



bank  
**btpn**

A MEMBER OF  
SMBC Group

Sustainability  
Report  
**2021**

# Building Resilience Through Sustainable Business

PT Bank BTPN Tbk



# Building Resilience through **Sustainable Business**

Technological advancements are changing how people interact and carry out their daily activities.

Technology is now at our fingertips and can be accessed quickly via mobile phones and various internet applications. The technological revolution has made life easier, faster, and better. Technology development has an impact on all industrial sectors, including the financial services sector. Recognizing this, Bank BTPN is stepping into the future by adopting the latest technological developments, including the implementation of sustainable finance which is currently gaining global attention. The application of digitalization within Bank BTPN is useful for increasing economic efficiency, customer service and environmentally friendly operations.

The use of internet technology at Bank BTPN does not only facilitate customer service, and also empowers the community through the empowerment website [Daya.id](#). Bank BTPN's commitment to integrating economic, environmental, social and governance aspects in its business decisions is supported by the use of the latest technology. Through the use of technology in finance, Bank BTPN is determined to build a sustainable future.



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# Vision

[GRI 102-16] [OJK C.1]

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**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.**

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# Mission

[GRI 102-16] [OJK C.1]

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**01.**

To offer complete financial solution and service to various segments of retail, micro, Small and Medium Enterprise (SME), and corporate business in Indonesia, and for Indonesian Nation and Country as a whole.

**03.**

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

**02.**

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

**04.**

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



# Main Values

[GRI 102-16] [OJK C.1]

## Integrity

01

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

## Customer First

02

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

## Proactive & Innovative

03

Step up and relentlessly innovate.

## Speed & Quality

04

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

## Synergy

05

Collaborate as one team.



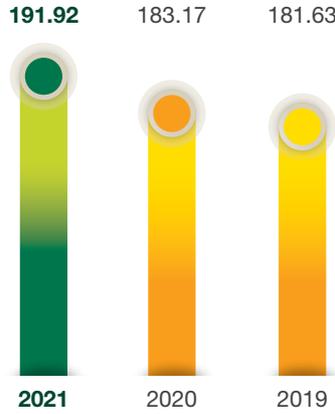
# Sustainability Highlights

## Economic [OJK B.1]

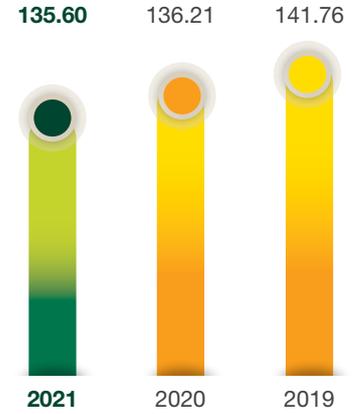
### Net Operating Income (Trillion) [OJK B.1.b]



### Asset (Trillion)



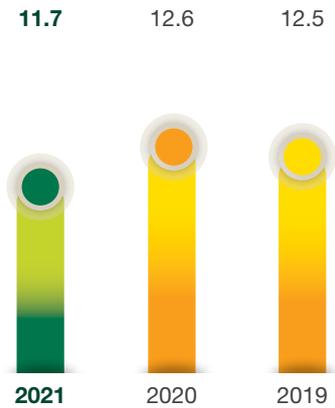
### Loans (Trillion) [OJK B.1.a]



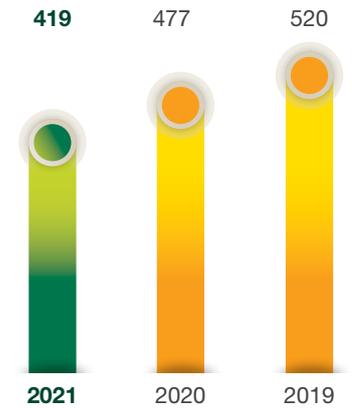
### Net Profit (Trillion) [OJK B.1.c]



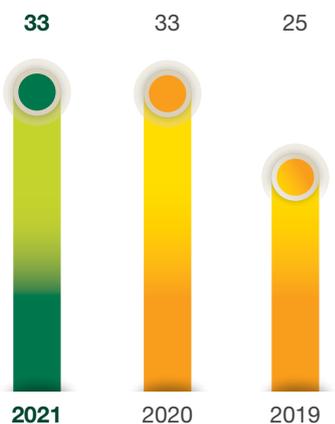
### Customers (Million)



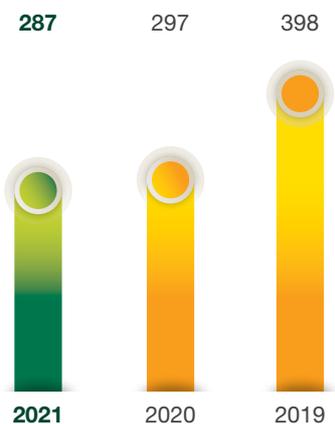
### Office Network (Offices)



### Access (Provinces)



### Total Local Suppliers (Local Suppliers) [OJK B.1.e]



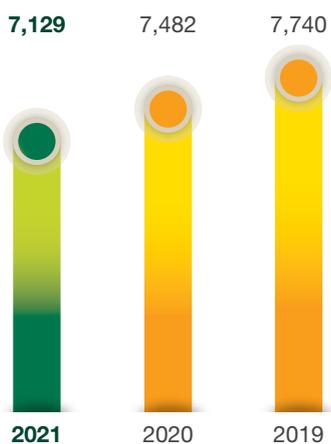


### Sustainable Financing

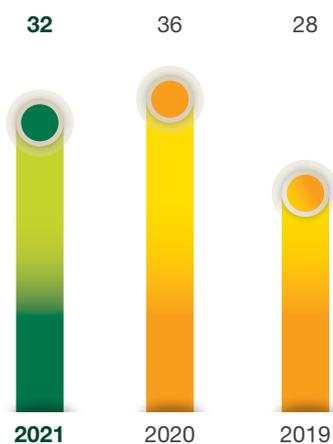
Description	2021	2020	2019
Micro (billion)	108	218	97
Small and Medium Enterprises (trillion)	5.73	6.78	8.33
Environmental Financing (trillion) [OJK B.1.d]	6.20	2.88	2.42

## Social [OJK B.3]

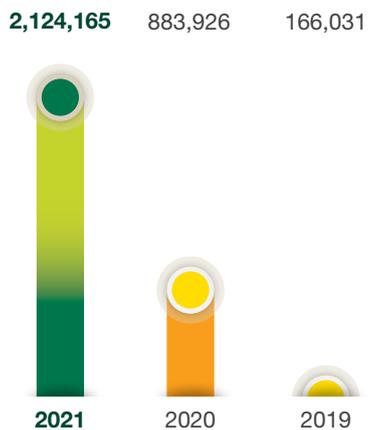
#### Total Number of Employees (Employees)



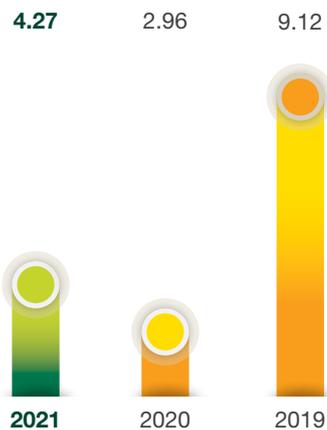
#### Average Hours of Training (Hours/Employee)



#### Total Visitors of Website Daya.id



#### CSR Funds (Billions)



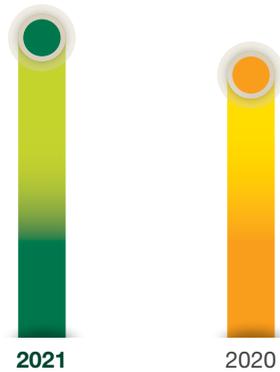


## Environment [OJK B.2]

Description	2021	2020	2019
Energy Use (GJ) [OJK B.2.a]	111,908.63	141,598.41	168,258.73
Energy Intensity (GJ/employees)	15.70	18.93	21.74
Emissions (KgCO2e)	20,225,716.97	23,150,575.91	25,086,987.82
Emission Intensity (KgCO2e/employees)	2,837.10	3,094.17	3,241.21

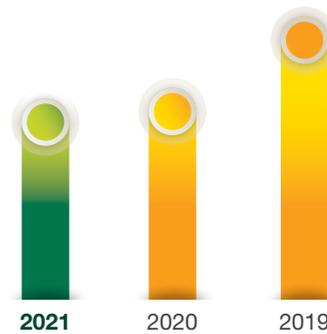
### Emission Reduction (KgCO2e) [OJK B.2.b]

2,924,858.94    1,936,411.91



### Use of Paper (Reams) [OJK B.2.c]

57,009    60,898    78,074



## Bank BTPN'S Strategy and Contribution to SDGs for Reporting Year 2021

[OJK A.1]



- Offer solutions and support the economic growth of retail, micro, SME and corporate business segments in Indonesia.
- Provide employment for 7,129 employees.
- Provide financial literacy training to support welfare and reduce poverty.
- Conduct customer loan restructuring.
- Carry out economic recovery program in facing the pandemic.
- Expand market access from customers.
- Organize MSME business development training.



2 NO HUNGER



Provide financing on agriculture.

3 GOOD HEALTH



- Promote healthy living to 630,836 people with various health topics relevant to the pandemic.
- Provide training and information through online channels resources to improve community capacity and quality of life.
- Ensure the implementation of health protocols in all activities and operations of Bank BTPN.
- Provide elderly-friendly facilities at branch offices.



4 QUALITY EDUCATION



- Provide employee development opportunities through various trainings.
- Provide various trainings and capacity building for the community through Daya.
- Provide debriefing for prospective retired civil servants, police (POLRI) and military (TNI).
- Collaborate with Djarum Foundation in building the younger generation through the development of educational facilities.

8 GOOD JOBS AND ECONOMIC GROWTH



- Support the Indonesian economy through banking services and tax payments.
- Provide decent jobs for 7,129 people.
- MSME financing.
- Entrepreneurship training through Daya.id to support the growth of MSMEs.

5 GENDER EQUALITY



- Provide safe employment for women.
- Practice equality in salary and remuneration.
- Become a founder/promoter in the Indonesia Business Coalition for Women Empowerment (IBCWE).

9 INNOVATION AND INFRASTRUCTURE



- Collaborate with Djarum Foundation to develop educational facilities.
- Utilize technological innovations to improve the welfare of customers and partners.



10 REDUCED INEQUALITIES



- Provide sustainable financing for the Micro, Small and Medium Enterprises segment to reduce inequality.
- Provide financial literacy training to improve community welfare.
- Provide inclusive branchless banking services: BTPN Wow!
- Build 156,307 Laku Pandai agents.
- Fulfill employee rights in accordance with government regulations.

13 CLIMATE ACTION



- Increase green financing by 115% from the previous year.
- Manage and save energy and reduce emissions.
- Become part of the SMBC group adopting the Equator Principles.

11 SUSTAINABLE CITIES AND COMMUNITIES



- Operate green buildings.
- Preserve culture through management of the Dago branch office that has received an award from UNESCO.

15 LIFE ON LAND



Establish procedures for the assessment of environmental and social risks in all business processes.

12 RESPONSIBLE CONSUMPTION



- Bank BTPN has reduced paper consumption through BTPN Wow! & Jenius products.
- Bank BTPN no longer provides bottled drinking water at Head Office

16 PEACE AND JUSTICE



- Build a clean institution with integrity and provide a means of reporting violations.
- Involve employee participation through labor union and employment agreements.

17 PARTNERSHIPS FOR THE GOALS



- Partner with several expert partners to jointly increase community capacity in entrepreneurship and health.
- Engage in membership of various associations to promote performance in order to achieve economic improvement for Indonesia.
- Become part of the SMBC group adopting the Equator Principles.



## Awards

Awards						
No	Name of Award	Category	Awarding Entity	Date	Type of Award	Additional Information
1	D'FRONTRUNNER Awards 2021	Retail banking	Telkomsel	February 16, 2021	Placard	The award is given to companies that are able to implement and develop initiatives to encourage digital transformation leadership in various industrial fields in the country.
2	World's Best Banks 2021	–	Forbes	April 13, 2021	-	Bank BTPN and Jenius from Bank BTPN are listed among the 20 banks in Indonesia included in the list of the 500 Best Banks in the World in 2021.
3	Top CSR Awards 2021	–	Top Business Magazine	April 22, 2021	Trophy	4-star rating, very good. The award is given to companies that support sustainable business continuity during the new normal through corporate social responsibility programs.
4	Top Leader on CSR Commitment	–	Top Business Magazine	April 22, 2021	Trophy	The award is given to President Director of Bank BTPN, Ongki Wanadjati Dana.
5	Digital Brand Awards 2021	Bank BUKU III	Infobank	June 3, 2021	Certificate	The award is given to companies considered successful in promoting their products or services digitally throughout 2020. Bank BTPN received an award for Taseto products.
6	The Asset Triple A Infrastructure Awards 2021	* Renewable Energy of The Year-Wind * Renewable Energy of The Year-Hydro * Project Finance House of The Year	The Asset	August 12, 2021	–	The award is given to companies and contractors that make change through infrastructure development to support the achievement of sustainable development goals.
7	Investor Awards: Best Bank 2021, "Pioneer of Digital Bank in Indonesia"	Special award	Investor Magazine	August 24, 2021	Certificate	The award is given to Bank BTPN for its role in boosting the development of the digital banking industry in Indonesia.
8	HR Asia Best Companies to Work for in Asia 2021	Banking	HR Asia	September 8, 2021	Trophy	–
9	Top Digital Public Relation Award 2021	–	Info Brand	September 24, 2021	–	The award is given to President Director of Bank BTPN, Ongki Wanadjati Dana.
10	CNBC Indonesia Awards 2021: "Pioneer Award in Digital Banking"	The Best Future Banks	CNBC Indonesia	October 21, 2021	Trophy	–



Investor Awards: Best Bank 2021, "Pioneer of Digital Bank in Indonesia"

7



CNBC Indonesia Awards - "Pioneer Award in Digital Banking"

10



Investor Magazine - Environment, Social, and Governance Disclosure Awards 2021

11

\* Employee engagement: Platinum



Indonesia Contact Center Association - The Best Contact Center Indonesia 2021

12



NCSR - Asia Sustainability Reporting Rating 2021

13



Taiwan Institute for Sustainability Energy - Global Corporate Sustainability Award, Bank BTPN 2021

14



Her Story - Best Women Empowerment Awards 2021: Redefining The Defined

16



The Finance - Best CFO Award, Hanna Tantani

18



Awards						
No	Name of Award	Category	Awarding Entity	Date	Type of Award	Additional Information
11	Environment, Social, and Governance Disclosure Awards 2021	Disclosure Rating "Management BBB"	Investor Magazine	October 27, 2021	Certificate	The award is given to companies committed to ESG (Environment, Social & Governance) disclosure.
12	The Best Contact Center Indonesia 2021	* Corporate category: 2 platinum, 2 gold * Individual category: 2 platinum, 3 gold, 6 silver, 7 bronze	Indonesia Contact Center Association	October 25, 2021	Placard	In general, Bank BTPN Contact Center occupies the sixth position in Indonesia in 2021
13	Asia Sustainability Reporting Rating 2021	Platinum rating	National Center for Sustainability Reporting	November 17, 2021	Trophy	–
14	Global Corporate Sustainability Award 2021	Emerging Market: Best Practice Award	Taiwan Institute for Sustainable Energy	November 17, 2021	Trophy	Bank BTPN receives an award for the implementation of the Health Cadre Program involving retirees in health education.
15	Contact Center Asia-Pacific Awards 2021	* Employee engagement: Platinum	Contact Center Asia Pacific Association	November 26, 2021	Trophy	–
16	Best Women Empowerment Awards 2021: Redefining the Defined	Best Women Empowerment Initiative with Outstanding Pandemic Response Programs	HerStory	November 26, 2021	Certificate	–
17	Top 20 Financial Institutions	Bank BUKU III	The Finance Magazine	November 29, 2021	Certificate	–
18	Best CFO Award	–	The Finance Magazine	November 29, 2021	Certificate	The award is given to Finance Director of Bank BTPN, Hanna Tantani
19	Top 100 CEO 2021	–	Infobank	December 14, 2021	Placard	The award is given to President Director of Bank BTPN, Ongki Wanadjati Dana.



# Significant Events

APRIL  
22, 2021



Bank BTPN held a General Meeting of Shareholders that agreed not to distribute dividends in 2020.

AUGUST  
26, 2021



Jenius from PT Bank BTPN Tbk, a pioneer of digital banking in Indonesia, presented various interesting programs such as BirthYay promos, new view and navigation in the application, to the new concept of Jenius Live to reach the digital savvy community on its fifth anniversary, as a form of appreciation for the digital savvy Indonesian community. Jenius is now closer to the digital savvy community through the new concept of Jenius Live in collaboration with Liberica. Through this collaboration, digital savvy community can visit Jenius Live booths at several Liberica outlets spreading across Jakarta to fulfill their banking needs, from account activation to information needs and other assistance about Jenius.

SEPTEMBER  
8, 2021



Jenius from Bank BTPN, Blu by BCA Digital, BCA, BNI, and Twitter Indonesia collaborated on a security education campaign. The educational campaign collaboration program #DatamuRahasiamu presents as a form of appreciation to the Indonesian community through a series of security education programs by Jenius by Bank BTPN, blu by BCA Digital, BCA, BNI, and Twitter Indonesia. This program was inspired by Bank Indonesia as the initiator of security messages for the Indonesian people to be more aware of the various modes of fraud that occur.

OCTOBER  
19, 2021



Bank BTPN provided PT Kepland Investama with a green loan facility of Rp1.06 trillion as a manifestation of Bank BTPN's commitment to sustainable financing and took into account environmental, social and governance aspects. The signing of the green loan facility agreement with a three-years tenor took place on October 19, 2021. This green loan facility in rupiah currency is one of the first in the Indonesian market.

OCTOBER  
27, 2021



Bank BTPN held “Daya Fest 2021”, an empowerment festival for MSME actors, customers and the general public through a series of inspiring and informative programs to support the #UMKMBangkit and the #UMKMMaju movements so that Indonesian MSMEs can continue to move, innovate, and be meaningful in accordance with the spirit of Daya to help businesses have a #MoreMeaningful life. The empowerment festival was attended by the Minister of Tourism and Creative Economy Sandiaga S. Uno, the Minister of Cooperatives and SMEs Teten Masduki, and Deputy of Entrepreneurship at the Ministry of Cooperatives and SMEs Siti Azizah, and opened by Head of OJK Board of Commissioner Wimboh Santoso.

OCTOBER  
28, 2021



Jenius from PT Bank BTPN Tbk launched the “Jenius Aman” (Jenius is Safe) program to continuously share knowledge about digital security. Through the program, Jenius is eager to increase people’s literacy on the importance of keeping personal data confidential, especially in the digital realm.

DECEMBER  
15, 2021



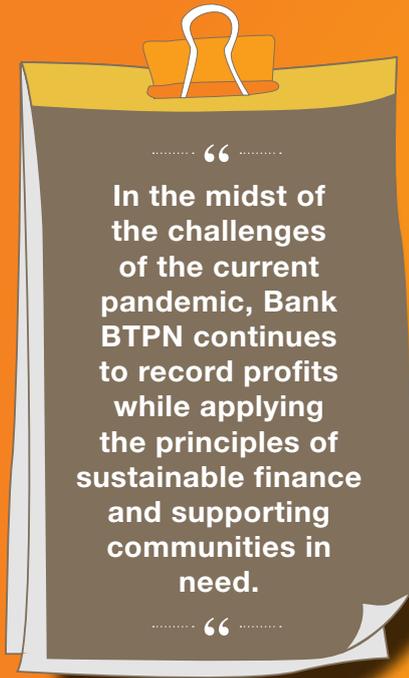
Sumitomo Mitsui Banking Corporation (SMBC) donated 100 oxygen concentrator units to the Indonesian community in need through a collaboration involving the Ministry of Health and the Indonesian Medical Association (IDI). IDI assisted to distribute 100 units of oxygen concentrator to 35 cities and regencies in 19 provinces in Indonesia starting in December. In addition to providing assistance to the community, Bank BTPN and SMBC also distributed 45 oxygen concentrator units to Bank BTPN branches to be used by employees and their families in need during the self isolation period.



# Message from the President Director

[GRI 102-14] [OJK D.1]

**Ongki Wanadjati Dana**  
President Director





## Dear Respected Stakeholders,

2021 has been challenging for us all, considering that the pandemic is not yet over, and Indonesia has experienced a severe second wave of coronavirus. Unlike other economic crises, the COVID-19 pandemic impacted all sectors globally, including banking. Banking institutions play a crucial role amid the crisis to ensure that economic conditions remain conducive. Bank BTPN supports the government in economic recovery during the pandemic, while continuing to strive for the implementation of sustainability principles in bank practices and operations.

## Sustainability Value

[OJK D.1.a]

In accordance with the Company's vision and mission, Bank BTPN strives to become the bank of first choice in Indonesia, which realises significant change in the life of millions of people. The Company does not only strive to make a change in the economic sphere, but also has positive impacts in the social and environmental spheres. For this reason, Bank BTPN through all lines of business and governance strives to apply the principles of sustainability.

Sustainability values have become part of Bank BTPN's policies, strategies, and daily operations. In particular, Bank BTPN addresses sustainability issues with various initiatives. For the good of society, Bank BTPN has built a business model with the philosophy "Do Good, Do Well," thereby integrating both our business and our social missions. This philosophy

is realized through providing optimal support for customers, not only in the form of capital, but also through capacity building to create more meaningful life changes.

To respond to environmental issues, Bank BTPN not only implements an empowerment program on environmental sustainability, but also applies environmentally friendly operational principles, including:

- Selecting BTPN Tower in Jakarta as the head office and receiving a Gold Standard Certificate for Green Building.
- Creating a breakthrough in the form of digital banking financial services to offer convenience and ease of transaction without compromising security, while at the same time providing a minimal environmental footprint by reducing or completely eliminating the mileage to the bank, thereby reducing fuel use, for both private and public transportation.
- Significantly reducing paper usage through digital banking services without compromising the quality of service for customers. On the other hand, this service increases customer satisfaction.
- Optimizing the use of digital systems to support paperless administration, or reduce paper usage, as well as to support productivity and collaboration among employees through document sharing, e-approval, and e-payslip.

In an effort to build a sustainable business, Bank BTPN has been empowering customers and the Indonesian people through the Daya program since 2011. Daya aims to increase the capacity of customers and the community to grow and have a better life. Each Daya program refers to four pillars and aligns with the 3P's (People, Profit, Planet) philosophy, providing: personal capacity development, financial literacy, business capacity building, and sustainable living.

## Challenges in Sustainable Finance Implementation

[OJK E.5]

The implementation of sustainable finance is inseparable from various challenges. However, Bank BTPN has designed a comprehensive risk management system to prevent and mitigate the challenges that may be faced in implementing sustainable finance. One of the challenges of sustainable finance is the limited knowledge of employees and customers regarding sustainable finance. For this reason, Bank BTPN continuously conducts training on sustainable finance for employees, as well as capacity building for Bank BTPN leaders. In addition, Bank BTPN also provides education for customers, to promote relevant sustainability practices for customers, especially those related to sustainable products and services.



## Sustainability Performance Achievement

[OJK D.1.b]

Bank BTPN's serious endeavors to implement sustainable finance have been realized through various performances, such as:

- Increasing the green financing portfolio by 115% from the previous year.
- Publishing Philanthropic Mutual Fund products with the collected funds reaching Rp88.3 billion. This achievement is above the set target of Rp20 billion.
- Conducting a pre-retirement training attended by 5,608 participants. It is expected that the participants can spend their retired life productively.
- Providing training to 156,307 BTPN Wow! (Laku Pandai) agents. Through BTPN Wow! Bank BTPN

is expanding financial inclusion for members of the community who have difficulty or are unable to access banking services.

- In Risk Management, Bank BTPN evaluates and adjusts policies and procedures in all business units.
- Providing education on sustainability finance topics to MSME customers, to increase their knowledge and capacity in developing their business.
- Conducting environmental campaigns and improving financial skills through 56 activities.

In addition, Bank BTPN received various achievements in the implementation of sustainable finance programs. In addition to increasing customer loyalty and growth at Bank BTPN, the Company's empowerment programs for customers and the community had direct and indirect

positive impacts. More than 90% of the empowerment program participants stated that they were satisfied with the programs they attended at Bank BTPN. This indicates a positive response to the efforts made by Bank BTPN.

In relation to Bank BTPN's efforts to provide financing for various Green Financing projects in Indonesia, Bank BTPN together with its parent company, SMBC has received three awards from The Asset Triple A Infrastructure Awards 2021, namely:

1. Renewable Energy Deal of The Year-Wind related to PLTB Sidrap financing.
2. Renewable Energy Deal of The Year-Hydro related to PLTA Asahan financing.
3. Project Finance House of the Year.



In the reporting year, Bank BTPN provided a green loan facility of Rp6.20 trillion as a manifestation of Bank BTPN's commitment to sustainable financing and took into account environmental, social and governance aspects.

## Impact, Risk and Opportunity

[OJK D.1.c] [GRI 102-15]

On a national scale, as a financial institution, Bank BTPN has a great capacity to contribute to the economy and society. Bank BTPN provides loan capital to the MSME community as business capital in order to increase the community's living standards. In addition, Bank BTPN also realizes that providing capital alone is not sufficient, therefore, Bank BTPN provides capacity building for the community through the empowerment website Daya.id so that their business can continue to grow.

Bank BTPN's crucial role in environmental preservation is also stated in policies related to loans. As a financial institution, Bank BTPN can help encourage industry and corporations to increase their awareness of the environment by setting environmental criteria in policies related to loans. Bank BTPN provides loans to companies that have a positive impact on the environment and is committed to continuously

increasing the loan ratio in line with the development of loans provided by Bank BTPN.

Bank BTPN's influence can also be felt in the social sphere. The Company's financing product policy prohibits lending in several business categories that are detrimental to society and the environment, such as: granting credit to companies selling weapons, companies with the potential to violate human rights, and others.

In relation to risk, the COVID-19 pandemic has had an impact on the community's economy, resulting in the decline in income and national economic sluggishness. For this reason, Bank BTPN has formulated policies and strategies to address this situation. On the one hand, the pandemic poses risks, but on the other hand it provides an opportunity for Bank BTPN to carry out empowerment related to increasing community capacity, both in the economic and health fields.

In addition, sustainable finance initiatives requiring alignment of economic, social and environmental interests encourage Bank BTPN to innovate in its products and services and implement innovations in internal employee programs. For this reason, Bank BTPN consistently carries out sustainability integration, from governance to the products and services produced by Bank BTPN.

Bank BTPN views 2022 with optimism, given the encouragement from the OJK in relation to SE OJK No.16/2021 and the Sustainable Finance Road Map Phase II, Bank BTPN has decided to expand its loan products towards green financing. Bank BTPN has the objective to improve sustainable financial products and services for customers, especially our corporate customers. For this reason, Bank BTPN is committed to improving customer/prospective customers' understanding of sustainable finance and will boost the implementation of customer business programs in sustainability initiatives, so as to create a healthier company and have a positive impact on Bank BTPN as a provider of financing products.

Bank BTPN realizes that this achievement could not be manifested without the involvement and hard work of the entire management team and employees, as well as the support of all stakeholders. For that, Bank BTPN would like to express its gratitude for your dedication. Let's continue this good cooperation and welcome in 2022 full of hope for a better economic recovery.

Jakarta, March 2022

**Ongki Wanadjati Dana**  
(President Director)



# Message from the President Commissioner

[GRI 102-14]

**Chow Ying Hoong**  
President Commissioner



..... “ .....

**Sustainable finance is a mandate that is carried out by Bank BTPN with responsibility and dedication. Bank BTPN is committed to implementing sustainable finance through its policies, strategies, and all business processes.**

..... “ .....





## Dear Respected Stakeholders,

Undeniably, climate change has become the primary concern of the global community. Climate change is an urgent sustainability issue to be discussed and handled together, considering that it has impacted all aspects of our lives, including the environment, human health, and the global economy. Therefore, no one or no single industry can abdicate the shared responsibility to care for the earth and carry out sustainability practices.

In this regard, Bank BTPN realizes its responsibility towards achieving greater sustainability through the implementation of sustainable finance. Bank BTPN has designed strategic steps through the RAKB (Sustainable Finance Action Plan) which is a document that serves as the guideline for the Bank's policies and strategies when working with the global community to manage the impacts of climate change. The Board of Commissioners strongly supports all of these efforts to achieve the Sustainable Development Goals/SDGs. Another strategic step is to prepare and publish a sustainability report, in accordance with the regulations of the Financial Services Authority. This report is part of Bank BTPN's commitment to transparently disclose its performance on economic, environmental, and social topics.

The implementation of sustainable finance requires a strong commitment towards making internal adjustments in various areas, including our policies, governance, operations, risk management, and systems and procedures. For this reason, Bank BTPN ensures that the company remains updated in these areas, and complies with all applicable laws and regulations, while continuing to increase and improve the management and all employees' competence in implementing sustainable finance.

The implementation of sustainable finance within Bank BTPN cannot be considered separate from the participation of our external stakeholders, including our suppliers, customers, and the wider business community. Thus, Bank BTPN seeks to encourage all stakeholders who do business or interact with Bank BTPN to participate in implementing sustainable finance. Bank BTPN conducts various education activities for customers, equates perceptions with suppliers, and expands understanding of the topic of sustainability to the wider community through media platforms.

One of the most important roles of Bank BTPN's Board of Directors lies in enforcing our sustainability efforts through our sustainable portfolio management, as outlined by the

Financial Services Authority in the form of the Sustainable Business Activities Category (KKUB). For this reason, the Board of Commissioners encourages the Board of Directors to expand and improve upon the KKUB portfolio in Bank BTPN's business. This commitment is in accordance with Bank BTPN's role as part of the Sumitomo Mitsui Bank Corporation (SMBC), an international bank listed as a signatory to the Equator Principles (EP) and the Principles for Responsible Banking (PRB). These two binding initiatives encourage Bank BTPN to implement better risk management by integrating environmental, social and governance (ESG) aspects in the corporate financing decision-making process.

As part of the SMBC Group, Bank BTPN is also a part of the "SMBC Group GREENxGLOBE 2030", an initiative up to 2030 created to fulfill the Group's commitment to realize sustainability. This initiative is best described by the basic concept "Create the future of the earth and humanity with our customers" which its realization will be to achieve the target of sustainable financing of approx. USD 300 billion and net zero emissions reduction by 2030 in the Group's own operation. As one of the leading banks in the Asia Pacific region, SMBC Group



will continue to improve its capabilities and competencies in its efforts to combat climate change, through active engagements with customers and global stakeholders.

During 2021, the impact of the coronavirus was still being felt by all sectors and industries, including the financial services sector. However, Bank BTPN's Board of Directors took the necessary mitigation measures to overcome the local impacts of this

global pandemic. For this reason, the Board of Commissioners would like to express its heartfelt appreciation to the Board of Directors. We would also like to congratulate the Board of Directors on their extraordinary achievements amid these difficult challenges presented during 2021. The Board of Commissioners realizes that all of their achievements would not have been possible without the dedication, hard work and professionalism of the Board of Directors, the management, and all

of the employees of Bank BTPN. Once again, the Board of Commissioners would like to express its appreciation to the Board of Directors.

Last but not least, the Board of Commissioners believes that in the coming years, Bank BTPN will continue to improve its sustainability performance and achievements with the support of stakeholders. Together, we continue to build the nation through sustainable finance.

Jakarta, March 2022

**Chow Ying Hoong**  
President Commissioner



PASEO

PASEO

STANDARD

Abus Keju  
500 an

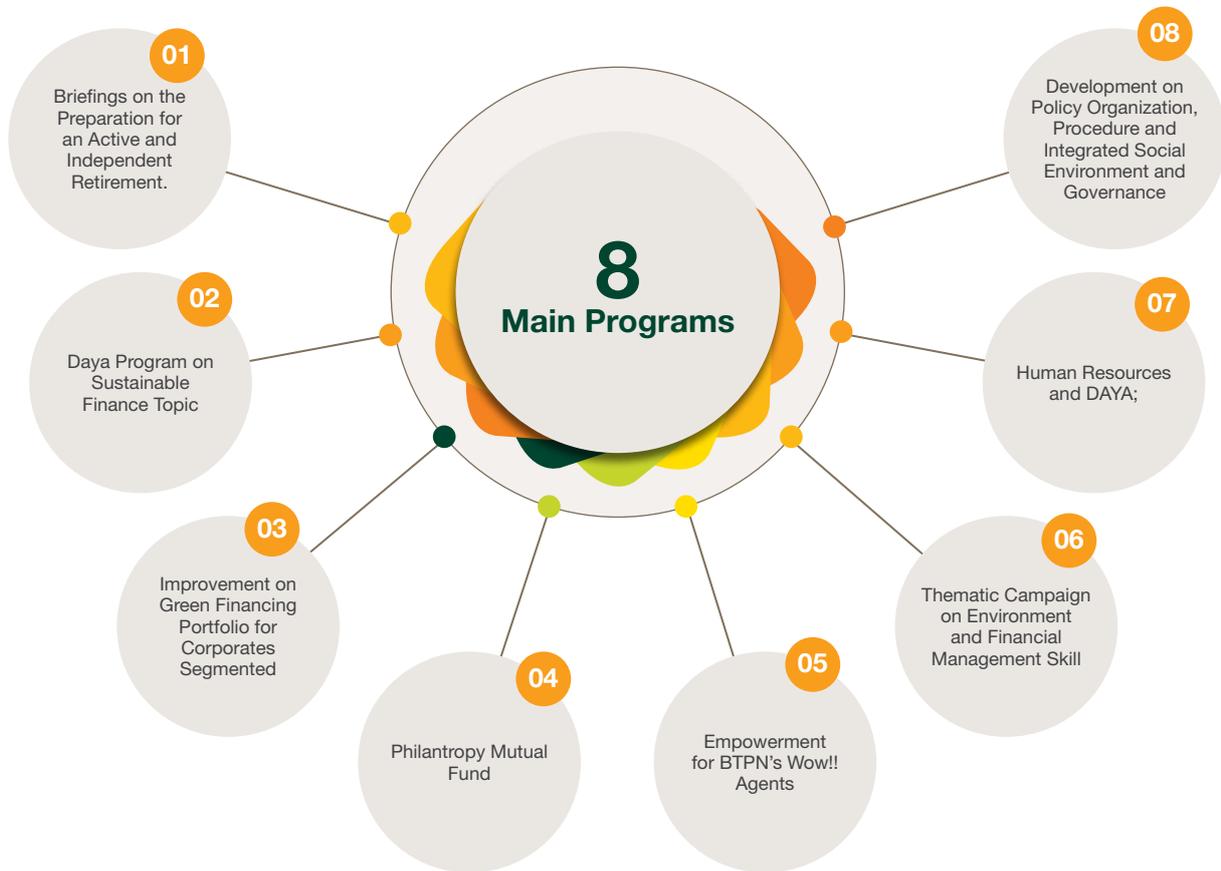
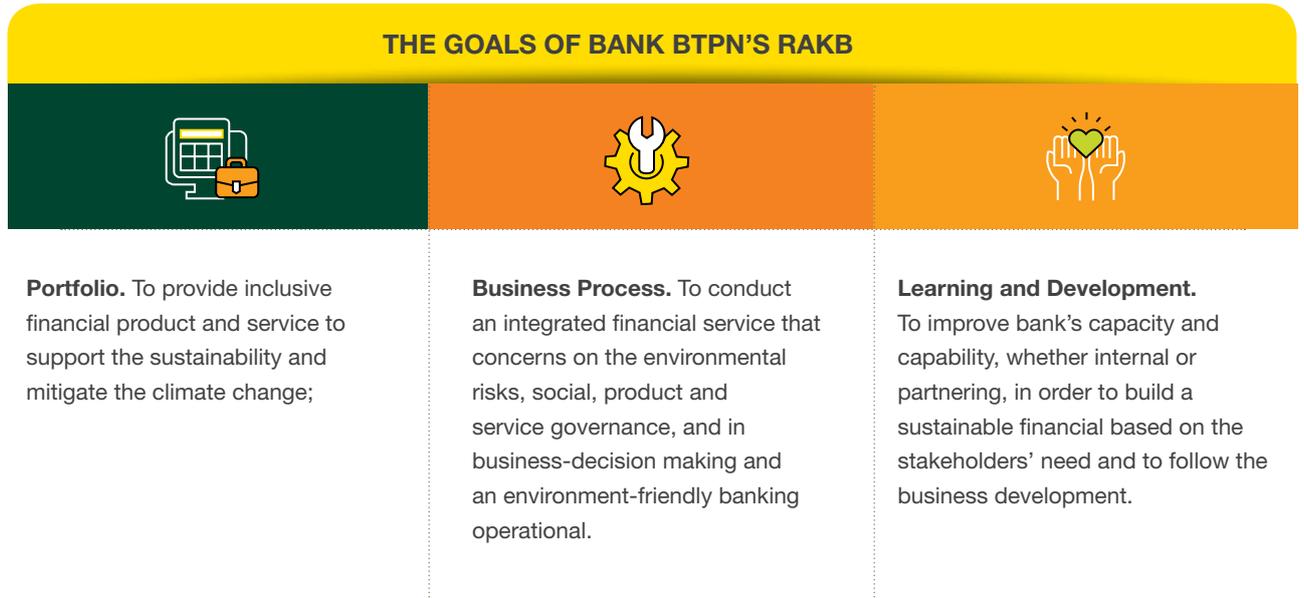
Ultra usaha rakyat  
btpn

SAMSUNG



### BANK BTPN'S COMMITMENT ON SUSTAINABLE FINANCE

BTPN has reiterated its commitment to supporting the sustainable development goals through some policies, strategies, and the operational aspects. The commitment in pursuing the sustainable finance is laid out in the Sustainable Finance Action Plan (RAKB), which has been arranged for 2019-2023 period.





### SUSTAINABLE FINANCE

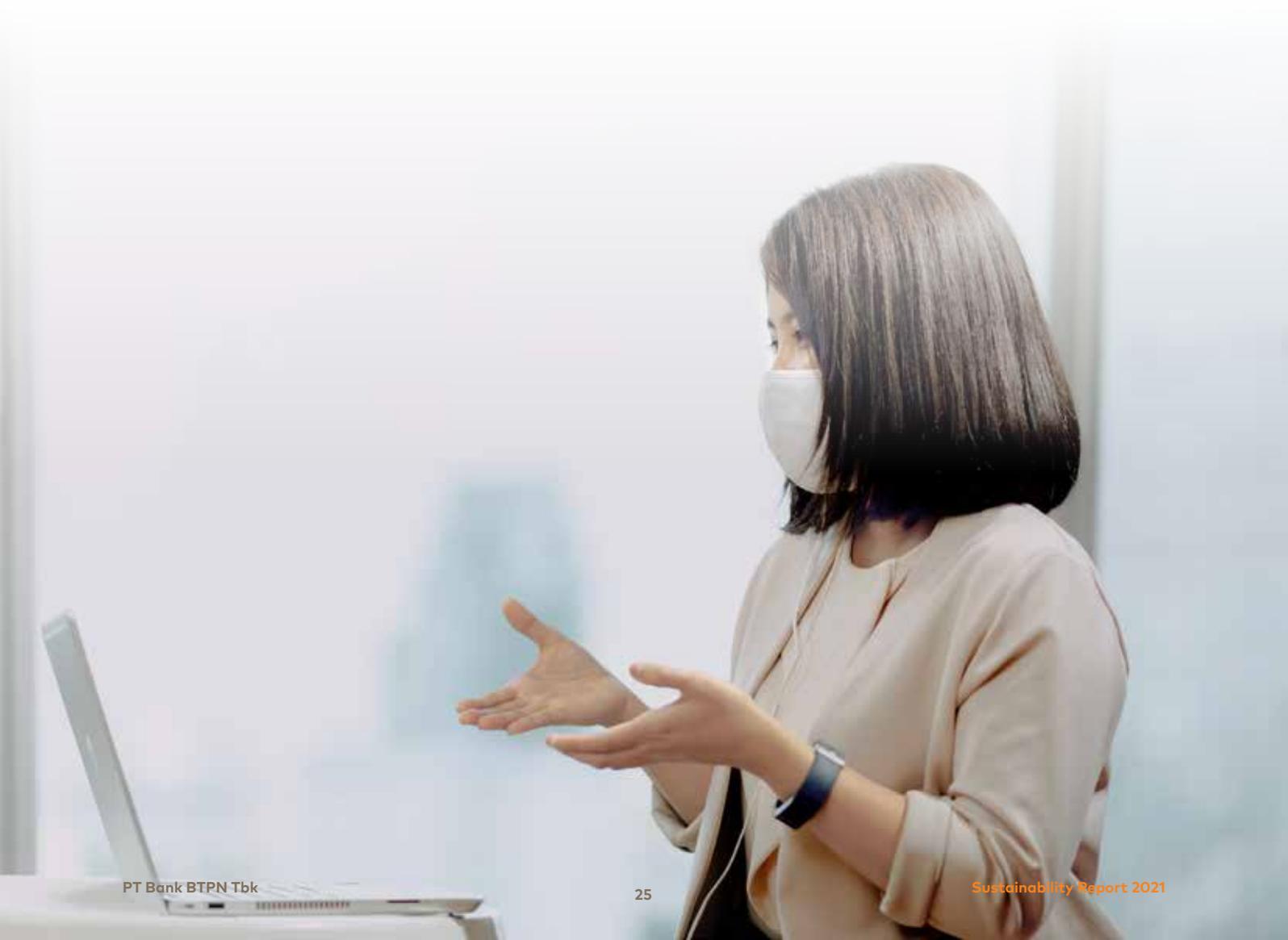
In the sustainability context, Bank BTPN has supported the Environmentally Friendly Business Activity, such as eco-friendly attributed business activity, natural resources management, the use of sustainable lands, and eco-friendly transportations. Bank BTPN has also provided portfolio products for the lower income society through a credit for Micro, Small, and Medium Enterprises MSMEs.

### ENVIRONMENTAL SUSTAINABILITY

Bank BTPN has carried out a number of innovative steps to minimize the use of energy by conducting a competition on energy-saving in all office branches. Furthermore, Bank BTPN has also implemented a digital service and operational in order to use less paper.

### SUSTAINABILITY FOR CUSTOMERS

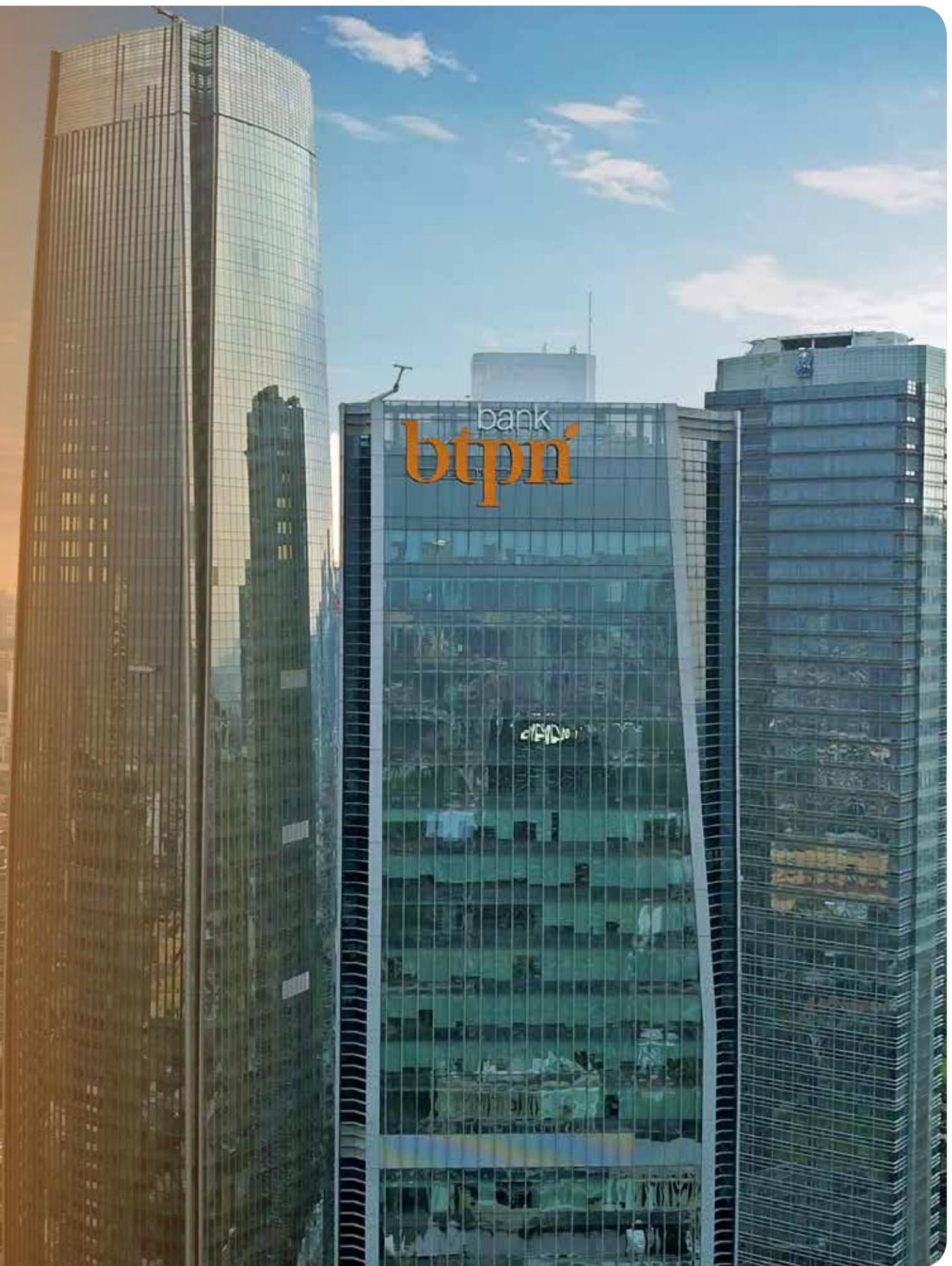
Bank BTPN believes that customers do not only need financial and financing access but also a self-improvement in all aspects in order to grow and live a more meaningful life. In order to support the customers, Bank BTPN has created an integrated empowerment program, including Competence Development, Personal Financial Health, Capacity to Grow for Business, and a Sustainable Living.





# About **BANK BTPN**

In line with efforts to improve the nation's economy, Bank BTPN seeks to improve community welfare in financial aspects and improve the overall quality of life.





# Company Name

### Company name [GRI 102-1]

PT Bank BTPN Tbk

### Line of business [GRI 102-2]

Banking Services

### Business permit [GRI 102-2]

- Commercial Bank Business Permit
- Foreign Exchange Bank Business Permit

### Product [GRI 102-2]

- Funding
- Financing

### Legal basis of establishment [GRI 102-5]

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

### Date of establishment

February 16, 1958

### Head office address [GRI 102-3][OJK C.2]

Menara BTPN, CBD Mega Kuningan  
 Jl. Dr. Ide Anak Agung Gde Agung, Kav 5.5-5.6  
 Jakarta Selatan 12950, Indonesia  
 Telp (62 21) 300 26 200  
 Fax (62 21) 300 26 309  
 www.btpn.com  
 Linked in: PT Bank BTPN Tbk

### Operational areas and service networks [GRI 102-4] [OJK C.3.d]

In all regions of Indonesia

### Market coverage and area of operation [GRI 102-6]

Indonesia  
 Bank BTPN serves individual customers, corporations, MSMEs, and others

### Subsidiary entity [GRI 102-45]

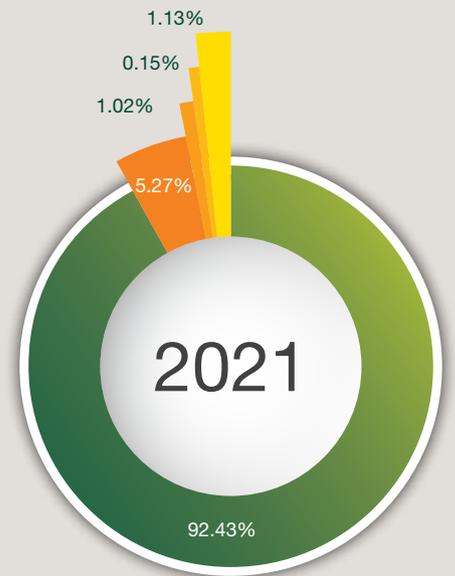
The Bank has two subsidiaries with the following details:

- 70% share ownership, PT Bank BTPN Syariah Tbk (BTPN Syariah)
- 70.3%\* share ownership, PT BTPN Syariah Ventura\*\*

### 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)

### Ownership [GRI 102-5] [OJK C.3.c]

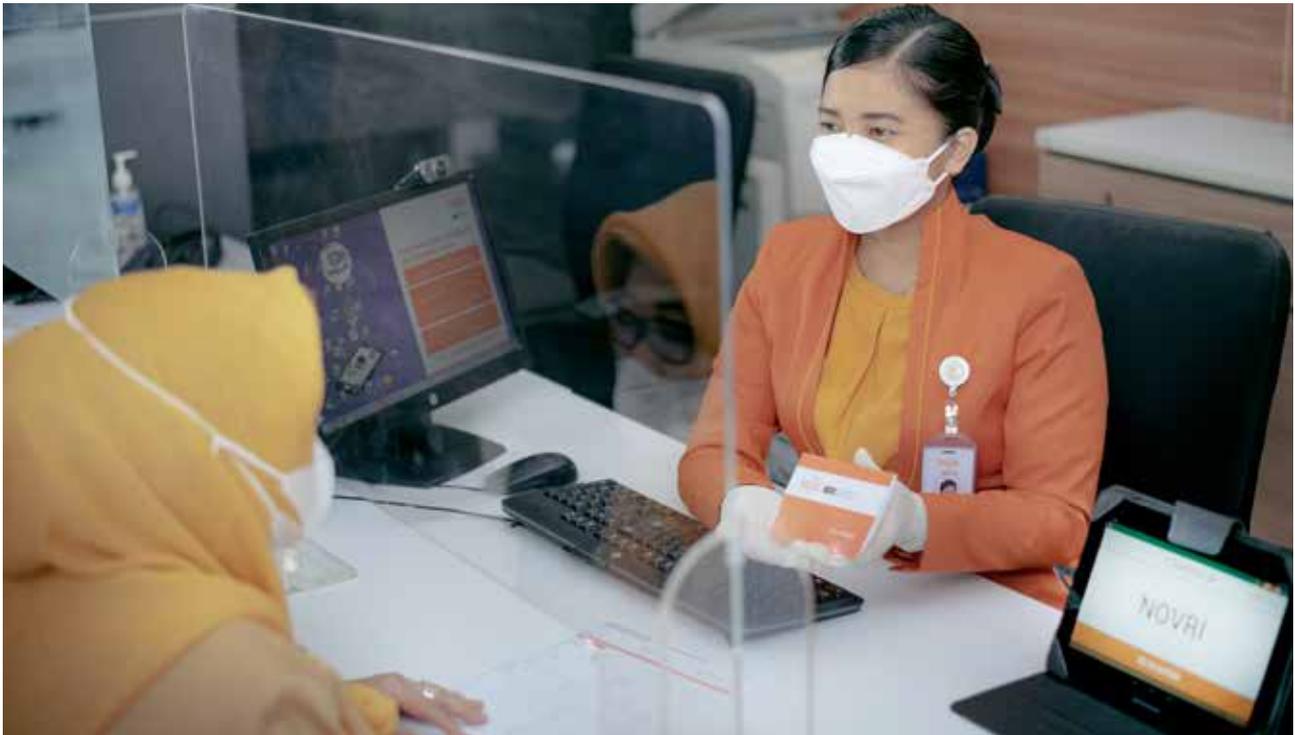


- Sumitomo Mitsui Banking Corporation (92.43%)
- Public (5.27%)
- PT Bank Central Asia Tbk (1.02%)
- PT Bank Negara Indonesia (Persero) Tbk (0.15%)
- Treasury stock (1.13%)

### Membership in associations [GRI 102-13] [OJK C.5]

- Indonesian Issuers Association (AEI)
- Communication Forum of Banking Compliance Directors (FKDKP)
- National Private Banks Association (Perbanas)
- Indonesia Association of International Banks (PERBINA)

\* Direct ownership of 1% (based on Deed No. 36, dated October 21, 2021) and indirect ownership of 69.3%  
 \*\* Shall be effective in running its business upon the obtaining of approval from OJK and other relevant authorities.



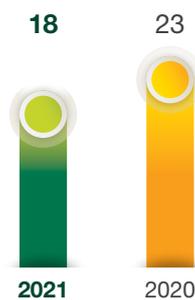
**COMPANY SCALE** [GRI 102-7] [OJK C.3] [OJK C.3.a]

Indicators	2021	2020	2019
Number of Employees	<b>7,129</b>	7,482	7,740
Total Operating Income - Net (IDR million)	<b>4,008,178</b>	2,630,514	4,032,519
Authorized capital (IDR million)	<b>300,000</b>	300,000	300,000
Issued and paid up capital (IDR million)	<b>162,982</b>	162,979	162,979
Total capitalization (IDR million)			
• Third party funds	<b>109,380,130</b>	100,788,906	86,939,479
• Loans received	<b>37,615,236</b>	37,176,309	44,086,343
• Equity	<b>36,078,927</b>	32,964,753	31,471,928
• Total assets	<b>191,917,794</b>	183,165,978	181,631,385
Number of offices/networks	<b>419 offices</b> <b>215 ATMs and TCRs</b>	477 offices 218 ATMs and TCRs	520 offices 217 ATMs and TCRs

**Total Funding Products**



**Total Financing Product**

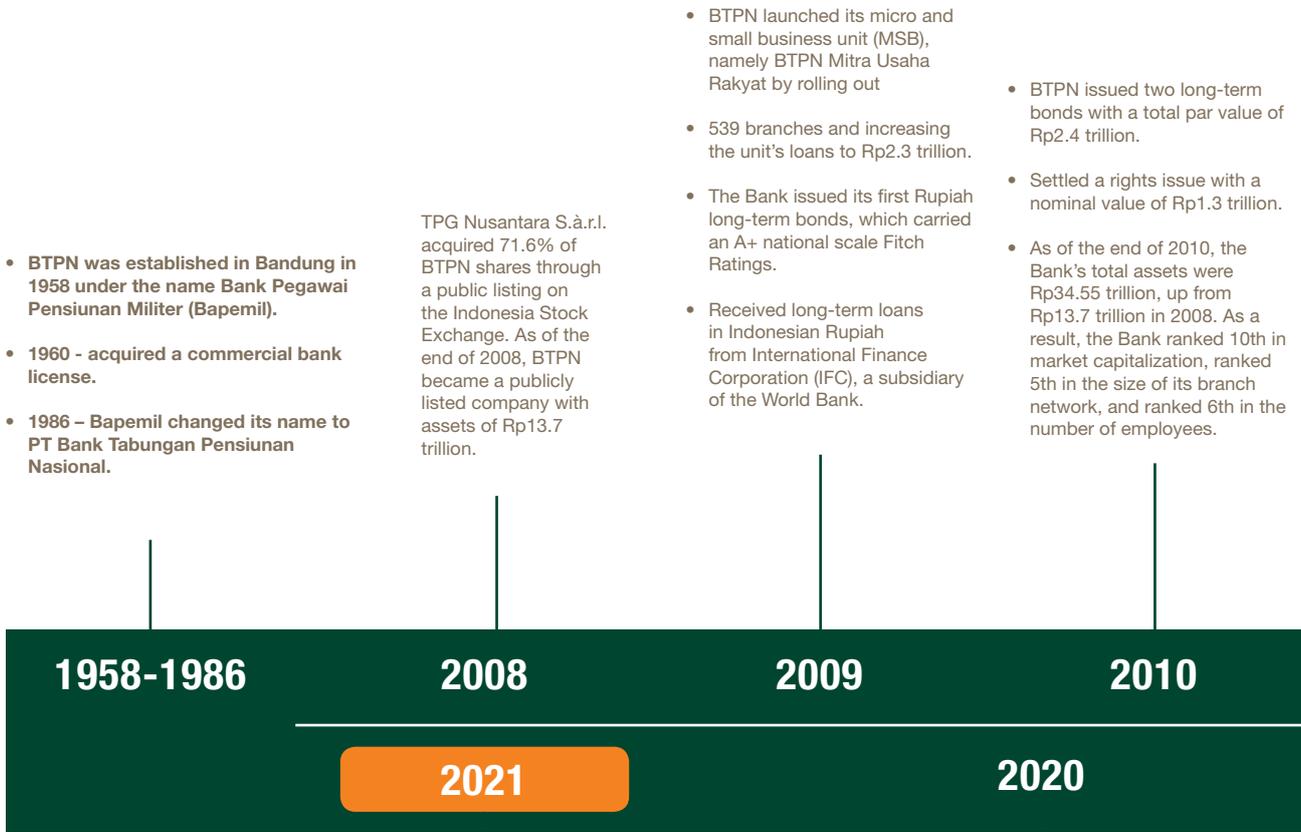


**Number of Services**





# Milestones of Bank BTPN





- BTPN launched Daya, a sustainable mass-market empowerment program that is now an integral part of BTPN business activities.
- BTPN launched the Sinaya funding program.
- Completed the pilot of the Sharia Community Banking business derived from a subsidiary of BTPN (BTPN Syariah – Tunas Usaha Rakyat).
- BTPN expanded the ATM network through the ATM Prima network, in addition to the existing ATM Bersama network.
- This brings the Bank's ATM linked network to more than 57,331 ATMs throughout Indonesia in 2011.

- Bank BTPN's subsidiary, Bank BTPN Syariah – Tunas Usaha Rakyat grew significantly to reach a total of 28,927 community centers in Banten, West Java and East Java, empowering over 444,000 customers.
- BTPN completed the piloting of its new mobile phone banking platform called BTPN Wow! which was rolled out in 2015.

- The financing of Bank BTPN Syariah – Tunas Usaha Rakyat more than doubled in size to about Rp1.4 trillion, accounting for approximately 3.0% of BTPN's total loans. The Sharia unit had 69,500 community groups (sentra), empowering over 931,500 customers across the country.
- BTPN acquired PT Bank Sahabat Purba Danarta (Bank Sahabat) and converted it into a sharia bank before spinning off its sharia unit into the newly acquired entity in 2014.
- As of the end of 2013, Sumitomo Mitsui Banking Corporation (SMBC) from Japan acquired a 24.3% ownership in BTPN through the purchase of shares owned by TPG Nusantara S.a r.l. and other shareholders.

- Ownership of BTPN shares by SMBC, the second largest bank in Japan with assets of US\$1.3 trillion, continued to grow and reached 40.0%. Thus, SMBC became the controlling shareholder.
- BTPN became more established as it now had access to the regional and international financial markets, if needed.

- BTPN officially launched BTPN Wow! to provide banking services for the mass market that can be accessed with a mobile phone and is enabled by agents to widen its network reach in order to serve the previously unbanked communities.
- Banking transactions that can be carried out on the platform include deposits, cash withdrawals, fund transfers, bill payments, and applying for micro loans as well as the purchase of micro insurance products.
- Through this innovation, customers in remote areas can carry out banking activities via mobile phones as if the bank is in their hands.

2011

2012

2013

2014

2015

2019

2018

2017

2016

- PT Bank BTPN Tbk (Bank BTPN) officially commences its operation as a new bank as a result of the merger between PT Bank Tabungan Pensiunan Nasional Tbk (BTPN) and PT Bank Sumitomo Mitsui Indonesia (SMBCI). Bank BTPN became a universal bank with more complete business services offered to a wider customer base, ranging from mass markets (retail) to corporations.
- The Sumitomo Mitsui Banking Corporation (SMBC) released 4.91% of its ownership, equivalent to 400 million of Bank BTPN shares at Rp3,600 per share. This corporate action represented the commitment of SMBC, as the controlling shareholder of Bank BTPN, to fulfilling its obligation to relinquish a portion of its shares so that the number of outstanding or publicly owned shares by non-controlling shareholders reached 7.5%. During the BTPN-SMBCI merger, SMBC's ownership, as the controlling shareholder, increased to 97.34% due to the implementation of a cash offer and a conversion of shares resulting from the merger.
- Bank BTPN announced the issuance of bonds through the Public Offering of Shelf Registry Bond IV Phase I in the amount of Rp1 trillion. All proceeds from the bond issuance will be used to finance credit expansion to all customer segments, ranging from micro, small and medium-sized enterprises (MSMEs) to retail and corporations.

- BTPN managed to realize the strategic corporate action of issuing BTPN Syariah's initial shares as a subsidiary.
- BTPN has completed the merger process with PT Bank Sumitomo Mitsui Indonesia (SMBCI). The merged corporation is named PT Bank BTPN Tbk. Bank BTPN is now able to offer a wider variety of financial services to the entire spectrum of customers, from individual customers to corporate customers, including large corporate customers, micro-enterprises and local communities.

- BTPN realized the transformation project called 'Gemilang,' covering the Bank's organizational structure, technology, human resources, and risk controls.
- All branches can provide banking services to all customer segments. The objective is to increase cost and operational efficiency and provides the basis for the Bank's growth.

- In February 2016, BTPN began operating as a foreign exchange Bank. The Bank received its foreign exchange license from Bank Indonesia in December 2015. BTPN began to conduct foreign currency transactions, for cash needs, providing loans and raising funds.
- In the second semester of 2016, BTPN launched the second mobile phone platform, Jenius. Jenius mobile banking application allows users to use their smartphones to connect with the Bank and make banking transactions. The target of Jenius is tech-savvy urban communities with higher incomes.
- The platform received a positive response. As of the end of 2016, Jenius had 70,000 followers on social media sites and over 3 million views on YouTube.



# Managing **THE IMPACTS OF THE PANDEMIC**

Bank BTPN's role has been in supporting the economic recovery during the pandemic while also maintaining the health of customers and staff and giving to communities.





In 2021, the pandemic was yet not over. Early predictions that the pandemic would soon end did not prove correct as the virus kept on mutating. Throughout this period, Bank BTPN was attempting to manage the situation by handling the economy and the health sector. BTPN's management of the pandemic mitigation efforts have been based on President Director Memo No.M.003a/DIRUT/RBB/ III/2020 dated April 1, 2020. This regulation stipulates the strategy and guideline on how Bank BTPN should handle the COVID-19 pandemic.

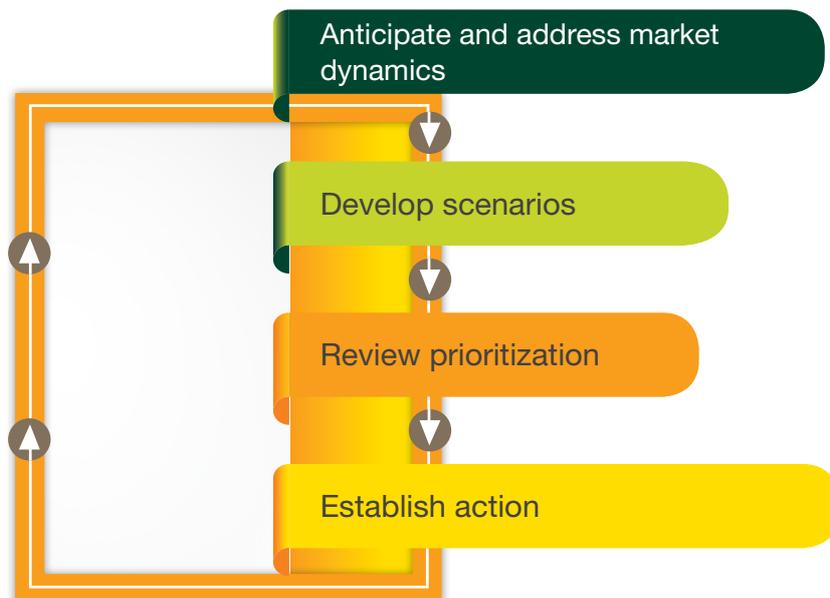
Bank BTPN has laid out plans and strategies to navigate the crisis by creating dedicated work units that are responsible for mitigation efforts on risk, financial matters, business, and other related aspects. Furthermore, Bank BTPN has also helped accelerate national economy recovery by adhering to the government's National Economic Recovery (PEN) program.

To protect the staff, Bank BTPN has specifically activated a Business Continuity Plan (BCP) program, which includes some topics like Work from Home, travel regulations, a human resource policy, and more. Bank BTPN has applied various policies and strategies such as:

1. Forming a COVID-19 task force led by the CEO; it includes risk mitigation management, operations, wealth management business, information technology, human resources, compliances, and legal.
2. Showing concern for staff welfare by adjusting working hours, implementing split operations, applying a work from home program, distributing medical masks and vitamins for front-line workers, limiting business trips, managing insurance programs, and employing the proper protocols should an infection take place.
3. Commitment in Customer Care services has been demonstrated through:
  - a. Loan restructuring for customers with loans less than Rp 10 billion.
  - b. Operating 4 more contact centers by adding three more locations in Jakarta and activating a new one in Semarang.
  - c. Implementing health protocols in branch offices, cutting working hours, and urging clients to use digital services.
4. Bank BTPN's concern to the community has been shown through the charitable actions of the staff and management towards those affected by COVID-19.

## Economic Mitigation

The pandemic has badly affected the economy. Many countries, including Indonesia, have undergone challenges in the economic sector and uncertainties because of COVID-19; and financial departments have always been on the front-line to help stabilize and strengthen the economy. Therefore, Bank BTPN has prepared strategic plans since the beginning by forming a Strategic Crisis Action Plan to anticipate the dynamic changes happening in the market from time to time. The bank has composed a scenario and simulation in order to handle the pandemic effect on banking business and its risks. Moreover, Bank BTPN has made a priority plan to make sure the business develops well in the future; via the mechanism shown below:





Bank BTPN has maintained the best of services to its clients while operating within the social restrictions issued by the government during this pandemic. The bank has also made some innovative digital services available to help clients do transactions and handle their finances without having to go out. Those digital platforms are: Moneytory, Multi Flexi Saver, Jenius QR, and Top up BNI Tap Cash.

## Maintaining the Health of Staff

In its daily operations, Bank BTPN has protected the health of both employees and customers by applying a strict health protocol and providing facilities such as:

	Ensuring everyone uses the Peduli Lindungi application when entering the office building.		Providing hand sanitizers and masks for the staff.
	Doing body temperature checks and limiting numbers of visitors in Bank BTPN.		Spraying disinfectant in the office buildings.
	Holding an awareness campaign on travel warnings for countries with serious cases;		Planning a vaccination program for the employees and their family in Java and other islands, with a total number of 1,638 people.
	Allowing some of their employees to work from home; those who are above 60 years old, suffering a certain disease, or pregnant.		

empowerment through Daya Unit that consists of training and workshop programs with topics such as:

1. Healthy lifestyles in the new normal era;
2. Financial management during the pandemic;
3. Maintaining business during the pandemic, and others.

The trainings and workshops which were initially conducted face-to-face, have now been switched to online. Bank BTPN has also disseminated information about health, financial, business, and environment preservation on the digital platform [www.daya.id](http://www.daya.id).

Other support exercised by Bank BTPN included donation-giving for those in need, such as:

1. Bank BTPN, all staff Bank BTPN's and BAZNAZ give donations to the healthcare workers as the front-liners in facing the pandemic;
2. Bank BTPN, all staff Bank BTPN's and kitabisa.com give donations to children in rural areas who need strong internet access to do online learning;
3. SMBC donated 100 units of oxygen concentrators to 35 cities and regencies in 19 provinces in Indonesia.

Furthermore, Bank BTPN has also paid attention to the mental health of the staff, as the pandemic not only affect one's physical being, but also causes anxieties and stress, which includes fear of getting infected by COVID-19, worry about being left by loved ones, or even the stress of working from home. Thus, Bank BTPN's Board of Directors has conveyed messages of encouragement through town-hall meetings and newsletters. To provide staff members with more understanding about the nature of the pandemic, Bank BTPN provided education related to COVID-19 through a video series by presenting dr. M. Adib Khumaidi, Sp.OT as the Chairman of the Indonesian Doctors Association (IDI) executive board in 2021-2024.

patients. While trying to keep the staff's spirit up, Bank BTPN also encourages them to stay healthy.

## Supporting the Communities

In order to support the society and customers, Bank BTPN continues

Bank BTPN's increased attention towards improving the health of society has also been shown by hosting vaccination centers where people can get easy access to vaccines. In all, the bank opened vaccination centers in 12 cities and reached 1,500 people, including customers and members of the general public.

Furthermore, Bank BTPN has also disseminated information related to COVID-19 regularly through online media; including some tips and suggestions from previously infected



Bank BTPN vaccination center for the community.



# Bank BTPN's Commitment DEVELOPING SUSTAINABLE FINANCE

As part of the driving force of the nation's economy, Bank BTPN is committed to supporting sustainable industrial and economic development.





Through its business in the financial sector, Bank BTPN provides comprehensive support for sustainable growth by aligning economic, social and environmental factors. <sup>1</sup>Bank BTPN recognizes the crucial role of the banking sector in this growth as 80% of funding in Indonesia is derived from banks. Bank BTPN fulfils this role by encouraging customers to adopt sustainable business practices that do not only take into account the economic sector, but also contribute to environmental sustainability, mitigate climate change and care about the welfare of society in general.

## BTPN Bank Sustainability Policy

[OJK A.1] [FS1]

Bank BTPN puts emphasis on serving and empowering all levels of society, from low-income customers consisting of retirees, micro, small and medium enterprises (MSMEs) to corporate customers. Recognizing its crucial role in promoting sustainable business, Bank BTPN has implemented the RAKB (Sustainable Finance Action Plan). Bank BTPN's sustainability policy is set by the Board of Directors, and is implemented across all lines of the company.

Bank BTPN's sustainability policies and objectives are aligned with SE OJK No.16/2021 on the implementation of sustainable finance, as follows:

1. Provide sufficient sources of funding to achieve sustainable development goals and other climate change related funding.
2. Increase the resilience and competitiveness of Bank BTPN through better social and environmental risk management by developing financial products and/or services that apply Sustainable Finance principles to contribute positively to financial system stability.

3. Reduce social inequality, reduce and prevent environmental damage, protect biodiversity, and encourage efficient use of energy and natural resources.

Bank BTPN's sustainability policy is aligned with the DAYA program. The main objective is to empower communities to make meaningful changes to the lives of millions of people. Bank BTPN's commitment to sustainability through the DAYA program consists of four pillars:

1. Competence Development
2. Personal Financial Health.
3. Capacity to Grow for Business.
4. Sustainable Living.

Bank BTPN's strategy and sustainability program through Daya is presented in more detail in the chapter on Daya.

The implementation of the RAKB is focused on achieving sustainable financial goals, through various strategies, including:

1. **Portfolio.** Provide inclusive financial products and services to support sustainable development and mitigate climate change. However, Bank BTPN has not calculated the financial impact of climate change on its business. [GRI 201-2]
2. **Business Process.** Provide financial services that integrate environmental, social and governance risks in products, services and business decision-making as well as running more environmentally friendly banking operations.
3. **Learning and Growth.** Develop the capacity and capability of the bank, both internally and through partnerships, to implement and improve sustainable finance in accordance with the needs of stakeholders and the direction of business development.

In particular, Bank BTPN implements sustainable finance initiatives through the following comprehensive efforts: [OJK F.1]

1. Development and enhancement of the portfolio of sustainable financial services and products.
  - a. Preparations to enter the retirement period actively and independently.
  - b. Briefings on the topic of sustainability for MSE entrepreneurs.
  - c. Green financing in the corporate segment.
  - d. Philanthropy mutual funds.
  - e. Competency enhancement and empowerment of BTPN Wow! Agents.
  - f. Environmental thematic campaign and financial management skills.
2. Developing human resource competencies, particularly the introduction of sustainability finance to employees. (FS4)
3. Development of the organization through appropriate policies, processes and the integration of Environmental, Social and Governance (ESG).

To achieve directed and effective implementation, Bank BTPN assigns responsibility for the RAKB implementation to the Communications and Daya Head under the supervision of the Compliance and Legal Director. Furthermore, these sustainability policies and strategies are implemented by each Line of Business (LOB) Leader and by other relevant supporting functions. [OJK E.1]

Furthermore, the sustainability policies and strategies are implemented by each Line of Business (LOB) leader and relevant supporting functions. [OJK E.1]

<sup>1</sup> Ighfar, F., Penerapan Keuangan Berkelanjutan dan Dampaknya terhadap Nilai Perusahaan di Perbankan Indonesia (Doctoral dissertation, Bogor Agricultural University (IPB)).



## Screening and Interaction Related to Environment, Society and Governance

[FS5] [FS11]

Bank BTPN's commitment to implementing sustainable finance is expressed through establishing a sustainability policy in financing, especially in areas related to environmental, social and governance issues. The standards set for financial policy are as follows:

1. Bank BTPN does not provide credit to companies or projects that may pose adverse significant environmental and social impacts.
2. Bank BTPN pays attention to environmental risk management in the debtor's business, including waste disposal, pollution mitigation, and other environmental measures.
3. Bank BTPN considers environmental risks when receiving collateral and re-assesses collateral to determine the required risk mitigation.
4. Bank BTPN is prohibited to provide credit for arms sales.

5. Bank BTPN refuses to provide credit to industries using or promoting pornographic content.
6. Bank BTPN does not provide credit to industries causing environmental destruction, engaging in illegal logging, or perpetrating human rights violations.

## Environmental and Social Risk Assessment Procedures [OJK E.3] [FS2]

To ensure the implementation of sustainability principles in the financing, Bank BTPN carries out a comprehensive assessment and screening process which are based on standard principles and guidelines.

The assessment and screening procedures are as follows:

1. Bank BTPN scrutinizes the validity of documents related to the business licensing of prospective debtors with reference to the Regulation of the Minister of Environment of the Republic of Indonesia No. 05/2012 and the amendments (if any) regarding AMDAL and the obligation to

implement RKL and RPL in the AMDAL Documents.

2. The Credit Committee conducts an assessment to ensure that the prospective debtor is not a prohibited target market, has met the established environmental, social and governance criteria (listed above), and the Risk Acceptance Criteria.
3. The Credit Committee conducts an assessment of the collateral by taking into account when the collateral is received and when it is re-assessed. Bank BTPN ensures that the environmental risk to collateral does not hinder or burden Bank BTPN, where the collateral value becomes negative at the time of collateral sale.
4. The Credit Committee applies the 'four-eyes' principle to granting credit to ensure that at least two authorities give approval before a decision to grant credit is made.
5. After the credit provision is approved, the Credit Admin will check the loan to be forwarded to the credit operational section for the disbursement process.



6. Each business unit along with Risk Management will supervise the loan/credit quality.
7. Quality Assurance: internal and external audits carry out an assessment of the monitoring process, followed by supervision from the regulator, in this case the OJK.
8. Bank BTPN visits debtors on a regular basis to carry out supervision and guidance. Results of these visits are recorded in a call report. This visit addresses topics related to the debtor's overall business condition, including compliance with environmental regulations. This interaction is carried out by departments in each line of business. [FS5]
9. Bank BTPN conducts a monitoring process on debtor compliance with environmental regulations, as stipulated in the Corporate Banking SOP and its addendum. [FS5]

- 3 Monitoring of the debtor's compliance with laws and regulations in environmental, social and governance areas.

As part of the SMBC Group, Bank BTPN applies the Equator Principles (EP), which is a risk management framework applied by financial institutions to identify, assess and manage environmental and social risk when financing large-scale development projects. Through the EP implementation, Bank BTPN sets minimum standards and due diligence in making decisions regarding project financing. In accordance with the EP protocol, Bank BTPN stipulates an environmental clause and the bank's right to inspect the debtor's compliance with environmental laws and regulations.

Bank BTPN Relationship Manager acts as Bank BTPN's representative to conduct inspections through periodic visits, at least once a year. However, during the pandemic, monitoring was carried out through telephone calls or online meetings. Bank BTPN has the right to reconsider credit if matters are found to contradict the initial agreement. The considerations may also affect credit extension.

country's health policy is an integral part of the economic policy. Due to the public health issues, the country could not power its economy.

Economic sectors were disrupted during the pandemic, resulting in a decline in economic growth in the first and second quarters, which was worse than during the 1997 economic crisis. Experts considered that the government's efforts to restore the economy were good. The government took various measures, including allocating funds for MSMEs as the largest contributor to the economy and disbursing social assistance funds.<sup>2</sup>In addition, the government implemented a policy of restructuring bank loans, expanding corporate credit guarantees, providing interest subsidies for MSEs, continuing the Pre-Employment Card Program, and other programs to boost the national economy.<sup>3</sup>In relation to the economic recovery program, the Government specifically implemented the National Economic Recovery (PEN) program through various banks<sup>4</sup>.

In relation to the banking sector, Bank Indonesia coordinated with the government to support the domestic economic recovery by lowering the BI 7-days reverse repo rate to 3.50% from 3.75% in February 2021. BI also helps maintain the stability of the Rupiah value in accordance with its fundamental value and market mechanisms. The process of deepening the domestic financial market continued in 2021 by promoting Local Currency Settlement (LCS), strengthening coordination with Payment Service Providers and government agencies to increase QRIS transactions, reducing interbank transaction costs along with other macroprudential policies.

## Monitoring Process For Environmental and Social Compliance Implementation

[FS3]

Bank BTPN maintains and ensures debtors' credit quality by monitoring performance, from credit granting, business development, to credit repayment. The monitoring is also carried out to ensure that the debtor fulfills the contractual obligations stated in the agreement.

- 1 Monitoring the implementation of credit granting.
- 2 Monitoring the development of the debtor's business.

## Overview of the Economy of Indonesia

The pandemic remains a major challenge in 2021. As a result of a high surge of COVID-19 cases in the middle of the year, the government set the Public Activity Restriction Enforcement (PPKM) for an extended period. This restriction had an unavoidable impact on the Indonesian economy. However, the PPKM was inevitable as the

<sup>2</sup> Dijalankannya PPKM Darurat, Bagaimana Dampak pada UMKM? Fakultas Bisnis dan Ekonomika UII, Jul 26, 2021. <https://fecon.uui.ac.id/blog/2021/07/26/dijalankannya-ppkm-darurat-bagaimana-dampak-pada-umkm/> Date accessed: aug 28, 2021

<sup>3</sup> Strategi Utama Pemerintah Menjaga Momentum Pemulihan Ekonomi 2021. Kemekeu. May 6, 2021. <https://www.kemenkeu.go.id/publikasi/berita/strategi-utama-pemerintah-menjaga-momentum-pemulihan-ekonomi-2021/> Date accessed: Aug 26, 2021

<sup>4</sup> Realisasi Dana Pemulihan Ekonomi Nasional hingga Juli 2021 yaitu Rp 305,5 Triliun. Kompas.com Aug 3, 2021. <https://nasional.kompas.com/read/2021/08/03/09153511/realisasi-dana-pemulihan-ekonomi-nasional-hingga-juli-2021-yaitu-rp-3055> Date accessed: Aug 26, 2021



Bank Indonesia has injected liquidity through quantitative easing (QE) to the banking industry totaling Rp141.19 trillion in 2021. In 2021, Bank Indonesia purchased SBN to fund the 2021 State Revenue and Expenditure Budget (APBN) totaling Rp201.32 trillion. This comprised: (i) Rp143.32 trillion through primary market in accordance with the Joint Decree (KB) issued by the Minister of Finance and Governor of Bank Indonesia on April 16, 2020 and subsequently extended on December 11, 2020 until December 31, 2021, and (ii) Rp58 trillion through private placement in November 2021 to fund

the health and humanitarian budgets for Covid-19 pandemic handling in accordance with the Joint Decree (KB) issued by the Minister of Finance and Governor of Bank Indonesia on August 23, 2021.

The expansive monetary policy stance supports loose liquidity conditions in the banking industry, as reflected in November 2021 by a high ratio of liquid assets to deposits of 34.24% and deposit growth of 10.37% (yoy). Liquidity in the economy has also increased, as indicated by narrow (M1) and broad (M2) money supply

aggregates, which grew 14.7% (yoy) and 11.0% (yoy) respectively in the reporting period, primarily driven by outstanding loans disbursed by the banking industry and fiscal expansion.

## Performance of Bank BTPN

Despite the unrecovered national economy, Bank BTPN managed to record a positive performance, while continuing to prioritize its sustainability strategies and activities, as reported below.

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

Description	2021	2020	2019
<b>BALANCE SHEET SUMMARY (in Million Rupiah)</b>			
Total Assets	<b>191,917,794</b>	183,165,978	181,631,385
Productive Assets	<b>187,244,094</b>	176,915,917	173,854,020
Credit/Bank Financing	<b>135,598,774</b>	136,212,619	141,760,183
Third-Party Fund	<b>109,380,130</b>	100,788,906	86,939,479
Loans Received	<b>37,615,236</b>	37,176,039	44,086,343
Securities Issued	<b>996,089</b>	993,045	3,190,628
Total Liability	<b>155,838,867</b>	150,201,225	150,159,457
Total Equity	<b>36,078,927</b>	32,964,753	31,471,928
<b>INCOME STATEMENT SUMMARY (in Million Rupiah)</b>			
Net Interest Income	<b>11,143,040</b>	10,624,428	10,991,695
Other Operating Income	<b>1,959,784</b>	1,688,837	1,616,578
Operating Expenses	<b>(6,982,870)</b>	(6,883,113)	(7,129,872)
Allowance for Impairment Losses	<b>(2,111,776)</b>	(2,799,638)	(1,445,882)
Net Operating Income	<b>4,008,178</b>	2,630,514	4,032,519
Net Profit for the Year	<b>3,104,215</b>	2,005,677	2,992,418
Total Comprehensive Income	<b>3,182,819</b>	2,029,875	2,977,822
Bank Operating Income	<b>13,102,824</b>	12,313,265	12,608,273



Description	2021	2020	2019
Bank Net Profit	<b>3,104,215</b>	2,005,677	2,992,418
<b>PERFORMANCE OF ECONOMIC ASPECTS RELATED TO SUSTAINABILITY</b>			
Types of products that meet the criteria for sustainable business activities	<b>10 projects and MSME</b>	5 projects and MSME	6 projects and MSME
Nominal products and/or services that meet the criteria for sustainable business activities (in Million Rupiah)	<b>12,029,029</b>	9,878,788	10,843,037
Percentage of total portfolio of sustainable business activities to total portfolio (%)			
a. Funding	<b>0.20%*</b>	0.15%**	0.17%**
b. Financing	<b>10%</b>	8%	8%
<b>INCLUSIVE FINANCIAL PERFORMANCE</b>			
Laku Pandai Development			
a. Total BTPN Wow! Agents	<b>156,307</b>	244,878	260,587
b. Nominal product and/or service provided by Agents (in Million Rupiah)	<b>16,301</b>	33,062	38,037
<b>PERFORMANCE RATIO</b>			
Rasio Kecukupan Modal Minimum (KPMM)	<b>26.17%</b>	25.55%	24.21%
Non-performing earning assets and non-productive assets to total earnings and non-productive assets,	<b>0.78%</b>	0.59%	0.47%
Non-performing earning assets to total productive assets	<b>1.26%</b>	0.96%	0.70%
Allowance for impairment of financial assets to total productive assets	<b>2.18%</b>	2.00%	0.89%
NPL - gross	<b>1.68%</b>	1.21%	0.81%
NPL - net	<b>0.37%</b>	0.50%	0.43%
Return on Asset (ROA)	<b>2.23%</b>	1.41%	2.25%
Return on Equity (ROE)	<b>8.57%</b>	6.12%	9.94%
Net Interest Margin (NIM)	<b>6.56%</b>	6.11%	6.68%
Operating expenses to operating revenues (BOPO)	<b>80.47%</b>	89.47%	83.44%
Loan to Deposit Ratio (LDR)	<b>123.10%</b>	134.21%	163.02%
<b>Liquidity Coverage Ratio (LCR)</b>			
a. LCR (individual)	<b>172.10%</b>	282.08%	226.12%
b. LCR (consolidated)	<b>187.26%</b>	281.70%	229.14%

\* Funds derived from Philanthropy Mutual Fund &amp; BTPN Wow!

\*\* Funds derived from BTPN Wow!



## Percentage of Business in the Environmental and Social Portfolios [FS10]

Bank BTPN's commitment to sustainability initiatives is demonstrated by developing sustainable financial products, including financing for corporate customers with an environmental and social perspective, such as:



In addition to an environmentally sound portfolio, Bank BTPN has developed a socially sound portfolio, through its support for micro, small and medium enterprises. The Bank provided credit in the social sector amounting to Rp5.8 trillion, of which 5% of the total financing was provided by Bank BTPN. [OJK F.26]

In the reporting year, 10 green companies accounted for 7.2% of the total credit/financing of Bank BTPN's Corporate Banking. The total of the environmentally sound financing was Rp6.2 trillion, while the total of Bank BTPN's Corporate Banking credit portfolio was Rp85.6 trillion. Data per sector is presented in the table below.

Comparison of Portfolio Target and Performance, Financing Target, or Investment in Financial Instruments or Projects in accordance with Sustainable Finance. [FS8] [OJK F.3]

Description	2021	Proportion of realized value to business lines	2020	2019
Funding (billion)	195	-	140	132
Financing (billion)	<b>10 projects &amp; MSME 12,029</b>	-	5 projects & MSME 9,878	6 projects & MSME 10,843
Renewable energy (million)	<b>1,828,909</b>	2.1%	199,124	264,827
Energy efficiency (million)	<b>582,239</b>	0.7%	653,439	689,274
Sustainable management of natural resources and land use (million)	<b>2,295,725</b>	2.7%	1,442,213	347,062
Eco-friendly transportation (million)	<b>427,217</b>	0.5%	586,709	1,117,311
Green buildings that meet nationally, regionally, or internationally-recognized standards or certifications (million)	<b>1,060,000</b>	1.2%	-	-
MSME Activities (million)	<b>5,834,936</b>	4.3%	6,997,300	8,424,561

## Business Portfolio By Sector and Size [FS6]

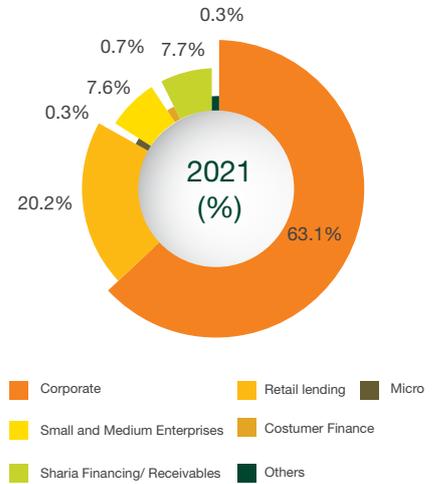
In accordance with Bank BPTN's commitment to implement sustainable finance, Bank BTPN does not provide financing to industries with high

risks from environmental and social standpoints. The policy has been described above, in the section "ENVIRONMENTAL, SOCIAL AND GOVERNANCE CRITERIA." The policy is in line with Bank BTPN's commitment to implement the Equator Principles with an emphasis on debtor

compliance with laws and regulations in environmental and social aspects. As the bank only operates in Indonesia, Bank BTPN does not provide a report by region. The following is financing by business sector and size.

**Consolidated Loan by Business Segment (Sector) and Size (in Million Rupiah)**

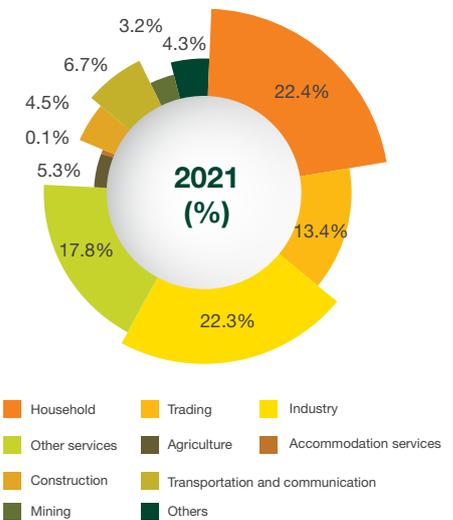
Description	2021	2020	2019
Corporate	85,579,696	78,642,664	75,713,860
Retail lending	27,380,150	32,107,874	35,611,265
Micro	473,411	905,462	1,611,149
Small and Medium Enterprises	10,365,530	12,545,170	13,883,980
Consumer Finance	895,224	2,181,035	5,561,484
Sharia Financing/ Receivables	10,443,469	9,522,866	8,999,574
Others	461,294	307,548	378,871
<b>Total</b>	<b>135,598,774</b>	<b>136,212,619</b>	<b>141,760,183</b>



In the reporting year, the financing for Micro and MSE sector decreased by 19%. This downward trend has occurred since the onset of the COVID-19 pandemic in 2020. Many Micro and UMK businesses were affected by the PPKM causing a decline in sales and turnover. In 2021, the Bank put an emphasis on managing credit restructuring and portfolio quality for both segments.

**Conventional Loan (Bank Only) by Business Segment (in Million Rupiah)**

Description	2021	2020	2019
Household	28,033,763	33,238,812	39,045,239
Trading	16,803,625	15,530,411	14,756,122
Industry	27,852,380	27,808,419	30,156,970
Other services	22,258,313	24,092,459	24,720,232
Agriculture	6,585,951	4,267,071	3,041,389
Accommodation services	142,577	208,210	267,585
Construction	5,593,954	6,137,209	6,388,053
Transportation and communication	8,440,046	7,454,427	7,912,554
Mining	4,011,595	1,903,710	2,065,567
Others	5,433,101	6,049,025	4,406,898
<b>Total</b>	<b>125,155,305</b>	<b>126,689,753</b>	<b>132,760,609</b>



## Environmental and Social Policy Implementation Audits and Risk Assessment Procedures [FS9]

To ensure the implementation of environmental and social policies, Bank BTPN implements an audit system on a regular basis. This

also applies to risk management. Internal audit carries out audits in a comprehensive, systematic and well-documented manner during wholesale and commercial credit audits. The audit implementation is stipulated in the Annual Audit Plan and is carried out based on a risk assessment during the audit.

Bank BTPN also conducts periodic reviews on the provision of credit and

project financing. The audit is set out in internal procedures, including analysis of social and environmental risks, in accordance with Bank BTPN's commitment to implementing the Equator Principles whose results are submitted to the relevant business lines. Should there be findings that are deemed necessary to be followed up, Bank BTPN will submit recommendations and monitor the follow-up on the settlement.



## Direct Economic Value Generated and Distributed

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

It is an undeniable fact that the pandemic has had a significant negative impact on the banking sector, as well as impacting other industrial sectors. Due to the pandemic, the economic value acquired by Bank BTPN in the reporting year has contracted by 8% from Rp17.5 trillion in 2020 to Rp16.1 trillion in 2021. This was mainly a decrease in interest income due to a decrease in the average loan balance, including loans with high yields

and the influence of competitive interest rates in the corporate segment and credit restructuring areas.

The distribution of the Bank's dividends is determined by the General Meeting of Shareholders (GMS). The policy takes into account the adequacy of retained earnings, applicable laws and regulations such as long-term and short-term capital requirements, the Bank's growth expectations and market conditions. Procedurally, a proposal for the distribution of dividends is submitted by the Board of Directors to the President Director and receives approval from the Board of Commissioners. Furthermore,

the proposal is then submitted to the Annual GMS for approval by the Shareholders. To support further business growth, Bank BTPN does not plan to distribute dividends for the next three years.

Furthermore, Bank BTPN ensures that all responsibilities to the government and society are carried out in the best possible way, through tax payments and ongoing CSR programs.

In developing its business, Bank BTPN has not received any subsidies or financial assistance from the government [GRI 201-4].

### Economic Value Distribution and Acquisition (in Million Rupiah)

Description	2021	2020	2019
<b>Direct Economic Value Generated</b>			
Interest and Sharia Income	14,748,604	16,403,483	18,680,979
Other operating income - net	1,395,381	1,071,864	962,602
Total direct economic value generated	16,143,985	17,475,347	19,643,581
<b>Direct Economic Value Distributed</b>			
Operational expenses	3,065,316	3,062,933	3,155,976
Employee salaries and allowances	3,364,534	3,211,395	3,338,585
Interest expenses and Syirkah funds profit sharing	3,605,564	5,779,055	7,689,284
Payment of Dividends	-	-	-
Payments to Government (Income Tax and Value-Added Tax)	873,048	848,722	863,820
Distribution of CSR Funds	4,271	2,958	9,119
Total economic value distributed	10,035,414	12,905,063	15,056,784
<b>Total Retained Economic Value</b>	<b>6,108,571</b>	4,570,284	4,586,797

## Challenges of Sustainable Finance Implementation

[OJK E.5]

The implementation of a sustainable finance policy provides benefits for Bank BTPN as well as for the local and international communities

in general. The implementation of sustainable finance has been proven to reduce risks, due to a more stringent risk management process<sup>5</sup>. The implementation of sustainable finance also increases the trust of stakeholders in general. However, the assessment process of sustainability risks may entail

considerable expense. In response to this matter, Bank BTPN has committed to continue implementing sustainable finance initiatives by preparing the required budget for the audit and risk management process.

<sup>5</sup>Ighfar, F., *Penerapan Keuangan Berkelanjutan dan Dampaknya terhadap Nilai Perusahaan di Perbankan Indonesia* (Doctoral dissertation, Bogor Agricultural University (IPB)).



The implementation of sustainable finance also requires a change in the mindset of the business world, in that maintaining the environment and improving the community's welfare are both an opportunity and a challenge. For this reason, Bank BTPN will boost sustainable finance through a sustainability approach and direction in the business world.

Another challenge, particularly during this pandemic, is that most of the community resources are focused on overcoming the impact of the pandemic. Thus, efforts to realize sustainable business goals are overlooked. This is an inevitable issue, particularly considering that the country prioritizes the health over the economy in general.

## Internal Competency and Capacity Building

[FS4] [OJK E.2]

The implementation of sustainable finance is highly dependent on management and employees applying sustainability principles, strategies and programs in the field. For this reason, Bank BTPN conducts training for members of the governing body, the management and employees on sustainability topics. The internal capacity building was held with the objectives of:

1. Increasing and building internal capacity to lead, implement and develop sustainable finance in line with Bank BTPN's business objectives.

2. Introducing and integrating ESG (environmental, social, governance) practices in all of Bank BTPN's activities, products and financial services by all employees.



The following are the trainings conducted in the reporting year:

Training Topics	Date	Participants	Total Participants	Form of Training	Description
Sustainability Issue & Reporting	August 12, 2021	Internal Employee	48	Sharing Session	Mandatory Training
Social Responsibility Based on ISO 26000	June 17-18, 2021	Internal Employee	46	Seminar	Non-mandatory
Social Return on Investment	June 17-18, 2021	Internal Employee	22	Training	Non-mandatory

To support the training program and to increase the awareness of all employees of the objectives of sustainable finance, Bank BTPN distributes information through email blasts and BTPN's social media. During the year, Bank BTPN made 7 communications to be distributed to all employees.

## Supply Chain

[GRI 102-9]

The supply chain is part of Bank BTPN's approach to ensure the smooth running of the business, which is provided by Bank BTPN's partners. Bank BTPN's supply chain includes security personnel, customer service officers and tellers supplied under an outsourcing scheme. Bank BTPN sets particular standards to be met by supply partners, taking into account that the employees are a part of Bank BTPN which contributes to maintaining the image of Bank BTPN. Bank BTPN also ensures that all business partners meet the requirements of applicable laws and regulations in the social standpoint. [GRI 414-1]

In the reporting year, Bank BTPN conducted an audit of 259 suppliers. The results indicated that no service suppliers were identified as having significant negative social impacts. [GRI 414-2]

In addition to the supply chain, Bank BTPN also engages in business with other goods and service suppliers. The Bank collaborated with 290 suppliers with a total procurement of goods and services of Rp663,012,120,971. The supplier selection process is carried out through tenders, bidding and direct appointment by prioritizing the principle of transparency while maintaining the quality of goods, services, and information technology

products. Bank BTPN manages the track records of partners and suppliers through Bank BTPN's e-procurement system, so that the procurement process is carried out in an efficient and effective manner.

To support the local economy and increase efficiency, Bank BTPN prioritizes the fulfillment of goods and services from the province where Bank BTPN operates. In this way, the proportion of expenditure for local suppliers during the reporting year was 98.97%. [GRI 204-1]



## Tax

### APPROACH TO TAX [GRI 207-1]

Bank BTPN considers that the importance of taxes are as a source of funding for national development. As the main source of state revenue, taxes encourage infrastructure development, improve people's welfare, and are a key tool in developing economic policies. For this reason, Bank BTPN is committed to carrying out its tax rights and obligations consistently and continuously in accordance with applicable tax regulations. The implementation of strategy and fulfillment of tax obligations within Bank BTPN is managed by the Tax Management Division, to be reviewed and approved by the Director of Finance over time. This review is necessary especially if there are changes in tax regulations that have a significant impact on the company. In particular, Bank BTPN implements tax rights and obligations in accordance with tax regulations to encourage business efforts to continue to grow and support Bank BTPN's sustainability initiatives on an ongoing basis.

### TAX RISK MANAGEMENT AND GOVERNANCE [GRI 207-2]

Tax management within Bank BTPN is under the Director of Finance and the Tax Management Division who are responsible for implementing and supervising the corporate tax strategy to be implemented by relevant units in the business and functional lines. Given the importance of taxes, Bank BTPN instills awareness of tax rights and responsibilities within the company as a whole for all business and functional lines. The company has a standard operating procedure (SOP)

for taxation as a reference for the implementation of the company's tax rights and obligations.

In particular, Bank BTPN has procedures to identify, manage and monitor operational risk, including tax risk. Each business line and function plays a role to identify, manage and supervise the company's tax risks to mitigate risks that may occur in all business activities and company transactions. Evaluation of compliance with tax governance and its control is carried out through the implementation of procedures for periodic evaluation and tax governance. Bank BTPN implements a tax-related assurance process through a review mechanism upon the results of a review or audit on the implementation of tax obligations, internally and externally.

Bank BTPN is committed to maintaining its integrity regarding the implementation of tax rights and obligations. For this reason, BTPN requires all employees to sign an Integrity Pact stating their commitment to integrity as outlined in the Bank BTPN's Code of Conduct, including employees whose duties are related to taxes. To ensure its implementation, Bank BTPN provides a Whistleblowing System. Code-of-conduct violations, including those related to taxes, can result in internal sanctions for the employee concerned.

### STAKEHOLDER ENGAGEMENT AND MANAGEMENT OF CONCERNS RELATED TO TAX [GRI 207-3]

The most important stakeholder in relation to taxation is the Government, in this case the taxation authority. For this reason, Bank BTPN has developed

a proactive, open, and transparent approach with tax authorities in the implementation of tax rights and obligations. Bank BTPN is committed to consistently complying with all applicable public regulations and policies, including those related to taxation. The company's stance on key issues related to taxes is guided by the applicable tax regulations binding on all taxpayers. In addition, in implementing internal policies, strategies and tax practices, Bank BTPN also takes into account feedback from external stakeholders, including tax authorities, OJK and banking industry associations.

Bank BTPN only operates in Indonesia, therefore tax reports are only made for Indonesia. [GRI 207-4]



Developing Employee Competencies



Prioritizing Environmental Commitments



Sustainability Governance



About the Report





# Advancing **SUSTAINABILITY PRODUCTS AND SERVICES**

BTPN assures that each of its products is beneficial for the Indonesian economy while maintaining a livable climate.





Bank BTPN has applied the principles of sustainable finance in accordance with the Financial Service Authority (OJK), which is based on product development, banking internal capacity, organization, sustainable risk management, and concerns toward the environment and society. BTPN's implementation of sustainable finance is shown through the provision of products and services that support environment preservation and improvement of the economic sector, too. Moreover, Bank BTPN also pays attention to its corporate and industrial customers who have helped improve the nation's economy significantly.

## Bank BTPN's Products

[GRI 102-2] [OJK C.4]

### BTPN Wow!

Funding BTPN Wow!

### JENIUS

- Jenius Application
- Saving (Flexi Saver, Dream Saver and Foreign Currency)
- Term Deposit (Maxi Saver)
- Bill Payment
- ATM Card/Debit Jenius
- Transfer (RTOL, SKN & RTGS)
- Top-up e-Wallet
- Loan (Flexi Cash)
- Jenius Pay
- Jenius QRIS
- Jenius Keyboard
- Jenius for Business
- Bisniskit by Jenius
- Moneytory
- Sinaya Prioritas in Jenius Application

### MSMEs

- Community Business Credit
- Business Partner Saving
- Deposit-Equivalent Saving
- Funding for Palm Oil Farmers
- Maxi Micro Loan (secured loan):
  1. Current Account Loan
  2. Installment Loan
  3. Term Loan
- Digital Micro Flexi Cash Loan (Unsecured loan):
  1. Installment Loan

### RETAIL LENDING BUSINESS

- Pension Loan
- Pre Pension Loan
- Active Employee Loans
- Pension Savings

### BUSINESS BANKING

#### A. Generic Product

- Overdraft Loan
- Demand Loan
- Term Loan/Installment Loan

### B. ABF (Asset Based Financing)

### C. Rural Bank Financing

### TRANSACTION BANKING & SUPPLY CHAIN:

#### A. Cash & Digital Solution

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

#### B. Trade

- Import LC Issuance/Import Bill Negotiation
- Export LC Advising/ Confirmation/Export Bill Collection
- Documentary Collection (DP, DA)
- Trust Receipt/Trade Loan
- Structured Trade Finance
- Receivable Purchase
- Bank Guarantees/SBLC
- Avalization

#### C. Supply Chain

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

### CONSUMER FINANCE

- Asset Based Financing (A/R Financing)

- Fintech
- Financing with MF

### TREASURY

- Foreign Exchange
- Derivative
- Money Market
- Fixed Income

### WEALTH MANAGEMENT BUSINESS

- Taseto Premium
- Taseto Business
- Tabungan Pasti
- Giro Sinaya
- Time Deposit
- Flexi Deposit
- Mutual Fund and Stock Mutual Fund
- Bancassurance & Bancassurance Unit Link
- ATM Card/Sinaya Debit
- Sinaya Online and Sinaya Mobile
- Safe Deposit Box
- Sharia Bank Services
- Weekend Banking
- Sinaya Priority
- Secondary Market Government Bonds

### CORPORATE/WHOLESALE BANKING

#### A. Hedging Products

IRS/CCS and foreign exchange transactions

#### B. Loan Products

- Bilateral and Syndication Loans (IDR, USD and, JPY)
- Working Capital Loan
- Investment Loan
- Project/Structured Finance
- Export Credit Agency (ECA)
- Green Loan
- Sustainability Linked Loan
- Others



## Flagship Products

Brief definitions of Bank BTPN's products are explained below:



Designed for the digital-savvy millennials, JENIUS is an application that applies digitalization processes in its features starting from account registration. JENIUS features offer a Life Finance solution to help clients manage their finances and life by performing functions such as: bill payments, money transfers, saving management, fund allocation, and others. Users will be able to split their funds for daily transactions and savings through a different saving program, depending on the chosen flexibility, time period, the desired interest.

This product is also equipped with the Moneytory feature that lets users record the cash flow automatically. Therefore, users can see the summary of their financial state clearly and in a real-time manner. These JENIUS features are clever banking revolutions, which are simple and safe for those who are digital savvy.



BTPN Wow! is an innovation in inclusive financial service for the unbankable community. This product is a manifestation of Bank BTPN's concern toward those who are marginalized in society and those who may live in unreachable areas throughout Indonesia without having good access to any kinds of banking and financial services. The social goal of this product is to improve the welfare of the lower income community. [FS7]

With this product, Bank BTPN has opened banking access for approximately 3,784,222 customers from micro and ultra-micro segments that have never had access to any banking services. BTPN Wow! provides complete banking services such as: account registration, transfer, bill payment, and many others. Considering

the targeted customers, BTPN Wow! is accessible through any simple cell phone devices. Besides, people can also get this service, such as cash or non-cash transactions, from the BTPN Wow! agents in their nearby areas.

In the reporting year, BTPN has expanded the BTPN Wow! service to 294 cities and 26 provinces with 156,307 agents and total funding of Rp107,325,470,822. This product has been proven to help increase customers' income and that of their agents, too. This product has really opened up new business opportunities that are accessible and reachable. BTPN Wow! has helped pursue the goal of inclusive finance for all Indonesians.

Bank BTPN's achievement in creating BTPN Wow! and its services has been acknowledged worldwide; in 2016, this product was reviewed in Fortune magazine September 2016 edition. Moreover, with this product, Bank BTPN has been listed as one of the 50 world banking corporations that manage to solve social problems in developing countries.



## Financial Products with Environmental and Social Insights

[OJK F.26]

Bank BTPN's commitment towards reaching the sustainability development goals is proven by giving support to credit distribution for environmentally friendly infrastructure development. This program has also been supported by the International Finance Corporation (IFC) who has given some facilities that can be used to help distribute the financing. However, the financing is only given to debtors or industries who have never committed any environmentally-damaging activities.

Furthermore, Bank BTPN applies the Equator Principles (EP) in order to identify, assess and manage environmental and social risk when financing large-scale development projects:

1. Bank BTPN has developed and implemented a procedure that can access and select any environmental and social risk from the business sector, supported by a Risk Management Division which has been adjusted to perform applied risk management.
2. Bank BTPN has mentioned the surveillance clause on corporate debtors' obedience towards the environmental and social regulations in the possible loan agreement clauses. The Relationship Manager, as BTPN's representative, is responsible to do field checking on their regular visits. This clause is based on BTPN's internal decisions about social and environmental risks as well as the Equator Principles.

3. Along with other Equator Principles parties, BTPN has developed even more partnerships through a syndicated loan transactions in order to increase the size of the environmentally friendly financing portfolio that is in accordance with the sustainability goals.

## Products with Social Goals [FS7]

Bank BTPN has supported the lower segment of the economic community by providing banking products and services for the MSMEs segment, as on page 44. This financing has become an important source for MSMEs developments with limited capital. Thus, this social banking service aims to help improve the community's welfare. The improvement in society will help minimize any social gaps that can potentially disturb the nation's integrity and development.

## Access Development

In order to provide clients with easier access, BTPN has opened many facilities such as: head offices, branch offices, supporting branch offices, ATMs and TCR network, functional offices, and a wireless network. These access points have been adjusted to society's dynamic needs. As for high mobility clients, BTPN has also provided digital services, ATMs and TCR network, and Laku Pandai agents. In the reporting year of 2021, there has been a reduction of 58 office buildings in order to optimize nearby offices and the work performance, and to follow the Qanun Aceh regulation as well.

## Quality Products and Services

[FS15] [OJK F.27]

While focusing on improving the economy and giving the best services, Bank BTPN also assures that each product and service provided can help fulfill the needs of customers and community needs fairly and securely. Bank BTPN's credit policy is based on a regulation from OJK's rule: No 42/POJK.03/2017 about the Obligation on Credit Policy Arrangement and Realization of Bank Financing for Public Banks.

Besides this, product security and quality has also been verified through detailed guidelines, processes, and examinations, such as:

1. Products' compatibility with BTPN's vision and mission.
2. Products and services' compatibility with clients' needs and capability.
3. Consideration on environmental issues like nature preservation, environmental risk management (waste and pollutant management), etc. BTPN has certain conditions related to environmental risks, which are mentioned by the Business Unit in the credit-giving procedure.
4. Consideration on social issues, such as credit-giving and some training programs for the MSME community.
5. Transparency in delivering information. Each product and service offered to the clients by Bank BTPN is explained in summarized information about related products during the offering and/or credit agreement authorization. The product summary terms delivered by BTPN are based on valid regulations by OJK.



6. Ensuring each product has been through a detailed examination:
  - a. Risk Management Review, related to eight kinds of risks: credit risk, market risk, liquidity risk, operational risk, strategy risk, compliance risk, reputation risk, and legal risk;
  - b. Compliance Test Review;
  - c. Operational Review;
  - d. Financial Review;
  - e. IT Review;
  - f. Other related supporting reviews.
7. Ensuring that all products have been legalized by related parties as regulated in Bank BTPN's Product and Service Policy; and supported by proper procedure and infrastructure, including certified human resources, and the existence of a Business Continuity Plan (BCP).
8. As for the products that require approval from the regulator, Bank BTPN has made sure that they will only be launched after obtaining legal permit from the related regulator.

To make sure that each policy is well implemented, Bank BTPN has assigned an Internal Audit team to do a regular checking. Furthermore, Bank BTPN has also done a checking on the Head Office to help manage the bank-wide risks. All products and services from Bank BTPN have fulfilled and met all the laws and regulations and are being evaluated securely. Bank BTPN commitment on the product quality and security has yielded a good result; there have not been any charges on disobedience toward the laws and regulations in the economy and social aspect. Moreover, none of Bank BTPN's products have been recalled. [GRI 419-1] [OJK F.17] [OJK F.29] [OJK F.27]





## Improving Service Quality

### SERVICE QUALITY POLICY

The quality of banking services becomes the key to customer satisfaction that will help improve Bank BTPN's business movement as a corporate dealing with services. Customer loyalty is maintained when Bank BTPN is able to give the best quality services. Thus, Bank BTPN has created a high standard in maintaining its services by applying the mandatory Service Level Agreement (SLA) for all BTPN's staff in order to give the best service to the customers. The SLA requires any Bank to pledge to fulfill any requests or resolutions of problems faced by customers. Bank BTPN's commitment to give the best quality services has been demonstrated in the highest level of SLA management in order to give satisfaction and gain

loyalties from customers. Regularly, Bank BTPN provides an awareness campaign on SLA to each unit to ensure the staff understand it and will maintain it as well. Furthermore, Bank BTPN has regularly evaluated the SLA fulfillment for each customer; and checked if there are any resolutions and complaints in the Bank's business lines.

### COMPLAINT HANDLING

Customer complaints have become a challenge as well as an opportunity for Bank BTPN to improve the quality of its products and services and maintain the customer's loyalty. Bank BTPN has handled all complaints carefully and thoroughly in order to give the best solutions for customers in the hope of improving their level of satisfaction. Therefore, Bank BTPN has been perfecting an integrated complaint-handling system called Customer Relationship Management (CRM) which

is an application to record and manage each complaint received by the Bank through all contacts provided, including complaints toward the management. The reports received then will be studied thoroughly to evaluate the problems, find the best corrective solutions, and prevent similar problems from reoccurring in the future. This process has been done sustainably and is well-measured so there will always be improvement from time to time.

Customer complaint handling is also an act of obedience from Bank BTPN toward the banking regulations, which is also a part of Bank BTPN's responsibility to its clients. Bank BTPN has opened up various complaint forums so customers will get proper and satisfying solutions quickly. In 2021, BTPN received 66,137 complaints and 99% of them were solved during the reporting year.

### Complaint Handling 2021 [OJK F.24]

Types of Financial Transaction	Finished		On Process		Unfinished		Number of Complaints
	Number	Percentage	Number	Percentage	Number	Percentage	
Deposit	429	100%	-	0%	-	-	429
Giro	17	100%	-	0%	-	-	17
Saving	115	98%	2	2%	-	-	117
BTPN Wow!	18	100%	-	0%	-	-	18
Jenius	6,152	99%	45	1%	-	-	6,197
Taseto	21	95%	1	5%	-	-	22
BTPN Wow! Loan	1	100%	-	0%	-	-	1
Flexi Cash	3,808	91%	379	9%	-	-	4,187
Working Capital Loan	2	100%	-	0%	-	-	2
Pension Loan	331	98%	8	2%	-	-	339
UMK Credit	61	97%	2	3%	-	-	63
SME	8	100%	-	0%	-	-	8
ATM	14,254	99%	172	1%	-	-	14,426
Internet Banking	59	100%	-	0%	-	-	59
Mobile Banking	39,653	99.8%	77	0.2%	-	-	39,730
Remittance/Transfer	2	100%	-	0%	-	-	2
RTGS/SKN	37	100%	-	0%	-	-	37
Bancassurance	2	100%	-	0%	-	-	2
Mutual Fund	30	94%	2	6%	-	-	32
Join Finance	447	99.6%	2	0.4%	-	-	449
<b>TOTAL</b>	<b>65,447</b>	<b>99%</b>	<b>690</b>	<b>1%</b>	<b>-</b>	<b>-</b>	<b>66,137</b>

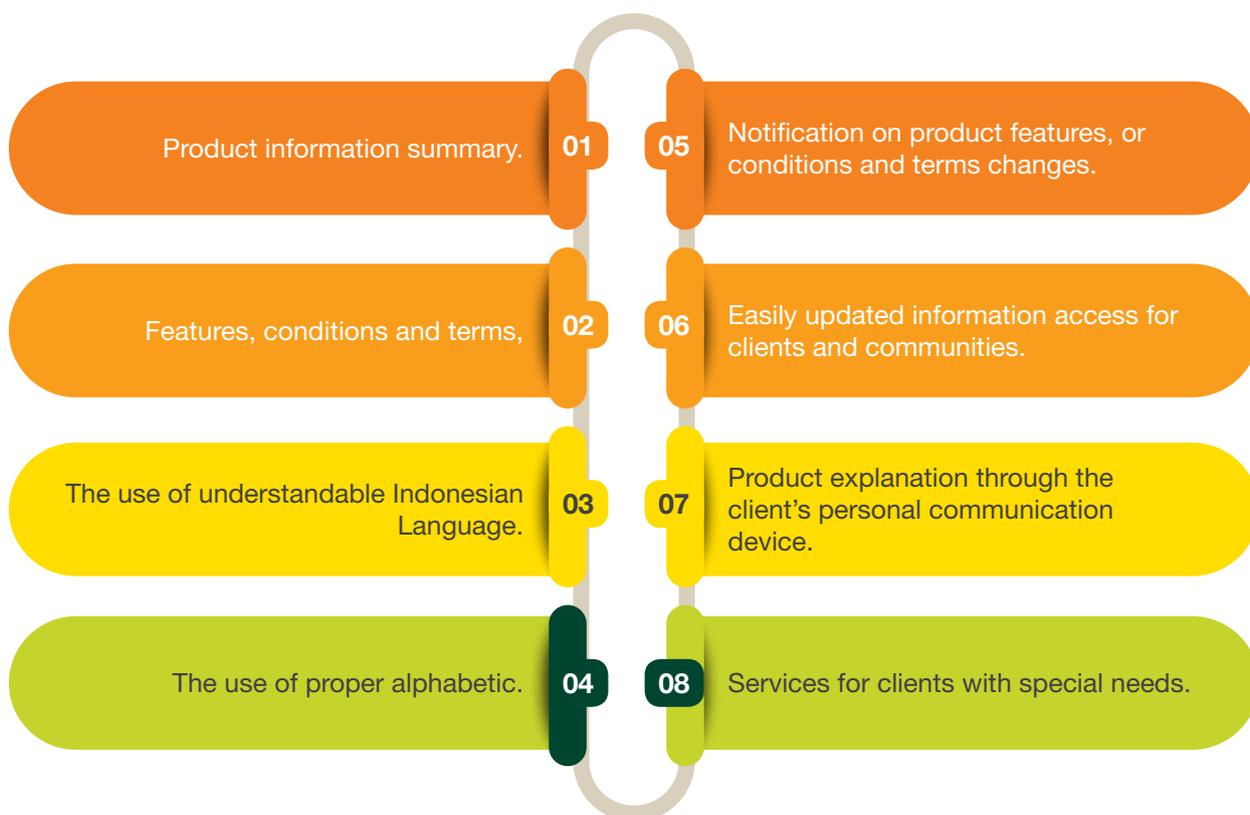


## Customer Privacy Protection

In accordance with the valid Banking Regulations, customer data is the bank's confidential information. The responsibility to keep it confidential has been given to Bank BTPN as a trusted financial institution. Therefore, Bank BTPN always keeps all data and information related to customers and their savings properly. Bank BTPN applies a strict procedure to make sure all data is used accordingly. This is conducted to make sure that there will not be any complaints related to privacy violation and data loss. [\[GRI 418-1\]](#)

## Product Information and Marketing

Bank BTPN provides services that allow customers and community to get complete and detailed information about its products and services. The information is presented clearly in order for customers to receive fair and best quality services. Bank BTPN has composed a guideline for product launching by including information including: [\[GRI 417-1\]](#)



In order to get feedback to improve the quality of products and services, Bank BTPN has had a review for each launched product and service; thus, they will keep improving in the midst of global business development. Therefore, in

the reporting year, there were no disobedience incidents related to labeling, nor on product and service information nor on marketing communication aspects. [\[GRI 417-2\]](#) [\[GRI 417-3\]](#)



# Daya

# EMPOWERING PEOPLE

DAYA is a manifestation of Bank BTPN's commitment to sustainably empower and improve the capacity of customers and the community in general.

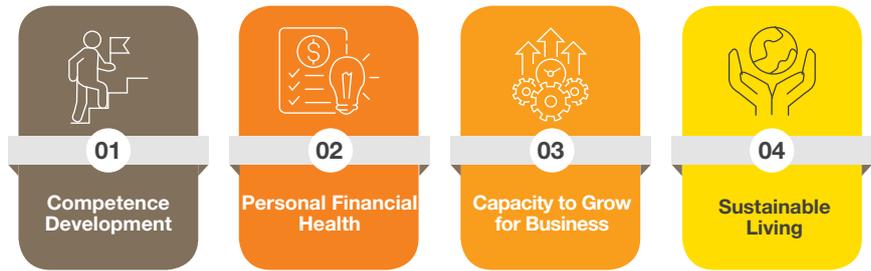


**Mrs. Agnes Sukerty Niken,**  
Manufacturer of Modern Herbal Products,  
Customer of Bank BTPN and beneficiary of the Daya Program



Beyond financial services, Bank BTPN has also committed to improving society in many aspects in order for people to live a better life. Bank BTPN's Daya program has been designed to help all people, from micro communities to corporates. This program is an integrated activity of Bank BTPN's daily operations and part of their social responsibility. As an innovative program, Daya offers a unique value proposition, which sets Bank BTPN apart from other banks; thus, this program has received many awards in national and even international scope.

As a flagship program to achieve Sustainable Development Goals (SDGs), Daya Program is designed with regard to sustainability principles, sharp strategies, and measurable programs, divided into four main pillars, namely:



Daya program is designed by first conducting research and assessment to identify community needs with different segments. The observation results are developed into curriculum, modules and training programs needed by the community. The community plays a role not only as the object of development, but also the subject of development.

In developing the programs, modules, and curriculum, Bank BTPN has collaborated with various credible parties such as universities, corporates, and other institutions with one shared goal: to build a stronger community. All this programs were developed through detailed examination of societal needs in order to make Daya function properly and stay on target, and to avoid any potential negative impacts as well. These precautions will prevent any future complaints regarding these programs from society. [GRI 413-1] [GRI 413-2] [OJK F. 25]



.....“.....  
**DAYA - A sustainable and measured empowerment program to support the improvement of human capacity and life quality.**  
 .....“.....



# Digital Empowerment Daya.id

[GRI 203-1] [OJK F. 23] [OJK F. 25]

Daya program is also accessible on the digital platform [www.daya.id](http://www.daya.id). On this platform, there are many trusted and well curated sources of information about capacity development for personal or corporate life as well as some useful tips on how to live a healthy life. Daya.id has received multiple awards and appreciations; one of them being an award for sustainable innovation in the IDX Channel Anugerah Inovasi Indonesia event, which examined around 100

innovations from many business lines, including banking, infrastructure, mining, and others.

The advantages of the daya.id program are in its innovative features such as:

1. Providing access and operations 24/7.
2. Providing access for all areas with internet connections all over Indonesia.
3. Being accessible by phones and computers with internet connections.

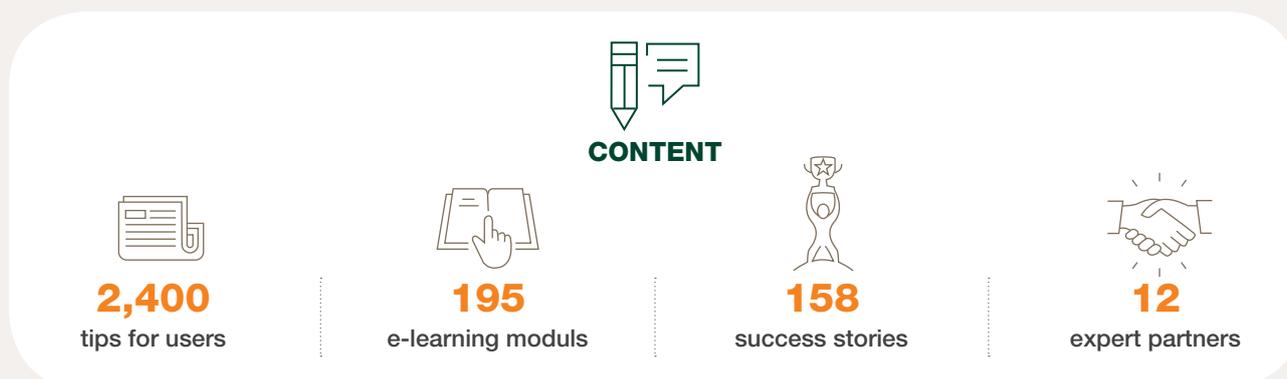
4. Giving an opportunity for people to interact with business and life-style experts online.
5. Building a community and collaboration with various parties to empower each other.
6. Providing products and business promotions in order to improve marketing access for those who have online stores.



In the reporting year, daya.id was visited by **2.1 million** visitors looking for information on business development and lifestyle; and **73,566** of them were registered visitors.



Daya.id has collaborated with some partners and experts in business and lifestyle like the Indonesian Doctor's Union, Indonesia Sports Medicine Centre (ISMC), PERSAGI (Indonesian Nutritionist Association), Trubus, and others. **As the result of those collaborations, there have been thousands of articles on tips and e-learning videos available that can be accessed by all registered visitors of daya.id.**





In order to fulfill the needs of the users, *daya.id* has been perfected with nine main features to help develop user capacity. Those features are:

 <p><b>Tips &amp; Latest News</b> Practical tips in daily activities</p>	 <p><b>Success Story</b> Inspirational experience of actors who have achieved success in business or a healthy lifestyle</p>	 <p><b>Online Training</b> A complete e-Learning video, displayed in an attractive, short, and understandable manner.</p>
 <p><b>Ask an Expert</b> Online consultation with experienced &amp; trusted experts in their field</p>	 <p><b>Business opportunities</b> Wide choice of franchise business opportunities from partners that have been tested and in the low-risk</p>	 <p><b>Face-to-face Training</b> Offline and online training/ seminar schedules to increase self-capacity</p>
 <p><b>Market Access</b> Online promotion of selected customer products with online stores in a well-known</p>	 <p><b>Financial Products</b> Various financial products in the form of savings, loans, and investments that can be used as needed.</p>	 <p><b>Sahabat Daya</b> Volunteer program to empower the surrounding community</p>

## Four Pillars of Daya Program

### COMPETENCE DEVELOPMENT PROGRAM

Every individual has some potential that can be further developed. This self-improvement program invites everyone to find their talents and strengths in order to attain a more sustainable living. Self-improvement is especially important in a fast-moving business world. Each person should be equipped with something they are good at so that they can more easily handle the complex problems and challenges they may face. Therefore, Bank BTPN has provided an opportunity for all people, but especially our customers, to improve their capacities and skills by attending a workshop and training program led by relevant experts.

### PERSONAL FINANCIAL HEALTH

[FS16] [OJK F. 23] [OJK F. 25]

Finance Minister Sri Mulyani has pointed out the importance of improving the financial literacy of society, in order to reach the goal of having a more inclusive financial system. Financial literacy plays a big role in supporting economic growth and raising people's welfare. It is an important skill needed by every individual in order to be able to manage personal financing to avoid any financial difficulties. Without having good financial literacy, a customer will not be able to make a financial plan and will most likely make some wrong decisions. Therefore, Bank BTPN has taken up the responsible role of educating more people about financial management. The following workshops are held by Bank BTPN and its partners in some areas and the topics are as listed below:

1. Simple Financial Management;
2. Basics of Management;
3. Cash Flow Management;

4. Working capital management;
5. Investment;
6. Pension Financial Management.

Particularly, BTPN has conducted a pre-pension course and training program for Civil Servants (PNS), POLRI (the police), and TNI (the army) in order to prepare them with a wise mindset and a good level of financial management capacity.

### CAPACITY TO GROW FOR BUSINESS

[OJK F. 23] [OJK F. 25] [GRI 203-2]

Improving society's business capacity is a very important matter for Bank BTPN, especially for those who belong to the MSMEs sector. It is widely known that the business sector holds the most important role in national economic development, such as by opening new work opportunities, increasing national income, and minimizing the social gap. However, this sector has been the most affected by the pandemic. Therefore, Bank



BTPN has tried to support business people to improve their business capacity through a training and workshop program with some topics that are relevant and needed nowadays. Bank BTPN has provided some leveled curriculums and modules that can be accessed online on Daya.id or on other online gadgets. Bank BTPN hopes that this program can help others improve and will help recover the economic sector.

### SUSTAINABLE LIVING

A healthy living society is the most important thing for national development. A healthy society results from a well-qualified environment. Thus, Bank BTPN has committed to some programs to support social healthcare and to maintain the quality of the environment itself.

## Daya Program Realization

### EMERGENCY RESPONSE ON COVID-19

In order to support the government in managing the effects of the pandemic, Bank BTPN has consistently run an education campaign related to COVID-19. Collaborating with dr. M. Adib Khumaidi, Sp.OT as the Chairman of the Indonesian Doctors Association (IDI) executive board in 2021-2024 Bank BTPN has created three educational videos that can be accessed on www.Daya.id. Besides that, Bank BTPN has also worked with IDI to distribute 100 units of oxygen concentrators from SMBC to 35 regencies/cities in 19 provinces. Moreover, in order to optimize the government’s vaccination program, Bank BTPN’s branches are used as locations for administering vaccines not only to Purnabakti customers but also to employees and the community near the branch locations. To boost community resilience in the face of COVID-19, Bank BTPN held 6 webinars related to business and health for 947 participants.



### DAYA FOR CORPORATE CLIENTS

[OJK F. 23] [OJK F. 25]

Daya’s concern toward our corporate clients and their staff and their families is shown through this empowerment program. This program benefits not only individuals but also the corporate world. When healthcare and staff competency improves, their performance will be better, too.

[GRI 203-1] This empowerment program, as held in the reporting year, has included:

1. Training on financial literacy to support wise financial management by staff.
2. Training on professional competency development such as how to read a Balance Sheet Report, Cash Flow Report, and Loss and Profit Report.
3. Training on competency development, like Effective Communication Skills.
4. Education on healthy lifestyle such as the physical and mental health

### DEVELOPMENT OF AN EDUCATION FACILITY

[GRI 203-1]

Bank BTPN thinks that education is very important since all future social development depends on the quality of education. Thus, Bank BTPN collaborates with SMBC and Djarum Foundation to improve education facilities, as done in vocational high schools (SMK) in Kudus and Karawang such as the marine school, animation school, welding school, automation engineering school, and culinary school.



## DAYA FOR SINAYA PRIORITY CLIENTS

Daya for Sinaya Priority Clients is a program that gives people a chance to grow and have a more meaningful life. The program consists of four programs:

1. Financial Management Program;
2. Healthy Lifestyle Empowerment Program;
3. Sustainable Living Program;
4. Voluntary Program (*Sahabat Daya*).

## SAHABAT DAYA

Sahabat Daya is a voluntary program from Bank BTPN that invites both internal parties (the staff) and external parties (customers and partners) to

support the improvement of everyday Indonesians' capacity through the 4 Daya pillars mentioned above. Many empowerment activities have been carried out by BTPN and its staff in many places around Indonesia. This program is aimed at supporting society to improve business capacity and healthcare through:

1. Training on telang flower (butterfly pea) cultivation for varied communities;
2. Interactive Socialization on the COVID-19 health protocol to all BTPN's retired customers and nearby communities;
3. Education for homeless children.

For the Sahabat Daya's activities organized by external parties, BTPN has collaborated with some partners such as universities, practitioners, and professionals. Some of the activities are:

1. Writing articles and providing information related to capacity improvement that later will be published on [daya.id](http://daya.id) and through other Bank BTPN information channels.
2. Conducting a webinar to help raise interest and capacity in entrepreneurship for college students.

### Social Responsibility Activity [OJK F.25]

Type of Activity	Related SDGs	Explanation	Beneficiaries
Competence Development Program	No. 4 (Good Quality Education) No. 5 (Gender Equality), No. 17 (Partnership to Reach the Goals).	38 Webinar Activities  Topics 1. Career preparation for college students 2. Building Effective Communication Skills	3,032 webinar participants
Personal Financial Health	No. 4 (Good Quality Education), No. 8 (Decent Jobs and Economic Growth), No. 10 (Minimizing Gaps), No. 17 (Partnership to Reach the Goals).	84 Webinar Activities  Topics: 1. Financial management during pandemic 2. Strategy on choosing investment 3. Strategy on increasing income	13,632 webinar participants
Capacity to Grow for Business	No. 8 (Decent Jobs and Economic Growth), No. 10 (Minimizing Gaps), No. 17 (Partnership to Reach the Goals).	<ul style="list-style-type: none"> <li>• 987 articles on <a href="http://Daya.id">Daya.id</a> related to entrepreneurship</li> <li>• 453 graphic info distributed through BTPN's digital channels</li> <li>• 98 webinar activities</li> </ul> Topics Improving knowledge about business management, such as: <ol style="list-style-type: none"> <li>1. Financial</li> <li>2. Operational</li> <li>3. Marketing</li> <li>4. Human Resources</li> <li>5. Laws</li> <li>6. Legal Permits</li> </ol>	<ul style="list-style-type: none"> <li>• 1,569,418 visitors</li> <li>• 2,202 graphic info readers</li> <li>• 7,107 webinar participants.</li> </ul>



Type of Activity	Related SDGs	Explanation	Beneficiaries
Sustainable Living	No. 3 (Good Healthcare and Welfare).	<ul style="list-style-type: none"> <li>775 articles on Daya.id</li> <li>6 graphics info published on BTPNS's digital channels</li> <li>15 webinar activities</li> </ul> <p>Topics</p> <ol style="list-style-type: none"> <li>Food nutrition to optimize the vaccination program</li> <li>Preventing the spread of COVID-19</li> <li>The impact of the pandemic on mental health</li> </ol>	<ul style="list-style-type: none"> <li>627,159 visitors</li> <li>163 graphic info readers</li> <li>3,514 webinar participants</li> </ul>
Daya for Corporate Clients	No. 3 (Good Healthcare and Welfare), No. 4 (Good Quality Education), No. 8 (Decent Jobs and Economic Growth), No. 10 (Minimizing Gaps), No. 17 (Partnership to Reach the Goals).	<p>21 webinar activities</p> <p>Topics:</p> <ol style="list-style-type: none"> <li>Reading Financial Reports</li> <li>Personal Financial Management</li> <li>Healthy Lifestyle</li> <li>Training on Effective Communication Skills to corporate clients' employees</li> </ol>	3,440 webinar participants
Pre-pension Courses and debriefing program PNS, TNI, POLRI	No. 3 (Good Healthcare and Welfare) No. 4 (Good Quality Education) No. 8 (Decent Jobs and Economic Growth), No. 10 (Minimizing Gaps).	<p>84 activities</p> <p>Partnering with TNI and POLRI</p>	5,608 participants
Development of education facilities at: <ul style="list-style-type: none"> <li>Vocational High School 2 Karawang</li> <li>Vocational High School of Wisudha Karya Kudus</li> <li>Vocational High School of Raden Umar Said Kudus</li> <li>Vocational High School of NU Ma'arif Kudus</li> <li>Cendekia Utama Health College Utama Kudus</li> </ul>	No. 4 (Good Quality Education).	<p>School's facilities/infrastructure development</p> <p>Collaboration with SMBC and Djarum Foundation</p>	Useful facilities for 40,696 students
Daya for Sinaya Priority Personal Client	No. 3 (Good Healthcare and Welfare), No. 8 (Decent Jobs and Economic Growth).	<p>10 webinar activities</p> <p>Topics:</p> <ol style="list-style-type: none"> <li>Financial Management</li> <li>Healthy Lifestyle</li> <li>Sustainable Living</li> <li>Voluntary Program</li> </ol>	1,279 webinar participants
Sahabat Daya	No. 3 (Good Healthcare and Welfare), No. 4 (Good Quality Education), No. 8 (Decent Jobs and Economic Growth), No. 10 (Minimizing Gaps).	<p>17 webinar activities</p> <p>Collaborated with:</p> <ol style="list-style-type: none"> <li>IPB's Business School</li> <li>University of Podomoro</li> <li>LSPR</li> </ol>	<ul style="list-style-type: none"> <li>140 staff of Bank BTPN</li> <li>423 college students and Bank BTPN's professional partners</li> </ul>



## Empowering UMKM (Micro businesses) through Daya Program

Jamu or herbal drinks are one of Indonesia's heritages with many advantages for health. As a medicine with natural ingredients, jamu is made without any chemical substances; however, jamu still has a lot of benefits, such as healing some diseases, keeping up one's stamina, maintaining health, and is even used for beauty purposes. Some mixture of jamu can taste really good and jamu can also serve as an appetizer. In order to preserve the tradition of jamu, Agnes Sukerty Niken (a Bank BTPN customer) has started presenting this drink in more modern packaging so that the millennial generation will be more interested. Thus, the tradition of drinking jamu will continue to exist from generation to generation.

Beginning as a hobby and acting on her wish to keep a family recipe alive, Agnes has succeeded in developing 'Ing Pawon' as a ready to drink/RTD traditional jamu. Before marketing the name Ing Pawon, Agnes was selling various products such as beras kencur (aromatic ginger extract), kunyit asam (turmeric extract), and temulawak (ginger extract). As time passed, she changed the brand to Ing Pawon which means "in the kitchen". Her consistency was then noticed by Bank BTPN, thus 'Ing Pawon' has now become Bank BTPN's Daya partner in the SME space. Agnes finally got a mentoring program from Daya. In her time with Daya,

Agnes says that she really got useful help in marketing Ing Pawon. Daya also invited Ing Pawon to join Selendang Mayang, an exhibition of Bank BTPN's development partners, multiple times. In her opinion, Bank BTPN has played a great role in helping her improve her business: "sales of my products have been greatly increasing because I have

“

**During my time at Bank BTPN, I received special mentoring for six months. I was invited to learn more about business, such as which direction the business is heading, and about targets. I did not have a clue in the beginning, but now I understand the steps I should take to improve my own business. So, it has been a helpful learning experience**

**(Agnes Sukerty Niken)**

“

learned how to promote them online as well; I've learned how to capture good photos and use words to catch people's attention. There are many more techniques that I've learned, one of them is how to do marketing online”.

### SME EMPOWERMENT

Bank BTPN's Daya Program is a realization of its commitment to improve our customer's capacity to live sustainably by giving them more chances to grow and have a

more meaningful life. This program has also helped the government and the people to reach the Sustainable Development Goals.

Daya has worked to improve society at large, especially the customers, and in all segments from corporations to lower income society (pre-prosperous productive). Bank BTPN believes that all customers from all segments do not only need financial and financing access, but also improvements in all





aspects so that they can live a better life.

The Daya program consists of Competence Development, Personal Financial Health, Capacity to Grow for Business and Sustainable Living. This program has been made into a training module and curriculum by collaborating with many experienced universities and institutions. Furthermore, this collaboration is based on the similar visions of reaching the goal of having stronger Indonesian communities.

Bank BTPN also believes that the four Daya pillars are able to embrace people from all levels and segments.



..... “ .....

**My hope, which is also the hope of all Bank BTPN’s partners, is that this program will keep on embracing more SMEs. I also do hope a program like Selendang Mayang will continue to exist, because it has been a place for SMEs to promote their products and gives people access to partnerships with other institutions such as the ministries so that SME products will be able to keep on growing.**

**(Agnes Sukerty Niken, Jamu Ing Pawon)**

..... “ .....



# Developing **EMPLOYEE COMPETENCIES**

Bank BTPN continues to manifest itself as the workplace of choice and a place for a long-term career, where employees have the opportunity to reach their highest potential.





# Decent and Safe Working Environment

[OJK F.21]

Working in the banking sector has the dual benefit of enabling a personal career, as well as providing an opportunity to have a positive impact on the wider community. Bank BTPN provides job opportunities for all employees to achieve their career goals, and their family dreams, all while working for the community. Bank BTPN provides a comfortable and safe workplace as well as promising opportunities for all employees. Employees are Bank BTPN's partners to progress. Therefore, Bank BTPN provides a conducive workplace for all employees to shine. Bank BTPN leaders give full support to employees on the front lines, moral support, enthusiasm, and the right facilities to achieve their goals.

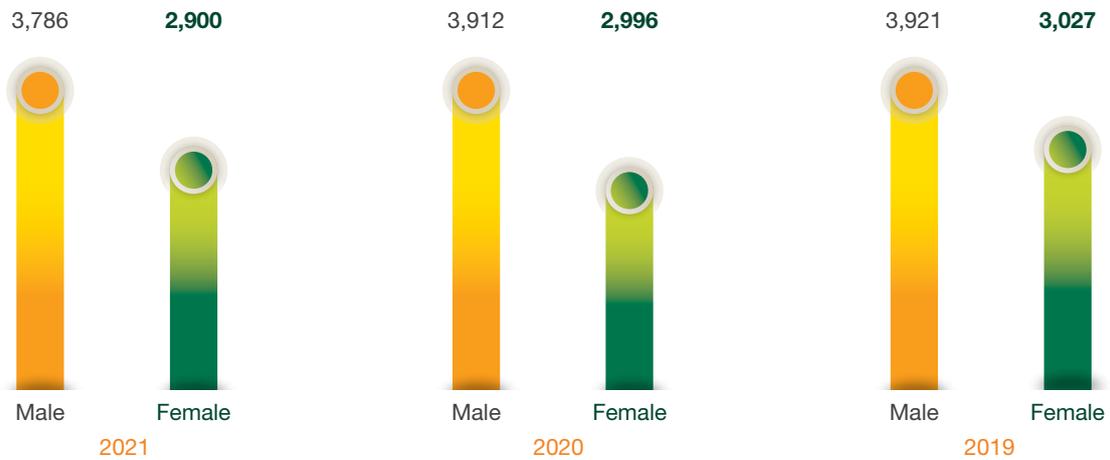
The management of Bank BTPN's employees is conducted transparently by prioritizing the welfare and rights of employees, in relation to the company's objectives. During the year of this report, the number of Bank employees decreased by 4.7%, from 7,482 to 7,129, due to adjustments to the Bank's Human Resources needs. The following is Bank BTPN's employee data obtained from the Human Resource Department:



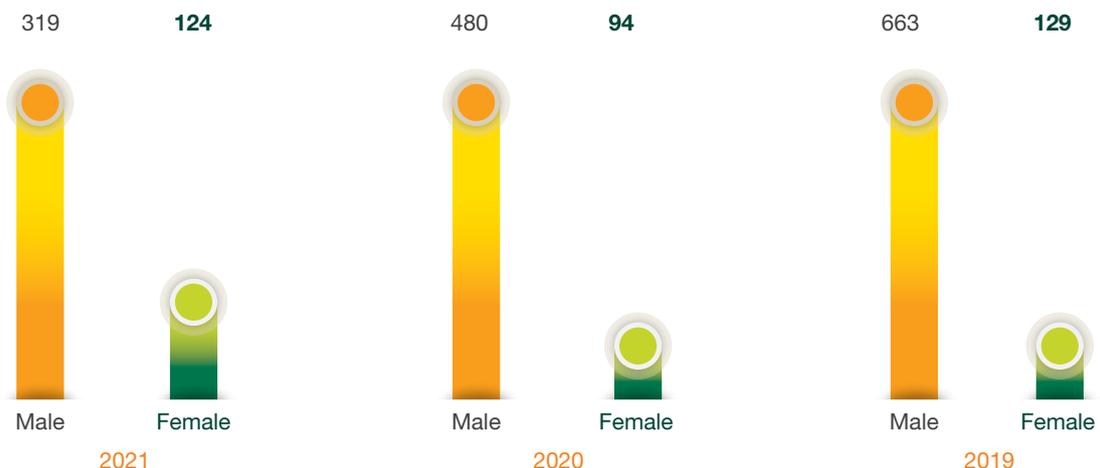
## Total employees by employment status (permanent and temporary) and gender

[GRI 102-8] [OJK C.3.b]

### Permanent Employees



### Temporary Employees





### Total employees by employment status (permanent and temporary) and region

[GRI 102-8] [OJK C.3.b]

Description	2021		2020		2019	
	Permanent	Temporary	Permanent	Temporary	Permanent	Temporary
Greater Jakarta	2,767	224	2,766	158	2,647	186
Java (exclude Greater Jakarta)	2,070	94	2,027	187	2,092	259
Outside Java	1,849	125	2,115	229	2,209	347
<b>Total</b>	<b>6,686</b>	<b>443</b>	<b>6,908</b>	<b>574</b>	<b>6,948</b>	<b>792</b>

### Total Employees by Employment Status and Gender

[GRI 102-8] [OJK C.3.b]

Description	2021		2020		2019	
	Male	Female	Male	Female	Male	Female
Full time employees	3,786	2,900	3,912	2,996	3,921	3,027
Part time employees	319	124	480	94	663	129
<b>Total</b>	<b>4,105</b>	<b>3,024</b>	<b>4,392</b>	<b>3,090</b>	<b>4,584</b>	<b>3,156</b>

## Inclusive Workplace

Bank BTPN builds an inclusive workplace which accommodates and respects differences among employees, whether related to ethnicity, gender, religion, education, or other backgrounds. We provide an open workplace, where employees can work optimally, share their strengths, perspectives, and abilities for mutual progress. We believe that diversity brings its own strengths, providing the atmosphere for innovation and creativity to thrive. The diversity policy and strategy at Bank BTPN has yielded positive results, with no incidents or claims of discrimination in the reporting year.

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

Our commitment to the diversity of governance bodies and employees is realized by involving employees from various age groups, educational backgrounds and gender as shown in the table below:



**Diversity of governance bodies and employees by gender [GRI 405-1] [OJK C.3.b]**

Position	2021			2020			2019		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Board of management	6 (55%)	5 (45%)	11	6 (55%)	5 (45%)	11	10 (77%)	3 (23%)	13
Top management	109 (71%)	45 (29%)	154	112 (70%)	49 (30%)	161	98 (64%)	56 (36%)	154
Senior management	451 (64%)	259 (36%)	710	464 (66%)	244 (34%)	708	475 (67%)	231 (33%)	706
Management	1,732 (61%)	1,099 (39%)	2,831	1,726 (61%)	1,083 (39%)	2,809	1,632 (61%)	1,060 (39%)	2,692
Officer/Supervisor	923 (57%)	693 (43%)	1,616	1,043 (61%)	677 (39%)	1,720	1,244 (65%)	665 (35%)	1,909
Clerical	884 (49%)	923 (51%)	1,807	1,041 (50%)	1,032 (50%)	2,073	1,125 (50%)	1,141 (50%)	2,266
<b>Total</b>	<b>4,105</b>	<b>3,024</b>	<b>7,129</b>	<b>4,392</b>	<b>3,090</b>	<b>7,482</b>	<b>4,584</b>	<b>3,156</b>	<b>7,740</b>

**Diversity of governance bodies and employees by age [GRI 405-1] [OJK C.3.b]**

Position	2021			2020			2019		
	21-30 years	30-50 years	>50 years	21-30 years	30-50 years	>50 years	21-30 years	30-50 years	>50 years
Board of management	0	5	6	0	5	6	0	5	8
Top management	0	107	47	0	114	47	0	105	49
Senior management	4	600	106	8	602	98	5	588	113
Management	556	2,159	116	515	2,178	116	502	2,040	150
Officer/Supervisor	275	1,319	22	346	1,351	23	520	1,369	20
Clerical	569	1,223	15	717	1,342	14	890	1,354	22
<b>Total</b>	<b>1,404</b>	<b>5,413</b>	<b>312</b>	<b>1,586</b>	<b>5,592</b>	<b>304</b>	<b>1,917</b>	<b>5,461</b>	<b>362</b>

**Total employees by education level [GRI 405-1] [OJK C.3.b]**

Education Level	2021			2020			2019		
Doctoral Degree			1			1			2
Master's Degree			289			295			283
Bachelor's Degree			5,783			5,899			5,970
Associate's Degree			740			915			1,047
High School/equivalent			316			372			438
<b>Total</b>			<b>7,129</b>			<b>7,482</b>			<b>7,740</b>

Female employees at Bank BTPN receive remuneration equal to their male counterparts for the same position, adjusted for performance, achievement, and length of service, and not based on gender. Ratio of the basic salary and remuneration of women to men for each position category and each location of Bank BTPN's operations is 1:1. [GRI 405-2]



## Employee Recruitment and Turnover [GRI 401-1]

Bank BTPN continues to manifest itself as the workplace of choice and the place for a long-term career. Bank BTPN's recruitment policy puts an emphasis on a professional recruitment process in order to attract the best talent through an effective selection process to meet the Bank's human resource needs.

In particular, Bank BTPN creates job opportunities for prospective employees in the area (city/province) where the Bank BTPN office is

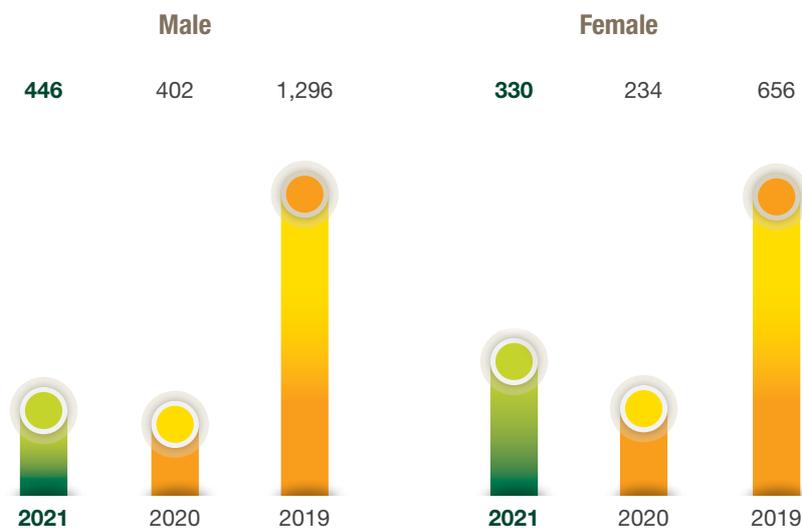
located. Recruitment is carried out transparently to recruit potential job candidates that meet the established criteria according to the company's needs. To attract the best talent, Bank BTPN publishes job vacancies as widely as possible through Bank BTPN's website, social media and collaboration with universities and other channels.

Bank BTPN prioritizes recruiting leaders from Indonesia when recruiting for senior management and top

management positions. 868 senior management officers (99%) are from Indonesia. [GRI 202-2]

Bank BTPN also prioritizes loyal employees through the provision of opportunities for Bank BTPN employees to be promoted to vacant positions, provided that the employee's background fits the open job position. In this way, all employees have the opportunity to pursue a career at Bank BTPN and increase their potential.

### Employee Recruitment by Gender



### Employee Recruitment by Age Group

Description	2021		2020		2019	
	2021	%	2020	%	2019	%
21-30 years old	470	61%	356	56%	1,046	54%
30-50 years old	295	38%	270	42%	882	45%
Above 50 years old	11	1%	10	2%	23	1%
<b>Total</b>	<b>776</b>	<b>100%</b>	<b>636</b>	<b>100%</b>	<b>1,951</b>	<b>100%</b>

**Employee Recruitment by Region**

Description	2021	%	2020	%	2019	%
Greater Jakarta	524	68%	404	64%	990	51%
Java (exclude Greater Jakarta)	117	15%	96	15%	436	22%
Outside Java	135	17%	136	21%	525	27%
<b>Total</b>	<b>776</b>	<b>100%</b>	<b>636</b>	<b>100%</b>	<b>1,951</b>	<b>100%</b>

**Employee Turnover by Gender**

Description	2021	%	2020	%	2019	%
Male	731	64%	584	66%	1,351	75%
Female	406	36%	302	34%	444	25%
<b>Total</b>	<b>1,137</b>	<b>100%</b>	<b>886</b>	<b>100%</b>	<b>1,795</b>	<b>100%</b>

**Employee Turnover by Age Group**

Description	2021	%	2020	%	2019	%
21-30 years old	326	29%	298	33%	552	31%
30-50 years old	717	63%	521	59%	1,171	65%
Above 50 years old	94	8%	67	8%	72	4%
<b>Total</b>	<b>1,137</b>	<b>100%</b>	<b>886</b>	<b>100%</b>	<b>1,795</b>	<b>100%</b>

**Employee Turnover by Region**

Description	2021	%	2020	%	2019	%
Greater Jakarta	471	41%	322	36%	508	28%
Java (exclude Greater Jakarta)	111	10%	235	27%	580	32%
Outside Java	555	49%	329	37%	707	40%
<b>Total</b>	<b>1,137</b>	<b>100%</b>	<b>886</b>	<b>100%</b>	<b>1,795</b>	<b>100%</b>

**Termination of Employment**

Description	2021	2020	2019
Retirement	140	76	64
Death	22	9	9
Dismissal	59	34	60
Resignation	607	508	791
Others	309	259	871
<b>Total</b>	<b>1,137</b>	<b>886</b>	<b>1,795</b>



In the reporting year, Bank BTPN's employee turnover rate was 16%, which was in the lower range compared to the average employee turnover rate of 15%-20% in the banking industry before the pandemic. This relatively low employee turnover rate supports efficiency in terms of recruitment and training costs, as well as providing BTPN Bank with loyal and experienced employees.

## Remuneration and Benefits

Bank BTPN provides a competitive remuneration system to attract and retain the best talent. This remuneration and benefits system is also designed to motivate all employees to achieve the best performance. Bank BTPN pays close attention to all applicable laws and regulations related to remuneration and

basic salary to ensure compliance with the laws and regulations.

Furthermore, Bank BTPN provides entry-level salaries equal to or higher than the Provincial Minimum Wage set by the government. Bank BTPN also does not differentiate entry-level salaries for male and female employees. The ratio of women's salaries to men's is 1:1. [GRI 202-1]

### Regional Minimum Wage [OJK F.20]

Region	Provincial Minimum Wage in 2021	Entry-Level Salary	Ratio
Bali	2,494,000	2,710,000	109%
Banten	2,460,997	2,760,000	112%
Bengkulu	2,215,000	2,220,000	100%
Yogyakarta	1,765,000	1,900,000	108%
DKI Jakarta	4,416,187	4,500,000	102%
Jambi	2,630,162	2,640,000	100%
West Java	1,810,351	1,970,000	109%
Central Java	1,798,979	1,830,000	102%
East Java	1,868,777	1,960,000	105%
South Kalimantan	2,877,449	3,230,000	112%
Lampung	2,511,528	2,520,000	100%
Maluku	2,604,961	2,650,000	102%
Papua	3,516,700	3,800,000	108%
West Sulawesi	2,678,863	2,680,000	100%
South Sulawesi	3,165,876	3,170,000	100%

<sup>1</sup> <https://lifestyle.kompas.com/read/2010/10/16/16302384/Kerja.di.Bank..Untung.Besar..Stres.Level.Tinggi>



### Benefits provided to full-time employees that are not provided to temporary or part-time employees [GRI 401-2]

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

## Maternity Leave

[GRI 401-3]

Work may cause physical and mental fatigue. For this reason, Bank BTPN encourages all employees to take renewal breaks over time. Leave is a solution to restore morale and increase employee productivity.

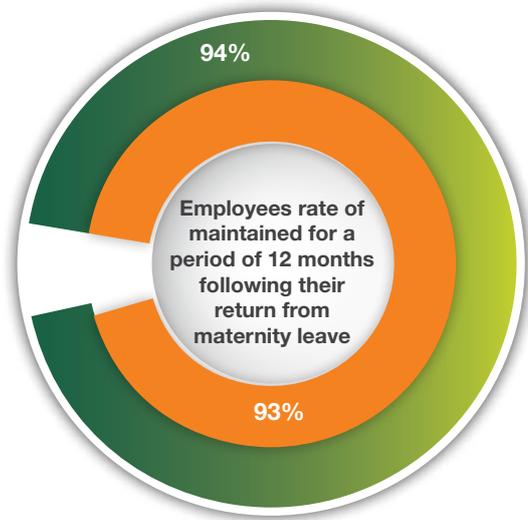
Bank BTPN supports the right to maternity leave for female employees who are about to give birth in accordance with applicable laws and regulations. During maternity leave, the employee concerned receives the applicable salary and benefits for three months. Likewise, Bank BTPN provides paternity leave for 4 (four)

working days for male employees to accompany their wives when giving birth. All employees taking the leave are expected to return to work at Bank BTPN when the leave ends. Bank BTPN is eager to provide a family-friendly workplace, especially for working mothers.

Gender	Employees entitled to take leave	Employees taking maternity leave	Employees returning to work after leave	Employees continuing to work for 1 year after leave
Male	159	159	159	150
Female	255	255	204	189
Total	414	414	363	339



● Male  
● Female



## Pension Program

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

Bank BTPN provides a welfare package for employees who have faithfully worked for Bank BTPN until retirement age, to ensure that they remain financially protected during retirement. Bank BTPN includes all employees in the pension program through:

1. BPJS Pension Guarantee, a mandatory program from the government, with employee

contribution of 1% and Bank BTPN contribution of 2%.

2. BPJS Employment Old Age Security, a mandatory program from the government, with employee contribution of 2% and Bank BTPN contribution of 3.7%.

In addition, Bank BTPN provides support in the form of various trainings for Bank employees while at work,

which can later be used if employees change employment or retire. Bank BTPN provides additional training for employees entering their retirement period, including entrepreneurship training, financial management, and mental and emotional training programs.

## Training and Development

[GRI 404-1] [GRI 404-2]

Implementation of an established system and strategies ultimately depends on the skilled workforce. The best systems and strategies cannot go beyond the expertise of the employees who use them. For this reason, Bank BTPN provides trainings for all employees to enhance Bank BTPN's progress as well as adding value for employees by increasing enthusiasm and job satisfaction.

Bank BTPN develops a strategic training system for employees at each level through the Human Capital Management System (HCMS). This system records employee data and analyzes employee competencies and performance so that Bank BTPN can conduct appropriate training and career development for each employee.





The trainings held by Bank BTPN include technical trainings, knowledge improvement and soft skills (non-technical skills). Training is given to all employees at all levels, from new employees to senior managers, through:

**Leadership Development Program Level 1 (LDP P1)**



Leadership training for employees to lead a work team.

**Leadership Development Program Level 2 (LDP P2)**



Leadership training for lead managers who oversee different work teams.

During the pandemic, although the trainings were conducted online, the quality of the material presented remained high. Bank BTPN also enabled a sharing session where employees and leaders could seek advice and share

experiences for mutual support and to find practical solutions to problems in the workplace.

In the reporting year, Bank BTPN held 296 training programs attended by

78,108 participants with a total training time of 220,326 hours. The average hours of training for each employee was thus 32 hours/year.

**Training [OJK F.22]**

Description	Total employees receiving training	Training hours	Average hours of training per employee
Total employees	6,988	220,326	32





### Total training participants by position and gender [GRI 404-1]

Position Level	2021		2020		2019	
	Male	Female	Male	Female	Male	Female
Top Management	6	5	116	54	15	7
Senior Management	106	43	463	242	288	141
Management	437	248	1,674	1,076	1,191	639
Office/Supervisor	1,610	1,029	1,023	663	4,152	2,754
Clerical	837	650	1,032	1,032	9	5
Sub Total	2,996	1,975	4,308	3,067	5,655	3,546
Total	4,971		7,375		9,201	

### Total training hours by position and gender [GRI 404-1]

Position Level	2021		2020		2019	
	Male	Female	Male	Female	Male	Female
Top Management	80	72	1,453	702	160	209
Senior Management	1,442	602	5,570	3,437	10,068	5,406
Management	5,406	3,231	19,917	14,246	32,309	18,517
Office/Supervisor	18,583	12,063	11,650	8,168	88,347	68,875
Clerical	9,371	7,374	11,144	11,683	161	209
Sub Total	34,882	23,342	49,734	38,236	131,044	93,216
Total	58,224		87,970		224,259	

### Average hours of training by position and gender [GRI 404-1]

Position Level	2021		2020		2019	
	Male	Female	Male	Female	Male	Female
Top Management	40	39	36	40	11	30
Senior Management	37	41	42	53	35	38
Management	25	26	36	37	27	29
Office/Supervisor	27	25	29	32	21	25
Clerical	28	34	25	25	18	42
Sub Average	31	33	34	37	22	33
Average	32		36		28	



## Performance Assessment

[GRI 404-3]

To increase employee productivity, Bank BTPN continuously assesses employee performance twice the year. In addition to assessment according to the KPIs (Key Performance Indicators) mutually agreed at the beginning of the year, the assessment is also based on attitudes and conformity with company values. In the reporting year, all employees have received regular reviews of their performance. In addition to assessing employee achievements, abilities, and development, the performance review also encourages employees to continue to make achievements for Bank BTPN.

## Human Rights Training for Security Officers [GRI 410-1]

As a company that requires maximum security, Bank BTPN ensures that all security systems run optimally, both in terms of technology and security officers. Bank BTPN's security officers are an important asset of the Company, as they provide a sense of security for all customers visiting Bank BTPN. For this reason, we ensure that each of our security officers is properly trained, not only in terms of techniques to maintain security, but also regarding human rights. In the reporting year, 82% of Bank BTPN's security officers have been trained in human rights practices through Garda Pratama training. [GRI 410-1]

## Collective Labor Agreement

[GRI 102-41]

The presence of labor unions contributes to employee satisfaction. For this reason, the Bank facilitated the formation of Bank BTPN Labor Union which was established on September 27, 2007, with registration number 256/DPP. SP.BTPN-CTT.22-DISNAKER/2007, at the regional office of Manpower and Transmigration. Bank BTPN guarantees the basic right of each worker to associate and include them in decision-making, especially on topics related to employees' welfare.

Bank BTPN entered into a Collective Labor Agreement (CLA) carried out through negotiations with the Bank BTPN Labor Union as the employees' representative. The CLA supports the establishment of good industrial relations between management and

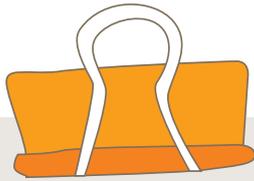
employees, through guidelines for dispute resolution, as well as other topics including: work procedures, company rights and obligations, workers' rights and obligations, and others. The CLA is updated over time and protect all Bank BTPN employees. The current agreement expires in 2022.

Employee participation plays an important role in Bank BTPN. An employee engagement survey asking employees to assess Bank BTPN provided valuable input. Bank BTPN believes that listening is part of building productive industrial relations with employees.

Bank BTPN's commitment to compliance with laws and regulations is stated by not employing child labor and forced labor.

[OJK F.19] [GRI 408-1][GRI 409-1]





## Work-Life Balance

Three aspects to be considered to improve employee performance include physical, mental and social well-being. Bank BTPN strives to improve employee performance, through balancing physical, mental and social wellbeing. Bank BTPN has various initiatives to encourage the mental health of its employees and opens up opportunities for socializing outside the context of work. Bank BTPN supports work-life balance so that each employee remains enthusiastic at work and can develop a happy life.

- BTPN Club, a facility where employees can enjoy their hobbies, such as futsal, badminton, running, tennis, bowling, martial arts, aikido, bicycles, eSports (electronic sports) and other sports clubs. BTPN also has photography, singing and dancing clubs. In addition to these, BTPN Club holds regular religious and social activities involving all Bank BTPN's personnel to enjoy socializing with their colleagues. During the Pandemic, several BTPN Club activities were carried out virtually. 11 activities were carried out on a weekly basis. In addition, the BTPN Club held 122 special events and competitions participated by BTPN employees at the national level from Sumatra to Papua. 124 cities actively participated in the events during 2021, led by 1 Champion in each city. In 2021, 4 new branches were added, including BTPN Korean Corner, BTPN Diecast Club, BTPN Nature Lovers and BTPN Talking Club. During the Pandemic, there were 28 branch activities with only 4 categories: Sport, Spirituality, Art and Hobby.
- Sahabat Daya is a facility where BTPN personnel can participate in community empowerment through direct interaction or training to support the community in achieving a better life.
- Beranda is a common room equipped with various games so that employees can take time out of their busy work. Beranda is also equipped with a music studio and karaoke room for employees who like to play music and sing. In addition to this, they can also watch movies together in the Beranda theatre which is equipped with widescreen and sound system of prime quality. Employees can watch popular movies and sporting events. During the pandemic, Bank BTPN imposed restrictions on activities in Beranda in order to comply with the health protocols set by the government.



# Prioritizing **ENVIRONMENTAL COMMITMENTS**

Healthy growth of economy and industry starts with a healthy environment.





Although the activities of banks and other financial services industries do not relate directly to environmental issues, their associated impacts cannot be ignored. Banks and financiers can always contribute towards guiding industries and corporations towards embracing sustainability and environment preservation through their leverage over financing sources and banking services. Bank BTPN realizes its role in promoting environmental sustainability through its financial activities. Furthermore, Bank BTPN has kept putting environmentally friendly principles and considerations foremost in its daily operations. Bank BTPN has also supported the Indonesian government efforts to reach the Sustainable Development Goals.

## Environmental Policy

BTPN's policy on environmental issues is included in their sustainability policy which includes financial business management or in their daily banking operations. Sustainability and environment policy of Bank BTPN is explained in detail in the Sustainable Financial Action Plan for 2019-2023 period in order to make sure that Bank BTPN can achieve sustainability goals. The policy is divided into four main points as listed below:

1. Bank BTPN's sustainable financial policy supports the sustainability goals in the environmental aspect.
2. Bank BTPN is exhibiting corporate financing through environment based activities.
3. As part of SMBC Group, Bank BTPN applies the Equator Principles in order to ensure the projects we finance and advise on are developed in a manner that is socially responsible and reflects sound environmental management practices.
4. Bank BTPN's implementation of environmentally friendly operational policy.

## The Impacts of Environmental-Friendly Business and Financing

Bank BTPN's operational activities do not directly connect to environmental issues, except for the use of electricity, fuels, and water. Therefore, Bank BTPN's operational impacts are only on the emission problem. Meanwhile, having positive impacts on the environment are shown through providing financing for eco-friendly portfolios [OJK F.28]. BTPN supports environmentally-friendly business activity, such as:

1. Financing environment-friendly palm tree plantations which are RSPO/ISPO certified;
2. Financing corporations involved in natural resources management and sustainable land-use;
3. Financing programs working on energy-efficient design;
4. Financing for electrical power plants with renewable energy sources;
5. Financing for environmentally-friendly means of transportation;
6. Financing for certified environmental buildings that have been acknowledged at national, regional, and international levels.

In its implementation, BTPN has done the following:

1. Applied due diligence procedures to introduce and help mitigate environmental risks in each financial plan.
2. Pointed out some clauses in agreements.
3. Performed field inspections to check on the debtors' business.
4. Checked on debtors' obedience toward the regulations on environment aspects.

Bank BTPN has provided environment-friendly funding & financing for both industry/corporates and individuals. On the individual level, Bank BTPN

offers mutual fund investments with environment, social, and governance themes through the Sinaya program. Meanwhile, on the institutional level, Bank BTPN has tried to maintain a strong bond among the Equator Principles members as an attempt at implementing the sustainability principle.

## Environmental-Friendly Operations GREEN BUILDING

Bank BTPN's commitment to pursuing sustainability goals is shown in its use of green buildings; buildings in which the design, construction, and operations are based on environmental principles and reduce negative impacts on the environment. Bank BTPN's head office in BTPN Tower is designed to minimize the use of energy with natural indoor lighting, using no window blinders, and reducing the use of blocked partitions. This drastically reduces the use of electricity and therefore CO2 emissions as well. This minimal use of electricity has also been supported by using energy-friendly LED lamps and using motoric sensors that can automatically turn the lamps off when there is no activity in the room.

Another characteristic of a green building is that it can provide good quality air inside which helps everyone in it stay healthy. Bank BTPN's head office also uses an open ceiling system in order to increase the oxygen capacity by up to 50%. The purity of the oxygen inside the building is well-kept by an air sterilization system with ultraviolet germicidal irradiation technology that can clean up many microorganisms in the air. Furthermore, Bank BTPN is also using an epoxy floor coating in order to prevent infections from bacteria and germs. Bank BTPN hopes that a clean, healthy, and comfortable environment



will help maintain the staff's health that will result in improved work performances.

Other than the head office, Bank BTPN's branch offices have also applied environmentally-friendly principles by maximizing green space and putting in some plants that help provide fresh air. The exterior of each BTPN office is designed in green, by putting in some living plants that function as room coolers in order to minimize the use of energy. The environmentally-friendly design has been a distinctive characteristic of all BTPN offices.

### DIGITAL SERVICES

Digital banking services are one of Bank BTPN's commitments towards helping maintain environmental sustainability. Other than being practical, digital banking also has a minimal environmental footprint by reducing the use of paper. Digital services have also made it easier for clients to do transactions either from home or from the office; thus, it will help in reducing the use of fuel for

private or public vehicles. Digital-based services and systems are also applied in Bank BTPN's internal employees' work system. During this pandemic, digital banking service has played an important role in increasing customers' satisfaction.

### EDUCATION ON ENVIRONMENT

The practice of sustainability and environmental preservation can only work if it is understood and well-implemented by the related institutions. Therefore, Bank BTPN has given educational programs on sustainable finance and promoted many environmentally friendly operational activities that are relevant to sustainability principles.

### REDUCING THE USE OF PAPER

Citing tiredearth's report, one tree is cut down for every 12,000 sheets of paper. Thus, Bank BTPN has realized how important it is to be involved in environmental preservation by reducing the use of paper. In 2021, Bank BTPN used 57,009 reams of paper, or 6% lower than the previous year which spent

60,898 reams of paper. Reducing the use of paper is not only good for the environment, but can also help reduce solid waste. Thus, it will positively affect Bank BTPN's expenditure.

## The Use of Energy

Bank BTPN's attempts at environmental preservation started from reducing the use of energy, which will help to reduce greenhouse gas emissions. BTPN also regulates and monitors the use of energy in the head office and branch offices as well. The bank records each use of electricity in order to measure the effectivity and further reduce the use of electrical energy. Some steps have been taken in order to minimize the use of electrical energy, such as: setting up the office's lighting system, using energy-friendly LED lamps, and so on. Furthermore, Bank BTPN has tried to manage the use of fuels in all operational activities as well. The bank observes and records each use in order to make sure the energies are used effectively.

**Energy consumption in the organization** [GRI 302-1] [GRI 302-3] [GRI 302-3] [302-4] [OJK F6] [OJK F.11]

	2021		2020		2019	
	Volume	GJ	Volume	GJ	Volume	GJ
Fuel (Liters)	1,279,207.36	42,213.84	2,051,386.86	67,695.77	2,903,342.42	95,810.30
Electricity Usage (kWh)	19,359,664.18	69,694.79	20,528,511.22	73,902.64	20,124,563.30	72,448.43
The quantity of energy consumption		111,908.63		141,598.41		168,258.73
Total Number of Employees		7,129 peoples		7,482 peoples		7,740 peoples
Energy consumption for each employee		15.70		18.93		21.74

## Notes

1. The kWh usage is then converted into G-joules by using the 2004 Greenhouse Gas Protocol Initiative.
2. The number of liters is then converted into G-joules by using the 2004 Greenhouse Gas Protocol Initiative.
3. The data from 2020 and 2019 have been re-stated in order to adjust to the 2021 calculation method.
4. The denominator used in the energy consumption calculation is the total number of employees as of December 31.

Bank BTPN does not calculate energy consumption per product since there is no physical product in our operation. [GRI 302-5]. BTPN does not calculate the use of energy outside the organisation since there are no external operational activities that use significant amounts of energy. [GRI 302-2]

There has been noted that there is a decreasing number of energy uses in the reporting year. Bank BTPN has tried to minimize the use of energy by doing a competition on energy-savings in all branch offices. As the result, Bank BTPN has reduced the use energy 20.97% lower than the previous year, which is 141,598.41 GJ. [GRI 302-4] [OJK F.7]

## Emissions

Bank BTPN's is managing its greenhouse gas emissions by recording each use in detail and by creating an energy-saving program. Below is the calculation from Bank BTPN:

**Greenhouse Gas Emissions in KgCO<sub>2</sub>e**

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

Source of Emissions/Scope	2021	2020	2019
Scope 1 (Fuels )	2,991,768.63	4,799,244.71	6,786,370.38
Scope 2 (Electricity)	17,226,331.94	18,260,720.87	17,903,906.13
Scope 3 (Business Travel)	7,616.40	90,610.33	396,711.31
Quantity of GHG Emissions	20,225,716.97	23,150,575.91	25,086,987.82
Number of Employees	7,129	7,482	7,740
GHG Emission Intensity per Employee	2,837.10	3,094.17	3,241.21

## Notes

1. The calculation of GHG emissions from fuels (Pertamax) refers to the technical guidelines from 2014 Bappenas' GHG Emission Baseline of Energy-based Sectors.
2. The calculation of GHG emissions from electricity refers to the 2019 Ministry of Energy and Mineral Resources/ ESDM's Directorate General on Power Plants.
3. The calculation of GHG emissions from business travels is based on the International Civil Aviation Organization (ICAO) standard.
4. The data from 2019 and 2020 has been re-stated in order to adjust to the 2021 calculation method.
5. The denominator used in the energy consumption calculation is based on the total number of employees as of December 31.



**Bank BTPN's efforts made to reduce energy emissions are as follows:**

Efforts Made	Quantity Reduced (KgCO <sub>2</sub> e) [GRI 305-5] [OJK F.12]	Remarks
Less emissions from less electricity use	1,034,388.93	The reduction in electricity use comes from the energy-saving competition

The calculation is based on the reduction in emissions in 2021 when compared to previous years and the CO<sub>2</sub>e gas calculation in the GHG emissions scope 1, 2 and 3.

BTPN has not calculated Ozone Depleting Substances (ODS) since they do not use it significantly. Moreover, the bank has not calculated the Nitrogen Oxides (NOx), Sulphur Oxides (SOx), and other pollutants because they are not relevant to BTPN's businesses.

[GRI 305-6] [GRI 305-7]

**Water** [OJK F.8]

BTPN has not calculated water consumption in particular because the water facility is part of the building's rental-facility. The water used is from the PDAM (local government's water institution) and is used for domestic purposes such as sanitation and hygiene.

**Wastes** [OJK F.13]

Bank BTPN continues to reduce waste by transforming business processes from manual/paper-use to digital processes. In this regard, Bank BTPN has been using a Front End System

(FES), which is an easy access digital information system, since 2016. Bank BTPN has also developed some digital services such as BTPN Wow! and Jenius which do not use paper during the account creation process nor the reporting process nor in other banking transactions. Bank BTPN's commitment to reducing waste is also done by regulating water consumption by urging each individual to use their own glass or water tumbler. They can re-fill their water tumblers from the reverse-osmosis system provided by the office; with no more use of water in plastic cups.



# Sustainability **GOVERNANCE**

The Good Corporate Governance (GCG) Principle is the basis of each policy, strategy, and operation in Bank BTPN in order to maintain and enhance the Bank's performance and trust.





The key to success for a financial institution like Bank BTPN is the trust of the community and its customers. To facilitate this, we have implemented a transparent and integrated governance plan based on the GCG principles for the Bank's sustainable development. We have developed a governance system in which the structure and decision-making process, risk-analyzing process, observation, and other processes comply to the relevant laws and to accountability principles.

Bank BTPN's governance is based on:

1. Indonesian's Regulations on Capital Market, Limited Corporations, and Banking;
2. Financial Service Authority (FSA) Regulations on Governance Implementation for Commercial Banks as regulated in POJK No.55/POJK.03/2016;
3. The company's Articles of Association.

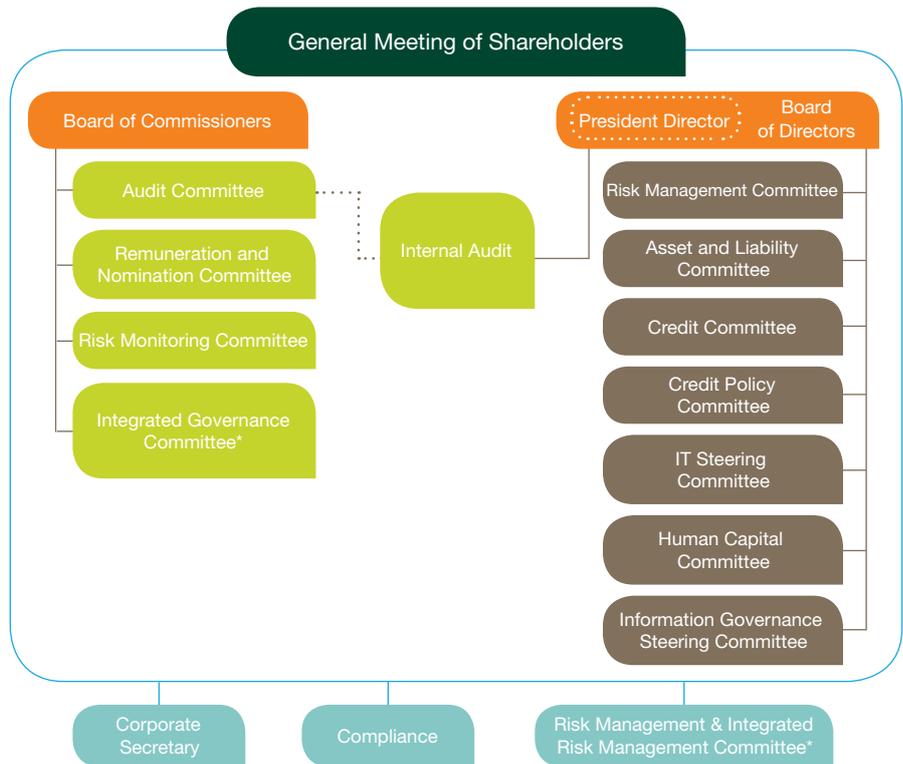
Bank BTPN believe that GCG Implementation will increase the stakeholders' trust, which in turn converts to more valuable support for the company's sustainability. It will also improve performance by increasing the existing capacity and sources through the governance process, the monitoring process, and thorough evaluations.

Bank BTPN also uses the following strategies to improve performance, especially in complying to the regulations and good governance principles:

- Preventive action;
- Early detection;
- Corrective action;
- Four-eye principle;
- Segregation of duties;
- Audit Trail.

## Governance Structure [GRI 102-18]

Bank BTPN's governance structure is shown in the chart below (consisting of General Meeting of Shareholders, Board of Commissioners and Directors).



\*Based on the letter from OJK No. SR-133/PB.32/2021 dated November 15, 2021 regarding the status of the SMBC Group Financial conglomerate in Indonesia, the SMBC Group in Indonesia consisting of the Bank and PT Bank BTPN Syariah Tbk no longer meets the criteria as a Financial Conglomerate as stipulated in Article 2 paragraph ( 1) OJK Regulation No. 45/POJK.03/2020 concerning Financial Conglomerates and hereinafter referred to as Financial Groups. In order to carry out supervision of the Financial Group, OJK still asks the Bank to be the Coordinator Entity of the Financial Group, including in submitting data and information in accordance with the format and guidelines determined by the OJK.

### GENERAL MEETING OF SHAREHOLDERS (GMS)

The General Meeting of Shareholders (GMS) holds the highest authority in Bank BTPN's organizational structure. It is a mechanism where shareholders can make decisions on the policies which are not the authority of the Commissioners and Directors. GMS receives and authorizes varied company's reports, such as financial report, annual report, profit-loss report, Commissioners and Directors' remuneration, and other plans. The GMS also has the authority in appointing and dismissing

any members of Commissioners and Directors, as well as evaluating their performances. The GMS does not, however, intervene in the realization of their work, functions, and authorities. The GMS is held once a year, and when it is needed, an Extraordinary General Meeting of Shareholders can be scheduled. In the reporting year, we held the GMS which took place on 22 April 2021. The meeting was attended both physically and virtually by shareholders, the Board of Commissioners and the Board of Directors.



## BOARD OF COMMISSIONERS

The Board of Commissioners is the highest governance board whose function is to monitor the corporate's operations as performed by the Directors. Commissioners have the authority to give inputs on the planning, such as the work plan, the articles of association, and the company's budgeting. The Board of Commissioners is also responsible to make sure that Bank BTPN complies all relevant regulations and implements the GCG principles. Related to the GMS, the Board of Commissioners is responsible to report the company's development and to give any needed suggestions.

In the Board of Commissioners structure, there are supporting structures such as:

1. Audit Committee;
2. Remuneration and Nomination Committee;
3. Risk Monitoring Committee; and
4. Integrated Governance Committee.

These committees support the functions of the Commissioners by giving recommendations related to economic, social, and environmental conditions, and based on the agreed Key Performance Indicator (KPI).

The committees also provide input related to supervision of operations, performance evaluation and amount of remuneration packages for the Board of Commissioners and the Board of Directors.

## BOARD OF DIRECTORS

The Board of Directors has full responsibility to manage and operate the company's day-to-day activities. Under the lead of a President Director, Directors take care the company is based on the agreed interests and goals. The Directors may receive help from committees, Division Leaders, and the Corporate Secretary.

Some of the Directors' responsibilities are:

1. Planning and executing the company's work plan;
2. Determining the organizational structure and the jobs and responsibilities;
3. Planning and executing a risk management system;
4. Organizing internal control;
5. Communicating with outside parties, including delivering reports to the Commissioners;
6. Managing the company's social responsibility.

The functions and responsibilities of the Directors are explained in the Director's Guidelines and Work Rules, the Articles of Association, UUPT and some applied laws and regulations for banks and public corporates. The Director's performance is evaluated through KPI which were agreed-on by the Commissioners. The evaluation examines aspects other than the economy, in particular the environmental, social, and governance conditions.

In doing their job, the Directors are supported by some related committees that meet regularly to discuss specific topics. These results are then delivered to the Directors and become the foundation of policy and decision-making in the company. Those committees are:

1. Asset and Liability Committee;
2. Risk Management Committee;
3. IT Steering Committee;
4. Credit Policy Committee;
5. Credit Committee;
6. Information Governance Steering
7. Human Capital Committee;
8. Integrated Risk Management Committee.

In completing their roles, the Board of Commissioners and Directors operate independently based on their responsibilities and without any overlapping functions. Members of the Commissioners must not function on the Directoral Board, and must be free from any business relationships that could influence their ability to act independently. [\[GRI 102-23\]](#)

## The Roles of Governance Body

[\[GRI 102-26\]](#)

Sustainability has become an important issue to be discussed and considered in the GMS by the Commissioners and shareholders, and which will be executed by Directors and all divisions and managements. The Board of Commissioners is involved in determining policy and strategy related to economic, environmental, social, and governance issues. [\[GRI 102-19\]](#).

These policies have been defined in the GMS taking into account the feedback from stakeholders, such as the regulation maker (FSA), staff, clients, and others [\[GRI 102-21\]](#).

The implementation of sustainability principles and policies within Bank BTPN is set out in the RAKB (Sustainable Finance Action Plan) whose planning and implementation is under the responsibility of the Compliance Director, supported by the Communications & Daya Head to be reported to the highest governance body. Meanwhile, the RAKB is implemented by the respective Line of Business (LOB) leader and relevant supporting functions.

[\[GRI 102-20\]](#)



## Composition of the Governance Body

### BOARD OF COMMISSIONERS [GRI 102-22]

The Board of Commissioners are non-executive and do not depend on the Directors.

Name	Position	Gender	Periode	Education
Chow Ying Hoong	President Commissioner	Male	2019-2022	Economy
Takeshi Kimoto	Commissioner	Male	2019-2022	Economy
Ninik Herlani Masli Ridhwan	Independent Commissioner	Female	2019-2022	Economy
Irwan Mahjudin Habsjah	Independent Commissioner	Male	2019-2022	Economy
Edmund Tondobala	Independent Commissioner	Male	2020-2022	Economy

Name	Position and Other Commitment	Representative of Stakeholder
Chow Ying Hoong	Managing Executive Officer, Co-Head of Asia Pacific Division and Head of Asia Growing Markets Division of Sumitomo Mitsui Banking Corporation, Singapore	Representing controlling shareholder
Takeshi Kimoto	Executive Officer, General Manager of Asia Growing Markets Division Sumitomo Mitsui Banking Corporation, Singapore	Representing controlling shareholder
Ninik Herlani Masli Ridhwan	-	Independent
Irwan Mahjudin Habsjah	Head Comissioner, PT Sriboga Marugame Indonesia	Independent
Edmund Tondobala	-	Independent

### DIRECTORS [GRI 102-22]

Directors hold executive positions and depend on the Board of Commissioners

Name	Position	Gender	Periode	Education
Ongki Wanadjati Dana	President Director	Male	2019-2022	Machinery
Kaoru Furuya	Vice President	Male	2021-2022	Laws
Darmadi Sutanto	Vice President	Male	2020-2022	Civil Engineer
Dini Herdini	Director of Compliance	Female	2019-2022	Law
Kan Funakoshi	Director	Male	2021-2022	Economy
Henoch Munandar	Director	Male	2019-2022	Economy
Adrianus Dani Prabawa	Director	Male	2019-2022	Economy
Hiromichi Kubo	Director	Male	2019-2022	Commercial Science
Merisa Darwis	Director	Female	2019-2022	Information Technology
Hanna Tantani	Director	Female	2019-2022	Economy

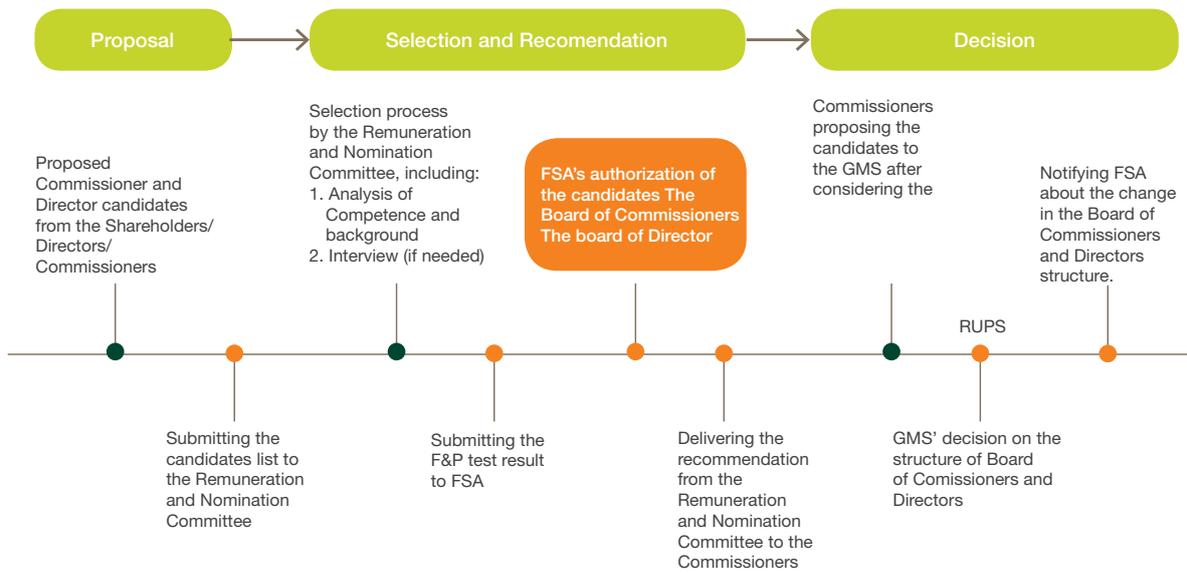


# Governance Body Nomination Process [GRI 102-24]

The nomination process for the Board of Commissioners occurs in the General Meeting of Shareholders (GMS) by considering opinions from the shareholders. The Remuneration and Nomination Committee the role of the commissioner is to conduct professional selection, take into

account input from shareholders, and the competence and experience of candidates in sustainable finance topics. The selection does not differentiate ethnicity, race, religion, or gender. All candidates for the Board of Commissioners will have a fit and proper test as well as having to fulfill

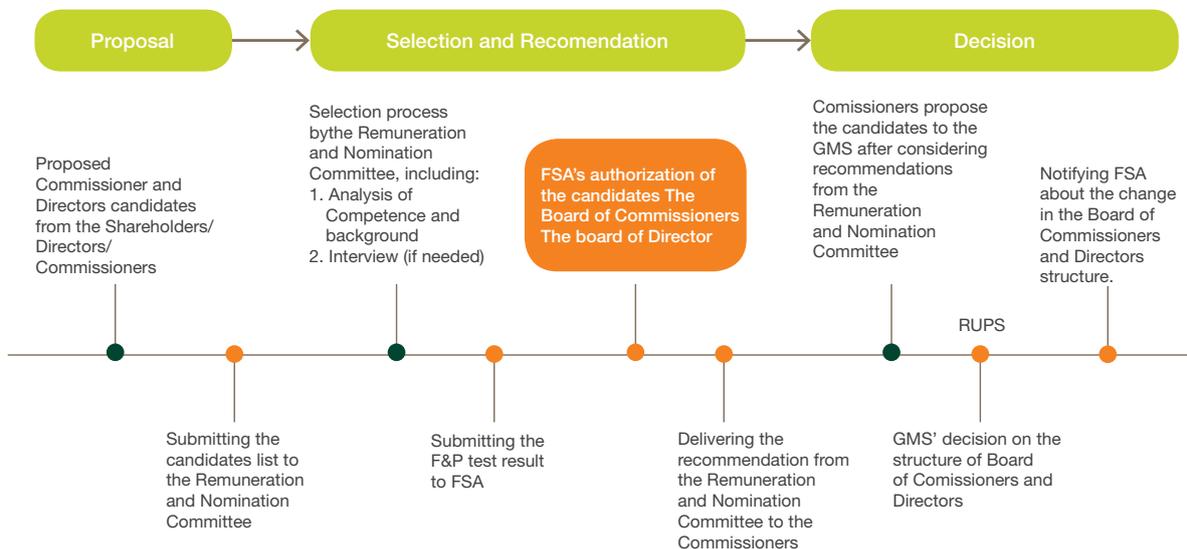
all integrity requirements. The names of candidates are submitted to the Financial Service Authority (FSA) in order to seek authorization, which will be used in the GMS' agreement and validation. Below is the Bank's nomination process for the Board of Commissioners:



The nomination process for Directors is managed by the Remuneration and Nomination Committee in the Board of Directors by considering competence and professional experience, regardless of ethnicity, race, religion

or gender. Each candidate completes a Fit and Proper test and has a background marked by personal integrity. The names of the candidates will be submitted to the Board of Commissioners to be validated, later

to be proposed in the GMS by the Commissioners. Furthermore, the selected candidates will be submitted to FSA for validation purposes. This is the nomination process for Directors:





The independence of both the Board of Commissioners and the Directors is maintained by making sure that:

1. They do not have any direct or indirect business relationship that is related to the Bank's business activity;
2. Commissioners do not have double functions as Directors or on Executive Boards that engage in the controlling activity;
3. They do not have any family bonds with other members of Board of Commissioners and/or Directors, at least to the second remove.

## Upgrading the Capacity of the Governance Body

[OJK E.2] [GRI 102-27]

One of the most important investments is to facilitate the competence and skill development of all leaders, as the company's sustained development is in the hands of these leaders. Thus, we have tried to equip each governance body member with

trainings to update them on the latest information in banking and topics related to sustainability. Below are details of training sessions held for the Commissioners and Directors in the reporting year.

### DIRECTORS

No	Name	Training	Time
1.	Ongki Wanadjati Dana - President Director	<ol style="list-style-type: none"> <li>1. Executive Risk Management Certification Refresher 2021: Banking Anticipation in Facing the Economy Recovery and Its Challenges</li> <li>2. Indonesia's Economic Outlook in the time of COVID-19 Pandemic from Creco Research</li> <li>3. Building Robust and Sustainable Digital Finance Ecosystem AMID Covid 19 Pandemic</li> <li>4. Leadership Series 2021: Banking4.0</li> <li>5. Recent developments on ESG (regulatory requirements &amp; market trends/developments) from SMBC</li> </ol>	<ol style="list-style-type: none"> <li>1. 29 July 2021</li> <li>2. 5 October 2021</li> <li>3. 11 October 2021</li> <li>4. 2 December 2021</li> <li>5. 2 December 2021</li> </ol>
2.	Kaoru Furuya – Vice President	<ol style="list-style-type: none"> <li>1. Executive Risk Management Certification Refresher 2021: Banking Anticipation in Facing the Economy Recovery and Its Challenges</li> <li>2. Indonesia's Economic Outlook in the time of COVID-19 Pandemic from Creco Research</li> <li>3. Leadership Series 2021: Banking4.0</li> <li>4. Recent developments on ESG (regulatory requirements &amp; market trends/developments) from SMBC</li> <li>5. LPPI&amp;BTPN: Webinar on Prevention of Bribery and Corruption in Banking Industry</li> </ol>	<ol style="list-style-type: none"> <li>1. 29 July 2021</li> <li>2. 5 October 2021</li> <li>3. 2 December 2021</li> <li>4. 2 December 2021</li> <li>5. 16 December 2021</li> </ol>
3.	Darmadi Sutanto – Vice President	<ol style="list-style-type: none"> <li>1. Executive Risk Management Certification Refresher 2021: Banking Anticipation in Facing the Economy Recovery and Its Challenges</li> <li>2. Macprudential Discussion Forum Related to Inclusive Financing Ratio Policy</li> <li>3. Leadership Series "Accelerating Digital Capability in The New Normal"</li> <li>4. Campaign Awareness on Implementation of Indonesia's Payment System 2025-BI-FAST</li> <li>5. CEO Forum - "The Future of Banking – How Bank Stay Relevant"</li> <li>6. Indonesia's Economic Outlook in the time of COVID-19 Pandemic from Creco Research</li> <li>7. Talkshow Power Lunch &amp; Awarding CNBC Awards</li> <li>8. Virtual Webinar 2021 on The Rise of Digital Banking and the Future of Deposit Insurance System</li> <li>9. 6th International Leadership Seminar 2021, with a topic on "Leadership and The Rise of Decision Intelligence"</li> </ol>	<ol style="list-style-type: none"> <li>1. 29 July 2021</li> <li>2. 30 August 2021</li> <li>3. 23 September 2021</li> <li>4. 23 September 2021</li> <li>5. 30 September 2021</li> <li>6. 5 October 2021</li> <li>7. 21 October 2021</li> <li>8. 10 November 2021</li> <li>9. 29 November 2021</li> </ol>

No	Name	Training	Time
		10.FGD 2021 – Developing Expectation on Targeted Stakeholders (high impact/ prominent), Indonesia’s Economic Discussion – Rise Up and Be Optimistic: Innovation on Enforcing the Sustainable Economic Growth 11.Leadership Series 2021: Banking4.0 12.Recent developments on ESG (regulatory requirements & market trends/ developments) from SMBC	10.1 December 2021 11.2 December 2021 12.2 December 2021
4.	Dini Herdini – Compliance Director	1. Executive Risk Management Certification Refresher 2021: Banking Anticipation in Facing the Economy Recovery and Its Challenges 2. Leadership Series “Accelerating Digital Capability in The New Normal” 3. Indonesia’s Economic Outlook in the time of COVID-19 Pandemic from Creco Research 4. Webinar FKDKP – Cyber Crime 5. Seminar and Workshop on Rencana Aksi Nasional (RAN) SDGs (National Action Plan for SDGs) 6. ASPI - Virtual Member Forum – “Creating Collaboration among Payment System Industry on Handling Digital Payment Crime” 7. Q3 2021 Senior Leaders’ Briefing 8. TrainingLegal with Assegaf, Hamzah, and Partners(AHP): “Legal Documents and the Use of Language in Agreement” 9. Bank BTPN Economic Outlook 2022 10.Leadership Series 2021: Banking4.0 11.Recent developments on ESG (regulatory requirements & market trends/ developments) from SMBC 12.Webinar FKDKP: Direction of Indonesia’s Banking Development Amid Banking Digitalization Attempts 2022	1. 29 July 2021 2. 23 September 2021 3. 5 October 2021 4. 7 October 2021 5. 13 October 2021 6. 3 November 2021 7. 8 November 2021 8. 22 November 2021 9. 1 December 2021 10.2 December 2021 11.2 December 2021 12.8 December 2021
5.	Kan Funakoshi – Director	1. Executive Risk Management Certification Refresher 2021: Banking Anticipation in Facing the Economy Recovery and Its Challenges 2. Indonesia’s Economic Outlook in the time of COVID-19 Pandemic from Creco Research 3. Leadership Series 2021: Banking4.0 4. Recent developments on ESG (regulatory requirements & market trends/ developments) from SMBC 5. Prevention of Bribery and Corruption in the Banking Industry, from Compliance and Legal Directorate	1. 29 July 2021 2. 5 October 2021 3. 2 December 2021 4. 2 December 2021 5. 16 December 2021
6.	Henoch Munandar – Director	1. Executive Risk Management Certification Refresher 2021: Banking Anticipation in Facing the Economy Recovery and Its Challenges 2. Leadership Series “Accelerating Digital Capability in The NewNormal” 3. Indonesia’s Economic Outlook in the time of COVID-19 Pandemic from Creco Research 4. Bank BTPN Economic Outlook2022 5. Leadership Series 2021: Banking4.0 6. Recent developments on ESG (regulatory requirements & market trends/ developments) from SMBC	1. 29 July 2021 2. 23 September 2021 3. 5 October 2021 4. 1 December 2021 5. 2 December 2021 6. 2 December 2021
7.	Adrianus Dani Prabawa – Director	1. Executive Risk Management Certification Refresher 2021: Banking Anticipation in Facing the Economy Recovery and Its Challenges 2. Indonesia’s Economic Outlook in the time of COVID-19 Pandemic from Creco Research 3. Leadership Series 2021: Banking4.0 4. Recent developments on ESG (regulatory requirements & market trends/ developments) from SMBC 5. OJK Interactive Dialogue: Developing New Optimism to Push the Acceleration of National Economic Recovery 6. LPPI&BTPN: Webinar on Prevention of Bribery and Corruption in the Banking Industry	1. 29 July 2021 2. 5 October 2021 3. 2 December 2021 4. 2 December 2021 5. 26 November 2021 6. 16 December 2021



No	Name	Training	Time
8.	Merisa Darwis – Director	<ol style="list-style-type: none"> <li>McKinsey webinar: The Artificial Intelligence-led Bank of the Future</li> <li>Executive Risk Management Certification Refresher 2021: Banking Anticipation in Facing the Economy Recovery and Its Challenges</li> <li>Leadership Series “Accelerating Digital Capability in The New Normal”</li> <li>Indonesia’s Economic Outlook in the time of COVID-19 Pandemic from Creco Research</li> <li>Bank BTPN Economic Outlook 2022</li> <li>Leadership Series 2021: Banking4.0</li> <li>Recent developments on ESG (regulatory requirements &amp; market trends/developments) from SMBC</li> <li>Seminar on “Prevention of Bribery and Corruption in the Banking Industry”</li> </ol>	<ol style="list-style-type: none"> <li>1. 7 July 2021</li> <li>2. 29 July 2021</li> <li>3. 23 September 2021</li> <li>4. 5 October 2021</li> <li>5. 1 December 2021</li> <li>6. 2 December 2021</li> <li>7. 2 December 2021</li> <li>8. 16 December 2021</li> </ol>
9.	Hiromichi Kubo – Director	<ol style="list-style-type: none"> <li>Treasury Certificate Refreshment</li> <li>Executive Risk Management Certification Refresher 2021: Banking Anticipation in Facing the Economy Recovery and Its Challenges</li> <li>Leadership Series “Accelerating Digital Capability in The New Normal”</li> <li>Indonesia’s Economic Outlook in the time of COVID-19 Pandemic from Creco Research</li> <li>Bank BTPN Economic Outlook 2022</li> <li>Leadership Series 2021: Banking 4.0</li> <li>Recent developments on ESG (regulatory requirements &amp; market trends/developments) from SMBC</li> </ol>	<ol style="list-style-type: none"> <li>1. 9 July 2021</li> <li>2. 29 July 2021</li> <li>3. 23 September 2021</li> <li>4. 5 October 2021</li> <li>5. 1 December 2021</li> <li>6. 2 December 2021</li> <li>7. 2 December 2021</li> </ol>
10.	Hanna Tantani – Director	<ol style="list-style-type: none"> <li>Deloitte Global Boardroom Program: The Tech-Savvy Board</li> <li>Executive Risk Management Certification Refresher 2021</li> <li>HHP Law Firm Tax Dispute Webinar</li> <li>New Regulations and Impacts Assessment</li> <li>Leadership Series “Accelerating Digital Capability in The New Normal”</li> <li>[KPMG] Webinar - First year implementation of Key Audit Matters</li> <li>Campaign Awareness on the Implementation of Indonesia’s Banking System 2025: BIFAST</li> <li>Indonesia’s Economic Outlook in the time of COVID-19 Pandemic from Creco Research</li> <li>“The 7th Indonesian Finance Association International Conference”</li> <li>Webinar Invitation on the Future of Digital Bank in Indonesia</li> <li>[Webinar] Law to Harmonize Tax Regulations</li> <li>OJK’s Teaching Invitation with a theme on “Banking Transformation in Digital Era”</li> <li>SEOJK’s Draft on Banking Accounting Manual Book for BUK</li> <li>Audience Invitation on Bank’s Immediacy in Fulfilling the Targeted Data Quality for Integrated Public Bank Reports/ Laporan Bank Umum Terintegrasi (LBUT)</li> <li>Webinar Invitation on “Public Hearing [Draf] Amendement PSAK 74 and Information Session [draf] SWPA-d”</li> <li>Asia Pacific Board Leadership and Assurance Summit 2021   16 - 18 November 2021</li> <li>OJK’s Strategic Policy in Accelerating National Economy Recovery.</li> <li>Webinar Invitation on “Understanding and Implicating UU No. 7 year 2021 about Tax Regulations Harmonisation”</li> <li>Harmonisation of Tax Regulations: Continuous Tax Reform Law</li> <li>Invitation to Making Financial Sense of Communication Webinar, November 24, 2021</li> <li>Sustainable Finance: The Changing Face of Financial Institution</li> <li>OJK’s Final Research Seminar Session 1</li> <li>Invitation Sender for Bank Indonesia Bersama Masyarakat (BIRAMA)</li> <li>Leadership Series 2021: Banking 4.0</li> <li>Recent developments on ESG (regulatory requirements &amp; market trends/developments) from SMBC</li> <li>“The Great Demographic Reversal: Ageing Societies, Waning Inequality, and an Inflation Revival”</li> </ol>	<ol style="list-style-type: none"> <li>1. 8 July 2021</li> <li>2. 29 July 2021</li> <li>3. 24 August 2021</li> <li>4. 7 September 2021</li> <li>5. 23 September 2021</li> <li>6. 23 September 2021</li> <li>7. 23 September 2021</li> <li>8. 5 October 2021</li> <li>9. 6-7 October 2021</li> <li>10. 14 October 2021</li> <li>11. 21 October 2021</li> <li>12. 22 October 2021</li> <li>13. 29 October 2021</li> <li>14. 1 November 2021</li> <li>15. 15 November 2021</li> <li>16. 16-18 November 2021</li> <li>17. 18 November 2021</li> <li>18. 19 November 2021</li> <li>19. 22 November 2021</li> <li>20. 24 November 2021</li> <li>21. 25 November 2021</li> <li>22. 30 November 2021</li> <li>23. 1 December 2021</li> <li>24. 2 December 2021</li> <li>25. 2 December 2021</li> <li>26. 2 December 2021</li> </ol>

## BOARD OF COMMISSIONERS

No	Name	Training	Time
1.	Chow Ying Hoong – President Comissioner	<ol style="list-style-type: none"> <li>1. BTPN Executive Risk Management Certification Refresher 2021</li> <li>2. Annual AML Refresher Quiz FY2021</li> <li>3. Leadership Series “Accelerating Digital Capability in The NewNormal”</li> <li>4. Annual Compliance Declaration 2021 &amp; Annual Refresher Quizon ComplianceAwareness</li> <li>5. Banking Secrecy, Firewall and Personal Data Protection Training FY2021</li> <li>6. Indonesia’s Economic Outlook in the time of COVID-19 Pandemic from Creco Research</li> <li>7. McKinsey Asia Banking CEO Circle: “Transforming into an AI-enabled Bank of the Future”</li> <li>8. Leadership Series 2021: Banking 4.0</li> <li>9. Recent developments on ESG (regulatory requirements &amp; market trends/developments) from SMBC</li> <li>10. Training on Firewall and Nikko Collaboration &amp; Competition Law</li> </ol>	<ol style="list-style-type: none"> <li>1. 29 July 2021</li> <li>2. 20 August 2021</li> <li>3. 23 September 2021</li> <li>4. 3 September 2021</li> <li>5. 1 October 2021</li> <li>6. 5 October 2021</li> <li>7. 26 November 2021</li> <li>8. 2 December 2021</li> <li>9. 2 December 2021</li> <li>10. 10 December 2021</li> </ol>
2.	Takeshi Kimoto – Comissioner	<ol style="list-style-type: none"> <li>1. Leadership Program</li> <li>2. BTPN Executive Risk Management Certification Refresher 2021</li> <li>3. Leadership Series “Accelerating Digital Capability in The New Normal”</li> <li>4. Indonesia’s Economic Outlook in the time of COVID-19 Pandemic from Creco Research</li> <li>5. Employee Engagement Dialogue Workshop</li> <li>6. Recent developments on ESG (regulatory requirements &amp; market trends/developments) from SMBC</li> </ol>	<ol style="list-style-type: none"> <li>1. 12 July 2021</li> <li>2. 29 July 2021</li> <li>3. 23 September 2021</li> <li>4. 5 October 2021</li> <li>5. 21 Octobe r2021</li> <li>6. 2 December 2021</li> </ol>
3.	Ninik Herlani Masli Ridhwan – Independent Comissioner	<ol style="list-style-type: none"> <li>1. BTPN Executive Risk Management Certification Refresher 2021</li> <li>2. Leadership Series “Accelerating Digital Capability in The New Normal”</li> <li>3. Indonesia’s Economic Outlook in the time of COVID-19 Pandemic from Creco Research</li> <li>4. Bank BTPN Economic Outlook 2022</li> <li>5. Leadership Series 2021: Banking 4.0</li> <li>6. Recent developments on ESG (regulatory requirements &amp; market trends/developments) from SMBC</li> <li>7. Webinar FKDKP “Direction of Indonesia’s Banking Development Amid Banking Digitalization Attempts 2021”</li> </ol>	<ol style="list-style-type: none"> <li>1. 29 July 2021</li> <li>2. 23 September 2021</li> <li>3. 5 October 2021</li> <li>4. 1 December 2021</li> <li>5. 2 December 2021</li> <li>6. 2 December 2021</li> <li>7. 8 December 2021</li> </ol>
4.	Irwan Mahjudin Habsjah – Independent Comissioner	<ol style="list-style-type: none"> <li>1. BTPN Executive Risk Management Certification Refresher 2021</li> <li>2. Virtual Seminar LPPI - Local Currency Settlement</li> <li>3. Virtual Seminar LPPI - Circular Economy</li> <li>4. Virtual Seminar LPPI - Cyber Risk Management in Digital Indsutry</li> <li>5. Leadership Series “Accelerating Digital Capability in The New Normal”</li> <li>6. Webinar on “Increasing UKM Business Competitiveness to Pass Through Regional and Global Market” (IBS)</li> <li>7. Indonesia’s Economic Outlook in the time of COVID-19 Pandemic from Creco Research</li> <li>8. GBF Asean Webinar: Beyond 2021: South-East Asia’s Recovery</li> <li>9. Financial Sector Outlook (IFSO)</li> <li>10. Leadership Series 2021: Banking 4.0</li> <li>11. Recent developments on ESG (regulatory requirements &amp; market trends/developments) from SMBC</li> <li>12. Webinar FKDKP “Direction of Indonesia’s Banking Development Amid Banking Digitalization Attempts 2021”</li> </ol>	<ol style="list-style-type: none"> <li>1. 29 July 2021</li> <li>2. 5 August 2021</li> <li>3. 12 August 2021</li> <li>4. 23 September 2021</li> <li>5. 23 September 2021</li> <li>6. 24 September 2021</li> <li>7. 5 October 2021</li> <li>8. 9 November 2021</li> <li>9. 23 November 2021</li> <li>10. 2 December 2021</li> <li>11. 2 December 2021</li> <li>12. 8 December 2021</li> </ol>
5.	EdmundTondobala – Independent Comissioner	<ol style="list-style-type: none"> <li>1. BTPN Executive Risk Management Certification Refresher 2021</li> <li>2. Leadership Series “Accelerating Digital Capability in The New Normal”</li> <li>3. Indonesia’s Economic Outlook in the time of COVID-19 Pandemic from Creco Research</li> <li>4. Bank BTPN Economic Outlook 2022</li> <li>5. Leadership Series 2021: Banking 4.0</li> <li>6. Recent developments on ESG (regulatory requirements &amp; market trends/developments) from SMBC</li> <li>7. Webinar FKDKP “Direction of Indonesia’s Banking Development Amid Banking Digitalization Attempts 2021”</li> </ol>	<ol style="list-style-type: none"> <li>1. 29 July 2021</li> <li>2. 23 September 2021</li> <li>3. 5 October 2021</li> <li>4. 1 December 2021</li> <li>5. 2 December 2021</li> <li>6. 2 December 2021</li> <li>7. 8 December 2021</li> </ol>



## The Governance Body and Company Policy

The most important role of Board of Commissioners and Directors is to determine the fundamental policies of Bank BTPN, such as the vision, mission, values, and culture. Directors are also responsible to make decisions related to policy, strategy, and goals in economic, social, and environmental areas. Those decisions would then be authorized by the Commissioners during the GMS. [\[GRI 102-26\]](#)

Furthermore, the Board of Commissioners and Directors will identify and manage Bank BTPN's performance in terms of sustainability; and they will make recommendations on policy and strategy renewal in order to stay relevant amid ever-moving internal and external developments. Thus, the Board of Commissioners and Directors gives clarifications on economic, social, and environmental topics from the stakeholders through the GMS, regular reports, or performance evaluation reports. [\[GRI 102-29\]](#)

Directors also do regular evaluations of economic, social, and environmental risks appearing in the Bank's policies, strategies, and even operations. Moreover, Commissioners and Directors have to pay attention to any opportunities to improve the development of Bank BTPN. There will be monthly reviews on opportunity and evaluation held by the Directors outside the annual GMS; and when it is needed, there will be a further discussion on the reports. [\[GRI 102-30\]](#) [\[GRI 102-31\]](#)

In its relation to the sustainability reports, the governance boards have given the Compliance Director responsibility to arrange and evaluate

the reports by following agreed principles. The report-drafting is done with stakeholder input and contain substantial information.

[\[GRI 102-32\]](#)

## Evaluation of Governance Body Performance

[\[GRI 102-28\]](#)

Evaluation of the performance of Board of Commissioners and Directors is considered a high priority, which gives the opportunity to sharpen roles, build more effective communications, improve team-work, and confer positive impacts on leadership and decision-making. To achieve this, Commissioners and Directors complete a self-assessment procedure based on the agreed KPI. The evaluation is done annually in order to continuously improve the governance system.

## Critical Concerns

[\[GRI 102-33\]](#) [\[GRI 102-34\]](#)

Any critical concerns arising need to be addressed seriously and promptly as they may significantly affect the company's sustainability and development. In order to effect this, a structural critical problem reporting process is in place to address the problem as soon as possible. The process follows steps, such as:

- Written Report
- Board of Directors Meeting
- Board of Commissioners Meeting
- Coordination Meeting of Board of Commissioners and Board of Directors

In the reporting year, three critical concerns were raised: IT Security Update, Super Skeleton Operations Implementation, and Jenius Fraud Updates. These problems were handled immediately and did not cause serious impacts on Bank BTPN.

## Remuneration of Governance Body

### REMUNERATION POLICY

[\[GRI 102-35\]](#)

In terms of giving appreciation to the highest governance body, Bank BTPN has implemented a remuneration policy which is based on the performance evaluation and financial conformity. Remuneration, whether fixed or variable, is given by adhering to the meritocracy principles, in which in accordance with the annually evaluated performances. Evaluation was carried out within the framework of the implementation of sustainable finance. Each member of the Board of Directors has to have individual performance targets. These targets will be gradually made into division targets, and then go down into the lowest level employee targets. The remuneration policy has really focused on the performance aspects, thus, it will look at each employee equally the same. Bank BTPN has hoped that this policy will encourage their employees to be more productive.

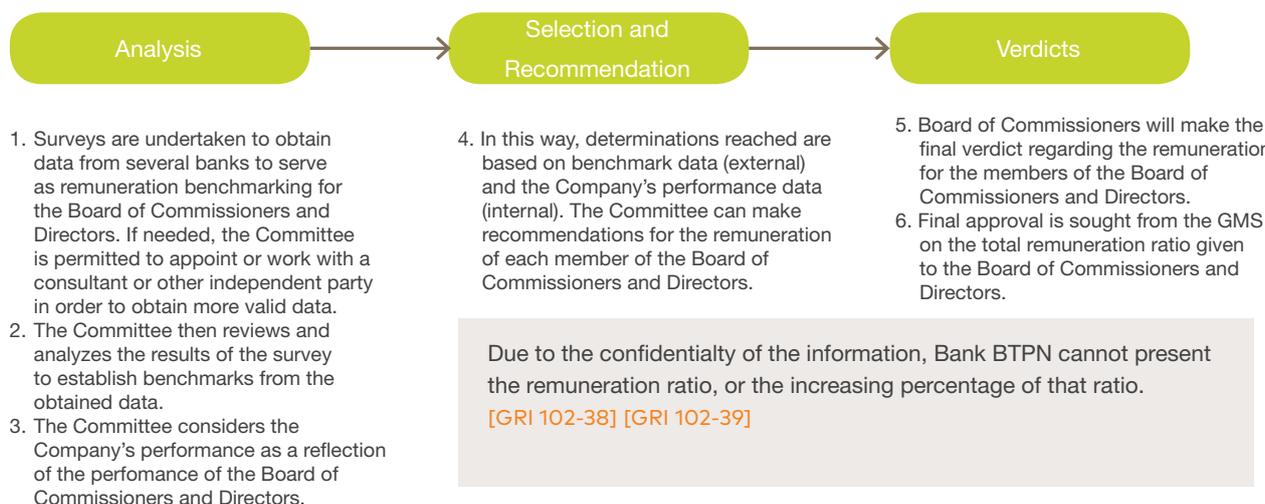
### THE PROCESS OF DETERMINING REMUNERATION

[\[GRI 102-36\]](#)

In determining the remuneration for the Board of Commissioners and the Directors, Bank BTPN follows GCG principles and puts accountability to the fore. The process begins with a remuneration survey of equivalent industries performed by an independent party. The results then become a reference for the Remuneration and Nomination Committee in making a recommended remuneration which then goes to the Board of Commissioners. The final decision is presented to the GMS for validation. All stakeholders, who are also shareholders, will thus be involved in approving the remuneration. [\[GRI 102-37\]](#)



The flowchart of the Remuneration process for the Board of Directors is as follows:



## Policy Hierarchy

[\[GRI 102-12\]](#)

One of the most important features of Good Corporate Governance is the development of well-defined policies. Good policies are not a single decision, but are a hierarchy built from relevant policies as defined by the decision makers. Bank BTPN has built a strong and solid hierarchy which is complemented with guidelines to implement those policies accordingly.

Bank BTPN's Policy Hierarchy is composed as below:

1. Main Policies; these deal with governance and other strategies that relate to Bank BTPN's operations. These main policies are basic principles and guidelines for all the existing and applied regulations in Bank BTPN.
2. Operational Policies; these deal with all regulations related to Bank BTPN's activities that reflect the Company's risk management strategy, including the explanation of Bank BTPN's risk appetite for those activities.
3. Standard Operational Procedures (SOP) Policies; these serve as guidelines to regulate any process in detail; descriptions of each mandatory step made in a

structured and systemized activity, that includes: who, how, where, and when an activity is taking place with the control mechanism. These regulations must include the four-eye principle, proper control of the internal function, and are in accordance with the policies.

4. User Manual/ Technical Instruction/ Practical Instruction/and other equivalent documents are produced.

Some of Bank BTPN's policies refer to applied governmental policies, such as:

1. Act No. 40 of 2007 on the Limited Liability Company;
2. Act No.7 of 1992 on Banking and Act No. 10 of 1998 on Amendments Act No. 7 of 1992 on Banking;
3. Financial Service Authority (FSA) Regulation No.55/POJK.03/2016 and FSA's Circular No.13/SEOJK.03/2017 on Implementation of Governance for Commercial Banks;
4. POJK No.18/POJK.03/2016 on the Implementation of Risk Management for Commercial Banks;
5. Bank BTPN's Articles of Association;
6. Corporate Governance Policy.

## Internal Control System

Good Corporate Governance will work well if there is systemized internal control. To this end, Bank BTPN has implemented an internal control system by using Three Lines of Defense, in which each function carries out its duty independently.

1. The First Line of Defense consists of Business and Support Units, also known as Risk Taking Units (RTU). They are responsible for managing and controlling operational risks in all of their work activities with full disciplinary powers. On the operational level, the Bank has established a Quality Assurance (QA) unit to help the RTU in managing the day-to-day operational risk.
2. The Second Line of Defense consists of the Risk Management Unit (RMU), the Compliance Unit and some other related units functioning as risk supervisors; they are responsible to create the framework, policies, procedures, methodologies, and other work tools in order to define, refine, coordinate, and ensure the overall implementation of risk management in all work units.



3. The Third Line of Defense consists of an Internal Audit Unit that has the responsibility for doing independent assessment and reviews in order to make sure that the inherent risks have been managed and are still within the applied risk tolerance and risk appetite. The Internal Audit Unit functions as supervisor and evaluator of the risk management, effectivity of the internal control, and governance process in all aspects in Bank BTPN. This supervisory function is also undertaken in the first and second line of defenses.

Furthermore, Internal Audit will do regular evaluation of all aspects and operations, such as: human resources, customer service, Bank BTPN's infrastructure, and other processes that involve potential risks to the bank. The results of the monitoring and evaluation are reported to the Board of Commissioners and Directors by the Audit Committee. The Internal Audit itself will be evaluated 3 times annually by an independent party. This action is taken in order to ensure the reliability and the quality of the supervisory function of Internal Audit.

## Maintaining Integrity

[GRI 102-16]

Integrity is one of the most fundamental requirements for the sustainability of a company, for without integrity, motivation and expertise are pointless. Bank BTPN aims to preserve the integrity of each employee. We have also established values and systems based on integrity in order to maintain the customers' loyalty. We have built ourselves into a healthy, strong, defiant, and trusted organization by maintaining our integrity. The endeavour to maintain integrity is founded on Bank BTPN's Code of Conduct. This code is the model for behaviors and attitudes of each member of the Board of Commissioners, and of the Directors, the employees, and the independent

parties related to Bank BTPN business.

The commitments made in Bank BTPN's Code of Conduct cover a variety of areas of activity, such as:

1. Compliance and risk management;
2. Conflict of interests;
3. Establishing a conducive work environment by:
  - a. Treating all employees with equal fairness;
  - b. Supporting anti-discrimination and workplace harrasment;
  - c. Creating a safe and secure work environment.
4. Using the company's facilities;
5. Following activities outside the company;
6. Using Social Media;
7. Managing information and security;
8. Maintaining ethical relationships with the customers and stakeholders, covering:
  - a. Relationships with customers;
  - b. Anti-money laundering;
  - c. Relationships with fellow employees;
  - d. Relationships with regulators;
  - e. Bribery and corruption;
  - f. Gift-giving and receiving activity.

Bank BTPN's Code of Conduct has been explained through induction programs for the executives and employees, as well as through various media promotions, e-mail blasts, and e-learning refreshment programs. Bank BTPN ensures that each employee commits to the Code of Conduct by requiring them to sign the Integrity Pact. In order to facilitate the implementation of this code, Bank BTPN has set up a violation reporting channel which allows any employee to report violations to the Code of Conduct. Any violations will result in the imposition of sanctions. The Code of Conduct not only establishes the integrity of Bank BTPN conduct, but has also helped maintain a healthy relationship among the employees and improved their quality and performance.

## Conflict of Interest

[GRI 102-25]

Conflict of interest occurs when a personal interest and activity negatively affects the Bank. Bank BTPN has thus tried to prevent such conflicts in order to facilitate the efficient working of the GCG so that objective and professional decisions can be made. Bank BTPN has developed a policy related to conflict of interest which is included in the Code of Conduct and has been disseminated to all employees. Some of the issues covered in the Code of Conduct include these aspects:

- Employees are not permitted to receive and/or ask for something from the employees/candidates, customers/prospective customers, partners/prospective partners; whether it is as a gift in any form or remuneration for something that has already become their responsibility.
- Employees are obligated to report to Human Capital (HC) should there be any family-bond relationship with other employees/candidates. The Human Capital is required to note it down in each employee's personal file as one of the considerations relating to transfer and/or promotion.
- Employees are not allowed to have any work agreement with other parties during the working hours, and/or earn any incomes other than from Bank BTPN related to their job or position in the Bank.
- Employees are not allowed to have a personal business that can affect their performance, professionalism, and integrity in Bank BTPN.
- Employees are not allowed to offer any other products/services/ business other than the Bank's to the customers.
- Employees are not allowed to propose a loan application or select a partner from their own family members. They must notify the management up if this occurs so that the loan application or partner selection can be transferred to other employees.



Bank BTPN has adopted various principles in order to prevent conflict of interest, such as:

1. Implementing the “Four-Eye Principle”;
2. Separating functions and responsibilities that may cause a conflict;
3. Ensuring the GCG is effectively implemented in order to avoid any conflict of interest in all Bank BTPN’s operations, such as: the vendor selection process, goods and services procurement, and even serving banquets for third parties;
4. Hiring an independent party, such as a public accountant to help monitor and manage any aspects of the Bank’s operations that may cause a conflict of interest.

## Fraud Prevention and Elimination

Corruption, which mostly happens in the governmental structure, is an act of stealing and/or receiving bribes for personal interest. Bank BTPN has determined that all acts of dishonesty and deceit that can negatively affect the company are considered to be fraudulent. Some specific actions that are treated as fraud are: embezzlement, bribery, misusing the company’s assets, manipulating reports, and others. Bank BTPN has implemented zero tolerance toward any kind of fraud; we have also established a structured and integrated system to prevent fraud. The anti-fraud system at Bank BTPN is based on the regulation of Financial Service Authority (FSA) NO.39/POJK.03/2019 on the Implementation of Anti-Fraud Strategy for Commercial Banks.

Bank BTPN engages in fraud preventions, such as awareness campaigns, education about anti-fraud and the creation of a whistleblowing facility. Bank BTPN’s anti-fraud education and training covers such topics as:

- Definition of fraud;
- Anti-fraud strategy;
- Classification of fraud;
- Background history of fraud;
- Fraud prevention;
- Sanction-imposition for those committing frauds and the other related parties, and
- Reporting facilities provided by the Bank.

Bank BTPN regularly conducts awareness campaigns to educate people about combatting fraud through e-newsletters, B Connect, Now You Know, e-blast, desktop wallpaper, table-acrylic banner, and posters in all Bank BTPN branch offices. Bank BTPN has also put this anti-fraud policy and strategy and the reporting procedures on the website.

Amid the pandemic, Bank BTPN continues to give training and promote discussions on anti-fraud through its online media, such as anti-fraud e-learning and online training. Furthermore, Bank BTPN has required all employees, Commissioners, and Directors to join refreshment programs on anti-fraud as well as signing the Integrity Pact.

Bank BTPN has ensured that all employees have received training in anti-fraud and corruption matters. The trainings are obligatory for all the governance bodies and employees from all levels in all Bank BTPN’s operational areas. [GRI 205-2]

The anti-fraud campaign awareness has been followed by all vendors who are partnering with the Bank. These campaigns will be regularly conducted in the future. Bank BTPN has commenced an anti-fraud campaign for vendors and partners collaborating with Bank BTPN and the campaign will be conducted on a regular basis.

Fortunately, to this point, Bank BTPN has never found any indication of fraud incidents related to corruption in any of its operational areas. [GRI 205-1]

## Whistleblowing System

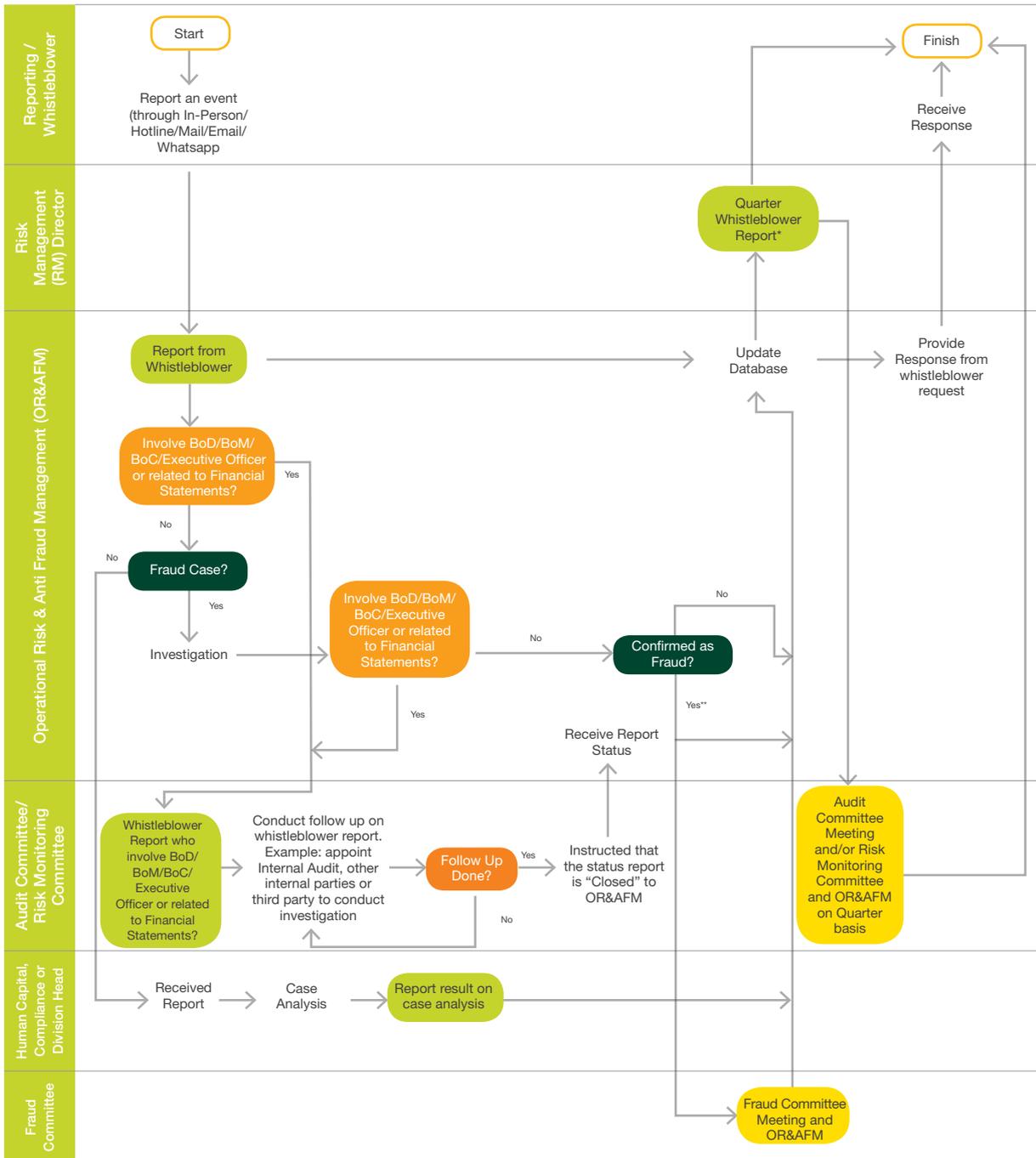
[GRI 102-17]

A whistleblowing system is a fraud reporting system and policy that is used to help improve the GCG implementation. The whistleblowing system has helped the Bank to provide easy access for internal and external parties to report any indications of fraud incidents. Bank BTPN’s fraud-reporting system is divided into two categories:

1. Non-whistleblowing reporting; this comes from the customers, business units, and Internal Audit and Quality Assurance findings.
2. Whistleblowing reporting; this is a confidential, systemized, and simple reporting system managed by Operational Division of Risk & Anti Fraud Management and is used to report some fraud indications. Whistleblowing reports may be received by: e-mail, WhatsApp, hotline, written letter, and face-to-face. Furthermore, reports with some valid proofs will be followed-up by a structured investigation and process.
3. The Company guarantees security of the whistleblower and will not impose sanctions for the reporting. Below is the fraud reporting system applied by Bank BTPN:



### Whistleblowing Flowchart



\*The report includes information on statistics summary of all incoming reports through the mechanism of whistleblowing and its follow-up as determined by OR & AFM  
 \*\*The Follow-up refers to SOP Investigation

Bank BTPN is committed to zero tolerance of any corruption or fraud. To this end, the Bank has developed a comprehensive policy related to anti-corruption and has determined the sanctions. The number of fraud incidents remains confidential and cannot be revealed in this report. [\[GRI 205-3\]](#)

### External Initiatives

[\[GRI 102-12\]](#)  
 As Bank BTPN has merged with Sumitomo Mitsui Banking Corporation (SMBC), it has adopted international standards, principles, and initiatives, including joining the Equator Principles (EP). The Equator Principles provides a risk management framework for

financial institutions to identify, assess and manage environmental and social risk when financing large-scale development projects. Furthermore, there are some other initiatives implemented by Bank BTPN, such as:

- Risk Management Framework based on FSA's Regulation No.18/ POJK.03/2016;



- Circular No. 34/ SEOJK.03/2016 on Implementation of Risk Management for Commercial Banks;
- FSA's Regulation No. 4/ POJK.03/2016 on Soundness Assessment for Commercial Banks;
- SEOJK 14/SEOJK.03/2017 on Soundness Assessment for Commercial Banks.

## Risk Management System

Bank BTPN has adopted integrated and comprehensive principles in order to build a good risk management system. This aims to identify, measure, monitor, and control potential risks that may appear in the Bank's business. A comprehensive, integrated, and transparent risk management, will allow Bank BTPN to maintain a sustainable business and governance. Bank BTPN has anticipated any future disturbance by applying a well-structured risk management approach to all products and services as well as to the operational activities.

Various risk management aspects implemented by Bank BTPN are:

1. Active Supervision from Board of Commissioners and Directors;
2. Adequacy of Risk Management Policy and Procedure and Determining the Risk Limits;
3. Adequacy of the process of identification, measurement, monitoring, and controlling the risks and the risk management information system;
4. Adequacy of a comprehensive internal control system.

The risk mitigation policy has been stated in the Risk Management Policy approved by the Commissioners and Directors. The Commissioners have the responsibility to monitor the risk management carried out by the Directors. These are some risks identified by Bank BTPN:

1. Credit Risk;
2. Market Risk;
3. Liquidity Risk;

4. Operational Risk;
5. Legal Risk;
6. Strategic Risk;
7. Compliance Risk;
8. Reputational Risk.

In terms of environmental risk, Bank BTPN has adopted a precautionary principle that is in accordance with the Equator Principles. The principle regulates the policy related to prohibited industries due to environmental and social violations.

[GRI 102-30] [OJK E.3]

One of the important strategies that can support the Bank's integrity is the ability to prevent money laundering and terrorism funding. Thus, Bank BTPN has developed particular strategies and policies such as:

1. Completion of the Anti-Money Laundering (AML) Action Plan to follow-up on any differences found in the implementation of AML Policy. Bank BTPN has committed to implement the AML Policy in all of our business activities;
2. Sustainable evaluation of the implementation of AML and CFT Policies as well as the potential risks through a periodic AML and CFT risk studies in order to mitigate any risks in our products/services.
3. Continuing to improve the implementation of the AML and CFT programs; and
4. Optimizing the function of the AML and CFT support systems.

## Precautionary Principle

[GRI 102-11]

Bank BTPN business may not be directly related to aspects of the environment, however, we do care about the preservation of the environment itself. To enshrine this, Bank BTPN applies precautionary principles through the Equator Principles, which are the principles implemented by financial institutions

to identify, assess and manage environmental and social risk when financing large-scale development projects. Furthermore, we insist that all debtors follow applied environmental regulations, which forms part of the precautionary principle as well.

We have applied some environmental regulations in our financing activities, such as:

- Ownership of an Environmental Impact Analysis (AMDAL) as one of the legal aspects for debtor's business in a certain segment;
- Performance Achievement in the Company's Performance Rating Program in Environmental Management (PROPER) from the Ministry of Environment and Forestry (KLHK);
- Obligations for corporations in the plantation sector to own a Plantation Business Permit (IUP), a Cultivation Plantation Business Permit (IUP-B), a Cultivating Plantation Permit (IUP-P), a Plantation Business Registration Certificate (SPUP), Indonesian Sustainable Palm Oil (ISPO) Certificate, and a Roundtable on Sustainable Palm Oil (RSPO) Certificate for those exporting companies;
- Other requirements in accordance with the applied laws and regulations.

## Stakeholder Management [OJK E.4]

Bank BTPN pays attention to stakeholders due to their influence on the Bank's progress and development. Stakeholders have a direct or indirect interest in Bank BTPN. For this reason, Bank BTPN seeks to build harmonious relationships and involve stakeholders as parties to be considered in providing input for Bank BTPN progress. Stakeholder relationship management is shown in the table below:



## Stakeholder Management's Resume [OJK E.4]

Stakeholders [GRI 102-40]	Identifying and Selecting Stakeholders [GRI 102-42]	Topics/Concerns [GRI 102-44]	Engagement Approach & Frequency [GRI 102-43]	Highest Governance Management Function
Shareholders and Investors	<ul style="list-style-type: none"> <li>• Dependability</li> <li>• Influence</li> <li>• Responsibility</li> </ul>	<ul style="list-style-type: none"> <li>• Organizational Governance</li> <li>• Economic Performance Achievement</li> </ul>	<ul style="list-style-type: none"> <li>• Providing information on Bank BTPN's achievements in the RUPS, quarterly reports, and annual reports</li> <li>• Direct communications and/or analysis reports to disclose material information</li> <li>• Engagement as necessary</li> </ul>	<ul style="list-style-type: none"> <li>• Corporate Secretary</li> <li>• Investor Relations</li> </ul>
Customers	<ul style="list-style-type: none"> <li>• Dependability</li> <li>• Responsibility</li> <li>• Influence</li> <li>• Geographic Proximity</li> </ul>	<ul style="list-style-type: none"> <li>• Customer's Protection</li> <li>• Sustainable relationships</li> </ul>	<ul style="list-style-type: none"> <li>• Provision of products and services according to the applied laws</li> <li>• Giving timely, adequate, clear, and accurate product and service information</li> <li>• Developing best quality services to ensure customer satisfaction</li> <li>• Implementing Daya Program</li> <li>• Advertisements and promotional media</li> <li>• Meeting as needed</li> </ul>	<ul style="list-style-type: none"> <li>• Line of Business</li> <li>• Compliance</li> <li>• Corporate Communication</li> <li>• Daya</li> </ul>
Employees	<ul style="list-style-type: none"> <li>• Dependability</li> <li>• Responsibility</li> <li>• Attention</li> <li>• Influence</li> <li>• Geographic Proximity</li> </ul>	<ul style="list-style-type: none"> <li>• Industrial Relationship</li> <li>• Protection and working conditions</li> <li>• Competence building</li> <li>• Career development and self-actulaization</li> </ul>	<ul style="list-style-type: none"> <li>• An objective, transparent, fair, and equal human capital management</li> <li>• Establishing a conducive working environment to optimize productivity</li> <li>• Career building through talent management system and assessment center</li> <li>• Engagement as necessary</li> </ul>	Human Capital
Communities	<ul style="list-style-type: none"> <li>• Dependability</li> <li>• Responsibility</li> <li>• Conflicting opinion</li> <li>• Influence</li> <li>• Geographic Proximity</li> </ul>	<ul style="list-style-type: none"> <li>• Education and culture</li> <li>• Technology and access to infrastructure</li> <li>• Welfare and income</li> </ul>	<ul style="list-style-type: none"> <li>• Intensifying engagement in communities' activities in education, empowerment, culture and religion, humanity, and environment</li> <li>• Implementing Daya Program</li> <li>• Engagement as necessary</li> </ul>	<ul style="list-style-type: none"> <li>• Human Capital</li> <li>• Daya</li> </ul>
Partners/ Suppliers	<ul style="list-style-type: none"> <li>• Dependability</li> <li>• Responsibility</li> <li>• Conflicting opinion</li> <li>• Influence</li> </ul>	<ul style="list-style-type: none"> <li>• Sustainable relationship</li> <li>• Economy</li> <li>• Equity</li> </ul>	<ul style="list-style-type: none"> <li>• Clear partnership terms</li> <li>• Transparent performance assessment</li> <li>• Regular assessment</li> <li>• Engagement as necessary</li> </ul>	Procurement



Stakeholders [GRI 102-40]	Identifying and Selecting Stakeholders [GRI 102-42]	Topics/Concerns [GRI 102-44]	Engagement Approach & Frequency [GRI 102-43]	Highest Governance Management Function
Government	<ul style="list-style-type: none"> <li>• Dependability</li> <li>• Responsibility</li> <li>• Conflicting Opinion</li> <li>• Influence</li> <li>• Geographic proximity</li> </ul>	<ul style="list-style-type: none"> <li>• Compliances</li> <li>• Commitment to banking regulations</li> <li>• A clear, accurate, comprehensive, and timely communication and report</li> </ul>	<ul style="list-style-type: none"> <li>• Perfecting the latest GCG Manual</li> <li>• GCG Implementation in all units</li> <li>• Regular meeting on the Bank's Soundness</li> </ul>	<ul style="list-style-type: none"> <li>• Compliance</li> <li>• Corporate Secretary</li> <li>• Risk Management</li> </ul>
Public Figures/ Local Officials	<ul style="list-style-type: none"> <li>• Dependability</li> <li>• Responsibility</li> <li>• Conflicting Opinion</li> <li>• Influence</li> </ul>	<ul style="list-style-type: none"> <li>• Business development</li> <li>• Regional growth</li> </ul>	<ul style="list-style-type: none"> <li>• Site visits</li> <li>• Official meetings and Development Plan Discussions (Musrenbang)</li> <li>• Regular meetings as necessary</li> <li>• Implementing Daya Program</li> </ul>	<ul style="list-style-type: none"> <li>• Line of Business</li> <li>• Customer Service</li> <li>• Corporate Communication</li> </ul>

Bank BTPN has provided various platforms for all stakeholders to submit their opinions or get updated information. Below is the list of those platforms:



**Website**

www.btpn.com  
(in Indonesian and English)



**Contact Center**

1500300 (BTPN Care), 1500365 (Jenius Help),  
+62 21 2450 5500 (International Call)



**Corporate Secretary's E-mail**

Corporate.secretary@btpn.com



**Corporate Communication's E-mail**

corporate.communications@btpn.com



**Customer's Complaint E-mail**

btpncare@btpn.com,  
jenius-help@btpn.com

**Information Transparency on Bank's website and Indonesia Stock Exchange Press Conference**



**Social Media:**

Facebook: Bank BTPN Official  
Twitter : @lifeatbtpn, @JeniusHelp, @JeniusConnect  
Youtube: BTPN  
LinkedIn: PT Bank BTPN Tbk  
Instagram: @lifeatbtpn, @jeniusconnect



# About **THE REPORT**

This sustainability report is a demonstration of our responsibility to stakeholders and is a means to circulate information regarding the Company's progress on sustainability topics.



Developing Employee Competencies



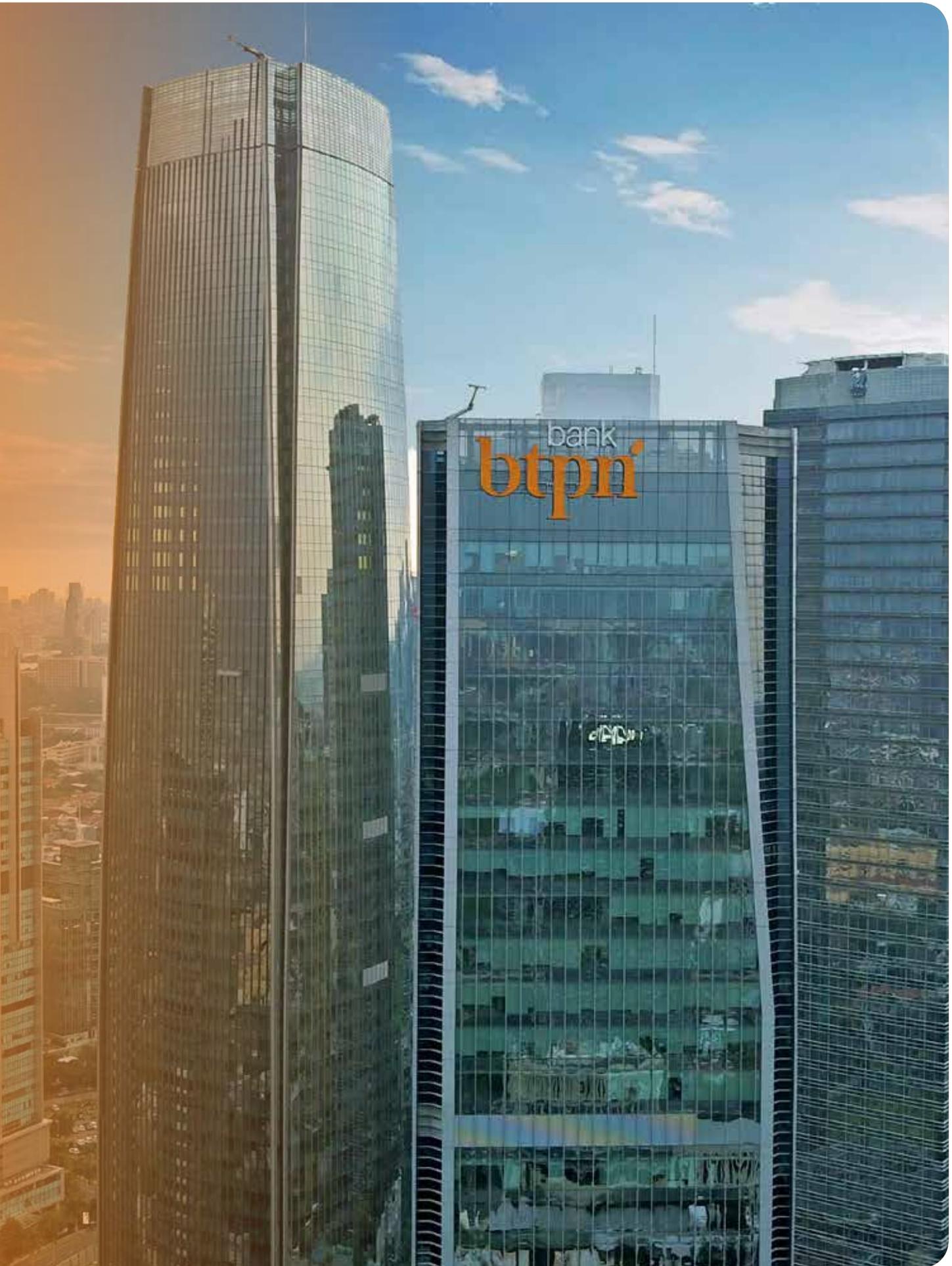
Prioritizing Environmental Commitments



Sustainability Governance



About the Report





Bank BTPN considers it imperative to convey the Company's progress in the economic, environmental, and social spheres through its annual sustainability report. This report is the third-year sustainability report from Bank BTPN, and contains information from January 1, 2021, to December 31, 2021. The preceding report was published in April 2020. [GRI 102-50] [GRI 102-51] [GRI 102-52]

This report contains no restatement of information, nor significant changes regarding the list of material topics and boundaries. In addition, there were no significant changes in the company [GRI 102-10] [GRI 102-48] [GRI 102-49] [OJK C.6]. The 2021 consolidated financial statements include the subsidiary financial statements, namely Bank BTPN Syariah. [GRI 102-45]

## Reporting Standards

This report has been prepared in accordance with the GRI Standards (Global Reporting Initiative): Comprehensive Option. As a public company operating in the financial services industry, this report is also prepared in accordance with Financial Services Authority Regulation SE OJK No.16/2021 on Implementation of Sustainable Finance for Financial Service Institutions, Issuers and Public Companies. [GRI 102-54]

GRI standards and SE OJK No.16/2021 applied in this report are marked with the numbering in brackets in orange (for GRI Standards) and in grey (for SE OJK No.16/2021), on each relevant page. Meanwhile, GRI Index List and OJK Index List are presented on pages 124 and 130, respectively. [OJK G.5] [GRI 102-55]

## Assurer

For the purposes of this report, Bank BTPN used an independent assurance service, namely PT Moores Rowland Indonesia, which was selected through a tender process attended by 3 (three) assurance offices. After an assessment and considering other factors, according to the direction of the Board of Directors, Moores Rowland Indonesia was appointed as the Assurer of the 2021 Sustainability Report of PT Bank BTPN. [GRI 102-56]

## Determination of Material Topics and Boundary [GRI 102-46]

The determination of material topics in this report is carried out in accordance with GRI standards, by implementing the following 4 (four) principles:

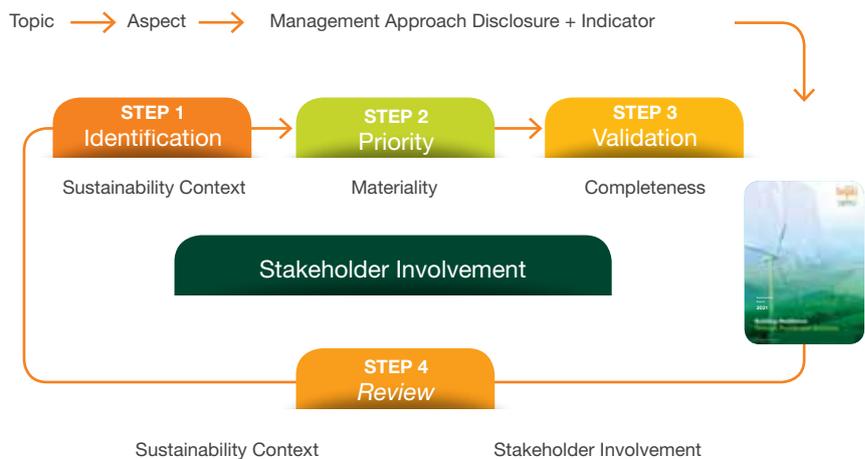
1. Stakeholder inclusivity; in determining the report content, Bank BTPN involves stakeholders and includes report topics required by SE OJK No.16/2021. The principle is also applied

through Focus Group Discussions (FGD) with internal stakeholders, competent company employees. There have been relatively no constraints in implementing reporting principles. The latest Forum Group Discussion was conducted in 2020, considering that there was no change in material topics.

2. Sustainability context; the content or material to be reported must be related to sustainability issues.
3. Materiality; the reported sustainability issues or topics must be material, meaning that the report imparts and reflects the economic, environmental and social impacts of the company's operations, or influences on stakeholder assessment and decision making.
4. Completeness; the report must contain all material topics and its boundaries and clearly disclose the economic, environmental and social impacts so that they are useful for stakeholders in making decisions.

The following is a flow chart of determining material topics and boundaries:

### Report Content Determination Flow



The material topics reported in the 2021 sustainability report were the same as last year. In the past year, we have identified material topics, prioritized and validated them, and then had them reviewed, taking into account feedback from stakeholders, in this case with OJK acting as a regulator. The list of material topics and their boundaries is as follows:

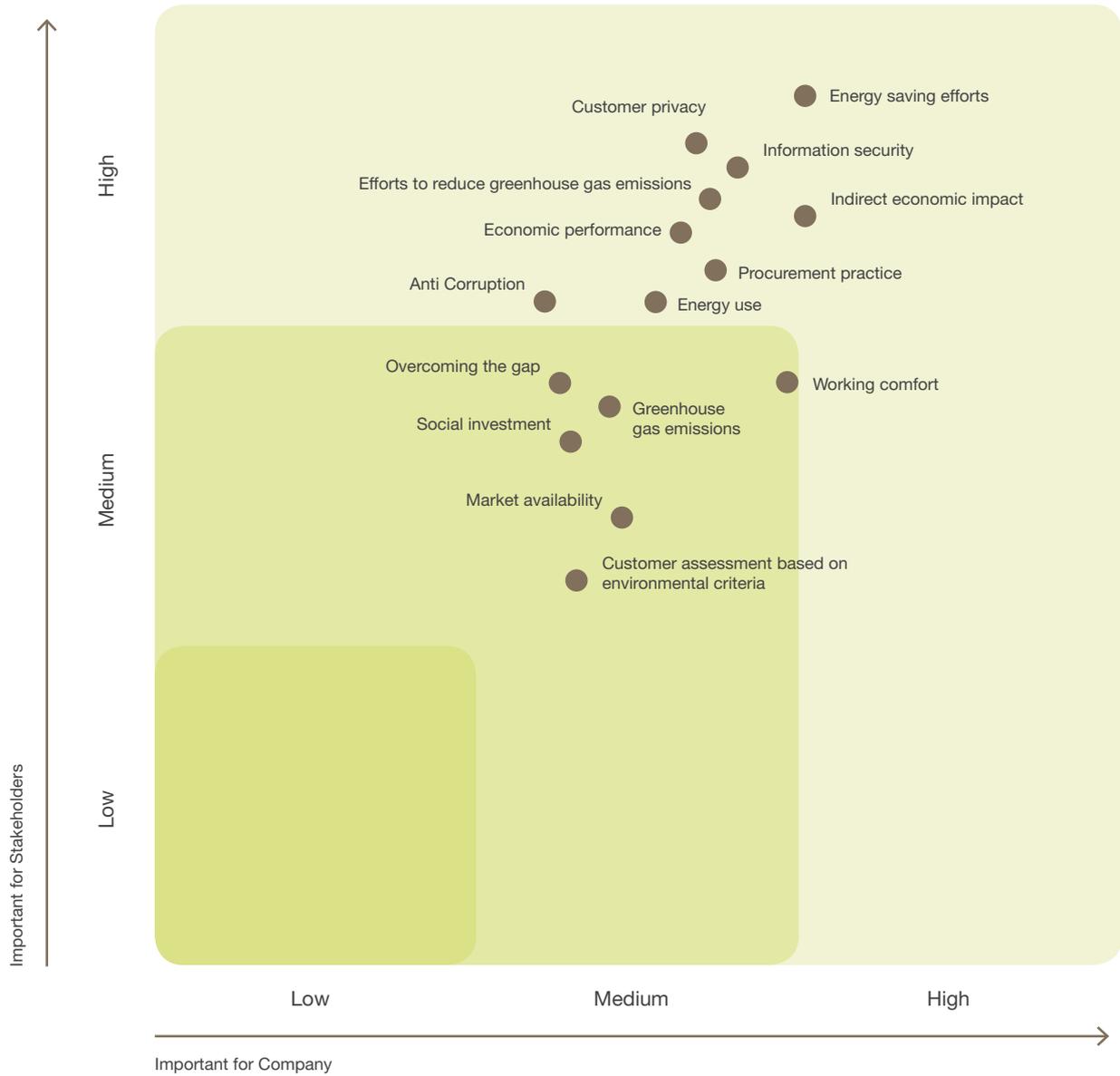
Material Topic (GRI 102-47)	Why the Topic is Material and Its Impact (GRI 103-1)	Disclosure Numbers	Boundary	
			Inside Bank BTPN	Outside Bank BTPN
Economic performance and impact	Having a significant impact on shareholders and stakeholders	201-1, 201-2, 201-3, 201-4	√	√
Market Presence	Having a significant impact on shareholders and stakeholders	202-1, 202-2	√	√
Indirect Economic Impacts	Having a significant impact on the wider community, especially the communities served through Bank BTPN's CSR program	203-1, 203-2	√	√
Procurement Practices	Having a significant impact on the local economy	204-1		√
Anti-Corruption	Having a significant impact on the trust of shareholders, communities and stakeholders	205-1, 205-2, 205-3	√	√
Energy	Having a significant impact on sustainability and environmental conservation, in addition to economic savings for Bank BTPN	302-1, 302-3, 302-3, 302-4, 302-5.	√	√
Emissions	Has a significant impact on sustainability, especially in the aspect of global warming.	305-1, 305-2, 305-4, 305-5, 305-6,305-7	√	√
Employment	Having a significant impact on employee comfort and performance	401-1, 401-2, 401-3	√	
Education and Training	Has a significant impact on employee morale and performance	404-1, 404-2, 404-3,	√	
Diversity and Equality	Having a significant impact on employee comfort and performance	405-1, 405-2	√	
Non-discrimination	Having a significant impact on employee comfort and performance	406-1	√	
Marketing and Labeling	Having a significant impact on consumer's trust	417-1, 417-2, 417-3		√
Customer Privacy	Having a significant impact on consumer's trust	418-1		√
Security Practices	Having a significant impact on consumer's trust	410-1		√
Local Community	Having a significant impact on the community welfare as a stakeholder.	413-1, 413-2	√	√
Supplier Social Assessment	Having a significant impact on sustainability	414-1, 414-2		√
Product Responsibility	Having a significant impact on consumer's trust	417-1, 417-2, 417-3		√
Information Security	Having a significant impact on consumer's trust	418-1		√
Socioeconomic Compliance	Having a significant impact on consumer's trust and the community welfare	419-1	√	√



# Materiality Level

The following graph provides an overview of the level of materiality of the reported topics

### Materiality Matrix Diagram [GRI 102-47]





We invite all participating readers to provide input for the progress and improvement of the next report by filling out the following feedback sheet or contacting Bank BTPN through:  
[\[GRI 102-53\]](#) [OJK G.3]

**Communications & Daya Division  
PT Bank BTPN Tbk**

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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.btpn.com](http://www.btpn.com)  
Email : [corporate.communications@btpn.com](mailto:corporate.communications@btpn.com)  
Linkedin : PT Bank BTPN Tbk



## Independent Assurance Statement

Report No. 0322/BD/0008/JK

### To the Management of PT Bank BTPN Tbk,

We were engaged by PT Bank BTPN Tbk ('BTPN') to provide assurance in respect to its Sustainability Report 2021 ('the Report'). The assurance engagement was conducted by a multidisciplinary team with relevant experience in sustainability reporting.

### 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 BTPN during 2021 that could conflict with the independence of the assurance engagement.

### Assurance Standards

Our work was carried out in accordance with ISAE3000 'Assurance Engagements other than Audits or Reviews of Historical Financial Information' issued by the International Auditing and Assurance Standards Board. This standard requires that we comply with ethical requirements and plan and perform the assurance engagement to obtain limited assurance.

### Level of Assurance

By designing our evidence-gathering procedures to obtain a limited level of assurance based on ISAE3000, 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.

### Scope of Assurance

The scope of our work is restricted to following selected information:

- Community development program
- Human resources training and development
- Sustainable product and services

### Responsibility

BTPN is responsible for the preparation of the Report and all information and claims therein, which include established sustainability management targets, performance management, data collection, etc. In performing this engagement, meanwhile, our responsibility to the management of BTPN is solely for the purpose of verifying the statements it has made in relation to its sustainability performance, specifically as described in the selected information, 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:

- Review of report, internal policies, documentation, management and information systems



- Interview of relevant staff involved in sustainability-related management and reporting
- Following data trails to the initial aggregated source, to check samples of data to a greater depth.

### Limitations

Our scope of work was limited to a review of the accuracy and reliability of selected sustainability performance-related information. It was also not designed to detect all weaknesses in the internal controls over the preparation and presentation of the Report, as the engagement has not been performed continuously throughout the period and the procedures performed were undertaken on a test basis.

### Conclusions

Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the Report has not been properly prepared and presented, in all material respects.

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

Jakarta, March 28, 2022

**James Kallman**  
Chief Executive Officer

*Moores Rowland is an international organization specializing in audit, accounting, tax, legal and advisory services. Moores Rowland is a member of Praxity AISBL, the world's largest Alliance of independent and unaffiliated audit and consultancy companies.*

*With more than 33,400 professionals operating in 97 countries across the globe, each sharing the same values and sense of responsibility, Praxity is served by Moores Rowland in Indonesia, one of the leading sustainability assurance providers.*





NATIONAL  
CENTER FOR  
SUSTAINABILITY  
REPORTING

## Statement GRI Standards Core in Accordance Check

The National Center for Sustainability Reporting (NCSR) has conducted a GRI Standards Comprehensive in Accordance Check on the PT Bank BTPN Tbk, Sustainability Report 2021 (“Report”). The check communicates the extent to which the GRI Standards Core criteria has 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 presented disclosures, in accordance with GRI Standards Comprehensive criteria.

Jakarta, 30 March 2022

**National Center for Sustainability Reporting**

**Dewi Fitriasaki, Ph.D., CSRA, CMA**  
Director

## Linking the SDGs and GRI Standards

SDGs	Business Theme	Relevant GRI Standard	Disclosure	Indicator Title	Page
 <p><b>NO POVERTY</b> End poverty in all its forms everywhere</p>	Income, salary, and benefits	GRI 202: Market presence (2016)	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	75
	Economic development in areas of high poverty	GRI 203: Indirect economic impacts (2016)	203-2	Significant indirect economic impacts	62
	Operations that have an impact on the community	GRI 413: Local communities (2016)	413-2	Operations with significant actual and potential negative impacts on local communities	60
 <p><b>ZERO HUNGER</b> End hunger, achieve food security and improved nutrition and promote sustainable agriculture.</p>	Economic Performance	GRI 201: Economic performance (2016)	201-1	Direct economic value generated and distributed	45
	Economic development in areas with the highest poverty rates	GRI 201: Economic performance (2016)	203-2	Significant indirect economic impacts	62
	Operations that have an impact on the community	GRI 413: Local communities (2016)	413-2	Operations with significant actual and potential negative impacts on local communities	60
 <p><b>GOOD HEALTH AND WELL BEING</b> Ensure healthy lives and promote wellbeing for all at all ages.</p>	Economic development in areas of high poverty	GRI 203: Indirect economic impacts (2016)	203-2	Significant indirect economic impacts	62
	Air quality	GRI 305: Emissions (2016)	305-1	Direct (Scope 1) GHG emissions	86
			305-2	Indirect (Scope 2) GHG emissions	86
			305-3	Other indirect (Scope 3) GHG emissions	86
			305-6	Emissions of ozone-depleting substances (ODS)	87
	305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	87		
Employee Health	GRI 401: Employment (2016)	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	76	



SDGs	Business Theme	Relevant GRI Standard	Disclosure	Indicator Title	Page		
 <p><b>4 QUALITY EDUCATION</b> Ensure inclusive and quality education for all and promote lifelong learning</p>	Training and Education	GRI 404: Training and education (2016)	404-1	Average hours of training per year per employee	77,79		
			404-2	Programs for upgrading employee skills and transition assistance programs	77		
 <p><b>5 GENDER EQUALITY</b> Achieve gender equality and empower all women and girls</p>	Equal remuneration for women and men	GRI 102: General disclosures (2016)	102-22	Composition of the highest governance body and its committees	92		
			102-24	Nominating and selecting the highest governance body	93		
	Equal Treatment	GRI 405: Diversity and equal opportunity (2016)	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	75		
			203-1	Infrastructure investments and services supported	61,63		
			401-1	New employee Hires and employee turnover	73		
					401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	76
					401-3	Parental leave	76
			404-3	Percentage of employees receiving regular performance and Career Development Reviews	80		
	405-1	Diversity of governance bodies and employees	72				
			405-2	Ratio of basic salary and remuneration of women to men	72		
Anti Discrimination	GRI 406: Non-discrimination (2016)	406-1	Incidents of discrimination and corrective actions taken	71			



SDGs	Business Theme	Relevant GRI Standard	Disclosure	Indicator Title	Page
	Social impact of suppliers	GRI 414: Supplier social assessment (2016)	414-1	New suppliers that were screened using social criteria	47
			414-2	Negative social impacts in the supply chain and actions taken	47
 <p><b>CLEAN WATER AND SANITATION</b> Ensure access to water and sanitation sustainable for all</p>	-	-	-	-	-
 <p><b>AFFORDABLE AND CLEAN ENERGY</b> Ensure access to affordable, reliable, sustainable and modern energy for all.</p>	Energy management and efficiency	GRI 302: Energy (2016)	302-1	Energy consumption within the organization	86
			302-2	Energy consumption outside of the organization	86
			302-3	Energy intensity	86
			302-4	Reduction of energy consumption	86
			302-5	Reductions in energy requirements of products and services	86
 <p><b>DECENT WORK AND ECONOMIC GROWTH</b> Support sustainable economic development, productive employment and decent work for everyone.</p>	Job opportunities	GRI 102: General disclosure (2016)	102-8	Information on employees and other workers	70
	Economic improvement	GRI 201: Economic performance (2016)	201-1	Direct economic value generated and distributed	45
	Income, salary and benefits	GRI 202: Market presence (2016)	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	75
			202-2	Proportion of senior management hired from the local community	73
		GRI 201: Economic performance (2016)	203-2	Significant indirect economic impacts	62
		GRI 204: Procurement practices (2016)	204-1	Proportion of spending on local suppliers	47



SDGs	Business Theme	Relevant GRI Standard	Disclosure	Indicator Title	Page
	Tax	GRI 207: Tax (2019)	207-2	Tax governance, control, and risk management	48
			207-3	Stakeholder engagement and management of concerns related to tax	48
			207-4	Country-by-country reporting	48
	Energy management and efficiency	GRI 302: Energy (2016)	302-1	Energy consumption within the organization	86
			302-2	Energy consumption outside of the organization	86
			302-3	Energy intensity	86
			302-4	Reduction of energy consumption	86
			302-5	Reductions in energy requirements of products and services	86
	Income, salary, and benefits	GRI 401: Employment (2016)	401-1	New Employee Hires and Employee Turnover	73
			401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	76
			401-3	Parental leave	76
	Training and Education	GRI 404: Training and Education (2016)	404-1	Average hours of training per year per employee	77,79
			404-2	Programs for upgrading employee skills and transition assistance programs	77
			404-3	Percentage of Employees Receiving Regular Performance and Career Development Reviews	80
	Equal treatment	GRI 405: Diversity and Equal Opportunity (2016)	405-1	Diversity of governance bodies and employees	72
			405-2	Ratio of basic salary and remuneration of women to men	72
	Anti Discrimination	GRI 406: Non-discrimination (2016)	406-1	Incidents of discrimination and corrective actions taken	71

SDGs	Business Theme	Relevant GRI Standard	Disclosure	Indicator Title	Page
	Human rights applications	GRI 408: Child labor (2016)	408-1	Operations and suppliers at significant risk for incidents of child labor	80
		GRI 409: Forced or compulsory labor (2016)	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	80
		GRI 414: Supplier social assessment (2016)	414-1	New suppliers that were screened using social criteria	47
			414-2	Negative social impacts in the supply chain and actions taken	47
 <p><b>INDUSTRY, INNOVATION AND INFRASTRUCTURE</b> Build resilient infrastructure, promote sustainable industrialization and foster innovation.</p>	Economic improvement	GRI 201: Economic Performance (2016)	201-1	Direct economic value generated and distributed	45
	Economic development in areas of high poverty	GRI 203: Indirect economic impacts (2016)	203-1	Infrastructure investments and services supported	61,63
 <p><b>REDUCED INEQUALITIES</b> Reduce inequality within and among countries.</p>	Employment information	GRI 102: General disclosure (2016)	102-8	Information on employees and other workers	70
		GRI 401: Employment (2016)	401-1	New employee hires and employee turnover	73
	Employee capacity building	GRI 404: Training and education (2016)	404-1	Average hours of training per year per employee	77,79
			404-3	Percentage of employees receiving regular performance and career development reviews	80
	Gender Equality	GRI 405: Diversity and equal opportunity (2016)	405-2	Ratio of basic salary and remuneration of women to men	72



SDGs	Business Theme	Relevant GRI Standard	Disclosure	Indicator Title	Page
 <p><b>11 SUSTAINABLE CITIES AND COMMUNITIES</b> Make cities inclusive, safe, resilient and sustainable</p>	Infrastructure investments	GRI 203: Indirect economic impacts	203-1	Infrastructure investments and services supported	61,63
 <p><b>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</b> Ensure sustainable consumption and production patterns</p>	Energy management and efficiency	GRI 302: Energy (2016)	302-1	Energy consumption within the organization	86
			302-3	Energy intensity	86
			302-4	Reduction of energy consumption	86
			302-5	Reductions in energy requirements of products and services	86
	Air quality	GRI 305: Emissions (2016)	305-1	Direct (Scope 1) GHG emissions	86
			305-2	Indirect (Scope 2) GHG emissions	86
			305-3	Other indirect (Scope 3) GHG emissions	86
			305-6	Emissions of ozone-depleting substances (ODS)	87
			305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	87
	Product and service information and labeling	GRI 417: Marketing and Labeling (2016)	417-1	Requirements for product and service information and labeling	57
 <p><b>13 CLIMATE ACTION</b> Take urgent action to combat climatechange and its impacts</p>	Economic improvement	GRI 201: Economic Performance (2016)	201-1	Direct economic value generated and distributed	45
	Energy consumption	GRI 302: Energy (2016)	302-1	Energy consumption within the organization	86
			302-2	Energy consumption outside the organization	86
			302-3	Energy intensity	86
			302-4	Reduction of energy consumption	86
			302-5	Reductions in energy requirements of products and services	86



SDGs	Business Theme	Relevant GRI Standard	Disclosure	Indicator Title	Page
	Air quality	GRI 305: Emissions	305-1	Direct (Scope 1) GHG emissions	86
			305-2	Indirect (Scope 2) GHG emissions	86
			305-4	Other indirect (Scope 3) GHG emissions	86
			305-3	GHG Emissions Intensity	86
			305-5	Reduction of GHG emissions	87
 <p><b>LIVE ON WATER</b> Conserve and sustainably use the oceans, seas and marine resources for sustainable development</p>	Air quality	GRI 305: Emissions	305-1	Direct (Scope 1) GHG emissions	86
			305-2	Indirect (Scope 2) GHG emissions	86
			305-4	Other indirect (Scope 3) GHG emissions	86
			305-3	GHG Emissions Intensity	87
			305-5	Reduction of GHG emissions	87
			305-6	Emissions of ozone-depleting substances (ODS)	86
			305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	86
 <p><b>LIFE ON LAND</b> 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	86
			305-2	Indirect (Scope 2) GHG emissions	86
			305-3	Other indirect (Scope 3) GHG emissions	86
			305-4	GHG emissions intensity	86
			305-5	Reduction of GHG emissions	87
			305-6	Emissions of ozone-depleting substances (ODS)	86
			305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	87



SDGs	Business Theme	Relevant GRI Standard	Disclosure	Indicator Title	Page
 <p><b>PEACE, JUSTICE AND STRONG INSTITUTIONS</b> 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>	Good Governance	GRI 102: General Disclosure (2016)	102-16	Values, principles, standards, and norms of behavior	4,100
			102-17	Mechanisms for advice and concerns about ethics	101
			102-21	Consulting stakeholders on economic, environmental, and social topics	91
			102-22	Composition of the highest governance body and its committees	91
			102-23	Chair of the highest governance body	91
			102-24	Nominating and selecting the highest governance body	93
			102-25	Conflicts of interest	100
			102-27	Collective knowledge of highest governance body	94
			102-29	Identifying and managing economic, environmental, and social impacts	98
			102-37	Stakeholders' involvement in remuneration	98
	Anti corruption	GRI 205: Anti-corruption (2016)	205-1	Operations assessed for risks related to corruption	101
			205-2	Communication and training about anti-corruption policies and procedures	101
			205-3	Confirmed incidents of corruption and actions taken	102
	Human rights applications	GRI 408: Child labor (2016)	408-1	Operations and suppliers at significant risk for incidents of child labor	80
		GRI 410: Security practices (2016)	410-1	Security personnel trained in human rights policies or procedures	80
		GRI 414: Supplier social assessment (2016)	414-1	New suppliers that were screened using social criteria	47
			414-2	Negative social impacts in the supply chain and actions taken	47



SDGs	Business Theme	Relevant GRI Standard	Disclosure	Indicator Title	Page
	Fairness and equality for customers	GRI 417: Marketing and Labeling (2016)	417-2	Incidents of non-compliance concerning product and service information and labeling	57
			417-3	Incidents of non-compliance concerning marketing communications	57
		GRI 418: Customer privacy (2016)	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	57
		GRI 419: Socio economic compliance	419-1	Non-compliance with laws and regulations in the social and economic area	57
 <p><b>PARTNERSHIP FOR THE GOALS</b> Strengthen the means of implementation and revitalize the global partnership for sustainable development</p>	External Initiative	GRI 102: General Disclosure	102-12	External Initiative	99,102



# Standard Index GRI-Comprehensive Option [GRI 102-55]

Standard GRI	Disclosure		Page
	No.	Title	
<b>DISCLOSURE UMUM</b>			
GRI 102: General Disclosures 2016	<b>ORGANIZATIONAL PROFILE</b>		
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	102-3	Location of headquarters	28
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	102-8	Information on employees and other workers	70
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# Feedback Sheet [GRI 102-53] [OJK G.3]

## YOUR PROFILE (Please fill out the form below)

Name : \_\_\_\_\_

Institution/Company : \_\_\_\_\_

Email : \_\_\_\_\_

Phone/Mobile : \_\_\_\_\_

### Stakeholder groups:

Shareholders/Investors       Customers       Employees

Trade Unions       Media       Suppliers

Community Organizations/NGOs       Government/OJK       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	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:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

In relation to the 2020 Sustainability Report, Bank BTPN did not receive any feedback. (OJK G.4)



A MEMBER OF  
SMBC Group

Sustainability  
Report  
**2021**

PT Bank BTPN Tbk

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