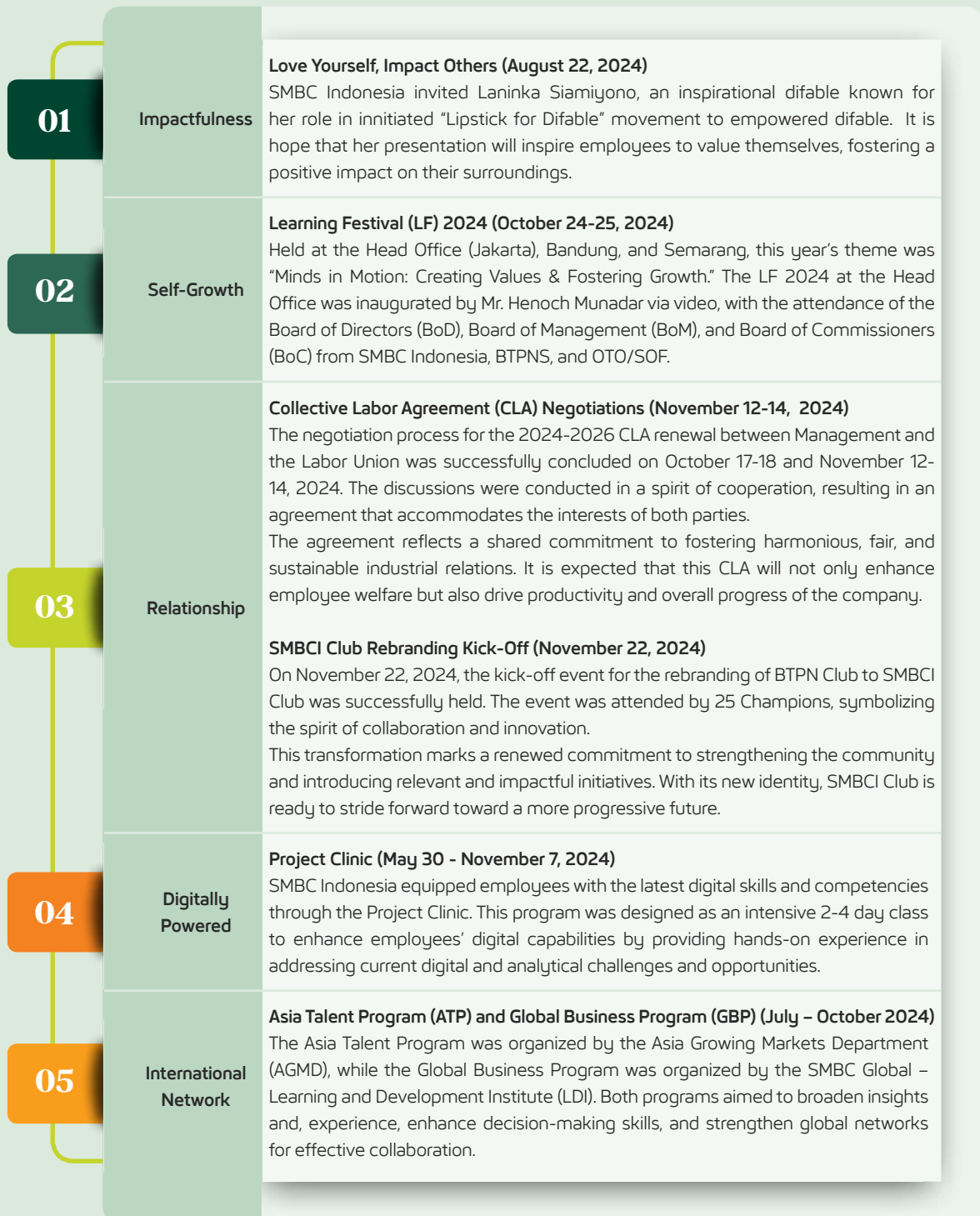


In addition to supporting employee potential development through its five EVP pillars, SMBC Indonesia is committed to building a culture of sustainability through various strategic initiatives, such as: [\[OUK F.1\]](#)



Throughout 2024, SMBC Indonesia has implemented various programs and activities to realize its EVP for employees.

## Highlight of the #MoreThanAJourney 2024 Initiative



## BEST COMPANIES TO WORK FOR IN ASIA 2024

SMBC Indonesia has been honored with a prestigious award for being one of the best workplaces in Asia, among those receiving the title of "Best Companies to Work for in Asia 2024" by HR Asia. This award is granted to companies across Asia recognized by their employees as excellent workplaces with a positive work culture and high levels of employee satisfaction.

## HR EXCELLENCE AWARD 2024

This award is granted to companies that demonstrate exceptional human resource management processes and practices. SMBC Indonesia earned this award through the implementation of its Employee Value Proposition in employer branding activities, which has enhanced public awareness of SMBC Indonesia as an employer of choice. Additionally, SMBC Indonesia has implemented an employee wellbeing strategy through initiatives such as the SMBCI Club and Employee Assistance Program with the support of advanced human resource technology through the employee life cycle, encompassing a variety of activities.

## SUPPORT FOR DIVERSITY AND INCLUSION

In 2024, SMBC Indonesia focused its human resource development on enhancing Diversity and Inclusion, creating a work environment that values differences, fosters cross-cultural collaboration, and empowers all individuals to contribute to their fullest potential. These efforts align with SMBC Indonesia commitment to innovation and sustainability through diverse perspectives.

To support this diversity and inclusion, SMBC Indonesia conducted the following programs in 2024:

Initiative	Description
01 <b>Indonesia Sign Language Workshop (In Collaboration with Parakerja)</b>	In an effort to promote inclusion, SMBC Indonesia held a workshop where participants learned basic sign language skills to bridge communication gaps and interact with the deaf community. This program is expected to raise awareness among SMBC Indonesia employees about inclusivity. The sign language workshop has been conducted twice. The first batch was held on May 30, 2024, and the second batch was held in October 2024.
02 <b>Supports the Dei Events By SMBC Asia Pacific</b>	<ul style="list-style-type: none"> <li>SMBC Indonesia partnered with colleagues from BTPN Syariah to jointly participate in the SMBC International Women's Day and SMBC Indonesia's Kartini Day events.</li> <li>Representatives from SMBC Indonesia's Human Resources team attended the SMBC D&amp;I event, "Inclusive Leadership Forum 2024," hosted by Developing Global Leaders Asia, with the theme "Empowering Inclusion in Every Step!"</li> </ul>
03 <b>Women Mentoring 2.0</b>	<ul style="list-style-type: none"> <li>This mentorship program matches female talents with experienced mentors from SMBC Indonesia's Head Office and branch offices. 30 of mentorship were formed in 2024.</li> <li>SMBC Indonesia Moms support group Initiative (September 2024) - extended to BTPN Syariah &amp; OTO/SOF colleagues.</li> </ul>
04 <b>Indonesia's Father Day Photo Competition</b>	Indonesia's Father Day Photo Competition (December 2024).



## ADOPTION OF DIGITAL TECHNOLOGY FOR EMPLOYEE MANAGEMENT

SMBC Indonesia has adopted a cloud-based Human Resources Information System (HRIS) to enhance efficiency and streamline employee data management. This implementation encompasses several key features, including:

1. HR Core System, Employee and Manager Self-service
2. HR Mobile Platform
3. E-Learning System
4. HR Communication and Collaboration Platform
5. Performance Management System

To facilitate effective and transparent communication with employees, SMBC Indonesia has also introduced an

internal communication channel called "Portal Kita." This platform provides information on the company's culture and updates on SMBC Indonesia's activities across all operational areas.

## SMBC INDONESIA PERSONNEL

Employees are the primary asset that drives the success and growth of the company. As of 2024, the number of SMBC Indonesia employees was 6,491, a decrease of 2.2% from the previous year's total of 6,636. In support of its commitment to workforce quality, SMBC Indonesia does not employ workers with irregular schedules or those without a minimum guaranteed number of working hours. There were no significant fluctuations in the number of employees during the reporting year.

[GRI 2-7] [GRI 2-8]

### TOTAL NUMBER OF EMPLOYEES BY EMPLOYMENT CONTRACT (PERMANENT AND TEMPORARY) AND GENDER

[GRI 2-7] [OJK C.3.b]

Description	2024		2023		2022	
	Permanent	Temporary	Permanent	Temporary	Permanent	Temporary
Male	3,377	193	3,500	195	3,707	268
Female	2,819	102	2,846	95	2,877	120
Subtotal	6,196	295	6,346	290	6,584	388
<b>Total</b>	<b>6,491</b>		<b>6,636</b>		<b>6,972</b>	

### TOTAL NUMBER OF EMPLOYEES BY EMPLOYMENT CONTRACT (PERMANENT AND TEMPORARY) AND REGION

[GRI 2-7] [OJK C.3.b]

Description	2024		2023		2022	
	Permanent	Temporary	Permanent	Temporary	Permanent	Temporary
Greater Jakarta	3,073	200	3,032	171	2,918	223
Java (exclude Greater Jakarta)	1,692	41	1,778	57	1,969	69
Outside Java	1,431	54	1,536	62	1,697	96
Subtotal	6,196	295	6,346	290	6,584	388
<b>Total</b>	<b>6,491</b>		<b>6,636</b>		<b>6,972</b>	

Note:

The employee calculation in this section is based on data collected from the Human Resources Directorate.



## EMPLOYEE DIVERSITY AND EQUALITY

[GRI 405-1] [OJK F.18] [OJK C.3.b]

SMBC Indonesia upholds the values of inclusivity and diversity, from recruitment processes through to performance evaluations and career development. All individuals, regardless of gender, ethnicity, or educational background, are provided with equal opportunities to grow and thrive within the company. SMBC Indonesia's commitment to fostering diversity is reflected in the employee demographics, including individuals from a wide range of backgrounds.

SMBC Indonesia places particular emphasis on promoting gender equality in the workplace by ensuring that both women and men have equal access to career opportunities and leadership roles. In 2024, the number

of female employees was 45% of the total workforce, while 32% of top-level management positions were held by women. Additionally, the base salary ratio between male and female employees is 1:1, indicating no gender-based pay disparity [GRI 405-2]. Throughout 2024, there were no reported incidents of discrimination. [GRI 406-1].

Initiatives to Promote Diversity and Inclusion:

1. Collaboration Program with SMBC Group:
  - SMBC Group Diversity and Inclusion (D&I)
2. Partnership Programs with the Indonesia Business Coalition for Women Empowerment (IBCWE) and Microsoft Indonesia:
  - Code without Barrier
  - The TrailblazHER (Women Mentoring Programs)
3. Other Initiatives by SMBC Indonesia:
  - Sign Language Sessions
  - Collaborative Event with Kopi Tuli (Deaf Coffee)

### DIVERSITY OF GOVERNANCE BODIES AND EMPLOYEES BY GENDER

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

Position	2024			2023			2022		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Board of management	5 (50%)	5 (50%)	10	5 (50%)	5 (50%)	10	6 (50%)	6 (50%)	12
Top management	128 (68%)	59 (32%)	187	122 (69%)	56 (31%)	178	120 (70%)	51 (30%)	171
Senior management	453 (60%)	297 (40%)	750	460 (62%)	283 (38%)	743	447 (62%)	271 (38%)	718
Management	1,774 (59%)	1,209 (41%)	2,983	1,744 (60%)	1,147 (40%)	2,891	1,789 (61%)	1,130 (39%)	2,919
Officer/Supervisor	753 (47%)	847 (53%)	1,600	794 (50%)	796 (50%)	1,590	876 (55%)	720 (45%)	1,596
Clerical	457 (48%)	504 (52%)	961	570 (47%)	654 (53%)	1,224	727 (47%)	819 (53%)	1,556
<b>Total</b>	<b>3,570 (55%)</b>	<b>2,921 (45%)</b>	<b>6,491</b>	<b>3,695 (56%)</b>	<b>2,941 (44%)</b>	<b>6,636</b>	<b>3,975 (57%)</b>	<b>2,997 (43%)</b>	<b>6,972</b>

## DIVERSITY OF THE GOVERNANCE BODIES AND EMPLOYEES BY AGE

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

Position	2024			2023			2022		
	21-30	30-50	>50	21-30	30-50	>50	21-30	30-50	>50
Board of management	-	2	8	-	3	7	-	4	8
Top management	1	119	67	-	122	56	-	121	50
Senior management	2	599	149	3	625	115	6	608	104
Management	647	2,169	167	607	2,154	130	598	2,179	142
Officer/Supervisor	220	1,341	39	259	1,305	26	283	1,287	26
Clerical	272	677	12	359	859	6	466	1,077	13
<b>Total</b>	<b>1,142</b>	<b>4,907</b>	<b>442</b>	<b>1,228</b>	<b>5,068</b>	<b>340</b>	<b>1,353</b>	<b>5,276</b>	<b>343</b>

## TOTAL NUMBER OF EMPLOYEES BY EDUCATIONAL LEVEL

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

Educational Level	2024	2023	2022
Doctoral Degree	3	4	4
Master's Degree	349	321	318
Bachelor's Degree	5,379	5,467	5,692
Associate's Degree	558	606	671
High School or Equivalent	202	238	287
<b>Total</b>	<b>6,491</b>	<b>6,636</b>	<b>6,972</b>

PROPORTION OF SENIOR  
MANAGEMENT FROM THE  
LOCAL COMMUNITY

[GRI 202-2]

SMBC Indonesia prioritizes the recruitment of senior management from Indonesian citizens (WNI) originating from the areas surrounding its operational locations. In the reporting year, 5 out of the total members of the Board of Directors, equivalent to 62.5%, were Indonesian citizens.

DECENT AND SAFE  
WORKING ENVIRONMENT

[OJK F.21]

SMBC Indonesia is committed to creating a safe and comfortable work environment as the basis for employee productivity. Despite the Bank's operations not carrying high risks to occupational health and safety risks, the Bank prioritizes preventive measures by implementing various strategies to mitigate the potential impact of natural disasters or other unforeseen incidents. The following measures are designed to ensure employees feel protected and can work optimally in a conducive work environment:

1. Providing safety equipment such as fire extinguishers and first aid kits in various corners of the office.
2. Conducting regular occupational health and safety (K3) awareness programs for all employees.
3. Conducting earthquake and fire evacuation drills.
4. Conducting routine inspections of electrical installations and office facilities to prevent potential hazards.

SMBC Indonesia also recognizes that employee well-being encompasses physical, mental, and emotional aspects. Therefore, SMBC Indonesia strives to foster a positive and harmonious work environment through the following initiatives:

1. Providing a prayer room for employees.
2. Conducting regular medical check-up programs.
3. Offering sports facilities to support employees' physical health.
4. Organizing social or community activities outside working hours, such as outings or team-building events, to strengthen employee relationships.

Regarding workplace safety, certain security aspects require attention, such as the threat of robbery, retaliation for reporting crimes, or aggression from customers and other parties. To address these concerns, SMBC Indonesia has established policies and measures to protect employees, their families, and community members as follows: [\[G4-DMA\]](#)

#### 1. Prevention and Handling of Aggression by Customers or Other Parties

- SMBC Indonesia provides specialized training to employees on conflict management and effective communication to handle challenging situations, including verbal or physical aggression from customers or external parties.
- A zero-tolerance policy against all forms of violence or intimidation is enforced to ensure a safe and professional work environment.

#### 2. Handling Robbery and Emergency Situations

- SMBC Indonesia implements strict security protocols supported by advanced technology, including physical security systems and 24/7 surveillance to minimize robbery risks.

- Regular robbery and emergency simulation training is provided to employees to ensure they are prepared to respond quickly and effectively.
- Psychological support is available for employees or their families affected by incidents such as robbery or kidnapping.

#### 3. Support Related to the Obligation to Report Criminal Activities

- In compliance with applicable laws and regulations, SMBC Indonesia has established mechanisms for reporting criminal activities, such as money laundering and terrorism financing.
- Protection for employees responsible for such reporting is guaranteed through identity confidentiality policies and legal support in the event of threats or retaliation from reported parties.
- Regular awareness programs and training on whistleblowing and criminal reporting are conducted to ensure employees are prepared to carry out their duties safely.

## EMPLOYEE RECRUITMENT

SMBC Indonesia seeks to attract the nation's top talents to contribute to the company's progress. The recruitment process is conducted fairly and transparently, avoiding any form of conflict of interest. Each prospective employee is selected based on their competencies, regardless of ethnic, religious, racial, or gender background.

SMBC Indonesia carries out recruitment through the following programs:

#### ➤ Creative Hacknology Intensive Program (CHIP)

CHIP is an employee development program designed to cultivate young talents in the field of technology. In addition to receiving intensive training, participants are placed in strategic projects at SMBC Indonesia.

#### ➤ Leadership Acceleration Development (LEAD)

The Leadership Acceleration Development (LEAD) program is an SMBC Indonesia initiative designed to empower individuals with the potential to become the future leaders of the company.

► **Intern Development, Enhancement, and Acceleration Space (IDEAS)**

The Intern Development, Enhancement, and Acceleration Space (IDEAS) program is an internship program at SMBC Indonesia aimed at developing the skills and knowledge of students and fresh graduates.

**EMPLOYEE RECRUITMENT BY GENDER**

[GRI 401-1]

Description	2024	%	2023	%	2022	%
Male	259	50%	326	54%	535	56%
Female	255	50%	283	46%	413	44%
<b>Total</b>	<b>514</b>	<b>100%</b>	<b>609</b>	<b>100%</b>	<b>948</b>	<b>100%</b>

**EMPLOYEE RECRUITMENT BY AGE GROUP**

[GRI 401-1]

Description	2024	%	2023	%	2022	%
20-30 years old	282	55%	331	54%	525	55%
30-50 years old	217	42%	265	44%	418	44%
50 years old	15	3%	13	2%	5	1%
<b>Total</b>	<b>514</b>	<b>100%</b>	<b>609</b>	<b>100%</b>	<b>948</b>	<b>100%</b>

**EMPLOYEE RECRUITMENT BY REGION**

[GRI 401-1]

Description	2024	%	2023	%	2022	%
Greater Jakarta	363	71%	454	75%	654	69%
Java (exclude Greater Jakarta)	82	16%	87	14%	155	16%
Outside Java	69	13%	68	11%	139	15%
<b>Total</b>	<b>514</b>	<b>100%</b>	<b>609</b>	<b>100%</b>	<b>948</b>	<b>100%</b>

## EMPLOYEE TURNOVER

The employee turnover rate is a key indicator for measuring employee satisfaction and a company's success in retaining its workforce. SMBC Indonesia recorded an employee turnover rate of 8.5%, a decrease

compared to the 12.4% rate in 2023. This decline reflects the success of SMBC Indonesia's human resource management strategies in creating a work environment that supports employee well-being and loyalty.

## TERMINATION OF EMPLOYMENT

[GRI 401-1]

Description	2024	2023	2022
Retirement	140	314	193
Death	3	10	17
Dismissal	51	97	91
Resignation	378	470	711
Others	89	60	99
<b>Total</b>	<b>661</b>	<b>951</b>	<b>1.111</b>

## EMPLOYEE TURNOVER BY GENDER

[GRI 401-1]

Description	2024	%	2023	%	2022	%
Male	385	58%	608	64%	665	60%
Female	276	42%	343	36%	446	40%
<b>Total</b>	<b>661</b>	<b>100%</b>	<b>951</b>	<b>100%</b>	<b>1.111</b>	<b>100%</b>

## EMPLOYEE TURNOVER BY AGE GROUP

[GRI 401-1]

Description	2024	%	2023	%	2022	%
20-30 years old	141	21%	204	22%	288	26%
30-50 years old	420	64%	639	67%	751	68%
Above 50 years old	100	15%	108	11%	72	6%
<b>Total</b>	<b>661</b>	<b>100%</b>	<b>951</b>	<b>100%</b>	<b>1.111</b>	<b>100%</b>

## EMPLOYEE TURNOVER BY REGION

[GRI 401-1]

Description	2024	%	2023	%	2022	%
Greater Jakarta	308	47%	406	43%	521	47%
Java (exclude Greater Jakarta)	187	28%	314	33%	272	24%
Outside Java	166	25%	231	24%	318	29%
<b>Total</b>	<b>661</b>	<b>100%</b>	<b>951</b>	<b>100%</b>	<b>1.111</b>	<b>100%</b>



## EMPLOYEE RIGHTS

### REMUNERATION AND BENEFITS

SMBC Indonesia fosters a productive work culture by implementing fair remuneration policies based on job level, tenure, and employee performance. All members of SMBC Indonesia are entitled to equal compensation without discrimination based on personal background. Furthermore, SMBC Indonesia ensures there is no disparity in entry-level remuneration ratios between male and female employees for equivalent roles and positions. SMBC Indonesia also demonstrates its commitment to employee well-being by providing wages above the regional minimum wage (UMR) standard, thereby creating financial security that supports personal development and maximizes employee contributions. [GRI 202-1]

#### REGIONAL MINIMUM WAGE

[OJK F.20]

Region	Provincial Minimum Wage in 2024 (Rp)	Entry-Level Salary (Rp)	Ratio
Bali	2,813,672	3,100,000	110%
Banten	2,727,812	3,260,000	120%
Bengkulu	2,507,079	2,790,000	111%
DI Yogyakarta	2,125,898	2,480,000	117%
DKI Jakarta	5,067,381	5,070,000	100%
Jambi	3,037,122	3,480,000	115%
West Java	2,057,495	2,540,000	123%
Central Java	2,036,947	2,050,000	101%
East Java	2,165,244	2,380,000	110%
South Kalimantan	3,282,812	3,380,000	103%
Lampung	2,716,497	2,720,000	100%
Maluku	2,949,953	3,640,000	123%
Papua	4,024,270	4,100,000	102%
West Sulawesi	2,914,958	2,940,000	101%
South Sulawesi	3,434,298	3,440,000	100%

#### ALLOWANCES PROVIDED TO FULL-TIME EMPLOYEES THAT ARE NOT AVAILABLE TO TEMPORARY OR PART-TIME EMPLOYEES

[GRI 401-2]

Description	Permanent Employee	Contract 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]**

SMBC Indonesia grants maternity leave to female employees and paternity leave for male employees in accordance with Law No. 13 of 2003 on Manpower. Female employees are entitled to 3 months of paid maternity leave, while male employees are granted 4 working days off to accompany their wives during childbirth. SMBC Indonesia's commitment to the well-being of female employees is further demonstrated through initiatives such as the Women Mentoring 2.0 program, including the Mom Support Group for employees with children aged 0-6 years.

Gender	Employee entitled to parental leave	Employee taking parental leave	Employee returning to work after leave	Employee continuing to work 1 year after leave
Male	3,570	126	126	122
Female	2,921	148	115	112
<b>Total</b>	<b>6,491</b>	<b>274</b>	<b>241</b>	<b>234</b>

**MOMS SUPPORT GROUP**

The Mom Support Group is an initiative under the Women Mentoring Program, established as a forum for working mothers to discuss the challenges they face and explore ways to balance their professional responsibilities with the demands of raising young children at home. This program was conducted from October to November 2024 and was launched with a hybrid seminar on Parenting & Wellbeing, attended by members of the Board of Directors (BOD) and Board of Management (BOM), 60 in-person participants, and 105 online participants from various regions.

The Mom Support Group mentoring program includes 31 working mothers currently caring for children aged 0-6 years. These participants are employees of SMBC Indonesia from various directorates, as well as employees of BTPN Syariah and OTO/SOF. The participants are divided into an in-person group, consisting of employees from the head office and Jakarta area, and an online group, comprising employees from branch offices, including those from Papua, Riau, West Nusa Tenggara, and South Sulawesi.

Participants engaged in two group mentoring sessions facilitated by professional mentors. Throughout the program, they had the opportunity to interact with their mentors and fellow participants through a group chat. The program received positive feedback from participants, as it was seen as addressing a critical need for working mothers, providing a space for them to share experiences and insights with one another to achieve work-life integration.

## RETIREMENT PROGRAM

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

As a form of appreciation, SMBC Indonesia has designed various retirement preparation programs to ensure the financial well-being of employees during their post-employment period. These programs include:

1. Pension Security under BPJS Employment, a mandatory government program, with employee contributions of 1% and SMBC Indonesia contributions of 2%.
2. Old Age Security under BPJS Employment, another mandatory government program, with employee contributions of 2% and SMBC Indonesia contributions of 3.7%.

To prepare employees in the areas of mental and practical skills, SMBC Indonesia conducts various initiatives, such as promoting physical and psychological health, providing guidance on wise investment management, and offering entrepreneurship skill development. In 2024, SMBC Indonesia conducted 4 retirement preparation programs, attended by 75 employees.

## COLLECTIVE LABOR AGREEMENT

[GRI 2-30]

SMBC Indonesia highly upholds the freedom of employees to associate, assemble, and express their opinions through the SMBC Indonesia Labor Union. During the reporting year, there was 1 (one) active labor union operating within the office environment, representing 15% of the total employees of SMBC Indonesia.

SMBC Indonesia ensures the fulfillment of the rights and obligations of both the company and its employees through a Collective Labor Agreement (CLA) collaboratively drafted by management and employee representatives from the labor union. The CLA covers various aspects of employment, including working hours, remuneration policies, leave entitlements, and policies related to employment termination.

All (100%) employees of SMBC Indonesia are covered by Employment Agreements, whether for a fixed term or an indefinite period (permanent), in accordance with the prevailing Labor Laws and Regulations in Indonesia. This provision aims to foster a healthy and conducive work environment. Additionally, a Workers' Union exists as a management partner, serving as a platform for employees to consult regarding the regulations applicable within the company.

## CHILD LABOR AND FORCED LABOR





SMBC Indonesia ensures that the working hours of its employees comply with the prevailing legal regulations and guarantees that it does not employ forced labor or child labor. [GRI 408-1] [GRI 409-1] [OJK F.19]

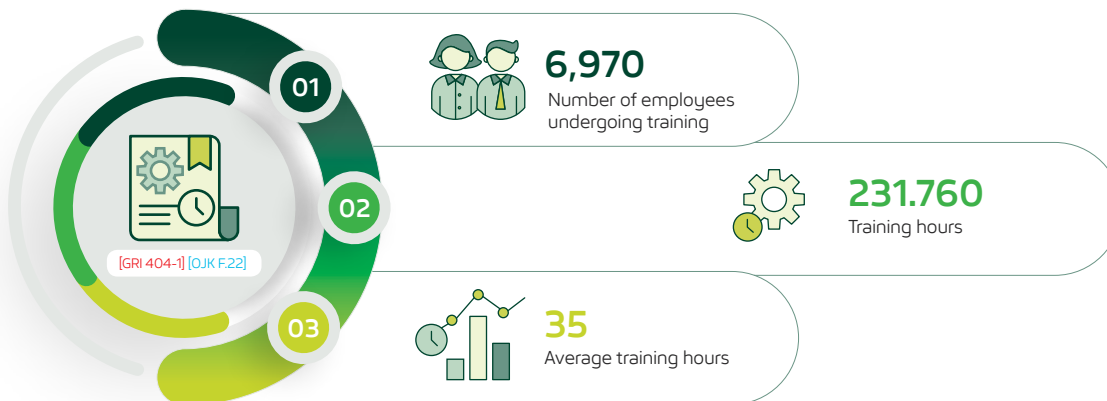
## TRAINING AND DEVELOPMENT

### TRAINING STRATEGIES AND PROGRAMS

[GRI 404-2]

In the face of increasingly intense business competition, SMBC Indonesia focuses on leveraging the potential of its human resources to maintain a competitive edge. SMBC Indonesia utilizes a Human Resource Information System (HRIS) to more accurately evaluate employee competencies and performance. This enables the company to design more targeted training programs for employees, managers, and directors.

 <b>Banking Certifications</b>	<ul style="list-style-type: none"> <li>• Risk Management</li> <li>• Payment Systems and Rupiah Currency Management</li> <li>• Mutual Fund Selling Agent Representative (WAPERD)</li> <li>• Securities Trading Intermediary Representative (WPPE-P) and Treasury</li> </ul>
 <b>Competency Certifications</b>	<ul style="list-style-type: none"> <li>• Human Resources Management</li> <li>• Information Technology</li> <li>• Internal Audit</li> </ul>
 <b>E-Learning Mooc (Massive Open Online Course)</b>	<p>Various online courses to enhance employee competency:</p> <ul style="list-style-type: none"> <li>• Foundations: Data, Data, Everywhere</li> <li>• Foundations of Project Management</li> <li>• Project Initiation: Starting a Successful Project</li> <li>• English for Common Interactions in the Workplace: Basic Level</li> <li>• Project Execution: Running the Project</li> <li>• Go: The Complete Developer's Guide (Golang)</li> <li>• Rust Programming: Beginner to Advanced</li> <li>• Certified in System Audit (CISA) - Updated 2024</li> <li>• Microfrontends with React: A Complete Developer's Guide</li> <li>• The Complete SQL Bootcamp: Go From Zero to Hero</li> </ul>
 <b>Other Training</b>	<ul style="list-style-type: none"> <li>• Sign language</li> <li>• Women mentoring program</li> <li>• Disability inclusion webinar</li> <li>• Parenting and wellbeing seminar</li> <li>• and others.</li> </ul>



NUMBER OF TRAINING PARTICIPANTS BY POSITION AND GENDER  
[GRI 404-1]

Position Level	2024		2023		2022	%
	Man	Women	Man	Women	Man	
Top Management	139	62	126	61	120	51
Senior Management	491	313	458	282	448	271
Management	1,892	1,298	1,710	1,120	1,710	1,095
Office/Supervisor	801	906	777	787	849	697
Clerical	520	548	570	653	734	818
Subtotal	3,843	3,127	3,641	2,903	3,861	2,932
<b>Total</b>	<b>6,970</b>		<b>6,544</b>		<b>6,793</b>	

## TOTAL TRAINING HOURS BY POSITION AND GENDER

[GRI 404-1]

Position Level	2024		2023		2022	
	Male	Female	Male	Female	Male	Female
Top Management	5,921	2,667	5,612	3,192	6,036	2,488
Senior Management	20,112	13,956	19,323	13,825	20,253	12,780
Management	61,311	48,121	70,094	58,424	68,176	50,105
Office/Supervisor	23,693	29,142	33,635	49,967	27,221	28,609
Clerical	11,400	15,159	23,784	44,997	22,440	31,222
Subtotal	122,466	109,314	152,446	170,404	144,126	125,204
<b>Total</b>	<b>231,760</b>		<b>322,849</b>		<b>269,330</b>	

## AVERAGE TRAINING HOURS BY POSITION AND GENDER

[GRI 404-1]

Position Level	2024		2023		2022	
	Male	Female	Male	Female	Male	Female
Top Management	43	43	44	52	50	49
Senior Management	41	45	42	49	45	47
Management	32	37	40	52	40	46
Office/Supervisor	30	32	43	63	32	41
Clerical	22	28	41	68	31	38
Sub rata-rata	33	37	42	56	37	43
<b>Rata-rata</b>	<b>35</b>		<b>49</b>		<b>39</b>	

## ENHANCING EMPLOYEE COMPETENCY IN SUSTAINABLE FINANCE

[OJK E.2] [FS4] [SUSBA 1.4.2.2] [SUSBA 1.4.2.3]

As part of the company's commitment to supporting the development of a sustainability-oriented economy, SMBC Indonesia ensures that all employees possess a strong understanding of the principles of sustainable finance. SMBC Indonesia provides a variety of training programs designed to enhance employees' ability to identify opportunities and risks related to financing sustainable business activities, while also helping employees stay informed about current policies.

### TRAINING ON SUSTAINABILITY

Among its initiatives, SMBC Indonesia has implemented a mandatory Sustainability E-Learning program for all employees, including the Board of Directors. In 2024, a total of 6,252 employees participated in the Sustainability E-Learning program, with 99.86% achieving scores above 80%.

# 6,252

PEOPLE PARTICIPATED IN  
A SUSTAINABLE FINANCE  
TRAINING PROGRAM





## GREEN TAXONOMY AND ENVIRONMENTAL AND SOCIAL RISK ASSESSMENT TRAINING

In 2024, SMBC Indonesia, in collaboration with the International Finance Corporation (IFC), held sustainability-themed training aimed at enhancing the company's internal capacity in green financing. The training focused on two key topics: "Sustainable Finance & Green Taxonomy" and "Environmental and Social

Management System (ESMS)." The "Sustainable Finance & Green Taxonomy" training equipped participants with the skills to classify financing based on the Green Taxonomy categories issued by the Financial Services Authority (OJK). Meanwhile, the ESMS training, attended by 86 employees, aimed to improve their capacity in conducting environmental and social risk assessments for financing proposals to be extended to customers.

### ENHANCING EMPLOYEE COMPETENCE IN SUSTAINABLE FINANCE

[OJK E.2] [FS4] [SUSBA 1.4.2.2] [SUSBA 1.4.2.3]

Date	Organizer	Seminar/Training Topic
January 18, 2024	Financial Services Authority (OJK)	FGD and Feedback Request on the 2024 Climate Risk Management and Stress Test Guidance Concept for Banking
January 23, 2024	Indonesian Public Listed Companies Association (AEI)	Introduction to Carbon Accounting
February 2024	SMBC	LDA - Sustainable Finance Workflow
February 2024	SMBC	LDA - Introduction to Sustainable Finance Instruments
February 3 - March 9, 2024	Association of Chartered Certified Accountants (ACCA)	Certificate in Sustainability for Finance (CertSF)
March 2024	SMBC	LDA - Sustainability in Trade and Trade Finance: Integrating ESG considerations into trade finance, supply chain financing-Maret 2024
March 6-7, 2024	Financial Services Authority (OJK)	Dissemination on the Indonesian Taxonomy for Sustainable Finance (TKBI) Phase 1
March 28, 2024	Financial Services Authority (OJK)	Webinar with the topic on the Role of the Indonesian Taxonomy for Sustainable Finance (TKBI) in Driving the Energy Transition Towards Net Zero Emission
	Otoritas Jasa Keuangan	FGD "Climate Risk Management Scenario and Analysis"
March 28, 2024	Financial Services Authority (OJK)	FGD "Climate Risk Management Scenario and Analysis"
April 23-24, 2024	Financial Services Authority (OJK)	Dissemination on the Indonesian Taxonomy for Sustainable Finance (TKBI) Phase 2
May 2024	SMBC	Sustainable Finance for the Real Estate Sector
May 8, 2024	Climate Bonds Initiative - CBI	Deep Dive in GSS Bonds Issuance Process
May 16, 2024	Financial Services Authority (OJK)	"How to Prevent Greenwashing in Sustainable Finance"
May 17, 2024	Indonesian Accountants Association	Understanding IFRS Sustainability Disclosure Standards (IFRS S1 & S2)
May 28-29, 2024	OJK - WWF	Training on Financial Emissions
May 28-29, 2024	Financial Services Authority (OJK)	Capacity Development: Scope 3 Greenhouse Gas Emissions Calculation - Batch 2
June 9-20, 2024	UNDP Business and Human Rights (B+HR) Project and Supported by the European Union (EU) and Porticus	"The Sustainability Academy: An Introduction to Net-Zero and Nature Positive"
June 25, 2024	AICPA - CIMA - IAI	Building Sustainable Future: Best ESG Practices in Banking Sector and Empowering Change Through ESG Practices for Accounting and Finance Professional
June 27, 2024	Indonesia Stock Exchange (IDX)	Setting Your Sail on the Indonesia Carbon Trading Ecosystem
July 17, 2024	Indonesia Sustainable Finance Initiative (IKBI)	Workshop "Understanding the Next Risk Frontier for Indonesian Banks: Nature-related Financial Risks."
July 4, 2024	Financial Services Authority (OJK)	"How to Mitigate Transition and Physical Risks in Financial Sector"
July 17, 2024	Public Accountant Profession Committee (KPAP)	Implementation on Sustainability Reporting in Indonesia
July 19, 2024	Indonesian Accountants Association	Carbon Unit Transactions
July 18, 2024	SMBC APAC Sustainability Solution Group	Transition Finance in Asia Pacific

# ENHANCING EMPLOYEE COMPETENCE IN SUSTAINABLE FINANCE

[OJK E.2] [FS4] [SUSBA 1.4.2.2] [SUSBA 1.4.2.3]

Date	Organizer	Seminar/Training Topic
August 2024	SMBC	LDA-Introduction to Sustainability Taxonomies
August 2024	SMBC	Credit Syndication, ESG, and Agency Training
August 14, 2024	Financial Services Authority (OJK)	Coaching Clinic preparation of Indonesian Taxonomy for Sustainable Finance (TKBI) Implementation
August 22, 2024	SMBC Indonesia - Daya	Hybrid Seminar "Love Your Self, Impact Others"
August 22, 2024	Financial Services Authority (OJK)	Sustainable Finance Seminar: Sustainable Finance Taxonomy
August 28, 2024	KPMG Indonesia	Business talk: Sustainability Reporting
September 11, 2024	Deloitte Indonesia	Climate and Accounting – What do You need to know?
September 12, 2024	Deutsche Gesellschaft für Internationale Zusammenarbeit - GIZ	Matchmaking and Consultation Clinic on Clean Energy Investment for Entrepreneurs
September 12, 2024	Financial Services Authority (OJK)	Seminar "Journeys Towards the Adoption of IFRS S1 and S2 in Indonesia"
September 19, 2024	Financial Profession Development Center (PPPK), Ministry of Finance of the Republic of Indonesia	Understanding IFRS Sustainability Disclosure Standards S1 & S2
September 23, 2024	SMBC Indonesia	Climate Risk Awareness
September 26, 2024	Indonesia Stock Exchange (IDX)	Webinar from IDX - The Role of Business and Legal Aspects in Indonesia Carbon Project Development
September 26, 2024	Financial Services Authority (OJK)	Webinar "Understanding the Climate Landscape for Financial Institutions"
October - December 2024	SMBC Indonesia HR-L&D	E-learning Sustainability
October 2024	SMBC	Indonesia Sustainability 2024
October 3, 2024	International Union for Conservation of Nature (IUCN)	Managing ESG Impacts and Risks in Nature and Climate Investment
October 17, 2024	Financial Services Authority (OJK)	Webinar "Carbon Trading and Its Effect on Indonesia's Economy"
October 21 and 23, 2024	Financial Services Authority (OJK)	Capacity Development Seminar Climate Risk Integration in the Banking Risk Framework
October 22, 2024	Financial Services Authority (OJK)	Pilot Project Implementation Plan: Advanced Taxonomy
October 25, 2024	SMBC Indonesia HR L&D	Creating a greener future:the role of technology in climate action
October 28-30, 2024	Financial Services Authority (OJK)	"Taxonomy Public Consultation for Indonesian Sustainable Finance (TKBI) version 2"
October 31, 2024	Financial Services Authority (OJK)	Preparedness for the Adoption of Sustainability Disclosure Standards
October 31, 2024	Financial Services Authority (OJK)	EV Insurance, International Best Practices for Innovation of New Energy Products and Services
November 2024	Financial Services Authority (OJK)	Blended Financing
November 11 -12, 2024	International Finance Corporation (IFC)	Environment & Social Management System
November 20, 2024	SMBC Indonesia, IFC, & Trisakti University	Training on the Indonesian Green Taxonomy (THI) and the Indonesian Taxonomy for Sustainable Finance (TKBI)
December 5, 2024	Financial Services Authority (OJK) and United Nations Environment Programme Finance Initiative (UNEPFI)	The Greenwashing Trap: How to Build Public Awareness
December 9, 2024	Bank Indonesia	Use of Green Calculator



## PERFORMANCE REVIEW

[GRI 404-3]

SMBC Indonesia maintains its competitive edge by enhancing the individual performance of its employees. This strategy is implemented through regular performance reviews, aimed to identify potential and areas for development. Performance evaluations are conducted objectively based on Key Performance Indicators (KPIs) by the head of work unit every six months. The results of these evaluations are used as considerations in the process of job promotion, granting incentives, and developing appropriate training programs. In the reporting year, all employees at all position levels (100%) received performance evaluations and assessments.

## SECURITY PERSONNEL TRAINED IN HUMAN RIGHTS POLICIES OR PROCEDURES

[GRI 410-1]

The safety of SMBC Indonesia's customers and employees heavily relies on the role of well-trained and professional security personnel. Therefore, SMBC Indonesia's security personnel regularly undergo training on human rights policies or procedures to ensure they carry out their duties responsibly, respect individual rights, and contribute to maintaining a safe and comfortable environment.

760

HUMAN RIGHTS TRAINING  
PARTICIPANTS

93%

OF ALL SECURITY  
PERSONNEL.

## WORK-LIFE BALANCE

A healthy work-life balance can reduce the potential for stress and burnout, common issues in today's fast-paced work environment. When employees effectively balance work and personal life, their improved mental well-being leads to greater job satisfaction and productivity.

## SMBC Indonesia's Strategy for Prioritizing Work-Life Balance

	STRATEGY	DESCRIPTION
	<b>SMBCI CLUB</b> An employee forum for sports, spiritual activities, hobbies, and other recreational pursuits.	<p><b>Sports Communities:</b> Futsal, Badminton, Basketball, Soccer, Strong Nation, Gymnastics, Yoga, Tennis, Cycling, Running, Golf, Chess, Table Tennis, E-sports, Billiards, Bowling, Push Ball, Swimming, Muay Thai, Aikido, Pencak Silat.</p> <p><b>Arts Communities:</b> Vocal Exercise, Dance Club, Vocal Group, Photography</p> <p><b>Spiritual Communities:</b> Islamic, Christian, and Hindu Spiritual Groups</p> <p><b>Hobby Communities:</b> Diecast, Nature Lovers, Fishing, Korean Corner, Parents Club, Blood Donation, Talking Club</p>
	<b>SAHABAT DAYA</b> A platform for employees to participate in social activities for the community.	Learn more about Sahabat Daya in the "Sustainable Daya: Building a Resilient and Inclusive Future" chapter on page 82.
	<b>BERANDA</b> A social space equipped with various games for relaxation and unwinding.	<ul style="list-style-type: none"> <li>• Music Studio</li> <li>• Karaoke Room</li> <li>• Nonton Bareng (Watching Together) Spot</li> </ul>

## WELLNESS PROGRAM 2024

SMBC Indonesia is committed to supporting the health and well-being of its employees through the Wellness Program 2024. This initiative aims to enhance employee health and wellness while fostering a healthy and productive work environment through engaging activities that promote awareness and encourage healthy lifestyle behaviors in the workplace. By doing so, employees can improve their performance and overall quality of life.

The Wellness Program 2024 features a variety of interactive and engaging activities, including:

Program	Description
<b>Health Talk: Embracing Happiness</b>	<ul style="list-style-type: none"> <li>• A discussion that encourages employees to find happiness in their everyday activities.</li> </ul>
<b>Health Points</b>	<ul style="list-style-type: none"> <li>• Employees compete to collect points by participating in the SMBCI Club. The more often they participate, the healthier they become, and the more health points they earn.</li> </ul>
<b>30 Day Challenges</b>	<ul style="list-style-type: none"> <li>• A 30-day challenge for employees to maintain a healthy lifestyle and build healthy habits. Employees who successfully complete this challenge will become a "Health Warrior."</li> </ul>
<b>Juice Day</b>	<ul style="list-style-type: none"> <li>• A special day to promote a healthy lifestyle, including the consumption of fresh fruit juice. SMBC Indonesia provides free fruit juice for employees.</li> </ul>



# Prioritizing Commitment to Climate and the Environment

SMBC Indonesia is actively participating in the journey toward Indonesia's Net Zero Emission (NZE) target by implementing concrete measures to reduce carbon footprints and preserve the environment for future generations.

08





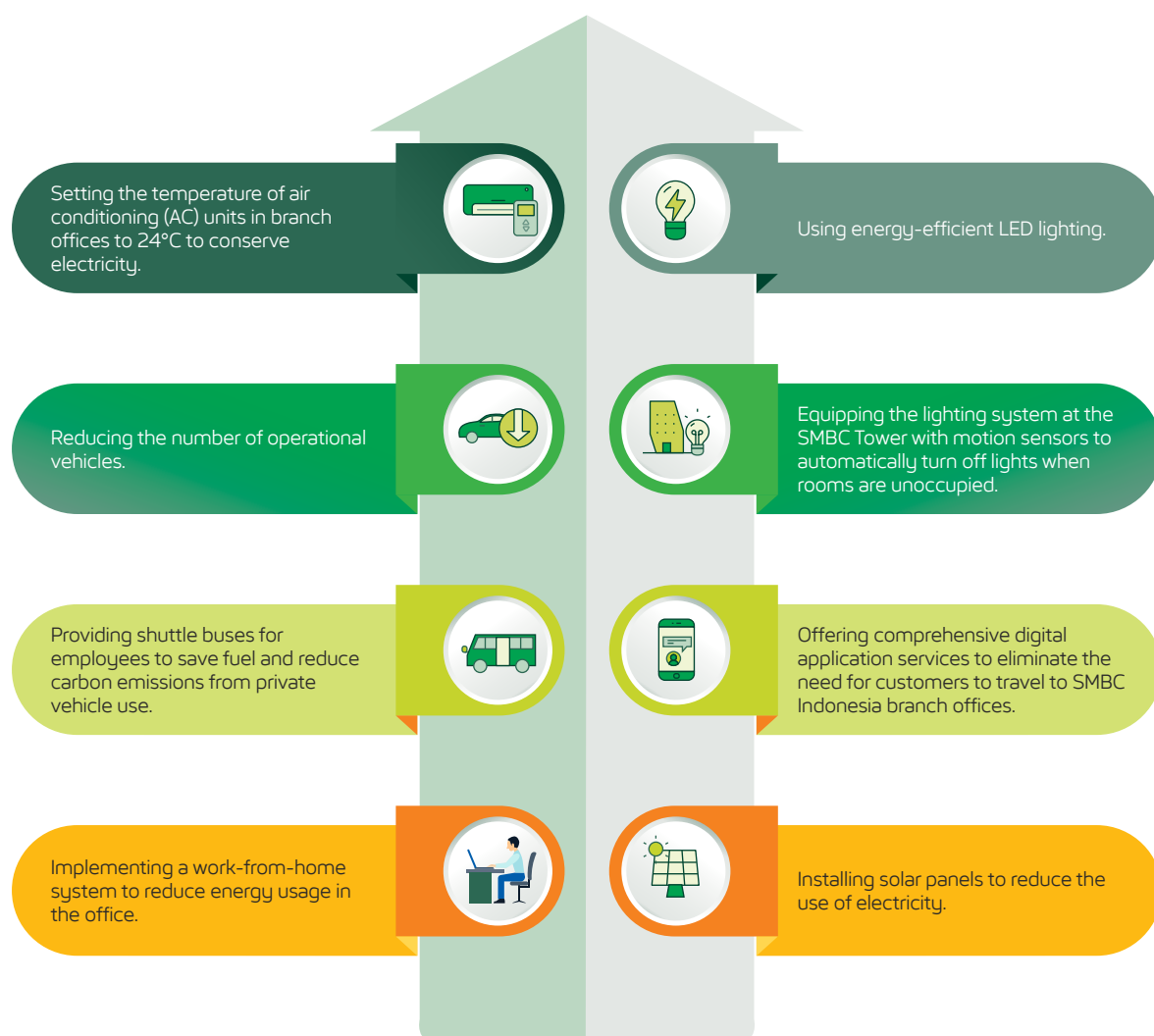
As a financial institution committed to sustainability, SMBC Indonesia supports the Government's endeavors to transition to clean energy and Indonesia's target of achieving NZE by 2060. SMBC Indonesia conducts comprehensive assessments of climate and environmental risks, both in its operational activities and investment portfolio. Through this approach, SMBC Indonesia formulates short- and long-term strategies to mitigate the environmental impact of its financing and investment activities, enhance energy efficiency, and implement various emission reduction initiatives.

SMBC Indonesia incorporates its sustainability strategy into the SFAP, based on Financial Services Authority Regulation (POJK) No. 51 of 2017. The primary objective of the SFAP is to support the achievement of sustainable development goals in Indonesia by integrating environmental, social, and governance (ESG) criteria into the company's business practices and financing activities.

## ENERGY USAGE

SMBC Indonesia's operations require energy sources such as electricity for office activities and fuel for operational vehicles. In the reporting year, SMBC Indonesia's energy usage decreased by 5,540.56 GJ, or 5.52%, compared to the 2023.

All of the company's energy consumption generates GHG emissions, contributing to climate change. Therefore, SMBC Indonesia is committed to reducing energy usage through the following energy efficiency initiatives: [\[OJK F.7\]](#)



## ENERGY CONSUMPTION WITHIN THE ORGANIZATION

[GRI 302-1][GRI 302-3][OJK F.6]

Description	Unit	2024	2023	2022
Electricity Consumption	GJ	60,909.37	66,751.76	67,077.25
Fuel Consumption	GJ	33,954.11	33,652.28	36,546.28
Total Energy Consumption	GJ	94,863.48	100,404.04	103,623.52
Number of Employees	Persons	6,491	6,636	6,972
Energy Intensity per Employee	GJ/employee	14.61	15.13	14.86

### Notes:

- 1) Electricity consumption in kWh is calculated by dividing the total electricity cost (in Rupiah) by the electricity tariff per kWh.
- 2) Electricity consumption in kWh is converted to Gigajoules (GJ) using the conversion factors provided by The Greenhouse Gas Protocol Initiative, 2004.
- 3) Fuel consumption (Pertamax) in liters is calculated by dividing the total fuel purchase cost (in Rupiah) by the fuel price per liter.
- 4) Fuel consumption in liters is converted to Gigajoules (GJ) using the conversion factors provided by The Greenhouse Gas Protocol Initiative, 2004.
- 5) The denominator used in calculating energy consumption intensity is the number of employees as of December 31st.
- 6) The types of fuel used are Peralite, Pertamina, Pertamina Turbo, Pertamina Dex, and Dexlite. [GRI 302-1]
- 7) Recalculations were carried out for energy data in 2023: energy consumption, total amount of energy consumption, and energy consumption intensity per employee. Due to a correction in the formula for calculating fuel energy consumption in GJ.
- 8) SMBC Indonesia has not yet established a baseline year for energy calculations due to the ongoing process of collecting the necessary historical data and developing a methodology that complies with applicable standards and regulations.

SMBC Indonesia does not calculate energy usage outside the organization, as there are no significant energy-consuming business processes outside the organization [GRI 302-2]. Additionally, SMBC Indonesia does not calculate emissions per product, as there are no specific physical products involved in its operations. [GRI 302-5]

## UTILIZATION OF RENEWABLE ENERGY

SMBC Indonesia actively promotes green operations through the use of green technologies and renewable energy.

### RENEWABLE ENERGY CERTIFICATE

A Renewable Energy Certificate (REC) is a certificate that represents the generation of energy from renewable sources, such as wind, solar, hydro, or biomass. Each REC corresponds to 1 megawatt-hour (MWh) of electricity generated from renewable sources and fed into the power grid. By purchasing RECs, SMBC Indonesia supports renewable energy production, contributes to the reduction of greenhouse gas (GHG) emissions, and aligns with national commitments to renewable energy usage.

In a proactive step to support the clean energy transition, SMBC Indonesia has purchased RECs equivalent to 10% of the bank's total operational costs (bankwide). This initiative is part of the company's sustainability effort to promote the use of renewable energy in Indonesia.

### SOLAR PANEL INSTALLATION

[OJK F.7] [GRI 302-4]

In an effort to promote efficiency and reduce carbon emissions, since 2023, SMBC Indonesia has initiated the installation of solar panels at its Gunung Sahari branch office in Jakarta. This initiative is also part of SMBC Indonesia's commitment to advancing the use of eco-friendly energy. The photovoltaic technology in the solar panel components converts energy from sunlight into electricity. Through the installation of solar panels, SMBC Indonesia has successfully achieved electricity savings of 79.65 Joule or equivalent to 9% of total electricity consumption compared to the previous year at the Gunung Sahari Branch Office.

### ELECTRIC VEHICLES

In 2024, as part of its support for the transition to renewable and eco-friendly energy in the transportation sector, SMBC Indonesia has undertaken the initiative to install an Electric Vehicle Charging Station (EVPS) at its Diponegoro Surabaya branch office. This initiative is expected to promote the use of electric vehicles as a green mode of transportation in the workplace by providing convenient electric vehicle infrastructure. Currently, SMBC Indonesia has also deployed one electric vehicle for senior management use.



## GREEN TECHNOLOGY ASSET MANAGEMENT

As a financial institution that pioneers digital financial services, technology has become the cornerstone of SMBC Indonesia's banking operations. In line with its responsibility and commitment to reducing emissions from its operations, SMBC Indonesia implements green technology asset management through the following initiatives:



## SMBC INDONESIA'S ENVIRONMENTAL PERFORMANCE IN 2024



**5.52%**

**TOTAL ENERGY SAVINGS**  
equivalent to 5,540.56 GJ compared to 2023.



**1,776 unit**

**PURCHASE OF RENEWABLE ENERGY CERTIFICATE (REC)**  
equivalent to 10% of the Bank's Total Operational Costs (bank-wide)



**1 Unit**

**INSTALLATION OF SOLAR PANEL**  
Solar panel installed at the Gunung Sahari Branch Office, Jakarta



**1 Unit**

**UTILIZATION OF ELECTRIC VEHICLE**  
Electric Vehicle for Senior Management



**1 Station**

**INSTALLATION OF ELECTRIC VEHICLE CHARGING STATION**  
at the Diponegoro Surabaya Branch Office



**20.56%**

**GHG EMISSION REDUCTION**  
or equivalent to 3,894.33 tons of CO<sub>2</sub>e for Scope 1 and 2, compared to 2023



**50%**

**SCOPE 3 GHG CALCULATION (FINANCED EMISSIONS)**  
approximately derived from 50% of the financing portfolio.\*

Note:

\* The calculation of financed emissions under Scope 3 for the year 2024 is based on approximately 50% of the portfolio, an increase from 2023, which was derived from data of only 25 debtors.

## EMISSIONS

SMBC Indonesia has conducted an inventory of Scope 1, 2, and 3 emissions. The calculation of Scope 3 emissions includes both non-financed or operational and financed emissions categories. Specifically, for Scope 3 financed emissions, the calculation is carried out as part of the Climate Risk Stress Test (CRST) initiative. By 2025, SMBC Indonesia aims to report 100% of Scope 3 financed emissions across its entire customer portfolio.

In the reporting year, SMBC Indonesia recorded a reduction in Scope 1 and 2 emissions of 3,894.33 tons of CO<sub>2</sub>e, equivalent to 20.56% compared to 2023. The efficiency of SMBC Indonesia's emission reduction efforts is evident from the decline in GHG emission intensity per employee,

from 2.85 tons of CO<sub>2</sub>e/Employee to 2.32 tons of CO<sub>2</sub>e/Employee in 2024. In addition, this year SMBC Indonesia expanded the components of the calculation of GHG emissions Scope 3, including the purchase goods and services, capital goods, fuel & energy-related activities excluded in Scope 1 & 2, waste generated, business travel, employee commuting, and financed emission.

The calculation of emission reductions currently only covers Scope 1 and 2 emissions. This is due to a change in the methodology for calculating Scope 3 emissions compared to the previous year. The change in methodology is due to SMBC Indonesia following the OJK's directives, involving gradually expanding the portfolio included in Scope 3 emissions calculations. As a result, the data cannot be directly compared. [GRI 305-5] [OJK F.12]

SMBC Indonesia does not calculate Ozone Depleting Substances (ODS) as materials containing ODS are not used in the company's operations. Additionally, SMBC Indonesia does not measure nitrogen oxides (NOx), sulfur oxides (SOx),

or other pollutants, as banking operations do not generate significant amounts of these air pollutants. [GRI 305-6] [GRI 305-7]

**GREENHOUSE GAS EMISSIONS TON CO<sub>2</sub>e**  
[GRI 305-1] [GRI 305-2] [GRI 305-3] [GRI 305-4] [OJK F.11]

GHG Emission	2024	2023	2022
Scope 1 (Fuel)	2,474.82	2,506.91	2,722.30
Scope 2 (Electricity)	14,120.76	16,437.87	16,526.49
Scope 3			
• Category 1. Purchase goods and services	198.64		
• Category 2. Capital goods	28.88		
• Category 3. Fuel & energy-related activities (not included in Scope 1 & 2)	5,120.32		
• Category 5. Waste generated	30.43		
• Category 6. Business travel	1,048.51	173.17	114.48
• Category 7. Employee commuting	7,103.54		
• Category 15. Financed emissions	-	1,353,246.16	228,678.98
Renewable Energy Certificate (REC)	(1,545.12)		
Total of GHG emissions			
• Scope 1 and 2	16,595.58	18,944.79	19,248.79
• Scope 1 dan 2 - REC	15,050.46		
• Scope 3	13,530.32	1,353,419.33	228,793.46
Number of employees	6,491	6,636	6,972
GHG emission intensity per employee (Scope 1 dan 2)	2.32	2.85	2.76

Notes:

- Greenhouse gas (GHG) emissions from fuel consumption were calculated in accordance with the GHG Protocol for Corporate Accounting and Reporting Standards and the Guidelines for National GHG Inventory Implementation, Book II, 2012.
- GHG emissions from electricity consumption were calculated in accordance with the regulations of the Director General of Electricity, Ministry of Energy and Mineral Resources (ESDM), 2021.
- GHG emissions from business travel were calculated in accordance with the International Civil Aviation Organization (ICAO) standards.
- The denominator used to calculate GHG emission intensity is the number of employees as of 31 December 2024.
- The calculated emissions include CO<sub>2</sub>, CH<sub>4</sub>, and N<sub>2</sub>O gases, which are then converted into CO<sub>2</sub> equivalents.
- REC of 1,776 MWh or equivalent to 1,545.12 tonCO<sub>2</sub>e.
- There are recalculated and restated 2023 financed emissions in this report due to the updated methodology for OJK's CRMS submission.
- The scope of financed emissions calculation is 50% of SMBC Indonesia's business loans portfolio from these sectors: Agriculture, forestry and fishing; Mining and quarrying; Electricity, gas, steam and air conditioning supply; Construction; Transport support and warehousing; Processing industry; Wholesale and retail trade; Car and motorcycle repair and maintenance; as mandated by OJK's CRMS piloting guidelines.
- SMBC Indonesia calculated Scope 3 Category 15 (financed emissions) by referring to PCAF's (2022) calculation methodology. SMBC Indonesia used four different types of data sources depending on availability, which are: debtor's emissions, debtor's energy usage, debtor's production, and sectoral proxies.
- The scope of financed emissions calculation disclosed for 2022 reporting year covers emissions from 25 corporate debtors which have published their emissions data in their own sustainability reports.
- In 2024, SMBC Indonesia started calculating Scope 3 emissions for reporting year 2023 in additional categories, including Scope 3 Categories 1, 2, 3, 5, 6 and 7. This is done as part of calculation improvement.
- The scope of data used for the calculation of Scope 3 Category 5 (waste generated) only covers SMBC Indonesia's head office due to data limitation.
- The scope of data used for the calculation of Scope 3 Category 6 (business travel) covers airfare, train, travel bus, and hotel.
- SMBC Indonesia calculated Scope 3 Category 7 (employee commuting) using the average distance from the sample data of HO employees to calculate travelled distance of bank-wide employees. The mode of transportation used assumptions based on publicly available national data.
- SMBC Indonesia is currently calculating its Scope 3 Category 15 (financed emissions) for 2024 reporting year as part of OJK's CRMS.
- SMBC Indonesia has not yet established a base year for emission calculations, as it is still in the process of gathering the necessary historical data and developing a methodology that aligns with applicable standards and regulations.

## FINANCED EMISSIONS

[GRI 305-3] [SUSBA 1.6.2.3]

As part of its commitment to climate change management, SMBC Indonesia incorporates the calculation of carbon emissions from corporate segment debtors. These emission calculations fall under Scope 3, Category 15 of the Greenhouse Gas (GHG) Protocol, with a specific focus on Financed Emissions. For these calculations, SMBC Indonesia adheres to the standards set by the Partnership for Carbon Accounting Financials (PCAF, 2022). The data used in the calculations is derived from customers' data from one year prior to the reporting year.

In the 2023 Sustainability Report, SMBC Indonesia's Scope 3 emissions (financed emissions) as of 2022 were based on data from 25 debtors available in their sustainability reports. The reported emissions for this represents the position for the year 2023 amounted to 1,353,246.16 tons of CO<sub>2</sub>e, derived from approximately 50% of the portfolio, equivalent to an outstanding value of around Rp77.98 trillion. These calculations were conducted to support the implementation of the Climate Risk Management and Scenario Analysis (CRMS) pilot program in priority sectors

as directed by the Financial Services Authority (OJK). In this calculation, SMBC Indonesia still largely relies on proxies, meaning the reported financed emissions data cannot yet serve as a baseline for future calculations.

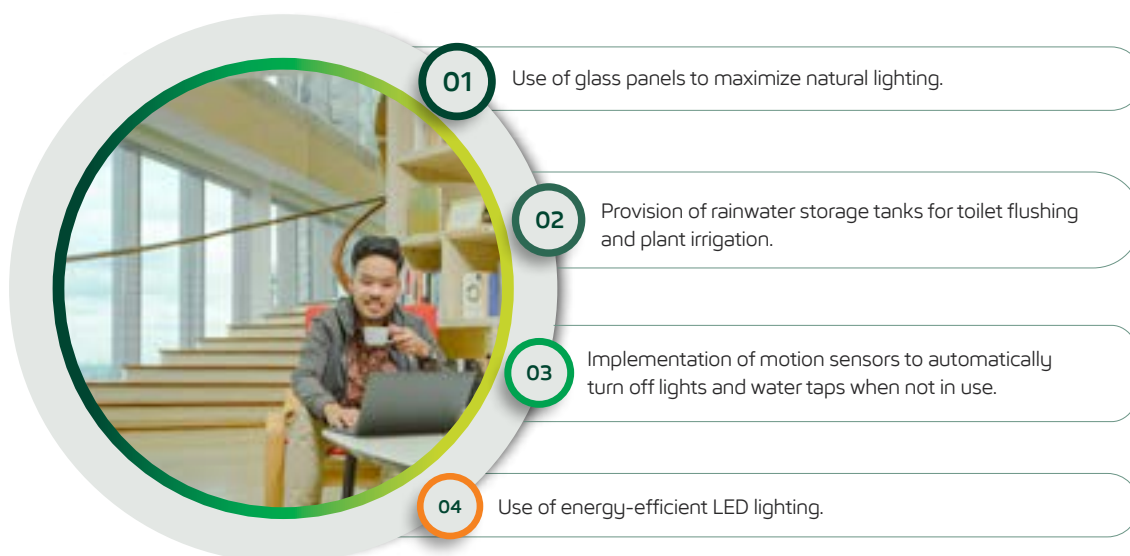
Debtors included in the financed emissions calculation come from the following sectors: [SUSBA 1.6.2.3]

- Agriculture, forestry, and fishing
- Mining and quarrying
- Electricity, gas, steam, and air conditioning supply
- Construction
- Transportation and warehousing support
- Manufacturing industry
- Wholesale and retail trade.

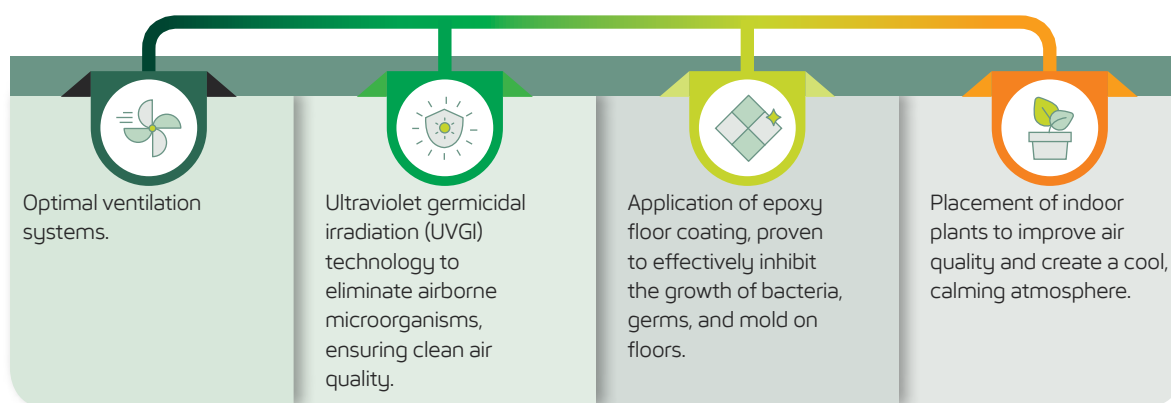
## GREEN BUILDING

The SMBC Indonesia tower office building (headquarters) is designed in accordance with green building principles, emphasizing an eco-friendly approach to construction, focusing on energy efficiency, water conservation, and indoor air quality. Located in the Mega Kuningan area of Jakarta, the building has achieved a Gold rating under the Greenship New Building V.1.2 certification from the Green Building Council Indonesia (GBCI) since 2020.





In addition to reducing the company's carbon footprint, the application of green building concepts in this office also aims to enhance employee comfort and well-being.



## PAPER SAVING

[G4-EN23] [OJK F.13]

SMBC Indonesia's digital services contribute to environmental preservation by reducing paper usage. This reduction effort is achieved through the following initiatives:

1. Printing documents on both sides of the paper.
2. Reusing used paper for internal document purposes.
3. Setting printers to black-and-white mode.
4. Digitizing archives and e-statements.
5. Utilizing digital signatures to minimize the need for document printing.

In 2024, SMBC Indonesia remains committed to efficiency and sustainability, including document management. In line with directives to enhance oversight of critical physical documents, the company ensures compliance and

document security are maintained. Despite a 20% increase in paper consumption compared to the previous year, SMBC Indonesia continues to implement various paper reduction initiatives and promotes digitalization to achieve a balance between regulatory compliance and eco-friendly practices.



### PAPER USAGE (REAMS)

59,361 49,204 50,848

2024

2023

2022

Note: This data includes paper consumption at both the head office and all branch offices.

## ENVIRONMENTAL EDUCATION

SMBC Indonesia regularly implements various initiatives to enhance employee awareness of green practices. These initiatives include campaigns conducted through indoor media and digital platforms, as well as pamphlets, promoting energy and water conservation in the use of office facilities.

In addition, efforts to raise awareness about environmental management are also extended to SMBC Indonesia's supply chain. In 2024, SMBC Indonesia held a seminar for vendors titled "Preserving the Earth Through Carbon Emission Control." This seminar educated vendors on the significance of managing carbon emissions from their operations and the measures they can take to mitigate them. The seminar was attended by 145 participants representing 100 companies.

[SUSBA 1.5.1.4]

## WATER AND EFFLUENT

[OJK F.8]

SMBC Indonesia meets its office water needs through groundwater sources and third-party purchases for purposes such as restrooms, kitchens, air conditioning, and building maintenance. However, SMBC Indonesia does not record water usage, as water consumption is included in the building lease facilities.

## WASTE MANAGEMENT

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

SMBC Indonesia is committed to environmental sustainability by implementing responsible waste management practices at SMBC Tower. By providing separate bins for organic and inorganic waste, the company ensures proper waste segregation at the source. All collected waste is then managed by Waste for Change, a professional vendor specializing in sustainable waste processing. Through this initiative, SMBC Indonesia not only reduces its negative environmental impact but also contributes to the circular economy by supporting recycling and eco-friendly waste management practices.

## FLEXIBLE WORKPLACE INITIATIVE

SMBC Indonesia has implemented a flexible workplace policy (hybrid work model combining office and remote work) as part of the company's commitment to reducing emissions and environmental impact by minimizing employee travel-related emissions. Previously, Bank SMBC Indonesia had implemented several initiatives, including:





The flexible workplace initiative ensures performance productivity and data security by providing several key features, such as:

1. Compiling a list of tasks to be completed by each work unit.
2. Providing accurate tools for employee check-in and check-out.
3. Monitoring employees with access to sensitive bank data/information.
4. Implementing a system to track assigned tasks for employees.
5. Introducing a digital approval system to expedite document authorization processes.

The flexible workplace arrangement has been implemented since 2022. The positive impacts of this

initiative, as experienced by SMBC Indonesia employees, include improved mental well-being in managing work responsibilities, particularly for those with children or long commutes to the office.

## ENVIRONMENTAL COSTS

[OJK F.4]

SMBC Indonesia has carried out various environmental programs, such as reducing paper usage, conserving energy, and other initiatives. However, SMBC Indonesia does not maintain separate records for environmental costs, as these are already included in other expenses, such as green building maintenance costs, emission management costs, and similar expenditures.







# Sustainable Governance for Responsible Growth

Robust and integrity-driven governance serves as the basis for SMBC Indonesia in promoting responsible and sustainable business practices, while simultaneously creating value for stakeholders.

09





SMBC Indonesia consistently prioritizes the implementation of Good Corporate Governance (GCG) principles as the cornerstone of all aspects of the company's operations. The practice of good corporate governance aims to strengthen integrity and build trust among customers, shareholders, and all stakeholders.

The implementation of GCG at SMBC Indonesia adheres to both national and international guidelines and regulations to ensure that all practices are conducted in accordance with the highest standards. Several regulations that serve as references for GCG implementation at SMBC Indonesia include:

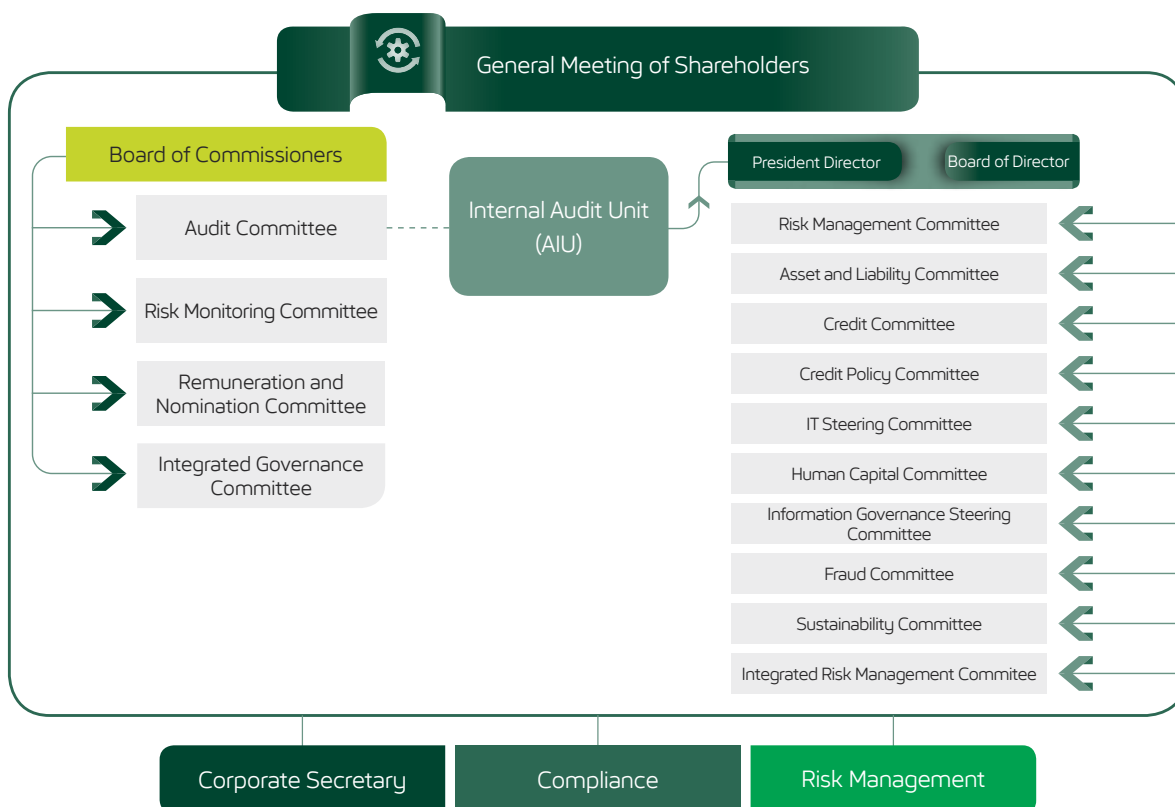
01	Law No. 11 of 2020 on Job Creation, amended, removed, and established new provisions in several regulations, including: a. Law No. 40 of 2007 on Limited Liability Companies. b. Law No. 10 of 1998 as amended by Law No. 7 of 1992 on Banking.	✓
02	Law No. 4 of 2023 on the Development and Strengthening of the Financial Sector.	✓
03	Financial Services Authority Regulation No. 17 of 2023 on the Implementation of Governance for Commercial Banks.	✓
04	Financial Services Authority Regulation No. 45 of 2024 on the Development and Strengthening of Issuers and Public Companies.	✓
05	Other Financial Services Authority Regulation, including those governing Audit Committees, Remuneration and Nomination Committees, Board of Commissioners and Directors, General Meetings of Shareholders, Internal Audit, Public Accountants, and Public Accounting Firms, as well as Compliance Director and Corporate Secretary.	✓
06	The General Guidelines for Good Corporate Governance in Indonesia from the National Committee on Governance Policy (KNKG).	✓
07	The Articles of Association of SMBC Indonesia.	✓
08	SMBC Indonesia's Policies and Procedures.	✓

In general, the principles of governance implementation are encapsulated in the acronym TARIF, which stands for transparent, accountability, responsibility, independence, and fairness. Meanwhile, in accordance with the 2021 Indonesian General Guidelines for Corporate Governance issued by the National Committee for Governance Policy (KNKG), there are four pillars of governance, encompassing ethical behavior, transparency, accountability and sustainability (ETAS).

## GOVERNANCE STRUCTURE

[GRI 2-9]

SMBC Indonesia's governance structure is as follows:



## GENERAL MEETING OF SHAREHOLDERS (GMS)

The General Meeting of Shareholders (GMS) of SMBC Indonesia is the highest decision-making forum within the company.

The GMS holds authority to, among other things, approve annual financial statements, ratify annual financial statements, determine the allocation of net profits, appoint and dismiss members of the Board of Directors and Board of Commissioners while establishing their remuneration or honorarium, appoint Public Accountants and Public Accounting Firms to audit the company's books or financial statements, approve amendments to the Company's Articles of Association, approve the implementation of corporate actions and/or strategic plans, approve or adopt the Sustainable Finance Action Plan (SFAP), approve or accept the recovery plan report, and receive accountability reports on the use of proceeds from public offerings, business plan reports, sustainable finance action plan report, and resolution plan report. In general, the GMS encompasses authorities not delegated to the Board of Directors and/or the Board of Commissioners. Through the GMS mechanism, shareholders have the opportunity to provide input, express their views, and ensure that the company's decisions align with collective interests and the principles of good corporate governance.

With regard to business sustainability, the GMS has the authority to approve, reject, or accept the SFAP report. It may also hold the company accountable for its sustainability initiatives. The GMS can make strategic decisions with long-term impacts or collaborate with stakeholders to achieve sustainability goals.

## BOARD OF COMMISSIONERS

SMBC Indonesia's Board of Commissioners is tasked with overseeing the policies and strategies implemented by the Board of Directors, ensuring that the decisions and actions of the Board of Directors align with the Company's Articles of Association, applicable laws and regulations, and principles of Good Corporate Governance. The Board of Commissioners also provides advice and input to the Board of Directors regarding corporate management, including business strategy, risk management, and other critical decision-making processes.

With regard to business sustainability, the Board of Commissioners is responsible for monitoring and evaluating the sustainability strategies proposed by the Board of Directors, overseeing the implementation of risk management, and ensuring the company's compliance with sustainability-related regulations. Additionally, the Board of Commissioners offers input and recommendations to the Board of Directors on sustainability initiatives, including Corporate Social Responsibility.

## BOARD OF DIRECTORS

SMBC Indonesia's Board of Directors is responsible for preparing the company's work plans, managing the company's day-to-day operations and implementing the strategic policies established by the GMS and the Board of Commissioners. The Board of Directors also plays a central role in ensuring that the company operates in accordance with its vision, mission, and core values, as well as complying with applicable laws and regulations.

With regard to business sustainability, the Board of Directors must prepare the SFAP, implement risk management to ensure the company's sustainability, including identifying and assessing sustainability-related risks, such as environmental risks, climate change, and reputational risks. Furthermore, the Board of Directors must develop adequate risk mitigation plans. The Board is also responsible for compiling sustainability reports that accurately and transparently cover the Company's performance in Environmental & Social Governance (ESG) aspects, adhering to applicable reporting standards such as the Global Reporting Initiative (GRI) or the Financial Services Authority (OJK).

## THE ROLE OF THE BOARD OF COMMISSIONERS AND DIRECTORS IN OVERSEEING THE MANAGEMENT OF THE ORGANIZATION'S IMPACTS

[GRI 2-12]

The Board of Commissioners and Directors play a pivotal role in developing and approving significant changes within the company, including its vision, mission, organizational policies, and strategies, particularly those related to sustainability and climate change. The Board of Commissioners and Directors are also responsible for overseeing the management of climate-related risks, sustainability issues, and other corporate risks. These matters are discussed in the General Meeting of Shareholders (GMS), held at least once a year.

The Board of Directors takes into account input from both internal and external stakeholders, such as employees, customers, and government entities. This feedback is gathered through various channels, including reports, special meetings, as well as through the company's website and the whistleblowing system provided.

Such inputs are carefully considered to evaluate the progress and relevance of the implementation of SMBC Indonesia's sustainability initiatives, as outlined in SMBC Indonesia's SFAP.

## INDEPENDENCE AND MEMBERSHIP IN THE GOVERNANCE STRUCTURE

To ensure that the Board of Directors and Board of Commissioners carry out their duties independently, SMBC Indonesia ensures that the governance structure of the Board of Directors and Board of Commissioners is designed with consideration for the composition of independence and the relationships among members or with the majority/controlling shareholders, as regulated by applicable provisions. This is achieved by implementing the following principles: [GRI 2-11]

1. No direct or indirect business relationships related to the business activities of SMBC Indonesia.
2. No holding of concurrent positions in other companies as a member of the Board of Directors or an executive officer performing supervisory functions, except for the purpose of overseeing subsidiaries.
3. No familial relationships up to the second degree with fellow members of the Board of Commissioners and/or Board of Directors.





4. No joint share ownership exceeding 25% of the capital in any company.
5. No involvement in decisions that would create a conflict of interest for members of the Board of Directors or Board of Commissioners.

Information on the members of the Board of Commissioners and Directors can be found in the 2024 Annual Report of SMBC Indonesia on page 74-95. [\[GRI 2-9\]](#)

## NOMINATION AND SELECTION OF THE BOARD OF COMMISSIONERS AND DIRECTORS

[\[GRI 2-10\]](#)

### POLICY AND PROCEDURE

The nomination and selection process for members of the Board of Commissioners and Board of Directors is conducted by considering recommendations from the Remuneration and Nomination Committee. Prior to assuming their positions, candidates for the Board of Commissioners and Directors undergo a series of selection tests, including assessments of competence, integrity, and financial reputation, as well as a fit and proper test. Other sustainability criteria include competencies in economic, environmental, and social topics. The selection process is carried out professionally, with consideration given to diversity, without discrimination based on race, ethnicity, religion, or gender. The appointment of members to the Board of Commissioners and Directors is conducted through the GMS in accordance with applicable regulations. [\[SUSBA 1.4.1.5\]](#)

Information on the nomination process for members of the Board of Commissioners and Directors can be found in the 2024 Annual Report of SMBC Indonesia on page 309-310.

## THE ROLE OF GOVERNANCE STRUCTURE IN SUSTAINABILITY REPORTING

[\[GRI 2-14\]](#)

SMBC Indonesia's sustainability achievements are realized through the preparation of a Sustainability Report, prepared and compiled by the Board of Directors in accordance with the sustainability policies at SMBC Indonesia. This ensures corporate compliance and communicates progress to stakeholders. On the other hand, the Board of Commissioners oversees sustainability policies, monitors performance, ensures corporate transparency and accountability, and ultimately provides recommendations or advice to the Board of Directors regarding the company's sustainability efforts.

The review and preparation of the Sustainability Report take into account input from stakeholders and adhere to applicable national and international standards. Material topics related to the company's sustainability performance are identified through stakeholder surveys. The Communications & Daya Division is responsible for reviewing, approving the report content, and conducting a final check of the sustainability report before its publication.

## CONFLICT OF INTEREST

[\[GRI 2-15\]](#)

In maintaining the company's integrity and prevent conflicts of interest, SMBC Indonesia has established preventive procedures outlined in the SMBC Indonesia Code of Conduct and corporate governance guidelines and compliance policies, stipulating the following provisions:



1. Employees are prohibited from accepting and/or requesting any form of gift from employees/prospective employees, customers/prospective customers, or vendors/prospective vendors in exchange for performance that is already part of their job responsibilities.
2. Employees are required to report to Human Resources (HR) if they have a familial relationship with another employee/prospective employee. HR must document this in the respective employee's personal file as a consideration for transfer and/or promotion processes.
3. Employees are prohibited from entering into employment agreements with other parties during working hours and/or earning additional income outside of SMBC Indonesia related to their role or position at the company.
4. Employees are prohibited from owning or operating personal businesses outside their employment with SMBC Indonesia if such activities interfere with or affect the professionalism and integrity of the employee concerned.
5. Employees are prohibited from offering products/services/businesses outside of SMBC Indonesia's operations to SMBC Indonesia customers.
6. Employees are prohibited from processing loan applications or vendor selections involving family members or relatives. Employees must notify/escalate such matters to their superiors to ensure the loan or vendor selection process is reassigned to another employee.
7. Any lending or borrowing between employees must be free from conflicts of interest.

As part of a comprehensive effort, any unit within SMBC Indonesia that has the potential to give rise to decisions or transactions involving conflicts of interest further regulates the following matters in their respective procedures:

1. Implementation of the "Four-Eyes Principle."
2. Separation of functions and responsibilities that could lead to conflicts of interest.
3. Ensuring the implementation of GCG to avoid conflicts of interest in all SMBC Indonesia processes, including vendor appointments, procurement of goods and services, and hosting third-party events.
4. All aspects with the potential to create conflicts of interest are monitored and managed by independent parties, both internally by internal audit and externally by public accountants.

SMBC Indonesia is committed to maintaining the company's integrity and ensuring transparent management of conflicts of interest to stakeholders. The company discloses information regarding conflicts of interest, including:

- **Keanggotaan lintas dewan.** Perusahaan memantau dan mengungkapkan
- **Cross-board memberships.** The company monitors and discloses individuals holding cross-board positions to prevent decisions that may compromise objectivity.
- **Cross-organization shareholdings with suppliers and other stakeholders.** SMBC Indonesia's policy requires individuals with shareholdings in other organizations that have business relationships with the company to report and document such situations to management, which is then communicated to stakeholders.
- **Existence of controlling shareholders.** SMBC Indonesia openly discloses the existence of controlling shareholders through official reports to relevant authorities and stakeholders to maintain transparency and ensure compliance with applicable regulations.
- **Related parties, relationships, transactions, and outstanding balances.** All transactions with related parties, including relevant relationships, are clearly presented in the company's financial statements.

In addition, conflict of interest mitigation measures, such as the application of transparency and independence principles, are supported by various internal policies. SMBC Indonesia actively educates all employees on the significance of avoiding conflicts of interest. This education is conducted continuously through various channels, including email, e-learning, the official SMBC Indonesia website, face-to-face dissemination, and other internal office communication media. The program is designed to enhance employees' understanding and awareness of the risks of conflicts of interest and their impact on the company. As a form of enforcement, any violations of these policies will be subject to sanctions in accordance with the level of loss or potential loss incurred by the company.

## POLICY COMMITMENT

[GRI 2-23] [GRI 2-24]

SMBC Indonesia is firmly committed to a set of policies that serve as the cornerstone for carrying out all of the company's operational activities. These policies are formulated based on the SMBC Indonesia Code of Conduct, reflecting the company's core values, and serve as the basis for regulations and procedures within the organization.

The policies of SMBC Indonesia encompass a commitment to conducting responsible business practices across the following aspects:

1. Compliance and risk management
2. Conflict of interest
3. Creating a conducive work environment
  - a. Fair treatment of all employees
  - b. Anti-discrimination and anti-harassment
  - c. Workplace safety
  - d. Use of company facilities
  - e. Activities outside the company
  - f. Social media usage
  - g. Communication through LInK and HELP channels
  - h. Implementation of Know Your Employee (KYE)
4. Information management and security
5. Relationships with stakeholders
  - a. Relationships with customers, prospective customers, and financial service users
  - b. Relationships with business partners or associates
  - c. Relationships with regulators
  - d. Relationships with shareholders and subsidiaries
  - e. Relationships with social communities and the environment
  - f. Anti-money laundering
  - g. Anti-bribery and anti-corruption
  - h. Giving and receiving entertainment and gifts
  - i. Insider information and personal investment transactions
  - j. Consumer protection

SMBC Indonesia is committed to upholding human rights in all its operational activities, by referring to the International Labour Organization (ILO) Conventions and Law No. 13 of 2003 on Manpower. These policies ensure the protection of employees, business partners, and

suppliers through written regulations that clearly define the rights and responsibilities of all parties involved.

## **ENVIRONMENTAL POLICY COMMITMENT**

[GRI 2-23]

SMBC Indonesia is committed to implementing environmental policies that support sustainability and reduce negative impacts on the environment. This commitment is reflected in the integration of eco-friendly principles into all aspects of the company's operations, including financing. Various environmental policies include:

1. The requirement for an Environmental Impact Analysis (AMDAL) as part of the legality of business operations for debtors in specific segments.
2. Participation in the Performance Rating Program for Environmental Management (PROPER) by the Ministry of Environment and Forestry (KLHK).
3. For corporations in the plantation sector, it is mandatory to possess a Plantation Business Permit (IUP), Plantation Business Permit for Cultivation (IUP-B), Plantation Business Permit for Processing (IUP-P), Plantation Business Registration Certificate (SPUP), and Roundtable on Sustainable Palm Oil (RSPO) Certification for export-oriented palm oil industries.
4. For corporations in forest management, the Forest Stewardship Council (FSC) or Programme for the Endorsement of Forest Certification (PEFC) certification is required.
5. Any other requirements in accordance with applicable laws and regulations.



## IMPLEMENTATION OF RESPONSIBLE BUSINESS PRACTICES

[GRI 2-24]

As part of its commitment to responsible business practices, SMBC Indonesia implements various policies and procedures to ensure that principles of sustainability, ethics, and respect for human rights are integrated across all operational lines and business partnerships. The following are the key aspects of responsible business practices at SMBC Indonesia:

01

### POLICIES TRANSLATED INTO SOPS AND GUIDELINES

SMBC Indonesia translates its responsible business policies into Standard Operating Procedures (SOPs) and internal guidelines governing all aspects of the company's operations. This ensures that all business activities align with the principles of sustainability, ethics, and compliance with applicable regulations.

02

### COMMUNICATED TO INTERNAL AND EXTERNAL PARTIES

Responsible business policies are not only implemented internally but are also communicated to external parties, including business partners, clients, and other stakeholders. This communication process is carried out through regular meetings, clear communication materials, and transparent sustainability reports.

03

### DISSEMINATION AND TRAINING

SMBC Indonesia provides training for employees on the company's code of conduct, data confidentiality, and respect for human rights. This training aims to ensure that all individuals within the organization understand and apply ethical values in all decisions and actions, thereby creating a fair and transparent work environment.

04

### ENSURING BUSINESS PARTNERS ADHERE TO THE SAME STANDARDS

SMBC Indonesia ensures that business partners, including suppliers and contractors, comply with the same standards regarding respect for human rights, in accordance with national laws and regulations and international guidelines such as the United Nations Guiding Principles on Business and Human Rights. This ensures that the company's entire supply chain operates ethically and responsibly.

05

### IMPLEMENTING THE MODERN SLAVERY ACT AND CONDUCTING BUSINESS PARTNER SCREENING [SUSBA 12.1.14]

SMBC Indonesia applies the principles outlined in the Modern Slavery Act to combat modern slavery and human exploitation within its supply chain and business operations. The company conducts screenings of business partners to ensure that they are not involved in practices such as slavery, labor exploitation, or other human rights violations. These screenings are part of SMBC Indonesia's efforts to ensure that all business activities are free from any form of abuse or exploitation.

All policies established by the Board of Directors must be adhered to by all individuals within the company, from senior management to employees and business partners, to uphold the integrity of SMBC Indonesia. These policies are disseminated through various channels, including email, e-learning, and face-to-face dissemination, to build a culture aligned with the company's values. As a form of transparency, SMBC Indonesia's policy commitments are publicly accessible on the company's official website at [www.smbci.com](http://www.smbci.com)

## WHISTLEBLOWING SYSTEM

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

SMBC Indonesia has established a Whistleblowing System (WBS) as a reporting mechanism accessible to both employees and external parties. This system allows for the reporting of suspected or actual incidents related to fraudulent activities, legal violations, breaches of company regulations, ethical code violations, and conflicts of interest involving SMBC Indonesia's internal parties. Reports made in good faith and not of a personal grievance or defamatory nature contribute to a clean and transparent business environment.

The general WBS reporting mechanism includes:

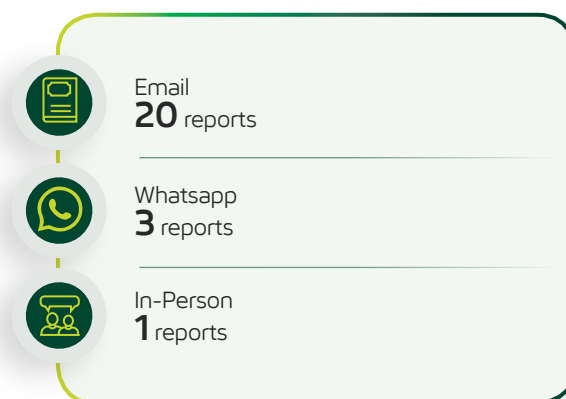
1. Reporting by the Whistleblower (submission of reports/information within 24 hours of becoming aware of the suspected/actual fraudulent activity);
2. Follow-up on Reports (identification, analysis, and investigation);
3. Documentation (records of fraud indications and investigation results); and
4. Confidentiality Assurance (all parties are responsible for maintaining the confidentiality of the whistleblower's identity).

The Whistleblowing System is managed by the Operational & Fraud Risk Management (OFRM) Division, responsible for handling reports of suspected/actual fraudulent activities from whistleblowers within SMBC Indonesia. The OFRM conducts an initial analysis of fraud-related reports submitted through the Whistleblowing channels. Valid reports are then followed up for further investigation. The OFRM, in collaboration with relevant work units, oversees the follow-up process. SMBC Indonesia guarantees full confidentiality of whistleblowers' data and ensures protection against any form of pressure, intimidation, or negative consequences that may arise as a result of reporting.

Throughout 2024, a total of 24 reports were submitted through the WBS. Of these, 21 reports have been resolved (3 reports confirmed as fraud and 18 reports unrelated

to fraud, including 6 reports related to employment matters), while the remaining 3 reports are still in the process of handling and further evaluation.

The 24 reports were received through the following channels:



## SUMMARY OF CUSTOMER COMPLAINTS

	Number of Complaints Received	Number of Complaints Resolved	Complaint Resolution Rate (%)
2024	63,673	62,759	99%
2023	64,935	64,935	100%
2022	50,521	50,521	100%

## GRIEVANCE MECHANISM

[GRI 2-25] [FN-CB-510a.2]

In addition to providing a whistleblowing mechanism, SMBC Indonesia provides channels for stakeholders to raise concerns regarding the business impacts of SMBC Indonesia. These channels are also open to consumers wishing to provide feedback or submit complaints about products and services. Complaints can be submitted through the following channels:

- › Customer service hotline: 1500 365 (Local) or +6221 8060 5299 (International)
- › Website: <https://www.smbci.com>
- › [smbcicare@smbci.com](mailto:smbcicare@smbci.com)
- › [jenius-help@smbci.com](mailto:jenius-help@smbci.com)
- › Nearest SMBC Indonesia branch



Customer feedback and complaints are documented in the “Financial Services for Sustainable Transformation” section on page 70.

SMBC Indonesia guarantees the confidentiality of the whistleblower’s identity as part of its commitment to creating a safe and transparent environment. Whistleblowers are also protected from any form of pressure, threats, or retaliation, ensuring they can submit feedback or complaints with complete security and comfort. Verbal complaints shall be resolved within a maximum of 5 working days, while written complaints shall be addressed within a maximum of 10 working days. During the reporting year, 63,673 reports were submitted through these channels, and 99% have been resolved, while the remaining are still in the process of being resolved.

### PROCESS OF MANAGING NEGATIVE IMPACTS

The process of managing negative impacts involves identifying these impacts through internal and external audits, consulting with affected stakeholders, and developing an impact management plan through cross-functional collaboration. The management steps are focused on addressing direct impacts and preventing the recurrence of similar incidents by enhancing governance systems and policies.

### STAKEHOLDER ENGAGEMENT IN THE GRIEVANCE MECHANISM

SMBC Indonesia’s grievance mechanism is designed with input from stakeholders through open dialogues, surveys, and consultation sessions. The review process of the mechanism is conducted periodically, taking

into account user feedback to ensure its relevance and responsiveness. Stakeholders, including employees, customers, and business partners, are provided with easy and transparent access to submit their complaints.

### MONITORING AND EVALUATION OF GRIEVANCE MECHANISM EFFECTIVENESS

SMBC Indonesia conducts monitoring of the effectiveness of the grievance mechanism through indicators such as case resolution time, user satisfaction, and the number of complaints resolved. The effectiveness report is supplemented with specific examples, including cases resolved with solutions that satisfy all parties involved. Feedback from stakeholders is utilized to refine this mechanism, ensuring that all remediation processes contribute to enhancing sustainability and corporate governance.

## INTERNAL CONTROL SYSTEM

[SUSBA 1.4.14]

The internal control system plays a critical role in ensuring that the business and operational activities of SMBC Indonesia are conducted in accordance with good governance principles and in minimizing risks that could impact the company’s performance. As part of its commitment to maintaining the integrity and effectiveness of risk management, SMBC Indonesia implements the Three Lines of Defense model. Each line operates independently with integrated roles and responsibilities, as detailed below:





### 1. First Line of Defense

This consists of the Risk-Taking Units (RTUs), assisted by the relevant Business Risk/ICR personnel, to enforce day-to-day risk management practices in a disciplined manner.

### 2. Second Line of Defense

The Risk Management Unit (RMU), in collaboration with Compliance, Finance and Planning, and Human Resources units, is responsible for defining, refining, and ensuring the implementation of risk management through adequate identification, measurement, monitoring, and control processes. This includes establishing appropriate policies, procedures, and tools, as well as coordinating and facilitating overall risk management activities.

### 3. Third Line of Defense

Internal Audit independently conducts reviews and evaluations of the governance and effectiveness of risk management implementation. In practice, the Risk Management Unit (RMU), as the second line of defense, coordinates with Business Risk/ICR personnel in the first line to ensure effective risk management implementation. As the third line of defense within the Internal Control System, Internal Audit has the function of evaluating the implementation of risk management and assessing the effectiveness of internal controls across all aspects of SMBC Indonesia's activities using a risk-based approach.

SMBC Indonesia proactively conducts audits covering sustainability topics, including ensuring that credit extension meets established environmental and social requirements. Additionally, audits are performed to review the implementation of sustainability policies and procedures to ensure alignment with the company's commitment to social and environmental responsibility. [\[SUSBA 1.4.1.7\]](#) [\[SUSBA 1.4.1.8\]](#)

Internal Audit periodically evaluates systems and procedures to ensure the protection of SMBC Indonesia's assets, the accuracy and reliability of accounting data, including customer and third-party funds. Furthermore, the evaluation encompasses various operational aspects of SMBC Indonesia, such as customer service, infrastructure, human resource management, and other activities that could lead to financial losses or reputational damage to the company.

The results of Internal Audit evaluations are regularly reported to the President Director, Board of Commissioners, Audit Committee, and Directors as needed. This reporting process ensures that risk

management and internal controls continue to operate in line with established standards. Internal Audit is reviewed by an independent party every three years to ensure the reliability and execution of audits in accordance with applicable regulations.

## PREVENTION AND ERADICATION OF CORRUPTION AND FRAUD

Corruption is the act of abusing power or authority for personal gain, which harms the financial integrity and trust within an organization or society. Fraud, on the other hand, refers to deliberate acts of deviation and/or negligence intended to deceive, mislead, or manipulate SMBC Indonesia, its customers, or other parties. Such acts occur within the environment of SMBC Indonesia and/or utilize SMBC Indonesia's resources, resulting in losses for SMBC Indonesia, its customers, or other parties, while providing direct or indirect benefits to the perpetrators of fraud and/or other involved parties.

SMBC Indonesia has implemented a stringent policy to prevent fraud by establishing an Anti-Fraud Unit, in accordance with OJK Regulation No. 12 of 2024 on the Implementation of Anti-Fraud Strategies for Financial Service Institutions. This unit is responsible for overseeing, developing, and executing frameworks, policies, and strategies for fraud prevention and mitigation across all aspects of SMBC Indonesia's business and operational activities. The implementation of the Anti-Fraud Strategy is regularly monitored by the Board of Commissioners through the Risk Monitoring Committee and by the Board of Directors through the Risk Management Committee.

In its prevention efforts, SMBC Indonesia conducts risk identification related to corruption/fraud across all business activities to ensure the adequacy of controls. There are 48 processes identified as high-risk, representing 7.22% of all processes within SMBC Indonesia. Significant risks include those associated with credit processes and payment transaction processes. [\[GRI 205-1\]](#)

SMBC Indonesia actively raises awareness of fraud risks through the signing of Anti-Fraud integrity pacts and codes of conduct, as well as various educational initiatives. These initiatives include Anti-Fraud education through e-newsletters, "Now You Know", news sharing, desktop wallpapers, and the implementation of training and e-learning programs.

SMBC Indonesia's Anti-Fraud education covers the following topics:

- › Management's message on the significance of integrity
- › Definition of fraud
- › Anti-Fraud strategies
- › Classification of fraud
- › Background and causes of fraud
- › How to prevent fraud
- › Examples of fraud cases
- › Expected employee behavior
- › Sanctions for fraud perpetrators and parties involved in fraud incidents
- › Various channels available for reporting suspected or actual fraud incidents

#### ANTI-CORRUPTION/ANTI-FRAUD COMMUNICATION AND TRAINING BY REGION

[GRI 205-2]

Region	Organization Has Communicated Anti-Corruption/ Anti-Fraud Policies and Procedures		Has Attended Anti-Corruption/Anti-Fraud Training	
	Number of Employees	Percentage of Total Employees (%)	Number of Employees	Percentage of Total Employees (%)
Greater Jakarta	3,273	50.42%	3,053	49.55%
Java	1,733	26.70%	1,673	27.15%
Outside Java	1,485	22.88%	1,436	23.30%
<b>TOTAL</b>	<b>6,491</b>	<b>100%</b>	<b>6,162</b>	<b>100%</b>

#### ANTI-CORRUPTION/ANTI-FRAUD COMMUNICATION AND TRAINING BY EMPLOYEE CATEGORY

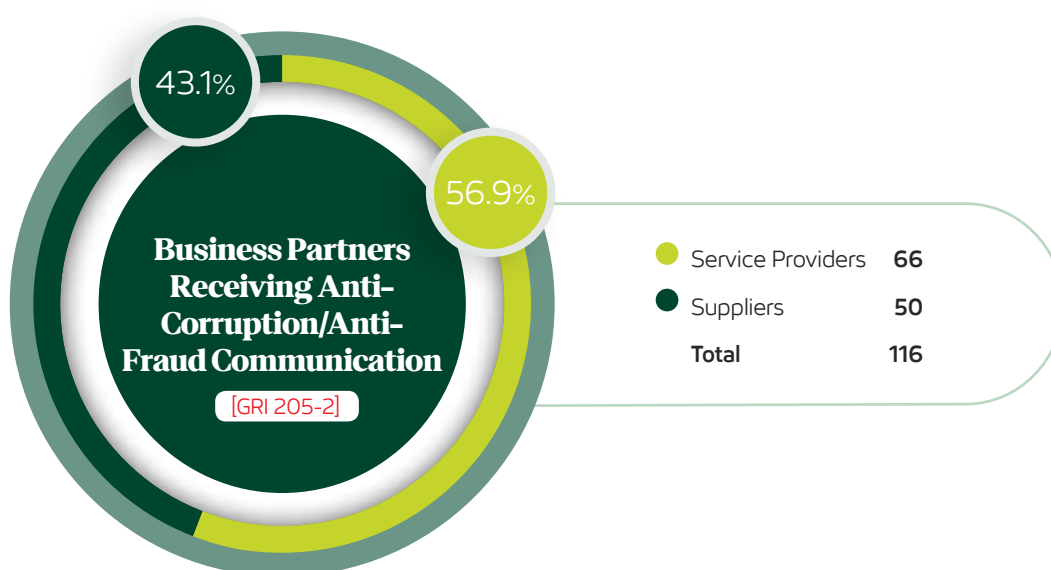
[GRI 205-2]

Job Level	Organization Has Communicated Anti- Corruption/Anti-Fraud Policies and Procedures		Has Attended Anti-Corruption/Anti-Fraud Training	
	Number of Employees	Percentage of Total Employees (%)	Number of Employees	Percentage of Total Employees (%)
Board of Management	10	0.15%	9	0.15%
Top Management	187	2.88%	178	2.89%
Senior management	750	11.55%	729	11.83%
Management	2,983	45.96%	2,814	45.67%
Officer/Supervisor	1,600	24.65%	1,555	25.24%
Clerical	961	14.81%	877	14.23%
<b>Total</b>	<b>6,491</b>	<b>100%</b>	<b>6,162</b>	<b>100%</b>

Throughout 2024, SMBC Indonesia identified a total of 48 fraud incidents, resulting in losses of Rp8,647,203,609, representing 1.03% of SMBC Indonesia's operational capital expenditure as of 2024.

SMBC Indonesia enforces a zero-tolerance policy towards fraud, consistently improving processes and prioritizing corporate integrity. Any employee found to have committed violations is subject to strict sanctions in accordance with applicable regulations.

Additionally, SMBC Indonesia conducts anti-fraud campaigns and education for external parties to raise anti-fraud awareness, including reminding them of the potential for fraud. This is achieved through the periodic distribution of notification letters to vendors collaborating with SMBC Indonesia, emphasizing the implementation of Good Corporate Governance (GCG) and the mechanism for reporting violations via the Whistleblowing Channel.



Collaboration with vendors involved in fraudulent practices will be permanently terminated. During the reporting year, SMBC Indonesia terminated or did not renew cooperation contracts with one vendor due to corruption/fraud violations.

Additionally, SMBC Indonesia conducted a sharing session on the implementation of anti-fraud strategies for one of its partners, based on a request received by SMBC Indonesia, to support the partner's adoption of anti-fraud strategies.

To adapt to current conditions in delivering anti-fraud awareness, SMBC Indonesia consistently updates its Anti-Fraud Awareness presentation materials as needed, including providing examples of fraud incidents along with the associated sanctions or legal actions (if criminal elements are involved).

Annually, SMBC Indonesia also requires an e-learning module on anti-fraud awareness as a means to raise fraud prevention awareness among all employees. The completion of this module is required for all employees by the end of 2024.

In line with the implementation of its anti-fraud strategy, SMBC Indonesia continuously reviews and updates its Anti-Fraud Strategy Policies and Procedures, followed by dissemination to all employees via email and internal portal publications.

During the reporting period, SMBC Indonesia developed a behavioral risk policy to ensure that all SMBC Indonesia employees conduct their activities in accordance with expected and integrity-based behavior. This policy supports the fulfillment of consumer protection, market health, fair competition, public interest, and stakeholder interests.

#### CORRUPTION/FRAUD INCIDENTS

[GRI 205-3]

Internal Fraud Cases	Number of Cases		
	2024	2023	2022
Total proven fraud incidents	48	71	72
Total incidents resulting in employee termination/discipline	30	40	46
Total incidents resulting in termination of business partner contracts	-	-	-
Legal cases related to fraud filed by the public against the company	-	-	-

## COMMUNICATION OF CRITICAL CONCERNS

[GRI 2-16]

SMBC Indonesia has established a structured mechanism for reporting critical concerns to the Board of Directors and the Board of Commissioners. This procedure is designed to ensure clear and efficient communication through written reports, Board of Commissioners meetings, Board of Directors meetings, and joint meetings of the Board of Commissioners and the Board of Directors. Concerns classified as critical include strategic, operational, and compliance risks, as well as potential losses that could significantly impact business sustainability.

Reports on critical concerns can be submitted by various parties, such as internal work units (both divisions and departments) through presentations or memorandums, received by the Corporate Secretary for further identification and subsequent forwarding to the Board of Commissioners and the Board of Directors. Information on these concerns is reported as a priority for further review. During the reporting period, there were no critical concerns identified.

## ENHANCEMENT OF THE BOARD OF COMMISSIONERS AND DIRECTORS' CAPACITY

[GRI 2-17] [OJK E.2] [SUSBA 1.4.2.3]

Strategic decisions made by the Board of Commissioners and Directors have a significant impact on the company's direction, including in the realm of

sustainable development. Therefore, SMBC Indonesia provides training to enhance the knowledge, skills, and experience of the Board of Commissioners and Directors in the areas of economics, environment, social responsibility, and governance. This training aims to ensure that SMBC Indonesia's governing bodies are equipped to make decisions that support the company's overall sustainability goals. Information on the training of the Board of Commissioners and Directors can be found in the 2024 Annual Report of SMBC Indonesia on page 300-301.

## EVALUATION OF THE BOARD OF COMMISSIONERS AND DIRECTORS

[GRI 2-18]

SMBC Indonesia conducts periodic evaluations of the performance of the Board of Commissioners and Directors to ensure effective corporate management and oversight, as well as to generate positive impacts on the economy, environment, and society. This evaluation is carried out annually through a self-assessment mechanism based on predefined key performance indicators (KPIs), serving as benchmarks for performance success.

Based on the evaluation results, all strategies established at the beginning of the year have been successfully achieved in accordance with the set targets. There have been no changes to the senior management structure, as the evaluation demonstrates that the Board of Commissioners and Directors have fulfilled their duties and responsibilities in accordance with the established key performance indicators (KPIs).



## REMUNERATION OF THE BOARD OF COMMISSIONERS AND DIRECTORS

### REMUNERATION POLICY

[GRI 2-19]

The remuneration policy for the Board of Commissioners and Directors of SMBC Indonesia is designed by considering their respective responsibilities and scope of work. A fair remuneration policy aims to motivate all parties to maintain and enhance the company's reputation. The remuneration for the Board of Commissioners and Directors is determined by the General Meeting of Shareholders (GMS) and is based on the principle of meritocracy, meaning it is aligned with individual performance and achievements. Remuneration is granted by taking into account the company's profits for the relevant fiscal year, as well as the principles of fairness in comparison to internal peer groups and standards within the banking industry.

Furthermore, the remuneration policy for members of the Board of Commissioners and Directors of SMBC Indonesia is designed to support the achievement of the company's strategic objectives, including the management of impacts on the economy, environment, and society. The remuneration structure incorporates key performance indicators (KPIs) that encompass sustainability aspects, such as resource efficiency, achievement of emission reduction targets, positive social impact, and contributions to inclusive economic growth. Thus, this policy ensures that the incentives provided are not only aligned with financial performance but also support the attainment of sustainable governance and corporate social responsibility, in line with environmental, social, and governance (ESG) principles. [SUSBA 1.4.1.6]

Details regarding the remuneration of the Board of Commissioners and Directors can be accessed in the 2024 SMBC Indonesia Annual Report on page 311-314.

### PROCESS FOR IMPLEMENTING REMUNERATION

[GRI 2-20]

The remuneration policy at SMBC Indonesia falls under the purview of the Remuneration and Nomination Committee (RNC), which provides recommendations to the Board of Commissioners regarding remuneration policies for both the Board of Commissioners and the Board of Directors. These recommendations are subsequently presented at the General Meeting of Shareholders (GMS) for approval. In determining the remuneration policy, SMBC Indonesia takes into account various factors, including company profitability, financial stability, and competitive standards within the banking industry.

To ensure that the remuneration policy remains relevant and competitive, SMBC Indonesia collaborates with independent (independent from the organization, governing boards, and senior executives). consultants

to conduct remuneration surveys within the industry. The results of these surveys serve as a reference for determining the amount of remuneration, enabling the formulation of a fair and competitive remuneration strategy while considering individual performance. Through this approach, the remuneration policy not only supports the achievement of the company's objectives but also aligns with best practices in the banking industry.

### ANNUAL TOTAL COMPENSATION RATIO

[GRI 2-21]

SMBC Indonesia is committed to providing fair and competitive remuneration to all employees, including the Board of Directors and the Board of Commissioners. This commitment is reflected in the compensation ratio, prioritizing principles of fairness and equity. However, SMBC Indonesia does not disclose the annual total compensation ratio, as it is considered confidential company information.

The policy governing the classification of information as confidential at SMBC Indonesia is outlined in the Company's Code of Conduct and Confidentiality Policy. This policy includes guidelines for the protection of strategic data, such as information related to annual total compensation. The policy aims to safeguard information that could potentially impact the company's competitiveness, regulatory compliance, and employee privacy. As a result, the annual total compensation ratio is not disclosed in the sustainability report, in line with the company's policy on protecting confidential information.

## ANTI-MONEY LAUNDERING AND COUNTER-TERRORISM FINANCING POLICY

Amid the rapid advancement of financial technology, the banking industry faces risks associated with the potential misuse of its systems for money laundering and terrorism financing. The variety of available transaction methods and digital channels facilitates the flow of funds that are difficult to trace, enabling individuals or groups to exploit the financial system for criminal activities.

To address these challenges, SMBC Indonesia has developed an Anti-Money Laundering, Counter Financing of Terrorism, and Counter-Proliferation Financing of Weapons of Mass Destruction (AML, CFT, and CPF) program. This program is designed to identify and prevent suspicious activities through strategic measures that enhance oversight and security across all aspects of operations, including:

1. The active role of the Board of Commissioners and Directors in regularly discussing the implementation of SMBC Indonesia's AML, CTF, and FPWMD program, as well as relevant issues.



- Periodically improving SMBC Indonesia's AML, CTF, and FPWMD programs in response to developments in local regulations, parent company policies, and the operational and business development of SMBC Indonesia.
- Coordinating with regulators on the implementation of SMBC Indonesia's AML, CTF, and FPWMD programs.
- Continuously evaluating the effectiveness and implementation of the AML, CTF, and FPWMD programs through periodic reviews, monitoring, analysis, and reporting of financial transactions.
- Developing and optimizing SMBC Indonesia's AML, CTF, and FPWMD system to support the implementation of identification, analysis, transaction monitoring, and AML, CTF, and FPWMD reporting processes.
- Raising awareness of the risks of money laundering, terrorism financing, and proliferation financing of weapons of mass destruction among all employees through a series of training and dissemination programs related to AML, CTF, and FPWMD regulations.
- Participating in regulatory dissemination activities, coordination meetings, and studies (Financial Integrity Rating/FIR by PPATK) organized by regulators.

- Credit Risk
- Market Risk
- Liquidity Risk
- Operational Risk
- Legal Risk
- Strategic Risk
- Compliance Risk
- Reputational Risk

The risk management policies of SMBC Indonesia are established by the Board of Commissioners and the Board of Directors. Implementation is carried out through various strategic steps aimed at ensuring the successful execution of these policies, including:

- Active oversight by the Board of Commissioners and Directors.
- Adequacy of risk management policies and procedures, as well as the establishment of risk limits.
- Adequacy of risk identification, measurement, monitoring, and control processes, along with risk management information systems.
- Adequacy of a comprehensive internal control system and other related processes.

## CYBERSECURITY RISK MANAGEMENT

[GRI 418-1]

The rapid advancement of technology, the increased adoption of digital-based technologies and solutions by SMBC Indonesia, and the evolving landscape of cybersecurity threats have heightened the potential for cybersecurity risks that could disrupt the company's operations and harm its customers. To address these challenges, SMBC Indonesia continues to strengthen its governance and cybersecurity risk management processes through the establishment and development of its Cybersecurity Risk Management Policy O.O. This policy governs various aspects of the cybersecurity risk management implementation process, including:

- General Provisions on Cybersecurity Risk Management
- Roles and Responsibilities of the Board of Directors and Board of Commissioners regarding active oversight of cybersecurity resilience, as well as the roles and responsibilities of other management levels, work units, and all employees of SMBC Indonesia.
- SMBC Indonesia's Cybersecurity Risk Management Framework.
- Stages of Cybersecurity Risk Management Implementation (along with general provisions):
  - Identification Stage (including governance)
  - Protection Stage
  - Detection Stage
  - Response and Reporting Stage
  - Recovery Stage
- Evaluation
- Information Retention Period Table

## COMPLIANCE WITH LAWS AND REGULATIONS

SMBC Indonesia consistently maintains strict adherence to all applicable regulations and standards. As a result, throughout the reporting year, there were no legal or financial claims related to fraud, insider trading, anti-competitive practices, monopolistic behavior, market manipulation, or any other violations.

[GRI 206-1] [GRI 2-27] [FN-CB-510a.1]

## RISK MANAGEMENT

[OJK E.3]

SMBC Indonesia's risk management system is designed to support operational sustainability, maintain financial stability, and protect all stakeholders through a comprehensive approach. This includes measures to identify, assess, manage, and monitor various types of risks that could impact SMBC Indonesia's performance. SMBC Indonesia classifies the key risks that may affect its operations and reputation, including:

SMBC Indonesia has also established an independent Cybersecurity Risk Management Unit, separate from operational and business functions. This unit reports directly to the head of the Risk Management Unit and is responsible for ensuring the effective implementation of governance, cybersecurity resilience management, and cyber threat mitigation. The unit is tasked with developing cybersecurity governance processes, overseeing cybersecurity implementation, enhancing cybersecurity resilience, and ensuring the protection of privacy (particularly customer personal information and other sensitive data).

Additionally, SMBC Indonesia has an Internal Audit Unit serving as the third line of defense. This unit is responsible for evaluating the implementation of governance processes, as well as the management and application of cybersecurity resilience. Cybersecurity evaluations are conducted periodically and continuously through internal cybersecurity audits and external audits by independent parties to ensure compliance with national and global security standards. External audits also include international standard-based certifications for cybersecurity and information security for SMBC Indonesia's core payment systems.

As part of its commitment to enhancing cybersecurity, SMBC Indonesia regularly and continuously conducts training and education programs for employees, customers, and third parties collaborating with the company. Employees receive periodic cybersecurity awareness training and campaigns via email, e-learning, phishing simulations, in-person training, and other methods to ensure they are well-equipped to understand cyber threats and the necessary preventive measures to safeguard SMBC Indonesia's systems and information.

Meanwhile, customers are provided with cybersecurity literacy and awareness campaigns through the company's website, email, text messages, and other channels, such as guidelines for secure online transactions. For third parties, training is conducted regularly through due diligence assessments and other cybersecurity training programs. These efforts are expected to create a comprehensive cybersecurity culture across SMBC Indonesia's ecosystem.

### **CLIMATE RISK MANAGEMENT AND SCENARIO ANALYSIS (CRMS)** [FN-CB-550A.2] [SUSBA 1.6.1.3]

The increasing intensity of climate change presents significant environmental challenges across various sectors, including the banking industry. Climate change affects not only the operations of financial institutions but also their risk assessment and governance frameworks.

In line with the development of a climate risk management framework, SMBC Indonesia strives to integrate climate factors through: [TCFD S2]

- **Sustainable Policies** by continuously increasing financing for the green sector while reducing exposure to high-risk industries.
- **Transparency and Reporting** on performance, including the identification of climate risks through the implementation of CRMS and the calculation of both operational and financed emissions.
- **Sustainability Education** for employees, customers, and suppliers, as well as environmental campaigns through internal and external media.
- **Environmental Management** through energy efficiency, digital banking, eco-friendly transportation, and flexible work policies.

In 2024, SMBC Indonesia was selected to participate in the pilot phase of the Climate Risk Management and Scenario Analysis (CRMS) initiative held by the Financial Services Authority (OJK). SMBC Indonesia has begun identifying climate-related risks, including both transition risks and physical risks, within priority sectors for productive credit. This effort serves as a basis for implementing the Climate Risk Management and Scenario Analysis (CRMS) framework across 50% of its portfolio.

The Climate Risk Management and Scenario Analysis (CRMS) process adheres to the OJK's guideline scenarios, utilizing methodologies from the Network for Greening the Financial System (NGFS), including the Net Zero 2050, Delayed Transition, and Current Policies scenarios, with short-term (2024–2026) and long-term (2030, 2040, and 2050) time horizons. The analysis covers 50% of priority sectors, including Mining and Quarrying, Electricity, Gas, Steam/Hot Water and Air Conditioning Supply, Construction, Transportation and Warehousing, Agriculture, Forestry, and Fisheries, Manufacturing, as well as the addition of Wholesale and Retail Trade sectors. [TCFD S1] [TCFD S3] [SUSBA 1.6.2.7] [SUSBA 1.6.2.8]

Based on the outcomes of the Climate Risk Management and Scenario Analysis (CRMS), SMBC Indonesia will develop a climate risk management framework to be integrated into its existing risk management practices. This framework will address governance, strategy, risk management, as well as metrics and targets. By 2025, SMBC Indonesia plans to expand the CRMS pilot program to cover 100% of its portfolio, encompassing both productive and consumer credit. [TCFD R2] [TCFD R3] [SUSBA 1.6.1.2] [FN-CB-550a.2] However, SMBC Indonesia has not yet calculated the associated costs or established specific climate-related scenarios. [GRI 201-2]

THE POTENTIAL RISKS AND OPPORTUNITIES THAT WILL BE CONSIDERED IN THE  
IMPLEMENTATION AND INTEGRATION OF CLIMATE-RELATED RISK MANAGEMENT:

[TCFD S1]

01

**FINANCIAL RISKS DUE TO ASSET LOSSES RELATED TO NATURAL DISASTERS  
OCCURRING AT THE DEBTOR'S LOCATIONS.**

- Natural disasters, such as floods or earthquakes, can directly damage debtor assets, thereby affecting their ability to repay debts. These physical risks require responsive risk management strategies to unforeseen events.

02

**CHANGES IN CUSTOMER BEHAVIOR**

- In the near term, changes in customer behavior toward digital services, green investment preferences, or sensitivity to bank products related to environmental issues may impact the customer base and revenue streams.

03

**REGULATORY CHANGES DEMANDING STRICTER COMPLIANCE WITH  
ENVIRONMENTAL STANDARDS**

- Changes in regulations, such as increased Environmental, Social, and Governance (ESG) standards, could increase compliance costs and necessitate adjustments to business processes in the coming years.

04

**REPUTATIONAL RISKS ASSOCIATED WITH FINANCING IN ENVIRONMENTALLY AND  
SOCIALY SENSITIVE SECTORS**

- In the medium term, public opinion and stakeholder pressure may affect the bank's reputation, particularly if it is involved in financing controversial projects in sectors sensitive to social and environmental issues.

05

**CHALLENGES IN CREDIT RISK MANAGEMENT RELATED TO FINANCING PROJECTS  
WITH POTENTIAL HARM TO NATURAL ECOSYSTEMS**

- In the long term, projects with significant environmental impacts may pose substantial credit risks, particularly in the face of tightening regulations or irreversible ecosystem damage.

THERE ARE CLIMATE-RELATED OPPORTUNITIES THAT CAN BE CONSIDERED:

[TCFD S1]



01

## FUNDING OPPORTUNITIES FOR RENEWABLE ENERGY PROJECTS

- With the growing demand for financing in energy efficiency and renewable energy projects, such as solar panels, wind power plants, and bioenergy, banks have the opportunity to expand their portfolios with green financing solutions.

02

## GREEN FINANCIAL PRODUCT OFFERINGS

- In the near future, the launch of green bonds or ESG-oriented financial instruments could attract environmentally conscious investors and customers. These products may support initiatives such as green transportation, green building construction, sustainable land management, and more.

03

## ENHANCED COLLABORATION WITH SUSTAINABILITY-FOCUSED COMPANIES

- Banks can establish strategic partnerships with corporations committed to sustainability, supporting their transition to a low-carbon economy while expanding their client base.

04

## FINANCING GREEN INFRASTRUCTURE PROJECTS

- The demand for financing green infrastructure projects, such as electric-based public transportation or efficient clean water management systems, is expected to grow in line with government policies and sustainable urbanization trends.

05

## TRANSFORMATION TOWARD SUSTAINABILITY-DRIVEN FINANCE IN THE GLOBAL MARKET

- In the long term, SMBC Indonesia can strengthen its position as a regional leader in green financing by developing an integrated sustainability-based financial ecosystem, including dedicated ESG digital platforms.

06

## INCREASING PORTFOLIO DIVERSIFICATION INTO ECO-FRIENDLY TECHNOLOGY INNOVATION SECTORS

- Investments in green technology sectors such as energy storage, electric vehicles, and sustainable agriculture present significant profit opportunities amid the global shift toward a low-carbon economy.

## STAKEHOLDER ENGAGEMENT

[GRI 2-29] [OJK E.4] [SUSBA 1.1.2.1] [SUSBA 1.1.2.2] [SUSBA 1.1.2.3] [SUSBA 1.1.2.4]

SMBC Indonesia consistently builds and maintains strong relationships with its stakeholders through transparent and responsive communication

Stakeholder	Basis of Determination	Topics	Engagement Methods & Frequency	Governance Management Function
Shareholder & Investor	<ul style="list-style-type: none"> <li>Dependence</li> <li>Influence</li> <li>Responsibility</li> </ul>	<ul style="list-style-type: none"> <li>Organizational governance</li> <li>Economic performance</li> <li>Sustainable finance</li> </ul>	<ul style="list-style-type: none"> <li>Provide SMBC Indonesia's performance information through GMS, quarterly reports, and annual reports.</li> <li>Direct communication and analysis to ensure delivery of material information.</li> <li>Meetings as needed, at least once a year.</li> </ul>	<ul style="list-style-type: none"> <li>Corporate Secretary</li> <li>Investor Relation</li> </ul>
Customer	<ul style="list-style-type: none"> <li>Dependence</li> <li>Responsibility</li> <li>Influence</li> <li>Geographic Proximity</li> </ul>	<ul style="list-style-type: none"> <li>Customer protection</li> <li>Business continuity</li> <li>Sustainable business</li> <li>Net Zero Emission (NZE)</li> </ul>	<ul style="list-style-type: none"> <li>Provide products and services in accordance with applicable regulations.</li> <li>Provide timely, adequate, clear, and accurate information about products and services.</li> <li>Develop excellent service for customer satisfaction.</li> <li>Implement Daya Program.</li> <li>Advertisements and promotional media as needed.</li> <li>Conduct sustainable finance seminars for customers.</li> <li>Meetings at each customer visit or at least once a year.</li> </ul>	<ul style="list-style-type: none"> <li>Line of Business</li> <li>Compliance</li> <li>Corporate Communication</li> <li>Daya &amp; Sustainability</li> </ul>
Employee	<ul style="list-style-type: none"> <li>Dependence</li> <li>Responsibility</li> <li>Influence</li> <li>Attention</li> <li>Geographic Proximity</li> </ul>	<ul style="list-style-type: none"> <li>Labor relations</li> <li>Working conditions and protection</li> <li>Competency development</li> <li>Career development and self-actualization</li> <li>Sustainable finance</li> <li>Sustainability</li> </ul>	<ul style="list-style-type: none"> <li>Manage SMBC Indonesia's people objectively, transparently, fairly, and equally.</li> <li>Build a conducive work environment for optimal productivity.</li> <li>Career development through talent management system and assessment center.</li> <li>Conduct sustainability education and seminars for employees.</li> <li>Meetings at every internal activity.</li> </ul>	<ul style="list-style-type: none"> <li>Human Resources</li> </ul>



Stakeholder	Basis of Determination	Topics	Engagement Methods & Frequency	Governance Management Function
Community & NGOs	<ul style="list-style-type: none"> <li>Dependence</li> <li>Responsibility</li> <li>Influence</li> <li>Geographic Proximity</li> </ul>	<ul style="list-style-type: none"> <li>Education and culture</li> <li>Technology and infrastructure access</li> <li>Welfare and income</li> <li>Sustainable finance</li> <li>Sustainability</li> <li>Environment</li> </ul>	<ul style="list-style-type: none"> <li>Intensify involvement in community activities with programs covering education, empowerment, culture and religion, humanity, and the environment.</li> <li>Implement Daya Program.</li> <li>Conduct sustainable finance seminars.</li> <li>Meetings as needed, at least once a year.</li> </ul>	<ul style="list-style-type: none"> <li>Human Resources</li> <li>Daya &amp; Sustainability</li> </ul>
Supply Chain/ Vendor	<ul style="list-style-type: none"> <li>Dependence</li> <li>Responsibility</li> <li>Conflicting Interests</li> <li>Influence</li> </ul>	<ul style="list-style-type: none"> <li>Sustainable relationships</li> <li>Economy</li> <li>Justice</li> <li>Sustainable finance</li> <li>Sustainability</li> <li>Human rights</li> </ul>	<ul style="list-style-type: none"> <li>Clear terms of cooperation.</li> <li>Transparent performance assessment.</li> <li>Regular assessments.</li> <li>Meetings as needed.</li> <li>Conduct sustainability and human rights seminars for Partners and Suppliers.</li> <li>Meetings as needed, at least once a year.</li> </ul>	<ul style="list-style-type: none"> <li>Procurement</li> <li>Daya &amp; Sustainability</li> </ul>
Government & Regulators	<ul style="list-style-type: none"> <li>Dependence</li> <li>Responsibility</li> <li>Disagreement</li> <li>Influence</li> <li>Geographic Proximity</li> </ul>	<ul style="list-style-type: none"> <li>Compliance with laws and regulations</li> <li>Commitment to banking regulations</li> <li>Clear, accurate, comprehensive, and timely communication and reporting,</li> <li>Sustainable finance</li> </ul>	<ul style="list-style-type: none"> <li>Improve the latest Good Corporate Governance (GCG) Manual.</li> <li>Implement GCG principles in all work units.</li> <li>Periodic meetings to discuss the health level of SMBC Indonesia.</li> <li>Conduct seminars and FGDs related to sustainable finance policies.</li> <li>Meetings as needed, at least once a year.</li> </ul>	<ul style="list-style-type: none"> <li>Compliance</li> <li>Corporate Secretary</li> <li>Risk Management</li> </ul>
Community Leaders/Local Officials	<ul style="list-style-type: none"> <li>Dependence</li> <li>Responsibility</li> <li>Disagreement</li> <li>Influence</li> <li>Geographic Proximity</li> </ul>	<ul style="list-style-type: none"> <li>Business development</li> <li>Regional progress</li> </ul>	<ul style="list-style-type: none"> <li>Direct visits.</li> <li>Formal meetings and deliberations.</li> <li>Development Planning (Musrenbang).</li> <li>Periodic meetings as needed.</li> <li>Implement Daya program.</li> </ul>	<ul style="list-style-type: none"> <li>Line of Business</li> <li>Customer Service</li> <li>Corporate Communication</li> </ul>

# ABOUT THE REPORT

SMBC Indonesia is committed to publishing sustainability reports in a transparent and accountable manner as a demonstration of our responsibility to stakeholders and our tangible contribution to sustainable development.

10



SMBC Indonesia is committed to publishing a sustainability report annually as a demonstration of its commitment to sustainability and compliance with regulatory requirements. This report is SMBC Indonesia's sixth sustainability report, covering the period from January 1, 2024, to December 31, 2024. There are several restatements from the previous report, as specifically indicated in certain sections or explained in the corresponding table narrative. [\[GRI 2-3\]](#) [\[GRI 2-4\]](#)

## REPORTING STANDARDS

This report has been prepared in accordance with various national and international standards, including:

01	The Global Reporting Initiative (GRI) Standards, with the “in accordance”	Red
02	The GRI Sector Standards for Financial Services	Green
03	Circular Letter No.16/SEOJK.04/2021 issued by the Financial Services Authority (OJK) on the Form and Content of Annual	Blue
04	The Sustainability Accounting Standards Board (SASB) Standards	Brown
05	Sustainable Banking Assessment (SUSBA)	Purple
06	Task Force on Climate-Related Financial Disclosures (TCFD)	Orange

The GRI, OJK, SASB, SUSBA, and TCFD index lists are presented on page 166-178. [\[OJK G.4\]](#)

## ASSURANCE SERVICE

[\[GRI 2-5\]](#) [\[OJK G.1\]](#) [\[SUSBA 1.6.2.10\]](#)

SMBC Indonesia employs assurance services to provide stakeholders with confidence that the information presented in the sustainability report maintains a high degree of reliability and credibility. The selection of the assurance service provider is conducted independently, ensuring impartiality and the absence of any conflicts of interest. The primary focus of this process is to emphasize the quality of evaluation, thereby assuring stakeholders that the sustainability report is both reliable and transparent.



Following a thorough assessment, PT SUCOFINDO has been appointed as the assurer for the SMBC Indonesia Sustainability Report 2024. SMBC Indonesia has no other working relationship with PT SUCOFINDO, other than the relationship and assignment in the process of examining this report. In carrying out its assurance work, PT SUCOFINDO uses the AA 1000 Assurance Standard V3 and IISAE3000 '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 specific sustainability performance information assessed, along with the Independent Assurance Report on this sustainability report, are presented on page 156.

## DETERMINATION OF MATERIAL TOPICS

[GRI 3-1]

Material topics are key issues or subjects that have the most significant impact on the company's sustainability performance in the economic, environmental, and social areas. Material topics are determined based on the 2021 GRI Topic Standards, taking into consideration the financial sector standards. However, as there is no 2021 Financial Sector Standard available, the GRI G4 Financial Sector Standard continues to be used.

The determination of material topics in this report was conducted through the following steps:

- Understanding the business context of SMBC Indonesia
- Identifying existing and potential impacts.
- Assessing the significance of the impacts. SMBC Indonesia engaged stakeholders through a materiality survey to determine these topics, in addition to considering topics relevant to the Financial Sector.
- Subsequently, SMBC Indonesia prioritized the most significant impacts based on the outcomes of steps 2 and 3 above for reporting purposes. In determining the material topics, SMBC Indonesia also collaborated with an external expert, the National Center for Corporate Reporting (NCCR), assisting in monitoring the bank's impacts in the economic, environmental, and social areas.

SMBC Indonesia maintained the same material topics as the previous year, despite variations in the level of materiality for these topics compared to the prior year. The following is a flowchart outlining the process for determining material topics:





## LIST OF MATERIAL TOPICS

[GRI 3-2] [GRI 3-3]

Material Topics	Reasons Why Topics are Material
Economic performance	has a significant impact on increasing national, regional, and stakeholder economic improvement.
Market presence	has a significant impact on human resources, both in the welfare and career of employees.
Indirect economic impacts	has a significant impact on increasing regional economies and community empowerment.
Procurement practices	has a significant impact on the development of the local economy.
Anti corruption	has a significant and major impact on the trust of shareholders, the public, and other stakeholders.
Anti-competitive behavior	has a significant and major impact on the trust of shareholders, the public, and other stakeholders.
Tax	has a significant and major impact on the trust of the public and other stakeholders, as well as compliance with the government.
Energy	has a significant impact on the sustainability of the earth and environmental preservation, in addition to economic savings for SMBC Indonesia.
Emissions	has a significant impact on the sustainability of the earth and environmental preservation, in addition to economic savings for SMBC Indonesia.
Employment	has a significant impact on the comfort and performance of employees.
Education and training	has a significant impact on the comfort and performance of employees as well as the capacity/expertise of employees.
Diversity and equality	has a significant impact on the comfort and performance of employees as well as respect for human rights.
Non-discrimination	has a significant impact on the comfort and performance of employees as well as respect for human rights.
Marketing and labeling	has a significant impact on product improvement and customer trust.
Child labor	has a significant impact on the government, a material topic for the OJK.
Forced or compulsory labor	has a significant impact on the government, a material topic for the OJK.
Customer privacy	has a significant impact on improving services and customer trust.
Security practices	has a significant impact on improving services and customer trust.
Local communities	has a significant impact on improving community welfare and developing products for marginalized communities.
Supplier social assessment	has a significant impact on the enforcement and application of the concept of sustainability by the Company's business relations/vendors.
Marketing and labeling	has a significant impact on improving services and customer trust.
Customer privacy	has a significant impact on improving services and customer trust.
Socio-economic compliance	has a significant impact on the enforcement and application of the concept of sustainability by the Company's business relations/vendors.

## LIST OF MATERIAL TOPICS - SPECIFIC SECTORS

[GRI 3-2] [GRI 3-3]

Material Topic	Reasons Why Topics are Material
Policies with specific environmental and social components applied to business lines	Has a significant impact on the implementation of sustainable finance
Procedures for examining and filtering environmental and social risks in business lines	Has a significant impact on the enforcement and implementation of sustainability concepts by the Company's business relations/vendors, and public trust in the Company.
Processes for monitoring client implementation and compliance with environmental and social requirements	Has a significant impact on the enforcement and implementation of sustainability concepts by the Company's business relations/vendors.
Processes for increasing staff competency in implementing environmental and social policies	Has a significant impact on employee comfort, performance, and the implementation of sustainable finance.
Interaction with clients/investors/business partners regarding environmental and social risks and opportunities	Has a significant impact on the enforcement and implementation of sustainability concepts by the Company's business relations/vendors.
Percentage of portfolio for business lines by region, by size (e.G., Micro/sme/large), and by sector	Has a significant impact on the implementation of sustainable finance.
Monetary value of products and services designed to provide specific social benefits for each business line	Has a significant impact on the implementation of sustainable finance.
Monetary value of products and services designed to provide specific environmental benefits for each business line	Has a significant impact on the implementation of sustainable finance.
Scope and frequency of audits and risk assessment procedures	Has a significant impact on the implementation of sustainable finance.
Percentage and number of companies in the institution's portfolio with which the reporting organization interacts	Has a significant impact on the enforcement and implementation of sustainability concepts by the Company's business relations/vendors.
Percentage of assets in which environmental or social screening is performed positively and negatively	Has a significant impact on the implementation of sustainable finance.
Initiatives to improve access to financial services for persons with disabilities	Has a significant impact on the community and the well-being of persons with disabilities.
Policies for the fair design and sale of products and services	Has a significant impact on the community.

There are several topics that are not deemed material in this report. However, this does not imply that SMBC Indonesia considers these topics to lack a significant role in supporting sustainability or the Bank's sustainability agenda. In the future, the Bank will continue to enhance its efforts and initiatives to expand the sustainability impact of its operations and business activities.

## LIST OF NON-MATERIAL TOPICS

[GRI 3-2] [GRI 3-3]

Non-material Topics	Reasons
Material	SMBC Indonesia does not use specific materials in its business operations.
Water and effluent	SMBC Indonesia does not generate effluents. Domestic wastewater is managed by the building's facilities management.
Biodiversity	SMBC Indonesia does not operate adjacent to protected areas or areas with high biodiversity.
Waste	SMBC Indonesia does not generate significant amounts of hazardous or non-hazardous waste. Most operational waste consists of domestic waste.
Environmental compliance	SMBC Indonesia's business is not directly related to the environment.
Supplier environmental assessment	SMBC Indonesia's suppliers are not directly related to the environment.
Labor-management relations	SMBC Indonesia complies with all applicable laws and regulations in Indonesia, including those related to labor-management relations.
Occupational health and safety	SMBC Indonesia's operations do not involve heavy equipment or specific hazardous situations.
Freedom of association and collective bargaining	SMBC Indonesia complies with all applicable labor laws and regulations. There are no areas within SMBC Indonesia where freedom of association is restricted or threatened.
Rights of indigenous peoples	SMBC Indonesia's work areas are not adjacent to indigenous communities.
Human rights assessment	SMBC Indonesia complies with all applicable labor laws and regulations, and no SMBC Indonesia operations face threats in the area of human rights implementation.
Public policy	SMBC Indonesia is not involved in political activities.
Customer health and safety	SMBC Indonesia's products and services are not physical products that could endanger customers.

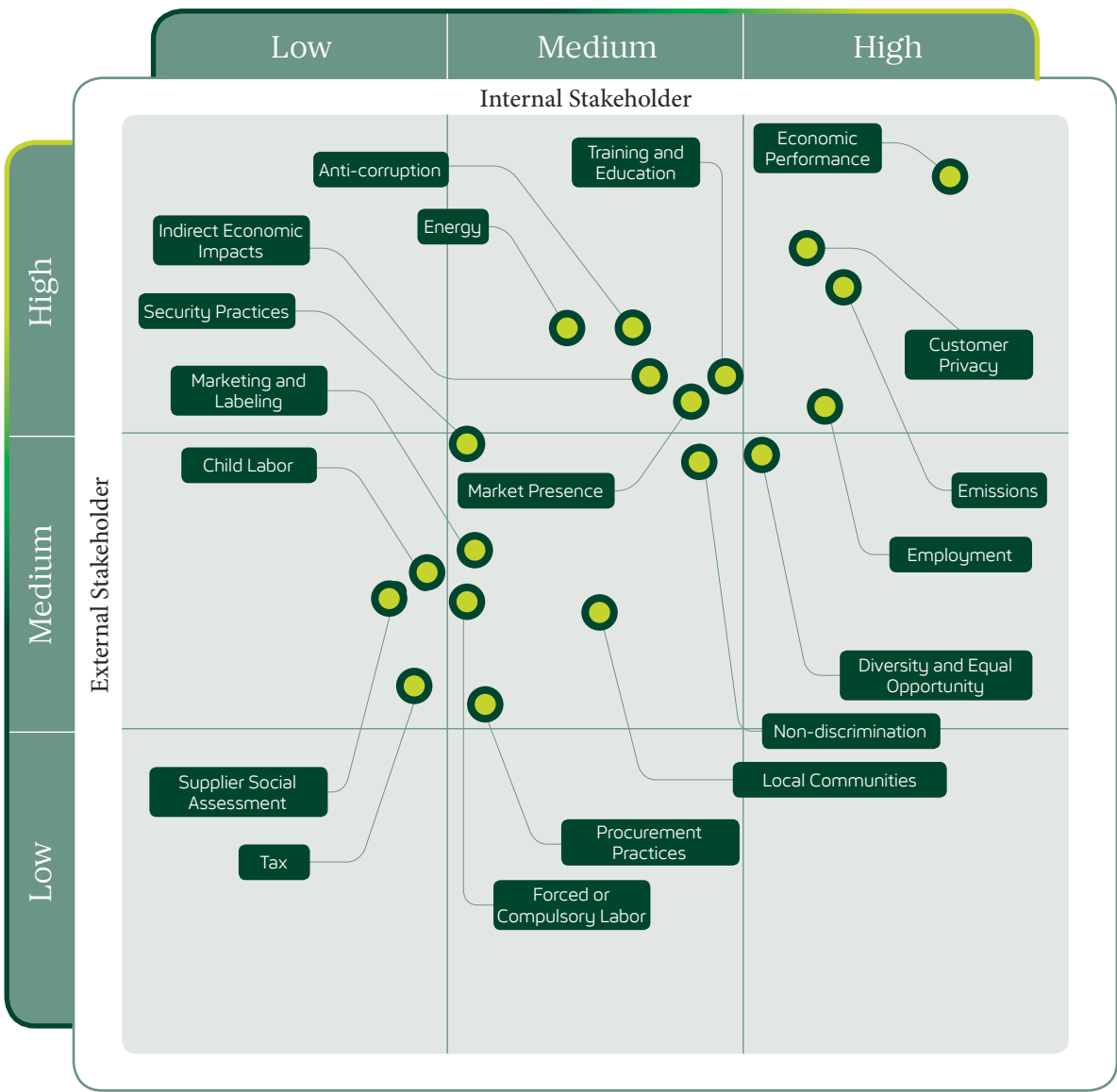
## LIST OF NON-MATERIAL TOPICS - SPECIFIC SECTORS

[GRI 3-2] [GRI 3-3]

Non-Material Topics	Reasons
Voting policies applied to environmental or social issues for shares where the reporting organization has the right to vote or provide voting advice	SMBC Indonesia does not implement decision-making based on voting.
Access points in areas with low population or disadvantaged economic conditions	SMBC Indonesia provides digital banking, so banking services can be accessed by anyone and anywhere.

# MATERIALITY LEVEL

The following graph offers an overview of the materiality level of the topics/issues reported. This graph is based on the results of a materiality assessment survey conducted through questionnaires distributed to stakeholders.



SMBC Indonesia is consistently committed to enhancing the quality of the Sustainability Reports we present. As such, we invite all readers to participate by providing feedback to contribute to the advancement and improvement of our future reports. Regarding the 2023 Sustainability Report, we did not receive any feedback on the published report. [OJK G.3] Suggestions and comments can be submitted by filling out the feedback form or contacting SMBC Indonesia through the following channels: [GRI 2-3] [OJK G.2]

**COMMUNICATIONS & DAYA DIVISION**

**PT Bank SMBC Indonesia Tbk**

Menara SMBC, CBD Mega Kuningan

Jl. Dr. Ide Anak Agung Gde Agung

Kav. 5.5-5.6 Jakarta Selatan - 12950 - Indonesia

Tel. : (62-21) 300 26 200

Fax. : (62-21) 300 26 309

Website : [www.smbci.com](http://www.smbci.com)

Email : [corporate.communications@smbci.com](mailto:corporate.communications@smbci.com)

Linkedin : PT Bank SMBC Indonesia Tbk



IAC0412503SN



**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 SMBC Indonesia Tbk 2024 ("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, 24 Maret 2025

The National Center for Corporate Reporting has conducted a GRI Standards and SEOJK 16/OJK.04/2021 in Accordance Check on PT Bank SMBC Indonesia Tbk Sustainability Report 2024 ("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, March 24, 2025

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 Statement

### No. 0431/KSP-III/2025

#### To the management and stakeholders of PT Bank SMBC Indonesia Tbk,

We were engaged by PT Bank SMBC Indonesia Tbk ('SMBC INDONESIA') to provide assurance regarding its Sustainability Report 2024 ('the Report'). The assurance engagement was conducted by our assurance team, which possesses extensive relevant professional and technical competencies and experience. The team comprised certified sustainability reporting specialists and certified sustainability reporting assurers to ensure a high level of competency in executing 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 SMBC INDONESIA during 2024 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 and International Standard on Assurance Engagements ISAE 3000 (Revised), 'Assurance Engagements other than Audits or Reviews of Historical Financial Information,' issued by the International Auditing and Assurance Standards Board.

By designing our evidence-gathering procedures to obtain a moderate level of assurance as set out in AA1000AS v3, 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, SMBC INDONESIA's adherence to the AccountAbility Principles (AP) was evaluated in accordance with the criteria of AA1000AP (2018) on Inclusivity, Materiality, Responsiveness, and Impact. In addition, the Report, within the agreed scope, has been assessed according to the GRI Standards criteria.

#### 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.

#### Responsibility

SMBC INDONESIA 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 performance actions.

In performing this engagement, meanwhile, our responsibility to the management of SMBC INDONESIA 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

In order to assess the veracity of certain assertions and specified data sets included within the Report, as well as the systems and processes used to manage and report them, the following methods were employed during the engagement process:

Reviews were conducted on the Report, internal policies, documentation, management and information systems, and included interviews with relevant staff in sustainability-related management and reporting. This also involved following data trails to the initial aggregated source and checking data samples in greater depth.

#### Scope of Assurance

We provided a Type 2 assurance engagement under AA1000AS v3. This involved:

- 1) Assessment of SMBC INDONESIA' adherence to the AA1000AP (2018); and
- 2) Assessment of the accuracy and quality of the specified sustainability performance information contained within the Report, in relation to the agreed scope of 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

Conclusions in regard to adherence to the AA1000AP (2018) of Inclusivity, Materiality, Responsiveness, and Impact include the following findings:

#### Inclusivity

SMBC INDONESIA has shown dedication to fostering an inclusive workplace through its efforts to advance diversity, equity, and fairness. The evaluation indicates that the company has implemented well-defined policies and procedures tailored to accommodate the varied needs and backgrounds of stakeholders. Additionally, SMBC INDONESIA has established effective communication channels and feedback mechanisms to gather input from stakeholders.

**PT SUCOFINDO**  
**HEAD OFFICE**  
 Graha SUCOFINDO  
 Jl. Raya Pasar Minggu Kav. 34  
 Jakarta - 12780

(62-21) 7983666  
 customer.service@sucofindo.co.id  
 @SUCOFINDOOFFICIAL SUCOFINDO

www.sucofindo.co.id



To further strengthen its inclusivity commitments, SMBC INDONESIA should consider developing targeted strategies to attract and retain a diverse workforce. This could involve reinforcing inclusive practices and revising current policies to better address inclusivity gaps and mitigate risks of bias or discrimination. It is also recommended that SMBC INDONESIA deepen stakeholder engagement and trust, which will contribute to enhanced business resilience and long-term sustainability.

### Materiality

Our assessment indicates that SMBC INDONESIA has demonstrated a sound understanding of material factors influencing both its stakeholders and business operations. The organization has successfully pinpointed core material issues pertinent to its activities and integrated these into its sustainability reporting framework.

To advance its adherence to materiality principles, we recommend that SMBC INDONESIA conduct periodic assessments to systematically identify and prioritize sustainability-related factors that directly inform and strengthen strategic decision-making processes. This proactive approach will ensure alignment with evolving stakeholder expectations and enhance the robustness of its sustainability initiatives.

### Responsiveness

SMBC INDONESIA has demonstrated a robust commitment to stakeholder engagement by addressing concerns transparently through established structured mechanisms and ensuring timely follow-up. The evaluation revealed that the company's proactive engagement with stakeholders and local communities has fostered meaningful relationships and cultivated a culture of mutual trust and collaborative partnership.

However, SMBC INDONESIA is encouraged to further refine its responsiveness framework by prioritizing deeper collaboration with stakeholders. This includes integrating more inclusive dialogue platforms, aligning engagement strategies with evolving stakeholder expectations, and adopting best practices for conflict resolution. Strengthening these efforts will reinforce accountability, enhance stakeholder confidence, and ensure long-term resilience in addressing sustainability challenges.

### Impact

SMBC INDONESIA has shown a proactive approach to addressing stakeholder priorities and fostering meaningful engagement with local communities. These efforts have enabled the company to sustain a favorable reputation and cultivate trust-based relationships with stakeholders. SMBC INDONESIA prioritizes the

measurement and transparent reporting of social performance indicators, aiming to mitigate adverse effects while enhancing positive outcomes for communities and stakeholders.

To amplify its impact, SMBC INDONESIA is recommended to extend its sustainability initiatives to its supply chain partners. Strategic collaboration could drive reductions in carbon emissions, waste production, and ecosystem harm, aligning with broader environmental stewardship goals. Strengthening supply chain sustainability would further solidify the company's leadership in responsible business practices and contribute to systemic environmental improvements.

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 SMBC INDONESIA management in a separate report.

Jakarta, February 28th, 2025

PT Sucofindo  
Engagement Leader

**Syaeful Bahrie**

Certified Assurance Practitioner No. 10024117

Certified Sustainability Reporting Assurer No. A-PK213-2501-008



Sucofindo is an independent and state-owned company based in Indonesia that offers a wide range of inspection, testing of industrial products, marine survey, quality assurance and quality control, certification of management system 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.



**PT SUCOFINDO**  
**HEAD OFFICE**  
Graha SUCOFINDO  
Jl. Raya Pasar Minggu Kav. 34  
Jakarta - 12780



(62-21) 7983666  
customer.service@sucofindo.co.id  
@SUCOFINDOOFFICIAL

www.sucofindo.co.id




www.sucofindo.co.id

## SDGs Links in GRI Standards




SDG's	Business Theme	GRI Standard Relevance	Disclosure	Title Disclosure	Page
 <b>No Poverty</b> End poverty in all its forms everywhere	Income, salary and benefits	GRI 202: Market Presence (2016)	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	105
	Economic Development in areas of high poverty	GRI 203: Indirect Economic Impacts (2016)	203-2	Significant indirect economic impacts	85, 92
		GRI 207: Tax (2019)	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	92
 <b>No Hunger</b> End hunger, achieve food security and improved nutrition and promote sustainable agriculture	Economic Performance	GRI 201: Economic Performance (2016)	201-1	Direct economic value generated and distributed	67, 141
	Economic Development in areas of high poverty	GRI 203: Indirect Economic Impacts (2016)	203-2	Significant indirect economic impacts	85, 92
	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	92
 <b>Good Health and Well-Being</b> Ensure healthy lives and promote wellbeing for all at all ages	Economic development in areas of the highest poverty	GRI 203: Indirect Economic Impacts (2016)	203-2	Significant indirect economic impacts	92
	Air Quality	GRI 305: Emission (2016)	305-1	Direct (Scope 1) GHG emissions	119
			305-2	Energy indirect (Scope 2) GHG emissions	119
			305-3	Other indirect (Scope 3) GHG emissions	119
			305-6	Emissions of ozone depleting substances (ODS)	119
			305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	119
	Well-being	GRI 401: Employment (2016)	401-2	Benefits provided to fulltime employees that are not provided to temporary or part-time employees	105




SDG's	Business Theme	GRI Standard Relevance	Disclosure	Title Disclosure	Page
 <b>Quality Education</b> Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	Training and education	GRI 404: Training and Education (2016)	404-1	Average hours of training per year per employee	108, 109
			404-2	Programs for upgrading employee skills and transition assistance programs	107
 <b>Gender Equality</b> Achieve gender equality and empower all women and girls	Equal opportunity	GRI 2: General Disclosure (2021)	2-9	Governance structure and composition	127, 128
			2-10	Nomination and selection of the highest governance body	129
	Gender equality	GRI 202: Market Presence (2016)	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	105
		GRI 203: Indirect Economic Impacts (2016)	203-1	Infrastructure investments and services supported	86, 90
		GRI 401: Employment (2016)	401-1	New employee hires and employee turnover	103, 104
			401-2	Benefits provided to fulltime employees that are not provided to temporary or part-time employees	105
			401-3	Parental leave	106
		GRI 404: Education and Training (2016)	404-3	Percentage of employees receiving regular performance and career development reviews	112
		GRI 405-1: Diversity and Equal Opportunity (2016)	405-1	Diversity of governance bodies and employees	100, 101
			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	100
	Social impact of suppliers	GRI 414: Supplier Social Assessment (2016)	414-1	New suppliers that were screened using social criteria	68
			414-2	Negative social impacts in the supply chain and actions taken	68




SDG's	Business Theme	GRI Standard Relevance	Disclosure	Title Disclosure	Page
<b>6</b> CLEAN WATER AND SANITATION  <b>Clean Water and Sanitation</b> Ensure availability and sustainable management of water and sanitation for all					
<b>7</b> RENEWABLE ENERGY  <b>Affordable and Clean Energy</b> Ensure access to affordable, reliable, sustainable and modern energy for all	Energy Efficiency	GRI 302: Energy (2016)	302-1	Energy consumption within the organization	117
			302-2	Energy consumption outside of the organization	117
			302-3	Energy intensity	117
			302-4	Reduction of energy consumption	117
			302-5	Reductions in energy requirements of products and services	117
<b>8</b> GOOD JOBS AND ECONOMIC GROWTH  <b>Decent Work and Economic Growth</b> Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	Work opportunity	GRI 102: General Disclosure (2021)	2-7	Employees	99
			2-8	Workers who are not employees	99
	Economic improvement	GRI 201: Economic Performance (2016)	201-1	Direct economic value generated and distributed	67, 141
	Income, wages, and benefits	GRI 202: Market Presence (2016)	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	105
			202-2	Proportion of senior management hired from the local community	101
		GRI 203: Indirect Economic Impacts (2016)	203-2	Significant indirect economic impacts	85, 92
		GRI 204: Procurement Practices (2016)	204-1	Proportion of spending on local suppliers	69
		GRI 302: Energy (2016)	302-1	Energy consumption within the organization	117
			302-2	Energy consumption outside of the organization	117
			302-3	Energy intensity	117
			302-4	Reduction of energy consumption	117
			302-5	Reductions in energy requirements of products and services	117


SDG's	Business Theme	GRI Standard Relevance	Disclosure	Title Disclosure	Page
		GRI 401: Employment (2016)	401-1	New employee hires and employee turnover	103, 104
			401-2	Benefits provided to fulltime employees that are not provided to temporary or part-time employees	105
			401-3	Parental leave	106
	Training and Education	GRI 404: Training and Education (2016)	404-1	Average hours of training per year per employee	108, 109
			404-2	Programs for upgrading employee skills and transition assistance programs	107
			404-3	Percentage of employees receiving regular performance and career development reviews	112
		GRI 405: Diversity and Equal Opportunity (2016)	405-1	Diversity of governance bodies and employees	100, 101
			405-2	Ratio of basic salary and remuneration of women to men.	100
		GRI 406: Non-discrimination (2016)	406-1	Incidents of discrimination and corrective actions taken	100
		GRI 408: Child Labor (2016)	408-1	Operations and suppliers at significant risk for incidents of child labor	107
		GRI 409: Forced or Compulsory Labor (2016)	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	107
		GRI 414: Supplier Social Assessment (2016)	414-1	New suppliers that were screened using social criteria	68
			414-2	Negative social impacts in the supply chain and actions taken	68
 <b>Industry, Innovation and Infrastructure</b> Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation	Economic Performance	GRI 201: Economic Performance	201-1	Direct economic value generated and distributed	67, 141
	Economic Development in areas of high poverty	GRI 203: Indirect Economic Impacts	203-1	Indirect economic impact	86, 90

SDG's	Business Theme	GRI Standard Relevance	Disclosure	Title Disclosure	Page
 <b>Reduced Inequalities</b> Reduce inequality within and among countries	Employment Opportunities	GRI 102: General Disclosure (2021)	2-7	Employees	99
			2-8	Workers who are not employees	99
	Economic Development in areas of high poverty	GRI: Tax (2019)	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
		GRI 401: Employment (2016)	401-1	New employee hires and employee turnover	103, 104
		GRI 404: Training and Education (2016)	404-1	Average hours of training per year per employee	108, 109
			404-3	Percentage of employees receiving regular performance and career development reviews	112
		GRI 405: Diversity and Equal Opportunity	405-2	Ratio of	100
 <b>Sustainable Cities and Communities</b> Make cities and human settlements inclusive, safe, resilient and sustainable	Infrastructure Investments	GRI 203: Indirect Economic Impacts (2016)	203-1	Indirect economic impact	86, 90
 <b>Responsible Consumption and Production</b> Ensure sustainable consumption and production patterns	Energy Utilization	GRI 302: Energy (2016)	302-1	Energy consumption within the organization	117
			302-3	Energy intensity	117
			302-4	Reduction of energy consumption	117
			302-5	Reductions in energy requirements of products and services	117
	Air Quality	GRI 305: Emission (2016)	305-1	Direct (Scope 1) GHG emissions	119
			305-2	Energy indirect (Scope 2) GHG emissions	119
			305-3	Other indirect (Scope 3) GHG emissions	119
			305-6	Emissions of ozone depleting substances (ODS)	119
			305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	119
	Information and Labeling of products and services	GRI 417: Marketing and Labeling (2016)	417-1	Requirements for product and service information and labeling	80

SDG's	Business Theme	GRI Standard Relevance	Disclosure	Title Disclosure	Page
 <p><b>Climate Action</b></p> <p>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, 141
	Energy use	GRI 302: Energy (2016)	302-1	Energy consumption within the organization	117
			302-2	Energy consumption outside of the organization	117
			302-3	Energy intensity	117
			302-4	Reduction of energy consumption	117
			302-5	Reductions in energy requirements of products and services	117
	Air Quality	GRI 305: Emissions (2016)	305-1	Direct (Scope 1) GHG emissions	119
			305-2	Energy indirect (Scope 2) GHG emissions	119
			305-3	Other indirect (Scope 3) GHG emissions	119
			305-4	GHG emissions intensity	119
			305-5	Reduction of GHG emissions	118
 <p><b>Live Below Water</b></p> <p>Conserve and sustainably use the oceans, seas and marine resources for sustainable development</p>	Air Quality	GRI 305: Emissions (2016)	305-1	Direct (Scope 1) GHG emissions	119
			305-2	Energy indirect (Scope 2) GHG emissions	119
			305-3	Other indirect (Scope 3) GHG emissions	119
			305-4	GHG emissions intensity	119
			305-5	Reduction of GHG emissions	118
			305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	119
 <p><b>Life on Land</b></p> <p>Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss</p>	Air Quality	GRI 305: Emissions (2016)	305-1	Direct (Scope 1) GHG emissions	119
			305-2	Energy indirect (Scope 2) GHG emissions	119
			305-3	Other indirect (Scope 3) GHG emissions	119
			305-4	GHG emissions intensity	119
			305-5	Reduction of GHG emissions	118
			305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	119

SDG's	Business Theme	GRI Standard Relevance	Disclosure	Title Disclosure	Page
 <p><b>Peace, Justice and Strong Institutions</b></p> <p>Promote peaceful and inclusive communities for sustainable development, provide access to justice for all, and build effective, accountable and inclusive institutions at all levels</p>	Governance	GRI 102: General Disclosure (2021)	2-9	Governance structure and composition	127, 128
			2-10	Nomination and selection of the highest governance body	129
			2-11	Chair of the highest governance body	128
			2-15	Conflicts of interest	129
			2-17	Collective knowledge of the highest governance body	138
			2-19	Remuneration policies	139
			2-22	Statement on sustainable development strategy	4, 23, 51, 54
			2-23	Policy commitments	130, 131
			2-24	Embedding policy commitments	130, 132
			2-25	Process to remediate negative impacts	133
			2-26	Mechanisms for seeking advice and raising concerns	133
			2-27	Compliance with laws and regulations	76, 140
	Anti-corruption	GRI 205: Anti-corruption (2016)	205-1	Operations assessed for risks related to corruption	135
			205-2	Communication and training about anticorruption policies and procedures	136, 137
			205-3	Confirmed incidents of corruption and actions taken	137
		GRI 206: Anti-Competitive Behavior (2016)	206-1	Legal actions for anticompetitive behavior, anti-trust, and monopoly practices	140
		GRI 408: Child Labor (2016)	408-1	Operations and suppliers at significant risk for incidents of child labor	107
		GRI 410: Security Practices (2016)	410-1	Security personnel trained in human rights policies or procedures	112
		GRI 414: Supplier Social Assessment (2016)	414-1	New suppliers that were screened using social criteria	68
			414-2	Negative social impacts in the supply chain and actions taken	68
		GRI 417: Marketing and Labeling (2016)	417-2	Incidents of noncompliance concerning product and service information and labeling	80



SDG's	Business Theme	GRI Standard Relevance	Disclosure	Title Disclosure	Page
 <p><b>Partnership for the Goals</b></p> <p>Strengthen the means of implementation and revitalize the global partnership for sustainable development</p>			417-3	Incidents of non-compliance concerning marketing communications	80
		GRI 418: Customer Privacy (2016)	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	79, 140
	Tax	GRI: Tax (2019)	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

## GRI Content Index

Statement of use	SMBC Indonesia has reported in accordance with GRI Standards for the period of January 1, 2024, to December 31, 2024.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard	GRI G4 Financial Services Sector Disclosure

Standard GRI	No.	Disclosure	Page
		Title	
<b>GRI 2 General Disclosure 2021</b>	THE ORGANIZATION AND ITS REPORTING PRACTICES		
	2-1	Organizational details	32, 33, 34
	2-2	Entities included in the organization's sustainability reporting	33
	2-3	Reporting period, frequency and contact point	148
	2-4	Restatements of information	148
	2-5	External assurance	148
	ACTIVITIES AND WORKERS		
	2-6	Activities, value chain and other business relationships	32, 33, 36, 68, 72
	2-7	Employees	99
	2-8	Workers who are not employees	99
	GOVERNANCE		
	2-9	Governance structure and composition	127, 128
	2-10	Nomination and selection of the highest governance body	129
	2-11	Chair of the highest governance body	128
	2-12	Role of the highest governance body in overseeing the management of impacts	128
	2-13	Delegation of responsibility for managing impacts	50
	2-14	Role of the highest governance body in sustainability reporting	129
	2-15	Conflicts of interest	129
	2-16	Communication of critical concerns	138
	2-17	Collective knowledge of the highest governance body	138
	2-18	Evaluation of the performance of the highest governance body	138
	2-19	Remuneration policies	139
	2-20	Process to determine remuneration	139
	2-21	Annual total compensation ratio	139
	STRATEGY, POLICIES AND PRACTICES		
	2-22	Statement on sustainable development strategy	4, 23, 51, 54
	2-23	Policy commitments	130, 131
	2-24	Embedding policy commitments	130, 132
	2-25	Processes to remediate negative impacts	133
	2-26	Mechanisms for seeking advice and raising concerns	133
	2-27	Compliance with laws and regulations	76, 140
	2-28	Membership associations	36
	STAKEHOLDER ENGAGEMENT		
	2-29	Approach to stakeholder engagement	144
	2-30	Collective bargaining agreements	107

Standard GRI	No.	Disclosure	Page
		Title	
GRI 3: Material Topics 2021	MATERIAL TOPICS		
	3-1	Process to determine material topics	76
	3-2	List of material topics	150, 151, 152
	3-3	Management of material topics	150, 151, 152
SPECIFIC TOPIC DISCLOSURE			
GRI 3: Material Topics 2021	ECONOMIC PERFORMANCE		
	3-3	Management of material topics	150, 151, 152
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	67, 141
	201-2	Financial implications and other risks and opportunities due to climate change	72
	201-3	Defined benefit plan obligations and other retirement plans	107
	201-4	Financial assistance received from government	67
GRI 3: Material Topics 2021	MARKET PRESENCE		
	3-3	Management of material topics	150, 151, 152
GRI 202: Market Presence 2016	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	105
	202-2	Proportion of senior management hired from the local community	101
GRI 3: Material Topics 2021	INDIRECT ECONOMIC IMPACT		
	3-3	Management of material topics	150, 151, 152
GRI 203: Indirect Economic Impact 2016	203-1	Infrastructure investments and services supported	86, 90
	203-2	Significant indirect economic impacts	85, 92
GRI 3: Material Topics 2021	PROCUREMENT PRACTICES		
	3-3	Management of material topics	150, 151, 152
GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers	69
GRI 3: Material Topics 2021	ANTI-CORRUPTION		
	3-3	Management of material topics	150, 151, 152
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	135
	205-2	Communication and training about anti-corruption policies and procedures	136, 137
	205-3	Confirmed incidents of corruption and actions taken	137
GRI 3: Material Topics 2021	ANTI-COMPETITIVE BEHAVIOR		
	3-3	Management of material topics	150, 151, 152
GRI 206: Anti-Competitive Behavior	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	140
GRI 3: Material Topics 2021	TAX		
	3-3	Management of material topics	150, 151, 152
GRI 207: Tax 2019	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
GRI 3: Material Topics 2021	ENERGY		
	3-3	Management of material topics	150, 151, 152
GRI 302: Energy 2016	302-1	Energy consumption within the organization	117
	302-2	Energy consumption outside of the organization	117
	302-3	Energy intensity	117
	302-4	Reduction of energy consumption	117
	302-5	Reductions in energy requirements of products and services	117



Standard GRI	No.	Disclosure	Page
		Title	
GRI 3: Material Topics 2021	EMISSIONS		
	3-3	Management of material topics	150, 151, 152
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	119
	305-2	Energy indirect (Scope 2) GHG emissions	119
	305-3	Other indirect (Scope 3) GHG emissions	119
	305-4	GHG emissions intensity	119
	305-5	Reduction of GHG emissions	118
	305-6	Emissions of ozone-depleting substances (ODS)	119
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	119
GRI 3: Material Topics 2021	EMPLOYMENT		
	3-3	Management of material topics	150, 151, 152
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	103, 104
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	105
	401-3	Parental leave	106
GRI 3: Material Topics 2021	TRAINING AND EDUCATION		
	3-3	Management of material topics	150, 151, 152
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	108, 109
	404-2	Programs for upgrading employee skills and transition assistance programs	107
	404-3	Percentage of employees receiving regular performance and career development reviews	112
GRI 3: Material Topics 2021	DIVERSITY AND EQUAL OPPORTUNITY		
	3-3	Management of material topics	150, 151, 152
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	100, 101
	405-2	Ratio of basic salary and remuneration of women to men	100
GRI 3: Material Topics 2021	NON-DISCRIMINATION		
	3-3	Management of material topics	150, 151, 152
GRI 406: Non-Discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	100
GRI 3: Material Topics 2021	CHILD LABOR		
	3-3	Management of material topics	150, 151, 152
GRI 408: Child Labor 2016	408-1	Operations and suppliers at significant risk for incidents of child labor	107
GRI 3: Material Topics 2021	FORCED OR COMPULSORY LABOR		
	3-3	Management of material topics	150, 151, 152
GRI 409: Forced or Compulsory Labor 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	107
GRI 3: Material Topics 2021	SECURITY PRACTICES		
	3-3	Management of material topics	150, 151, 152
GRI 410: Security Practices 2016	410-1	Security personnel trained in human rights policies or procedures	112
GRI 3: Material Topics 2016	LOCAL COMMUNITIES		
	3-3	Manajemen Topik MaterialManagement of material topics	150, 151, 152
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact as-sessments, and development programs	92
	413-2	Operations with significant actual and potential negative im-pacts on local communities.	92
GRI 3: Material Topics 2016	SUPPLIER SOCIAL ASSESSMENT		
	3-3	Management of material topics	150, 151, 152

Standard GRI	No.	Disclosure	Page
		Title	
GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	68
	414-2	Negative social impacts in the supply chain and actions taken	68
GRI 3: Material Topics 2021	MARKETING AND LABELING		
	3-3	Management of material topics	150, 151, 152
GRI 417: Marketing and Labeling 2016	417-1	Requirements for product and service information and labeling	80
	417- 2	Incidents of non-compliance concerning product and service information and labeling	80
	417-3	Incidents of non-compliance concerning marketing communications	80
GRI 3:Material Topics 2016	CUSTOMER PRIVACY		
	3-3	Management of material topics	150, 151, 152
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	79, 140



## GRI Standard - Financial Sector (FS) Disclosure

### FINANCIAL SECTOR DISCLOSURE

Page

#### PRODUCT PORTFOLIO

FS1	Policies with specific environmental and social components applied to business lines	76, 171
FS2	Procedures for assessing and screening environmental and social risks in business lines	46
FS3	Processes for monitoring clients' implementation of and compliance with environmental and social requirements	49
FS4	Process(es) for improving staff competency to implement the environmental and social policies and procedures as applied to business lines	109, 110
FS5	Interactions with clients/ investees/business partners regarding environmental and social risks and opportunities	46, 61
FS6	Percentage of the portfolio for business lines by specific region, Size (e.g. micro/SME/large) and by sector	66
FS7	Monetary value of products and services designed to deliver a specific social benefit for each business line	65
FS8	Monetary value of products and services designed to deliver a specific environmental benefit for each business line	68

#### AUDIT

FS9	Coverage and frequency of audits and risk assessment procedures	67
-----	---	----

#### ACTIVE OWNERSHIP

FS10	Percentage and number of companies held in the institution's portfolio with which the reporting organization has interacted on environmental or social issue	64
FS11	Percentage of assets subject to positive and negative environmental or social screening	45, 46

#### LOCAL COMMUNITY

FS13	Access points in low-populated or economically disadvantaged areas	63, 76
FS14	Initiatives to improve access to financial services for people with disabilities	76

#### PRODUCT RESPONSIBILITY

FS15	Policies for the fair design and sale of financial products and services	76
FS16	Initiatives to enhance financial literacy by type of beneficiary	84

#### OCCUPATIONAL HEALTH AND SAFETY

G4-DMA	Occupational Health and Safety	102
--------	--------------------------------	-----

#### EFFLUENTS AND WASTE

G4-EN23	Total weight of waste by type and disposal method	120
---------	---	-----

## SE OJK Index No.16/2021

List of Disclosure ini Accordance with POJK Number 51/POJK.03/2017 regarding the implementation of Sustainable Finance for Financial Service Institutions, Issuers, and Public Companies

Index Number	Index Name	Page
	<b>Sustainability Strategy</b>	
A.1	Sustainability Strategy Statement	51
	<b>Sustainability Performance Highlights</b>	
B.1	Economic Performance Overview	6, 67
B.1.a	Quantity of sold production or service	7, 36
B.1.b	Income or sales	6, 36
B.1.c	Net profit or loss	6
B.1.d	Eco-friendly product	8, 63
B.1.e	Involving local parties related to the Sustainable Finance business process	7
B.2	Environmental Performance Overview	12
B.2.a	Energy usage	12
B.2.b	Result of the emissions reduction	12
B.2.c	Waste and effluent reduction	13
B.3	Social Performance Overview which describe the positive and negative impacts of the implementation of Sustainable Finance on society and the environment.	9, 11
	<b>Company Profile</b>	
C.1	Vision, mission, and sustainability values	4
C.2	Company address	33
C.3	Scale of organisation	36
C.3.a	Total assets or asset capitalisation and total liabilities	36
C.3.b	Number of employees by gender, position, age, education, and status	99, 100, 101
C.3.c	Percentage of share ownership	32
C.3.d	Operational area	34
C.4	Products, services, and business activities undertaken	32, 72
C.5	Membership in the association	36
C.6	Significant change in organisation	33
	<b>Report of the Board of Directors</b>	
D.1.a	Policies to respond to challenges in fulfilling the sustainability strategy	27
D.1.b	Sustainable finance implementation	28
D.1.c	Target achievement strategy	29
	<b>Sustainability Governance</b>	
E.1	Person in charge of sustainable finance implementation	50
E.2	Competency development related to sustainable finance	109, 110, 111, 138

Index Number	Index Name	Page
E.3	Risk assessment on the sustainable finance implementation	46, 140
E.4	Relations with stakeholders	144
E.5	Issues against the sustainable finance implementation	29, 68
	<b>Sustainability Performance</b>	
F.1	Activities to build a culture of sustainability	96
	<b>Economic Performance</b>	
F.2	Comparison of production targets and performance, portfolios, financing targets, or Investments, income and profit and loss	62, 64
F.3	Comparison of portfolio targets and performance, financing targets, or investments in financial Instruments or projects that are in compliance with sustainability	64, 65
F.4	Environmental Costs	122
	<b>Energy Aspect</b>	
F.6	Amount and intensity of used energy	117
F.7	Attempts and achievement of energy efficiency and use of renewable energy	116, 117
	<b>Water Aspect</b>	
F.8	Water usage	121
	<b>Emission Aspect</b>	
F.11	Amount and intensity of resulting emissions by type	119
F.12	Emission reduction efforts and achievements conducted	118
	<b>Waste and Effluent Aspect</b>	
F.13	Amount of waste and effluent generated by type	120, 121
F.14	Waste and effluent management mechanisms	121
	<b>Social Performance</b>	
F.17	Commitment of financial services institutions, issuers, or public companies to provide equal Services for products and/or services to customers	76
	<b>Employment Aspect</b>	
F.18	Equal opportunity to work	100
F.19	Child labour and forced labour	107
F.20	Regional minimum wage	105
F.21	Decent and safe work environment	101
F.22	Training and capacity building for employees	108
	<b>Community Aspect</b>	
F.23	Impact of operations on the surrounding communities	61, 84, 85, 87
F.24	Public complaints	77, 92
F.25	Environmental social responsibility (CSR) activities	84, 85, 87

Index Number	Index Name	Page
	<b>Responsibility for Sustainable Product/Service Development</b>	
F.26	Sustainable financial product/service innovation and development	64
F.27	Products/services safety that have been evaluated for customers	76, 80
F.28	Impacts of product/service	72
F.29	Number of product recalls	76
F.30	Customer satisfaction survey of sustainable financial products and/or services	80
	<b>Others</b>	
G.1	Written verification from an independent party, if available	148
G.2	Feedback sheet	153, 181
G.3	Responses to the preceding year's report feedback	153
G.4	List of disclosure in accordance with POJK No. 51/2017	148

## SASB – Financial Sector Index

Data Security		Page
FN-CB-230a.1	1) Number of data breaches, (2) percentage involving personally identifiable information (PII), (3) number of account holders affected	79
FN-CB-230a.2	Description of approach to identifying and addressing data security risks	78
Financial Inclusion & Capacity Building		
FN-CB-240a.1	(1) Number and (2) amount of loans outstanding qualified to programs designed to promote small business and community development	66
FN-CB-240a.2	(1) Number and (2) amount of past due and non-accrual loans qualified to programs designed to promote small business and community development	66
FN-CB-240a.4	Number of participants in financial literacy initiatives for unbanked, underbanked, or underserved customers	84,87
Incorporation of Environmental, Social, and Governance Factors in Credit Analysis		
FN-CB-410a.1	Commercial and industrial credit exposure, by industry	66
FN-CB-410a.2	Description of approach to incorporation of environmental, social, and governance (ESG) factors in credit analysis	46
Business Ethics		
FN-CB-510a.1	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behavior, market manipulation, malpractice, or other related financial industry laws or regulations	140
FN-CB-510a.2	Description of whistleblower policies and procedures	133
Systemic Risk Management		
FN-CB-550a.1	Global Systemically Important Bank (G-SIB) score, by category	67
FN-CB-550a.2	Description of approach to incorporation of results of mandatory and voluntary stress tests into capital adequacy planning, long-term corporate strategy, and other business activities	141
Activity Metric		
FN-CB-000.A	(1) Number and (2) value of checking and savings accounts by segment: (a) personal and (b) small business	86
FN-CB-000.B	(1) Number and (2) value of loans by segment: (a) personal, (b) small business, and (c) corporate	66



## SUSBA Index

Criteria		Page
<b>1) Purpose - Sustainability strategy</b>		
1.1.1	Is there a clear reference to sustainability in the bank's strategy and long-term vision?	26, 52
1.1.2	Does the bank clearly recognize that its E&S footprint includes the indirect effects arising from its business activities (e.g. financing, underwriting, advising) and portfolio?	26, 51
1.1.3	Does the leadership statement make reference to the integration of E&S factors in the bank's business strategy?	28
1.1.4	Is there a clear reference to sustainable development goals (SDGs) in the bank's strategy or vision?	26, 54
1.1.5	Does the bank explicitly acknowledge the societal and economic risks associated with climate change?	23, 26
1.1.6	Does the bank explicitly acknowledge the societal and economic risks associated with environmental degradation?	25, 28
1.1.7	Has the bank identified responsible financing/lending and/or other key E&S issues as material?	26, 43
<b>2) Purpose - Stakeholder engagement and participation in sustainable finance initiatives</b>		
1.1.2.1	Does the bank disclose the types of stakeholders it engages with on E&S issues?	45, 144
1.1.2.2	Does the bank engage with civil society and/or non-governmental organisations to understand the E&S impacts of its business activities?	62, 144
1.1.2.3	Does the bank disclose the frequency and mode of communication with stakeholders engaged on E&S issues?	144
1.1.2.4	Does the bank engage with regulators and policy makers on E&S integration and/or sustainable finance topics?	144
1.1.2.5	Does the bank participate in relevant commitment-based sustainable finance initiatives such as RSPO, PRB, EP, SBTi, or SBEFP?	45
<b>3) Policies - Public statements on specific E&amp;S issues</b>		
1.2.1.1	Does the bank have exclusionary principles covering activities the bank will not support, taking into account E&S considerations?	45, 144
1.2.1.2	Does the bank require clients highly exposed to climate-related risks to develop a mitigation plan and ultimately align their activities to the objectives of the Paris Agreement?	62, 144
1.2.1.3	Does the bank prohibit the financing of new coal-fired power plant projects?	144
1.2.1.4	Does the bank acknowledge nature-related financial risks such as biodiversity loss and/or deforestation risks in its clients' activities?	144
1.2.1.5	Does the bank require clients in sectors highly exposed to deforestation (e.g. soft commodities, infrastructure, extractives industry) to adopt "no deforestation" commitments in both their own operations and supply chains, in accordance with the High Conservation Value or High Carbon Stock approaches?	45
1.2.1.16	Does the bank have policies and procedures in place in order to seek to identify exposure to illicit activity involving wildlife and environmental crimes?	143
1.2.1.6	Does the bank require clients in sectors highly exposed to conversion of natural ecosystems (e.g. soft commodities, infrastructure, extractives industry) to adopt "no conversion" commitments in both their own operations and supply chains, in accordance with the principles of the Accountability Framework Initiative?	43
1.2.1.8	Does the bank require clients in marine-related industries to obtain certification from or otherwise support relevant multistakeholder sustainability standards (e.g. ASC, MSC, SuRe) to ensure the sustainable use of oceans, seas and marine resources?	45
1.2.1.9	Does the bank have a commitment not to provide financial products and services to projects or companies located in, or having negative impacts on, key biodiversity and protected areas, including UNESCO World Heritage Sites, IUCN Category I-IV Protected Areas and Wetlands of International Importance designated under the Ramsar Convention on Wetlands?	43
1.2.1.10	Does the bank recognize water risks (flooding, scarcity, and pollution) as risks in its clients' activities?	28



Criteria		Page
1.2.1.11	Does the bank require clients in high-risk sectors and geographies to perform water risk assessments and commit to water stewardship?	45, 47
1.2.1.12	Does the bank recognize human rights risks, including those related to local communities, in its clients' activities?	43, 45
1.2.1.13	Does the bank require clients to commit to respecting human rights, in line with the UN Guiding Principles on Business and Human Rights?	45
1.2.1.14	Does the bank recognize labour rights violations as a risk across all sectors?	132
1.2.1.15	Does the bank require clients to adhere to international labour standards equivalent to the ILO Fundamental Conventions?	45
1.2.1.18	Does the bank require clients to obtain FPIC from communities affected by their projects and have a grievance mechanism to address any concerns? [NEW 2023 INDICATOR]	26, 48
<b>4) Policies – Public statements on specific sectors</b>		
1.2.2.1	Does the bank have sector policies for environmentally or socially sensitive industries, e.g. agri commodities, energy, oil & gas, mining, seafood, infrastructure?	45
1.2.2.2	Does the bank disclose its policies for environmentally or socially sensitive sectors?	45
1.2.2.3	Do the bank's sector-specific E&S policies include minimum requirements or recommendations based on internationally recognized standards for best E&S practices (e.g. IFC Performance Standards, RSPO, FSC, etc.)?	45
1.2.2.4	Does the bank periodically review its E&S policies or stated that last date of review was within the past 2 years?	45
<b>5) Processes – Assessing E&amp;S risks in client &amp; transaction approvals</b>		
1.3.1.1	Does the bank use standardized frameworks for E&S due diligence (e.g. tools, checklists, questionnaires, external data providers) when reviewing clients or transactions subject to its policies?	46
1.3.1.2	Does the bank assess its clients' capacity, commitment, and track record as part of its E&S due diligence process?	46
1.3.1.3	As part of the approval process does the bank classify its clients and transactions based on E&S risk assessment?	47
1.3.1.4	Is there an escalation mechanism for more complex or controversial cases?	48, 49
1.3.1.5	Do the E&S risk assessment outcomes influence transaction and client acceptance decisions?	49
<b>6) Processes – Client monitoring and engagement</b>		
1.3.2.1	Does the bank seek the inclusion of clauses (e.g. covenants, representations & warranties) related to E&S issues in the loan documentation for bilateral and syndicated credit facilities?	46
1.3.2.2	Does the bank require clients that are not fully compliant with its E&S policies to develop and implement time-bound action plans?	47, 49
1.3.2.3	Does the bank monitor its clients' compliance with the agreed E&S action plans?	47, 49
1.3.2.4	Does the bank perform periodic review or state how frequent it reviews its clients' profiles on E&S?	47
1.3.2.5	Does the bank disclose the process to address non-compliance of existing clients with the bank's policies or with pre-agreed E&S action plans?	47, 49
1.3.2.6	Does the bank periodically review its internal E&S procedures or stated that the last date of review was within the past 2 years?	43
<b>7) People – Responsibilities for E&amp;S</b>		
1.4.1.1	Is senior management responsible for the implementation of the bank's ESG strategy?	46, 67
1.4.1.2	Do senior management's responsibilities include management of climate change risks and opportunities relevant to the bank's activities?	49
1.4.1.3	Does the bank describe the roles and responsibilities of the various departments, committees or teams involved in developing and implementing its E&S policies?	49
1.4.1.4	Has the bank put in place an internal control system with three lines of defence to manage E&S issues?	40

Criteria		Page
1.4.1.5	Do the terms of reference of the Nominating committee include sustainability-related criteria for the appointment of new Board members?	129
1.4.1.6	Do the terms of reference of the Remuneration committee include sustainability-related criteria for the assessment of performance and remuneration levels for senior management?	139
1.4.1.7	Do the terms of reference of the Audit committee require sustainability-related matters to be included in internal control and audit processes?	135
1.4.1.8	Does the bank implement periodic audits to assess implementation of E&S policies and procedures?	135
<b>8) People - Staff E&amp;S training and performance evaluation</b>		
1.4.2.1	Does the bank have a dedicated ESG team to implement E&S policies and procedures?	49
1.4.2.2	Does the bank train its staff on E&S policies and implementation processes?	109, 110, 111
1.4.2.3	Does the bank provide specific training for its senior management, covering sustainability issues?	109, 110, 111, 138
1.4.2.4	Are sustainability-related criteria part of the staff appraisal process and/or integrated into their KPIs?	154
1.4.2.5	Are sustainability-related criteria part of the senior management appraisal process and/or integrated into their KPIs?	154
<b>9) Products - E&amp;S integration in products and services</b>		
1.5.1.1	Does the bank proactively identify clients in environmentally or socially sensitive sectors to support them in reducing negative or enhancing positive impacts?	45
1.5.1.2	Does the bank offer specific financial products and services (e.g. green bonds, sustainability-linked loans, impact financing) that support the mitigation of E&S issues, e.g. climate change, water scarcity and pollution, deforestation?	45, 64, 72
1.5.1.4	Does the bank hold client outreach activities to raise awareness and share on good E&S practices (e.g. through workshops, seminars)?	61, 121
1.5.1.5	Has the bank published frameworks for its sustainable financial products & services, e.g. a green bond framework, which are aligned with credible international standards?	72
1.5.1.6 [NEW 2023 INDICATOR]	Does the bank provide solutions and capacity building programs for SMEs to help transition to more sustainable practices including retail clients? [NEW 2023 INDICATOR]	85
<b>10) Portfolio - E&amp;S risk assessment and mitigation at portfolio level</b>		
1.6.1.1	Does the bank periodically review its portfolio exposure to nature-related risks (e.g. deforestation, water scarcity)?	47
1.6.1.2	Does the bank periodically review its portfolio exposure to climate-related physical and/or transition risks, using scenario analysis, and disclose the results and methodology used?	141
1.6.1.3	Does the bank have a strategy to manage and mitigate climate-related risks across its portfolio?	141
<b>11) Portfolio - Disclosure of E&amp;S risk exposure and targets</b>		
1.6.2.1	Does the bank disclose its credit exposure by industry sector?	65, 66
1.6.2.3	Does the bank disclose the GHG emissions or carbon intensity of the main carbon-intensive sectors in its portfolio (eg. agriculture, mining & metals, energy, etc.)?	119
1.6.2.7	Does the bank have science-based targets in place to reduce nature-related negative impacts or increase positive impacts associated with its business activities, beyond direct impacts from its own operations, and disclose progress of achieving these targets?	141
1.6.2.8	Has the bank set science-based targets to align its portfolio with the objectives of the Paris Agreement, and disclosed progress of achieving these targets?	141
1.6.2.9	Has the bank committed to achieve net-zero greenhouse gas emissions in its lending portfolio by 2050, with defined interim milestones, and disclosed progress of achieving these targets?	52
1.6.2.10	Does the bank conduct external assurance of its ESG-related disclosures?	148
1.6.2.11	Does the bank disclose the positive and negative impacts associated with its business activities, beyond direct impacts from its own operations?	61

## TCFD Index

No.	TCFD Disclosure	SR Section	Sub Title	Page
	<b>Governance</b>	Governance	TCFD Recommendation on Governance	
G1	Describe the board's oversight of climate-related risks and opportunities.			50
G2	Describe management's role in assessing and managing climate-related risks and opportunities.			49, 50
	<b>Strategy</b>	Risk management	TCFD Recommendation on Strategy	
S1	Describe the climate-related risks and opportunities the company has identified over the short, medium, and long term.			141, 142, 143
S2	Describe the impact of climate-related risks and opportunities on the company's businesses, strategy, and financial planning.			141
S3	Describe the resilience of the company's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.			141
	<b>Risk Management</b>	Risk management	TCFD Recommendation on Risk Management	
R1	Describe the company's processes for identifying and assessing climate-related risks.			47, 52
R2	Describe the company's processes for managing climate-related risks.			141
R3	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the company's overall risk management.			47, 141
	<b>Metrics and Targets</b>	Environment	TCFD Recommendation on Metric	
M1	Disclose the metrics used by the company to assess climate-related risks and opportunities in line with its strategy and risk management process.			53
M2	Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.			53
M3	Describe the targets used by the company to manage climate-related risks and opportunities and performance against targets.			52, 53

## FEEDBACK SHEET

[OJK G.2]

YOUR PROFILE (Please fill out the form below)

Nama:

Institusi/perusahaan:

E-mail:

Telp/HP:

STAKEHOLDER GROUPS:

- |   |   |  |
|---|---|--|
| <input type="checkbox"/> Shareholders/Investors /Investor | <input type="checkbox"/> Customers      | <input type="checkbox"/> Employees             |
| <input type="checkbox"/> Trade Unions                     | <input type="checkbox"/> Media          | <input type="checkbox"/> Suppliers             |
| <input type="checkbox"/> Community Organizations/NGO      | <input type="checkbox"/> Government/OJK | <input type="checkbox"/> Business Organization |

Others:

How would you rate the content 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 would you rate the materiality level on the following topics:	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
Economic performance					
Indirect economic impact					
Sustainable financial performance					
Education and training					
Employment					
Customer privacy					
Anti-Corruption					
Environmental performance					

Please provide your suggestions or comments on this report:

---



---



---



---



---





# 2024

Sustainability  
Report

## SMBC Indonesia

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



This report is printed on recycled paper and FSC-certified