



# Enhancing Sustainability Values Turning Goals Into Actions







# Enhancing Sustainability Values Turning Goals Into Actions

The values of sustainability have opened up opportunities to innovate, initiate good changes, and bring a positive impact on the communities. In manifesting the values of sustainability, BRI is committed to always strengthening environmental, social, and governance (ESG) aspects holistically into the company's business and operational activities. BRI has set clear objectives in its sustainability strategies through the ESG Vision of becoming a "World Class Sustainable Banking Group Focusing on Environmental, Social, and Governance Dimensions".

With a strong commitment, BRI in 2022 manifested the vision with multiple concrete actions to provide benefits not only for the company, but also for all stakeholders, including the public, manifested through the creation of a hybrid bank business model, the development of an ultra-micro ecosystem, and is supported by multiple platforms and products that contribute to increasing financial literacy and inclusion. On environmental aspects, especially climate change risk management, BRI has established a Green Team and initiated the Green Campaign that promotes energy efficiency, waste management, and paperless programs to heighten awareness of the risks of climate change in the corporate environment.

To build a track record as one of the main actors in sustainable banking, BRI implements the Sustainable Financial Action Plan (RAKB) programs and supports the achievement of the 17 Sustainable Development Goals (SDGs) for a safer, cleaner, and more prosperous planet. BRI initiated the BRI Menanam program by distributing tree seedlings to each customer who received credit from the company. Green Bonds were also launched to support stimulus for the green sector from upstream to downstream. BRI also developed and approved ESG-based pulp & paper specific sub-sector financing policies as an effort to mitigate climate change risks. Not only in terms of financing, BRI has also implemented policies related to fixed asset management and procurement based on ESG principles. This is BRI's concrete manifestation of creating a sustainable supply chain so as to minimize environmental damage and encourage potential partners to comply with the established ESG principles.

In addition to bank lending and funding, BRI also applies ESG principles in operational aspects and human capital management. This sustainability report also discloses the achievement of Social Return on Investment (SROI) from the implementation of social and environment responsibility (TJSL) and BRI's support in empowering employees, customers, and the community to achieve a better standard of living. A host of concrete actions that BRI takes are expected to support sustainable business implementation and can contribute to achieving BRI's goal of becoming a leading actor in sustainable banking. In the future, BRI is committed to continuing its achievements and implementing banking best practices to support the implementation of sustainable finance and to realize the company's vision of becoming "The Most Valuable Banking Group in Southeast Asia and Champion of Financial Inclusion".





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**Kartika Wirjoatmodjo**  
President Commissioner



# Message from the President Commissioner

[GRI 2-22] [D.1]

Respected Shareholders and Stakeholders,

Praise be to God Almighty for all His grace and blessings in helping PT Bank Rakyat Indonesia (Persero) Tbk—hereinafter referred to as “the Company or BRI”—thrive through 2022, a year full of challenges amidst the global economic recovery. We are grateful that the Company is able to maintain healthy performance growth, allowing it to continue contributing to the country’s economic recovery.

In 2022, as the impact of the Covid-19 pandemic began to ease, global economic activity began to improve. However, geopolitical tensions resulting from the Russia-Ukraine conflict have affected commodity price volatility and global inflation levels, which trended upwards throughout the year. On the other hand, rising global inflation has not been matched by rising economic growth, raising fears about stagflation. Indonesia, as one of the commodity-producing countries, has benefited from the rise in commodity prices, which has boosted national economic growth.

The impressive stability of the Indonesian economy has had an impact on the performance of the banking industry, especially for BRI. Throughout 2022, we are grateful that BRI has consistently made positive and sustainable achievements as seen in the overall business growth indicators. Excellent performance can be seen from the profit generation of IDR 51.41 trillion or a growth of 67.1% YoY (Year on Year) during 2022. This achievement marks the highest profit growth among other companies in Indonesia.

Even though the economic conditions are still overshadowed by uncertainty, we are grateful that BRI is proven capable to optimize its business performance. With the support of sound national economic fundamentals, appropriate government policies, and positive performance commitment and consistency, the Board of Commissioners is optimistic that BRI will be able to maintain a sustainable growth momentum.

## Contribution to Indonesia’s National Economy and Financial Inclusion

During the economic recovery following the reduced spread of COVID-19, the national banking sector is in a relatively good condition with a solid financial position. Various policies issued by the government and the financial sector regulators resulted in economic strength and resilience in dealing with crises. BRI is a bank that focuses on serving the MSME (Micro, Small and Medium Enterprises) sector with the majority of its customers in rural areas; it plays a major role in Indonesia’s economic growth, especially in supporting the even distribution of Indonesia’s economic prosperity.

The MSME sector itself contributes significantly to the Indonesian economy, with around 96.9% of the total absorption of the national workforce and 60.5% to Indonesia’s total GDP (Gross Domestic Product). During 2022, BRI has disbursed MSME loans of IDR 849.2 trillion or a growth of 10.1% YoY to more than 14 million micro entrepreneurs. This achievement allowed BRI to increase the composition of its MSME





loans to 82.5% from 81.7% in the previous year. As a state-owned bank that focuses on encouraging the development of the MSME sector, BRI continues to be committed to expanding MSME services, especially to MSMEs that are oriented towards sustainability.

BRI consistently focuses on serving MSMEs, which constitute the largest business portion of all segments in Indonesia, to give them a strong competitive advantage in providing services to the base of the business pyramid. Furthermore, one positive takeaway from the pandemic is that BRI has been able to adopt technology much more quickly than in previous years. This provides a significant change in people's behavior, starting from the digital entertainment industry, digital transactions, and digital-based businesses. Rapidly growing internet penetration also presents an interesting opportunity for Financial Services Institutions to encourage not only financial inclusion, but specifically digital financial inclusion.

BRI's successful role in bringing integrated financial solutions for the community is reflected in its contribution to increasing financial inclusion in Indonesia. Furthermore, since 2021 BRI started its cooperation with PT Pegadaian and PT Permodalan Nasional Madani (PNM) in a synergistic holding company called Ultra Micro (UMi), which is in line with BRI's spirit of improving economic performance and

proactivity in raising the national financial inclusion target. UMi's presence strengthens the foundation of the Indonesian citizen-based economy by making a positive contribution to improving the community's economy.

Since its inauguration in 2021, the UMi Holding has proven successful in improving people's welfare and accelerating the process of financial inclusion and literacy. UMi Holding's achievement was reflected in the addition of 7.1 million new deposit customers from the UMi segment. This growth far exceeded the initial target of 3.3 million new customers.

In 2022, Holding UMi also integrated 1,013 SenyuM (Ultra Micro Service Centers) co-location units spread throughout Indonesia. In addition, Holding UMi has succeeded in developing the SenyuM Mobile application (a digital cross-selling application for cross-entity products of Holding UMi), which can be accessed by +69,000 joint sales force members and 600,000 BRILink Agents and Pegadaian Agents. Holding UMi has also succeeded in integrating the data of 34.2 million customers from the three entities. By utilizing Artificial Intelligence (AI), Big Data is utilized to provide full transaction capability and personalized offers as a solution to the needs of financial services for customers, as well as the need for risk scoring for each customer in the UMi segment.



## The Story of Business Sustainability

The economic recovery enjoyed by Indonesia has been supported by an increase in commodity prices and the government's budget support for the MSME segment for an equitable distribution of national development. This contributes toward maintaining people's purchasing power and increasing the consumer confidence index. Because the MSMEs segment accounts for 99% of all businesses, the sustainability of MSMEs must be prioritized because it is directly related to the well-being of the majority of Indonesians. As a result, strengthening the resilience of MSMEs is critical for achieving sustainable development.

Providing financial services to the unbankable population is very important, as access to finance can help create an inclusive economy. For this reason, financial inclusion and digital transformation are strategies that can be implemented in order to increase MSMEs' competitiveness and resilience. The Board of Commissioners believes that this is in line with BRI's focus on bringing integrated financial solutions to the society through innovation and development of sustainable financial service products. In accordance with BRI's goals as stipulated in BRIVolution 2.0 to become The Most Valuable Banking Group in South East Asia and Champion of Financial Inclusion by 2025, BRI seeks to optimize earnings (profit) while simultaneously improving social performance (people) and concern for the environment (planet).

Indonesia's geography as an archipelagic country is a challenge for banks in reaching and serving the public. On the other hand, Indonesia's demographics are mostly made up of people of productive age which reach 190 million citizens. Changes in people's behavior, especially in the digital economy transition, have also led to changes in business patterns. Therefore, BRI implements the Hybrid Bank Business Model which combines BRI's main strengths, namely digital capabilities and physical presence as a customer-centric banking solution that suits the characteristics and needs of customers.

In line with BRI's journey to grow sustainably, Environmental, Social and Governance (ESG) aspects

have become some of the pillars in carrying out operational activities. In 2022, BRI developed a Sustainability Strategy that is aligned with and supports the achievement of the company's vision, BRIVolution 2.0, which aims to become The Most Valuable Banking Group in Southeast Asia & Champion of Financial Inclusion. BRI's sustainability strategy is also in line with national and global targets, namely the Sustainable Development Goals (SDGs) and the Paris Agreement.

The ESG roadmap is supported by three main aspects. First is the environmental aspect through the steps of strategy development to deal with global climate change, including setting a net zero emission target (which is also aligned with targets at the national level). The concrete step taken by BRI in realizing its commitment to the environment is by calculating GHG emission scope 3, namely financed emissions. Financed emissions are emissions resulting from business activities financed by the financial services, investments and loans of financial services companies.

Furthermore, BRI has issued the Green Bond, with a target fundraising of Rp15 trillion and a Rp5 trillion first phase emission in 2022. According to POJK 60/2017, 80% of the funds will be used for environmental business activity sectors.

The issuance of the Green Bond, is also a corporate action that solidifies BRI's position as the market leader for ESG implementation in Indonesia. BRI has received an oversubscribed demand for the issuance of the bonds up to 4.4 times, demonstrating BRI's commitment to strengthening the implementation of ESG principles from the funding or liability side.

For the second, the social aspect is composed of various community empowerment initiatives. The years 2021 to 2022 were spent to 'Strengthen the core for growth', with BRI's core growth focus in the micro segment. BRI's commitment to empowerment is one of the elements to strengthen the core, which is carried out by optimizing the potential of the Ultra Micro segment and conducting socialization on community empowerment to increase awareness of sustainable finance.





With the UMi holding synergy, BRI was able to distribute IDR 35.8 trillion in loans to 13.9 million female debtors through PNM Mekaar. This is a form of BRI's manifestation of empowering underprivileged women and strengthening BRI's commitment to support the achievement of SDGs, especially gender equality.

The implementation of ESG provides benefits for the Company, such as through Sustainability-Linked Loans (SLL). SLL is a loan framework that provides convenience and relief for borrowers who wish to implement sustainable measures in their business practices. In the SLL scheme, the Company is rewarded for its performance by receiving a series of preferential interest rates if BRI meets the Micro loan growth target. BRI does not only use SLL as an instrument to reduce risks due to fluctuating financial conditions, but also to increase commitment and its reputation as a company that upholds sustainable business practices.

The Board of Commissioners also appreciates the efforts of the Board of Directors in developing digital ecosystem services that are in line with financial inclusion and literacy, including through BRIMO, BRISPOT and BRILink. As of 2022, there were 627,012 BRILink Agents spread throughout Indonesia to the

farthest, outermost and underdeveloped (3T) regions. The presence of BRILink Agents helps BRI in carrying out its economic sharing role and increasing the velocity of money.

Thirdly, the aspect of governance contains an array of various initiatives that concern all management activities in the form of product governance, corporate governance, business ethics to management of information systems towards sustainable finance and good corporate finance based on international standards. To strengthen ESG governance, BRI has issued a Sustainability Policy and Strategy set out in BRI Directors Circular Letter No: SE.52-DIR/ESG/10/2022 dated October 5, 2022 on BRI's Sustainability Policy & Strategy. Strengthening ESG governance is also supported by a new organizational structure that specifically handles ESG management in accordance with NOKEP Decree: 575-DIR/PPM/04/2022 dated April 12, 2022.

The Board of Commissioners believes that ESG aspects are an important element closely tied to the Company's operations. For this reason, the commitment from top management and all BRI employees is required, supported by a top-down policy in implementing an environmentally friendly work environment and in line







with the principles of sustainability. BRI's commitment to expanding the integration of ESG aspects into the Company's business and operational activities is reflected in the Corporate Sustainability Assessment reflected in the increased ESG Rating score in 2022 from the previous year, including the Corporate Sustainability Assessment (up 11 points from 52 to 63), Sustainalytics (improving from medium risk - 20.9 to low risk - 18.8), and MSCI (rising from BBB rating to A).

This is in line with BRI's future strategy to actively participate in ESG ratings as one of the references in measuring the Company's ESG performance.

As an agent of development, BRI and its work units spread across Indonesia are highly committed to supporting sustainable development by providing benefits in the economic, social and environmental aspects through the implementation of the BRI Peduli TJSL (social and community responsibility) Program. To make the programs spot-on and on target, they are classified into three kinds, namely social donations, community investment and commercial initiatives. To assess program implementation, BRI measures the

impact through the Social Return on Investment (SROI) and Community Satisfaction Index (IKM) methods. In 2022, BRI measured SROI and IKM against seven flagship programs with satisfactory performance.

The Board of Commissioners, in accordance with their authority, has the duties and responsibilities to actively supervise Sustainable Finance according to the Company's Articles of Association and other laws and regulations. For this reason, in order to maintain consistency and ensure that BRI's ESG roadmap is carried out uniformly and effectively, the Board of Commissioners supervises, among others, through meetings with the Board of Directors and as outlined in letters as follows:

1. Letter Number B.68-KOM/07/2022 dated July 12, 2022 on the Implementation of the Roadmap and Environment, Social and Governance (ESG) Quick Win for PT Bank Rakyat Indonesia (Persero) Tbk.
2. Letter Number R.114-KOM/11/2022 dated November 29, 2022 on Approval of BRI's 2023 Sustainable Finance Action Plan

In implementing the principles of sustainable finance, BRI helped prepare the Sustainable Finance





Action Plan (RAKB) through SK NOKEP: S.118-DIR/EMP/02/2019 dated February 7, 2019. The preparation of this RAKB is a form of BRI's compliance with the Financial Services Authority Regulations (POJK) No. 51/POJK.03/2017 on the Implementation of Sustainable Finance for Financial Services Institutions, Issuers and Public Companies. The preparation of the RAKB is also intended to support the achievement of SDGs-oriented BRI performance in responding to climate change. One such effort is by encouraging financing in sustainable sectors or business activities that are environmentally friendly and developing product portfolios that will support the National Action Plan for Reducing Greenhouse Gas Emissions (RAN-GRK).

Through RAKB, the Company publicizes and internalizes sustainability values to its stakeholders. The Board of Commissioners believes that the Company will always

focus on implementing the RAKB which is in line with the Company's journey in achieving the Company's vision and mission.

## Support and Appreciation

To end 2022, BRI earned a number of commendable achievements for its impressive performance in the form of awards and recognitions from various institutions at the national and international levels. The number of awards has increased significantly compared to previous years.

BRI won the Platinum Rank Award or the highest rating at the Asia Sustainability Reporting Rating (ASRRAT) event. This highest of ratings has been achieved by BRI for two consecutive years since 2021 in the same event. The achievement of this award indicates that





BRI has succeeded in communicating its sustainability performance well to stakeholders through its Sustainability Report.

In addition, BRI has been named the largest public company in Indonesia in the Global 2000 World's Largest Public Companies in Indonesia ranking released by Forbes Magazine for 2022. Internationally, the ranking places BRI at 349th in the world, up from 362nd in the last year. Quoting the official website of Forbes Magazine, there are seven public companies in Indonesia that are included in the list and four of them are state-owned companies. Forbes Magazine assessed four aspects when placing companies in this prestigious position: sales, profit, assets, and market value. This achievement is proof that BRI is able to maintain sustainable positive performance with very measurable risk management.

BRI received several other international awards, including those from Euromoney, Asiamoney, Global Finance, The Asset Asian Awards (Triple A), and The Asian Banker. This achievement is inseparable from

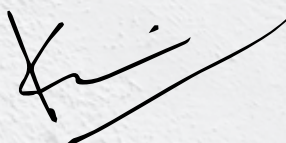
the BRIvolution 2.0 transformation step implemented by the Company to realize BRI's vision as "The Most Valuable Banking Group in South East Asia and Champion of Financial Inclusion" by 2025.

For all these achievements, on behalf of the Board of Commissioners, we would like to thank all parties for all their trust and support in achieving the target of implementing sustainable finance. We give our highest appreciation for the hard work of all the BRILiaN family in realizing commitments and common goals towards sustainable development-oriented financial performance. Correspondingly, BRI also appreciates all BRI customers who have thrived through the pandemic along with the Company. We hope that they will continue to grow and become stronger. These achievements drive BRI's passion to continue to provide the best performance and improve services for its customers. Furthermore, we hope that BRI will be able to maintain its position as a leading financial institution in Indonesia and be more resilient in facing future challenges.

## Thank You

Jakarta, February 2023

On behalf of the Board of Commissioners



**Kartika Wirjoatmodjo**  
President Commissioner





**Sunarso**  
President Director



# Message from the President Director

[GRI 2-22] [D.1]

Dear Shareholders and Stakeholders,

Let us thank God Almighty for because of His grace, PT Bank Rakyat Indonesia (Persero) Tbk was able to face dynamics and challenging global conditions throughout 2022 due to the COVID-19 pandemic. Amid the pandemic condition that is not completely over yet, we are imbued with gratitude because we can release the 2022 Sustainability Report.

This Sustainability Report serves as a means to inform stakeholders about the performance and commitment of the company in realizing sustainable growth through the implementation of multiple initiatives covering environmental, social, and corporate governance or ESG aspects. This report presents an explanation of the challenges faced by the company, sustainability programs, and achievement of both financial and non-financial performance in 2022.

We made this report as proof of our determination to convey information openly in order to build the trust of all stakeholders. We believe that the trust of stakeholders is the foundation of the company to create synergies in maintaining the sustainability of our business.

The publication of this Sustainability Report is also a means for us to convey the company's support for joint efforts to achieve the points of the Sustainable Development Goals (SDGs). SDGs are a global action plan agreed upon by world leaders. They include 17 goals that aim to end poverty, reduce inequality, and protect the environment.

## Sustainable Growth Strategy

In 2020, we reinforced the company's transformation into "BRIVolution 2.0" with a focus on transformation on digital aspects and work culture. Through BRIVolution 2.0, we set the company's aspirations to become "the Most Valuable Banking Group in Southeast Asia and Champion of Financial Inclusion in 2025". As part of this transformation strategy, ESG implementation is one of the initiatives to achieve aspirations and ensure sustainability of the company's business going forward.

BRI has formulated a road map and strategies for sustainability with a focus on three strategic pillars, including environmental, social, and corporate governance. In those three pillars, the company focuses on climate change strategies, community empowerment, and implementation of good corporate governance.

In the Environmental Strategy Pillar, BRI formulates a strategy to address climate change, including by implementing green banking policies, carrying out environmental change risk management, carrying out carbon emission management, and conducting eco-efficient company operations.

On the Social Pillar, BRI has developed multiple initiatives, including human resources management, fulfillment of human rights, increased financial inclusion, and implementation of Social and Environmental Responsibility (TJSL).





On the last pillar of Corporate Governance, BRI continues to improve the implementation of good corporate governance through policies and strategies for corporate governance, product governance, business ethics, as well as information systems & cybersecurity.

The implementation of ESG at BRI is optimized by establishing the Board of Directors' ESG Committee and developing the ESG Division, which is responsible for implementing ESG at the company. Increased awareness of the implementation of ESG has pushed BRI to always strive to achieve sustainable corporate growth. With the commitment to implementing ESG, BRI certainly hopes to provide services that exceed the expectations of all stakeholders.

### **BRI's Real Action Towards Sustainable Development Goals (SDGs) [GRI 2-23, 2-24]**

BRI continues to strengthen the application of ESG principles to maintain sustainable growth in the future. BRI is committed to consistently implementing the principle of sustainability to achieve SDGs-oriented targets. As a company in the banking sector, BRI does

not only prioritize economic growth, but also pays attention to how the company can make a positive contribution to social and environmental aspects so as to achieve sustainable economic growth and development.

Through collaboration of three entities - BRI, Pegadaian, and PNM - in establishing Ultra Micro Holding (UMi), BRI has succeeded in promoting the growth of Indonesia's economy by improving the people's welfare and promoting financial inclusion. To date, there have been more than 1,000 integration service locations for the three entities or co-locations as well as the development of SenyuM Mobile that can promote increased financial inclusion and literacy for micro and ultra-micro customers and support the achievement of several SDGs goals, including the goal number 1 Zero Poverty, number 8 Decent Work and Economic Growth, and number 10 Reducing Inequalities. In addition, through the distribution of PNM Mekaar financing, the company has empowered more than 13.9 million underprivileged women customers, supporting the achievement of SDGs number (5) of gender equality.







BRI continues to provide support for the commitment of achieving Indonesia's Net Zero Emission 2060 (NZE 2060) as stated in the Enhanced Nationally Determined Contribution (ENDC). BRI also takes part in supporting reduction and avoided carbon emissions, including through the "Zero-Waste to Landfill" and "BRI Menanam" programs. Through an internal initiative called "Zero-Waste to Landfill", BRI has begun campaigning for the importance of reducing and sorting the waste that is disposed of to facilitate the recycling process and reduce the amount of waste in landfills. Meanwhile, to heighten awareness of climate change for customers, through BRI Menanam BRI has distributed around 680,000 productive tree seedlings for those participating in the Credit for the People (KUR) program and the Desa BRILiaN program. These two programs support the achievement of SDG number (12) Responsible Consumption and Production and number (13) Climate Change Management.

In the aspect of governance, BRI is committed to continuously improving the implementation of corporate governance in accordance with policies and standards, both those that are nationally and internationally applicable. For these efforts, BRI in

2022 received multiple prestigious awards in the field of corporate governance, including as Top 3 PLC (Public Limited Company) in Indonesia in the ASEAN Corporate Governance Scorecard (ACGS) ranking by the ASEAN Capital Market Forum (ACMF), as well as the Most Trusted Company in the Corporate Governance Perception Index (CGPI) assessment. The awards prove the seriousness of BRI Management in implementing Good Corporate Governance practices on an ongoing basis in order to support the company's vision and mission and pay attention to the interests of all stakeholders.

### Responding to Challenges with Digital Transformation

Amid efforts to rebuild the global economy in line with the sluggish spread of COVID-19, the national banking system is in relatively good condition with a solid financial position. Nonetheless, it is undeniable that the company still faced a lot of challenges in 2022. One of the challenges was the increasingly fierce banking industry business competition, especially in terms of use of digital technology.





In addressing those challenges, one of the company's steps was to strengthen the digital technology-based business ecosystem. The company seeks to optimize the digital ecosystem that enables all customers and business actors to be connected with the entire supply chain across the country and abroad. BRI also continues to encourage its digital talent to have agility, speed, with high creative power.

Entering the banking digitization era, the company will continue to spur digital transformation amidst increasingly modern technological sophistication to achieve its grand vision of being "The Most Valuable Banking Group in Southeast Asia and Champion of Financial Inclusion" in 2025.

BRI will continue developing services on digital ecosystem platforms. In BRImo super app, BRI will strengthen its service ecosystem by collaborating with leading financial technology partners in Indonesia. The company is optimistic that BRImo can become an easy, fast, safe, and reliable digital banking service.

BRISPOT continues to update and develop. The app currently has more than 140 features that can help boost the efficiency and productivity of loan officers and approvers in the credit distribution process, from the application process to fully digital loan repayment. BRI also continues to strive to improve service quality by developing BRILink Mobile, making easier for BRILink Agents to serve customers and continue expanding banking services to the public. Until the end of 2022, we had more than 627 thousand BRILink Agents serving customers across Indonesia, even reaching frontier, outermost and disadvantaged regions with a transaction value of more than Rp1.29 trillion.

Thanks to its success in digital transformation, BRI won several awards at the 2022 Digital Technology (DIGITECH) Awards. The awards that BRI has won include the Best Transformation Digital Innovation in Retail & Micro Banking Industries, The Best IT Planning & Project Portfolio in Retail & Micro Banking Industries, and The Best Digital Readiness for G20 In Retail & Micro Banking Industries.





## Closing

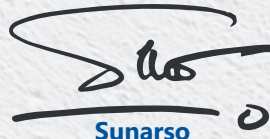
On behalf of the entire Board of Directors, we would like to thank everyone who has lent their support for our business continuity. Various strategic sustainability initiatives that are based on sustainability values are expected to help encourage BRI to become a banking company that creates value and is committed to long-term sustainability. We realize that all the company's

achievements that we have made are the result of the hard work of all stakeholders. We believe that with hard work and support from everyone, we can improve the achievement of sustainability performance and address environmental, social and governance issues to realize sustainable banking.

## Wassalamualaikum Wr. Wb.

Healthy greetings to all of us.

Jakarta, February 2023



**Sunarso**

President Director





# 2022 Sustainability Report Responsibilities

## Statement Letter of Members of the Board of Directors Regarding Responsibility for the 2022 Sustainability Report of PT Bank Rakyat Indonesia (Persero) Tbk [GRI 2-14]

We, the undersigned, declare that all information in the 2022 Sustainability Report of PT Bank Rakyat Indonesia (Persero) Tbk has been presented completely, and we are fully responsible for the accuracy of the contents of the Company's Sustainability Report.

This statement was made with actual.

Jakarta, February 17, 2023

### The Board of Directors

**Sunarso**  
President Director

**Catur Budi Harto**  
Vice President Director

**Viviana Dyah Ayu Retno**  
Director of Finance

**Supari**  
Director - Micro Business

**Amam Sukriyanto**  
Director of Small & Medium Business

**Handayani**  
Director of Consumer Business

**Arga Mahanana Nugraha**  
Director of Digital and Information Technology

**Ahmad Solichin Lutfiyanto**  
Director of Compliance

**Agus Winardono**  
Director of Human Capital

**Agus Sudiarto**  
Director of Risk Management

**Agus Moorsanto**  
Director of Wholesale & Institutional Business

**Andrijanto**  
Director of Network & Service



## Statement Letter of Members of the Board Commissioners Regarding Responsibility for the 2022 Sustainability Report of PT Bank Rakyat Indonesia (Persero) Tbk [GRI 2-14]

We, the undersigned, declare that all information the the 2022 Sustainability Report of PT Bank Rakyat Indonesia (Persero) Tbk has been presented completely, and we are fully responsible for the accuracy of the contents of the Company's Sustainability Report.

This statement was made with actual.

Jakarta, February 17, 2023

### The Board of Commissioners



**Kartika Wirjoatmodjo**  
President Commissioner



**Rofikoh Rokhim**  
Vice President Commissioner/  
Independent Commissioner



**Hendrikus Ivo**  
Independent Commissioner



**Paripurna Poerwoko Sugarda**  
Independent Commissioner



**Hadiyanto**  
Commissioner



**Dwi Ria Latifa**  
Independent Commissioner



**Agus Riswanto**  
Independent Commissioner



**Rabin Indrajad Hattari**  
Commissioner



**Heri Sunaryadi**  
Independent Commissioner



**Nurmaria Sarosa**  
Independent Commissioner





# Sustainability Performance

## Environmental Aspect [B.2]

### Scope 1 Emissions (ton CO<sub>2</sub>e)

**132,235**  
**2022**

### Scope 2 Emissions (ton CO<sub>2</sub>e)

**360,135**  
**2022**

### Scope 3 Emissions - Financed Emissions (ton CO<sub>2</sub>e)

**11,115,719**  
**2022**



Improved BRI waste management has resulted in reduced monthly average greenhouse gas emissions associated with organic, paper, plastic, metal and glass waste by **85%** [B.2b]



The total recycled waste was  
**237,957.5 kg**

equivalent to avoided  
emission of **164**  
**tonnes of CO<sub>2</sub>e**



### Corporate Social & Environmental Responsibilities (TJSL) Environmental Project (Million Rupiah)

**2022 72,313**

**2021 70,159**

**GREEN  
TEAM**

Establishment of  
BRI Green Team  
and Launching of  
Green Campaign

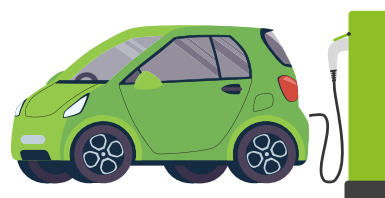
**BRI Menanam** has  
distributed **680,848**  
tree seedlings and  
reached **2,196**  
villages throughout  
Indonesia

BRI has operated **50** electric  
motorbikes, **30** electric cars and  
**1** unit of public electric vehicle  
charging station (SPKLU)



**50 unit**  
electric motorbikes

**30 unit**  
electric cars







## Social Aspect [B.3] [F.28] [F.30]

Corporate Social & Environmental Responsibilities (TJSL) Social Project  
(Million Rupiah)

**2022** 196,678  
**2021** 186,597

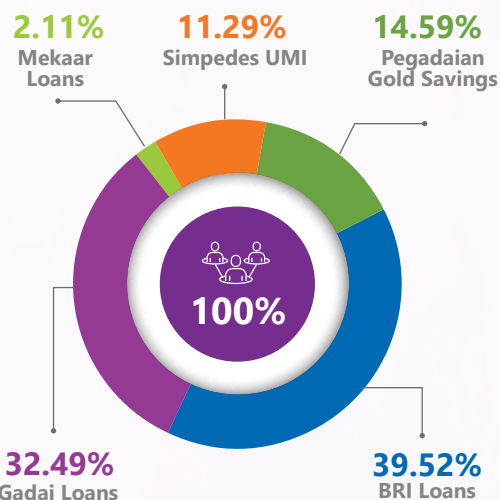
The number of **SenyuM** offices across Indonesia

**2022** 1,013  
**2021** 153

### Impacts of SenyuM Mobile

Number of Customer Acquisitions through **SenyuM** Mobile **477,074** 23,745  
**2022** **2021**

Percentage of Customer Acquisition Through **SenyuM** Mobile Based on Product



Customer Satisfaction Level

**83.58%**

**2022**

With "very satisfactory" category

Customer Complaints Resolution Rate

**99.53%**

**2022**

**2021** 99.53%

Employee Engagement Index (On a Scale of 4)

**3.48**

**2022**

**2021** 3.46



BRI's Significant Role in Inclusion, Literacy, and Depth of Financial Inclusion (2022)

**84.0%**

Financial Inclusion by Use of Products or Services (including BPJS)

**39.6%**

Financial Literacy in general (Urban and Rural)

**23.8%**

Depth of Financial Inclusion

\* Based on BRI Institute's 2022 research



Social Return on Investment (SROI) Value of the Social and Environmental Responsibility Program (TJSL)

Mesah Island Pier Renovation Assistance in Labuan Bajo

**9.97**

**2019-2022**

Rumah BUMN Regional Office Yogyakarta Program

**9.52**

**2020-2022**

BRI Peduli Desa BRILiaN Program in Sukalaksana Village, Garut

**4.87**

**2022**

Ini...Sekolahku!!! Program

**2.5**

**2022**

BRI Peduli Bank Sampah

**1.71**

**2022**

Woman Communi-Tree Program in Bali

**1.19**

**2022**

Kota Pala Woman Farmers (KWT) Empowerment Program in Gianyar, Bali

**1.19**

**2022**

\*The SROI value is the return (in rupiah) generated from every 1 rupiah of funds invested through the Social and Environmental Responsibility program. BRI programs produce impacts above the value of 1, meaning they have positive impacts on the beneficiaries.





## Economic Aspect <sup>[B.1]</sup>

### The Bank's Financial Performance

#### Profit Before Taxes (Rp Trillion)

**59.42****2022****2021** 39.22

\*bank only figure

#### Bank Net Profit (Rp Trillion)

**47.83****2022****2021** 32.22

\*bank only figure

#### Operating Income (Rp Trillion)

**162.15****2022****2021** 152.23

\*bank only figure

#### Quantity of Products or Services Sold

**305****2022****2021** 343

#### Corporate Social & Environmental Responsibilities (TJSL) Economic Project (Rp Million)

**2022** 16,008**2021** 13,703

#### Eco-Friendly Products

Issuance of BRI Green Bonds  
with a principal value of**Rp5 Trillion****2022**Loan to the Green Sector  
or Environmentally Friendly  
Business Criteria**Rp78.8 Trillion****2022****2021** Rp70.8 Trillion

### Digital-Based BRI Products and Services

**e-Banking BRI****BRICAMS****AgenBRILink**  
Layanan Transaksi Keuangan Tanpa Kantor**BRIMOLA****STRVBERI****Senyuh**  
SENTRA LAYANAN ULTRA MENDIRI

### Benefit Distribution

#### Dividend Payment (Rp Trillion)

**26.41**(85% of the net profit  
attributable to 2021)**2022****2021** 12.13

#### Tax Payments\* (Rp Trillion)

**12.14****2022****2021** 12.46

\*Corporate Income Tax paid to the government







## Governance Aspect [B.3]



**Establishment of ESG Strategy Pillars**



**Ratification of the ESG-Based Pulp & Paper Sector Financing Policy**

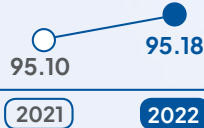


**Ratification of the Policy on Fixed Asset Management & ESG-Based Procurement**

**Committed GHG emissions disclosure through membership in the Partnership for Carbon Accounting Financials (PCAF)**



**CORPORATE GOVERNANCE PERCEPTION INDEX  
CGPI**



Highest CGPI score among all participants and other State-Owned Banks.



**Top 3 Public Listed Companies**  
in Indonesia and ASEAN Asset Class

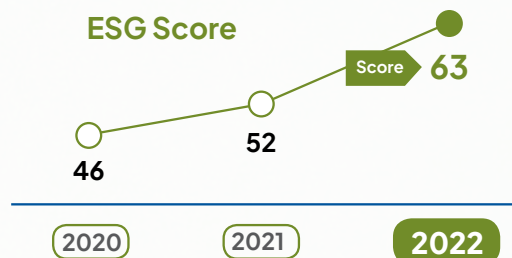




# Sustainability Rating and Index

Other than financial indicators, ESG-based sustainability criteria are increasingly being included in investment decisions taken by investors. BRI continuously makes endeavors improve the performance of ESG implementation and measures this performance by referring to analysis and ratings from competent and credible agencies. Several ESG performance ratings that are used as a reference for companies include the ESG Index from MSCI, ESG Score from the S&P Global Corporate Sustainability Assessment, ESG Risk Rating from Sustainalytics, and others.

## S&P Global CORPORATE SUSTAINABILITY ASSESSMENT (CSA)



PT Bank Rakyat Indonesia (Persero) Tbk  
Banks

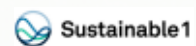
**Sustainability  
Yearbook Member**

S&P Global ESG Score 2022

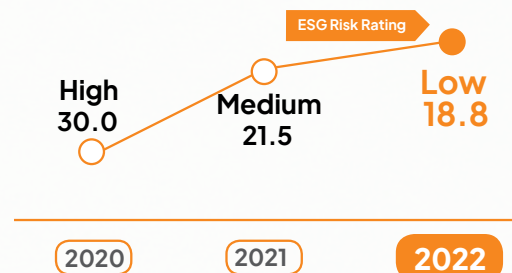
**63** /100

As of February 7, 2023

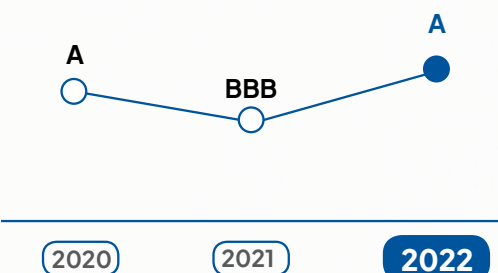
Position and Score are industry specific and reflect exclusion screening criteria. Learn more at [spglobal.com/esg/yearbook](https://spglobal.com/esg/yearbook)



## SUSTAINALYTICS



## MSCI ESG Rating







Indonesia Stock Exchange  
Bursa Efek Indonesia  
**IDX ESG Leaders**

ESG Leaders Index measures performance of companies that have good ESG ratings and are not involved in significant controversy

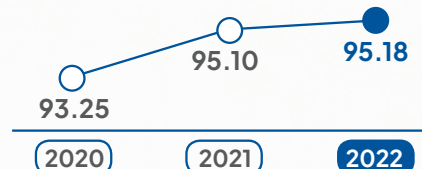
**BRI has the highest rating among other banks since March 2021**

#### CORPORATE GOVERNANCE PERCEPTION INDEX

### CGPI

**OVERALL SCORE 95.18**

Increased from 95.10 in 2021



**ASEAN  
CORPORATE  
GOVERNANCE**

**Top 3 Public Listed Companies  
in Indonesia and ASEAN Asset Class**

in 3 consecutive years



**KEHATI**

#### IDX KEHATI ESG SECTOR LEADERS INDEX

is an index that has stocks with ESG performance assessment results above industry average. It consists of three categories, including SRI KEHATI, ESGQ 45, ESG SL IDX KEHATI

**BRI has been included in 3 KEHATI Indices**

- ✓ **SRI KEHATI**
- ✓ **ESG Quality 45 IDX KEHATI**
- ✓ **ESG Sector Leaders IDX KEHATI**



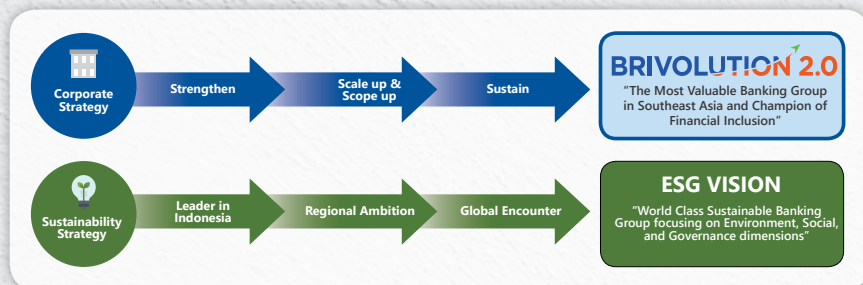


# Strengthening ESG to Ensure Sustainability [A.1] [GRI 2-24]

Sustainability is a paradigm for achieving financial performance, while still balancing the interests of good ESG (environmental, social, governance) principles to generate added value, increase BRI's competitiveness and resilience, and contribute to the progress of the nation and long-term environmental sustainability. BRI has reinforced commitment to sustainability reflected in its mission, which is to provide optimal benefits and benefits to stakeholders by considering the principles of sustainable finance and good corporate governance (GCG) practices.

In line with the 2025 Aspirations to become "The Most Valuable Banking Group in Southeast Asia & Champion of Financial Inclusion", BRI has set A Sustainability Aspiration to achieve a World-Class Sustainable Banking Group. All of the company's sustainability

policies and strategies are regulated in Circular of Board of Directors Number SE.52-DIR/ESG/10/2022 on Sustainability Policies and Strategies. [A.1] [GRI 2-24, 3-3]



BRI's implementation and sustainability strategies are implemented by focusing on the 3 pillars of the sustainability strategy including:



In each strategy pillar, BRI establishes sustainability initiatives carried out in stages based on priority and synchronization with BRI's long-term strategic initiatives. Ultimately, the implementation of this initiative will support the achievement of each pillar's metrics: net zero carbon, financial inclusion, and market capitalization.

The implementation of sustainability policies at the corporate level is carried out in an integrated manner and coordinated by the ESG Division. The obligation to implement the sustainability policies includes:

- Sustainable Finance Action Plan
- Social and Environmental Responsibility
- Micro and Small Business Funding Program (PUMK)
- Sustainability Report



# BRI Sustainability Journey





# Implementation of Sustainable Finance [A.1]

To comply with Regulation of the Financial Services Authority Number 51/POJK.03/2017 on Implementation of Sustainable Finance for Financial Services Institutions, Issuers, and Public Companies, BRI has prepared a Sustainable Finance Action Plan (RAKB). The RAKB as a guideline for the implementation of sustainable finance (SF) is prepared and implemented with several main considerations on environmental, social, and corporate governance aspects. Activities listed in the RAKB include environmentally sound financing, environmentally sound funding, the BRI Peduli program, and environmentally friendly operational activities [FS1]

The formulation of the RAKB is carried out through a planning meeting with the relevant work units for each activity and is approved by the Board of Directors and Commissioners of BRI. The RAKB consists of a 5-year Long-Term RAKB (2018-2023) and a 1-year Short-Term RAKB (2022). BRI submits this document and reports its realization annually to the OJK. The formulation of the RAKB is under the responsibility of the Director of Compliance.

The following are priority programs and activities based on the RAKB that have been implemented by BRI in 2022 and their achievements. [F.25]

Description of Activities	Activity Description	Achievement
Sustainability Training <span>[FS4]</span>	Trainings on sustainable finance for BRI employees	Training programs related to sustainable finance for BRI Employees has been carried out: <ul style="list-style-type: none"> <li>ESG Thematic Module</li> <li>BRILiaN Specialist Development Program (BSDP) Discussion at Taman BRI</li> <li>BSDP Consumer Directorate Employees</li> </ul>
BRI in Collaboration	Collaboration for activities between BRI and programs organized by NGOs, community groups, or communities working on educational, social, and environmental issues	Activities: <ul style="list-style-type: none"> <li>BRI Peduli Woman Communi-Tree</li> <li>Zero Waste to Landfill program in collaboration with Upakara Bhuvana Nusantara and Bumi Recycling Indonesia</li> <li>Community capacity building, in collaboration with BRILiaN Village</li> </ul>
Seminars on Sustainability <span>[FS4]</span>	Seminars for BRI employees regarding sustainable finance to increase their knowledge	Activities: <ul style="list-style-type: none"> <li>Webinars on ESG-based business activities</li> <li>Webinar on green financial crime</li> <li>Let's Talk About ESG from X to Z Discussion at BRI Park</li> </ul>
Audit Sustainable Product	Audit of policies and sustainable products / activities at BRI work units from a business and operational standpoint	An audit has been carried out on the sustainable product program
Green Energy Financing	Increasing renewable energy portfolio by withdrawing green energy loan facilities	Withdrawal of green energy loan facilities has been conducted
Sustainability Linked Loan	Developing sustainable financial instruments to accelerate sustainable finance at BRI.	Foreign loan instruments worth US\$1 billion in the form of sustainability-linked loans have been issued



Description of Activities	Activity Description	Achievement
Issuance of Environmentally Friendly Bonds	Issuance of securities as one of ways of inclusive financing other than direct credit	Issuance of rupiah-denominated BRI Green Bonds worth Rp5 trillion to finance environmentally sound projects in accordance with Regulation of the Financial Service Authority Number 60/POJK/04 of 2017.
Renewable Energy Transition	Application of outsourcing of electricity sourced from fossil fuels into renewable energy to work units through the installation of solar panels	<ul style="list-style-type: none"> <li>Piloting the use of alternative sources of solar energy has been carried out</li> <li>100% mapping fixed assets piloting has been carried out which will be outsourced from fossil energy sources to renewable energy sources (solar power)</li> </ul>
Environmentally Friendly SME Cooperation	Dissemination, initiation, and execution in financing SMEs that are concerned about environmentally friendly products	Empowerment of SMEs that have environmentally friendly businesses is carried out with at least 5 SME customers with environmentally friendly products (recycling industry) receiving financing facilities.
Empowerment of BRI Fostered Business Clusters	Training, facilities, and infrastructure support for BRI-assisted business clusters to become potential micro business borrowers	Training for 500 BRI-assisted clusters with a target of providing 300 clusters of facilities and infrastructure support.
Sustainable Finance Awards	<i>Awards for work units related to sustainability finance awareness</i>	Based on BRI's internal alignment related to awarding work units, the SFA is collaborated with BEA (BRI Excellence Award) that involves all BRI work units (Head Office and Regional Office).
Implementation of New Business Process	Implementation of new business processes by digitizing operational documents in reducing paper and plastic waste in work units	Implementation of business process digitalization on service documents: <ol style="list-style-type: none"> <li>Account Opening Form/AR</li> <li>Cash Registers</li> <li>Cash Shift Documents</li> <li>Transaction Bookkeeping Memorandum</li> </ol>
Sustainable Procurement of Goods and Services	Procurement of goods and services using environmentally friendly products and services	<ol style="list-style-type: none"> <li>Implementation of solar panels at 8 points were carried out in 2022</li> <li>Process of analyzing and shifting the types of goods and services according to ESG aspects</li> <li>Provisions of Circular Number 31-DIR/PLM/O5 of 2022 dated 30 May 2022 on Fixed Asset Management and Procurement Based on ESG Principles have been released</li> </ol>
Data Privacy Management	BRI's data privacy management program with by applying best practice framework	Best practices in data privacy management at BRI have been achieved, including: <ol style="list-style-type: none"> <li>BRI has revised Circular Number 55-DIR/EDM/10 of 2022 to adapt the latest substance to Law of the Republic of Indonesia on Personal Data Protection. This is because the initial version of SE.37-DIR/EDM/06/2022 is still guided by Bill of Law on Personal Data Protection in 2020</li> <li>There are 230 activities at BRI that involve personal data as outlined in the ROPA</li> <li>Dissemination of data privacy awareness to all work units</li> <li>Provision of privacy e-learning series #6 with the theme principles of personal data protection</li> </ol>



Description of Activities	Activity Description	Achievement
SF Framework alignment assistance to subsidiaries	Knowledge sharing and assistance to subsidiary companies in preparing a sustainability finance framework that is aligned with BRI	Knowledge sharing and assistance related to sustainability for subsidiaries (BRI Finance and BRILife) will be held in December 2022.
BRI Carbon Footprint & Climate Change Impact	Calculation of BRI's contribution to reducing greenhouse gas emissions and assessing climate change impact for top debtors from 3 priority sectors (coal, palm oil and pulp & paper)	There is an initial CCSA (Climate Change Scenario Analysis) assessment available in 3 sectors, namely coal, palm oil (CPO) and Pulp & Paper
Specific Sub Sector Policies	Establishment of specific ESG policies for sub-sectors that have a major impact on ESG risks	There is a specific sub-sector policy bubble for Pulp and Paper and Palm Oil (CPO)

As one of the first movers on sustainable finance, BRI has always been committed to implementing sustainable finance, including through adjusting its vision and mission to achieve sustainable banking. Environmental, social and governance risk management is also implemented by the company with the principles of banking prudence.

[FS9]

In providing financing with an environmental perspective, BRI implements green financing, which puts emphasis on the fulfillment of environmental sustainability aspects by business actors who receive financial support from the company. BRI has a loan portfolio guideline (LPG), which also includes aspects of environmental considerations in credit distribution, negative lists, and sectoral loan policies for the palm oil and pulp and paper sectors.

In these two sectors, BRI not only requires debtors to pay attention to environmental aspects, but also social aspects to avoid or minimize overlapping with communities around conservation sites and areas. BRI requires corporate, medium, and small debtors to have the Indonesian Sustainable Palm Oil (ISPO). [FS2] [FS3]

BRI understands that business activities in the financial services field have both direct and indirect impacts on sustainability issues, both in environmental aspects such as pollution risk, floods, water scarcity, and marine environment, as well as social aspects, especially human rights, employment, and affected local communities. To that end, BRI is committed to continuing to consider sustainability issues in providing financial products and services as the company's core business. BRI is committed to closely monitoring the distribution of funds provided and always strives to provide sustainable financial products and services. [FS6]









# Award



## ICAI 2022: Special Awards "Integrated Green Economy Program"

August 24, 2022

IDX Channel

Category: ESG

Jakarta, Indonesia



**The Asset Triple A Treasury, Trade,  
Sustainable Supply Chain and Risk  
Management Awards 2022: Best in  
Treasury and Working Capital - SME's**

July 6, 2022

The Asset

Category: Bank

Singapore



**The Asset Triple A Treasury, Trade,  
Sustainable Supply Chain and Risk  
Management Awards 2022: SME  
Banker of the Year - Direktur Utama**

July 6, 2022

The Asset

Category: Bank

Singapore



**Anugerah Bisnis Indonesia Social  
Responsibility Award (BISRA) 2022: The  
Most Consistent State - Owned Bank in  
Implementing Integrated CSR on The  
River Conservation Program**

June 29, 2022

Bisnis Indonesia

Category: CSR

Jakarta, Indonesia



**The Asian Banker: Best  
Managed Bank in Indonesia**

November 24, 2022

Asian Banker

Category: Leadership

Singapore



Award	Date	Awarding Body	Category	Place	Level
The World's Best Bank 2021	2022	Forbes	Bank	New York	International
Top 100 Indonesia's Most Valuable Brands	January 11, 2022	Brand Finance	Indonesia Most Valuable Brand	Jakarta	International
Top 10 Strongest Brands	January 11, 2022	Brand Finance	Top 10 Strongest Brands	Jakarta	International
Indonesia's Property & Bank XVI Award : Best Bank for Vast Network of Mortgage Product	January 18, 2022	Majalah Property&Bank	Bank	Jakarta	National
MyHome V Award : Most Innovative Mortgage Product	January 18, 2022	Majalah MyHome	Bank	Jakarta	National
Best Distributor of People's Business Credit (KUR) 2021	February 18, 2022	Kemenko Perekonomian	Bank Umum	Jakarta	National
Indonesia's Top Digital PR Award	February 24, 2022	TRANS N CO Indonesia	Bank Konvensional	Jakarta	National
Inspiring Women In Banking - Realizing Digital Public Housing Credit Of Bank BUMN Category	March 11, 2022	The Iconomics	Perbankan	Jakarta	National
BCOMMS 2022: Corporate Communication of the Year (3rd place)	March 23, 2022	BCOMMS	Corporate Communication	Jakarta	National
11th Anugerah BUMN 2022: Growth and Sustainability Strategy (Gold)	March 24, 2022	BUMN Track	Company	Jakarta	National
11th Anugerah BUMN 2022: Best Corporate Governance (Gold)	March 24, 2022	BUMN Track	Company	Jakarta	National
11th Anugerah BUMN 2022: The Best CEO of The Company (Gold) – BRI's President Director Sunarso	March 24, 2022	BUMN Track	CEO	Jakarta	National
11th Anugerah BUMN 2022: The Best Corporate	March 24, 2022	BUMN Track	Company	Jakarta	National
7th PR Indonesia Award 2022: Best E-Magazine - BRILiaN News February Edition 2021	March 25, 2022	PR Indonesia	E-Magazine	Semarang	National
7th PR Indonesia Award 2022: Best Sustainability Report	March 25, 2022	PR Indonesia	Sustainability Report	Semarang	National
7th PR Indonesia Award 2022: Best CSR (Sustainability Business) Program – Hospital Support	March 25, 2022	PR Indonesia	Program CSR	Semarang	National
7th PR Indonesia Award 2022: Best PR (PR Marketing) Program – Saving MSMEs (Micro, Small, and Medium Enterprises), Saving BRI & Indonesia	March 25, 2022	PR Indonesia	Program PR	Semarang	National
7th PR Indonesia Award 2022: Platinum Award (Best of The Best PR BUMN Category)	March 25, 2022	PR Indonesia	Public Relation	Semarang	National
DIGITECH Award 2022: THE BEST TRANSFORMATION & DIGITAL INNOVATION	March 30, 2022	Itech	Digital & IT	Jakarta	National





Award	Date	Awarding Body	Category	Place	Level
"DIGITECH Award 2022: THE BEST IT PLANNING & PROJECT PORTFOLIO IN RETAIL & MICRO BANKING INDUSTRIES"	March 30, 2022	Itech	Digital & IT	Jakarta	National
DIGITECH Award 2022: THE BEST DIGITAL READINESS FOR G20 IN RETAIL & MICRO BANKING INDUSTRIES	March 30, 2022	Itech	Digital & IT	Jakarta	National
DIGITECH Award 2022: THE BEST CHIEF DIGITAL & INFORMATION TECHNOLOGY OFFICER - ARGAM. NUGRAHA	March 30, 2022	Itech	Digital & IT	Jakarta	National
DIGITECH Award 2022: THE BEST CEO FOR CORPORATE DIGITAL TRANSFORMATION	March 30, 2022	Itech	Digital & IT	Jakarta	National
DIGITECH Award 2022: 5 STAR DIAMOND	March 30, 2022	Itech	Transparency, Accountability, Responsibility, Independency, Fairness	Jakarta	National
11th INFOBANK-ISENTIA Digital Brand Award 2022: Platinum Trophy for Conventional Commercial Bank (1st place)	April 7, 2022	INFOBANK-ISENTIA	Corporate Brand	Jakarta	National
11th INFOBANK-ISENTIA Digital Brand Award 2022: Best Overall for Conventional Commercial Bank (2nd place)	April 7, 2022	INFOBANK-ISENTIA	Corporate Brand	Jakarta	National
11th INFOBANK-ISENTIA Digital Brand Award 2022: Best Overall for E-Money Bank BUMN (3rd place)	April 7, 2022	INFOBANK-ISENTIA	BRIZZI	Jakarta	National
11th INFOBANK-ISENTIA Digital Brand Award 2022: Conventional Commercial Bank (KBMI 4-Core Capital above IDR 70 trillion) (2nd place)	April 7, 2022	INFOBANK-ISENTIA	Corporate Brand	Jakarta	National
11th INFOBANK-ISENTIA Digital Brand Award 2022: Conventional Commercial Bank Internet Banking (3rd place)	April 7, 2022	INFOBANK-ISENTIA	IB BRI	Jakarta	National
11th INFOBANK-ISENTIA Digital Brand Award 2022: Conventional Commercial Bank Home Loan (KPR) (3rd place)	April 7, 2022	INFOBANK-ISENTIA	KPR BRI	Jakarta	National
11th INFOBANK-ISENTIA Digital Brand Award 2022: E-Money Bank BUMN (2nd place)	April 7, 2022	INFOBANK-ISENTIA	BRIZZI	Jakarta	National
The Most Engaging Brand 2022	April 21, 2022	Mix Marcomm	Bank Konvensional	Jakarta	National
BUMN Entrepreneurial Marketing Awards 2022: Best of The Best BUMN "Company"	May 19, 2022	MARKPLUS.INC	Perusahaan	Jakarta	National
BUMN Entrepreneurial Marketing Awards 2022: The Most Promising Company in Strategic Marketing (Gold)	May 19, 2022	MARKPLUS.INC	Strategic Marketing	Jakarta	National
BUMN Entrepreneurial Marketing Awards 2022: The Most Promising Company in Marketing 3.0 (Silver)	May 19, 2022	MARKPLUS.INC	Marketing	Jakarta	National

Award	Date	Awarding Body	Category	Place	Level
Investor Best Bank 2022	May 30, 2022	Majalah Investor	Best Bank 2022	Jakarta	National
INDONESIA WOW BRAND 2022: BRIImo – Category : Mobile Banking (1st place)	March 23, 2022	WOW BRAND	BRIImo	Jakarta	National
INDONESIA WOW BRAND 2022: KPR BRI Home Loan(KPR) – Category : Mortgage Granting Banks (2nd place)	March 23, 2022	WOW BRAND	Bank Pemberi KPR	Jakarta	National
INDONESIA WOW BRAND 2022: BRI Credit Card – Category : Credit Card (2nd place)	March 23, 2022	WOW BRAND	Kartu Kredit	Jakarta	National
INDONESIA WOW BRAND 2022: BRI – Category : Conventional Commercial Bank (2nd place)	March 23, 2022	WOW BRAND	Bank Konvensional	Jakarta	National
INDONESIA WOW BRAND 2022: BRI Call – Category : Call Centre (2nd place)	March 23, 2022	WOW BRAND	Call Centre	Jakarta	National
INDONESIA WOW BRAND 2022: BRIZZI – Category : Electronic Money Card (3rd place)	March 23, 2022	WOW BRAND	BRIZZI	Jakarta	National
Corporate Emissions Transparency Award 2022: Transparency of Emission Reduction in Issuer and SOE Sectors with the Green Elite Title	April 22, 2022	Berita Satu	ESG	Jakarta	National
Corporate Emissions Transparency Award 2022: Transparency of Emission Calculation in Issuer and SOE Sectors with the Platinum Plus Title	April 22, 2022	Berita Satu	ESG	Jakarta	National
Best Bank 2022 for Conventional Public Bank Category based on Core Capital Group (KBMI) 4 - Investor Magazine Awards Best Bank 2022	June 3, 2022	Majalah Investor	Perbankan	Jakarta	National
Fortune Indonesia Summit 2022: Business Person of The Year – BRI's President Director Mr.Sunarso	May 19, 2022	IDN Media	Individual	Jakarta	National
The 13th IICD CG Award: Best Financial Sector	May 27, 2022	Indonesian Institute for Corporate Directorship (IICD)	Best Financial Sector	Jakarta	National
Indonesia Millennial's Brand Choice Awards 2022: Indonesia Outstanding Millennial's Brand Choice Awards 2022 (Brand: BRIImo BRI, Category: Mobile Banking Services)	June 16, 2022	Warta Ekonomi	BRIImo	Jakarta	National
Indonesia Millennial's Brand Choice Awards 2022: Indonesia Excellent Millennial's Brand Choice Awards 2022 (Brand: BRIZZI, Category: E-Money)	June 16, 2022	Warta Ekonomi	BRIZZI	Jakarta	National
Merdeka Award 2022: Innovative National Program	June 23, 2022	PT Liputan Enam Dot Com	Program Inovatif untuk Negeri	Jakarta	National
Infobank Green MSMEs (Micro, Small, and Medium Enterprises) Summit 2022: Infobank Top SME Lender 2022	June 27, 2022	Infobank	Bank	Jakarta	National





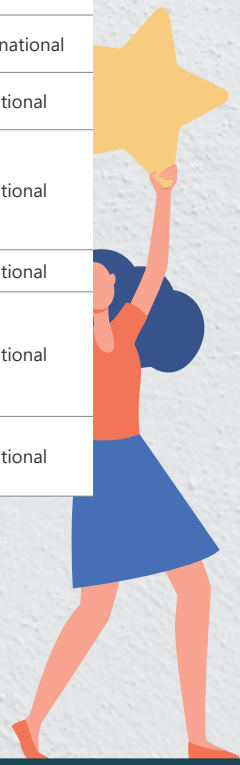
Award	Date	Awarding Body	Category	Place	Level
Infobank Top SME Financing 2022: Locomotive in Economy Recovery During Pandemic by Great Supporting Sme Sector From 2020 to 2022	June 27, 2022	Infobank	Bank	Jakarta	National
Digital Banking Awards 2022: Category : KBMI 4 for Data Indicators	June 28, 2022	Majalah Investor	Kategori KBMI 4 untuk indikator Data	Jakarta	National
Anugerah Bisnis Indonesia Social Responsibility Award (BISRA) 2022: The Most Consistent State - Owned Bank in Implementing Integrated CSR on The River Conservation Program	June 29, 2022	Bisnis Indonesia	CSR	Jakarta	National
Inews Maker: Digital People 's Business Credit (KUR) Innovation	June 30, 2022	Inews	Bank	Jakarta	National
Inews Maker: Integrated CSR Strategy for BRILian	June 30, 2022	Inews	Bank	Jakarta	National
Inews Maker: Tourism Village Development	June 30, 2022	Inews	Bank	Jakarta	National
The Asset Triple A Treasury, Trade, Sustainable Supply Chain and Risk Management Awards 2022: SME Banker of the Year – BRI's President Director Mr. Sunarso	July 6, 2022	The Asset	Bank	Singapura	International
The Asset Triple A Treasury, Trade, Sustainable Supply Chain and Risk Management Awards 2022: Best in Treasury and Working Capital - SME's	July 6, 2022	The Asset	Bank	Singapura	International
Global Private Banking Innovation Awards 2022: Best Bank for Priority Banking	July 21, 2022	Global Private Banker	Bank	Singapura	International
Global Private Banking Innovation Awards 2022: Best Wealth Management for \$250k \$500k AUM	July 21, 2022	Global Private Banker	Bank	Singapura	International
Global Private Banking Innovation Awards 2022: Best Private Bank for Entrepreneurs	July 21, 2022	Global Private Banker	Bank	Singapura	International
Global Private Banking Innovation Awards 2022: Outstanding Private Bank for Growth Strategy	July 21, 2022	Global Private Banker	Bank	Singapura	International
The Best Companies To Work For in Asia 2022	July 2022	HR Asia	All Industry	Malaysia	National
The 1st Indonesia DEI & ESG Awards (IDEAS) 2022: Category: ESG (Environmental) – Improving Climate Change Resilience	August 5, 2022	Humas Indonesia	ESG	Labuan Bajo	National
The 1st Indonesia DEI & ESG Awards (IDEAS) 2022: Category : ESG (Social) – Embracing the Community	August 5, 2022	Humas Indonesia	ESG	Labuan Bajo	National
Top Corporate Award 2022	August 1, 2022	INFOBRAND.ID	Top Corporate Award	Jakarta	National
Indonesia Grand Digital Marketing Awards 2022: Grand Digital Marketing Company 2022 for The Informative and Insightful Content	July 28, 2022	Warta Ekonomi	Conventional Bank	Jakarta	National

Award	Date	Awarding Body	Category	Place	Level
Omni Brands of The Year 2022	July 21, 2022	MarkPlus, Inc.	Local Value	Jakarta	National
The 2022 Asian Banking & Finance Wholesale and Retail Banking Awards: Financial Inclusion Initiative of the Year	July 2022	Asian Banking & Finance	Financial Inclusion Initiative of the Year	-	International
Very Good in Title for KBMI 4 Group Bank Rating	August 1, 2022	Infobank	KBMI 4	Jakarta	National
ICAI 2022: Special Awards "Integrated Green Economy Program"	August 24, 2022	IDX Channel	ESG	Jakarta	National
ICAI 2022: Hybrid Banking Strengthening Financial Inclusion Ecosystem	August 24, 2022	IDX Channel	Sustainability	Jakarta	National
Best Bank for ESG	September 2022	Asiamoney	ESG		International
Best Bank for Diversity and Inclusion	September 8, 2022	Asiamoney	Diversity & Inclusion		International
Best FX Bank for Money Market Product	September 8, 2022	Alpha South Asia	Bank		International
Best FX Bank for Retail Clients	September 8, 2022	Alpha South Asia	Bank		International
Best FX Bank for Structured Product		Alpha South Asia	Bank		International
Best Bank for Supporting MSMEs (Micro, Small, and Medium Enterprises)		Bank Indonesia	Bank	Jakarta	National
TOP DIGITAL CORPORATE BRAND AWARD 2022 Special Achievement for State Owned Enterprises (BUMN), Subsidiary SOE & Regional Government (BUMD)	September 15, 2022	Suara Pemerintah	Bank BUMN	Jakarta	National
Indonesia Digital Popular Brand Award 2022: BRI Juneo	September 29, 2022	Info Brand	Produk Tabungan Juneo	Jakarta	National
"CORPORATE AND SOCIAL RESPONSIBILITY (CSR) - Market Leader"	September 21, 2022	Euro Money Market	CSR	Europe	International
DIVERSITY & INCLUSION - Highly Regarded	September 21, 2022	Euro Money Market	Diversity & Inclusion	Europe	International
SME BANKING - Market Leader	September 21, 2022	Euro Money Market	SME Banking	Europe	International
DIGITAL SOLUTION - Market Leader	September 21, 2022	Euro Money Market	Digital Solution	Europe	International
ESG - Notable	September 21, 2022	Euro Money Market	ESG	Europe	International
The 10th Brand Finance Indonesia Most Valuable Brands Award: Top 100 Valuable Brands category	September 28, 2022	Brand Finance	Banking	Jakarta	National
The 10th Brand Finance Indonesia Most Valuable Brands Award: Top 10 Fast-Growing Brands	September 28, 2022	Brand Finance	Banking	Jakarta	National
The 10th Brand Finance Indonesia Most Valuable Brands Award: Top 10 Strongest Brands	September 28, 2022	Brand Finance	Banking	Jakarta	National
Rakyat Merdeka Award: The Figure of Financing and Empowering MSMEs (Micro, Small, and Medium Enterprises)	September 28, 2022	Rakyat Merdeka	UMKM	Jakarta	National





Award	Date	Awarding Body	Category	Place	Level
Digital Innovation & Achievement Awards 2022 (IDIA 2022): BEST DIGITAL TECHNOLOGY AND PARTNERSHIP IN RETAIL AND MICROBANKING 2022	October 19, 2022	Business Asia Indonesia	Digital Banking	Jakarta	National
Digital Innovation & Achievement Awards 2022 (IDIA 2022): BEST OVERALL INDONESIA DIGITAL INNOVATION AND ACHIEVEMENT IN RETAIL AND MICROBANKING 2022	October 19, 2022	Business Asia Indonesia	Digital Banking	Jakarta	National
Digital Innovation & Achievement Awards 2022 (IDIA 2022): BEST CHIEF TECHNOLOGY OFFICER (CTO) INDONESIA DIGITAL INNOVATION AND ACHIEVEMENT OF THE YEAR 2022	October 19, 2022	Business Asia Indonesia	Digital Banking	Jakarta	National
ESG Disclosure Awards 2022: Rating Leadership AAA	October 26, 2022	Berita Satu Holdings	ESG	Jakarta	National
3rd place (Gold) - Collecting Agent Performance Award	October	DJPb Kemenkeu	Banking	Jakarta	National
National Award for the Respect, Protection, and Fulfillment of the Rights of Disabled Workers 2022	November 21, 2022	Kementerian Ketenagakerjaan	Ketenagakerjaan	Jakarta	National
Infobank Top 100 CEO & The Next Leader 2022	November 23, 2022	Infobank	Pemimpin /CEO, Subkategori BUMN	Jakarta	National
PLATINUM RANK for Sustainability Report 2021: Asia Sustainability Reporting Rating (ASRRAT) 2022	November 24, 2022	ASRRAT	Sustainability Report	Jakarta	National
The Asian Banker CEO Leadership Achievement for Indonesia Award	November 24, 2022	Asian Banker	Leadership	Singapura	International
Asian Banker: Best Managed Bank in Indonesia	November 24, 2022	Asian Banker	Banking	Singapura	International
Malam Anugerah LPS Banking Award 2022	November 29, 2022	LPS	Banking	Jakarta	National
Indonesia Best Brand Award 2022: New Marketing Paradigm Managing Multiple Challenges Towards Sustainable Business	November 30, 2022	SWA	Banking	Jakarta	National
Katadata Green Initiative Award	December 1, 2022	Katadata	ESG	Jakarta	National
Indonesia Best Companies in Creating Leaders from Within Awards 2022: Creating Agile Leaders from Within for Sustainable Business	December 8, 2022	SWA	Human Capital	Jakarta	National
Indonesia Good Corporate Governance Award: The Most Trusted Companies 2022	December 15, 2022	SWA	Banking	Jakarta	National







# Sustainable Development Goals (SDGs) Compass

SDGs encompass aspects of economics, social, and environment with the aim of maintaining the improvement of the community's economic welfare on an ongoing basis, maintaining the sustainability of the community's social life, maintaining the quality of the environment as well as ensuring fairness and the implementation of governance that is able to maintain an increase in the quality of life from one generation to the next. The banking sector has a close relationship with SDGs. As a financial service institution, banks can provide financial support for various projects and initiatives aimed at achieving SDGs.


BRI focuses on supporting SDGs by implementing environmentally, socially, and governance-oriented financing in its banking activities. Various programs and initiatives are carried out as a form of BRI's contribution to support SDGs, including the following:

Implementation	Impact	Chapter Where the Issue is Disclosed	SDGs
Signing of Partnership with Partnership for Carbon Accounting Financials (PCAF)	The establishment of global cooperation between financial institutions in developing approaches for measuring and disclosing greenhouse gas (GHG) emissions from loans and investments.	Company Profile	
BRI as the first mover on sustainability banking joined the Indonesian Sustainable Finance Initiative (IKBI) and the Association of State-owned Banks (HIMBARA)	Promoting inclusive sustainable finance that is accessible to both banking and non-banking financial service institutions.	Company Profile	




## ENVIRONMENTAL ASPECT

Implementation	Impact	Chapter Where the Issue is Disclosed	SDGs
<p>BRI has operated</p> <p><b>50</b> electric motorbikes</p> <p><b>30</b> electric cars</p> <p>as operational vehicles for a number of regional offices across Indonesia.</p>	The utilization of electric vehicles supports the reduction of air pollution and emissions from fuels. BRI promotes the use of energy sources that can come from renewable energy sources so that a decrease in emissions can be achieved	Managing Climate Change Risks	

Implementation	Impact	Chapter Where the Issue is Disclosed	SDGs
BRI has established a green team, consisting of selected BRI employees who represent their work units and are partners with BRILiaN Ambassador of the Environment in implementing the green campaign.	Encouraging improvement of the company's environmental performance. Reducing production of GHG emissions and saving energy are the positive impacts of this program.	Managing Climate Change Risks	  
BRI calls for the "zero waste to landfill" campaign.	Reducing waste at landfills; thereby reducing environmental pollution.	Managing Climate Change Risks	
BRI started to take inventory of scope 3 greenhouse gas emissions from financing called financed emissions.	Evaluation means for BRI to be selective in disbursing financing Also encouraging debtors to start controlling production of greenhouse gas emissions resulting from their business activities so they can contribute to reducing national and global emissions.	Managing Climate Change Risks	
BRI launched a financing policy based on ESG principles for the pulp & paper sector.	Encouraging debtors to pay more attention to ESG aspects in their operations that have an impact on reducing emissions, saving energy, responsible waste management, empowering communities, and others.	Managing Climate Change Risks	
Through the Bersih-Bersih Kali (cleaning the river) program, BRI made efforts to normalize rivers, build physical facilities, and provide education on healthy environments.	Supporting the provision of access to clean water and sustainable use of inland water ecosystems as a source of livelihood for the surrounding communities.	Empowering the Communities	 
BRI Peduli provides assistance in the form of renovation/construction of integrated waste management sites and training to 18 waste management groups throughout Indonesia.	Management of regional waste in a sustainable manner with improved public awareness and participation, as well as support for integrated waste processing facilities.	Empowering the Communities	 










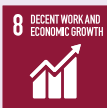
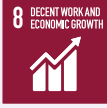


Implementation	Impact	Chapter Where the Issue is Disclosed	SDGs
BRI planted 10,000 mangrove trees as a commitment to implementing sustainable finance and green economy	Supporting higher carbon absorption, preventing damage to the coastal environment, and supporting preservation of marine biota that makes the mangrove ecosystem a habitat to live.	Empowering the Communities	



## SOCIAL ASPECT

Implementation	Impact	Chapter Where the Issue is Disclosed	SDGs
<p>BRI supports the achievement of the target set by the Ministry of State-Owned Enterprises, which is to have 25% of female leaders in leadership positions in state-owned enterprises by 2023.</p> <p>Providing learning tools for women's leadership and networking for selected BRI women leaders through BRILiaN Women Leaders Indonesia (BWLI).</p>	<p>Female leadership plays a significant role, showing that the potential and ability to work are not limited by gender. This measure is in line with the efforts of the Ministry of SOE in increasing the number of female leaders in BRI Group and supporting the achievement of the Ministry's target of 25% of female leaders in SOE leadership positions by 2023.</p>	Respecting Employees	 
BRI carried out SMK3 certification in June 2022 with an assessment result of 90.62%, which is equivalent to the 'satisfactory' predicate.	BRI guarantees safety and health of employees by providing a safe and healthy environment in accordance with the prevailing laws and regulations.	Respecting Employees	

Implementation	Impact	Chapter Where the Issue is Disclosed	SDGs
Through the Ini Sekolahku!!! program, BRI renovated infrastructure and provided educational facility assistance to 15 schools located in 3T (frontier, outermost, remote) regions.	Providing a favorable learning climate and motivating the younger generation to achieve their goals, thereby improving the quality of education evenly throughout Indonesia.	Empowering the Communities	
BRI organized a training and internship program for persons with disabilities	Expanding opportunities for persons with disabilities to get education and skills related to employment, thus boosting their self-confidence and independence in social life.	Empowering the Communities	
BRI Peduli established Tim Elang as a disaster emergency response officer to distribute logistical assistance to affected residents through all work units.	Through disaster response assistance and the establishment of Tim Elang, BRI strengthens resilience and eases community vulnerability to extreme events such as natural disasters.	Empowering the Communities	
BRI Peduli carries out the construction/renovation of public facilities and provides supporting facilities for a number of tourist sites.	Improving the quality of tourist attractions that increase attractiveness for visitors; thereby, growing the value of the tourism industry and increasing employment opportunities for local communities.	Empowering the Communities	
In BRI Peduli Desa BRILian, the company builds and repairs village infrastructure, and provides training and facilities for business groups in 5 selected villages	Promoting social empowerment and improving performance of the people's economy that is independent and sustainable so as to boost village growth.	Empowering the Communities	
Through Woman Communi-Tree program, BRI provides urban farming infrastructure assistance and plant seeds that have an economic value for 18 women's business groups in 14 BRI regional offices.	This program is aimed at increasing the capacity and expertise of women's groups in managing their own business, so they can enhance their role in economic development.	Empowering the Communities	





Implementation	Impact	Chapter Where the Issue is Disclosed	SDGs
Through BRI Peduli for the Empowerment of Women's Groups program, BRI provides training assistance and business equipment to 18 women's business groups throughout Indonesia.	Assistance in the forms of facilities, infrastructure and training provided enable women groups in developing their businesses that can then increase the economic strata of group members.	Empowering the Communities	
BRI has issued provisions on Respectful Workplace Policy through Directors Letter Number B.1221-DIR/HCS/07 of 2022 dated July 29, 2022.	BRI is committed to providing a work environment that is mutually respectful, free from discrimination, exclusion or restriction, harassment, bullying and other forms of violence, and upholds dignity and self-esteem to maintain productivity while employees are at work.	Respecting Employees	



## ECONOMIC ASPECT

Implementation	Impact	Chapter Where the Issue is Disclosed	SDGs
BRI collaborates with Pegadaian and PT Permodalan Nasional Madani (PNM) in the ultra-micro (UMi) holding in developing integrated products and services.	Synergy of the three entities within UMi is able to improve the level of financial literacy and inclusion among the people that accelerates the growth of the MSME segment.	Empowering the Communities	
BRI collaborated with third party to launch the Indonesian People's Market App (PARI), which serves as a platform for ultra-micro and MSMEs who are BRI customers to be able to buy or sell commodities online.	BRI and business partner provide economic value to business actors by opening wider market access.	Protecting Consumers	
Bonds and sustainable financing: Green bonds, financing for the category of sustainable business activities, sustainability bonds, sustainability-linked loans.	Driving the economy of sustainable sectors that lead to energy saving, emission reduction, responsible waste management, justice, etc.	Company Profile	







# BRI at a Glance

## Company's Profile

[GRI 2-1]



### Company's Name:

PT Bank Rakyat Indonesia (Persero) Tbk.

### Date and Year of Establishment:

16 December 1895

## Activities, Brands, Products, and Services

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



### Activities:

Banking and Financial Service

### Product and Service:

Information on BRI products and services can be accessed via the website address <https://bri.co.id>, Annual Report, and BRI Sustainability Report

## Legal Entity and Ownership

[GRI 2-1] [GRI 201-4] [C.3]



- Limited Corporation (Persero), Limited Liability Company
- Listed on the Indonesia Stock Exchange (IDX) on November 10, 2003
- Share Code BBRI
- Share Ownership:
  - a. Indonesian Government 53.19%
  - b. Public 46.81%

## Operational Areas

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



- Domestic: all provinces in Indonesia
- International: The United States, Cayman Island, Hong Kong, Taiwan, Singapore, and Timor Leste

## Head Office

[GRI 2-1] [POJK51-3.b] [C.2]



### Head Office:

Gedung BRI I – Jalan Jendral Sudirman Kav. 44-46, Jakarta, 10210

### Number Phone:

(62-21) 251-0244, 251-0254, 251-0264, 251-0269, 251-0279

### Number Fax:

(62-21) 251-0244, 251-0254, 251-0264, (62-21) 250-0077

### Email:

[callbri@bri.co.id](mailto:callbri@bri.co.id)

### Website:

<https://bri.co.id/>

## Markets Served

[GRI 2-6]



### Beneficiaries:

General Public, Government, and Corporations

### Business Segment:

Micro, Small, Medium and Corporate Groups

### Geographic Segment:

Indonesia, Asia, and the United States









## Products, Services, and Business Activities

[C.4] [GRI 2-6]

In general, BRI's business activities are in the field of financial products and services with operational areas throughout Indonesia as well as a number of overseas work units.



Product		Service and Transaction
Savings Products	Loans Products	
<ul style="list-style-type: none"> <li>• Tabungan BRI Simpedes</li> <li>• Tabungan BRI BritAma</li> <li>• Tabungan BRI Junio &amp; Junio Rencana</li> <li>• Tabunganku</li> <li>• SimPel (Simpanan Pelajar)</li> <li>• Deposito (Rupiah &amp; Foreign Exchange)</li> <li>• Giro (Rupiah &amp; Foreign Exchange)</li> </ul>	<ul style="list-style-type: none"> <li>• Kupedes</li> <li>• Kredit BRIGuna</li> <li>• Home Ownership Loans</li> <li>• Credit Cards</li> <li>• Commercial Retail Credits</li> <li>• Credit Programs</li> <li>• Medium/Corporate Credits</li> </ul>	<ul style="list-style-type: none"> <li>• Cash Management System</li> <li>• Jasa Kelembagaan</li> <li>• Jasa Bisnis dan Keuangan</li> <li>• E-Banking</li> <li>• Jasa Layanan Bisnis Internasional</li> <li>• BRIfast Remittance</li> <li>• Jasa Layanan Treasury</li> <li>• BRI Prioritas</li> <li>• BRI Private</li> <li>• Qlola</li> </ul>

Disclosure of more detailed information regarding products, services, and business activities carried out by BRI until the end of the period is presented in the 2022 Annual Report, which is published separately from the Sustainability Report.

## Association Membership [GRI 2-28] [C.5]

To adapt to developments in the business environment, expand business relationships, and strengthen the company's existence, BRI is actively involved in a number of organizations and associations relevant to the company's core business.

Membership in a number of organizations and associations is a strategic effort for the company to carry out banking business activities that also prioritize environmental, social and governance (ESG) aspects. The membership is also used as a forum for BRI to contribute, synergize, and share knowledge between companies in creating a sustainable business climate. However, BRI does not contribute financially beyond regular membership fees.

Until the end of 2022, BRI is listed as a member of the following associations:

Association Name	Objectives	Role
The Association of State-Owned Banks (HIMBARA)	Developing Indonesian capital market as an industry capable of supporting the national economy.	Chairperson
The Association of Indonesian Banks (Perbanas)	Formulating policies related to banking.	Deputy Secretary General
Forum for the Agricultural Commodities Council (FKDKP)	Serving as a means of exchanging information on Bank Indonesia provisions/regulations as well as international banking standards	Treasurer
The Association of Indonesian Payment System	Optimizing functions and professionalism in implementing good corporate governance	Member of the Supervisory Board
Indonesian Sustainable Finance Initiative (IKBI)	Supporting sustainable finance in Indonesia as a form of climate change risk mitigation and taking business opportunities in Indonesia's economy that is resilient to climate change and contributing to the achievement of the Sustainable Development Goals (SDGs).	Chairperson
Partnership for Carbon Accounting Financial (PCAF)	Establishing global collaboration between financial institutions in developing approaches to measure and disclose greenhouse gas emissions from loans and investments.	Member





## Company Scale [GRI 2-6] [GRI 2-7] [GRI 2-8] [B.1] [C.3] [F.18]

As a major company, the employment status of BRI employees consists of permanent employees, contract employees, and apprentice employees. All of them are full-time employees so there are no part-time employees and employees with non-guaranteed hours. The number of employees as of 31 December 2022 was 74,735 people spread across Indonesia. Meanwhile, BRI employees who are members of the BRI Employees' Union until the end of 2022 reached 41,978 people or 69.71% of the total number of permanent employees. The working conditions and terms for employee who are not members of a Employee's Union are regulated in the agreement letter and are not affected by other collective bargaining agreements. Overall, 60,209 people or 80.56% are permanent employees, while 14,347 people or 19.20% are contract employees. In addition, there are 179 apprentices who are also employees of the company. [GRI 2-1] [GRI 2-7] [GRI 2-30] [F.18]

Based on gender, the demographic of BRI employees in 2022 were dominated by male employees, comprising 62.10%, followed by female employees at 37.90%. Based on education level, the majority of company employees are Bachelor and Diploma graduates, accounting for 96.47% of the total employees. This sustainability report has not disclosed the number of non-contractual employees such as outsourced employees. All information related to the company's employees from 2020–2022 was compiled with the headcount method by the Human Capital Business Partner Division and described in set of data tables on page 212-214. [GRI 2-7] [GRI 2-8] [C.3]

## Significant Changes [GRI 2-6] [C.6]

In 2022, there were a number of significant changes to BRI's development, including optimization of office network management (opening, merger and change of status) by considering the dynamics of the latest internal and external factors relevant to the company's business. Changes in the number of BRI operational work units can be seen on page 212. There were no significant changes regarding supplier location and supply chain structure in 2022.

## Vision, Mission, and Values [GRI 2-23] [C.1]

### Vision

***“The Most Valuable Banking Group in Southeast Asia & Champion of Financial Inclusion”***

### Mission

- a. Carrying out the best banking activities by prioritizing services to micro, small and medium segments to support the improvement of the people's economy;
- b. Providing excellent service with a focus on customers through professional human resources who have a performance-driven culture, reliable and future ready information technology, and productive conventional and digital networks by applying principles of operational and risk management excellence;
- c. Providing optimal benefits and benefits to stakeholders by considering the principles of sustainable finance and excellent good corporate governance practices.

To develop dynamically according to the progress of the times, BRI constantly reviews and evaluates the vision and mission of the company every 5 years or according to needs. BRI organizes a board retreat attended by all top management (Directors and SEVP) along with independent parties to review and evaluate the vision and mission as well as achievement of several key indicators. The board retreat results in new agreements, one of which is the vision and mission of the company which is then approved by the Board of Directors and Board of Commissioners as a guide up to 2025. [GRI 2-12]

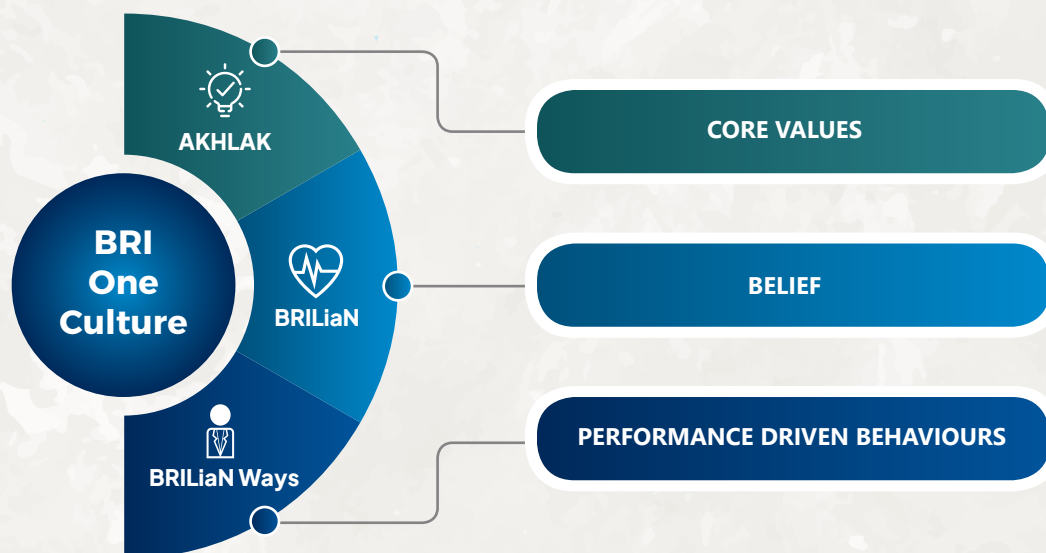
Multiple dynamics and challenges faced by BRI, both externally in the form of the COVID-19 pandemic and increasingly rapid technological developments, as well as by the company's internal growth, have pushed BRI to make adjustments from long-term plans to strategies for achieving performance. To that end, BRI reviewed BRI's 2021–2025 Corporate Plan, known as BRIVolution 2.0, and adjusted the vision to be achieved in 2025 to become “The Most Valuable Banking Group in Southeast Asia and Champion of Financial Inclusion”.





## BRI Culture [GRI 2-23] [F.1]

Culture is one of the important components to achieve the company's vision. Therefore, BRI is guided by three values, namely the Core Values of AKHLAK, BRILiaN Belief, and BRILiaN Ways, three of which are integrated into BRI One Culture.



AKHLAK, which is an acronym for Amanah (Trusted), Kompeten (Competent), Harmonis (Harmonious), Loyal (Loyal), Adaptif (Adaptive), and Kolaboratif (Collaborative), plays an important role in internalizing and externalizing BRI's work culture. There are BRILiaN keywords and guidelines for behaviors that are in accordance with the Circular of Minister of State-Owned Enterprises.

BRILiaN Ways has the following values:

01

BRILiaN honest, sincere and respect for the rules

02

BRILiaN capable and reliable, continuously learning and developing themselves and others

03

BRILiaN working thoroughly with full responsibility oriented to the best performance

04

BRILiaN building productive collaborations

These values are as follows:



By referring to the main values of AKHLAK, BRILiaN Belief and BRILiaN Ways become a guide for the company to support the achievement of its performance.

- BRILiaN Belief means that BRILiaN personnel always maintain integrity and act professionally in carrying out their duties with mutual respect and trust to produce innovative BRI Group services based on a customer centric spirit that provides added value to customers, the public, and stakeholders.
- BRILiaN Ways supports the achievement of the best performance (performance-driven behavior) that can be added by the company according to the type of industry and company strategy.

05

BRILiaN openness and respect to diversity

06

BRILiaN proactive, adaptive, innovative and oriented towards sustainable growth

07

BRILiaN empathy to understand customer needs and provide service beyond expectations

08

BRILiaN caring for the community and the environment





# Planning for the Future of BRI

## BRIVOLUTION 2.0



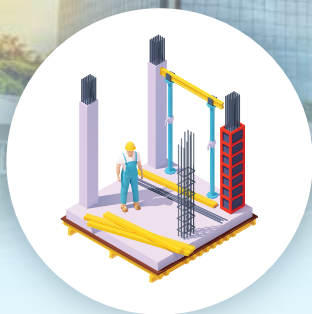
The year 2022 was a recovery period for Indonesia's economy. The government increasingly showed support and efforts to stimulate economic growth that was sluggish due to the pandemic. Multiple programs were launched in the form of direct cash assistance, micro, small and medium enterprises (MSMEs) development programs, tax incentives, and other programs that stimulated buying and selling transactions among the people.

The revival of the national economy and the banking world convinced BRI to achieve the predetermined business performance targets. Today, credit growth rate, especially in the MSME segment, is increasing with the trend of improving profitability, indicating

recovery with adequate liquidity maintained. However, BRI understands that the performance of the current economic recovery is still unbalanced and it has anticipated through strict supervision and the establishment of adequate reserves.

BRI's optimism about business prospects that will continue to grow is realized through review of the BRIVolution 1.0 transformation program by sharpening the values in it and renaming it BRIVolution 2.0. BRIVolution 2.0 is specifically designed to strengthen BRI's core business and accelerate new growth engines so it can achieve its strategic vision as "The Most Valuable Banking Group in Southeast Asia and Champion of Financial Inclusion".

## BRIVOLUTION 2.0 Transformation Phase



### Strengthen

“Strengthen the core for growth”

**2021 – 2022**

In the “Strengthen” phase, BRI prepares strategies to strengthen all aspects of the business and ensure future growth. In strengthening the fundamentals at BRI and its subsidiaries, it is necessary to improve the distribution network, information technology, human resources, culture, risk management and all components that support the business. BRI is also resilient in addressing the impact of the COVID-19 pandemic through a selective growth strategy, maintaining asset quality, and increasing efficiency.



### Scale up & Scope up

“Scale up new growth engines and beyond banking”

**2023 – 2024**

In the “Scale Up & Scope Up” phase, BRI and its subsidiaries are focused on growth rates and expanding new scopes including offering products and services through digitalization.

In 2023, BRI will carry the aspirational theme of “strengthening retail banking capabilities” by building a sustainable business ecosystem.

In 2024, BRI expects its subsidiaries to contribute more than the previous year to achieve its profitability target. In the same year, BRI will also attempt to become a leader in banking transactions by developing digital products and services.



### Sustain

“Sustain top-tier position in Southeast Asia”

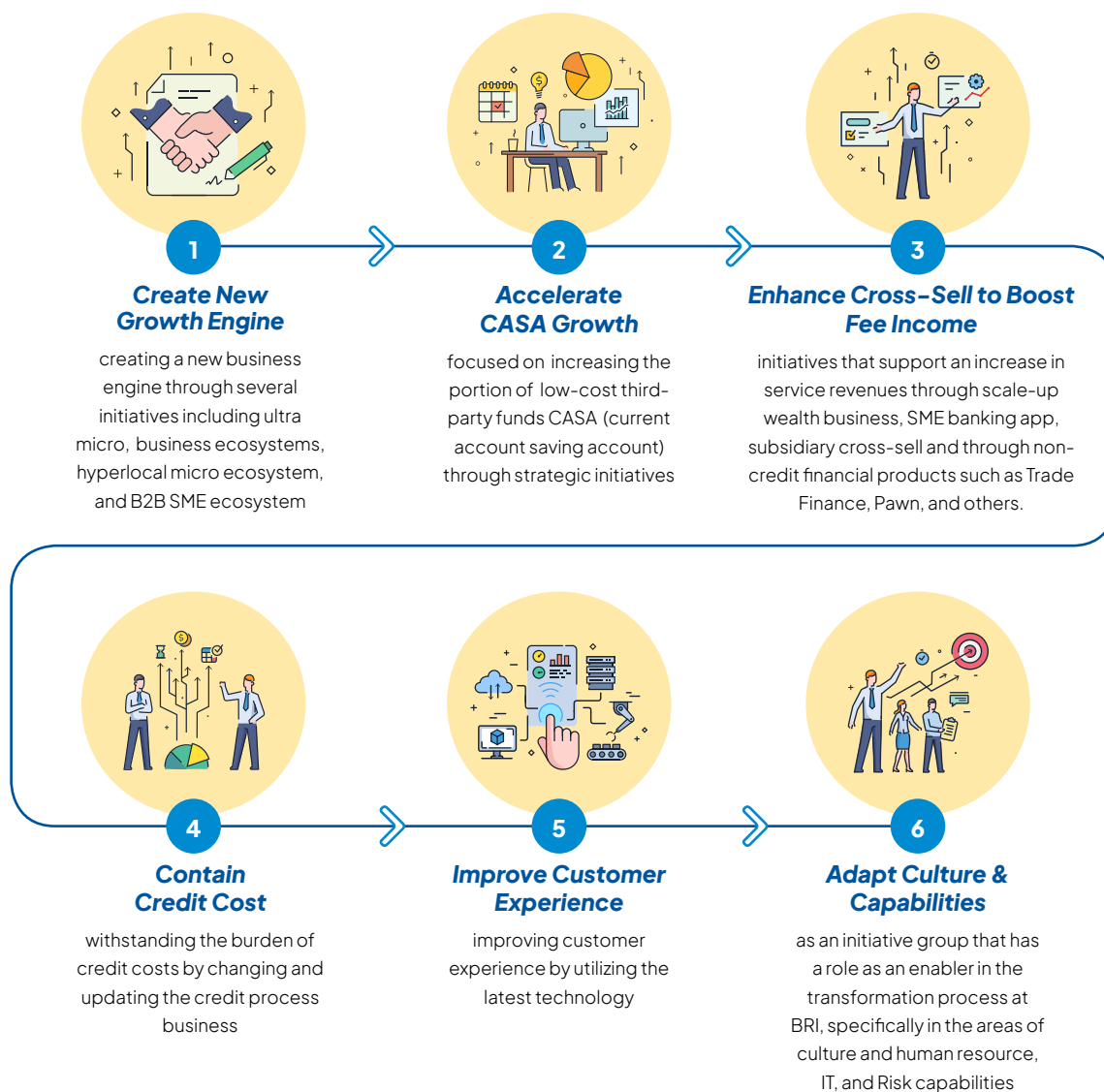
**2025 – and beyond**

In the “Sustain” phase, BRI is expected to have grown and developed into a bigger and stronger company and consistently maintains a sustainable business. BRI is able to realize its commitment to become “The Most Valuable Banking Group in Southeast Asia and Champion of Financial Inclusion”. This achievement will be an important milestone for BRI to move forward and continue creating economic and social value for all of the company’s stakeholders.





In an effort to achieve the company's vision and mission in 2025, BRI has established 6 (six) main strategies called 6Cs. They are:



With a brand new spirit, BRIVolution 2.0 is expected to improve BRI's balance sheet and profit and loss structure through the development of fund structure, productive asset quality control, income diversification, increase network productivity through business process efficiency, boost employee productivity, implement operational excellence through business process reengineering and improving the quality of IT & Information Management Systems, as well as continue building SOE synergy to increase efficiency.

# Economic Performance [GRI 3-3, 201-1, 201-2, 201-3, 201-4] [F.1, F.2, F.3]

Economic performance is the main aspect that influences BRI's business continuity and becomes the basis for stakeholders, especially investors, in making decisions. In 2022, BRI managed to obtain a net profit (bank only) of Rp47,828 Billion or grew by 48.46% compared to that in 2021. The company's economic performance was monitored by internal and external audit teams and is reported regularly to the Director of Finance. The monitoring results were then used to identify potential risks and impacts on the company's financial condition going forward. [GRI 3-3]

Disclosure of information on BRI's economic performance for 2020-2022 was submitted based on guidelines from Regulation of the Financial Service Authority in the form of a comparison of production targets and performance, portfolio, financing or investment targets, income and profit and loss; as well as a comparison of portfolio targets and performance, financing targets, or investments in financial instruments or projects that are in line with the sustainable finance. [GRI 3-3] [F.2] [F.3]

Economic success greatly determines the company's sustainability performance as it affects the company's capability in fulfilling environmental and social commitments. To that end, economic performance is defined as one of the material topics for the company and its stakeholders. A host of challenges in 2022 as the first year of global economic recovery have encouraged BRI to continue fulfilling its responsibilities as a banking services company. One way to do this is by providing optimal and innovative products and services to maintain and increase customer satisfaction [GRI 3-3] [F.2]

All financial reporting is presented in a transparent manner in the 2022 BRI Annual Report. The report contains information related to business income earned such as dividend payments to shareholders, payment of employee compensation, tax payments to the government, and investment payments to the people. All revenue in 2022 came from banking services and there is no income derived from financial opportunities and/or implications due to changes in the business climate. [GRI 201-2]

In 2022, the government provided financial assistance in the form of reducing tax rates for domestic corporate taxpayers and permanent establishments, from 25% to 22%. BRI has met the requirements to receive a tax rate reduction incentive of 3% based on the provisions of Law Number 2 of 2020. During the reporting period, BRI did not provide financial assistance to political organizations, nor was it involved in political activities, campaigns, lobbying, trade associations and tax-exempt groups. [GRI 201-4] [F.1] [F.2]

BRI transparently releases the company's financial and non-financial conditions to the public and prepares reports to be submitted to regulators in accordance with applicable regulations. Publications regarding the company's financial and non-financial conditions are submitted both through print media and the company's website (<https://bri.co.id/laporan>).





## Supply Chain and Procurement Practices

### Towards Sustainability [GRI 2-6]

BRI's operational activities not only require internal resources, but also external parties or third parties who can support the smooth running of the process. Suppliers of goods and services relevant to BRI's business activities include suppliers of information technology and computers, property, stationery and office equipment, consulting services, communication and design services, event organizers, and others. To date, there have been no significant changes related to BRI's scale, structure, ownership, or supply chain. The company also ensures that all third parties who become BRI's business partners have fulfilled the prerequisites and are in accordance with the fixed assets and procurement management policy and the provisions for registration of BRI goods and services provider partners [GRI 3-3]

In 2022, there were a total of 305 new suppliers that are part of the supply chain, none of which brought a negative impact on the environment. BRI is also committed to fulfilling the required documents when selecting suppliers and making the signing of the anti-bribery statement one of the selection requirements. BRI will consistently continue considering environmental and social criteria as added value in the supplier selection process. Human rights are one of the social aspects that are emphasized by the company in order to ensure that prospective partners do not employ underage employees (no child labor policy). [GRI 3-3] [FS1] [FS3] [FS5] [F.19] [GRI 205-2] [GRI 408-1]

All suppliers who become partners with BRI are ensured to hold BRI's Certificate of Registration (SKT), which proves that they are deemed worthy and meet the specified requirements. The SKT is given to all

suppliers and is not limited to certain business activity sectors as long as the products/services produced support BRI's operational activities. The SKT has also been integrated into the BRI Partner Management appl and in accordance with BRI's fixed assets and logistics management policy [FS3]

Based on supplier data for 2022, a total of 669 business entities were recorded as parts of the BRI supply chain. This number dropped compared to that in 2021 at a total of 933 suppliers. We always prioritize involvement of local suppliers in the company's business. To that end, 97% of the number or around 652 are domestic suppliers, while 17 of them are foreign supplies. [GRI 2-6] [GRI 204-1] [B.3] [B.1e]

BRI's procurement of goods and services for all operating units is focused only through the head office, with several other additional procurements tailored to the specific needs of the units.

Procurement of goods and services by BRI refers to the principles of efficiency, effectiveness, competitiveness, transparency, fairness and reasonableness, transparency, and accountability. BRI is also guided by procurement ethics, among other things, avoiding and preventing waste and leakage of state/company finances; avoiding and preventing abuse of authority and/or collusion; and/or not accepting, offering, or promising to give or receive gifts, rewards, commissions, rebates, and anything else from or to anyone who is known or reasonably suspected to be related to the procurement of goods and services. [FS3] [FS9]

## Loan Disbursement

Broadly speaking, BRI's business portfolio consists of loans and deposits. Loan distribution is divided into several segments, including micro, consumer, small, medium, and corporate segments. Up to the end of reporting, loan distribution per segment and total deposits showed a significant growth. Compared to 2021, loan distribution in 2022 grew by 9.12% yoy. [SASB FN-CB-240 a.2] [FS6]

Loan is distributed with the precautionary principle by maintaining the non-performing loan (NPL) ratio. The NPL level at the end of 2022 was 2.82%, lower than in 2021 at 3.08%. However, the value was still below the threshold set by Bank Indonesia at 5%. [SASB FN-CB-240 a.2] [FS6]

Until the end of the reporting period, BRI's credit distribution was emphasized to the MSME segment with a value of Rp849.18 trillion or 82.46% of the total credit distributed at Rp1,029.80 trillion. This amount is in line with BRI's strategy for 2022 of building a conducive and innovative micro and medium

business climate as one of the most important pillars of Indonesia's economy. Loan distribution to MSME players is carried out through People's Business Credit (KUR) and Rural General Credit (KUPEDES). [SASB FN-CB-240a.1] [FS6]

Micro KUR is a financing facility for MSME players with a maximum credit limit of Rp100 million. Until the end of the reporting period in 2022, BRI financed 5,840,987 debtors with a value of Rp215.27 trillion, in which Rp132.08 trillion or 61.36% was distributed to MSME players in the production sector Rp83.19 trillion or 38.64% to the non-production sector. [GRI 203-2] [SASB FN-CB-240a.2]

In 2022, BRI also managed to increase Kupedes distribution by 2.68% yoy compared to 2021, with an outstanding value of Rp129,216 Billion. KUPEDES is a general credit to finance all economic sectors of the micro segment and can be used as working capital and/or investment for individual debtors who meet the requirements.







# Sustainable Bonds and Financing [B.1d][FS7][FS8]

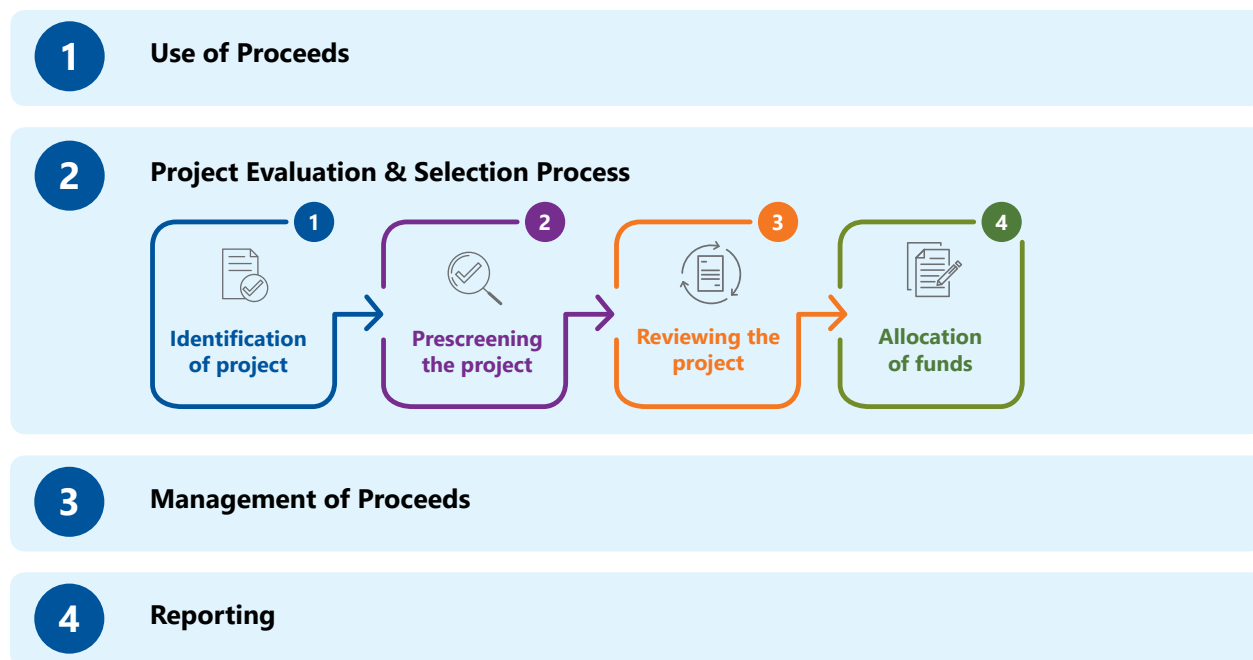


BRI continues to build innovations in developing a sustainable business through the ESG principles. BRI has issued BRI Bank BRI's Green Bond I with a target of raising funds of Rp15 trillion. In July 2022 the issuance of phase I Green Bonds was carried out and obtained proceeds of Rp5 trillion. BRI has implemented a series of processes to allocate green bond funds in accordance with provisions of Regulation of the Financial Service Authority Number 60 of 2017 on Issuance and Requirements for Environmentally Friendly Debt Securities.

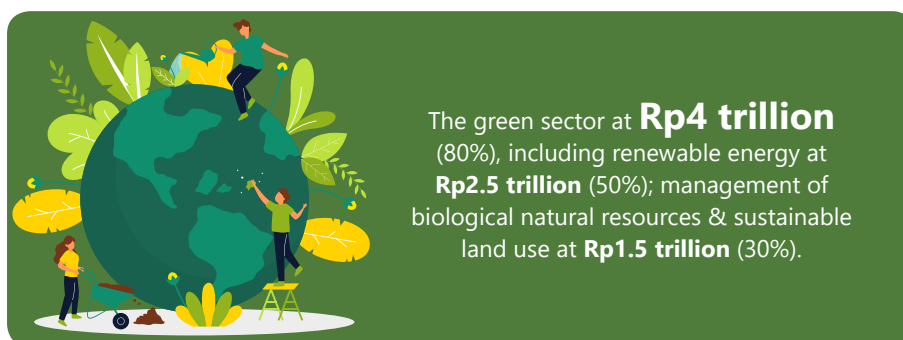
Series	Due Date	Coupon	Amount
A	July 30, 2023	3.70%	Rp2.5 trillion
B	July 20, 2025	5.75%	Rp2.0 trillion
C	July 20, 2027	6.45%	Rp0.5 trillion

BRI's Green Bond framework summary is as follows:

## Green Bond Framework Summary



Based on these regulations and frameworks, BRI has allocated at least 70% for business activities or other activities that are included in the criteria for environmentally friendly business activities (KUBL). The allocation for the use of bond proceeds since 2022 is as follows:

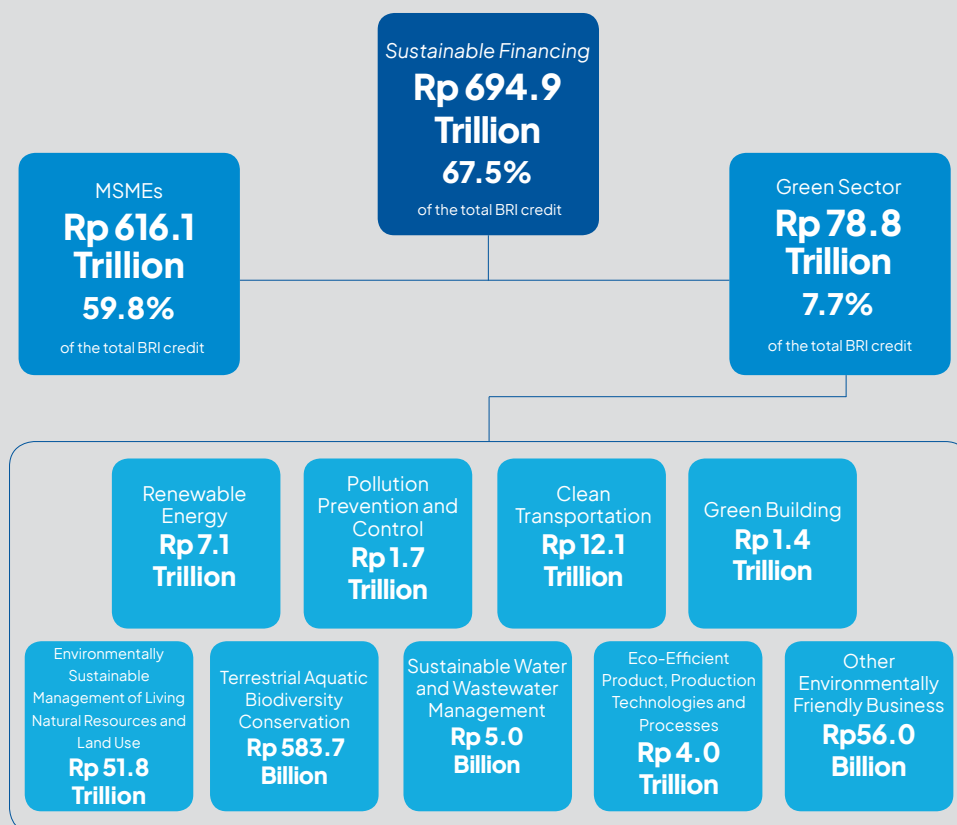


\* Impact reporting on BRI's green bonds can be checked in the appendix to this report.





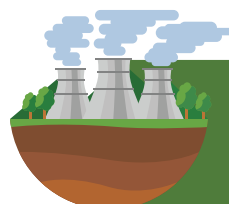
In addition, to strengthen BRI's position as a market leader in implementing the ESG principles. In 2022 BRI disbursed credit amounting to 67.5% of the total credit to the Sustainable Business Activities Category (KKUB). The figure increased by 13.1% yoy compared to that in 2021. Overall, BRI has distributed the KKUB loans to ten types of sustainable business activities, including: (1) micro, small and medium enterprises (MSMEs); (2) renewable energy; (3) pollution prevention and control; (4) management of living natural resources and sustainable land use; (5) conservation of terrestrial and aquatic biodiversity; (6) environmentally friendly transportation; (7) sustainable management of water and wastewater; (8) Eco-efficient Products; (9) environmentally sound buildings; and (10) other environmentally sound business activities.



In 2022 BRI contributed to new and renewable energy through credit distribution to hydro power plants amounting to 7.1 trillion. The figure increased by Rp1.5 trillion (27.1%) yoy compared to 2021. BRI accommodates the development of a new and renewable energy mix through hydro power plant projects because hydro power plants are one part of renewable energy sources. On the other hand, hydro power plants are an energy source whose supply is maintained, maintenance costs are relatively low, produces electricity without waste, and is an activity that is in line with sustainable business activities. Financing for non-renewable energy and new renewable energy sector debtors in 2022 is as follows: [\[GRI 203-1\]](#) [\[203-2\]](#)



**Rp 7.1 Trillion**  
New and Renewable Energy  
Financing (EBT)



**Rp 21.0 Trillion**  
Non-Renewable Energy  
Financing (Non-EBT)

# Sustainability-Linked Loan

The application of the environmental, social and governance (ESG) aspects in current business practices is no longer just an obligation, but has become one of the company's main strategies to carry out a sustainable and long-term business. BRI realizes that business practices that apply ESG ideally can create a shared value that not only benefits the environment and the people, but also the sustainability and performance of the company's business.

Sustainability-Linked Loan (SLL) is a manifestation of the financial benefits that BRI obtains through the implementation of the ESG. SLL is a loan framework that provides convenience and relief for borrowers who consider sustainable efforts in their business practices. Under the SLL scheme, companies are given incentives for their performance in achieving a series of sustainability performance targets (SPTs) in the form of setting preferential interest rates. Conversely, a margin penalty will be given if the company cannot achieve the SPT that has been determined.

On August 30, 2022, BRI managed to obtain a syndicated loan from domestic and international banks totaling USD 1,000,000,000 (full amount) facilitated by Facility Agent of PT Bank HSBC Indonesia and coordinated by UOB. Withdrawal of the loan was made 3 times as follows:

1. Facility A amounting to US\$ 200,000,000 (full amount) from 10 banks with a SOFR Compound interest rate and a loan term of 12 months from September 15, 2022 and will mature on September 15, 2023.
2. Facility B amounting to US\$ 300,000,000 (full amount) from 9 banks with a Compound SOFR interest rate and a loan term of 36 months from September 15, 2022 and will mature on September 15, 2025.
3. Facility C amounting to US\$ 500,000,000 (full amount) from 11 banks with Compound SOFR interest rate and a loan term of 48 months from September 15, 2022 and will mature on September 15, 2026.

BRI does not only use SLL as an instrument to reduce risks due to fluctuating financial conditions, but also to reinforce commitment as well as a reputation as a company that upholds sustainable business practices. Through SLL, BRI can measure the overall performance of the implementation of the ESG which then encourages the company to continue developing and improving these aspects in operational activities. SLL also becomes a forum for BRI in promoting its steps and performance progress regarding the implementation of ESG to the public, especially stakeholders, enabling it to indirectly boost the company's brand value.







SUSTAINABILITY  
REPORT  
2022

A large, abstract watercolor splash in various shades of green and light yellow occupies the left side of the page. On the far left edge, a portion of a person wearing a white shirt and a black face mask is visible.

# Managing Climate Change Risks





# BRI's Support for COP27 and Indonesia's Net Zero Emission Target by 2060

The Indonesian government took part in the 27th Conference of the Parties (COP27) forum in Egypt by reinforcing its commitment to implementing climate change adaptation plans. The main objective of the adaptation program is to reduce risks and vulnerabilities to climate change in multiple sectors. One of the steps taken is by reforming the budget, including creating various innovative funding schemes through the schemes of sustainability bonds, green bonds, sustainability linked loans, and financing to environmentally-friendly sectors. The government's priority is to support the net zero emissions (NZE) commitment target of 2060 or faster through the energy transition mechanism (ETM), which will accelerate the end of the operational period of coal power plants while building renewable energy (renewable energy/RE) as one of the main alternatives.

As a support for the commitment of the Indonesian government on the world stage, one of BRI's efforts is to participate in preparing the sustainable finance action plan (RAKB), which is approved by BRI's Directors and Commissioners. The objective/mission of BRI's sustainable finance action plan is to empower the communities and actively participate in protecting the environment. Formulation of the RAKB is under the responsibility of the Director of Compliance. BRI has also established an ESG Governance structure with the aim of directly monitoring the company's ESG performance and implementation through the establishment of Risk Management and Environmental, Social & Governance (ESG) Committee. The establishment of the Risk Management and ESG Committee is based on Decision Number 872-DIR/PPM/06 of 2022 dated 2 June 2022. [GRI 2-9] [TCFD Gov.a]

Other initiatives taken by BRI in support of NZE 2060 and COP27 include: [F.7]

- BRI has inaugurated BRILian Tower on Jl. Gatot Subroto Kav. 62 in South Jakarta with the green building concept. The tower has received a green certificate for the gold category from the Green Building Council Indonesia. Electricity savings generated by this tower reach 19.49%, while the emission reduction rate reaches 19.49%. The BRILian Tower also has an area of 3,132.72 meters of green open space;
- BRI has operated 50 electric motorbikes and 30 electric cars as operational vehicles for several regional offices in Indonesia. Not only that, as many as 80 electric cars are in the process of being procured and will be operational in 2023. BRI also provides one public electric vehicle charging station (SPKLU) as an electric charging station for electric vehicles at the Head Office.



> **30**  
electric car



> **50**  
electric motor

- BRI has established a Green Team, consisting of selected BRI employees who represent their Work Units and are partners of BRILian Ambassador of the Environment in implementing the green campaign. BRI Green Team has the following responsibilities:
  - Formulating and establishing a work program for internalizing employee culture related to the implementation of sustainable finance and the implementation of operational eco-

efficiency programs at BRI, hereinafter referred to as the Green Campaign with BRILiaN Duta Lingkungan (Environmental Ambassador);

- Playing an active role in disseminating the entire Green Campaign and the materials that have been obtained to all employees in each work unit;
- Reporting progress monitoring of campaign related to environmental issues to BRILiaN Duta Lingkungan;
- Implementing and running the Green Campaign program, which for the initial stage is Zero Waste to Landfill, Less Plastic Campaign, Less Paper, and Energy Efficiency Campaign in each work unit and the surrounding environment in accordance with the work program prepared;
- Mobilizing BRILiaN personnel to carry out the Green Campaign program related to environmental issues in accordance with the work plan that has been prepared.



- d. The paper-saving program called the "Let's Use Less Paper" and "Safe Paper for the Trees" programs. These two programs encourage limiting the number of paper supplies, printing on both sides of the paper, distributing documents in electronic formats, and optimizing digital-based services; [GRI 302-5]
- e. Electricity saving program called "We Care More Efficient" program. This program targets savings from the use of work unit lamps and computer equipment which are the responsibility of each

employee. The Lock & Shutdown My PC program also supports the movement of locking and shutting down computer devices after work is finished to reduce excessive electricity usage and prevent data theft;

- f. Efficient use of air conditioner BRI seeks to prevent and reduce pollution from office activities by implementing good environmental management through the concept of eco-office or green office and regulating air conditioning temperatures of +/- 24 degrees Celsius.





# Implementation Status of Task Force on Climate-related Financial Disclosures (TCFD)

The Task Force on Climate-Related Financial Disclosures (TCFD) has recommended a voluntary financial disclosure on climate to assist financial markets in understanding the opportunities and risks faced and how they are managed and monitored. Recommendations from TCFD define strategy, risk management, governance, and company metrics and targets as core elements in dealing with climate change. TCFD also recommends relevant disclosure guidelines.

The core elements of the TCFD recommendations are as follows:



Implementation of the four elements of TCFD recommendations in BRI's business is as follows: [\[F.26\]](#)

Governance	Strategy	Risk Management	Metrics and Targets
The Board of Commissioners actively oversees the implementation of Sustainable Finance through the Board of Directors-Commissioners Meeting.	BRI has completed the implementation guidelines and strategies for implementing sustainable finance as stated in the Directors' Circular Letter No. 52-DIR/ ESG/10/2022 concerning Sustainability Policies and Strategies, including BRI's sustainability strategy roadmap (2022-2026).	BRI has established an ESG risk policy for the palm oil sector and in 2022 issued a financing policy for a specific sector, pulp, and paper sector.	BRI has calculated emissions and classified its loan portfolio based on KUBL and THI.
The oversight of the Board of Directors is conducted through the ESG Committee, which is responsible for formulating the implementation, monitoring, and evaluation of ESG and TJSL strategies, policies, and initiatives.	Analyzing climate change risks and opportunities to prepare BRI's strategy in dealing with climate change risks.	In BRI's credit provisions, it has been determined that ESG analysis is information that is taken into consideration in the debtor's business analysis memorandum.	BRI has mapped the linkages of work units in the implementation of sustainability/ESG which will become part of the KPI and be aligned with the work unit's initiative strategy.
BRI strengthened the implementation of ESG aspects by reorganizing the ESG Desk into the ESG Division, which is responsible for the implementation of ESG and Sustainable Finance.	Implementing sustainable finance by preparing a Sustainable Finance Action Plan (RAKB), based on the mapping of the implementation of ESG aspects at BRI.	BRI has been selective in financing the fossil energy sector, such as oil and coal with sector limits. <a href="#">[FS2]</a> <a href="#">[FS5]</a>	

Governance	Strategy	Risk Management	Metrics and Targets
	Developing products with ESG aspects, such as loans and sustainable bonds.		
	Supporting the development of clean energy production, such as through financing for PLT Bayu or Microhydro, building a certified biodiesel plant from palm oil, and LRT development project. [GRI 203-1]		
	Increasing initiatives and programs that support Indonesia's net zero emissions target such as BRI Planting, developing green buildings, converting conventional vehicles to electric vehicles in BRI work units, etc.		

## Strengthening Climate Change Governance and Strategy [FS1]

BRI has implementation guidelines and strategies for sustainable finance which are listed in the Board of Directors Circular No. 52-DIR/ESG/10/2022 concerning Sustainability Policies and Strategies. This document simultaneously determines the responsible party and regulates the level of authority in implementing sustainable finance. In 2022, BRI reorganized the ESG Desk to become the ESG Division, which is responsible for the implementation of ESG and Sustainable Finance and is directly monitored by the Board of Directors through the ESG Committee. [GRI 2-23]

As one of the leading state-owned banks in Indonesia, BRI does not only focus on the transaction banking business, but also on providing credit facilities and financial solutions. Indirectly, the risk of climate change experienced by debtors can have an impact on loan repayment defaults. To minimize this, BRI actively participates in sustainable initiatives with financing that refers to the Loan Portfolio Guidelines (LPG). [GRI 2-12]

BRI's LPG regulates credit requirements, one of which is a checklist related to ESG aspects. ESG aspects are aspects that need to be confirmed in the "know your customer" (KYC) process. It will confirm whether the debtor has issues related to the environment, social, legal or litigation. The output of the KYC process is outlined in the business analysis memorandum (MAB) document. The following is the credit approval procedure carried out by taking into account the ESG aspects: [SASB FN-CB-410a.2] [FS15] [FS2] [FS7][FS8]





In implementing sustainable finance, the OJK requires banks to record and report financing portfolios based on the sustainable business activity category. To fulfill this obligation, BRI also adjusts the policy for extending credit to the green sector as stated in Circular Number 74-DIR/MPE/12 of 2020 dated December 30, 2020 on PT BRI (Persero) Tbk Green Sector Provisions. In credit distribution, BRI pays attention to environmental risks including the issue of climate change wherein the loan portfolio guidelines policy stipulates certification requirements or documents that show debtors or prospective debtors pay attention to sustainable business in the pre-screening process. Based on Circular Number SE.30-DIR/MPE/05 of 2022 dated May 23, 2022 on Loan Portfolio Guidelines (LPG), the requirements in the selection and evaluation process that involve mitigating environmental and social risks and meeting the General Acceptable Risk Criteria (KRD) are as follows: [SASB FN-CB-410a.2] [FS2] [FS5] [FS11]

- Comprehensive licensing in accordance with the prevailing regulations;
- Environmental management documents based on industry sector, including Environmental Management Efforts - Environmental Monitoring Efforts (UKL-UPL), Environmental Impact Analysis (AMDAL), environmental management permits/certifications including RSPO and ISPO for small,

medium, corporate debtors and PROPER for medium debtors and corporations in the oil palm plantation business sector;

- The results of a social impact study/analysis in which BRI is committed not to provide credit financing for businesses that damage the environment (negative/exclusion list), such as national parks, historical relics; does not support financing of land acquisition activities through violence; as well as not financing the debtor's activities and businesses that could damage the UNESCO World Heritage Sites.
- There is a sector limit which is the overall limit for credit placement in each industrial sector.

As an effort to improve the application of ESG aspects in the company's product and service elements, in 2022 BRI developed and issued a financing policy for the Pulp & Paper sector. Pulp & Paper has a risk of subsidence in peatlands and causes CO2 emissions. In addition, the risks of forest fires and haze are also the main risks for this sector. Reflecting on this risk, several criteria began to be developed and applied as mitigation and evaluation efforts. Through Circular Number SE.61-DIR/KRD/12 of 2022 dated December 19, 2022 on Specific Sub-Sector Financing Policies, the following are some of the policies that are applied to the pulp & paper sector: [FS1] [FS2]

- Application of green industry principles: industrial companies have policies that contain targets for saving/efficient use of raw material resources, energy, water, reducing CO2 emissions, and reducing waste (B3 and non-B3);
  - Waste Management: Liquid waste is filtered properly and recycled so that it can be used in further production. Exhaust Gas and Air Emissions must comply with the arrangement of quality standards for ambient and noise emissions and management of B3 waste in accordance with applicable regulations;
  - Greenhouse Gas Emissions: counting the total carbon emissions (CO2) from industrial activities, the company shows the efforts made to increase carbon sequestration in its work units, carbon soil management, restoration of native vegetation and eliminating burning practices;
  - The company has clear standard operating procedures (SOP) related to suppliers of wood raw materials or related to the legality of raw materials including not from burning land;
  - The company respects local community rights, health and clean water, resource diversion and scarcity, ecosystem services and potential impacts on livelihoods and smallholders in a structured manner;
  - Use of by-products in the form of black liquor. Black liquor can be utilized in an incinerator to generate steam and electricity as energy recovery.
- Prior to issuing policies related to the financing of the pulp & paper sector, BRI has issued the following ESG risk management policies for the palm oil sector: [\[FS1\]](#) [\[FS3\]](#) [\[FS5\]](#) [\[FS11\]](#)
- Protection of priority areas: land used does not convert, or must maintain, primary forest or high conservation value (HCV) of primary forest. The lands used have not been converted from primary forests or HCV since November 2005;
  - Greenhouse gas emissions: the land used is not a high carbon potential area. Debtors are also expected to demonstrate efforts to increase carbon sequestration, have procedures to remove oil palm from peatlands, eliminate forest burning practices, review and manage emissions, minimize inorganic fertilizers, and capture methane from palm oil waste to increase the use of factory renewable energy;
  - Production requirements: products comply with local, national, and international regulations. The company holds the legality to run business activities in the area;
  - Chemicals used: in accordance with the recommendation of the relevant agency and in accordance with standard operating procedures (SOP);
  - Pest control: developed with attention to environmental aspects of nutrient management, such as foliage testing, use of technology for fertilizer application, crop rotation, use of cover crops, and soil strip sifting;
  - Soil management: focus on soil productivity, soil biomass levels and carbon sequestration.
  - Water management: the company conducts a complete assessment of water resource requirements and the impact of water discharge taking into account the groundwater requirements for plants, and hydrological conditions;
  - Local and traditional communities: the company respects local community rights, provision of access to health and clean water, and resource diversion and scarcity;
  - Labor rights: the company exercises labor rights in accordance with local labor laws and actively regulates labor issues such as child labor, forced labor, freedom of association, and gender discrimination and equality; and [\[GRI 407-1, 408-1, 409-1\]](#)
  - Health and safety operations: the company has health and safety SOPs, adequate training, and accident prevention.





In addition to the criteria above, BRI also considers the company's performance rating program in environmental management (PROPER). BRI always monitors the customer's PROPER rating. If there is a downgrade from Blue to Red or Black, BRI will conduct special correspondence to oversee the customer's efforts to improve the rating to Blue, Green or Gold. In 2022, BRI provided financing for 59 customers with gold, green and blue PROPER categories. This figure increased by 9.26% compared to 2021. [SASB FN-CB-410a.2] [SASB FN-CB-550a.2] [FS3]

Since 2015, credit provision to plantation and forestry customers has been in accordance with the agreement issued by the government regarding the Land Clearing Moratorium. Therefore, BRI always explains to every customer from the two sectors that the loans provided cannot be used to finance the opening of new land. Afterwards, relevant divisions continue to supervise the implementation of this provision and correspond with the customers if there are matters that are not complied with by them.

Meanwhile, BRI has not conducted a special audit related to social and environmental risks. However, the company realizes the importance of carrying out an audit of the results of social and environmental risk analysis so that all BRI's operational activities can take place in accordance with the sustainable development goals. Implementation of this audit activity will be planned in the coming period. [FS9]

## Financing Review [FS2] [FS3] [FS5]

BRI carries out continuous reviews of each project financed. The results of the review are submitted periodically through internal mechanisms that are in accordance with BRI's channels. BRI also reports distribution of financing in accordance with the one-year framework. This report, which is released annually, presents an explanation of the number of assets that comply with the requirements based on the project category and the remaining balance from the results that are not distributed.

BRI has also developed a framework for measuring the risk of customer business activities. This framework is formulated based on the capacity, the commitment, and the track record of customers related to ESG and sustainability aspects. BRI conducts regular monitoring

and evaluation to ensure that customers apply the principles of sustainable finance at least once a year. One of the methods used is the visit method or site visit. Meanwhile, for companies that downgrade from Blue to Red or Black in the PROPER rating scheme, BRI conducts special monitoring and correspondence to assist customers in their efforts to regain Blue, Green or Gold ratings. Based on Decision of Board of Directors Number KU.01-DIR/KRD/11/2022 on Commercial Bank Credit Policies, PT Bank Rakyat Indonesia (Persero) Tbk (KPB BRI), supervision is carried out by reviewing credit documents submitted by the debtor. supervision is carried out by reviewing credit documents submitted by the debtor. [FS4] [FS11]

If BRI finds a customer or a debtor who does not meet the ESG requirements, BRI will request information or follow-up and review progress periodically. BRI will also observe and request information from customers if there are warnings, violations, or problems regarding ESG. BRI will also undertake necessary approaches, including portfolio management, alignment with regulations, and other approaches. The evaluation results are used to review the financing received by debtors. BRI will also take the necessary approaches including portfolio management, alignment with regulations, and other approaches. [FS2] [FS3] [FS5]

## Mapping Risks and Opportunities for Climate Change

[GRI 201-2] [GRI 2-24] [FS1] [FS2] [TCFD Gov. b, c] [TCFD Stratg. a, b, c] [TCFD Risk mgmt. a, b, c] [TCFD Metric. c]

Climate change brings an impact on banking business performance both directly and indirectly. The ongoing climate change will affect business performance and operational activities of customers, especially debtors; thereby, potentially reducing the ability of debtors to fulfill their obligations to repay bank loans. To that end, BRI needs to have the capability to analyze climate change risks faced by debtors, enabling them to measure the potential impact that will be felt by companies when providing loans. [GRI 3-3]

All issues related to climate change and other environmental issues are discussed in meetings of Board of Directors, Credit Committee, and ESG Committee, attended by Board of Directors, ESG Division, and the Committee Support Team according to their relevance. Matters discussed during the meeting included environmental issues such as climate change, which also affects the business conditions of BRI's debtors. BRI has not used the voting method based on share ownership, but instead uses the direct discussion method which results in a mutual agreement.

[GRI 2-12] [FS9] [FS12]

Since 2021, BRI has been mapping risks and opportunities from climate change. However, BRI has not yet carried out calculations on the financial implications or costs from the risks and opportunities from climate change as these risks and opportunities have an indirect impact on the company. Nevertheless, the bank is aware of the importance of analyzing financial value of risks and opportunities due to climate change. BRI is currently in the discussion stage regarding plans to develop a system for calculating financial implications and revenue projections from risks and opportunities due to climate change. [GRI 201-2] [FS10]







Results of mapping opportunities and risks of climate change are presented as follows: [GRI 2-23] [GRI 201-2] [FS10] [GRI 3-1]

Risk Type	Risk Driver	Likelihood of Risks	Description	Strategies to Respond to Risks
<b>Transition Risks</b>				
<b>Policy and Legal</b>				
Current Regulations	Regulation and supervision of climate-related risks in the financial sector	Likely	1. Risks that arise due to regulations related to climate change such as Regulation of the Financial Service Authority Number 51/POJK.03 of 2017 on Sustainable Finance and Law Number 16 of 2016 on Ratification of the Paris Agreement.	1. BRI is continuously making efforts to enhance the implementation of Sustainable Finance. The implementation of Sustainable Finance at BRI refers to the Financial Service Authority Number 51/POJK.03 of 2017 and Regulation of the Financial Service Authority Number 60/POJK.04 of 2017 on Sustainable Finance and Regulations that apply to debtors (risk regulations of prospective borrowers are also considered in the due diligence process).
			2. Risks arising from climate regulations for business actors.	2. BRI has a Loan Portfolio Guideline and loan sectoral policies in the palm oil and pulp & paper industries to support environmental issues and support customers in implementing sustainable practices.
				3. BRI has been selective in financing fossil energy sectors, such as petroleum and coal sector by applying limit sectors.
Legal	Lawsuits due to climate change	Likely	The risk that has the potential to arise is lawsuits related to climate change regulations in Law Number 16 of 2016 on Ratification of the Paris Agreement. The regulation relates to reducing national emissions.	BRI continues to provide guidance to all employees to improve their legal risk control competencies and comply with all regulations related to climate change.
<b>Technology</b>				
Technology	Replacement of existing services and products with lower emissions	Likely	Technology risk is likely to bring strategic and substantive impacts on a company's business. The resulting indirect impact is asset impairment and asset depreciation due to technological changes caused by replacement of existing services and products with lower emission.	<ol style="list-style-type: none"> <li>1. Information technology (IT) development is one of BRI's focuses. Development of this system leads to a transformation towards digital banking for various products and services. Through BRI hybrid banking, BRI becomes the first to provide self-service banking in Indonesia. BRI also brings technology-based services to remote areas in Indonesia such as BRILink and CRM agents. BRI has also realized its commitment to improve operational efficiency by saving on paper use through Green Campaign.</li> <li>2. In response to emerging issues related to digitalization, BRI has established a Digital Risk Division.</li> </ol>

Risk Type	Risk Driver	Likelihood of Risks	Description	Strategies to Respond to Risks
<b>Transition Risk</b>				
<b>Market</b>				
Market Condition	Changes in customer preferences	Likely	Market changes arise due to changes in customer or customer preferences for products with lower emissions. This risk can result in lower demand for products offered by the company that has the potential to result in drop in revenue.	BRI always strives to develop ESG-based products. BRI implemented initiatives, including: launching a Green Bond of IDR 5 trillion, conducting green funding-based financing, and establishing criteria for the green sector. In addition, BRI has also made loan requirements for the palm oil sector and in 2022 has issued a financing policy in a specific sector, namely pulp & paper. This policy is regulated in Circular Letter Number: SE.61-DIR/KRD/12/2022 dated 19 December 2022 concerning Specific Sub-Sector Financing Policies.
Credit	Inability of the debtor to repay the loan.	Likely	Risks resulting from the impact of climate change affecting debtors' businesses and increasing BRI's credit risk. [FS2]	BRI conducts a selection and evaluation process that involves mitigating environmental and social risks. BRI also adjusts its lending policy, especially by analyzing environmental and social aspects in financing and taking these aspects as consideration in loan approval.
<b>Reputation</b>				
Reputation	Negative publication of support for activities or projects that have a negative impact on the climate.	Likely	Reputation risk is caused by negative publication of BRI's business activities or negative perceptions of the bank regarding compliance with climate change regulations.	BRI distributes financing (loan) according to the Loan Portfolio Guidelines (LPG) provisions listed in the Acceptable Risk Criteria (KRD). The KRD BRI regulates provisions related to additional requirements for business activities that have an environmental and social impact, namely palm oil, pulp & paper, and green sector provisions. BRI expects that through the ESG Division, BRI will fulfill all regulations related to climate change. The Corporate Secretary Division has the duty and responsibility to handle negative information. The reputation risk management process is contained in the job description and the Corporate Secretary Division Operations Manual.





Risk Type	Risk Driver	Likelihood of Risks	Description	Strategies to Respond to Risks
<b>Physical Risks</b>				
Acute and Chronic Physical	Increased severity and frequency of extreme weather events such as hurricanes and floods.	Likely	1. Acute and chronic physical risks bring impacts on the company's business and the company's debtors. Increasing severity and frequency of climate disasters can also affect the location and operations of the company.	1. BRI will conduct a mapping of physical risks and perform Climate Change Scenario Analysis in order to develop risk mitigation for the company's business and operations;
			2. Geographically, Indonesia lies in the equator prone to disasters such as drought, floods, and forest fires. At the same time, there are also plate meeting conditions that can potentially cause landslides, earthquakes, and volcanic eruptions. BRI, which is a bank with the widest and largest work unit, has the potential to be affected by operational risk and credit risk due to physical risk from climate change.	2. Business Continuity Management, Occupational Health and Safety, building insurance and routine outreach, as well as disaster simulation;
				3. Implementation of green & smart buildings in BRI's new operational buildings.

Types of Opportunities	Opportunity Causes	Likelihood of Opportunities	Description	Strategies for Realizing Opportunities
Products and Services	Increased diversification of financial assets (eg, green bonds and infrastructure).	Very Likely	Changes in customer or customer preferences for lower emission products provide opportunities for the company to increase diversification of financial assets. One of them is by issuing bonds that have an ESG objective so they can qualify as green bonds and attract investors who have an interest in and focus on ESG issues.	BRI makes the most of changes in customer preferences who not only want to gain financial benefits, but also have a positive impact on the environment by issuing green bonds) in 2022.  In July 2022, the issuance of phase I green bonds was carried out and obtained proceeds of Rp5 trillion.
Technology	Use of new technology	Very Likely	The digital era provides various opportunities for BRI to develop digital-based products and services. Moreover, this is a special attraction and suitable for the pandemic situation. Digitalization also has the potential to support emission reductions and reduce paper use.	BRI has also established a digital ecosystem platform that includes various services to customers as well as operational activities that can be carried out by employees. In the era of the COVID-19 pandemic, digitalization carried out by BRI was one of the answers to customer needs. BRI also continues to promote digitalization activities as an emission reduction initiative. As a result, BRI's digitalization activities have prompted avoided emission by 1.225 tonnes CO <sub>2</sub> eq in 2022.

Types of Opportunities	Opportunity Causes	Likelihood of Opportunities	Description	Strategies for Realizing Opportunities
Market	Improvement in Rating by Sustainability Index or ESG	Likely	Corporate disclosure of ESG aspects provides an opportunity to improve ratings by external rating agencies. There are also opportunities to obtain investment funds from investors who have an interest in and focus on banks with sustainable performance and transparency regarding ESG disclosures.	BRI is aware of the importance of transparency in ESG disclosure by issuing annual sustainability reports using the Global Reporting Initiative (GRI) standards, POJK 51, SUSBA, SASB, TCFD, and Sustainable Finance Action Plan Report. One of the achievements is BRI's inclusion in the IDX ESG Leaders index launched by the Indonesia Stock Exchange since 2020. BRI has also been included in the SRI-KEHATI index since 2009.
Energy Sources	Use of energy sources with lower emissions.	Likely	The sustainability factor in terms of the use of low-emission energy sources is one of the factors that investors are increasingly considering. This becomes an opportunity for the company to make a positive impact on the environment through the company's operations.	BRI has a target to become a green office. To that end, BRI continues to make efforts to implement good environmental management in the office environment. The strategies implemented include holding a green campaign, one of which promotes energy efficiency. The initiative made is to use low-emission energy sources such as LED lights and solar panels. Formulation of the ESG Roadmap was also carried out to support BRI's commitment to achieving emission reductions in accordance with Law Number 16 of 2016 concerning Ratification of the Paris Agreement and Regulation of the Financial Service Authority Number 51/POJK.03 of 2017 on Sustainable Finance.

## Climate Change Scenario Analysis [TCFD Stratg. c] [TCFD Metric. c]

In accordance with the TCFD recommendations, BRI uses a scenario analysis to assess the potential impact of climate change on organizational resilience and readiness for climate change. TCFD requires companies to define at least two scenarios to assess the company's impact on climate change, namely a scenario of 2°C or lower. On this basis, BRI has developed two relevant scenarios to form a holistic view of future possibilities. The two scenarios are the 2°C aligned scenario and the high emission scenario.

As an initial step in integrating the TCFD guidelines, in 2022 BRI developed scenarios used in transition risks by using scenarios designed by the International Energy Agency (IEA) and the Network for Greening Financial System (NGFS), as well as the Intergovernmental Panel Climate Change (IPCC) scenario for physical risks.

This scenario analysis was worked on when this sustainability report was prepared. It is hoped that from the scenario analysis, BRI can develop coping strategies, make decisions, and explore how climate change can affect the company's business and financial strategy.





# Energy Use

[GRI 302-1] [GRI 302-2] [GRI 302-3] [GRI 302-4] [F.7]

BRI is aware that in carrying out operational activities, it certainly requires energy consumption to support smooth operation such as electricity for office activities and fuel for operational vehicles. Although various banking operational activities do not use excessive energy, BRI has made this topic one of the priority topics within the company. BRI has multiple strategies to reduce energy use in office operations. [GRI 3-3]

BRI's maximum energy management strategy can also be useful in reducing carbon dioxide gas emissions (greenhouse gasses). Some of the means taken to support efficiency of electricity use are as follows: [GRI 3-3]

- 1 Application of a work culture that saves electricity when there is no work activity
- 2 Use of energy-efficient LED lamps
- 3 Setting elevator operating hours at the office
- 4 Operation of electric vehicles for operational activities

The bank's efforts to save fuel consumption for operational vehicles are carried out by limiting service life of operational vehicles and carrying out periodic maintenance, making fuel consumption more efficient. BRI also calls for the use of environmentally friendly non-subsidized fuel. By implementing this method, it is hoped that the volume of fuel consumption for operational vehicles can be controlled. Regarding renewable resources, BRI has started operating 30 electric cars and 50 electric motorbikes. To evaluate the use of electric vehicles, BRI is currently identifying energy savings resulting from these practices. [GRI 3-3]

Moreover, to increase transparency of energy use, BRI has initiated activities to record energy use in each work unit. It is hoped that this measure can be applied to all BRI work units, enabling the company's energy records to be more accurate. During the reporting period, BRI is still in the process of determining the baseline year, therefore the comparisons are made with 2021. The methodology and conversion factors used in energy calculations come from the Ministry of Energy and Mineral Resources. BRI has not yet identified a reduction in the energy required for products and services sold, on the other hand BRI has carried out a financed emission calculation. [GRI 3-3, GRI 302-1, 302-2, 302-3, 302-4, 302-5]



**Fuel Use**  
(Liter)

**44,922,960**

**2022**



**Electricity Use**  
(kWh)

**404,925,311**

**2022**

In 2022, the energy intensity per worker was 26,078 MJ, an increase of 1.43% compared to 2021. This increase was due to the resumption of normal operational activities (Work From Office). Despite the return to normal operations, BRI has implemented various energy efficiency programs and efforts to control energy usage. The types of energy included in the intensity ratio are fuel and electricity and the energy consumption was within the organization. The total number of employees calculated for energy intensity also includes. Overall data on fuel use is obtained from the company's financial report data, as well as from recording energy use that has begun to be implemented in several work units. In addition, BRI does not have energy that can be sold to the public and there was no consumption of heating, steam, and BRI has not identified fuel consumption from renewable resources.

[GRI 3-3, 302-1, 302-2, 302-3, 302-4, 302-5]

## Water Use [F.8]

One of the natural resources used by BRI in various operational activities is water. Water is essential for operational activities to meet the needs of various facilities such as houses of worship, pantries, toilets, canteens, and others. BRI also realizes that clean water sources are increasingly limited, so it implements a water saving policy by providing recommendations for using water sparingly and wisely. To anticipate leaks, water becoming cloudy, or other major damage, BRI regularly checks water installations.



One of methods adopted by BRI in achieving sustainability is by preserving the environment. To that end, BRI does not use groundwater or river water to prevent water stress. Instead, BRI uses the services of third parties in terms of water collection, PDAM, and PAM Jaya, which comply with the Indonesian National Standard (SNI) regarding the provision of clean water quality that is safe for use in offices. In 2022, BRI recorded a decrease in the intensity of water use by 2%, dropping to 16.49 m<sup>3</sup>/employee compared to that in 2021 at 17.20 m<sup>3</sup>/employee. Outsourced employees are also included in the calculation. Meanwhile, the cost of using water in 2022 is Rp 22, 778,576,488,-.

## Paperless Campaign

BRI continues to improve efficiency of paper use through digital transformation that the company continues to develop. One of the methods that BRI implements is by using an integrated information system for the benefit of customers and for BRI itself, supported by apps that can support operational efficiency.

The following are several paperless applications developed by BRI:

1. e-Tax, an online tax reporting service for customers. BRI is the first banking institution in Indonesia to use a similar application;
2. e-Form, an online form to replace paper-based service methods for frontline employees in BRI work units;
3. e-Statement, a service that provides information to customers via a registered email address;
4. New Account Swap, a system that functions to link loan and current account accounts to assist customers in managing loans and business transactions at the bank;
5. Automated Teller Machine (ATM) without printed evidence;
6. BRISPOT, an Android-based app connected via the internet that allows the process of submitting, analyzing and making micro-loan decisions to be carried out online so that it is faster, easier, and paperless.
7. MY BRI, an Android-based application and connected via the internet that allows consumer loan decisions to do in place so it's faster and paperless;
8. BRISStars, an internal BRI app that includes e-office features as a means of online correspondence and other staffing menus;
9. BRISMART, an online learning management system application used by BRI employees.
10. BRIOPRA (Digital Operation Risk Management Information System), an app used to identify and manage BRI risks. This risk management tool includes Risk and Control Self Assessment (RCSA) modules, Key Risk Indicators (IRU)/Key Risk Indicators (KRI), Incident Management (MI), MR Forums, and Maturity.
11. BRISIM (Digital Management Information System), an app for presenting BRI performance data and information in a web-based form and can be accessed via mobile phones and/or tablets. BRISIM





is expected to provide convenience in monitoring performance anywhere and anytime when outside the office.

12. BRIMEN (BRI Document Management System), a concept whereby credit documents are stored in electronic form in the system, while physical documents are stored in 1 place that is centralized, standardized and integrated with the system.

With various savings measures made, paper consumption in the company's operational activities has shown a downward trend. Based on financial report data for 2022, paper use per employee reached 17.31 kg. This number has decreased compared to 2021 which amounted to 17.32 kg. During the reporting period, there was no separate recording of the use of recycled input materials and no use of reclaimed products. Meanwhile, the cost of using paper in 2022 is Rp169,955,232,053,-.[GRI 305-6]

## Waste Management [F.13] [F.14] [F.15]

As a banking entity that prioritizes improving environmental performance and supporting a circular economy, BRI has established a waste management, covering the stages of sorting, disposing, collecting, transporting, and processing whose implementation is regularly monitored.

Titled "Zero-Waste to Landfill" program, BRI has a vision to apply this program to all work units so that it can produce avoided emissions. The program is a waste management model by reducing the accumulation of office waste, where waste will be reused or recycled so that no waste ends up in the final disposal site (TPA) and pollutes the environment. [B.3]

In its management, BRI classifies waste into four categories, including:

1. Organic
2. Paper
3. Plastic, Glass, Metal
4. Residue

BRI also organizes a campaign entitled BRILiaN Green Day, which is an initiative once a week in which BRILiaN personnel are required to use personal tumblers and cutlery so production of plastic packaging waste or used food and beverages will also be reduced. During the COVID-19 pandemic, the use of disposable masks certainly increased dramatically. As a company with a large number of members, BRI realizes that disposable mask waste can pose a threat to the environment. To reduce the amount of waste from disposable masks, BRI took the initiative to process non-infectious mask waste into usable items such as basins, flowerpots, and others by providing mask waste drop boxes at several points in the head office. There were no waste spills during the reporting period. [B.3] [F.15]



# Greenhouse Gas Emissions

[GRI 305-1] [GRI 305-2] [GRI 305-3] [GRI 305-4] [GRI 305-5] [GRI 305-6] [GRI 305-7] [F.11]

BRI demonstrated real action as the first national bank to start an inventory of financed emissions. Financed emissions are emissions resulting from financial services, investments, and loans by companies that provide financial services. Financed emissions are included in GHG emissions of Scope 3, category 15 of the Greenhouse Gas Protocol (GHGP). BRI plays an active role in controlling greenhouse gas emissions (GHG) – one of the gasses resulting from the use of fossil fuels (fuel, gas and coal), both for operational activities and for transportation activities. Consumption of electricity, fuel, and the intensity of business travel transportation produces GHG emissions with a volume that is directly proportional. Therefore, BRI adopts a GHG emission management approach that is similar to the approach used to manage energy consumption by implementing the policy of saving electricity consumption, efficiency in the use of operational vehicles, and managing the intensity of business trips. [GRI 3-3] [GRI 305-4] [GRI 305-5]

In 2022, BRI once again showed concrete action in managing GHG emissions by starting to inventory scope 3 GHG emissions, namely financed emissions. The calculation and reporting of financed emissions refers to The Global GHG Accounting and Reporting Standard, The Partnership for Carbon Accounting Financials (PCAF) standards and Science Based Target Initiative (SBTi). In addition to category 15 - Investment, BRI has also identified and calculated three (3) other scope 3 categories, namely purchased goods and services (category 1), waste generated in operations (category 5) and business travel (category 6). [GRI 3-3] [GRI 305-3]

In tackling waste, BRI has implemented the Zero-Waste to Landfill program in the BRI Head Office area since August 2022 and since then BRI has been calculating avoided emissions as a result of implementing this program.

## What Gets Measured, Gets Managed

Scope 3 Emissions 2022

Financed emissions 2022 of 11,115,719 ton CO<sub>2</sub>eq

### Based on Asset Class



**434,816**  
ton CO<sub>2</sub>eq  
Bond Investment



**6,671,611**  
ton CO<sub>2</sub>eq  
Business Loans



**381**  
ton CO<sub>2</sub>eq  
Listed Equity



**3,872,508**  
ton CO<sub>2</sub>eq  
Electricity Generation  
Project Finance



**136,403**  
ton CO<sub>2</sub>eq  
Commercial Real Estate

### Based on Sector

**222,456** ton CO<sub>2</sub>eq  
Agriculture, forestry  
and fishing

**94,265** ton CO<sub>2</sub>eq  
Construction

**7,141,849** ton CO<sub>2</sub>eq  
Electricity, gas, steam and  
air conditioning supply

**1,744** ton CO<sub>2</sub>eq  
Finance and insurance

**2,487,438** ton CO<sub>2</sub>eq  
Manufacturing

**1,027,462** ton CO<sub>2</sub>eq  
Mining and quarrying

**136,403** ton CO<sub>2</sub>eq  
Real estate

**4,103** ton CO<sub>2</sub>eq  
Transportation and  
storage





Emission and climate-related information of a non-financial information is relatively difficult to measure compared to its financial information. However, BRI realizes that the management of measurable metrics is critical to identifying the impact of climate change risks and opportunities. BRI is committed to measuring and managing climate change risks and opportunities in a transparent manner and always provides improvements in realizing its net zero commitment. Furthermore, BRI will execute target setting by formulating a transition plan and customer engagement plan to achieve this target. [GRI 3-3]

Overall, BRI's GHG emission management strategy refers to the GHG emission reporting standards with general calculations based on the operational control approach from ISO 14064. Emission calculations are calculated using the 2006 Intergovernmental Panel on Climate Change Guidelines (IPCC) calculation methodology which was updated in 2019. The electricity emission factor uses the emission factor issued by the Directorate General of Electricity of Ministry of Energy and Mineral Resources for 2020 and the fuel emission factor uses the emission factor issued by the Ministry's Oil and Gas Institute for 2021. Meanwhile, other emission sources use emission factors agreed by the IPCC. The gas included in BRI's emission calculations is CO<sub>2</sub> so that the Global Warming Potential (GWP) level used is 1 (CO<sub>2</sub> equivalent). The consolidation approach used is financial control and operational control. [GRI 3-3] [GRI 305-1] [GRI 305-2] [GRI 305-3] [GRI 305-5] [TCFD Metric. a, b]

In this report, BRI calculates the total emissions at all branch offices in Indonesia, but the baseline of emissions is still in the process of being determined. Ozone Depleting Substances (ODS), biogenic emissions, NO<sub>x</sub>, SO<sub>x</sub>, VOC (volatile organic compound gasses), PM (Particulate Matter), and other significant air emission contributing gasses have not been taken into account in this calculation. [GRI 305-1] [GRI 305-2] [GRI 305-3] [GRI 305-5] [GRI 305-6] [GRI 305-7]

Regarding the intensity of GHG emissions, BRI uses the Work Units and employees as denominators and the intensity is calculated in total for scope 1 and scope 2. Scope 3 intensity is still in the development process. The gas included in the intensity calculation is CO<sub>2</sub>. [GRI 305-4]

Reducing GHG emissions has always been BRI's main initiative as an effort to support the achievement of NZE 2060. One of the emission reductions identified is the implementation of green buildings. BRILian Tower is measured to have achieved electricity savings and reduced CO<sub>2</sub>e emissions by 19.49% (scope 2). The methodology used conforms to the Green Building Council Indonesia gold category certification criteria. BRI has not yet identified GHG emission reductions in other gases as well as the baseline year is still in the determination process. [GRI 3-3] [GRI 305-5]

### Scope 1 emission (Ton CO<sub>2</sub>e)



#### Mobile & Stationary Combustion

2022	126,515
2021	114,108
2020	111,729



#### Fugitive & Refrigerant

5,720  
2022

### Scope 2 emission (Ton CO<sub>2</sub>e)



2022	360,135
2021	320,066
2020	332,241

# Avoided Emission [GRI 3-3]

## Avoided Emission Through BRI Menanam Program

In supporting the Indonesian government's commitment to maintaining climate resilience, BRI launched a program entitled "BRI Menanam". BRI Menanam is BRI's business in raising awareness for customers of climate change. This program is manifested through the distribution of productive tree seedlings or fruit plants to customers who make credit disbursements. BRI gradually distributed productive tree plantations that are expected to have a positive impact on economic, social and environmental aspects.

13 CLIMATE ACTION



The BRI Menanam initiative also supports the company in implementing the 3P (pro people, pro planet, and pro profit) concept. This program is also one of BRI's contributions in supporting the achievement of sustainable development goals (SDGs) in Indonesia and the application of environmental, social, governance (ESG) principles at the company.

In 2022, the BRI Menanam program succeeded in reaching 2,196 villages across Indonesia. The number of tree seedlings distributed reached 680,848 tree seedlings. Around 363,153 thousand seedlings were distributed to village lands and 317,695 seedlings to BRI People's Business Credit (KUR) customers.

In addition, BRI Menanam also distributes tree seedlings to urban areas where land is more limited by implementing the concept of urban farming. Until the end of 2022, as many as 100,000 packages of horticultural seeds had been distributed to 1,000 PNM Mekar (Fostering a Prosperous Family Economy) groups in the Capital Jakarta.





BRI targets 1.75 million tree seedlings to be distributed by 2023. The distribution of tree seedlings was carried out by 799 units, 236 branch offices and 17 BRI regional offices in various regions in Indonesia. Types of plant seeds provided are productive tree species, so apart from being able to absorb carbon, they can also provide added value to the communities because the fruit can be consumed. Several types of tree seeds that have been distributed include durian, mangoes, avocados, guava, orange, and other tree species.

### Avoided Emissions Through the Zero Waste to Landfill Program

Based on the ESG spirit, BRI has calculated avoided emissions from the waste management program that has been running since the month of August 2022. The total waste that is reused or recycled reached 237,957.50 kg equal to avoided emissions of 164 ton CO<sub>2</sub>e. Improved BRI waste management has resulted in reduced monthly average greenhouse gas emissions associated with organic, paper, plastic, metal and glass waste by 85%.

### Avoided Emissions from Digital Products and Services

The COVID-19 pandemic has caused changes in people's behavior patterns as they are now carrying out most of their activities through digital platforms. This has indirectly brought the potential to support emission reduction measures. In implementing the ISO14064 GHG Footprint Standard method, emission calculations for customers are carried out by comparing customer behavior patterns when conducting transactions at branch offices with customers transacting through digital platforms. BRI also distributed questionnaires for a digitalization survey to customers to see the types of customers in 2022. Information obtained from the questionnaire includes the customer's average distance to the nearest ATM or BRI work unit, type of vehicle used, fuel efficiency level of the majority of vehicles used, and the average use of smartphones selected as an applicable solution for customers' daily transactions, as well as a solution to save emissions. [GRI 305-3] [F.12]

Service Type	Transaction Frequency (in thousands)	Avoided Emission (kg CO <sub>2</sub> e)
BRImo	1,825,397	352,871
Merchant BRI	3,303,342	638,576
BRIMOLA	8,541	1,651
BRILink	1,078,040	208,398

\*Data source: company analysis

### Kaseya: Shutdown with Prompt

Is an automatic shutdown procedure by popping up a confirmation prompt twice, so that the user is given the option to turn off or not turn off the computer. The target of this program is to turn off PCs that are still online after working hours, therefore it will increase the efficiency of BRI's electricity usage











SUSTAINABILITY  
REPORT  
2022

The background of the cover features a watercolor-style illustration. On the left side, there is a vertical strip showing a person's arm and shoulder in a green polo shirt with a white lion logo. The rest of the background is a large, abstract watercolor splash in shades of purple and blue, set against a light cream-colored background.

# Empowering People





# Social and Environmental Responsibility (TJSL) – Community Development and Engagement [FS13] [FS14] [B.3]

As an agent of development, BRI through its work units throughout Indonesia is strongly committed to sustainable development by providing economic, social, and environmental benefits through the BRI Peduli TJSL program. [GRI 3-3]

The program has a vision of making the company “At the forefront of corporate social responsibility practices to provide sustainable value and benefits for stakeholders”. This vision is realized through three main missions, including:

- Carrying out corporate social responsibility to support BRI’s business with good, planned, strategic, broad-based and sustainable governance and management;
- Creating blended values for BRI and its stakeholders; and
- Enhancing the reputation of BRI among stakeholders.

Implementation of the BRI Peduli for Social and Environmental Responsibility program refers to Regulation of Minister of SOE Number: PER 06/MBU/09 of 2022 dated September 8, 2022 on Amendments to Regulation of Minister of SOE Number Per-05/MBU/04 of 2021 on Social and Environmental Responsibility Programs for State-Owned Enterprises.

The program is implemented on 3 three pillars, namely the social pillar, the economic pillar, and the environmental pillar, and is optimally managed based on the legal pillar with the main objective referring to the Sustainable Development Goals (SDG). BRI is also guided by the Triple Bottom Line concept, namely Pro People, Pro Planet, and Pro Profit to align social values with the company’s business values and to be in line with BRI’s Environmental, Social, Governance (ESG) strategy.



To make the program more focused and structured, BRI classifies it into 3 three forms, namely social contribution, community investment, and commercial initiative. The focus of the implementation and determination of the budget for the three forms of the program are adjusted to the current needs of the people. The company understands that 2022 is the year of economic recovery following the COVID-19 pandemic so the social and environmental responsibility budget is focused on the social contribution program to directly help the affected communities.

## Award

With an unequivocal commitment to environmental preservation and community development, BRI always presents excellent programs that can bring a significant impact. This commitment has also earned the company recognition and multiple awards for the implementation of TJSL, from both the government and independent parties. In 2022, through the BRI Peduli TJSL program, the company won a number of awards, among others:

No	Award	Organizer
1	TJSL & CSR Award 2022 Pilar Sosial #Star 5	BUMN Track
2	TJSL & CSR Award 2022 Pilar Ekonomi #Star 5	BUMN Track
3	TJSL & CSR Award 2022 Pilar Lingkungan #Star 4	BUMN Track
4	The Most Consistent State-Owned Bank in Implementing Integrated CSR on The River Conservation Program	Bisnis Indonesia
5	TOP CSV Award 2022 untuk program CSV BRI Woman Communi-Tree	InfoBrand
6	TOP CSV Award 2022 untuk Program CSV BRI Woman Empowerment	InfoBrand
7	Anugerah CSR 2022 Kategori Pendidikan	REPUBLIKA.co.id
8	Best TJSL 2022 with Outstanding Community Development and Transformation MSME Support Kategori Financial Services	WartaEKonomi.co.id
9	Nusantara CSR Awards 2022 The Best CEO CSR of The Year	La Tofi School of Social Responsibility
10	Nusantara CSR Awards 2022 The Best CSR of The Year	La Tofi School of Social Responsibility
11	Nusantara CSR Awards 2022 Kategori Pemberdayaan Ekonomi Komunitas Program Women Empowerment	La Tofi School of Social Responsibility
12	Nusantara CSR Awards 2022 Kategori Pengembangan Desa Wisata Program Desa Brilian	La Tofi School of Social Responsibility
13	Nusantara CSR Awards 2022 Kategori Peningkatan Mutu Pendidikan Program (Ini Sekolahku) Sekolah Tapal Batas	La Tofi School of Social Responsibility
14	Nusantara CSR Awards 2022 Kategori Pelibatan Komunitas dalam menangani Sampah Program Bank Sampah	La Tofi School of Social Responsibility
15	Nusantara CSR Awards 2022 Kategori Peningkatan Mutu Kesehatan Program Stunting Itu Penting	La Tofi School of Social Responsibility
16	Nusantara CSR Awards 2022 Kategori Pemberdayaan Penyandang Disabilitas Program Pelatihan dan Magang bagi Penyandang Disabilitas	La Tofi School of Social Responsibility
17	Anugerah CSR IDX Channel 2022	IDX Channel



Empowering  
People



## BRI Peduli TJSL Program [GRI 3-3] [F.25]



### Social Pillar

Realization worth Rp197 billion

Contributing in fulfilling basic human rights in a fair and equal manner to improve standard of living and welfare of the whole community.



The implementation of the TJSL program under the Social Pillar is intended as a manifestation of contributions towards the fair and equal fulfillment of basic human rights in order to improve standard of living and welfare of the entire community. This pillar supports the fulfillment of the SDG 1-No Poverty, SDG 4-Quality Education, SDG 5-Gender Equality, and SDG 8-Decent Work and Economic Growth. Throughout 2022, BRI has disbursed assistance worth Rp197 Billion to the communities through the implementation of various flagship programs in the social sector, including: [GRI 203-1]

### 1. Ini...Sekolahku!!! (This is...My School) Program BRI Peduli Sekolah Tapal Batas (BRI Peduli Boundary School) [GRI 203-1, 413-1]



Education is one of the priority sectors in the implementation of the BRI Peduli TJSL Program. BRI believes that quality of education greatly influences the results that are obtained. Good quality education will produce the next generation who are strong and able to make the best contribution to the nation. Through this program, BRI seeks to provide solutions to a host of problems that hinder the teaching and learning process, namely lack of quality supporting infrastructure for teaching and learning.

BRI provides aid in the form of school renovation to 15 schools located in 3T regions (frontier, outermost and remote regions) in Indonesia. This program focuses on improving school infrastructure that is no longer feasible to support the teaching and learning process so that it is expected to provide a comfortable learning space for both students and teachers alike.



Before



After



The year 2022 marked the second year of the implementation of the BRI Peduli Ini...Sekolahku!!! program, with an increased number of schools being assisted compared to the previous year. Moving forward, BRI will continue to carry out this program on an ongoing basis and expand its coverage to an even greater number of schools in Indonesia, contributing to the improvement of educational quality throughout the country.

## 2. BRI Peduli Tanggap Darurat Bencana (Disaster Emergency Response)



In 2022, a number of natural disasters hit several regions in Indonesia. As part of BRI's concern and contribution, BRI carried out disaster emergency response activities to assist victims through all its work units. BRI has a disaster emergency response team consisting of BRI employees throughout Indonesia, named Tim Elang, whose job is to report on the condition of BRI's assets and operations, the condition of BRI employees and their families as well as the distribution of assistance from the BRI Group.

The disasters that occurred in several regions of Indonesia in 2022 include the earthquake in West Pasaman, the eruption of Mount Semeru, floods in several areas, and the last was an earthquake in Cianjur Regency. Tim Elang, which is the BRI disaster emergency response task force, immediately rushed to the site to identify conditions in quake-affected areas, coordinated with related parties, and prepared the necessary relief. The initial relief provided was in the form of ready-to-eat food, medicines, basic necessities, and other logistical needs. BRI also established a disaster post as a center for information and coordination with other parties as well as facilitated management and distribution of logistical assistance.



## 3. Training and Internship Program for People with Disabilities [GRI 413-1]



As a concrete manifestation of its concern for people with disabilities, BRI organized training and internship programs for individuals with disabilities. This program aims to provide opportunities for people with disabilities to enhance their knowledge and skills, thereby increasing their self-confidence and independence in social life. Selection of interns with disabilities was carried out through a series of processes starting with online registration stages, screening, assessment, interviews, and ending with the announcement of accepted candidates.

The program is divided into 2 phases: the training phase and the internship phase. The training phase consists of soft skill training, office administration training, and entrepreneurship training. The training was conducted both online and offline with guest speakers from internal and external parties of BRI in accordance with the specified training theme. A total of 100 people with disabilities who have been selected and completed the program will be given the necessary knowledge and training for their internships in the company.



This disability training and internship was carried out in 4 regions: Jakarta, Bandung, Yogyakarta, and Bali for the period of 3 months, starting from February to April 2022. BRI collaborated with more than 20 corporate partners that would be used as internships for persons with disabilities after undergoing training.



#### 4. BRI Peduli Pemberdayaan Kelompok Perempuan (BRI Peduli for Women Empowerment)



2022 was the second period for implementing the BRI Peduli Pemberdayaan Kelompok Perempuan program. In the previous year, BRI implemented the program by providing assistance to 18 different selected women's business groups in 18 regional offices of BRI throughout Indonesia. BRI is committed to re-implementing the program by providing assistance to 18 women's business groups in 2022. The selection of 18 women's business groups went through several stages of selection with the main requirements being that women's business groups have a minimum of 10 members and have business products (food/beverages/crafts and so on).

The program is a form of BRI's support for women's groups in increasing their capacity and improving competence so they can play a bigger role in social life. The assistance received by women's business groups is in the form of training and assistance with business equipment that can be used to support business activities.





## Economic Pillar

Realization worth Rp16 billion



Focusing on achieving quality people's economy through the availability of employment and business opportunities, inclusive and innovative industries, adequate supporting infrastructure, affordable resources, and partnerships.

In the Economic Pillar, the TJSL program focusing on achieving quality community economic growth through the availability of job and business opportunities, inclusive and innovative industries, adequate supporting infrastructure, affordable resources, and partnerships. In this pillar, BRI contributes in achieving the SDG 8-Decent Work and Economic Growth. BRI allocated a budget of Rp16 Billion to implement various empowerment programs that suit community needs and support micro-economic potential, including: [GRI 203-1]

### 1. BRI Peduli Desa BRILiaN [GRI 203-1, 203-2, 413-1]



The BRI Peduli Desa BRILiaN program is assistance to villages in the form of community empowerment and village-supporting physical facilities. The program has been implemented for 2 consecutive years. In 2021, BRI determined as many as 5 Desa BRILiaN to receive assistance programs to be implemented in 2022, that consists of Sukalaksana village in Garut, Butuh village in Magelang, Ketapanrame village in Mojokerto, Sanankerto village in Malang and Tebara village in West Sumba. In the next period, BRI once again implemented the BRI Peduli Desa BRILiaN program for 5 selected villages, including Kertayasa Pangandaran village, Benteng Bogor village, Canggu Badung village, Tunjungan Blora village, and Guguak Padang village. Aid was provided in this program was in the form of building/public facilities repairment, assistance with supporting infrastructure, training sessions, and business equipment assistance to clusters/business groups. With this program, it is hoped that these villages can grow and develop into more advanced villages..







## 2. Tourism Support Assistance

Indonesia is home to many tourist destinations well known by both domestic and foreign tourists. From west to east, many beautiful tourist destinations with their own characteristics and uniqueness in each region could be found. The country's tourism attractions also vary, ranging from natural tourism, culture, cultural heritage, and other types of tourism attractions. Tourism is one of the sectors that experienced a downturn during the Covid-19 pandemic. To help revive this sector, BRI provided assistance and contribution for Indonesia's tourism sector. The assistance provided is in the form of building/renovating public facilities around tourist sites and adding tourism support facilities. This assistance is expected to help improve the quality of tourism and increase comfort and increase tourist visits so that they can increase income of the local community and tourism sector.



## 3. BRI Peduli Woman Communi-Tree [GRI 203-1]

Women business groups are of particular concern for BRI. In 2022, BRI once again implemented the BRI Peduli for Woman Communi-Tree program. This program is a continuation of Woman Communi-Tree Phase I in 2021 that targets the same women's business groups with a focus on diversifying types of plants into plants that have economic value and improving the capabilities of women's business groups by providing business equipment for urban farming products so that they are more marketable. As many as 18 women's business groups received assistance in 2022 across 14 BRI regional offices. To ensure that the program is implemented properly, BRI conducted regular monitoring of each women's business group after being given assistance to oversee progress and for input in the form of innovations that can be carried out to develop urban farming. This program aims to increase women capacity by empowering business groups, promoting the role of women in economic development. This program is also one of BRI's support for the sustainable finance action plan (RAKB).





## Environmental Pillar

Realization worth Rp72 billion

Managing and taking care of the environment and natural resources and the environment in a sustainable manner as a support for life on earth.



The TJSL Program in the Environment Pillar is a manifestation of BRI's concern for the preservation of the environment and natural resources. In its implementation, BRI contributes in achieving SDG 6-Clean Water and Sanitation, SDG 12-Responsible Consumption Production, and SDG 14-Life Below Water. In 2022, BRI allocated a budget of around Rp72 Billion to meet the goal through programs including: [GRI 203-1] [F.4]

### 1. BRI Peduli Bersih-Bersih Kali (River Cleaning Program) [GRI 203-1]



BRI Peduli Bersih-Bersih Kali Bendhung Lepen Yogyakarta program is one of BRI's efforts to preserve the environment. The activities carried out in this program includes river revitalization, construction of infrastructure and education on a healthy environment. This program also includes an empowerment program of training on processing inorganic and organic waste into products with economic value.

Bendhung Lepen is one of the rivers where the program was implemented. This river, which is a waterway of the Gajah Wong river, is located in Bantul regency, Yogyakarta province. The river flows through residential areas and is used by residents for fish farming. This is what attracts people to visit Bendhung Lepen. BRI provides assistance in the form of adding and repairing public facilities, repairing merchant stalls, cleaning rivers, fish seeds, building retaining walls, branding, painting and other assistance. With the assistance from BRI, the Bendhung Lepen area has become more organized and added attractiveness to visit.





## 2. BRI Peduli Integrated Waste Management Program [GRI 203-1]



To date, waste remains a major problem all over the world, including Indonesia. From villages to major cities, almost all of them are facing waste management problems, both inorganic and organic waste. Many factors cause this waste problem to remain unresolved, including the limited capacity of waste processing sites that are not proportional to the amount of waste produced. This waste management problem, if it continues to be left unchecked, will harm the community with health problems, soil and water pollution, air pollution, and other impacts.

As a token of concern for the community and the environment, BRI implemented a waste management program in the form of counseling on waste management, construction/renovation of integrated waste management (TPST) and assistance with supporting infrastructure for waste processing. The program was implemented in 18 waste management groups in Bandung, Banjarmasin, Denpasar, Malang, Manado, Semarang, and Yogyakarta. The assistance is expected to educate the public about the importance of proper waste management and assist the communities in waste management in their area so as to ease waste problems and prevent other negative impacts from waste problems.



## 3. Mangrove Planting



To support ecosystem preservation, especially in coastal area, BRI planted 10,000 mangrove trees with the Financial Transaction Reports and Analysis Center (PPATK) in Banjar Tegal, Jimbaran village, Badung regency, Bali province.

The mangrove tree planting program is a token of BRI's concern for the implementation of sustainable finance and green economy in Indonesia to ease the impact of climate change. Mangroves offer many benefits in protecting coastal ecosystems, such as storing more carbon than mainland tropical forests, reducing abrasion, and becoming a home for commercial fish species.



This activity also commemorates the 20th anniversary of the Indonesian Anti-Money Laundering (APU) and Counter-Terrorism Financing (PPT) Campaign and to enhance BRI's commitment to preventing money laundering practices, especially those related to money laundering in the forestry and environment sector (green financial crimes).



## TJSL Activity Evaluation [GRI 3-3] [B.3]

The success of a social investment is not only measured by the quantity of assistance or programs that have been implemented, but by how these activities can have a positive impact on the communities. Therefore, BRI understands the importance of program evaluation to improve and improve quality in the future.

As a form of evaluation of the implementation of the BRI Peduli TJSL program, BRI measures the impact of the program through the Social Return on Investment (SROI) and Community Satisfaction Index (IKM) methods. This impact measurement is also an embodiment of the TJSL management principles at BRI that provides a clear and objective picture of the magnitude of the contributions and benefits that generate change or added value for stakeholders and the company.

SROI is an approach to measure social, economic, and environmental values created from an activity. Through this method, companies can see the impact experienced by stakeholders, including the company itself, as a result of implementing a program and can also compare the value of the impact on the investment made.

In the meantime, the Community Satisfaction Index (IKM) is used to determine the level of community satisfaction as beneficiaries of the programs being implemented. This calculation shows the program elements that have the highest and lowest performance, enabling BRI to evaluate and improve program quality.



In 2022, BRI measured SROI and IKM of seven flagship programs that have been implemented with the following explanation:

**Table of SROI and IKM Value Measurement of the BRI Peduli TJSL Program** [GRI 203-1] [GRI 203-2] [GRI 413-1] [GRI 413-2] [F.23]

No	Program	SROI Value	IKM Value (Scale 1-100)
1	Mesah Island Pier Renovation Assistance, Labuan Bajo (2019-2022)	9.97	79.52 (Category B: Good)
2	Yogyakarta Regional Office Rumah BUMN Program (2020-2022)	9.52	93.75 (Category A: Very Good)
3	BRI Peduli Desa BRILiaN Program in Sukalaksana Garut Village (2022)	4.87	96.07 (Category A: Very Good)
4	Program Ini... Sekolahku!!! (This is... My School!!!) (2022)	2.5	94.43 (Category A: Very Good)
5	BRI Peduli Bank Sampah (2022)	1.71	80.64 (Category B: Good)
6	Woman Empowerment Program for Women Farmers Group, Pala City, Gianyar, Bali (2022)	1.19	90.62 (Category A: Very Good)
7	Woman Communi-Tree Program in Bali (2022)	1.19	89.69 (Category A: Very Good)

Note:

- The SROI value is the return (in IDR) generated for every IDR1 of funds invested through the TJSL program.
- The IKM value indicates the quality of program performance based on the Regulation of Minister of Administrative and Bureaucratic Reform of the Republic of Indonesia Number 14 of 2017.

SROI and IKM measurements of BRI's TJSL program have shown satisfying performance; hence, the program is feasible to continue and expand in scope. Because of this potential, BRI is committed to continue optimizing the program and trying to replicate it in a number of other areas, while considering the characteristics and local wisdom in each area in order to have a bigger impact on the community.

In carrying out branch business activities in the regions, BRI prioritizes the empowerment of local communities as employees for each unit. BRI realizes that the empowerment and progress of each region is our shared responsibility which is in line with the 11th Sustainable Development Goals, namely Sustainable Cities and Communities. One of the BRI work units, namely the Mojokerto Branch Office, has empowered local communities around 80% of the total employees.

Regarding impact assessments, BRI has not conducted a social and environmental impact assessment specifically from the involvement of local communities in the company's work units, and there has been no local community involved as consultative committees, work boards, and occupational safety and health committees. Nevertheless, BRI is always open to complaints and inputs from the local communities regarding the company's business activities and provides a formal complaint forum through BRI work units and call centers. To date, there have been no significant actual and negative impacts on local communities resulting from the company's business activities.

[GRI 413-1] [GRI 413-2][GRI 2-25]

# Financial Literacy and Inclusion [FS13] [FS14] [FS16]



Financial literacy is one of the determining factors in the quality of human resources. This is because the level of individual knowledge of finance can influence the way of thinking and strategies in making decisions related to important aspects of people's lives. In Indonesia, inequality in the level of financial literacy remains an important issue to highlight. On average, people who live in rural areas have a lower level of financial literacy than those living in urban areas. This is also influenced by limited access to public and banking services, such as automated teller machines (ATM) and banking offices, making them vulnerable to inappropriate use of financial products and services.

Responding to the situation, BRI seeks to present a shared values program that specifically aims to encourage inclusivity of financial services and services for the community, while expanding the company's business. BRI's commitment to improving the level of financial inclusion is a support for the government's financial inclusion targets as stipulated in Presidential Decree Number 114 of 2020 on the National Strategy for Financial Inclusion (SNKI).

BRI regularly conducts training related to the effective and efficient use of banking products and services. BRI's financial inclusion activities prioritize, but are





not limited to, a number of priority community criteria set by the government, including low-income communities, MSMEs, persons with disabilities, migrant workers, and residents in underdeveloped areas. In 2022, BRI hold the Financial Inclusion Talks program with the theme Implementation of ESG & the Role of Banking in Encouraging Financial Inclusion. This event was witnessed by many parties, including customers or prospective customers. [FS13] [FS16]

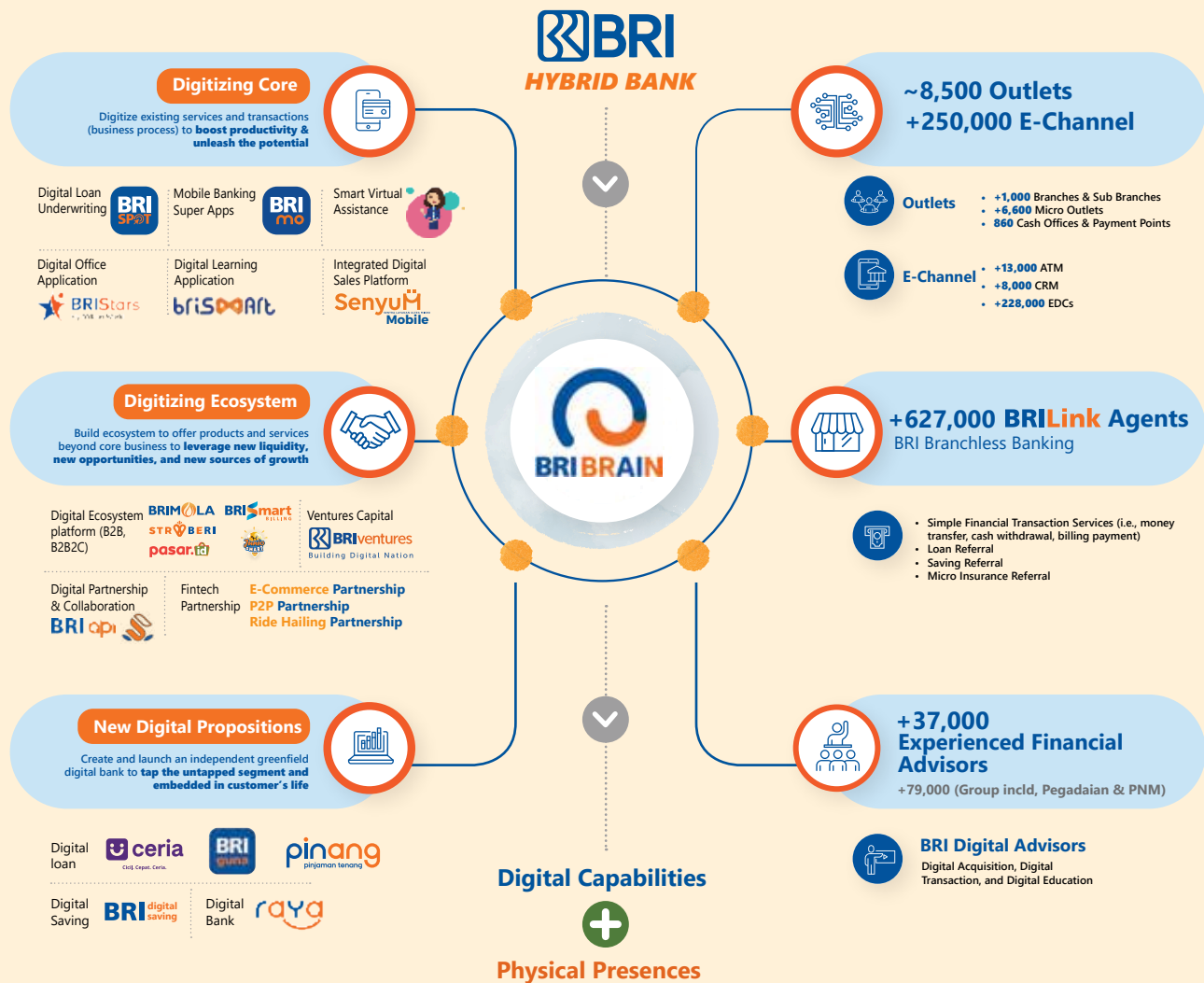
BRI understands that opening MSME access to financial services and financial technology can increase their productivity in doing business. However, it also has the potential to increase the risks and costs that must be borne. Moreover, the level of public understanding regarding fintech products and services can vary from one another. To that end, intensive financial literacy and inclusion activities are urgently needed to minimize losses due to misunderstanding in the use of products

and services. To optimize these efforts, BRI cooperates with various parties to develop banking products, services, methods, and technology, especially for priority categories in the communities. [F25]

In line with the government's target of achieving a financial inclusion target of 90% in 2024, BRI is committed to contributing to this achievement. This is reflected in BRI's vision, Brivolution 2.0 "The Most Valuable Banking Group in Southeast Asia & Champion of Financial Inclusion". This measure is manifested through the creation of a hybrid bank business model, development of an ultra-micro ecosystem and community empowerment media, and is supported by various financial inclusion platforms and products. Through these initiatives, BRI is committed to continuing to help improve financial readiness of the communities in order to promote sustainable economic activities.



## Hybrid Bank Business Model [B.3]



Dynamic challenges along with rampant technological disruptions have pushed the banking world to continue adapting to provide optimal services for customers, one of which through digitalization. The use of a variety of digital technologies has given rise to significant changes to the banking industry. However, customers' level of digital readiness is an important matter that needs to be underscored. BRI realizes that not all customers have digital literacy level and inclusion to deal with changes in banking services.

These conditions have encouraged BRI to develop a hybrid bank business model that combines its main strengths: capabilities and physical presence as a customer-centric banking solution that suits the characteristics and the needs of customers.

In terms of digital capabilities, BRI carries out digitalization by establishing a digital strategic framework which is classified into three pillars: "Digitizing the Core", "Digital Ecosystem" and "New



Digital Proposition". This strategy aims to digitize business processes in order to capture greater business potential, as well as to increase productivity and efficiency of banking services. Security of customer data information in this regard is one of the aspects that has not escaped BRI's main concern to prevent fraud and data theft.

In terms of physical presence, BRI develops work units and physical banking media supported by BRILink Agents and loan officers as financial advisors and digital advisors for customers. This effort is made to present banking services that are inclusive and reach all levels of society.

Through a hybrid bank business model, BRI aspires to become an adaptive and inclusive bank for all Indonesian people.

## Reliable Digital Capabilities

### 1. Digitizing Core

BRI digitizes its core business products to boost service productivity and efficiency through business process reengineering. In this effort, BRI has issued digital products and services such as BRIsport, SenyuM Mobile, BRIsstars, BRIimo, Smart Virtual Assistant, dan BRIsmart to provide convenience in financial transactions and its own internal development. These products and services are aimed at providing an optimal experience for customers and promoting greater banking potential.

### 2. Digitizing Ecosystem

With massive digitalization and collaboration, BRI has been building a banking ecosystem that also offers new products and services in a more complete and broader manner beyond the company's core business in order to capture potential liquidity, business opportunities, and bring in new sources of growth. BRI has created a series of digital-based platforms such as BRI API, Digital Ecosystem Platform (Pasar.id, BRIsmart Billing, BRIMOLA, and others), and forged partnerships with P2P, e-commerce, and ride hailing that provides convenience for both

customers and partners alike in carrying out various daily activities.

### 3. New Digital Propositions

Through a new digital proposition and a comprehensive digital approach, BRI aims to create a new green field business model (an independent greenfield digital bank) that utilizes certain business segments to integrate services into customers' lives through the development of super applications. BRI has produced products and services including digital savings (Digital Saving), digital loans (Ceria, BRIguna, Pinang), and digital bank (Raya) supported by Big Data Analytics and Artificial Intelligence (BRIBRAIN). For example, CERIA digital credit makes it easier for customers to process credit applications as it is carried out non-physically through an app. Users only need to carry out digital verification, credit scoring, and provide digital signatures. [FS15]

## Physical Presence That Reaches All Regions Across Indonesia

### 1. Distribution of BRI Work Units

BRI is highly committed to contributing to improving the standard of living and welfare of the community. Various products and services that the company has developed are inseparable from the awareness of the importance of presenting an inclusive banking world for all. This is because access to banking and finance is one of the determining factors for the success of the people's economy, which is now being pushed to be more dynamic in keeping with the times. [FS16]

With this understanding, BRI continues to expand and develop physical work units that can be accessed by customers. BRI already has 8,209 work units consisting of branch offices and sub-branch offices, micro work units, as well as cash office and payment points. BRI is also developing a series of e-channels by increasing the availability of ATM machines, CRM and EDC machines in all regions across Indonesia.

Teras BRI is one of the work units aimed at reaching out to those who have difficulty having banking access due to time and distance to branch offices.



In this service, there is also Teras BRI Kapal, which is intended for those who live on islands that have not been reached by banking services. Through program optimization, the number of BRI Teras services has now reached 1,307 units with 121 units Teras Keliling and Teras Kapal in which Teras Kapal has visited 26 islands in various regions across Indonesia. [SASB FN-CB-240a.4]

Teras Kapal is BRI's signature program thanks to the multiple advantages it offers. For example, Teras BRI Kapal Bahtera Seva is equipped with satellite-based banking service facilities (BRISat) and operates at sea. Teras BRI is present in four regions with a total loan of 76.7 billion, an increase of 23% compared to that in 2021. [FS7] [FS13] [FS14]

## 2. BRILink Agent

As a support for community financial inclusion and literacy, BRI is expanding its services through the BRILink Agent program. BRILink Agents are a token of cooperation between BRI and customers to become agents who can serve banking transactions such as deposits and loans to the public in real time. Since the launching, BRILink Agents have proven to have a positive impact on all parties by successfully increasing the velocity of money and bringing economic equity to the communities at large, as well as by improving BRI's own business performance. [FS13] [FS14] [FS16] [F.23]

Through BRILink Agents, the public can be more familiar with banking services and products more easily, directly, or indirectly increasing the level of financial literacy and inclusion in, especially in 3T (frontier, outermost, remote) regions. Until the end of the reporting period in 2022, the number of BRILink Agents spread throughout Indonesia reached 627,012 agents, including 125,929 EDC BRILink Agents, 501,083 Mobile BRILink Agents. In this figure 9.73% agents are in 3T regions. [FS13] [FS14] [FS16]

BRI has also been expanding the potentials of BRILink Agents within the micro ecosystem that the company has through Ultra Micro (UMi) and the Mekaar Group. BRI provides broad

opportunities and invites UMi customers and members/chairpersons of the Mekaar group to also become BRILink Agents at the same time. Besides supporting the improvement of customers' economic level, these efforts also encourage increased financial inclusion and literacy within the internal group.

The BRILink agent is one of BRI's efforts to introduce and bring financial services closer to the communities, which at the same time supports the achievement of Goal 8 of the Sustainable Development Goals (SDGs), namely supporting inclusive and sustainable economic growth, productive and comprehensive employment opportunities, and decent work for all. This program also provides a forum for the community to participate in social protection such as health and employment that is in line with SDG 10. [F.23]

## 3. BRI Financial Advisor and Digital Extension

[FS8]

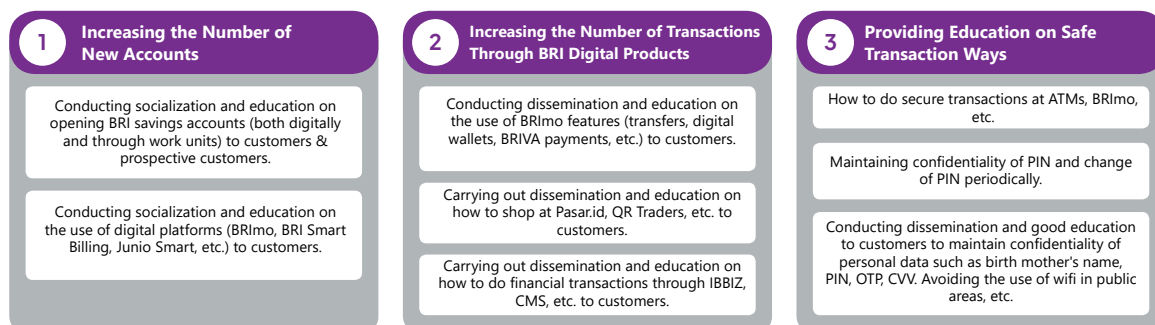
BRI understands that financial literacy is one of the most important things that needs to be improved in society to minimize their vulnerability to inappropriate financial product services. To that end, BRI has more than 37,000 loan officers as financial advisors who also act as digital extension agents to increase customer readiness for financial products that BRI offers.

Dissemination and marketing strategies through the digital extension campaign have also been a factor driving the rapid development of digital accounts. "Penyuluh Digital" is a campaign that requires all BRI employees to act as agents for disseminating information to the public regarding digital products and services owned by the company. This campaign is also part of the culture activation program (CAP) as a form of internalization that can encourage employees' direct involvement in the company's business development.

Preparation and debriefing of digital extension services are carried out for RMs (funds, credit, mantri) as influencers who are then required to



educate all employees in each work unit regarding products and how to transact on the BRI digital platform. Work unit leaders are also required to ensure that all employees are involved as digital educators by exploring and understanding customer needs. Digital extension activities include:



## Ultra Micro Synergy [FS13] [FS14] [F.26]

Strengthening the micro, small, and medium enterprises (MSMEs) sector is one of the keys to national economic recovery. BRI's measures to revive MSMEs are carried out through a joint synergy with Pegadaian and Madani National Capital (PNM) in a holding ecosystem called Ultra Micro (UMi), which was established on 13 September 2021 to realize integrated financial services that suit the needs of business actors.

Throughout 2022, BRI continued to accelerate Ultra Micro (UMi) products and services as a platform for micro businesses to grow and develop. UMi synergy is implemented through three main initiatives, including.

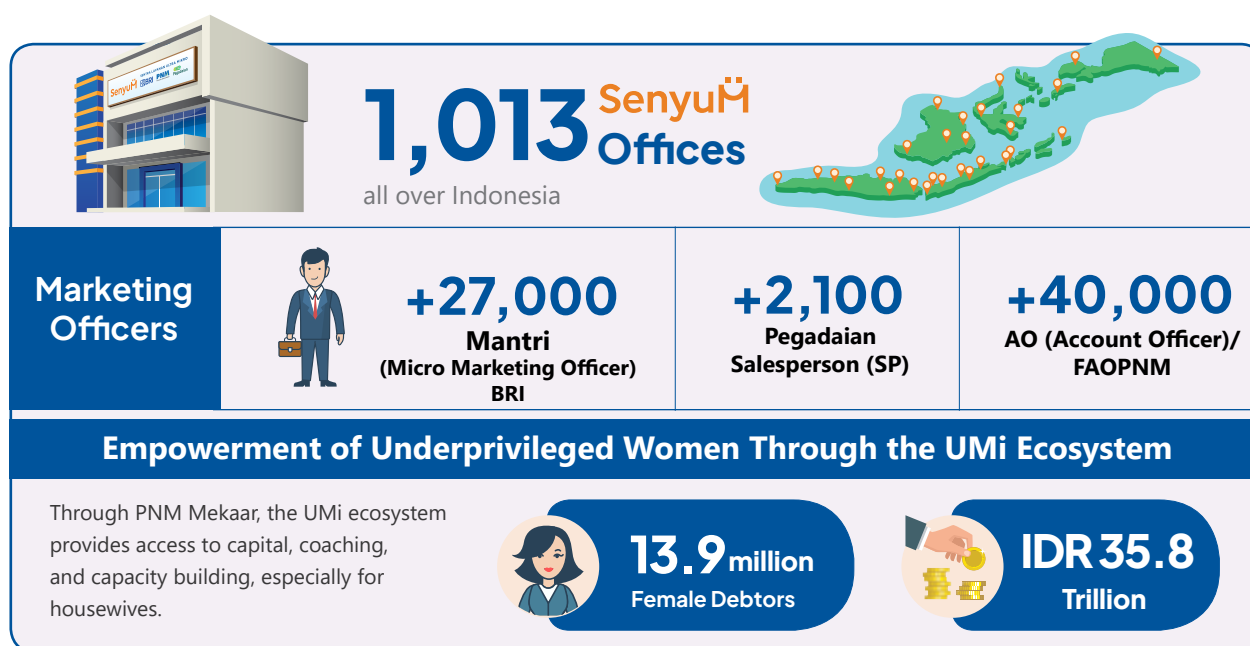
[F.26]

- Establishment of a co-location unit called SenyuM (Ultra Micro Service Center), which provides comprehensive and easily accessible financial services for businesses.
- Collaborative and integrated marketing. BRI Mantri, Pegadaian sales, and PNM Account Officer (AO) collaborate to market products across entities, as well as utilize technological innovation to carry out cross-selling. UMi develops SenyuM Mobile, which is a digital marketing platform from the integration of BRISPOT (BRI), Selena (Pegadaian), and PNM Digi (PNM).

- Integration of databases from the three entities of 34.2 million data as a reference in increasing the needs of business actors.

BRI, Pegadaian and PNM business ecosystems complement each other in building integrated services for business people through 3 phases: "empower, integrate, and upgrade". Through this integration, customers can access 3 types of financing products at once, group financing (PNM Mekaar); pawn financing (Pegadaian), and micro credit (BRI, PNM, Pegadaian). BRI also provides a number of savings products such as micro savings; microinsurance; gold savings and investment; as well as digital services BRI Mobile Banking (BRImo).

To provide the best experience, UMi provides various networks that are easy to reach and close to the communities. UMi services can be accessed through 1,013 work units of the three entities, BRI e-channels, as well as 627,012 BRILink agents (including 41,733 UMi partners who are currently as BRILink agents) spread throughout Indonesia. In managing UMi loans, BRILink Agents are given additional capacity to carry out marketing, verification, and analysis of prospective borrowers as well as collection of loan installments. There are also more than 27,000 Mantri and more than 40,000 Mekaar AO as reliable and experienced financial advisors to guide customers in managing their finances properly. [FS13]



Since its establishment, UMi has continued to show significant growth. In 2022, there was an increase in the inclusion of around 7.1 million new customers for the UMi Simpedes account compared to that in the previous year. This number is higher than the initial target of 3.3 million new customers in 2022. People's habit to save in the ultra-micro segment also shows good awareness through the provision of monthly income. At the end of 2022, BRI and PNM's marketing staff were recorded as capable of educating savers in this segment with a total outstanding of Rp807.5 billion.

Through the distribution of PNM Mekaar products, the UMi ecosystem also reinforces its commitment to support the achievement to the Sustainable Development Goals (SDGs), especially on the 5th goal, Gender Equality. As of December 2022, PNM Mekaar had been able to distribute loans to 13.9 million customers with a total outstanding of Rp35.8 trillion. In addition to providing financial capital, this program also provides intellectual and social capital as encouragement to empower underprivileged women's groups. [B.3]



### SenyuM Office dan SenyuM Mobile [F.26]

Apart from the financing side, the development of the UMi network is also being carried out to expand public access to the UMi program. As of December 2022, SenyuM offices have been established in 1,013 locations throughout Indonesia. BRI, PNM, and Pegadaian were able to achieve the development target faster than the target of 978 locations in December 2024. This acceleration aims to accelerate financial inclusion and literacy for all Indonesians. The SenyuM Office makes it easy for BRI, Pegadaian, and PNM customers to make transactions and save money in one place. Hence, customers do not need to visit each office to get complete financial services with easy access.







Ease of access for customers is also provided digitally through the development of the SenyuM Mobile app. This app provides multiple features to access capital, savings, and mortgage services in an efficient and integrated manner. For example, opening a gold savings account through BRI marketers can be done on the SenyuM Mobile app and will be directly linked to Pegadaian's database. Customers who want to apply for capital assistance through the Pegadaian sales force can use SenyuM Mobile to be processed by the BRI KUR program.

The presence of the SenyuM Office and SenyuM Mobile always receive good feedback from the public. To date, more than 69,000 sales forces have opened gold savings accounts, pawned, or made gold repayments by using SenyuM Mobile. This figure shows that the Ultra Micro synergy between BRI, Pegadaian, and

PNM has brought positive results and is a concrete manifestation of financial inclusion that is in line with the government's agenda in promoting the potential of MSMEs in Indonesia.

As part of BRI's DNA, increasing support and empowerment for the Ultra Micro segment will always be a major concern. Through digital transformation and with the "go smaller, go shorter, go faster" strategy, BRI's financing services will continue to be developed in order to be more efficient at a more affordable cost. BRI hopes that this measure can help Ultra Micro businesses recover quickly from the impact of the COVID-19 pandemic, as well as increase the penetration of Ultra Micro credit segmentation and the microfinance transaction system in the society.

## Social Empowerment in UMi [F.23]

UMi's presence in opening integrated banking access can not only accelerate people's economy, but also promote social empowerment in society through various programs it presents.

### 01 Group-based Literacy Enhancement Program

- 7 million Mekaar customers also opened UMi Simpedes Accounts
- Financial literacy education through weekly group meetings by Permodalan Nasional Madani (PNM) marketers.

### 02 Joint Distribution Government Program

- Joined by BRI, Pegadaian and PNM customers and implemented in the cities of Cirebon, Denpasar and Medan.
- 1,000 MSME/city participants attended bazaar events and training on digitizing financial management.

### 03 Targeted Small Business Course of Female Entrepreneurs

- 11,672 trainings were held with the main topics of financial literacy, business licenses, and marketing on social media, attended by 564,816 UMi women entrepreneurs from the Mekaar Group
- 340,595 customers from the Mekaar PNM Group already have business identification numbers (NIB)

### 04 Development of the UMi Business Community with Grab Indonesia

300 UMi businesses have joined the program in 5 cities (Cirebon, Malang, Kupang, Makassar, and Semarang). Participants received assistance on application onboarding, application usage training, and digital marketing.

### 05 Social Media Marketplace

Establishment of SenyuM Community Accounts on Instagram and Facebook as UMi customer education platforms and digital financial literacy collaboration platforms with OJK

 **9,678** Instagram followers

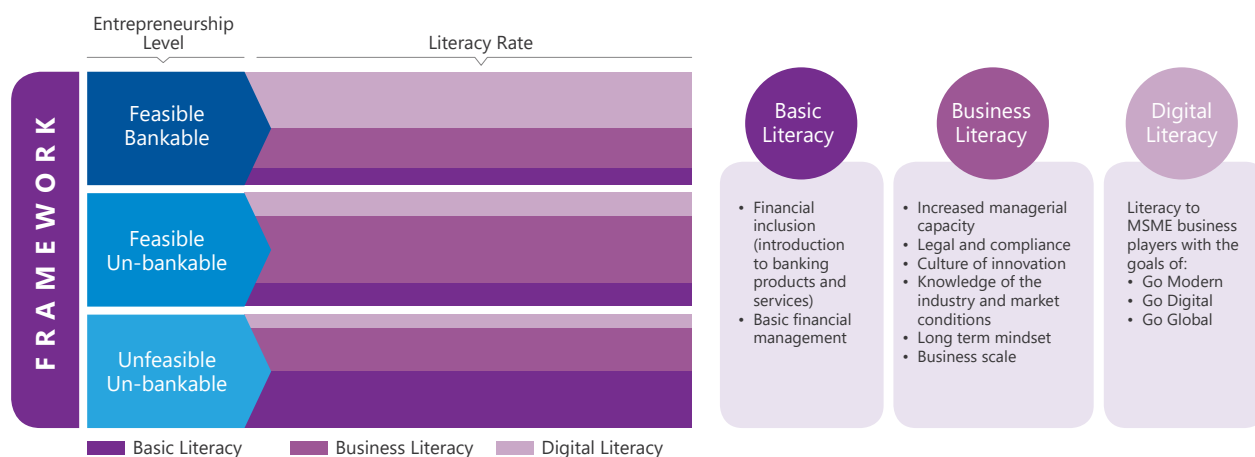
 **28,000** Facebook followers

### 06 Establishment of Mekaar and UMi BRILink Agent

- The establishment of Mekaar BRILink agents and UMi BRILink agents is intended to encourage the level of financial inclusion and become a forum for empowerment in the internal community.
- The acquisition of Mekaar BRILink has reached more than 69,000 agents with a total transaction of Rp29 billion. Meanwhile, the establishment of BRILink Agents at UMi was recorded as many as 69,616 agents with a total transaction of Rp112 billion.

## Microfinance and Empowerment Framework as Guide to Financial Literacy

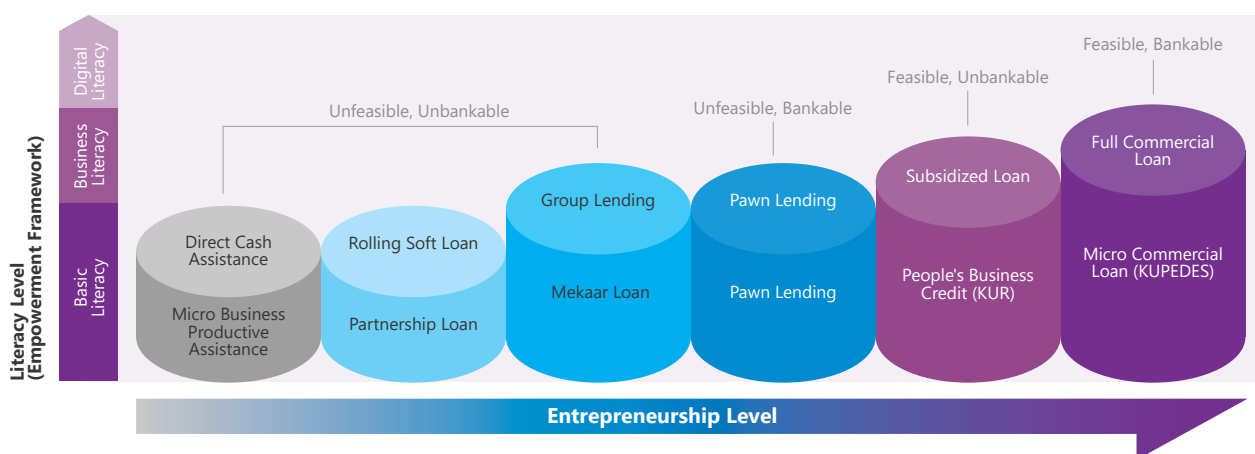
To present micro-financing programs and initiatives that can promote social empowerment, BRI has developed a holistic framework as a guide to understand the needs and potential of micro-entrepreneurs.



Note:

- Feasible means the level of business that is profitable or generates profit, so it is able to pay margin/interest and return all principal debts/obligations according to the agreed timeframe.
- Bankable means the level of business that meets the bank's requirements to obtain business credit.

BRI has multiple empowerment platforms and credit schemes tailored to the development of micro-entrepreneurs to support their business growth towards a feasible and bankable level. BRI has prepared empowerment programs that have been adapted to customer literacy journeys, starting from basic literacy to digital literacy. To support business improvement, BRI has also provided various financing products that are in accordance with the customer's business capacity. Through its various platforms and products, BRI seeks to present a complete and integrated banking ecosystem to accelerate the potential of micro-businesses and empower the communities as business actors at the same time.



Deposits, Protection and Transactions: Simpedes, Simpedes UMi, Simpanan Emas, Asuransi Mikro, BRIMO, STROBERI, PARI

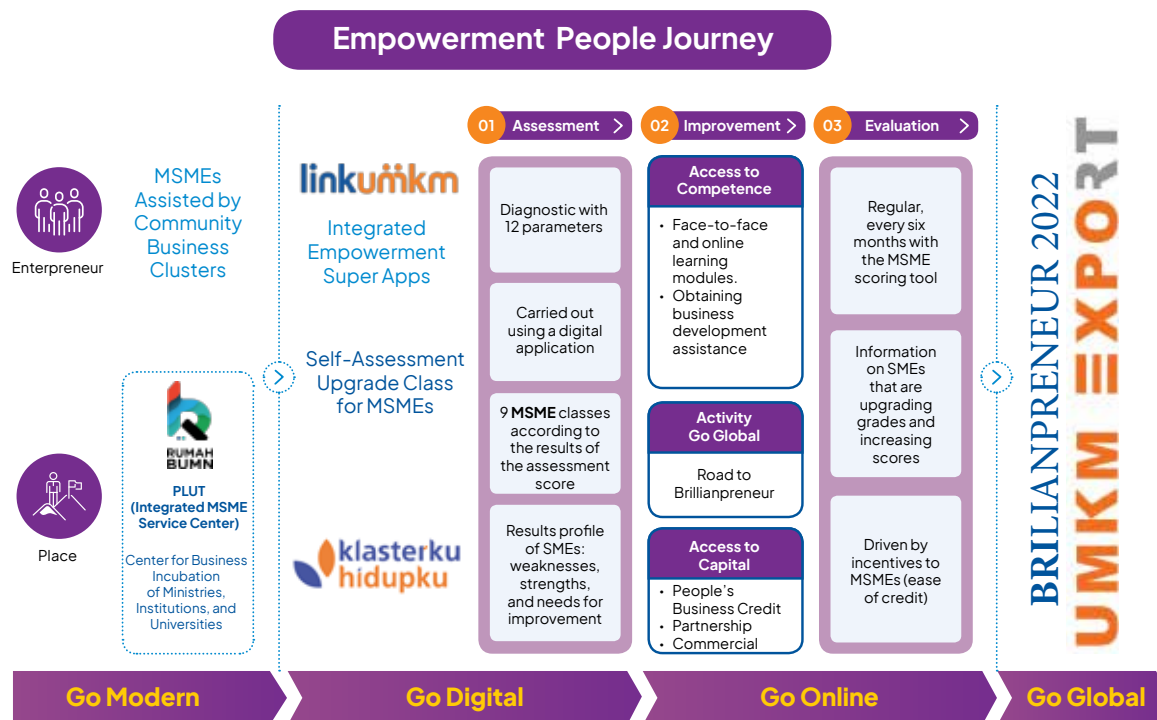


Empowering  
People



BRI also promotes social empowerment that is implemented through a number of platforms and products below.

## Empowerment Media in Microfinance [FS13] [FS14] [F.26]



### 1. **desa brilian** [GRI 203-2]

BRI continues to pay attention to the level of literacy and lack of access of rural communities to banking products and services. Therefore, BRI presents an incubation and literacy program called Desa BRILiaN by inviting and optimizing the role of village-owned enterprises (BUMDes). The Desa BRILiaN program aims to set an example in collaborative village development efforts based on Sustainable Development Goals (SDGs).

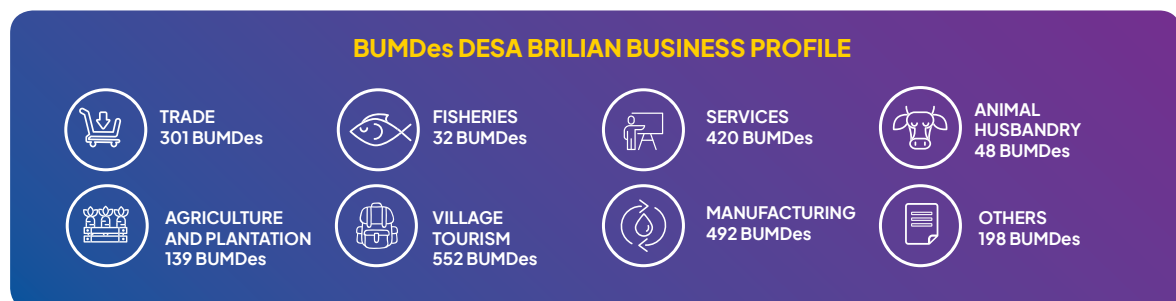
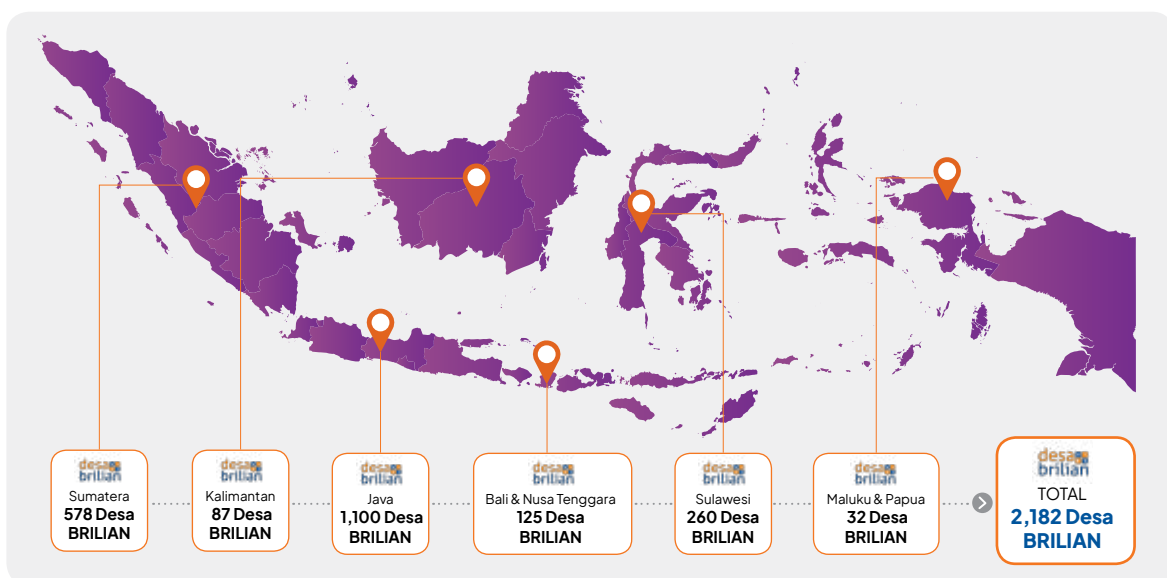
Apart from being an intermediary for financial literacy and inclusion activities, The Desa BRILiaN program also aims to acquire BUMDes business potential as BRILink Agents and UMi Agents. To ensure that the program runs well, BRI places one BRI Marketing Unit (Mantri) for each village whose role is to assist and assist business actors in developing their business.



BRILiaN Village is a combination of four ecosystem aspects, namely: [FS7][FS13]



In 2022, BRI empowered 2,182 BUMDes spread across the following areas:





## 2. **klasterku hidupku**

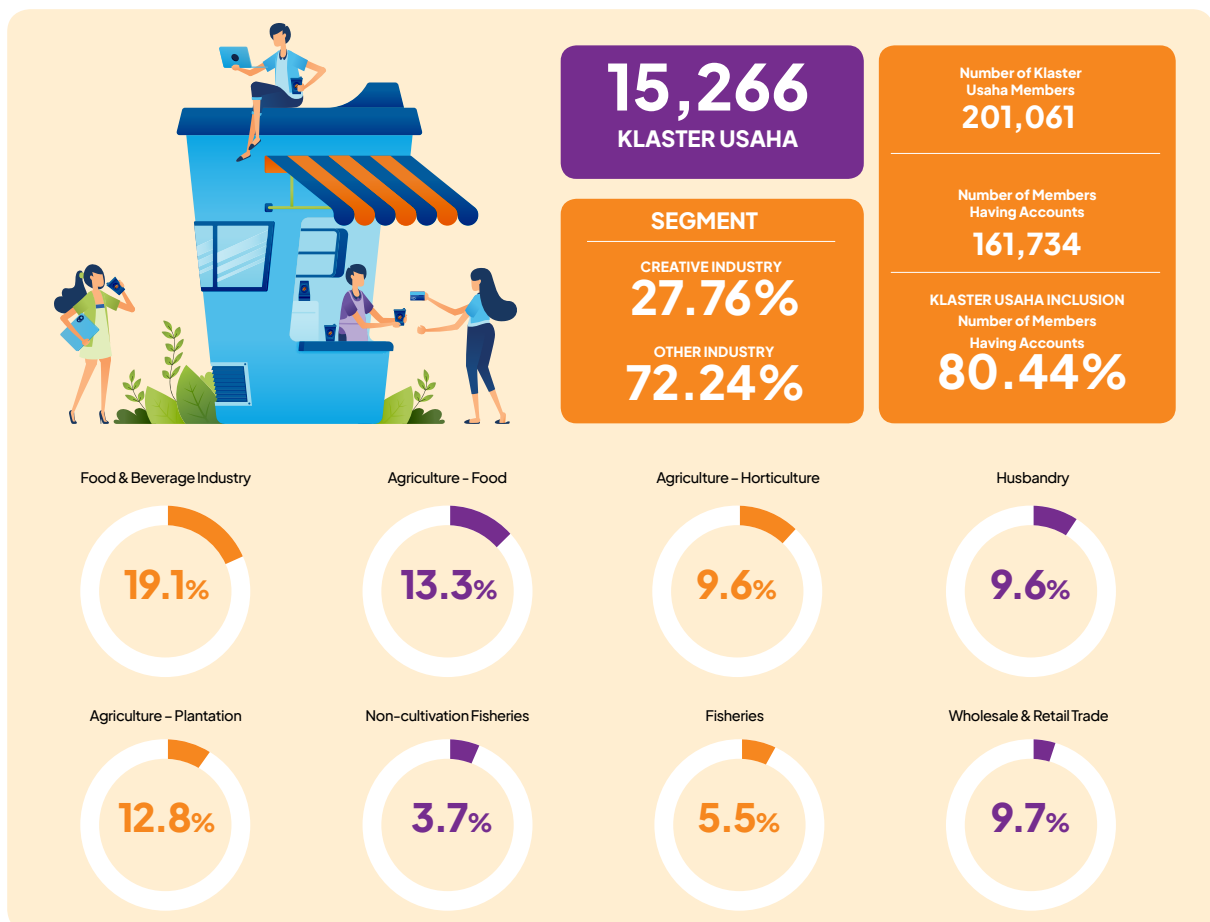
Klaster Hidupku is a pattern of marketing approach to certain micro communities that is carried out effectively and efficiently by establishing groups known as “Klaster Usaha” (business clusters). Those groups are established based on common interests and similar environmental conditions (social, economic, resources, location) and/or familiarity. The groups have a number of criteria, such as:

- The number of business players is at least 8 people;
- Regional similarities between business actors, namely RT (neighborhood unit), RW (community unit), and villages; as well as
- Having similar business or commodities.

To make the program more effective, BRI digitizes the Klaster Usaha data management by building a database. The data system contains a number of data regarding the Superior Clusters, namely clusters that are intensively assisted by BRI Mantri Units and have received empowerment program support from BRI.

Through Klaster Hidupku, BRI provides assistance by building facilities and infrastructure, as well as training to support their business development. BRI also regularly holds bazaars every month to expand market access by introducing fostered MSME products, as well as to inspire more MSME players to join the Klaster Usaha with BRI.

The following is the performance data of Klaster Usaha in 2022:



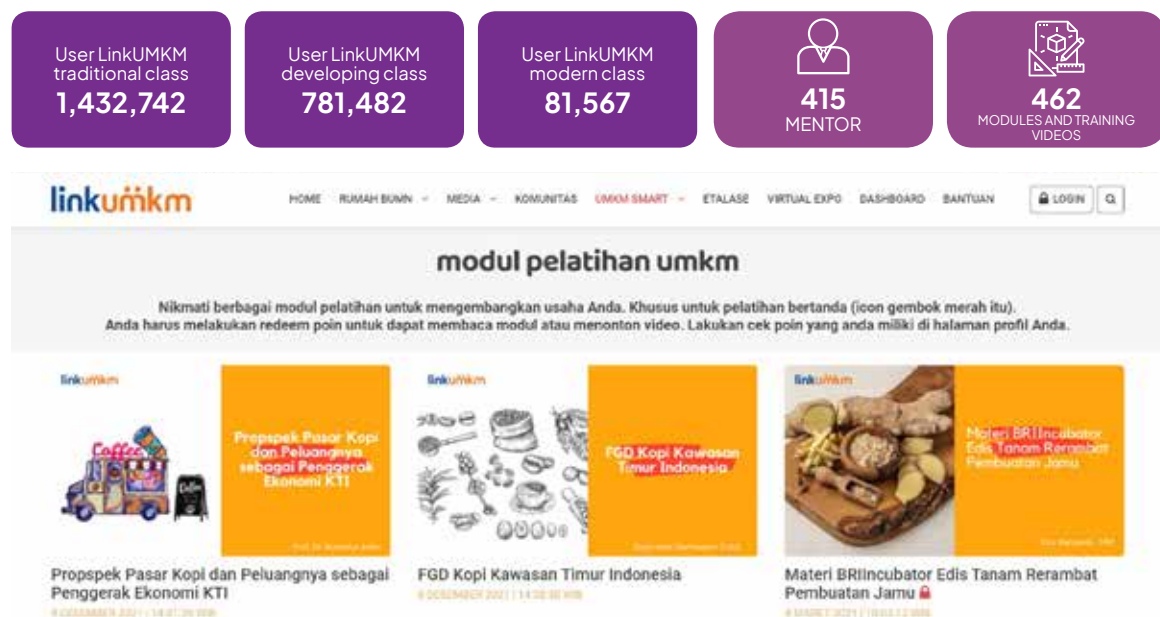
### 3. **linku<sup>um</sup>km** – Integrated MSME Empowerment Super Apps

As a commitment to MSME development, BRI has built an integrated online platform called **linku<sup>um</sup>km** LinkUMKM to empower small and micro entrepreneurs and assist them in running their businesses. Aimed at bringing convenience, **linku<sup>um</sup>km** can be accessed through websites and applications and has complete features to help MSME players improve the quality of their products through various free training and market their products to the public.

The platform can also show the class and category of MSME businesses through the “UMKM Assessment” feature and provide a series of modules for developing businesses that are available on the UMKMSmart menu. The business category consists of:

- Traditional
- Developing
- Modern

The following is **linku<sup>um</sup>km** performance data







#### 4. UMKM EXPO(RT) BRILiaNPRENEUR at the G20 Bali Summit 2022



BRI's appreciation and support for micro, small and medium-sized enterprises (MSMEs) was once again realized through the UMKM EXPO(RT) BRILiaNPRENEUR event in 2022. This event was specifically designed to introduce outstanding and diverse products from across Indonesia to the international market.

BRI also made the most of the momentum of the Group of Twenty (G20) Summit in Bali as a forum that could open access for MSME players to the global value chain. BRI took part in the event at The Apurva Kempinski to showcase a number of superior MSME products before delegates from multiple countries. Products displayed also vary, such as accessories, bags, food, handicrafts, and so on, each of which brings its own characteristics.

In line with one of the priority agendas of the G20 in the financial sector, i.e. financial inclusion and digitalization of MSMEs, BRI seeks to boost international awareness regarding the potentials that Indonesian MSMEs have. Therefore, BRI does not only focus on the uniqueness of the products offered but also emphasizes the sustainability side of the micro business itself. As many as 26 MSMEs selected by BRI at the G20 event were assured to emphasize the pillars of ESG, including Environment, Social, and Governance pillars in their business activities. They also send an implicit messages in their products as a response to currently developing socio-environmental issues, including women's empowerment, waste management, and inclusivity.

G20 Bali was the start of the UMKM EXPO(RT) BRILiaNPRENEUR which was held on 14-18 December 2022 in Jakarta. The event presented 500 selected participants and a series of interesting and useful programs, such as expo, online bazaar, business matching, Ngobrol Bisnis, Ngobrol Pintar, Ketawa Bareng, Dari Lokal Jadi Kece, Serba Serbu, Yuk Berkreasi, Tiba-Tiba Shopping, Nusantara, Cerita Wastra, music performance, dan UMKM dan business matching Awards. By introducing superior domestic products to the international arena, BRI hopes to encourage the competitiveness of MSMEs as one of the biggest pillars of Indonesia's economy.

## Channeling Financial Literacy and Inclusion through Various Platforms and Products [FS16] [F.23] [F.28]

### 1. BRI Digital Saving [FS8]

BRI continues to follow technological development in developing its products and services. By utilizing digital technology, BRI's services are now shifting from conventional methods to more effective and efficient methods through digital technology. Digital Savings launched by BRI can be accessed through BRI's channels or third parties that have collaborated with. Customers are no longer required to visit BRI branch offices for account openings, as it can be done online with face recognition and digital signature technologies.

There are three advantages for customers who open a BRI Digital Savings account: (1) simple, because it is provided with easy access to services through websites or applications; (2) efficient, because customers can save time for the account opening process is only around 5-10 minutes; and (3) secure, because of the process that prioritizes customer data security. Ease in accessing banking services has proven to increase the number of BRI customers every year. BRI already has various digital savings accounts such as BritAma Muda, BritAma General, BritAma Bisnis, Simpedes, and Simpedes BISA. The number of new digital saving customers has also increased rapidly compared to that of last year, from 1,138,507 accounts in 2021 to 3,852,594 accounts in 2022.

### 2. Simpedes

Double Bottom Line is the bank's business strategy that demonstrates that the success of a micro business seen from its success in providing financial and social impacts for stakeholders. Simpedes is one of the products designed to make it easier for the communities and micro businesses, especially those who need savings with affordable cost. Each year, BRI continues to make improvements and updates to the features and variations of this product. Simpedes BRI provides debit cards that can be used on various domestic networks and is supported by 24-hour internet banking and mobile banking services. Various Simpedes variants are also available, such as Simpedes BISA, Simpedes TKI, Simpedes Impian, and Simpedes Usaha. BRI's efforts to expand product coverage are also carried out through marketing at 5,156 BRI Units in all regions of Indonesia.

[SASB FN-CB-240a.4] [FS6] [FS13] [FS14]

As a solution for Simpedes customers who are still experiencing difficulties and reluctance to save at the bank, BRI presents Teman Simpedes, which is an additional facility of a cash deposit box in the form of a small bag. Teman Simpedes is intended as a substitute for conventional piggy banks, but with more guaranteed security because it is locked and can only be opened by a BRI officer or a BRILink agent when the customer wants to transfer money to a Simpedes account. This facility can be stored and carried anywhere, making it easier for customers to store their money safely and easily, and can also be an encouragement to always save. [FS13]

BRI is also participating in Simpedes rejuvenation through Simpedes BISA to provide access to Insurance and Investment (BRIFINE) products for customers. The product, which can be accessed through BRIimo, also provides features such as investment and financial protection that educate and encourage customers to make financial planning according to their needs in a flexible manner. With the excellent concept offered and the varied features that support it, Simpedes BISA is also directed to reach young customers, making it a multi-segment product.



The various efforts made have succeeded in improving Simpedes' performance every year. In 2022, BRI managed to record customer growth of 11.3% yoy, while the total number of Simpedes customers has reached 99,815,958 customers with total deposits of Rp293 trillion. [FS7] [FS14] [FS15]

BRI's support for MSMEs in doing business, especially in the wake of the Covid-19 pandemic, was also demonstrated through various ongoing campaign activities, including MSME talk shows, the Pesta Rakyat Simpedes event, and training for MSMEs to support micro business growth while expanding the company's business scope. BRI believes that modern and innovative products and services, as well as educational activities can contribute directly or indirectly to growing the level of financial literacy and regional economies. [FS15]

### 3. Junio Smart

Present in the form of an app, Junio Smart is dedicated as a connecting ecosystem between students and parents and schools during the pandemic. The app makes it easier to manage administration and teaching and learning activities remotely, and supports paperless systems through the various features offered. App payments can also be made easily via BRIVA/BRI Virtual Account. Even though currently the teaching and learning activities have run normally, Junio Smart remains the mainstay of schools in carrying out administrative management. It is proven that there is an increase in the number of schools that work with Junio Smart in 2022, reaching 4,298 schools with 356,632 users consisting of 172,987 students and 183,645 parents, compared that to 2021 at 2,520 schools with 234,061 users. [FS7]

The Junio Smart features include:

- |                            |  |                                  |                                    |
|----------------------------|--|----------------------------------|------------------------------------|
| <b>1</b> Academic Calendar | <b>2</b> Data management of teachers, students and parents | <b>3</b> Tuition billing feature | <b>4</b> Online assignment feature |
| <b>5</b> Syllabus features | <b>6</b> Attendance and information features               | <b>7</b> Online exam feature     |                                    |

### 4. SimPel

BRI does not only carry out financial literacy and inclusion activities for adults, but also young students. By collaborating with schools as BRILink Agents, the company presents Simpanan Pelajar (student savings) (SimPel) products through which students can save easily at school and free of charge. This product frees admin fees and other additional costs because the main goal of this product is to raise students' awareness and knowledge in the field of finance. In 2022, the total number SimPel accounts madereached 24,649,999 accounts or rose by 7.62% from that in 2021. [FS7] [SASB FN-CB-240a.3]

### 5. pasar.id [GRI 203-2]

BRI collaborated with third parties to drive the micro economy, such as traditional markets, through the development of a website called Pasar ID. Pasar ID is online buying and selling platform an online buying and selling platform that can be utilized by traditional market managers, traders, and visitors for doing transactions. One of the things that is unique is that this website provides complete information about nearby traditional markets and shops in them, making it easier for consumers to choose where to shop according to their location preferences.



This site, which can be personalized by market managers, offers an easy transaction process, namely through WhatsApp and BRI banking applications such as EDC BRI, BRIimo, and BRIlink Agents. Throughout 2022, the number of transactions through this site reached 745,712 transactions with the total value of Rp116.03 billion. The Pasar.ID website covers 6,633 traditional markets with a total of 215,539 traders. The number of these traders has increased by 13.67% yoy compared to that in 2021. This positive performance was influenced by BRI's efforts to acquire leading markets in various regions, where the company directly assigned related divisions to conduct specific and intensive training and assistance, especially related to Pasar.ID features that facilitate the daily buying and selling process. [FS6] [FS13] [FS14]

The purpose of establishing this website is as follows: [FS13] [FS14]

- Connecting market sellers/traders and buyers through virtual space in order to comply with the implementation of physical restrictions;
- Increasing the turnover of market traders that have been affected by the COVID-19 pandemic
- Providing new job opportunities for people who lost their jobs due to the COVID-19 pandemic.

Value Proposition – The Value of Social Web Markets

- Digitization of traditional market businesses can boost market economic growth and increase the turnover of market traders.
- Opening new job opportunities for motorcycle taxis around the market to become market couriers
- The Market School increases the capabilities of traders and market managers in better business management.
- Digital Assistance, assistance to market managers and traders in the new normal era and supports the cashless society campaign.

## 6. Digital Retail Banking

To realize BRI's goal of becoming a leading entity in digital banking, BRI continues to improve electronic services and products while encouraging customers to prioritize non-cash transactions. This commitment is realized through the development of various electronic channels (e-channels) such as BRIimo, IBBIZ, Internet Banking BRI, BRIZZI, BRIMOLA, Smart Billing, Merchant BRI, QRIS, and others. BRIimo users showed an increase of 68.5% compared to 2021. Apart from the number of customers, the total of financial transactions BRIimo in 2022 also increased by 110.0% yoy compared to 2021. In terms of transaction value, it increased by 98.5% yoy compared to 2021. Through the development of these non-cash facilities, BRI hopes to contribute to promoting sustainable banking by using digital technology appropriately and reducing energy use.

## 7. Remittance Education

To optimize the potential for remittance transactions for Indonesian migrant workers (PMI) in a number of countries, such as Malaysia, Singapore, Brunei Darussalam, Taiwan, Hong Kong, South Korea, Japan, UAE and Saudi Arabia, BRI has a remittance representative and a subsidiary company called BRIRemittance whose shares are wholly owned by BRI. The company is also developing online remittance services through collaboration with partners who have digital platforms and financial technology.

In addition to financial inclusion, increasing PMI literacy in the banking sector has not escaped the company's attention. BRI collaborates with a number of parties such as Bank Indonesia and the Trade and Economic Office (KDEI) to provide education to the migrant workers regarding the importance of sending cashless



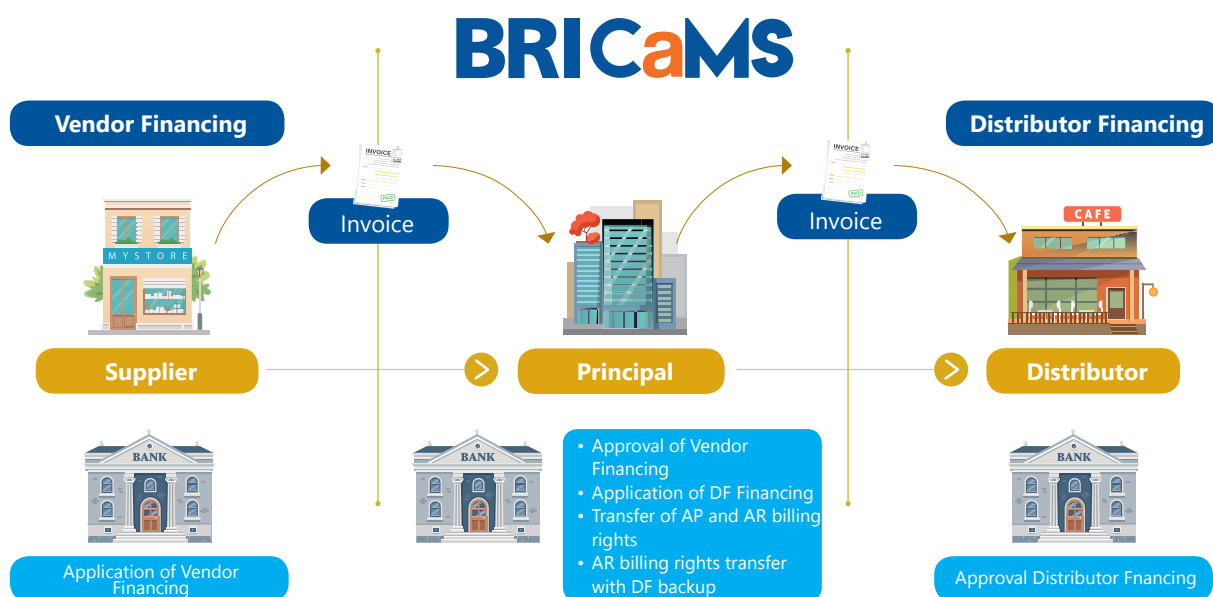
money from and/or to Indonesia. To improve service quality and effectiveness, BRI is currently supported by more than 100 partners in various countries. BRI hopes that through collaboration and cooperation with various parties, the remittance business can develop and exchange money between countries can be carried out effectively and sustainably. [FS7]

## 8. BRICaMS

In providing more comprehensive financial services to customers, BRICAMS also optimizes transaction potential and encourages paperless services and efficiency. In addition to facilitating the use of transactional banking services through the Financial Supply Chain Management (FSCM) feature accommodated in the BRICAMS Platform (Cash Management), BRI is also developing payment management services to facilitate supply chain processes to customers from both the principal and vendor/distributors through collaboration with payment systems and loan facilities based on information and documents online to realize integrated banking services and facilitate transactions in goods and services supply.

The need for transaction efficiency through digital access in business processes is also balanced by improving customer literacy through collaboration and dissemination in digitizing customer business processes to create business to business (B2B) business transaction efficiency by collaborating with various principals to provide transaction education through the BRICAMS platform to MSME partners in more than 30 principals. Moving forward, to improve services BRI will continue developing a user-friendly and reliable platform by improving digital services in terms of supply chain financing supported by cash management service features that are integrated in one platform that provide services that can be used by multi-segments from wholesalers to MSMEs.

The following is a supply chain management service feature scheme on the BRICAMS platform:











SUSTAINABILITY  
REPORT  
2022

# Respecting Employees





## Diversity [GRI 405-1, 405-2]

BRI values and upholds the principles of equality, diversity, and anti-discrimination. BRI implements an anti-discrimination policy in all human capital management functions, guided by the Decree of the Board of Directors Number B.4e-PKO/KKO/01 of 2016 dated January 20, 2016 on Provisions for Fulfillment of Employees with Disabilities. The implementation of anti-discrimination policies is applied in the aspects of career development, remuneration, and other aspects as well. [GRI 3-3]

As a commitment to compliance with Circular Letter of SOE Minister Number SE-3/MBU/04/2022 of 2022 on Respectful Workplace Policy in State-Owned Enterprises, BRI has issued Respectful Workplace Policy through the Decree of the Board of Directors Number B.1221-DIR/HCS/07/2022 dated July 29, 2022. BRI is committed to providing a work environment that is mutually respectful, free from discrimination, exclusion or restrictions, sexual or non-sexual harassment, bullying and other forms of violence and upholds dignity and self-esteem to maintain productivity while employees are at work. [GRI 3-3]

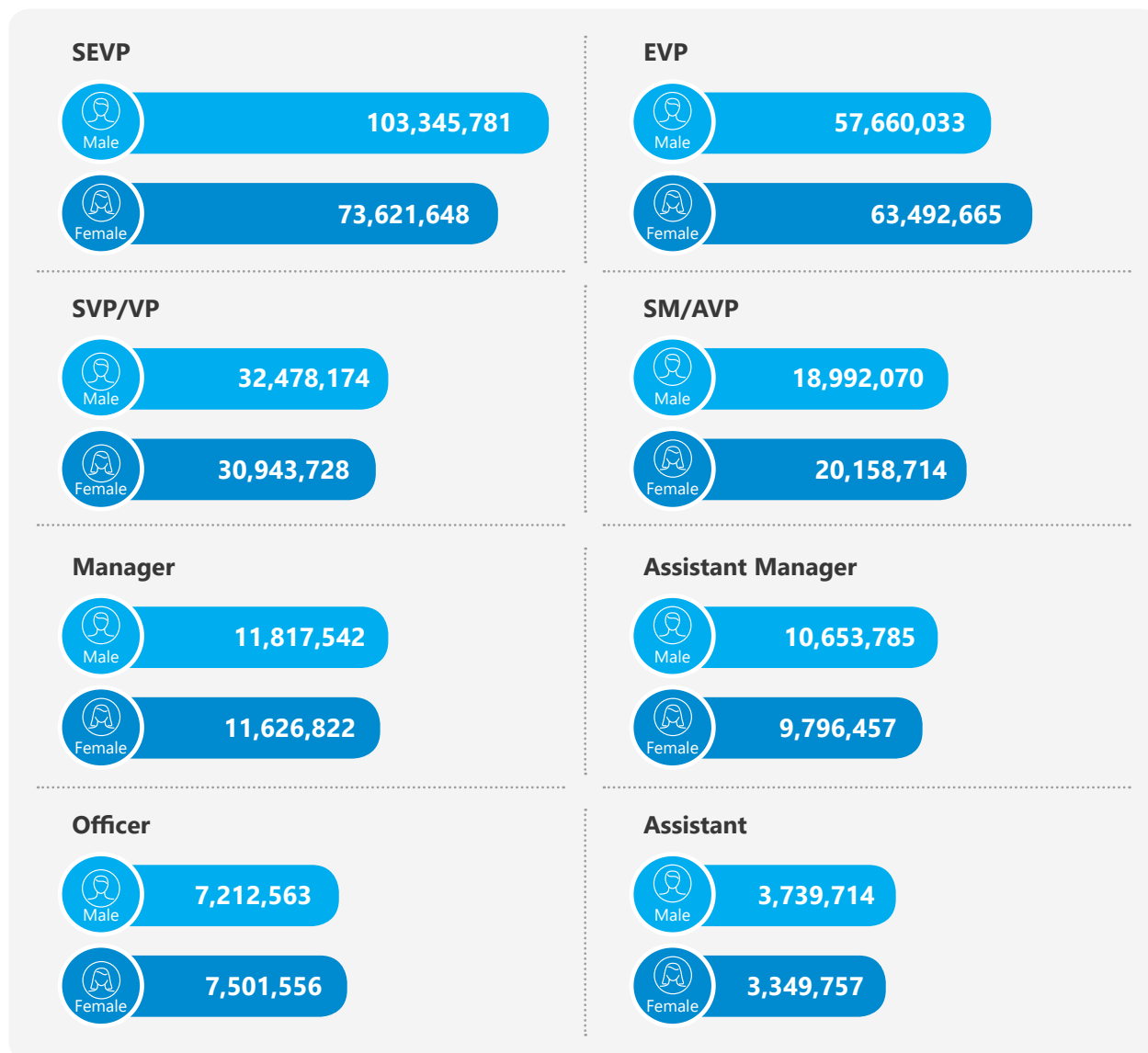


BRI guarantees that there is no discrimination within the company. One of tangible forms of anti-discrimination policies is guarantees related to wages that are not differentiated based on gender. The company provides salary and remuneration by fully considering the classification of positions, length of service, workload, and work performance, encouraging female employees to be successful without worries about possible gender discrimination. BRI also pays attention to expensive allowances and regional minimum wage (UMR) for each region so that none of the salaries received by BRI employees are below the minimum wage. [GRI 3-3] [GRI 405-2] [GRI 406-1]

BRI provides a WBS facility for reporting on acts of discrimination, exclusion, or restriction, sexual or non-sexual harassment, bullying, and various other forms of violence BRI provides consulting facilities for employees through BASIC on the BRISStars application, which is managed by Human Capital Division. Through BASIC, employees can convey various things such as questions, complaints, suggestions and concerns they have. Consultation or counseling is carried out with a counselor, who is also a BRI employee that has fulfilled the requirements. BRI guarantees that data of employees is kept confidential. [GRI 2-26]



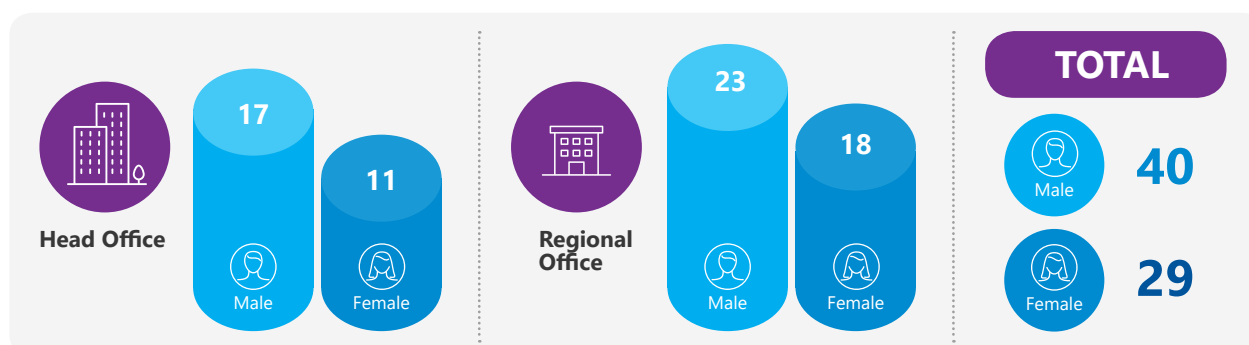
## Average Salary by Position and Gender



The application of the principle of equality is also realized through equal opportunities for employees with disabilities. Division of positions and types of work is adjusted to the level of expertise and skills of each individual.

[FS4] [F.18]

## Composition of Employees with Disabilities





# Employees with Disabilities [FS4] [F.18]

Every human being, including those with disabilities, is born with inherent rights. Fulfillment of rights in all aspects of life is an important matter that affects their standard of living, especially the right to education and employment. BRI understands this and always provides equal opportunities for persons with disabilities to be involved in the bank's business activities. [GRI 3-3]

BRI has various platforms and programs for recruiting prospective employees with disabilities such as in regular recruitment and joint recruitment in the joint FHCI KBUMN Recruitment.

Placement of positions and types of work determined are adjusted to the level of expertise and skills of each individual. The company also takes a number of steps in the implementation of recruitment and selection, including:

- Conducting a placement test to determine interests, talents and abilities;
- Providing assistance in the process of filling out application forms and other necessary processes;
- Providing test tools and forms that are appropriate to the conditions of the disability;
- Giving flexibility in the time for carrying out tests according to the conditions of persons with disabilities;
- Others: Onboarding Program.

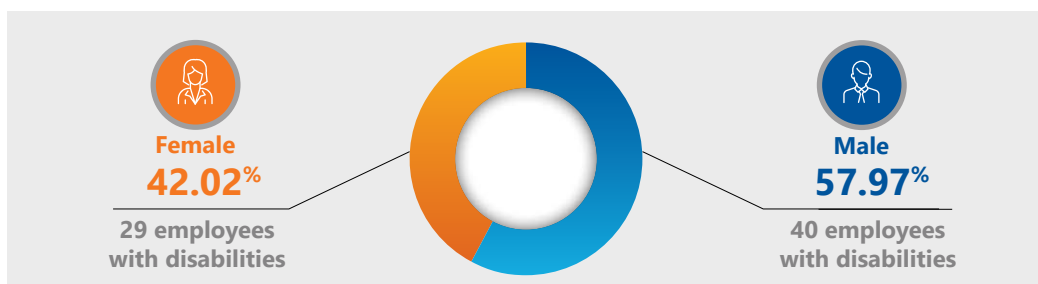
BRI consistently demonstrates a commitment to the career development of employees with disabilities through the provision of specialized training and capacity-building programs, as well as a career management system anchored in the Talent Development System. Furthermore, BRI has a dedicated remuneration program for employees with disabilities, which encompasses compensation and other supplemental benefits.

BRI also prioritizes the comfort and safety of employees with disabilities in the workplace by providing a diverse range of supportive work equipment and constructing physical and non-physical facilities that cater specifically to their needs. Strong commitment and concern for the rights of employees with disabilities have earned BRI a National Award for Efforts to Respect, Protect and Fulfill Rights of Persons with Disabilities in the Inclusive Workplace, awarded by the Indonesian Ministry of Manpower on November 21, 2022.



The following presents data regarding employees with disabilities at the company:

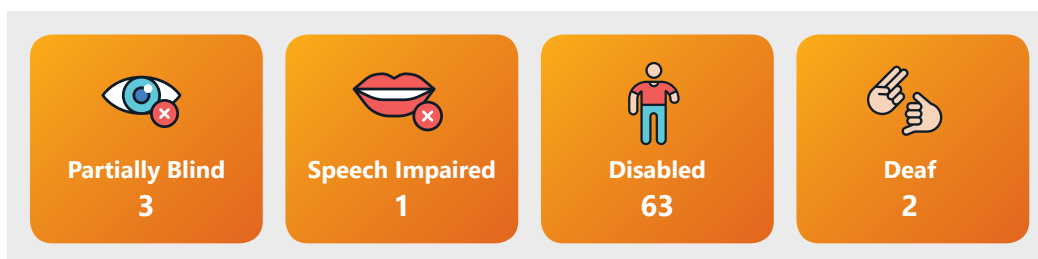
#### Composition of Employees with Disabilities by Gender



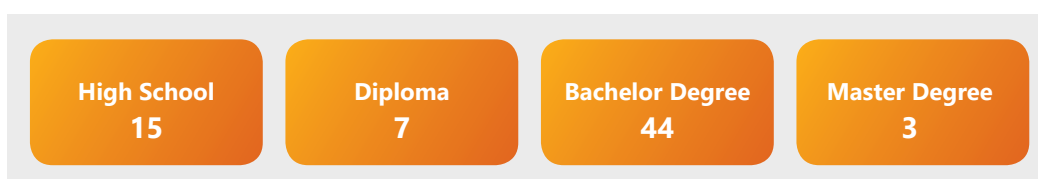
#### Position of Employees with Disabilities



#### Types of Disabilities



#### Educational Background of Employees With Disabilities







Respecting  
Employees



BRI also actively supports women's empowerment, one of which by providing a platform or space for female employees to showcase their individual skills and professional capacities. BRI believes that the participation of female employees can have a huge positive impact on the company.

## BRILiaN Women Leaders Indonesia (BWLI)

BWLI is the latest internal development program aimed at existing BRI women leaders as a forum for learning about women's leadership and networking for selected BRI women leaders.



Existing BRI Female Leaders



Selected as BWLI Batch 1 of 2022



Developing through the BWLI



Deeper knowledge about women's leadership, ready for a higher career path, ready to uplift more women in the communities.

BWLI is a program by BRI Human Capital Development (HCD) that aligns with the efforts of Ministry of SOEs to increase the number of female leaders in the BRI Group and to support the achievement of Ministry of SOE's target of 25% of female leaders in SOE leadership positions by 2023.

The objectives of this BWLI Program are as follows:

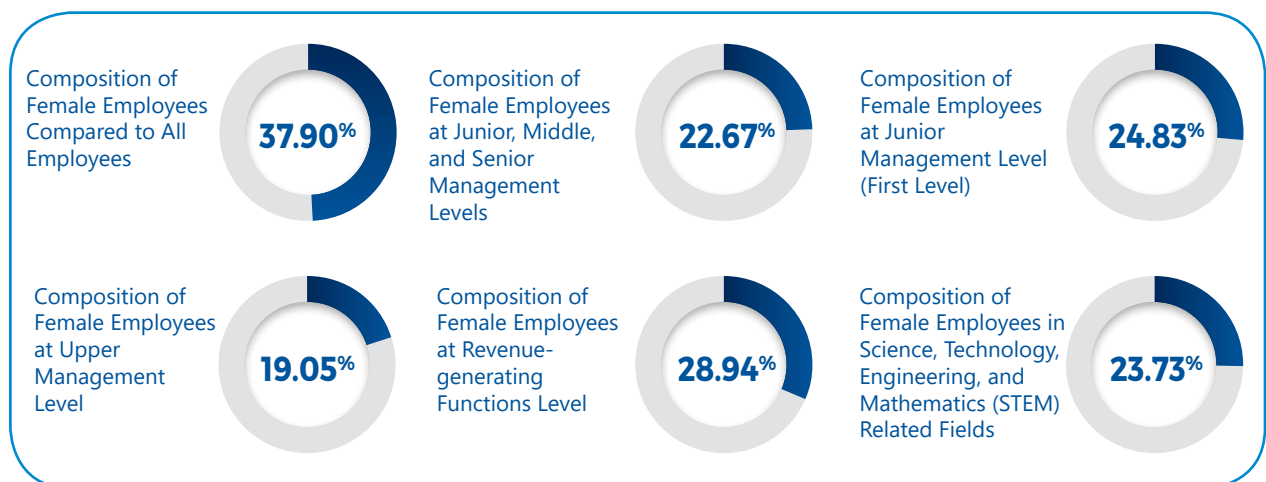
- Increasing the number of female leaders in the BRI Group.
- Developing BRI female employees who have superior competence in terms of leadership competency.
- Increasing the representation of female leaders at BRI.
- Becoming a means of networking, making impact, and employer branding from BRI female leaders to fellow leaders and to various Indonesian women's communities.

BRI is aware of the risk of violations of employees' rights, such as discrimination, underage child labor, and forced labor or human trafficking. Therefore, BRI carefully considers the minimum age limit for employees to ensure that there is no risk of minors, young employees exposed to hazardous work, or forced labor in BRI's operational teams or supply partners. BRI is also committed to fighting all forms of crime such as human trafficking. During 2020-2022, there were no cases of discrimination reported within BRI and there was no risk of child labor, young employees exposed to hazardous work or forced labor for BRI operational teams or BRI suppliers. [GRI 3-3] [GRI 406-1] [GRI 408-1] [GRI 409-1] [B.3] [C.3] [F.19]

BRI recognizes the importance of respecting human rights and taking careful action to manage potential risks impacting the fulfillment of human rights throughout the company's business processes. All provisions for employees at BRI refer to Law Number 13 of 2003 on Manpower and has adapted Government Regulation in Lieu of Law Number 2 of 2022 on Job Creation on December 30, 2022. The Collective Labor Agreement (PKB), which is the written forum for the respect of human rights, is regularly reviewed and updated every two years with the aim of clarifying rights and obligations of companies, trade unions, and employees; maintain and improve harmonious working relations between companies, labor unions, and applying the principles of healthy industrial relations. [GRI 3-3] [GRI 2-30] [GRI 407-1]

BRI offers equal opportunities in career development regardless of gender, age, ethnicity, religion, race, and other discriminatory aspects. In 2022, as many as 8,008 employees were promoted, or around 8.93% of the total BRI's employees. BRI acknowledges the risk related to the freedom of association and collective bargaining in its operations and among its suppliers. As such, BRI respects the right to freedom of association and collective bargaining of its employees and suppliers. During 2020-2022, there were no violations related to freedom of association and collective bargaining with unions in BRI's operations or suppliers. [GRI 406-1] [GRI 407-1] [B.3]

The diversity that BRI aims to build is not limited to creating a culture that supports women in the workplace, but also supports employees with diverse experiences, ages, abilities, thoughts, and perspectives. BRI recruits employees from all regions in Indonesia and from various age groups. In 2022, BRI recruited 1,246 female employees with the age group of 25-29 years dominating the company. [GRI 401-1] [F.18]





## WOMAN 2022



The role and contribution of women is an important factor in tackling various challenges in realizing financial inclusion in Indonesia. Hence, it is crucial to provide equal opportunities for women to contribute through economic activities. In celebration of the 2022 Kartini Day, BRI Group held an event called WOMAN (Wonderful & Magnificent) 2022 at Sentul International Convention Center as a token of appreciation for Indonesian women. The event was attended by SOE Minister Erick Thohir, President Commissioner of BRI Kartika Wirjoatmodjo, Vice President Commissioner of BRI Rofikoh Rokhim, President Director of BRI Sunarso, Vice President Director of BRI Catur Budi Harto, Board of Directors of BRI, Civil National Capital (PNM) and Pegadaian, and more of 7,000 women from the BRI Group.

The event sought to convey a message to all participants that gender equality within SOEs is implemented in a holistic and interrelated manner. BRI always provides opportunities for women to maximize their potential for the company and Indonesia. Equal opportunity serves as a trigger for women in Indonesia to achieve their best performance for all customers.

BRI is aware that women's empowerment plays an important role in economic growth, in promoting social development, and in improving business performance. To that end, BRI continues to strive to contribute to women's empowerment, one of which is by empowering women in micro, small and medium enterprises (MSMEs) so they can grow sustainably. This is in line with BRI's mission to always assist MSME actors so that they can continue to level up systematically and enlarge their customer base by seeking new sources of growth. Equal opportunity and empowerment of women carried out by BRI also supports the achievement of SDG 5 regarding gender equality.



## Equal Rights



BRI implements a remuneration strategy that aims to encourage a performance-driven culture by providing cash compensation based on the performance of each employee. The strategy is expected to provide compensation that is directly proportional to the contribution of employees.

In 2022, BRI offered wage increases to employees based on work performance (merit increase). BRI also provides incentives and bonuses to boost employee motivation. It is hoped that they will be able to meet the targets that have been set in the midst of a pandemic and big economic challenges, both at the macro and the micro levels.

BRI provides wages that are above the regional minimum wage standards to all employees. The provision of wages above the minimum wage standard is a concrete form of BRI's commitment to fulfilling employees' rights, despite having an impact on the increase in the allocation of funds for employees. BRI also views the allocation as beneficial for enhancing the competencies of employees, which is part of an investment to improve the quality of human resources.

[F.20] [FS4]

All employees are enrolled in the BPJS Ketenagakerjaan and BPJS Kesehatan to provide protection and social

welfare. BRI believes it has provided the best facilities for employees in accordance with the prevailing government regulations.

BRI invariably seeks to avoid a significant remuneration gap for employees. The median value of compensation without the highest value for 2022 is Rp41,065,783. There was a 5.82% percentage decrease in the annual total compensation for the company's highest-paid individual against the median annual total compensation percentage increase for all employees (excluding the highest-paid individual). [GRI 2-21]

BRI recognizes that remuneration plays a crucial role in determining the quality of life for its employees. The implementation of competitive remuneration is a principle of the company at every level of position, including entry level positions. BRI also places importance on recognizing and rewarding its employees through remuneration packages that include salaries, benefits, incentives, and other compensations. BRI is committed to providing remuneration in accordance with prevailing regulations and that exceeds regional minimum wage standards. [GRI 202-1] [F.20]



## Leave Policy



Leave and absence from work are part of employees' rights. Work leave, maternity leave, and time off from work, in accordance with the submission of a letter of application from the employee to the superior of each division, has been given by BRI to each employee. With regard to maternity leave, BRI also provides rights in the form of paternity leave to male employees in accordance with Law Number 13 of 2003 on Manpower. [GRI 3-3]

BRI gives the right to leave for employees while continuing to provide them with financial rights according to the agreed points in the PKB and employment guidelines. Dependent leave that can be requested by employees consists of annual leave, long leave, menstrual leave, maternity leave, miscarriage leave, and special assignment leave. Types of time off from work that BRI can grant under certain conditions include marriage, marrying off a child registered with the company, birth of a child from a registered wife, circumcision of a registered child, death of an immediate family member, and so on. The number of permits given is adjusted to Regulation on Manpower. BRI gives rights to female employees to maternity leave, as well as to male employees who will accompany their wife in the birth process. [GRI 3-3]

During the reporting period, BRI recorded that 55,385 employees were entitled to maternity leave. A total of 3,989 employees took maternity leave and 100% returned to work after the end of their maternity leave. Furthermore, all employees are still employed 12 months after returning to work. [GRI 401-3]



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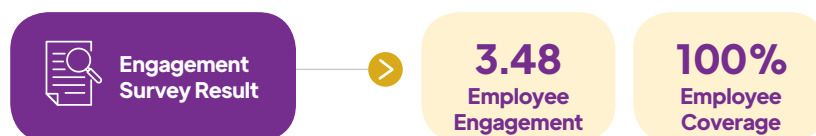
# Employee Turnover

Recruitment of new employees has various purposes, one of which is to replace employees who leave their jobs. The employee turnover rate can be an indicator of BRI employee satisfaction with human resources management. In 2022, the turnover rate was 1.02%, lower than the previous year's rate of 1.84%. This figure indicates that BRI has achieved positive results and improved its ability to retain its workforce compared to the previous year. BRI has made various efforts to maintain the turnover rate, such as providing competitive compensation compared to the industry, benefits that provide a sense of security and comfort in the workplace, a motivating career path, and a conducive work environment. Creating a safe, comfortable, and conducive work environment has always been BRI's priority. In 2022, BRI's employee absenteeism rate reached only 2.03% of the total working day. [GRI 3-3] [GRI 401-1]

BRI also provides remuneration schemes for permanent and non-permanent employees in all operational areas. Following are various types of remuneration given to BRI employees: [GRI 401-2]

Type of Remuneration	Program Name	Unspecified Time Work Agreement (PKWTT)	Specific Time Work Agreement (PKWT)
Life Insurance	BPJS Ketenagakerjaan, BPJS Kesehatan, Grief Compensation	Yes	According to the work agreement
Health Insurance	BPJS Kesehatan	Yes	According to the work agreement
Disability Coverage	BPJS Kesehatan	Yes	According to the work agreement
Maternity leave	Maternity leave	Yes	According to the work agreement
Retirement Preparation	Retirement Preparation Period	Optional	According to the work agreement

BRI conducts employee engagement surveys on a regular basis. The results of the employee engagement survey are as follow:



BRI has an employee stock ownership program (ESOP) for BRI employees to increase their involvement and increase a sense of belonging to the company and to provide long-term motivation/incentives to achieve the company's performance targets that have been set. The ESOP program is presented in programs as follows: [GRI 409-1]

1. Employee Stock Allocation (ESA)  
Stock ownership program in the form of the stock allocation which is provided through 4 stages to all levels of employees who meet the criteria consisting of years of service, individual performance, and track record of employees in fulfilling their responsibilities. During the period 2019 to 2021, BRI distributed ± 960,000,000 ESA shares to ± 59,000 employees.
2. Employee Stock Option Plan (ESOP)  
Stock ownership program in the form of a share purchase option at a special price. This program is given to employees at a certain level who are BRI High Potential Talent & Value Creator, or those who meet performance and capacity/potential criteria. BRI has distributed ± 148,000,000 shares of ESOP shares to ± 2,900 employees in 2021.

BRI will implement a similar share ownership program for employees in 2023.





# Competency Development

BRI believes that quality human resources are key to an organization in order to grow sustainably. However, the pandemic has presented new challenges, especially in the development of training pedagogy strategies that attract employees. Social restrictions during the pandemic reduced employees' opportunities to attend face-to-face training. Despite the obstacles, BRI remains committed to developing the quality of human resources optimally, by among others holding webinars and building an online learning system (e-learning). BRI applies various training materials such as the implementation of Good Corporate Governance, gratuity, and bribery control, as well as training on sustainable finance principles online. [GRI 3-3] [FS4]

The pandemic has changed the company's perspective regarding time and workspace. The social distancing policy encouraged flexible working hours and remote working systems, heralding changes to the company's operations. BRI accelerated employee readiness by implementing effective distance learning and training methods. [GRI 3-3]

The impact of the pandemic has brought valuable new experiences for developing employee competencies, especially in the aspects of critical decision making and problem solving. Individual knowledge and competence of the employees is necessary for the company to be able to compete in a highly competitive banking industry. BRI needs to develop employee competencies, so they are able to master new skills in accordance with the division in which they work, enabling the bank to adapt to changes in the financial sector. During 2022, 100% of employees received training and review of their performance and career development. Training for employees was provided by the company or in collaboration with other institutions.

[GRI 404-1] [GRI 404-3] [FS4] [FS15] [F.22]



In the reporting period, the average number of training hours per education session was 78 hours, while the average number of training hours per position was 78 hours. BRI utilizes education and training as means of enhancing employee competency. Through these two elements, employees have the opportunity to improve both technical (hard competency) and non-technical (soft competency) enabling them to become superior human resources that can compete in similar industries. This endeavor is also in line with the implementation of the AKHLAK culture that became the foundation of SOEs. [GRI 3-3] [GRI 404-1] [FS4] [F.22]

BRI provides training programs according to the needs of each work unit to improve employee welfare. Employees are also provided assistance before retirement. BRI prioritizes external parties licensed by the National Professional Certification Agency (BNSP) in providing training to employees so that the training provided is more qualified and credible. The following is a table of standard training registered with the BNSP for BRI employees for 2022: [GRI 3-3] [FS4] [GRI 404-2]

## Types and Scopes of Training Provided in 2022 [GRI 404-2]

No	Type of Training	Vendor Name	Number of Participants
1	Audit Intern Bank	LSP BRI	228
2	Wealth Management	MCI	5
3	Treasury Dealer	LSP BRI	4
4	General Banking	LSP BRI	1,430
5	Risk Management	BSMR & LSPF	1,731
6	Compliance	LSP BRI	1,063
7	Credit	LSP BRI	423
8	Human Capital	LSP BRI	3
9	IT	LSP BRI	19
10	Funding & Service	LSP BRI	31

BRI also recognizes that training related to anti-money laundering (AML) is incredibly important for employees with the aim of increasing their accountability for customer transactions. The following AML training was conducted in 2022: [GRI 205-2]

No	Training Date	Number of Participants	Speaker	Participant	Topic
1	July-September 2022	a. RMC: 80 participants b. BRILink personnel: 46 participants c. BRC-URC: 1,512 participants	Subject Matter Expert Compliance Division	a. RMC b. Jajaran BRILink c. BRC-URC	APU PPT Enhancement Training of Trainer (ToT) for Risk Management & Compliance Team, BRILink Team Regional Office and Branch/BRI Risk Management & Compliance Unit (BRC/URC) Operational Work Unit (UKO).
2	6 October 2022	a. Related divisions: 11 participants b. BRI Subsidiaries: 42 participants	1. Yudi Aditia (PPATK) 2. Nyoman Ayu Indra Dewi (PPATK)	Related divisions and BRI subsidiaries	In House Training (IHT) to improve the implementation of AML-CFT and Prevention of Green Financial Crime.
3	26-27 October 2022	19 participants	1. Endah Saraswati (Compliance Division) 2. Mila Mulyani (Compliance Division) 2. Rachmat Widianto (Compliance Division)	Assistant level employees in Compliance Division	Meet The Expert in BRILiaN Specialist Development Program (BSDP) New Entry Compliance Division Module Compliance Education
4	2022	7,114 participants	Subject Matter Expert Compliance Division	MO, AMO, SLK, SLO, Teller, CS & PAB	Self-learning: 1. Identification of WIC and Conductor; 2. Money Laundering Crime (TPPU)/Terrorism Funding Crime (TPPT) Typology, and 3. Identification of High Risk Customers.
5	2022	38 participants	Assessor Compliance Division	Employees at Compliance Division	Officer Compliance and AML Certifications



Employees were given the opportunity to improve their knowledge and skills through education and training programs, which, in the end, they can use to support their careers. Equal opportunity is the principle applied in the company's career development programs. Every employee is given a similar opportunity to grow and develop without neglecting the factors of the company's needs, intended family of positions, capabilities, performance ratings, talent classification, and position availability.

BRI Corporate University and BRI Corporate University Campus throughout Indonesia have also been registered with the Office of Manpower and Transmigration to become the company's job training institutions (LPK). BRI employees' educational and research institutions have been registered at the Ministry of Manpower. Employees can get official training certificates issued by BRI Corporate University. [FS4]

BRI organizes various programs such as talent development aimed at developing employees according to certain criteria while addressing the challenges of future demand competencies. Some of the programs include: [404-2]

- **BRILiaN Development Program (BLDP)**

Comprehensive education programs that cover business orientation, leadership competency, business value creation, and social need orientation as soft competency enhancement.

- **BRILiaN Bright Scholarship Program (BBSP)**

Overseas Masters scholarship program provided to selected employees to pursue postgraduate education at various universities in the US, Great Britain, Australia, Europe, and other countries.

- **BRILiaN Young Leader Program (BYLY)**

A development program for selected young BRILiaN employees that provides career acceleration opportunities and exclusive development so employees can master the competencies, knowledge and skills needed to become Indonesia's young leaders.

Establishment of the BRILiaN Development Center was carried out to oversee the preparation of the system and digitalization of the recruitment process for BRILiaN personnel and develop their potential optimally and optimally to become great talents and great leaders. In the early stages, BRI held a selection of Indonesia's best citizens. BRI's Talent Attraction is implemented through various attractive programs, such as:

1. BRILiaN Scholarship Program (BSP), a scholarship program for students who are currently pursuing an undergraduate degree with certain criteria in accordance with the recruitment of BRI employees.
2. BRILiaN Creativity Contest Program (BCCP), a competition aimed at BRI external and internal participants to come up with innovative ideas. Participation can be made individually or in a team that aims to have a positive impact on the benefit of the nation and BRI.
3. BRILiaN Internship Program (BIP), an apprenticeship program from BRI carried out to make the programs made by the government a success. Selected candidates will gain experience working in administration and frontliners.
4. BRILiaN Excellent Internship Program (BEIP), a recruitment program conducted by BRI to select the best candidates currently taking their eighth semester or fresh graduates from state universities with the hope that participants will have sufficient knowledge and skills to become prospective company leaders in the future.



The best talents from the above program are obtained through recruitment from various channels, including:

1. BRILiaN Future Leader Program (BFLP), a recruitment program that selects potential external candidates and provides education to them as preparation to become BRI's future leaders;
2. BRILiaN Next Leader Program (BNLP), a recruitment program that selects potential cadres from internal BRI and provides education to them as a preparation to become the bank's future leaders;
3. The BRILiaN Banking Officer Program (BBOP), a recruitment program that prepares new employees at the Corporate Title Assistant level, as well as provides education to them so that they can achieve the best performance in accordance with BRI's operational standards and values.

With the enthusiasm to prepare talent specialists, BRI prepares a program with a mission to improve employee competency. BRI always pays attention to employee competency, both technical/functional (hard competency) and managerial (soft competency). All systematic development programs refer to the "three prongs" and a set of competencies that have been prepared by the Human Capital Development Division that include:

1. Competency Dictionary (Decree of the Board of Directors of BRI Number S.303-D IR/HCD/04/2020 dated April 27, 2020), a document containing competency sets consisting of names, definitions, and behavioral indicators for each competency required by the company.
2. Family Position and Job Functions (Decree of the Board of Directors of BRI Number S.398-DIR/HCD/06/2020 dated June 17, 2020):
  - a. Family Position, a group of positions that carry out business processes or work activities in the same field of work by requiring a certain set of managerial competencies.
  - b. Position Function, a group of positions that carry out a number of business processes or tasks in the same sub-field, requiring similar technical/functional knowledge and skills in a particular field of knowledge and a certain set of managerial competencies in which the similarity of managerial competence is linked to the characteristics of operations/business processes in the same line of work.
3. Position Competency Profile (Decree of the Board of Directors of BRI Number 489-DIR/HCD/07/2020 dated July 20, 2020): a set of leadership skills needed within the company.
4. Position Knowledge and Skills Requirements (Decree of the Board of Directors of BRI Number 582-DIR/HCD/09/2020 September 1, 2020): minimum knowledge and skills set for each position so that position holders can do their jobs properly according to the set standards

BRI does not only focus on development programs, but also evaluates the performance of all employees. BRI also examines and measures employee skills according to the current and future employee duties. To that end, BRI employee assessment and development programs are inseparable. Employees will receive a complete development program after the competency assessment process is completed. [GRI 3-3] [FS4]

The Systematic Development Program has been prepared by BRI with the aim of creating BRILiaN personnel who can independently design their own careers through the BRILiaN Development Plan (BDP), a program that prepares employees to develop and to be able to improve performance individually and as a company. [FS4]



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The BDP program is supported by the BRILiance app. This app serves to capture aspirations regarding career and competency development, discussions with trainers, and use the learning wallet to select development and training programs to be more competent in the current position and to prepare for the next target position.

The Professional Coach Certification Program is implemented by the Human Capital Development Division in collaboration with BRI Corporate University. The program has educated 255 professional trainer candidates.

## Enhance Employees' Understanding of Sustainable Finance through Online Learning [GRI 404-2] [FS4]

Implementation of sustainable finance is an important matter that needs support from all employees. BRI integrates the concept of sustainable finance into online learning curriculum materials (e-learning) to develop employee knowledge. The materials can be accessed by employees through BRISMART. The modules or the teaching materials discuss an overview of sustainable finance. As many as 9,568 employees have accessed online learning on sustainable financial literacy and ESG with a graduation rate of 97.5% in 2022.



# Occupational Health and Safety [F.21]

BRI's main commitment to the health and safety of employees' lives is fulfilled through the implementation of occupational safety and health management system (SMK3) to minimize operational risks. The implementation of SMK3 is coordinated by the Business Continuity Management and Occupational Health and Safety Department in the Operational Risk Division, under the Risk Management Directorate. The SMK3 policy is regulated in Circular Letter Number SE.58-DIR/ORD/11/2022 Book 4 on the Occupational Safety and Health Management System (SMK3). BRI also involves its employees in the formulation of SMK3 policy. In brief, this policy covers the following matters:

1. The provisions are formulated in accordance with the prevailing applicable government regulations and standards set by the company, namely ISO 45001: 2018 regarding Occupational Health and Safety Management System.
2. The provisions apply to BRI employees and non-employees, such as building managers and vendors at BRI.
3. This policy serves as an effort to mitigate and control the risks of operational activities such as work accidents and occupational diseases for all related parties. It also regulates mitigation and control efforts related to occupational health and safety procedures for the company's goods and services procurement process.
4. Operational Health and Safety Management System coordination structure (SMK3) which consists of:
  - a. Occupational Health and Safety Advisory Committee (P2K3)  
The P2K3 was established based on statutory provisions and approved by Manpower Office. P2K3 membership consists of the management and employees.
  - b. Emergency Response Team
1. Occupational health and safety risk and hazard assessment to identify the causes of hazards in the workplace or the hazard identification risk assessment determining control (HIRADC) indicators. The HIRADC includes at least the following: work area, description of process/target/activity, nature of process/target/activity, external and internal legal aspects, occupational health and safety hazards, risk impact, inherent risk prior to control efforts (inherent risk), type of control, and remaining risk after control efforts (residual risk). The HIRADC is held at least once a year in each work unit if:
  - a. Change of work process
  - b. Changes in company working conditions
  - c. Modification of the equipment used
  - d. Work accident
  - e. Occupational illness
  - f. Emergency conditions that affect the company's business processes
2. Risk assessment to determine the level of risk that has been identified. This assessment can be used to determine control priorities for level of risk of work-related accidents or diseases.
3. Establishment of an emergency response team in each work unit in stages:
  - a. Conducting regular occupational safety and health dissemination and emergency response trials.
  - b. Emergency response trial at least once a year
4. Review and improvement of SMK3 performance is carried out to ensure the suitability and effectiveness of SMK3 implementation. Reviews are carried out on planning, implementation, monitoring, and evaluation activities. The results of the review are used to make improvements and improve SMK3 performance.
5. Occupational safety and health monitoring and evaluation is carried out periodically through inspection, testing, measurement, and internal audit activities on the implementation of the SMK3.

In addition to those policies, BRI has prepared SOPs for occupational health and safety procedures that are regulated in Provisions Number SO.35-ORD/06 of 2022. The SMK3 regulated in the SOP includes the following elements:





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6. BRI has an escalation process in the flow of reporting, analysis and investigation of work accidents which has been conveyed to all employees. Starting from reporting occupational safety and health incidents to implementing risk management functions, performing first aid, conducting investigations to taking corrective actions that can be taken.
7. Understanding that the SMK3 is part of the rights and obligations of every employee. Therefore, human resources management is an important element in the implementation of the occupational safety and health program. To create and internalize occupational health and safety culture for employees, several matters that can be done include occupational safety and health education and dissemination with the following methods:
  - a. Face-to-face trainings webinars, online learning; and/or
  - b. Other communication media (letters, infographics, videos, podcasts, and others);
  - c. Emergency response trial at least once a year.
8. BRI takes preventive and control measures against risks of operational activities such as work accidents and work-related illnesses for all related parties, including prevention and control of occupational safety and health for the company's goods and services procurement process.

All activities for compiling, perfecting, and implementing occupational health and safety activities are embedded in the performance appraisal of ORD Division management where ORD Division Head is responsible for implementing and supervising occupational health and safety. To mitigate risks and improve occupational health and safety performance, BRI has prepared priorities and action plans related to occupational health and safety and has been validated by a third party, namely the Ministry of Manpower.

To ensure the implementation of the SMK3, BRI organizes a certification program for several employees who are members of P2K3. The certification covers the following competency areas: [F.22]

1. General Occupational Safety and Health Expert from Ministry of Manpower;
2. Class D, C, B, and A fire extinguishers;
3. First Aid for Accidents (P3K);
4. Senior Occupational Safety and Health expert; and
5. Work Environment Certificate

Certificate	Remarks
Occupational safety and health implementation facilitated by building management policies	Occupational safety and health implementation facilitated by the project manager
Periodic training and provision of information on evacuation from high-rise buildings	Regulations for every employee to follow safety induction
Basic training in the use of fire extinguishers [FS4] [F.22]	Providing all employees with a work accident insurance policy that covers personal accidents and the Work accident insurance program
Victim rescue training from inside the building attended by building security employees	-
Facilities equipped with relevant and adequate basic safety equipment, including oxygen (O2) cylinders, first aid kits, emergency exit slides	-
First aid training in accidents attended by employees, security, and building managers	-
Provision of two ambulances at the Head Office in collaboration with BRI Medika (a subsidiary of BRI Pension Fund)	-

To ensure that the implementation of SMK3 complies with laws and regulations, BRI certified the implementation of SMK3 in June 2022. Based on PT MSI's assessment results, BRI received a score of 90.62% which is equivalent to "satisfactory" predicate. For this achievement, BRI is entitled to receive a SMK3 Gold Flag and Certificate.

# Business Continuity Management [F.21]

Business continuity management (BCM) is a critical process for companies to maintain the continuity of business operations, minimize potential impacts when a disaster/crisis occurs, and ensure safety of employees and stakeholders including BRI customers.

BRI is aware of and understands its role in providing banking products and services and maintaining business continuity, both under normal conditions and in the midst of disturbances or disasters. This has pushed BRI to continue to be committed to implementing BCM in all work units.

This commitment is realized by establishing an organization that focuses on coordinating BCM implementation at BRI, namely BCM and Occupational Safety and Health Departments in Operational Risk Division, which is under Risk Management Directorate. In implementing the BCM, BRI has established two BCM implementing functions, namely the Business Continuity Management Maintenance Function (FPMKU) and Crisis Management Function (MK). The FPMKU is responsible for ensuring the readiness of work units in tackling disasters. The FPMKU's activities are compiling BCM policies, disseminating BCM trials, and identifying the need for emergency response equipment. The FPMKU is coordinated by the Operational Risk Division at the Head Office and Regional Risk Management Department at each regional office, along with each work unit under their supervision.

The MK's function is carried out by the Crisis Management Team (TMK), which is responsible for carrying out disaster emergency response steps and recovery activities, as well as coordinating with related agencies. The TMK is led by the Director of Risk Management on a bank-wide basis with delegation of duties and authority to regional CEOs for each regional office, and branch managers for branch offices and work units under their supervision.

Implementation of the BCM is carried out in every condition, both before the disaster (normal conditions),

when a disruption or disaster occurs (crisis conditions), the recovery phase, and post-crisis (new normal). Under normal conditions, BCM carries out continuous risk identification and assessment which is part of the enterprise risk management process, particularly in the field of operational risk management with the aim of understanding all risks that can be identified and mapped in the risk landscape. From the results of the identification and assessment, the bank prepares BCM policies, identifies, and procures emergency response equipment, as well as carries out dissemination and trials.

BRI's BCM implementation is carried out consistently in accordance with the BCM Policy contained in Circular Number SE.58-DIR/ORD/11 of 2022 dated 22 November 2022 and Standard Operating Procedures Number SO.67-ORD/11 of 2021 dated 29 November 2021 that is guided by on ISO 22301:2019 on Business Continuity Management System.

The BCM policy also contains arrangements regarding the Emergency Response Plan (ERP) and the Business Continuity Plan (BCP). The ERP is an emergency response guide when a disaster occurs with the priority of ensuring the safety of employees and customers at BRI. Meanwhile, BCP is a guide in restoring work units when business interruptions or disasters occur, defines workflows to ensure work recovery of operating units, identifies roles and responsibilities of personnel, and identifies resource recovery (work equipment, communication equipment, internet access, etc.) BCP has provisions for testing at least once a year involving end-users so that the employees involved can understand the steps and their roles and responsibilities in the event of a disruption/disaster.

BRI carries out identification of potential disaster threats in all BRI Work Unit areas through the Hazard and Disaster Risk Assessment (PRAB) process. PRAB is carried out periodically and updated according to potential threats and disasters in each region, both based on historical data and predictions from related agencies. The results of the PRAB assessment become



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the basis for determining the required emergency response equipment and trial activities adjusted to the potential threats and disasters in each work unit area.

Dissemination and trial activities are carried out periodically according to the potential risk of future disaster threats. This periodic test is important to ensure that the BCM policy is understood by all employees, starting from an understanding of ERP procedures and ensuring that TMK members understand their duties and responsibilities so they can increase employee awareness and readiness in dealing with disturbances/disasters.

Human resources and work culture are the main foundations of BCM implementation. To prepare human resources who are responsive and skilled in dealing with disasters, BRI continues to improve the competence of human resources by regularly providing education in collaboration with competent third parties in the field of BCM, including the Meteorology, Climatology and Geophysics Agency (BMKG), the National Disaster Mitigation Agency (BNPB), firefighter, and Ministry of Manpower.

BRI continues to build a disaster response culture for all employees by increasing awareness of potential risks through various means, for example by giving letters, standing banners, infographics, videos, webinars, and training. In December 2022, BRI conducted dissemination and training on emergency response to floor wardens at the Head Office.

BRI also ensured that third parties (vendors) as partners have fully implemented BCM by including BCM clauses in terms and cooperation agreements, which are then followed by regular evaluations. With the establishment of the BCM, BRI can reduce potential financial losses, reputational degradation, lawsuits, and other potential losses in the event of a disaster/crisis.

## BRI New Way of Working

Since the outbreak of the Covid-19 pandemic in Indonesia, BRI has been focused on providing assurance of safety and health for its employees and customers. BRI has implemented various policies to ensure safety and health of employees and customers, including implementing health protocols, flexible working hours, and provision of health facilities such as safe houses and the distribution of vitamin supplements to both employees and customers.

BRI collaborated with the Covid-19 task force to come up with a new way of working by prioritizing employee health and safety. BRI has programs that support health and safety of employees, starting from the implementation and dissemination of health protocols in their respective work units, holding vaccination, providing periodic rapid tests and antigen swab tests, mask, and supplement distribution program for each employee. The bank also actively sprays disinfectants in the workspace, carry out independent daily health checks, do campaigns for the BRISMART online learning program, conduct pilot projects related to productivity tools and applications, provide transportation facilities for shuttle buses for employees, and provide remote working facilities in satellite cities named BRIWORK to support work flexibility. Another initiative taken by BRI is the creation of safe houses as protection for employees who are exposed to Covid-19 with no symptoms. The Covid-19 Prevention and Response Protocol for BRI Employees is regulated in Letter of Board of Directors letter Number B.412-DIR/HCS/03/2022 dated March 16, 2022. [\[F.21\]](#)



# Pension Program

BRI understands that employee welfare is crucial for the company's sustainability. Not only focusing on efforts to improve employee potential development programs, BRI also focuses on providing provisions for employees who are about to retire. The preparation is expected to provide mental readiness, knowledge, insight, and skills needed in retirement. The BRILiaN Leader Retirement Program (BLRP), which was attended by 372 participants in 2022 is a concrete manifestation of the training provided by BRI for employees. [\[GRI 3-3\]](#) [\[GRI 404-2\]](#)

BRI pays close attention to employee retirement preparation implemented through the calculation of fair post-employment benefits. The process of assessing the estimated liability for post-employment benefits and long-term employee benefits consists of gratuity for services, long leave, pension plan, post-employment BPJS Kesehatan program, and other benefits. Provision of employee benefits is of course adjusted based on BRI regulations and the minimum requirements of Law Number 13 of 2003 on Manpower. Post-employment benefits and other long-term employee benefits are determined using the projected unit credit method. Measurement of the net defined benefit liability (asset), which is recognized in other comprehensive income, is explained as follows: [\[GRI 3-3\]](#) [\[GRI 404-2\]](#)

- Actuarial gains and losses;
- Return on program assets, excluding amounts included in net interest on liabilities;
- Changes in the impact of the asset limit, excluding the amount included in net interest on liabilities. Remeasurement of net defined benefit liability, which represents other comprehensive income that is not reclassified to profit or loss in the next period. The pension program is mandatory for every employee with contributions coming from two sources, companies and employees, with a portion of 50% and 50%. [\[GRI 201-3\]](#)

Total employee benefit liabilities as of December 31, 2022 amounted to Rp17,419 billion, which consisted of several components. One of the components consists of re-measurement value of defined benefit pension liability amounting to Rp888 billion and re-measurement value of old age benefit liability amounting Rp534 billion. Valuations from independent actuaries are used to calculate defined benefit and other pension plans. [\[GRI 201-3\]](#)

Employees are enrolled in a pension plan with a defined benefit and contribution scheme, done as a concrete manifestation of BRI's commitment to employees. Another program provided by BRI is a retirement preparation program whose activities offer entrepreneurship training by inviting retired employees who have successfully run their own businesses.







SUSTAINABILITY  
REPORT  
2022

# Protecting Customers



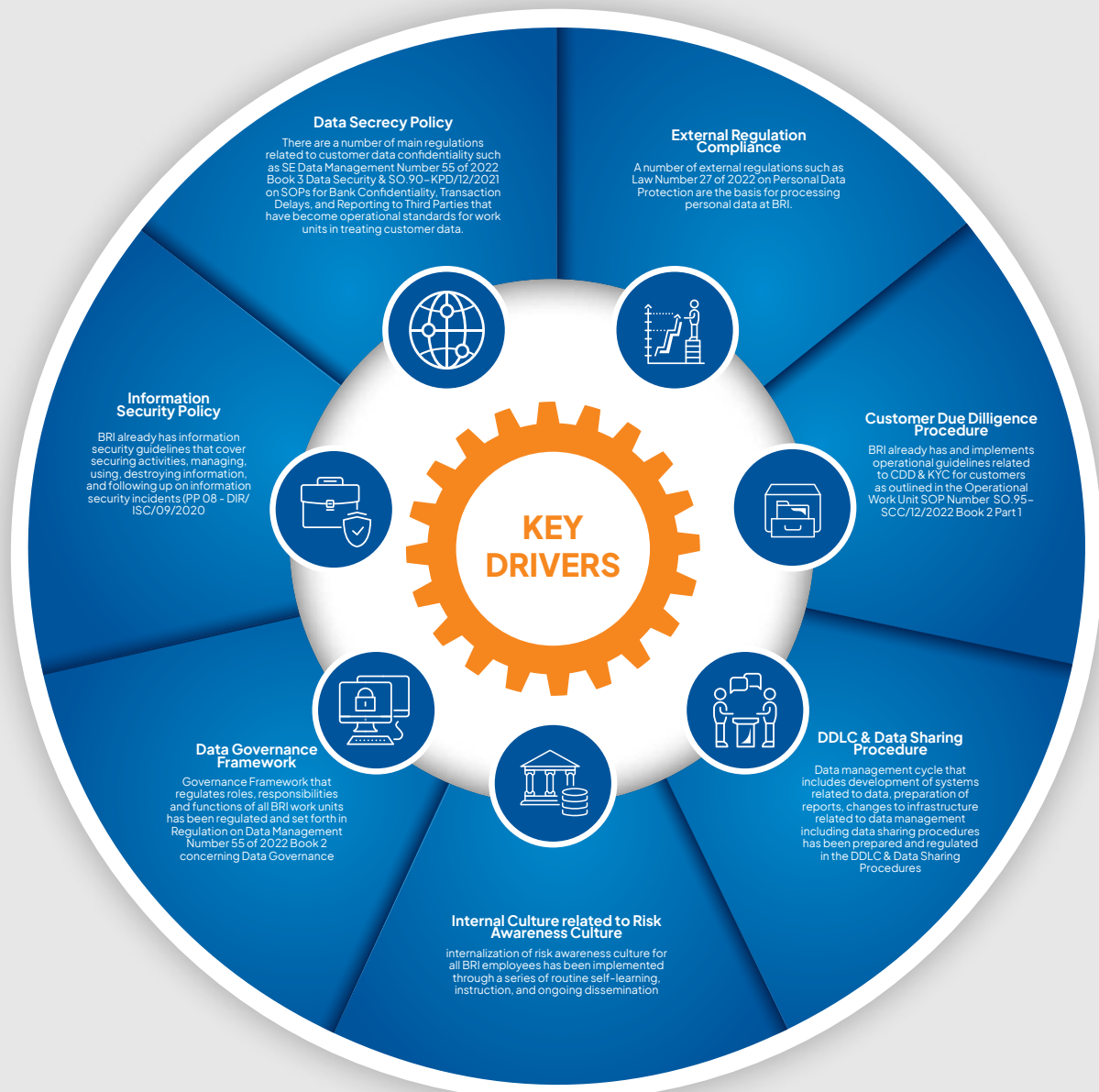


Protecting  
Customers



# Data Management System

BRI Data Management is managed by the Enterprise Data Management (EDM) Division and a special division that handles cyber security, Information Security Division or ISC Division.



BRI continues to take measures to improve security of managed data information. The following are the principles for securing and managing customer data set forth in various internal regulations.

### 1. External Regulation Compliance

External regulations such as Law No. 27 of 2022 on Personal Data Protection, Government Regulation No. 71 of 2019 on the Organization of Electronic Systems and Transactions, as well as various sectoral regulations including, but not limited to, POJK Number 11/POJK.03/2022 of 2022 on Information Technology Organization by Commercial Banks and POJK Number 6/POJK.07/2022 on Consumer and Community Protection in the Financial Services Sector, along with other related regulations, form the basis for the processing of personal data at BRI.

### 2. Data Secrecy Policy

BRI translates a number of external regulations from these authorities through a number of main internal regulations and their derivatives related to customer data confidentiality, such as the internal procedure for security of customer data (protection of customer data at all stages of the data acquisition cycle starting from acquisition/ collection, processing and analysis, storage, transfer/ sending, opening access, to destroying data) including the procedure for encrypting the data. Implementation instructions are related to bank secrecy, transaction delays, and third-party reporting as well as internal procedures regarding the application and use of the customer's main form. Some of these internal policies have become operational standards for BRI work units in managing customer data.

### 3. Information Security Policy

BRI already has information security guidelines that are guided by procedures or best practice standards in the industry that refer to Regulation of the Financial Service Authority Number 11/POJK.03/2022 of 2022 on Implementation of Risk Management in the Use of Information Technology by Commercial Banks and ISO/IEC 27001:2013, as well as PCI DSS Version 3.2 of 2016 Requirement 12.1 Establish, Publish, Maintain,

Disseminate Security Policy. This is set forth in the Main Guidelines for Information Security that include security activities, management, use, destruction of information to follow up on information security incidents (Government Regulation.08-DIR/ISC/09/2020).

### 4. Data Governance Framework

BRI has established and adopted a data governance framework that regulates roles, responsibilities and functions of all BRI work units that have been regulated and set forth in the internal procedure regarding guidelines for implementing data governance.

### 5. Customer Due Diligence Procedure

BRI puts the principle of prudence towards all customers and prospective customers above everything. BRI already has and implements operational guidelines related to customer due diligence (CDD) procedure and know your customer (KYC) procedure for customers as outlined in the operational manual that is implemented and becomes the standard for all BRI work units.

### 6. Data Development Life Cycle (DDLC) & Data Sharing Procedure

Data management cycle that includes data-related system development, reporting, infrastructure changes related to data management, including data sharing internal procedures.

### 7. Internal Culture Related to Risk Awareness Culture

BRI acknowledges that the aforementioned procedures must be upheld through the internalization of a work culture for all management and employees. Thus, the internalization of risk awareness culture for all BRI employees has been implemented through a series of regular self-learning, instruction, and continuous socialization.



# Confidentiality and Security of Customer Data



Banking business continues to grow from year to year, resulting in higher data growth, including customer personal data managed by banks. BRI, as a financial services institution engaged in banking activities, is also supervised by regulators. As a result, personal data which is a crucial asset for the company, is also one of the aspects that requires monitoring. Personal data also serves as a benchmark for the bank's ability to manage personal information and data it manages.

[GRI 3-3]

In accordance with the implementation of Law Number 27 of 2022 on Personal Data Protection, BRI has developed guidelines for personal data protection policies through Circular Letter Number SE.55-DIR/EDM/10 of 2022. The policy regulates the implementation of personal data protection to ensure the compliance of all individuals involved in the personal data process, including BRI Management,

electronic system operators, personal data controllers, all systems that process personal data including personal data processors, be it employees, vendors, partners, contractors, and other third parties who obtain, send, distribute, and destroy personal data against laws and regulations, standards/best practices, and special provisions that prevail in the banking industry. [GRI 3-3]

Personal data protection policy covers data of customers, employees, third parties, and other data that may be used to identify a person, both in the form of physical data and electronic documents. As a form of commitment to implementing this policy, those who violate the personal data protection policy are subject to sanctions in accordance with the rules stipulated in the company's internal policies and laws and regulations. [GRI 3-3]



The following is a reference to external regulations of BRI's internal regulations regarding protection of customer information or data: [GRI 3-3]

- a. Law Number 10 of 1998 on Amendments to Law Number 7 of 1992 on Banking;
- b. Regulation of the Financial Service Authority Number 6/POJK.07 of 2022 on Consumer and Community Protection in the Financial Services Sector;
- c. Law Number 27 of 2022 on Personal Data Protection; and
- d. Other related rules.

As a business grows, the transactional process becomes increasingly complex and the company's cash flow becomes more diverse. BRI has launched the BRI Application Programming Interface (BRIAPI) to streamline and simplify various banking transaction needs required by companies in this digital era. BRIAPI is an application programming interface developed by BRI that enables the integration between third-party applications and BRI services. The complexity of transactional processes can be facilitated by integrating the business instrument panel (dashboard) with BRIAPI. This process provides ease in managing the company's finances as offered by the cash management system (CMS). [GRI 3-3]

CMS is a banking service to assist a business in carrying out daily transactions and managing finances easily, quickly, and accurately. This service is designed for customers with businesses that require an easy-to-use, modern, safe, and dynamic financial management. CMS provides a range of services that facilitate business activities for customers, such as API balance information for checking the company's balances, API transfer information for viewing financial statement including cash, receivables and transactions, as well as API bank and interbank transfers for conducting fund transfer activities from the customer's company to other parties.

All API services offered by BRIAPI have been certified with the international standard security certification of ISO 27001 and Payment Application Data Security Standard (PADSS). The certification is evidence that BRIAPI ensures the security of stored data, prevents unauthorized access by third parties, and minimizes the potential for fraud or deceit that could harm BRI's reputation. [SASB FN-CB-230a.2]

As a commitment to upholding information security governance, BRI stipulates strict sanctions against individuals who violate information security that affects the bank's business. From 2020 to 2022, no incidents of leakage, theft and/or loss of customer privacy data were reported. Furthermore, there were no complaints regarding customer confidentiality and data theft by customers or government institutions. As a result, BRI did not pay any fines or penalties in 2022.

[GRI 418-1] [SASB FN-CB-230a.1]

BRI is committed to protecting customer privacy from incidents that may occur, such as data breaches. In 2022, implementation of complaint procedures and complaint resolutions were reported directly to the Director of Networks and Services of BRI. BRI received complaints, information, and maintenance. The total number of complaints received from all BRI Contact channels was 4,630,243. Out of these, 4,608,428 complaints have been resolved, while 21,815 complaints are still in process. Resolution of customer complaints regarding data security and privacy has become a key performance indicator (KPI) for the Service and Contact Center Division. [GRI 3-3] [F.27]

BRI maintains consistency in handling customer complaints with a high level of complaint resolution rate reflecting strong performance. This is shown in the percentage of customer complaints handling that reached 99.53%. This also proves that BRI is committed to providing the best service to customers, even amid the pandemic. [GRI 3-3]



## Data Privacy Program [GRI 418-1]



BRI has strengthened customer data security management by establishing a data privacy management function under Enterprise Data Management (EDM) Division. In accordance with Law Number 27 of 2022 on Protection of Personal Data (UU PDP), BRI has formulated policies and programs to improve data security and consumer privacy. The policies implemented throughout 2022 include: [GRI 3-3]

1. Policy on Standardization, Classification and Data Security is regulated in Circular Letter Number 55-DIR/EDM/10 of 2022;
2. Personal Data Protection Policy is regulated in Circular Letter Number 55-DIR/EDM/10 of 2022;
3. Consent Management Policy is regulated in SO.91-EDM/12 of 2022; and
4. The Record of Processing Activities policy is regulated in SO.91-EDM/12 of 2022

In 2022, EDM Division organized several programs related to measures to boost privacy awareness for all BRI employees, including:

1. Privacy E-Learning Series  
BRI has published eight learning series related to practices to maintain privacy so that the culture of privacy can be understood in daily practices of BRI employees.
2. Privacy Podcast  
Collaboration between EDM Division and the Corporate University on July 27 2022 has successfully produced a podcast called "Kata Data-Data Privacy" on the BRISmart internal learning platform.
3. Dissemination and Internalization of Privacy Culture to Work Units across Indonesia  
This dissemination and the internalization have been carried out to regional offices throughout the country, followed by the participation of UKO. The activity was carried out in March 2022.

## BRI Foundational Work Future Proof Data Privacy & Protection [GRI 3-3]

It is one of the projects of the EDM Division to implement a series of personal data protection programs. The scope of this project in general is to carry out the preparation of the foundation (design, strategy, and feasibility study), as well as a number of technology implementation programs. The project also includes preparation and review of policies and procedures related to privacy and protection function of personal data assets managed by the company.

In addition, regulations on personal data security in multiple countries are heavily influenced by the European Union General Data Protection Regulation (EU GDPR). These regulations have made BRI use the EU GDPR as a basic reference to adopt fundamental needs and build capability standards in personal data protection. BRI conducted an in-depth review of regulations in various countries as a reference for assessment.

In implementing a number of data privacy programs, BRI refers to a framework with a focus on strengthening 8 (eight) areas, as follows:



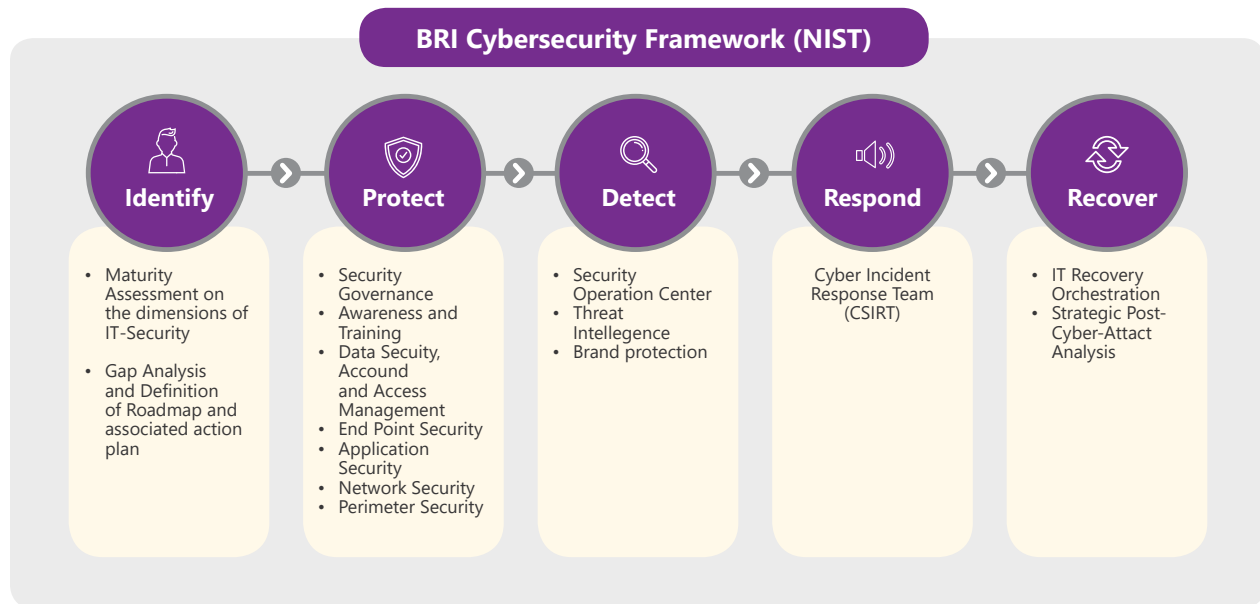




# Cyber Security

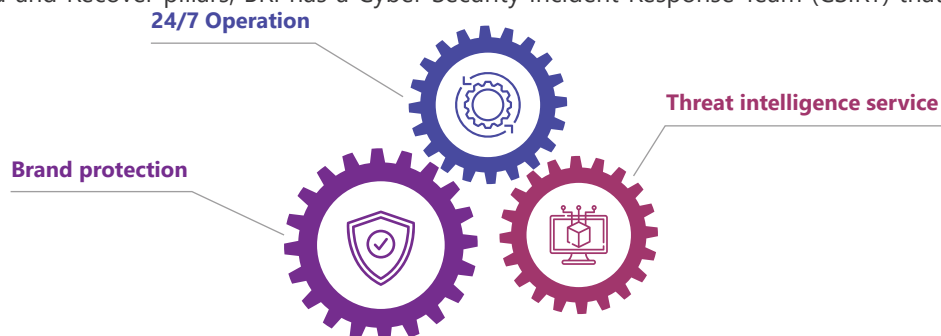
BRI has established a framework to manage cyber security. The company's cybersecurity framework (NIST) is structured into an enterprise security architecture (ESA) based on analysis and conditions of the latest cyber threats. The ESA consists of the elements of Identification, Protection, Detection, Response, and Recovery of information security. The ESA is a reference for the development of BRI cyber security and is included in the Identify element.

The Identify pillar consists of gap analysis, maturity assessment, and preparation of BRI's security roadmap. For



the Protection pillar, BRI applies various information security technologies and security governance. BRI also has a special function or section in the form of a security operation center (SOC) that monitors cyber threats non-stop (24 hours, every week, 365 days) as reflected in the Detection pillar. BRI continues to carry out proactive surveillance through threat intelligence services from international scale providers. Moreover, to monitor and mitigate the threat of brand abuse, BRI has a brand protection program to monitor abuse of BRI's brand on social media. BRI also collaborates with third parties to identify its system vulnerabilities and review its information security independently in the form of vulnerability assessment penetration tests and cyber-attack simulations (red team).

In the Respond and Recover pillars, BRI has a Cyber Security Incident Response Team (CSIRT) that responsively



addresses issues or information security incidents. BRI has developed governance for responding to information security incidents in line with the company's disaster recovery plan (DRP) and business continuity plan (BCP). BRI also has a protocol to inform the public if an incident occurs. BRI collaborates with cyber security experts with global experience in responding to incidents to assist BRI in carrying out cyber forensics and incident investigations.

BRI's cybersecurity management refers to policies related to information security which were prepared with references from Regulation of the Financial Service Authority Number 38/POJK/03 of 2016 on Application of Risk Management in the Use of Information Technology by Commercial Banks, ISO 27001:2013, PCI-DSS, and NIST. In addition, BRI also has provisions regarding customer data security which were prepared based on the Circular Letter of the Financial Service Authority Number 14/SEOJK.07/2014 on Confidentiality and Security of Consumer Data and/or Personal Information. BRI determines cyber incidents based on their impact, including regulatory sanctions, data classification, publication in the media, and service disruption as a result of the incident.

BRI also applies international standards in information security governance through ISO 27001:2013 certification in the scope of Big Data, Open API, Managing Events & Cyber Threat Monitoring, Card Production, Spacecraft Operations, and Data Center Facilities. BRI Direct Debit API has also been certified as payment application-data security standard (PA-DSS). To heighten BRI employees' awareness of information security, BRI routinely carries out awareness raising programs through various forms and media, including:

1. BRI internal posters and publications, including posts on social media;
2. E-learning for all BRI employees;
3. Webinar for all BRI employees; and
4. Email phishing campaign.

Some of the efforts taken by BRI to improve cyber security are:

### 1. Data Security

Finding solutions and governance that includes data security governance, data security research and technology, as well as data masking and tokenization that aims to boost cybersecurity maturity, prevent security incidents, and broadly improve security. One of the goals of this initiative is to protect customer data that is in line with the ESG Division program.

### 2. Identity Access Management

Integration of identity management and access management in a centralized BRI system with a single sign-on system as well as planning and design for this management. It has the function of preventing security incidents, access problems, and system breaches.

### 3. Zero Trust Architecture (ZTA)

ZTA is a security architecture model used to prevent cyberthreats such as data leaks by eliminating the concept of trust from the network architecture and invariably carrying out verification by default. This model includes the implementation of ZTA in BRI's IT architecture, creation of ZTA design and implementation plans, creation of ZTA governance, and oversight of ZTA. It has the function of preventing data and system leaks and reducing the number of cybersecurity incidents.

### 4. Integrated Security Across BRI Group

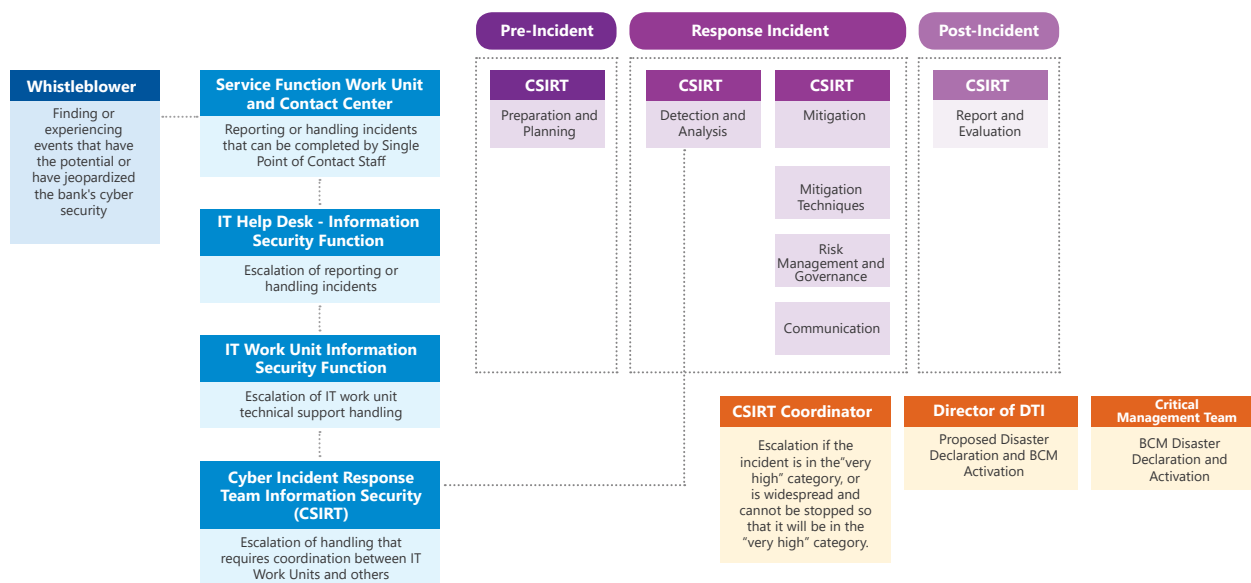
BRI builds security capabilities within the BRI Group by synergizing cybersecurity with all of its subsidiaries, including governance and security operations. It has the function of improving cyber security and better understanding security conditions in subsidiaries.

BRI has established the BRI CSIRT Cybersecurity Incident Response Framework, which is regulated in Circular Letter Number SE.38-DIR/ISC/06 of 2021 on Cybersecurity Incident Management. In the event of



suspicious activities, employees are instructed to follow the escalation process as follows:

Violations of information security/cybersecurity are part of the disciplinary actions of BRI employees as stipulated in Circular Letter Number SE.48-DIR/HCS/09 of 2020 on Disciplinary Regulations. This policy categorizes



cybersecurity violations (TSI-19 and TSI-20) as fundamental violations that can affect performance appraisal (reduction of employee evaluation score from 0.25 - 0.75), salary cuts (10–15%), and other sanctions depending on the serious offense case. TSI-19 violation is defined as an inability to maintain the security of IT rooms and systems in accordance with the prevailing regulations. Meanwhile, TSI-20 violation means the inability to maintain the security of usernames, passwords, or other IT data access security for which it is responsible. Since 2019, BRI has recorded no incidents of information security violations, cybersecurity breaches, or data breaches.

[GRI 3-3]

Types of disciplinary violations regulated in this policy are divided into:

- Violation of rules of order, namely an act that disturbs order and/or the implementation of duties/work
- Violations of ethics and reputation, namely violations of the code of ethics and behavior that pose a negative risk to the company's reputation
- Fundamental violations, namely violations against the banking system (including but not limited to

violations of applicable laws and regulations) and/or violations of work systems and procedures regulated in regulations issued by the company

BRI provides guidance for perpetrators of category I fundamental violations in the forms of written notices and written warnings. Violators who receive a written warning will be subject to a penalty of 0.25 on performance appraisal (the performance management system). Meanwhile, perpetrators who receive a written warning will be subject to a penalty of 0.5.

Furthermore, BRI has penalties for perpetrators of category II fundamental violations. The penalty is to step down for 1 position group (TJ 1) and the performance appraisal of the employee concerned is subject to a penalty of 0.75.



# Service and Customer Satisfaction

In addition to security and convenience, customer trust is determined by the manner in which the bank provides service and resolves any issues or complaints of the customer. BRI ensures that customer trust remains intact by providing outstanding service and solutions that create value for the customer.

- **Product and Service Information** [FS15] [F.17] [F.28] [F.29]  
BRI is committed to providing equitable products and/or services to its customers. BRI strives to provide sufficient information to its customers regarding names of products and services, their types, benefits, requirements, fees, calculation of interest or profit, as well as validity period of these products and services. The information is available in clear and comprehensive in the Indonesian language, both in written or oral form upon the request of the customer. Until now, there have been no retractions of BRI's products and services. Information on BRI's products and services are also available at BRI work units or through its website at [www.bri.co.id](http://www.bri.co.id).
- **Customer Satisfaction Survey** [F.30] [F.5] [F.17]  
In the monitoring process to identify progress in service quality, BRI conducts an independent quality measurement survey, both internally and by third parties, as follows:
  - BRI work unit service quality consistency measurement is carried out using the mystery shopping method to obtain an accurate and objective picture of the work unit service quality which includes people (customer service officers, tellers, and security guards), process, e-channel (ATM/CRM), and premises.
  - Customer Satisfaction Survey is carried out with WhatsApp blast method for customers who have made transactions at BRI (maximum 3 days after the transaction).

Based on the results of the customer satisfaction survey, BRI's customer satisfaction level in 2022 was 83.58%, while customer complaint resolution rate in 2022 reached 99.53%. Improvement of service quality

was implemented to ensure that BRI's services are always at the highest level in the banking industry. Therefore, BRI regularly measures the quality of service and compares it with competitors. In conducting the customer satisfaction survey, BRI prioritizes the confidentiality of customer data through WhatsApp blasts from BRI and does not disclose the customers' mobile number to the surveyor.

BRI stays focused on the quality of services for all customers in all service channels, especially at the touchpoints where direct interaction occurs between the customer and the bank. Implementation of customer centric values is carried out by improving employee capabilities and business processes and creating a more comfortable premise for customers. All efforts made aim to create service standardization and consistency and to boost customer satisfaction across all service channels. Improved customer satisfaction is expected to encourage customers to increase the number of accounts (new accounts), increase account usage, or add balances to accounts (top-ups) so as to have a positive impact through the value of current account savings account (CASA) and BRI's fee-based income.

BRI has made multiple initiatives to improve service quality, including:

1. Improving people capabilities through quality assurance improvement programs in collaboration with third parties, conducting periodic product knowledge tests (TPK) for BRI's operational and service lines, and improving and upgrading service and operational assessment parameters (SOLVE) programs, all of which aim to improve service quality and work unit operations in the aspects of People, Process, Premises, and operational parameters so that customers can enjoy uniformity and consistency of service in all BRI Work Units.
2. Development of service culture, through the BRI Service Excellence Award (BSEC) by holding a competition to find the best frontliners and work



units in the field of service and operations every year as well as to foster enthusiasm in providing the best service for customers.

3. Service process improvement through business process re-engineering in the form of simplification of procedures and regulation of service process flow in work units to simplify and speed up service time to customers.
4. Improvement of premises through repair and improvement of work unit infrastructure facilities so customers feel more comfortable doing transactions. BRI is committed to maintaining service quality through the implementation of health protocols post COVID-19. This commitment is proven by the stability of BRI's service quality as measured by the service quality index in 2020 - 2022 as follows:

Year	Banking Industry Index	BRI Performance Index
2020	4.09	4.10
2021	4.29	4.29
<b>2022</b>	<b>4.25</b>	<b>4.30</b>

- Violation Reporting Mechanism [GRI 2-25] [GRI 2-26] [SASB FN-CB-510.a.2]

BRI provides a whistleblowing system facility that functions as a channel for reporting indications of violations and complaints/grievances against BRI's code of ethics. BRI will impose sanctions in accordance with the company's disciplinary violation provisions to violators proven to have violated the code of ethics. Implementation of the violation reporting system is based on the Circular of the Directors of BRI Number 65-DIR/KEP/10 of 2021 dated 28 October 2021 on the Whistleblowing System of PT BRI (Persero), Tbk. Complaints about indications of violations through the whistleblowing system must be based on good faith and are not personal complaints or bad intentions.

Whistleblowing system report management is carried out by the Whistleblowing System Management Unit, which is under the President Director and supervised by Board of Commissioners through the Audit Committee. The Whistleblowing System Management Unit is responsible for managing and following up on reports of indications of violations.

In connection with BRI's commitment in the cooperation agreement (PKS) with the Corruption Eradication Commission (KPK) regarding handling complaints to eradicate criminal acts of corruption, BRI built a whistleblowing system that is integrated with the KPK. Complaints on indications of violations and suggestions regarding ethical behavior, both internal and external, can be made through the whistleblowing system facility as follows: [GRI 2-27]

- Letter : PO BOX 1895 JKP 10900
- E-mail : whistleblower@corp.bri.co.id
- SMS : 0811 8200 600
- Website : www.bri.co.id/whistleblowing-system

5. Handling of Customer Complaints [GRI 2-25][GRI 2-26]

BRI has adopted the regulations in the effect through the issuance of internal regulations regarding customer complaints, namely the Decree Letter on Customer Complaint Resolution Policy and Procedures. Through this procedure, any complaints related to the violation of customer confidentiality will be immediately acted upon. Additionally, BRI emphasizes the protection of customer data and/or information in Circular Letter Number SE.55-DIR/EDM/10 of 2022 on

Customer Data Protection. The Circular Letter specifically regulates:

1. Customer data is information that must be protected in accordance with the prevailing laws and regulations.
2. Customer data may not be disclosed or given to third parties without written approval from the customer.
3. Customer data stored in the system must be secured by formally regulated access control mechanisms by taking into account risk management aspects.
4. Files or documents containing sensitive information are not stored on the file sharing server/folder.
5. Customer data is a customer's privacy rights whose existence and confidentiality must be protected.
6. Work environment control aims to protect data security.
7. Handling of hardware and software

BRI launched Complaint in Apps that enable customers to submit complaints in a self-service manner through the help center feature at BRImo so customers do not need to visit the work unit or contact the contact center.

**Pengajuan Pengaduan Transaksi Lebih Mudah Melalui BRImo!**

Kini Anda Dapat Mengakses Fitur Bantuan Untuk Kendala Transaksi

- Kendala Transfer
- Kendala Top Up Dompot Digital
- Kendala Tarik tunai
- Informasi Enable/Disable Kartu ATM
- Kendala Bayar Tagihan
- Informasi Produk BRI Lainnya
- Kendala Beli Pulsa

**Caranya Mudah :**

- Masuk Menu "Akun"
- Klik "Pusat Bantuan"
- Pilih "Ajukan Pengaduan"

CONTACT BRI 14017/1500017

www.bri.co.id

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Download BRImo

BRI also accelerates the resolution of customer complaints by using the hashtag "#urgen" on BRICare, in the forms of:

- Payment of failed bills from 14 working days to 3 working days;
- Failed transfer via BI Fast from 10 working days to 3 working days;
- Failed credit top-up from 14 working days to 7 working days;
- and others.

To improve customer complaint handling, BRI has improved self-service capability through the development of the BRImo Help Center feature (complaint in apps) and the revamp of the Sabrina Chatbot (via Whatsapp and FB Messenger) so monitoring of customer complaint resolution that can previously only be done through work units or contacts center now can also be done through the channel. In addition, to improve customer experience, BRI accelerates complaint resolution SLAs by implementing the robotic process automation technology and improving business processes and resolving complaints through a solution forum mechanism. In the process of opening an account, BRI has sought approval from prospective customers





regarding permission to use the prospective customer's data for the purpose of offering banking products and services by both BRI and the BRI Group. Along with the data privacy program implemented at BRI, this consent approval will be expanded according to the data subject regulated in the data privacy management framework determined by BRI.

In addition, BRI has implemented Bank Secrecy Guidelines and the Procedure for Delaying Transactions and Reporting to Third Parties, which essentially contains:

1. Provisions regarding bank secrecy in general as well as procedures for strict steps that must be taken to carry out opening, delaying transactions, suspending, confiscating, blocking and reporting related to customer data that contains definitions and conditions, authorities and responsibilities, workflow and descriptions, and flow chart.
2. This procedure also regulates the process of disclosing bank secrets in terms of:
  - a. Tax purposes;
  - b. Interests of the judiciary in civil cases between banks and their customers;
  - c. Exchange of; bank information;
  - d. Request, approval, or power of attorney from the customer in writing; and
  - e. Checking by the central bank Bank Indonesia

BRI already implements internal regulations regarding procedures for provision of data sharing for the needs of the third parties. This procedure regulates what documents must be completed to fulfill the request for data. This is done while prioritizing the principle of bank secrecy. This procedure has also regulated the level of data classification owned by BRI so that the fulfillment mechanism is clear from each level of data classification. Requests for data requests are also required to obtain authorization according to the level of data classification.

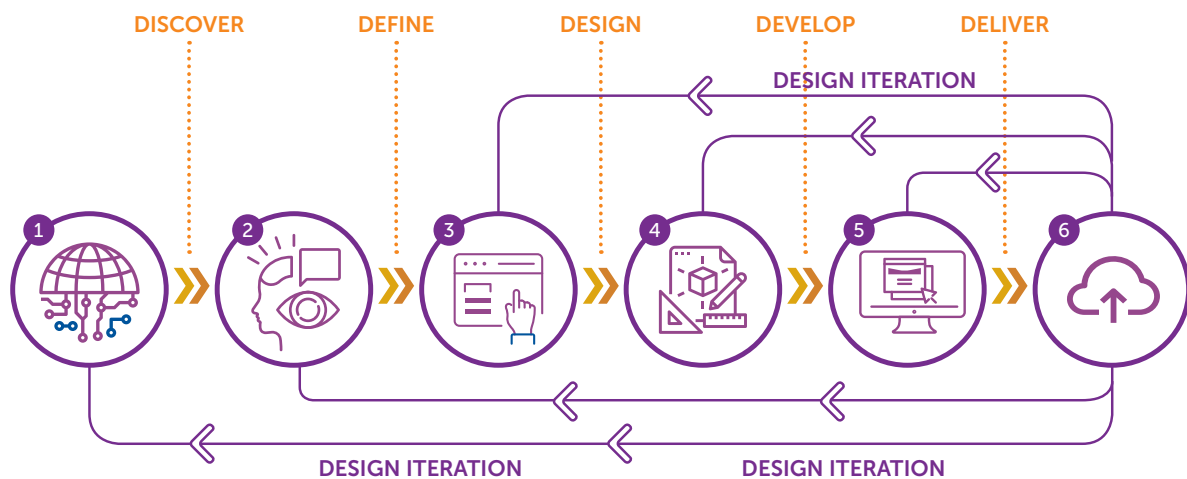
BRI upholds the precautionary principle in terms of submitting or receiving data from third parties. BRI always asks third parties to agree to a non-disclosure agreement, both as data disclosure and between parties disclosing data to each other.



# Digital Product Innovation [GRI 2-23] [FS15]

Digital transformation is BRI's response to customer needs in the new normal era. The digital platform presented by BRI prioritizes customer needs and interests (customer centric) as well as customer experience. Digital Banking Development and Operations Division conducts market validation through intensive and thorough research involving data providers such as Bloomberg and Insight, domestic and foreign consultants, as well as internal needs and pain points identified from within BRI itself.

BRI applies the concept of design thinking to create innovative solutions to problems and "pain points" found from the research results that have been conducted. The concept of "design thinking" is also supported by the implementation of UI/UX designs that pay attention to customer needs and the use of design standards that apply at BRI. The application of user-friendly UI/UX aims to facilitate customers to use the application, both in appearance and experience. Hence, it is hoped that customers will be encouraged to use the BRI app.



Application development is carried out using the waterfall and agile methods. The agile method is used in the New Delivery System (NDS), which is a gradual and iterative development. The NDS has also used the latest technology, including Progressive Web App (PWA), Micro Services, and Automatic Testing. This new technology allows the system to be monitored easily by using the existing monitoring tools so that it can support efficiency and effectiveness in its development.

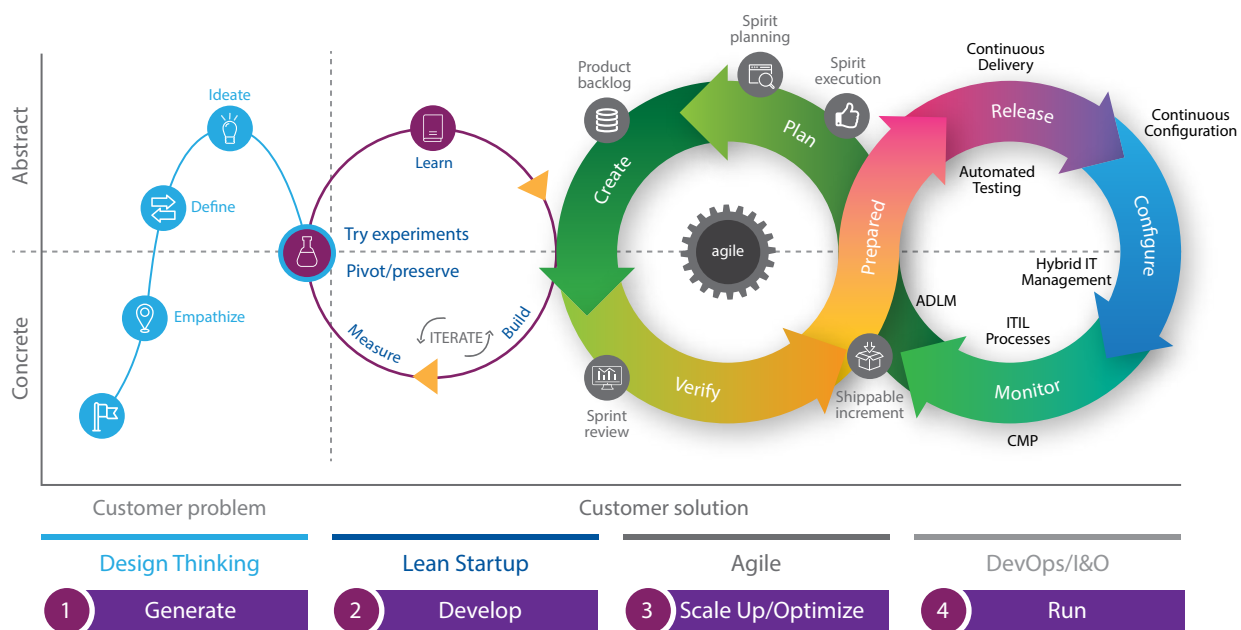
The developed application is a website-based that can be accessed via a web browser on a computer and can be accessed using a smartphone or a smartphone by utilizing the PWA technology to provide an easy experience for users. The app is also built with a user-centered process, specifically for anticipating common user difficulties. With these multiple features and development backgrounds, the NDS can simplify existing business processes to become more comprehensive so it can serve customers quickly and efficiently.

Through the agile method, application development can adapt to existing changes. The minimum viable product can be channeled so that users can immediately use the application with the main features that already exist. To support this development method, the Confluence and Jira project management applications serve as tools that can be used to help monitor work in progress and features to be developed.



The efficiency and effectiveness brought from the use of new technology has led to less use of resources such as physical servers for they can be used in several applications at once. With less use of physical servers, electricity use can also be reduced so as to reduce the impact of global warming. [GRI 2-16]

The role of technology is highly needed to support business processes and accelerate BRI's digital transformation process. Digital banking services play an important role in meeting customer needs for faster, easier, safer, more efficient, and more reliable financial transactions. To that end, BRI always provides good digital banking services to bring in a positive transaction experience for customers.



## Queue Management System (QMS)

QMS is the development of an integrated queuing system so that customers who will come to the BRI Work Unit can be distributed according to the capacity and needs of customer transactions. Initial development has been carried out at two of BRI's flagship branches with the aim of accelerating service times and universal banker / front liner productivity. This product increases the effectiveness and efficiency of queue management and customer transaction profiles in BRI Work Units.

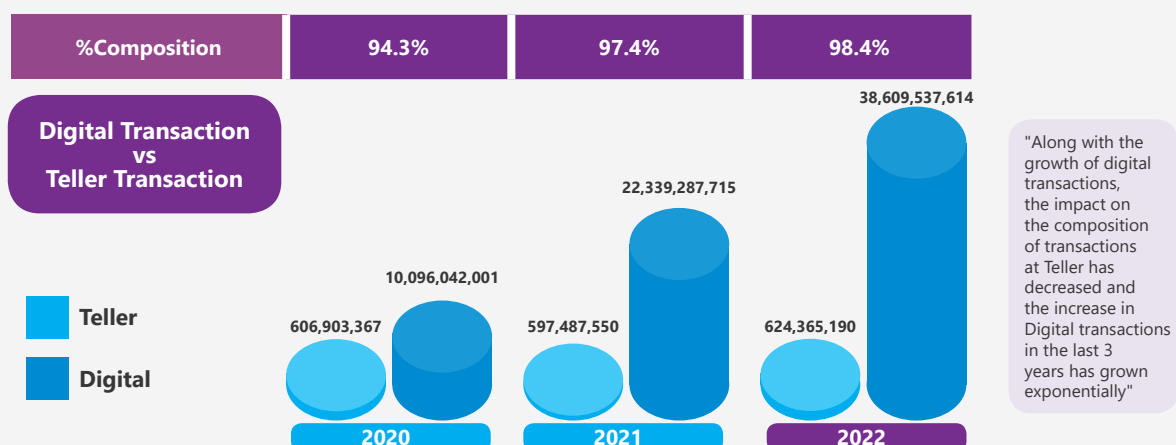


## Pasar Rakyat Indonesia (PARI) Marketplace Partnership



BRI in collaboration with third parties builds a digital ecosystem that focuses on the ultra-micro and MSME segments. The PARI application is BRI's latest innovation in promoting digitalization. The application is a platform for ultra-micro and MSMEs who are BRI customers that enables them to buy or sell commodities online. Many commodities are traded in the app, especially agriculture and animal husbandry commodities, starting from rice, corn, various vegetables, eggs, to animal feeds.

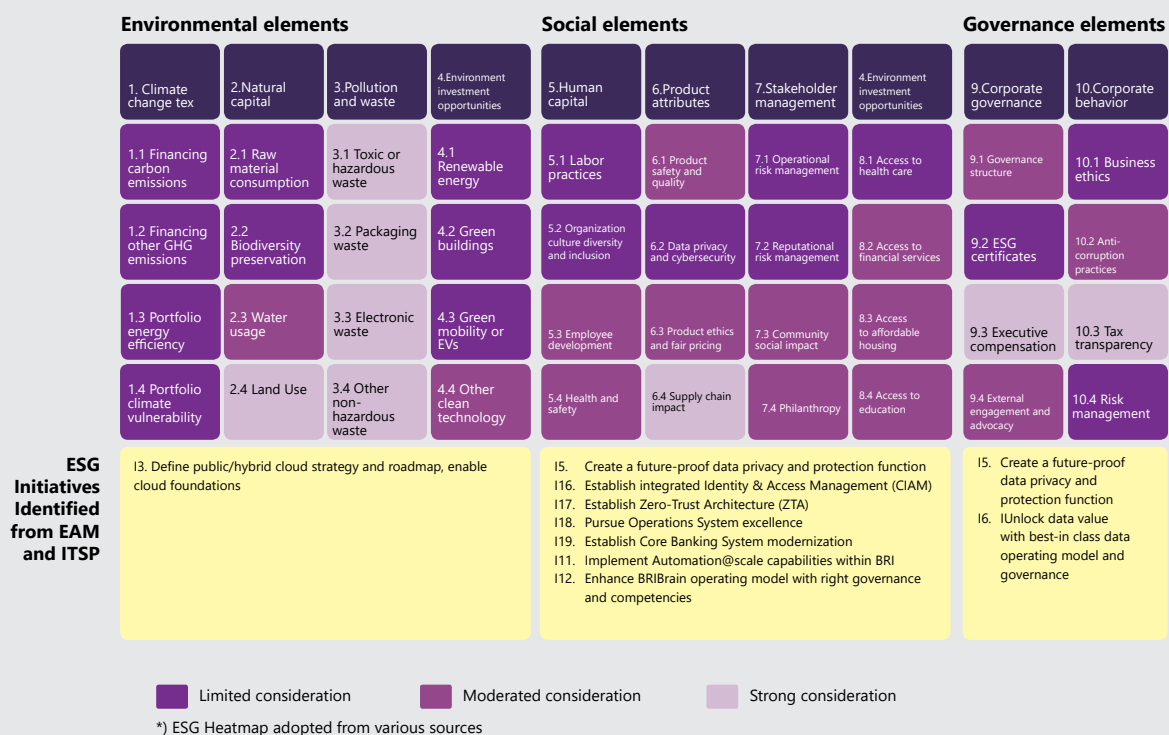
Through the application, BRI provides online assistance to customers and business players in marketing and expanding their businesses. PARI also provides convenience in the form of collateral funds in the event of a shortage of capital. To apply for collateral funds, PARI customers and users must make a minimum of four transactions. Collateral funds are not subject to interest and guarantee.





# Information Technology Main Work Program and Roadmap

## BRI Heatmap for ESG\*



To ensure the implementation of Environmental, Social, and Governance (ESG) principles, BRI has launched an IT initiative roadmap to be carried out in 2023-2025 managed by the IT Strategy & Governance Division. The ESG heatmap contains a mapping of ESG elements into three levels of importance: limited consideration, moderate consideration, and high priority. In support of the environmental elements, BRI has adopted the public/hybrid cloud technology for several application ecosystems and will continue to do so. In terms of social elements, BRI will focus on enhancing customer data protection technology and data privacy, integrated identity, and access management, increasing service operational capabilities, modernizing core banking, expanding the implementation of automation technology, as well as improving governance and competence through an AI-based operating model. In terms of governance, BRI focuses on data value, referring to the best data operation and governance models in the industry.

To implement the corporate strategy for 2021–2025, BRI's Directorate of Digital and Information Technology (DTI) has established the following Strategic Initiatives and Main IT Work Programs:

Theme	2021–2022	2023–2024	2025
<b>Groom Breakthrough Innovation</b>	Platform foundations for <b>omni-channel and personalization automation CoE</b> enabling Automation@scale across BRI	Optimize open banking and emerging digital ecosystem	Seamless hyper-personalized experience
<b>Resilience IT Platforms</b>	<b>EAM function</b> to align architecture requirements with business aspirations	<b>Composable architecture</b> enabling Secure, Reliable, and Agile Infrastructure	Next-gen platform capabilities to drive business growth
<b>Excel Data-Driven Organization</b>	<b>Robust</b> data privacy and protection	<b>Analytics@scale</b> capabilities through enhanced BRIBrain team	<b>Best-in class data &amp; analytics</b> capabilities driving cross-sell and targeting
<b>Agile 10x Governance</b>	<b>Agile CoE</b> enabling Agile@scale operating model and governance	Squad-based organization and DevSecOps-based approach for critical products/journey	Fully <b>product-based delivery model</b> with leading Agile Practices
<b>Transform Digital Talent</b>	<b>Digital talent war room</b> to make BRI Home of Best Digital Talent  <b>Detailed organization assessment</b> to design IT org of future	Distinct employee value proposition to attract best talent	Digital native culture with future-ready skill sets and competencies

The 2021–2025 BRI IT Roadmap refers to the GREAT framework with the following details:

- Groom Breakthrough Innovation**  
 In 2021–2022, BRI has built an omni-channel platform and adopted automation in several business processes. In 2023–2024, BRI will focus on optimizing open banking and building a digital ecosystem, with the aim of enhancing customer experience by focusing on next-gen open banking in 2025.
- Resilience IT Platforms**  
 In 2021–2022, BRI has implemented the enterprise architecture management (EAM) with the aim of aligning IT architecture with business needs. In 2023–2024, BRI will focus on the implementation of secure, reliable, and agile composable architecture. Then, in 2025, BRI will focus on next-gen platforms aimed at business growth.
- Excel Data-driven Organization**  
 In the 2021–2022 period, BRI has established a secure and strong data confidentiality and protection system. BRI will continue to improve Artificial Intelligence (AI) capabilities in the development of its platform in 2023–2024, in order to achieve the Best in Class Data & Analytics in increasing BRI cross-selling in 2025.
- Agile 10x-Governance**  
 In 2021–2022, BRI has established an agile operating model and governance. BRI's focus in 2023–2024 is on agile DevSecOps with a critical product or journey approach to enable the production of fully-agile products by 2025.
- Transform Digital Talent**  
 During the 2021–2022 period, BRI became the Home to the Best Talent in the Digital Talent War Room. In the 2023–2024 period, BRI is geared to be focused on Employee Value (EV) to attract the best digital talents. Then, in 2025 BRI will focus on developing its talent into digital natives.







SUSTAINABILITY  
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# Running a Responsible Business



# BRI Code of Ethics

BRI has a code of ethics which serves as the foundation for all employees in conducting their work professionally. The code of ethics is a guideline for the behavior and attitude of each BRI employee. It provides basic principles that align with the vision, mission, values, and regulations in BRI. Its implementation applies to all BRI personnel at all levels. The provisions governing elements of BRI code of ethics and the implementation are stipulated in the Joint Decree of the Board of Commissioners and Board of Directors of BRI Number: 06-KOM/BRI/12 of 2013 and Number: S.65-DIR/DKP/12 of 2013 on BRI Code of Ethics. All BRI employees are obliged to sign a compliance statement regarding the code of ethics annually as a form of commitment to compliance with the BRI code of ethics. [GRI 2-23]

There are nine main aspects in implementing the code of ethics as follows: [2-23]

1. Compliance with laws and the bank's policies;
2. Relations with stakeholders; ethics towards customers, work partners, competitors (fair competition, anti-competitive behavior), regulators, and shareholders in accordance with the prevailing laws and regulations; [GRI 2-23]
3. Relations with the people and the environment;
4. The company's relations with bank personnel; ethics towards employees, BRI always upholds human rights; [GRI 2-23]
5. Confidentiality of bank information;
6. Integrity and accuracy of bank reporting;
7. Conflict of interest;
8. Political contributions and activities; and
9. Prohibition of accepting gifts.

BRI code of ethics is implemented continuously and translated into attitudes, actions, commitments, and provisions, and support for the creation of a positive culture within the company. In every formulation of strategies, policies and procedures, BRI always seeks alignment with the code of ethics, which is a company's business conduct. [GRI 2-23][GRI 2-24]

One form of employees' commitment to the implementation of the company's code of ethics is by making a statement of compliance with the code of ethics that is updated annually and reported digitally through the Good Corporate Governance Online System 2.0 (GCG Online System 2.0). All employees sign an anti-fraud commitment and control gratuities at the annual performance improvement forum. In addition, all BRI personnel are required to make an annual statement (annual disclosure) of not having a conflict of interest, and all work units are required to submit a transaction/decision report containing a conflict of interest every month. [GRI 2-23][GRI 2-24]

In addition, the due diligence process and the precautionary principle are inseparable elements of the nine main elements of the code of ethics. Regarding media of communication and dissemination of the code of ethics policies to BRI Personnel (Directors, Board of Commissioners and BRI employees) and external parties are through: [GRI 2-23][GRI 2-24]

- BRI official website;
- Landing Page on the BRISTARS app;
- Joint Labor Agreement between BRI Employees' Union and BRI Management; [GRI 407-1]
- Performance Improvement Forums; and
- Posters, videos and other advertising media at the company's office.



All information related to BRI's code of ethics can be accessed by the public through BRI's official website ([ir-bri.com/coc.html](http://ir-bri.com/coc.html)). There has been no specific training related to the company's code of ethics, but they have disseminated and communicated to BRI's internal and external stakeholders. Commitment from the Board of Directors and Board of Commissioners as role models in implementing the company's code of ethics for all BRI employees greatly influences the successful implementation of the company's code of ethics. [GRI 2-23][GRI 2-24]

To ensure the conformity of the formulation of the company's code of ethics, there is an evaluation conducted by an independent third party. Among these evaluations are ISO 37001 certification on the Anti-Bribery Management System with a validity period of up to 2023, ISO 9001 certification on Quality Management Systems, and ISO 37301 certification on Quality Management Systems with a validity period of up to 2025. Additionally, the United Nations (UN) Guiding Principles on Business and Human Rights serves as an international reference instrument in the BRI code of ethics. [2-23]



Certification Name	Validity period
ISO 9001	2022-2025*
ISO 37001	2020-2023

\* Up to the publication of this report, the latest certificate is still in the process of being issued.



# Types and Sanctions for Violation of the Code of Ethics

Violations in enforcing the company's code of ethics are guided by Circular of BRI Directors Number 48-DIR/HCS/09 of 2020 dated September 28, 2020 on Discipline Regulations. Violations are classified into:

- a. Discipline violations, acts that disrupt order and/or smooth execution of duties;
- b. Ethics and reputation violations, violations of the code of ethics and behavior that pose a negative risk to BRI's reputation.
- c. Fundamental violations: violations against the banking system (including, but not limited to, violations of the prevailing laws and regulations) and/or violations of work systems and procedures regulated in regulations issued by the company.

Sanctions for violating the code of ethics are classified as follows:

- a. Types of reprimand
  - i. Verbal reprimand;
  - ii. Verbal reprimand;
  - iii. Written warning; and
  - iv. Written reprimand
- b. Types of office punishment
  - i. To be demoted to one level of position group (TJ 1)
  - ii. To be demoted to two levels of position group (TJ 2)
  - iii. Termination of employment

Imposing these sanctions depends on the category of violation, namely minor, moderate, or severe according to the provisions of disciplinary violations. The imposition of these sanctions also impacts on remuneration and individual performance appraisal.



# Risk Management Effectiveness [GRI 2-12, 2-16]

Risk management plays a role in creating values for the company by ensuring that risk management has been adequately carried out in both operational activities and capital adequacy. The consistent application of risk management in all business and operational activities will help the company to be ready to tackle all kinds of challenges, enabling it to grow sustainably and healthily.

Wider operating scale, coupled with the ever-increasing business volume, requires BRI to implement an integrated risk management pattern to identify, measure, monitor, and control all risk exposures. As one of Indonesia's largest banks, BRI has implemented the enterprise risk management (ERM) throughout the company, including in its subsidiaries, both those engaged in the banking and non-banking sectors. The ERM concept is part of a comprehensive and integrated risk management strategy, which is tailored to business and operational needs of BRI.

BRI as the main entity understands that business continuity is also affected by risk exposures that arise, either directly or indirectly from the subsidiaries' business activities. In this regard, BRI has implemented a consolidated/integrated risk management system with its subsidiaries, including those operating outside the territory of Indonesia, while still complying with risk management principles, considering the business characteristics of each subsidiary, and adjusting to the jurisdiction of the local supervisory authority.

BRI continues to build an integrated risk management system by improving accountability starting from policies, procedures, setting limits on risk appetite statements (RAS), risk profiles, and conducting risk management forums between the holding company and its subsidiaries periodically.

BRI classifies ten types of risk that can affect company performance. They are: (1) credit risk, (2) market risk, (3) operational risk, (4) liquidity risk, (5) legal risk, (6) compliance risk, (7) reputation risk, (8) strategic risk, (9) intragroup transaction risk, and (10) insurance

risk. BRI has also mapped debtors affected by COVID-19 and assisted them through the National Economic Recovery (PEN) program and supported the government's programs in rescuing the economy and providing a massive credit restructuring scheme even though it can result in a contraction in terms of income. A favorable and measurable strategy and risk management of BRI's credit portfolio is needed to help customers affected by COVID-19 to survive and get back on their feet. [FS6] [FS10]

Determining risk limits as discussed and approved by the Board of Directors in the Risk Management Committee forum, which is held regularly and disclosed to the Board of Commissioners in Risk Management Monitoring Committee meeting forum with related Directors. In the third quarter of 2022, BRI's risk profile rating was at a low to moderate level, showing that BRI can maintain the level of risk management in line with business development and bank competition in Indonesia. Risk profile rating at low to moderate level, good quality of the loan portfolio, and percentage of loans at risk and non-performing loans that maintained in 2022 are tangible results from the synergy of good risk management. The Risk Management Monitoring Committee also provides multiple inputs and reviews to the Board of Commissioners regarding the decision to request approval for Board of Directors' actions that require the approval of Board of Commissioners in accordance with the provisions of the company's articles of association. The Board of Commissioners considers that all work plans and budgets of the Risk Management Monitoring Committee have been implemented according to the targets set. BRI's risk profile reporting is done quarterly. Risk management that includes identifying, measuring, monitoring, and controlling risks is carried out continuously by the three lines of model, namely all risk-taking units as the first line, risk control owner, compliance work unit, and risk management work unit as the second line, as well as the internal audit unit as the third line. [GRI 2-12]

BRI is guided by the risk management policy, which serves as a comprehensive and strategic reference





for the implementation and execution of BRI risk management. Through proactive monitoring, BRI can control risks in business activities to prevent losses that exceed BRI's capacity and disruption to the performance and stability of the bank.

Quality of risk management is improved continuously through capacity building at all levels of risk management and by building risk awareness among BRI Employees. Technology development for risk management is also carried out to speed up the process of identification, assessment, control, and

supervision. Furthermore, to secure the digital transformation of BRI and anticipate the rising threat of cyber-attacks due to the growth of digital banking transactions and services, Digital Risk Division was established, which is a development of Digital Department and Digital and Operational Risk Division. This demonstrates that BRI implements a risk management process consistently in every process of business and operational activities, making it a healthy and growing bank in a sustainable manner.

[GRI 3-3]



## Corporate Governance Performance Index (CGPI)

The results of the CGPI assessment over the past five years have become a reference for the company to continuously improve the implementation of GCG in a measurable manner. BRI continues to make consistent and comprehensive improvements to the GCG, resulting in the company achieving the highest rating in 2022 compared to previous year. This reflects the commitment of BRI's management to continuously support the achievement of the company's vision and mission.

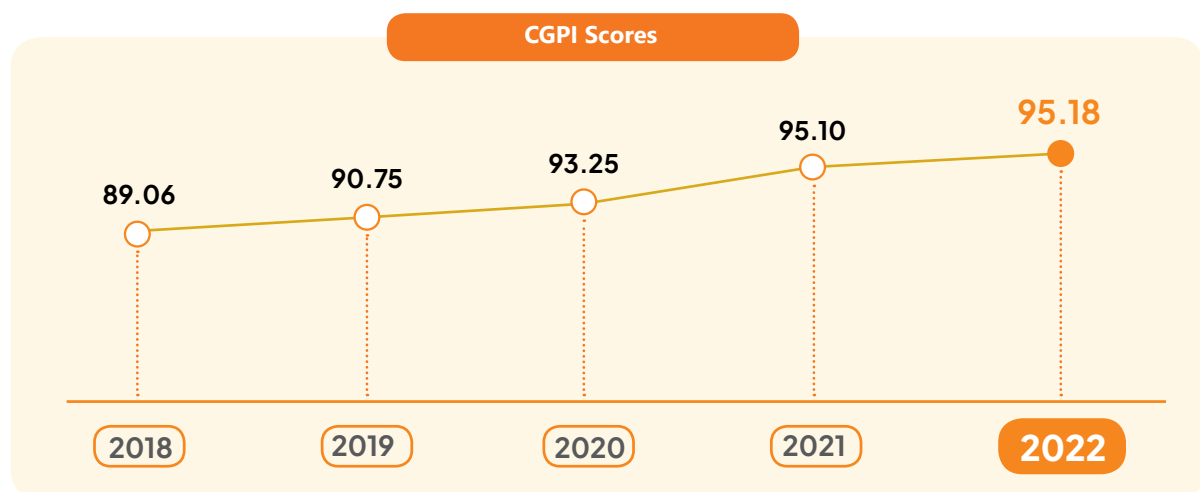
The CGPI organized by the Indonesian Institute for Corporate Governance (IICG) is a research program and ranking of GCG implementation in companies in Indonesia aimed at continuously improving GCG implementation.

The flow of the CGPI research program and ranking goes through three assessment stages, including (1) self-assessment, (2) assessment of the documentation system, and (3) assessment of interview observations on the aspects of governance structure, governance process, and governance outcome.

The CGPI assessment in 2022 adopted the theme "Building Corporate Resilience in the Framework of Good Corporate Governance". The assessment considers three aspects, namely:

1. Governance structure, which includes corporate governance structures and policies;
2. Governance process, which includes corporate governance systems and mechanisms; and
3. Governance outcomes, which include outputs, results and impacts of the GCG implementation process.

Based on the 2022 CGPI assessment, BRI received a score of 95.18 points with a rating of "most trusted".





# Fraud Control

In implementing the GCG aspects, BRI has multiple anti-fraud policies and strategies. This policy is a commitment from management in controlling the potential for fraud and is seriousness from Board of Commissioners and Directors of the company who are zero tolerant of any form of fraud, both from internal and external parties as regulated in Circular Number 58-DIR/ORD/11 of 2022 on Guidelines for Implementing Operational Risk Management (Book V: Anti-fraud Strategy). In the policy, there is an anti-fraud strategy that refers to the four pillars as regulated by the regulator, namely: [\[GRI 3-3\]](#)

Pillar 1: Prevention

Pillar 2: Detection

Pillar 3: Investigation, Reporting, and Sanction

Pillar 4: Monitoring, Evaluation, and Follow-up

BRI always seeks to maintain trust of its stakeholders and is committed to implementing zero tolerance and preventing all fraud and corruption as stated in the 16th Goal of SDGs.

Through a series of dissemination programs, BRI continues to encourage all employees to avoid being involved in any fraudulent activities. The company has not conducted any survey related to operations that are considered to have a risk of gratification because each employee in each division has the same potential and risk of committing gratification. In 2022, BRI implemented and organized anti-fraud policy dissemination and training to 100% of employees and governance bodies. The policy has been disseminated to the company's business partners. [\[GRI 205-1\]](#) [\[GRI 205-2\]](#)

Internally, BRI requires Directors, Commissioners, management, and all employees to sign an anti-fraud commitment. Externally, BRI continues to improve technology to prevent fraudulent acts. BRI provides legal assistance for employees facing legal problems from third parties regarding allegations of fraud when carrying out their duties, responsibilities, and obligations. Legal assistance and protection do not apply if the said employee becomes a party reported by the company and/or has been found guilty by the company. Oversight within BRI's internal scope of fraud is the responsibility of Fraud Management and Recovery Desk, Operational Risk Division under Director of Risk Management. BRI also includes the Directorate of Digital Banking and Information Technology to prevent fraud by external parties. [\[GRI 3-3\]](#)



## Anti-Gratification Program

The company prohibits giving and receiving gratuities in any form and with anyone in accordance with the prevailing laws. The company's commitment to the prohibition of gratification continues to be enhanced, among others by issuing policies on anti-bribery provisions and gratification control. The policy is used as a guideline for all BRI personnel in preventing the practice of gratuities and bribery that can be detrimental to BRI's interests and contrary to the GCG principles so as to create conducive control in accordance with Circular of BRI Directors Number SE.63-DIR/KEP/12 of 2020 dated December 8, 2020 on Provisions on Anti-Bribery and Gratification Control Provisions. [GRI 3-3]

In implementing this anti-gratification program, the company has established BRI Gratification Control Unit (UPG BRI), which formulates gratuity control provisions and outreach programs, manages reports on acceptance and rejection of gratuities and analysis, and administers reports of acceptance and rejection of gratuities. [GRI 3-3]

When accepting or rejecting gratification, employees can report it to the Gratification Control Unit. This function lies in the Compliance Division. Reporting of giving or receiving gratuities can be reported through:



Mechanism for reporting gratuities to the UPG is implemented digitally through the GCG Online System and electronic mail at the address upg.bri@corp.bri.co.id, which is then forwarded to the Corruption Eradication Commission (KPK) through the online gratification application (GOL) with an average no later than seven working days from the thirty working days deadline. Through the GCG online system, every employee can access governance techniques, for example for signing a code of ethics compliance statement and making annual disclosures. [GRI 3-3]

As employees' support for the company's anti-gratification program, reports of gratification complaints that have been submitted by BRI employees to the Compliance Division in 2022 reached 411 reports. To increase BRI employees' awareness of gratification, the bank internalizes anti-bribery and gratification control through dissemination of provisions, e-learning, and through video communication materials. [GRI 205-3] [GRI 205-1] [GRI 3-3]

As the company's commitment to comprehensive anti-bribery and gratuity control, BRI has also carried out ISO 37001:2016 Certification for Anti-Bribery Management Systems with the scope of Procurement of Goods and Services at BRI Head Office. [GRI 3-3]



## State Officer Wealth Report (LHKPN)

To improve the quality of GCG implementation, BRI complies with regulations on State Officials' Wealth Reports (LHKPN) based on the provisions of the Corruption Eradication Commission (KPK). As a concrete form of increasing transparency, preventing corruption, and supporting a clean culture of corruption, collusion, and nepotism (KKN), all members of BRI's Commissioners, Directors, SEVP, EVP and SVP BRI are required to report assets according to the internal provisions of BRI Directors Letter Number SE.32-DIR/KEP/05 of 2022 dated May 31, 2022. The data reported in the report includes position of assets before, during and after taking office. These reporting provisions are constantly updated to comply with the prevailing regulations. In 2022, all BRI employees obliged to report their LHKPN have reported their assets.

## Whistleblowing System [GRI 2-25] [GRI 2-26] [GRI 2-29]

*Whistleblowing System* (WBS) is a reporting tool for BRI employees and external parties such as customers, business partners, and BRI stakeholders to report any behavior or indications of violations of the code of ethics, GCG principles, applicable provisions made by BRI employees, or complaints/grievances from certain impacts felt by external stakeholders on BRI's business activities. BRI's complaints mechanism has not been separated through a special channel so external stakeholders can use the WBS as a solution for submitting their complaints and the WBS is a form of management's commitment to creating a clean and responsible work environment. [GRI 2-25]

In the process of formulating and reviewing the WBS mechanism, BRI involves participation of stakeholders, one of which is employees. BRI distributed questionnaires to each work unit to obtain a level of understanding of employees regarding WBS and solicited feedback from them in formulating policies. [GRI 2-25]

BRI personnel with integrity will actively participate in reporting violations that occur at the company. BRI takes steps to identify and discover fraud in bank business activities that include WBS policies and mechanisms, surprise audits, and monitoring systems. Violation reporting system is based on Circular of BRI Directors Number 65-DIR/KEP/10 of 2021 dated October 28, 2021.

In 2022, there were 107 complaints indicating violations that had been resolved and 4 complaints that were in the process of being resolved. Based on the data from the WBS report, sanctions have been given to 20 employees. As many as 2 employees were laid off, 18 employees were punished. There were no reports filed by the public including environment-related complaint, there were no reports that were legally resolved and there were no contracts that were terminated with business partners. During the reporting period, there were no significant cases of non-compliance with laws and regulations that were subject to fines or non-monetary sanctions. [GRI 2-27] [GRI 205-3] [GRI 3-3] [SASB FN-CB-510a.1] [F.16]

## Governance Strengthening Programs

### 1. Implementation of ISO 37001:2016 Anti-Bribery Management System

In 2022, BRI carried out an ISO 37001:2016 Surveillance Audit for the Anti-Bribery Management System (SMAP) and successfully maintained the ISO SMAP certificate.

### 2. Strengthening of Integrated Governance

BRI improved the framework for implementing Integrated Governance in the BRI financial conglomerate, which includes integrated compliance, integrated risk management, integrated internal audit, and performance management.

### 3. Strengthening Anti-Money Laundering (APU) and Combating Financing of Terrorism (PPT) Programs

In line with the increasing complexity of products, services, marketing patterns, and banking technology, BRI continues to make continuous improvements to the implementation of APU-PPT, both within the company and as a group. Several improvement initiatives that have been carried out include:

- a. Development of a suspicious transaction monitoring system by utilizing artificial intelligence (AI) technology.
- b. Strengthening database screening and customer identification by utilizing Politically Exposed Person from the Financial Transaction Reports and Analysis Center (PEP PPATK).
- c. Reviewing Risk Assessments (TPPU and TPPT) using a risk-based approach (RBA) according to the latest National Risk Assessment (NRA) and the Sectoral Risk Assessment (SRA).
- d. Optimizing the implementation of the APU PPT program at regional offices and branch offices by promoting the role of Regional Risk Management & Compliance and Branch Risk & Compliance.

### 4. Raising Awareness

BRI also took steps to raise awareness through in-house training (GRC), webinars (gratification) and self-learning (gratification control, WBS). [FS4]

### 5. System Digitalization

- a. Integrated WBS Application  
BRI collaborated with the Corruption Eradication Commission (KPK) in managing complaints of indications of violations (WBS) that are included in the category of corruption crimes.
- b. Application of the Maximum Credit Limit System (BMPK) and the Company Tree  
BRI developed a system for calculating real-time BPMK in accordance with regulatory requirements. This is one proof of BRI's compliance with regulatory provisions, Regulation of the Financial Service Authority Number 32/POJK.03 of 2018 on Maximum Limits for Lending and Provision of Large Funds for Commercial Banks, as well as to support BRI's business development.
- c. GCG Online System 2.0.  
BRI improved the monitoring and reporting process related to governance by digitizing a system that can be accessed by all employees according to the level of authority that has been determined.







# Marketing Communication Policy <sup>[FS15]</sup>

BRI implements standardization of marketing communications by setting these policies in Division Manual Number MD.02-MCM/06 of 2022 on Guidelines for Implementation of Marketing Communications and Letter Number SE.25-DIR/MCM/05 of 2020 on BRI Bank Marketing Communication Activities referring to Regulation of the Financial Services Authority Number 1/POJK.07 of 2013 on Consumer Protection in the Financial Services Sector, Regulation of the Financial Service Authority Number 18/POJK.07 of 2018 on Consumer Complaint Services in the Financial Services Sector and Guidelines for Financial Services Advertising issued by OJK.

Marketing of BRI financial products and/or services is communicated through several means, both verbally by BRI marketers and frontliners as well as mass media through print media, TV, radio, posters, banners, brochures, filler, and product and service marketing documents and other services to support appropriate marketing communications so customers can have sufficient information as a basis for making decisions on purchasing financial products and services. BRI applies the principles of marketing communication and consumer protection, including:

- a. Transparency;
- b. Fair Treatment;
- c. Reliability;
- d. Confidentiality and Security of Consumer Data/Information; and
- e. Handling of complaints and settlement of consumer disputes in a simple, fast, and affordable way.

In addition to the principles mentioned above, BRI is also responsible for providing information related to BRI banking products and services in an accurate, honest, clear, and non-misleading manner. BRI provides dissemination or training to marketing employees through basic education in marketing communications and product knowledge to all BRI marketers and frontliners. BRI has supervised marketing communications to customers, both internally and externally. Internal supervision of the implementation of marketing policies is carried out by the Compliance Division and Internal Audit Work Unit, while external supervision is carried out by the Financial Services Authority.

In 2022, there were several inputs from the Financial Services Authority, one of which was through Letter Number SR-147/EP.123 of 2022 dated May 25, 2022 regarding Warning Letter for Advertising Violations by PT. Bank Rakyat Indonesia (Persero) Tbk. Quarter I of 2022. BRI has followed up input from the OJK in a more orderly manner in following the Financial Services Advertising Guidelines issued by the OJK as well as internal regulations. BRI will review and update the company's internal policies through standardization of social media communication materials that apply to all BRI social media accounts.

# Policy on Collection of Troubled Credit Debt and Restructuring

Non-performing loan as a result of COVID-19 is a problem that cannot be avoided by banks. Other factors such as a disaster that hampered the debtor's income or the character of the debtor himself also contributed to the emergence of problem loans. From these various factors, non-performing loans can get worse. Therefore, the bank needs to supervise the restructuring of problem loans so that the cost of allowance for impairment losses can be reduced and the recovery rate can be optimized.

Management of BRI's business pillars always prioritizes prudent principles in a proactive and prudent manner. In credit management, BRI applies the four-eyes principle in providing excellent service to customers. Each credit segment has a debt collection policy and non-performing loan management. Those policies are among others:

- Circular Number SE.41-DIR/KRD/06 of 2022 dated June 30, 2022 on Guidelines for Implementing Credit Card Credit;
- Decision Number: PP.07-DIR/KRD/07 of 2020 on Guidelines for Implementation of Medium Business Loans;
- Decision Number PP.12-DIR/KRD/12 of 2018 on Guidelines for Implementation of Retail Credit;
- Decision Number PP.07-DIR/KRD/07 of 2020 on Guidelines for Implementing Medium Business Credit;
- Decision Number PP.11-DIR/KRD/12 of 2018 on Guidelines for Implementing Corporate Credit;
- Decision Number PP.8-DIR/KRD/12 of 2018 on Guidelines for Implementing Micro Business Credit;
- Decision Number PP.10-DIR/KRD/12 of 2019 on Guidelines for Implementing Consumer Business Credit;
- Circular Number SE.71-DIR/KKD/11 of 2019 on BRI Credit Cards;
- Circular Number SE.40-DIR/KRD/06 of 2021 on Credit Restructuring; and
- Circular Number SE.64-DIR/KRD/12 of 2020 on Quality of Earning Assets and Quality of Foreclosed Collateral.

Broadly speaking, those policies regulate strategies and follow-up in tackling non-performing loans. Follow-ups taken in tackling non-performing loans include monitoring and billing, credit restructuring, and credit settlement. BRI has several steps in the billing procedure to customers. The first step is to contact the debtor either by phone, short message (SMS), or a letter. If there is no response from the debtor, the next step is doing direct field billing, either by the BRI internal team or by a third party.

The final step is settlement through an insurance claim or a guarantee company. The series of billing processes is regulated so as to protect BRI's internal interests, while respecting customer rights and privacy. Credit Restructuring and Recovery (CRR) Division is a work unit that focuses on recovering non-performing loans (outside the microcredit and credit card segments) and functions in restructuring and/or resolving non-performing loans. CRR Division has made efforts to improve the competence of CRR Division's employees, both at the division level, regional offices, and branch offices that are directly involved in the billing process. Some of the training that has been provided is the BRILiaN Specialist Development Program (BSDP) for NPL Relationship Managers and Postponement of Debt Payment Obligations (PKPU) and Bankruptcy training.

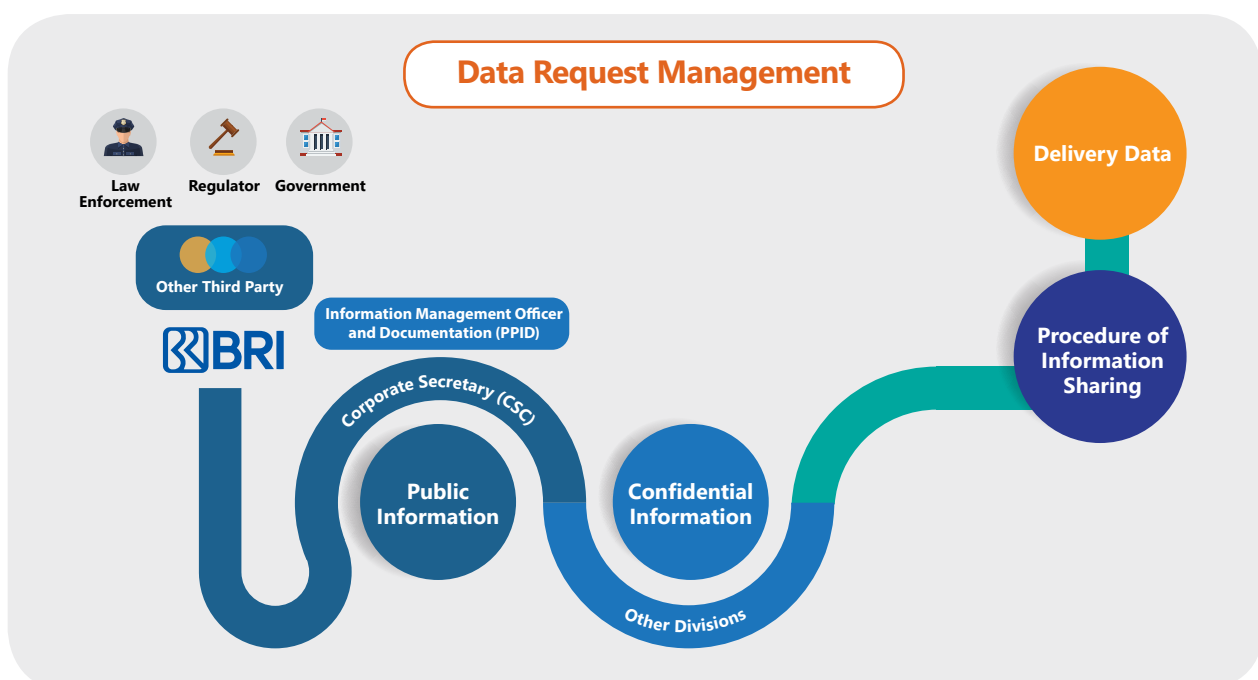


# Data Request Management

In conducting the company's operational activities, interactions with external stakeholders cannot be avoided. External stakeholders certainly have various information needs related to the company whose answers cannot be immediately found in public disclosures. To address this, several external stakeholders, such as regulators or the government, have media or channels to connect with the company, one of which is through the Corporate Secretary Division.

Corporate Secretary Division receives requests for data from regulators, the government or other external stakeholders that will be forwarded to the relevant division or referred to as Data Requesting Division. Afterwards, the Data Request Division will follow up on the data request to the Enterprise Data Management (EDM) Division. EDM processes every incoming request according to the level of data confidentiality and then redistributes it to the Data Request Division. This has been stated in the Data Sharing Procedure for Third Parties. Data sharing is managed by continuing to prioritize the principle of prudence and the principle of confidentiality of every data managed by BRI.

Requests for data originating from BRI have also gone through an assessment process with a series of procedures in which Data Request Division will state clearly the purpose of the data request and sign a statement letter containing full awareness to comply with data confidentiality regulations such as Law Number 10 of 1998 on Banking and other related laws, as well as Circular of the Financial Service Authority Number 14/SEOJK.07 of 2014 on Confidentiality and Security of Consumer Data and/or Personal Information. In addition, a list of requests from the Data Requesting Division is recorded in BRI's Digital Office application, as well as follow-ups to fulfilling data requests are recorded in BRI's task management application, Jira. This entire process reflects BRI's strong commitment to maintaining security and privacy of every data managed by BRI. Protection of personal data, both internal and external party data, in the corporate environment is regulated in Circular of Board of Directors Number SE.55-DIR/EDM/10/2022 on Personal Data Protection. Any violations committed by work units or other individuals will be processed in accordance with the company's internal regulations and the prevailing laws and regulations.





# Supplier Responsibility

BRI strives to ensure that the procurement process is carried out in accordance with the prevailing regulations. Some of the efforts made include: [GRI 3-3]

1. Goods and services procurement audit to ensure that the goods and services procurement process has been carried out in accordance with the prevailing provisions and procedures BRI always conducts periodic audits conducted by BRI's internal auditors and external auditors [FS9]
2. Vendor Anti-Bribery Survey is one of the educational surveys for partners. In 2022, BRI conducted an online survey of BRI's partners and suppliers. The contents of the material from the survey activities carried out include: [GRI 3-3] [FS4]
  - a. Dissemination of BRI's vision and mission;
  - b. Dissemination of ISO 37001:2016 and evaluation of partners; and
  - c. Organizing communication forums to obtain input from partners to improve the procurement process at BRI

BRI's partner management includes the process of registration and selection of potential partners, supervision, and partner performance evaluation. With management of partners, BRI hopes to have a database of goods/services providers that are ready and able to support BRI's procurement of goods and services. [FS1] [FS5] [GRI 205-2]

BRI has a policy on procurement of goods and services as part of supplier selection to ensure the quality of goods and services procured BRI's Fixed Asset Management and Procurement Policy refers to Decision of Board of Directors Number KB.01-DIR/MAT/03 of 2020 March 31, 2020 on PT Bank Rakyat Indonesia (Persero) Tbk's Fixed Assets and Logistics Management Policy which took effect starting March 2020. [GRI 3-3]

BRI always reviews the company's procurement of goods and services policy on a regular basis, adjusting the development of the company and industry. The Procurement and Fixed Assets Management Policy

is a guideline in procuring goods and services to support operational activities according to the quality, quantity and time specified at the best price while still upholding the GCG principles. [GRI 3-3] [FS3]

The purpose of formulating BRI's Fixed Assets and Logistics Management Policy is to provide guidelines for managing fixed assets and quality logistics services to all BRI work units, as well as providing guidelines in procuring goods and services at BRI. [GRI 3-3]

Improvements to BRI's Fixed Assets and Logistics Management Policies are carried out continuously by considering the company's control mechanisms and challenges. It is hoped that the process of procuring goods and services at BRI can be more in line with business needs, priority scale, budget availability, and budget efficiency. [GRI 3-3]

BRI Goods and Services Procurement Principles : [GRI 3-3]

- Efficient
- Competitive
- Open
- Fair and Reasonable
- Accountable
- Transparent
- Effective

BRI already has a policy regarding the management of partner or vendor registration as stipulated in Circular of Directors Number S.35-DIR/MAT/12/2015 on Registration of Goods and Services Provider Partners of PT Bank Rakyat Indonesia (Persero) Tbk. BRI has developed a vendor management application integrated with the BRISILE app. This app provides features of processing of registration and selection of potential partners, supervision, maintenance of partners, up to partner performance evaluation so that BRI has a database to support BRI's procurement of goods and services. The selection of new suppliers must include the principal criteria that have been implemented at BRI to minimize risks from negative social impacts.



BRI integrates elements of the code of ethics with the principles and policies of the company's procurement and seeks to socialize the code of ethics to suppliers. The signing of the integrity pact is carried out by the procurement committee, user work units, vendors, or partners throughout the process of procuring goods and services at BRI. To realize this, BRI applies the following principles: [\[GRI 3-3\]](#) [\[GRI 2-25\]](#) [\[GRI 2-29\]](#) [\[FS3\]](#) [\[FS5\]](#)

- Transparency and independence of goods and services procurement process;
- Always comply with internal and external regulations;
- Always guided by the corporate culture which is based on the values of:
  1. Good corporate governance; dan
  2. The company's code of ethics and implementing the precautionary principle.
- Implementing risk management principles, which include identification, measurement, monitoring, and risk control;
- Protecting employees in accordance with the provisions of the safety and health of employees, for example the provision of BPJS Kesehatan and BPJS Ketenagakerjaan;
- Examining and maintaining all equipment used by employees in carrying out their work to reduce risk of work accidents; and
- Considering welfare of employees by providing compensation to employees according to applicable regulations.



# ESG-Based Fixed Assets and Procurement Management [GRI 2-24]

To realize the government's efforts to participate in sustainable finance, BRI is committed to providing support in the form of sustainable development initiatives, one of which is by implementing BRI Fixed Asset Management and Procurement based on ESG Principles. As stated in Circular Number SE.31-DIR/PLM/05 of 2022 on BRI Fixed Asset Management and Procurement Based on Environmental, Social & Governance (ESG) Principles, the implementation of BRI's ESG-based fixed asset management and procurement is as follows:

01



Environmental



In accordance with ESG principles, BRI's fixed asset management and procurement are focused on fulfilling the following minimum elements:

1. Use of environmentally friendly energy;
2. Waste management so it will not become pollutant;
3. Participation in conservation of irreplaceable natural resources; and
4. Implementation of an effective risk management system in environmental management.

02



Social



In accordance with ESG principles, BRI's fixed asset management and procurement are focused on fulfilling the following minimum elements:

1. Selection of BRI partners who implement ESG policies and practices;
2. BRI's involvement in community development in the form of a profit percentage and/or corporate social responsibility for the community;
3. Ensuring healthy, safe and comfortable working conditions for employees; and
4. Ensuring protection and security of personal data of BRI customers and employees.

03



Governance



In accordance with ESG principles, BRI's fixed asset management and procurement are focused on fulfilling the following minimum elements:

1. Certainty of independence of Board of Directors and Commissioners;
2. Transparency in managing fixed assets and procurement;
3. Anti-bribery commitment; and
4. Guarantee that there is no conflict of interest.







SUSTAINABILITY  
REPORT  
2022

# Strengthening Sustainability Governance



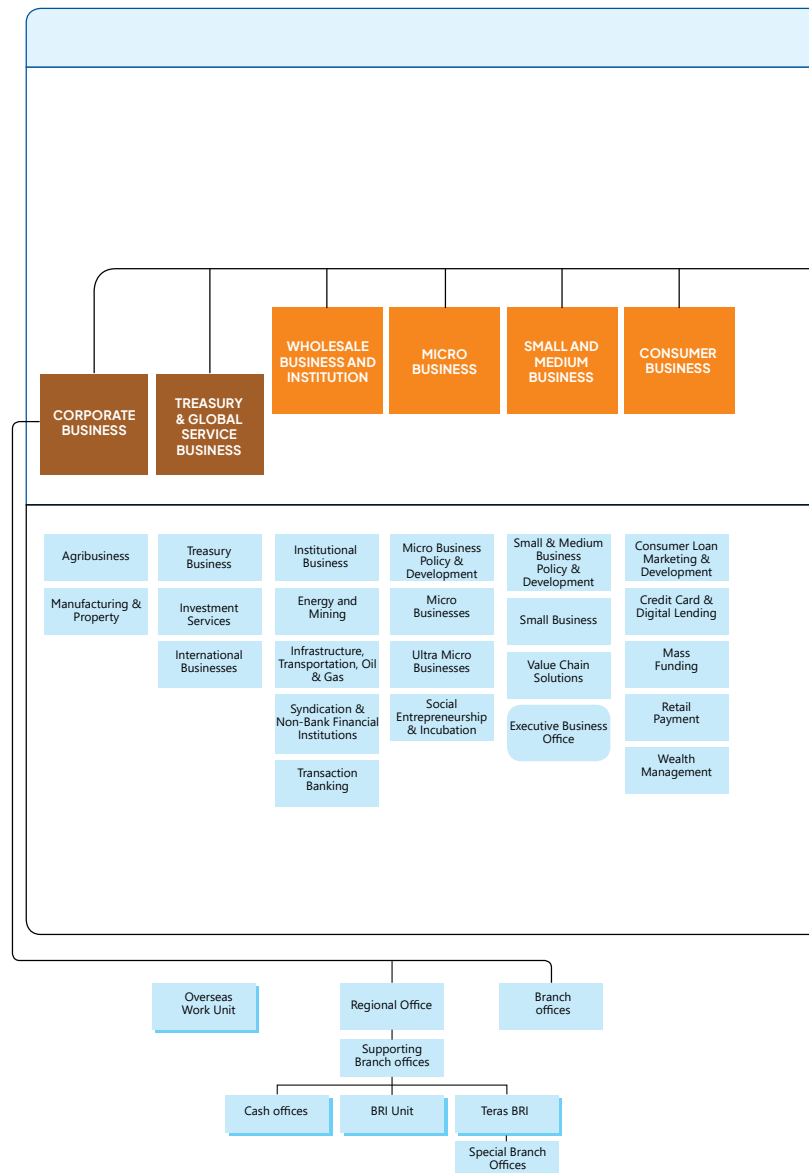
## BRI Governance

BRI continues to improve its corporate performance in the scope of good corporate governance, including by updating the company's governance policies, implementing ISO 37001:2016 relating to the anti-bribery management system, and improving the whistleblowing system reporting application that can be accessed through the BRI website. The pandemic is not an obstacle for the company to continue providing a better understanding of the implementation of good corporate governance, control of gratuities and bribery, as well as understanding of other banking regulations through webinars and online learning for employees. [E.2] [GRI 2-14]

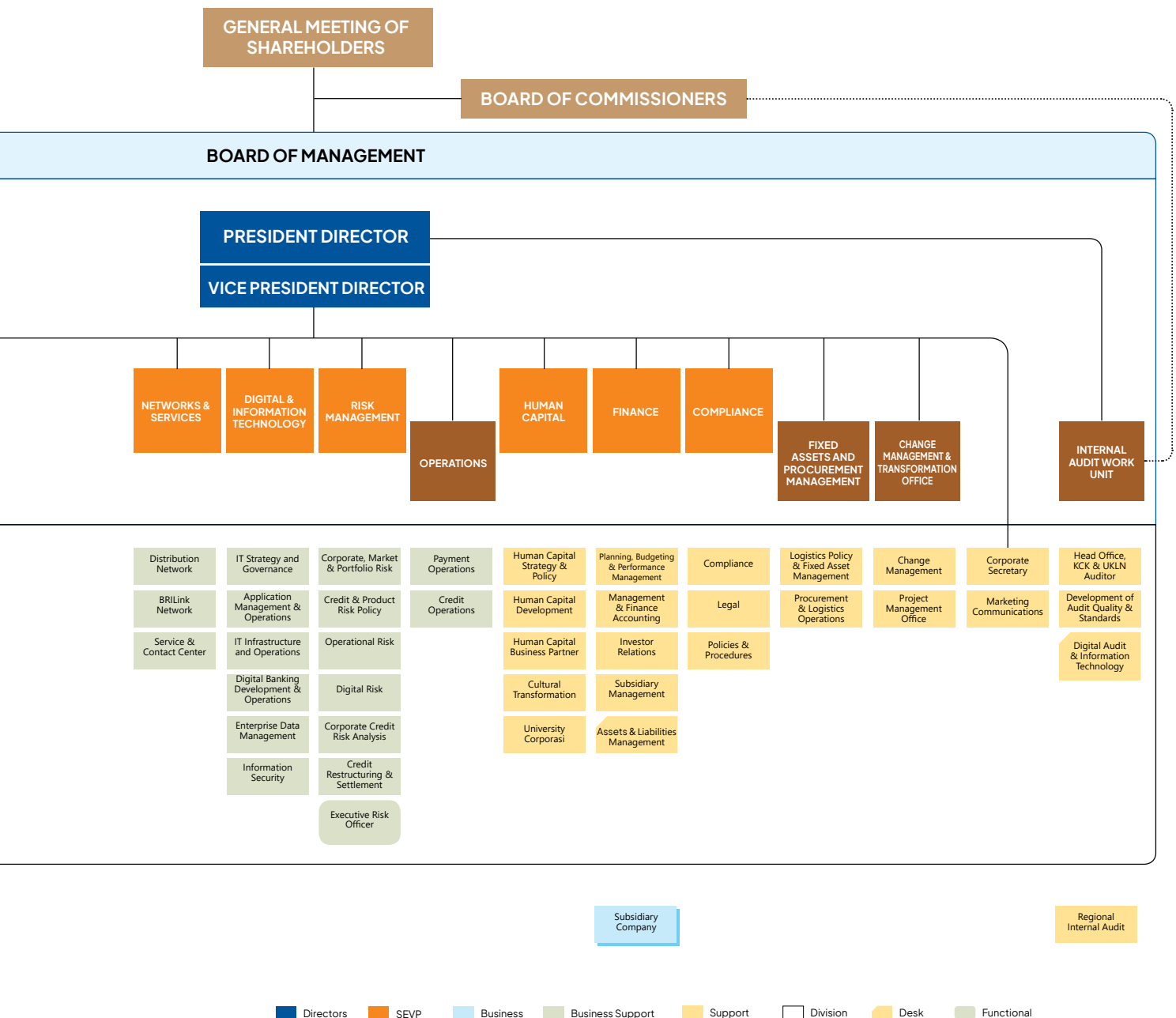
Corporate governance structure consists of: [GRI 2-9] [E.1]

- Main Organ, consisting of the General Meeting of Shareholders (GMS), Board of Commissioners and Board of Directors;
- Supporting Organs, consisting of Committees under Board of Commissioners, Board of Directors Committees, and Work Units that support the implementation of the GCG.

BRI's organizational structure as stated in Decision Number S.2120-DIR/PPM/12 of 2022 dated 21 December 2022 is as follows:







Board of Commissioners Committee  
Board of Directors Committee

: Audit, Nomination & Remuneration, Risk Management Monitoring, Integrated Governance  
: Risk Management, Loan Policy, Loan, ALCO, Human Capital, IT, Capital & Investment, Products, Procurement of Goods & Services



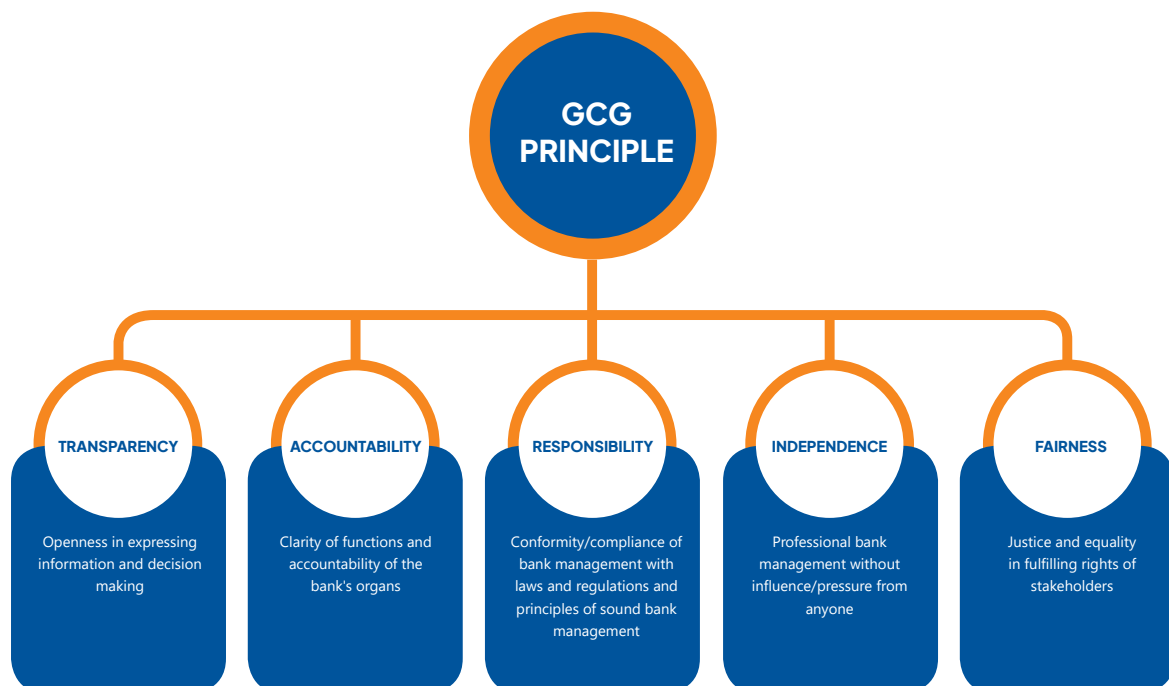
In carrying out corporate governance, BRI has supporting organs under Board of Directors in the form of committees, consisting of:

- a. Capital Investment Committee;
- b. Information Technology Steering Committee and Data Governance Committee;
- c. Risk Management and Environmental, Social & Governance (ESG) Committee;
- d. Asset and Liability Committee (ALCO);
- e. Goods and Services Committee (PBJ);
- f. Credit Policy Committee (KKP);
- g. Human Capital Committee (HC);
- h. Product Committee; and
- i. Project Management Office Committee (PMO SC)

Following the issuance of Regulation of the Financial Service Authority (OJK) Number 18/POJK.03 of 2014 on Integrated Governance, an Integrated Compliance Work Unit, an Integrated Risk Management Work Unit, and an Integrated Internal Audit Work Unit are established. The unit functions to build strong business synergies and alliances between BRI and its subsidiaries. Organization and governance at BRI have improved since the implementation of Regulation of the Financial Service Authority Number 51/POJK.03 of 2017 on Sustainable Finance for Financial Services Institutions, Issuers and Public Companies that took effect on January 1, 2019.

## Principles of Implementing Good Corporate Governance (GCG)

BRI upholds the GCG principles to promote corporate value and performance for good and sustainable governance. The principles are as follows:



The GCG principles are formulated to support BRI's sustainable business activities, which are described as follows:

### Transparency

The bank has a policy to disclose various important information required by stakeholders in accordance with the prevailing laws and regulations.

### Accountability

- The bank sets long-term and short-term business goals that are accountable to shareholders and stakeholders;
- The bank submits reports to the bank's supervisory authorities and other stakeholders in accordance with the prevailing regulations;
- The bank determines duties and responsibilities of each Board of Commissioners, Board of Directors, and company organizations and their subordinates that are aligned with the vision and mission of the bank;
- Board of Commissioners and Directors submit annual reports and financial accountability at the GMS;
- The bank determines duties and responsibilities of each Board of Commissioners, Board of Directors, and the company's organs and their subordinates in line with the bank's vision and mission;
- The bank ensures that each Board of Commissioners and Directors as well as all levels under them have the competence according to their responsibilities and understand their role in implementing the GCG;
- The bank ensures that there are structures, systems, and SOPs that can guarantee the functioning of a check-and-balance mechanism in achieving its vision and mission; and
- The bank has an effective internal control system.

### Responsibility

- The bank adheres to the principle of prudence and ensures the implementation of laws and regulations, articles of association, and internal regulations of the bank;

- The bank maintains natural sustainability through credit policies and other policies that support the preservation of natural resources;
- The bank acts as a good corporate citizen through social and environmental responsibility.

### Independence

- The bank avoids domination by any party, is not influenced by certain interests, and is free from conflicts of interest and any influence or pressure so that it acts objectively;
- The bank carries out its functions and duties in accordance with the articles of association, internal regulations, and the prevailing laws and regulations.

### Fairness and Equality [F.18]

- The bank provides reasonable and equal behavior to stakeholders in accordance with the benefits and contributions made to the bank;
- The bank provides opportunities for stakeholders to provide input and express opinions for the interests of the bank, as well as access to information disclosure.

BRI's commitment to implementing the GCG principles that have a positive impact on performance achievement and corporate sustainability is always at the top of the agenda. The purpose of implementing GCG is to: [E.3]

1. Supporting the achievement of the company's vision and mission through significant performance;
2. Providing guidelines for all BRI employee in carrying out their duties and responsibilities according to their functions within the company's organization;
3. Building trust among shareholders and stakeholders that the company is run and supervised professionally;
4. Supporting the establishment of policies and decision-making by management based on the principle of good corporate governance; and
5. Realizing good corporate citizens.



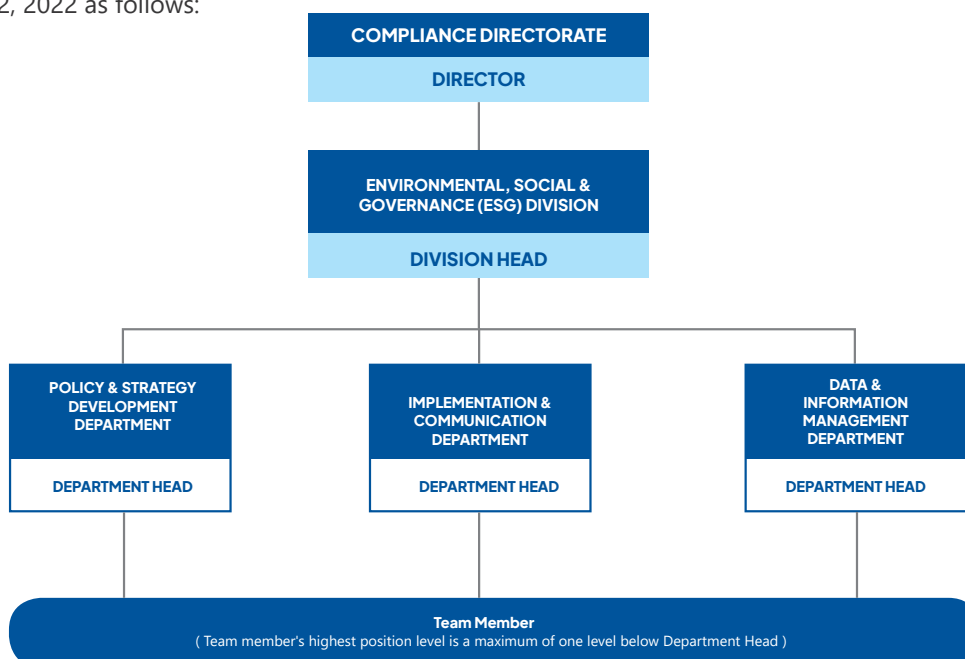


## ESG Governance [GRI 2-9] [GRI 2-24] [E.1]

Since 2021, BRI has established ESG Governance structure with the aim of directly monitoring the company's ESG performance and disclosure through the establishment of Risk Management and Environmental, Social and Governance (ESG) Committee. The establishment of the Risk Management and ESG Committee was based on Decision Number 872-DIR/PPM/06 of 2022 dated 2 June 2022. The ESG Committee has the following duties and responsibilities:

- Approving and providing direction on the results of the review and evaluation related to the implementation of policies or governance parameters of ESG initiatives and social and environmental responsibility initiatives that have been prepared by relevant work units that are later proposed by the Committee Support Team;
- Establishing work programs that fall under the category of ESG initiatives and social and environmental responsibility initiatives based on the recommendations of the Committee's Supporting Team;
- Approving and providing direction on the results of reviews and evaluations related to the implementation of work programs included in the parameters of ESG initiatives and social and environmental responsibility initiatives as well as reporting of data and information related to ESG;
- Approving and providing direction on the results of reviews related to ESG rating reports, concerns of investors or other third parties on the performance and implementation of BRI's ESG and environmental and social responsibilities.
- Determining material issues from the results of ESG rating reports, concerns from investors or other third parties regarding performance and implementation of BRI's ESG and environmental and social responsibilities.
- Approving the follow-up plan on the results of the review and evaluation to then be proposed as a new work program that will later be followed up by the related work unit;
- Approving and providing direction on issues related to ESG and social and environmental responsibilities, including laws and regulations, global initiatives, business practices, and other important information related to ESG and social and environmental responsibilities.

To strengthen ESG governance, BRI has issued a sustainability policy and strategies set out in BRI Directors' Circular Number: SE.52-DIR/ESG/10 of 2022 Dated October 5, 2022 on PT Bank Rakyat Indonesia (Persero) Tbk Sustainability Policy and Strategy. Strengthening BRI's ESG governance is supported by the new organizational structure that specifically handles ESG management in accordance with Decree Number 575-DIR/PPM/04 of 2022 dated April 12, 2022 as follows:



## Delegation of Authority [GRI 2-9] [GRI 2-12] [GRI 2-13]

BRI's commitment to providing social welfare and environmental protection is manifested through the development of a stable and inclusive sustainable financial system. BRI translated the plan into a short and long term Sustainable Financial Action Plan (RAKB), which consists of three sustainability topics: economic, social, and environmental topics.

Sustainable finance is a form of overall support from the financial services industry for sustainable development resulting from harmony between economic, social, and environmental interests. BRI's support is provided through the creation of sustainable finance in Indonesia, namely by being involved as one of the "first movers on sustainable finance" and a member of the Sustainable Finance Initiative in Indonesia (IKBI).

Formulation of the RAKB is supervised by Compliance Director and prepared by ESG Committee that has permanent members, including Director of Risk Management, Director of Finance, SEVP Change Management & Transformation Office, Director of Compliance and ESG Division as well as the secretary of the committee, and is assisted by the Supporting Team, including Change Management Division, Investor Relations, Planning, Budgeting & Performance Management, Corporate Secretary, Micro Business Development and Project Management Office.

BRI is committed to being environmentally and socially responsible by implementing the 3P (profit, people, planet) Principles and ESG concepts comprehensively to improve economic performance. The establishment of the ESG Division is intended to monitor the performance and impact of economic, environmental, and social topics. The Board of Commissioners and Directors directly supervise the ESG Division. One of the roles of the ESG Division is to formulate BRI's policies, strategies and objectives that are aligned with sustainable development. ESG Division provides reports on performance results directly to Board of Commissioners and Directors that are later submitted in the GMS. [GRI 2-12] [GRI 2-13] [GRI 2-24] [C.1]

The authority to carry out the 3P principles and the ESG Concepts is delegated to several senior executives through the respective Boards of Commissioners and Directors in accordance with the committees under

them. The process of delegating responsibility is carried out based on Decision of Board of Directors.

[GRI 2-9] [GRI 2-13]

Authority over the highest governance structure is explained as follows: [E.1]

### 1. Board of Commissioners

Board of Commissioners has the duties, responsibilities, and authorities to actively supervise sustainable finance that refers to the bank's Articles of Association and other laws and regulations, such as:

- Giving approval for sustainable finance policies, which are one of the bank's specific policies;
- Giving approval for the sustainable finance action plan (RAKB);
- Giving approval regarding the Sustainability Report; and
- Supervising the implementation of the responsibilities of the Board of Directors regarding implementation of sustainable finance.

### 2. Directors

Directors have the duties, responsibilities, and authorities to implement the sustainable finance program that refers to the bank's articles of association and laws and regulations, including:

- Preparing and proposing the drafts of sustainable finance policies and their amendments to Board of Commissioners;
- Formulating and proposing the RAKB to Board of Commissioners;
- Formulating and proposing a Sustainability Report to Board of Commissioners;
- Communicating the RAKB to shareholders and the entire organizational structure in the bank;
- Supervising work units implementing sustainable finance policies and procedures separately from work units overseeing their implementation;
- Establishing a special work unit at the head office responsible for the implementation of sustainable finance in the bank;
- Supervising work unit compliance in implementing sustainable finance;



- Supervising business units and operational work units to appoint officials to be responsible for the implementation of sustainable finance in their work units;
- Supervising sustainable finance policies and procedures so they are in line with changes and development of bank products, services, and technology adapted to the development of sustainable finance;
- Supervising internal capacity building programs related to sustainable finance on a regular basis;
- Managing, carrying out periodic reviews, and reviewing effectiveness of the risk management process as duties, responsibilities and authorities of the Board of Directors related to the implementation of sustainable finance.

## Composition of Highest Governance Body and its Committees **[GRI**

**2-9] [GRI 2-10]**

Composition of the corporate governance body is adjusted to the diversity policy. The composition of BRI's Board of Commissioners and Directors refers to the recommendations of the Financial Services Authority stipulated in the Appendix to Circular of the Financial Services Authority Number 32/SEOJK.04/2015 on Guidelines for Governance of Public Companies. It is stated that the composition of Board Commissioners and Directors must consider the diversity of the composition of Board of Commissioners and Directors.

Diversity of the composition of Board of Commissioners and Directors is a mix of the characteristics of Board of Commissioners and Directors, as well as individual members of Board of Commissioners and Directors, according to the needs of a public company. The Board of Commissioners is a representative of shareholders who have a term of office of one period or five years. Term of office for the Board of Directors is set at five years but can be terminated at any time in accordance with the decision of the EGMS. After the term of office ends, there is no term limit. **[GRI 2-10]**

Composition of members of Board of Commissioners and Board of Directors may come from diverse backgrounds, such as education, knowledge, expertise, gender, age, race, and experience as stated in the profile of each member of Board of Commissioners,

from banking practitioners, scholars, academics, bureaucrats, and those who have had careers as decision makers or policymakers with experience in regulatory and corporate fields in their respective fields. Even though the background of the members of the Board of Commissioners and Board of Directors is not from an under-represented social group, the Board of Commissioners and Board of Directors listen to aspirations and try to be an extension of the under-represented group. Information regarding composition of the highest governance body and its committees can be found in the 2022 BRI Annual Report page 571-573. **[2-9]**

Members of BRI's Board of Commissioners do not have family, business, or other relations with other members of Board of Commissioners, members of Board of Directors or the controlling shareholders. There are no concurrent positions for each member of the Board of Commissioners and Board of Directors in the company that can cause a direct or indirect conflict of interest. The highest governance body is the General Meeting of Shareholders (GMS). Given the wider role of stakeholders needed to oversee the course of corporate governance, the GSM is not an executive position within the organization. **[GRI 2-10] [GRI 2-11] [GRI 2-15]**



## Nomination Procedure for Directors and Board of Commissioners

[GRI 2-10]

In order to implement healthy business practices and comply with the principles of Good Corporate Governance, the Board of Commissioners has formed a Remuneration and Nomination Committee to support the effectiveness of the Board of Commissioners' tasks and responsibilities related to the nomination and remuneration of members of the Board of Directors and the Board of Commissioners.

### The Tasks and Responsibilities of the Remuneration and Nomination Committee [GRI 2-10]

#### Nomination Function [GRI 2-10]

1. Prepare and provide recommendations on the system and procedures for the selection and/or replacement of members of the Board of Commissioners and the Board of Directors to the Board of Commissioners for presentation to the General Meeting of Shareholders.
2. Provide recommendations to the Board of Commissioners regarding:
  - a. The composition of the positions of the members of the Board of Directors and/or the Board of Commissioners;
  - b. The policies and criteria required in the nomination process; and
  - c. The performance evaluation policy for members of the Board of Directors and/or the Board of Commissioners.
3. Provide recommendations or propose candidates who meet the requirements as members of the Board of Directors and/or the Board of Commissioners to the Board of Commissioners for presentation to the GMS.

#### Remuneration Function

1. Provide recommendations to the Board of Commissioners regarding the structure, policies, and amount of remuneration for members of the Board of Directors and/or the Board of Commissioners.
2. Provide recommendations to the Board of Commissioners regarding the evaluation of the remuneration policy for members of the Board of Directors and/or the Board of Commissioners to be presented to the General Meeting of Shareholders.
3. Assist the Board of Commissioners in assessing performance with the appropriate remuneration received by each member of the Board of Directors and/or the Board of Commissioners.

Disclosure related to the Nomination and Remuneration Committee can be found in the BRI 2022 annual report on page 589-603.

### Nomination of the Board of Commissioners and Directors [GRI 2-10]

In order to implement healthy business practices and comply with the principles of Good Corporate Governance and the principle of prudence in the environment of PT Bank Rakyat Indonesia (Persero) Tbk., the Board of Commissioners has established a Nomination Policy for members of the Board of Commissioners and Directors with Decree NOKEP:07 KOM/BRI/07/2015, dated July 28, 2015.

The procedures for selecting prospective candidates for members of the Board of Commissioners and/or Directors are as follows:

1. The Remuneration and Nomination Committee, through the Board of Commissioners, requests a list of Top Talent BRI who meet the criteria to be proposed as candidates for BRI management positions.
2. The Board of Directors presents a list of Top Talent BRI based on data from the BRI Talent Management System, the results of assessments by independent professional institutions, and the results of BRI's Talent Committee Meeting.
3. Based on the list provided by the Board of Directors, the Remuneration and Nomination Committee (KRN) screens potential candidates who meet the specified qualifications.



4. KRN conducts an evaluation process to gather comprehensive information on the qualifications and competencies of potential candidates.
5. The results of the information gathered on potential candidates for the Board of Commissioners and/or Directors are discussed in a committee meeting to decide on the selected candidates.
6. The committee's discussion results are documented in the Committee's Note as a recommendation for the nomination of the relevant candidates for the position of member of the Board of Commissioners and/or Directors.
7. The Board of Commissioners decides on the candidates for the position of member of the Board of Commissioners and/or Directors in a meeting that also serves as the basis for the Board of Commissioners' recommendation to the Series A Dwiwarna Shareholders to be conveyed in the GMS.
8. The GMS determines the composition and changes of the BRI Board of Commissioners and/or Directors. In the event that the appointed members of the Board of Commissioners and/or Directors have not been approved by the OJK, their appointment is not yet effective.
9. BRI submits an application to the OJK to conduct an assessment of their Capability and Propriety test

The current members of BRI's Board of Directors have graduated without any notes and have been approved by Bank Indonesia or OJK, so it can be concluded that each member of BRI's Board of Directors possesses

the necessary integrity, competence, and financial reputation. Disclosures regarding the company's nomination policy can be found on pages 562-567 of BRI's 2022 annual report.

Nomination considerations are based on diversity, independence, and expertise. Members of the Board of Commissioners are not permitted to have family relationships with members of the Board of Directors and/or the Bank's Board of Commissioners up to the third degree, either according to a direct line or lateral line, including marriage-related relationships. Other qualifications that must be possessed include integrity, dedication, understanding of company management issues related to one of the management functions, adequate knowledge of the Bank's business sector, and provide sufficient time to perform their duties. [\[GRI 2-15\]](#)

To prevent and mitigate conflicts of interest, the Board of Commissioners, Board of Directors, and all BRI employees must file an annual disclosure statement stating that they have no conflict of interest with any decision made and have complied with the company's code of conduct. Meanwhile, each work unit is required to report on transactions/decisions involving conflicts of interest. Disclosures related to conflicts of interest such as cross-board membership, cross-ownership with suppliers and other stakeholders, the existence of controlling shareholders, as well as relationships, transactions, and balances of related parties are presented in BRI's Annual Report. [\[GRI 2-15\]](#)

## Capacity Building of Highest Governance Body [\[GRI 2-17\]](#)

Competency improvement must continue to be carried out by Board of Commissioners and Board of Directors in accordance with developments in operational needs and the company's development as stipulated in Decision of Board of Directors Number S.43-DIR/SKP/01/2018 on Orientation and Education Program Policy for Directors and Board of Commissioners. In 2022, realization of competency development and training programs for Board of Commissioners related to sustainable development covering governance, environment, and economic topics is explained as follows: [\[E.2\]](#)

Table of 2022 Board of Commissioners Training and Development Program [GRI 2-17]

Name	Designation	Types of Training and Development Materials Competence/Training	Time and Venue of Training	Organizer
Rofikoh Rokhim	Vice President Commissioner	AVPN Global Conference 2022	Denpasar, June 21 – 24, 2022	AVPN Indonesia
		Executive Education Program: Leading Digital Transformation: Accelerate Change For Business Impact	New York, May 25 – 27, 2022	Columbia University
		"Delivering Business Growth"	The US, October 30 – November 2, 2022	Kellogg University
Rabin Indrajad Hattari	Independent Commissioner	Workshop "International Banks' Executives Discussion: "Future Banking in The Post COVID-19 World"	Paris, May 25-26, 2022	BSMR
Hendrikus Ivo	Independent Commissioner	Refreshment of Sertifikasi Managemen Risiko: Indonesia Risk Management Outlook 2022 "Next Stage of Great Change"	Yogyakarta, January 27, 2022	LPPI
Nurmaria Sarosa	Independent Commissioner	International Risk Management & Wealth Management Refreshment Program for Executives	Netherlands, Belgium, Paris, November 5-13, 2022	BARa, MBA FEB UGM, IBI, LSPP
Dwi Ria Latifa	Independent Commissioner	Refreshment of Sertifikasi Managemet Risiko: Indonesia Risk Management Outlook 2022 "Next Stage of Great Change"	Yogyakarta, January 27, 2022	LPPI
		PSAK Bootcamp 2022 Training "PSAK Terkini Sesuai Konvergensi IFRS	Denpasar, August 9 – 12, 2022	Indonesian Institute of Accountants (IAI)
		Workshop "International Banks' Executives Discussion: "Future Banking in The Post COVID-19 World"	Paris, May 25-26, 2022	BSMR
Agus Riswanto	Independent Commissioner	International Risk Management & Wealth Management Refreshment Program for Executives	Netherlands, Belgium, Paris, November 5-13, 2022	BARa, MBA FEB UGM, IBI, LSPP

Table of 2022 Board of Directors Training and Development Program [GRI 2-17]

Name	Designation	Types of Training and Development Materials Competence/Training	Time and Venue of Training	Organizer
Sunarso	President Director	International Risk Management & Wealth Management Refreshment Program for Executives	Netherlands, Belgium, Paris, November 5-13, 2022	BARa, MBA FEB UGM, IBI, LSPP
Catur Budi Harto	Vice President Director	Integrating Risk into Strategic Decision-Making	Cambridge, UK, November 16-18, 2022	University of Cambridge Judge Business School





Name	Designation	Types of Training and Development Materials Competence/Training	Time and Venue of Training	Organizer
Agus Noorsanto	Director of Wholesale and Institutional Business	Executive Education Program Tahun 2022; "Managing Sales Teams and Distribution Channels"	The US, July 24 - 28, 2022	Harvard Business School
		High Performance Board	Lausanne, Switzerland, November 28 – December 1, 2022	IMD Executive Education
Supari	Director of Micro Business	Integrating Risk into Strategic Decision-Making	Cambridge, UK, November 16-18, 2022	University of Cambridge Judge Business School
Amam Sukriyanto	Director of Small and Medium Business	Executive Education Program Tahun 2022; "Managing Sales Teams and Distribution Channels"	The US, July 24 - 28, 2022	Harvard Business School
		Executive Education Program Tahun 2022; "Digital Marketing Strategy: Customers, Planning, and ROI"	New York, the US, June 14 – 16, 2022	Columbia Business School Executive Education
		International Risk Management & Wealth Management Refreshment Program for Executives	Netherlands, Belgium, Paris, November 5-13, 2022	BARa, MBA FEB UGM, IBI, LSPP
Arga Mahanana Nugraha*	Director of Digital and Information Technology	Executive Education Program Tahun 2022; "Big Data, Strategic Decisions: Analysis to Action"	California, the US, July 31 – August 5, 2022	Stanford Graduate School of Business Campus
		Executive Education Program Tahun 2022; Sibos Conference Program 2022	Amsterdam, Netherlands, October 10 – 13, 2022	S.W.I.F.T. SC SIBOS
Ahmad Solichin Lutfiyanto	Director of Compliance	Integrating Risk into Strategic Decision-Making	Cambridge, UK, November 16-18, 2022	University of Cambridge Judge Business School
Agus Sudiarto	Director of Risk Management	International Risk Management & Wealth Management Refreshment Program for Executives	Netherlands, Belgium, Paris, November 5-13, 2022	BARa, MBA FEB UGM, IBI, LSPP
Handayani	Director of Consumer Business	Executive Education Program : Leading Digital Transformation : Accelerate Change For Business Impact	New York, May 25 – 27, 2022	Columbia University
Agus Winardono	Director of Human Capital	High Performance Board	Lausanne, Switzerland, November 28 – December 1, 2022	IMD Executive Education
Andrijanto	Director of Network and Services	Executive Education Program Tahun 2022; "Leading Successful Transitions in a Digitally Driven World"	Cambridge, the US, October 17 – 21, 2022	MIT Management Executive Education

\*) Originally transferred as Director of the company's Network and Services to Director of Digital and Information Technology at the 2022 Annual GMS on March 1, 2022.

BRI engaged the Board of Directors to improve competency, be it in the areas of sustainable finance implementation and sustainability performance covering economic, social, and environmental topics, through training and BRI's active involvement in the IKBI CEO Dialogue on Sustainable Finance. The company also called on all levels of officials at various levels of positions to improve their respective competencies in implementing sustainable finance and sustainability performance in 2022. [OJK F.22] [FS4]

## Remuneration Policy [GRI 2-19] [GRI 2-20]

BRI already has a governance policy related to remuneration regulated by regulators as company stakeholders in accordance with Regulation of the Financial Services Authority Regulation Number 45/POJK.03/2015 dated 23 December 2015. Remuneration structure for Board of Directors is regulated based on Decision of Board of Commissioners Number R.68-KOM/07/2022 dated 25 July 2022 and Approval of Dwiwarna Series A Shareholders based on Letter Number SR-21/Wk2.MBU.A/07 of 2022 Review of premium allowances based on variables, if necessary, can be adjusted according to developments in the level of expense in each region and the company's ability. Subsidiaries have separate remuneration policies and are prepared independently on their own. Information regarding remuneration can be found in the 2022 BRI Annual Report page 564-567.

### Board of Commissioners Remuneration Policy\* [GRI 2-19]

Type of Remuneration/Facilities	Note
Honorarium and Tantieme	President Commissioner 45% of the President Director's Salary  Vice President Commissioner receives 42.5% of President Director's Salary, while members of Board of Commissioners receive 90% of President Commissioner's Honorarium
Transportation Allowance	Transportation allowance is provided monthly at 20% of the monthly honorarium for each member of Board of Commissioners
Holiday Allowance	1 (one) time honorarium
Retirement Insurance	To be enrolled in the Retirement Insurance Program. The maximum premium is 25% (twenty five percent) of the honorarium per year
Other Allowances	Club membership and corporate attire
Facilities	Health, legal aid, and other facilities

### Directors Remuneration Policy\* [GRI 2-19]

Type of Remuneration/Facilities	Note
Salary and Tantieme	The amount of salary and bonus for the Board of Directors is determined proportionally to the salary and bonus for the President Director. The Vice President Director's is 95% and the salary of other Directors is 85% of the salary of the President Director.
Housing Allowance	Rp27.5 million per month, including utility costs. not given to members of Board of Directors occupying an official house
Holiday Allowance	1 (one) time salary
Retirement Insurance	To be enrolled in the Retirement Insurance Program. The maximum premium is 25% (twenty five percent) of the honorarium per year
Other Allowances	Club membership, corporate attire, and communications allowance
Facilities	Health, legal aid, and other facilities

\* Further information regarding remuneration can refer to the 2022 BRI Annual Report page 564-567.

The Nomination and Remuneration Committee (KNR) is responsible for remuneration policy by evaluating and providing recommendations to the Board of Commissioners regarding remuneration policies for Board of Commissioners and Directors. In the remuneration planning process, the KNR asked an independent consultant who has no other relations with the company to provide recommendations for independent and fair remuneration.



The recommendations given by this independent party will be evaluated by the Board of Commissioners that will be proposed and determined at the GMS involving shareholders.

In accordance with Article 113 of Law Number 40 of 2007 on Limited Liability Companies, honorarium and allowances for Board of Commissioners are determined by the GMS. Based on Article 96 of the Law, the amount of salary and allowances for members of the Board of Directors is determined by the GMS and the authority of the GMS can be delegated to the Board of Commissioners. Based on Regulation of SOE Minister Regulation Number PER-04/MBU/2014 dated March 10, 2014 on Guidelines for Determining Income for Directors, Board of Commissioners and Board of Trustees of State-Owned Enterprises as last amended by Regulation of SOE Minister Number PER-13/MBU/09/2021, the components of Board of Commissioners' income consist of: salary, allowances, facilities, and tantième. In determining the remuneration to be given, the KNR also considers criteria related to managing the impacts of economic, environmental, and social topics. [2-19]

Implementation of BRI's remuneration system policy outside Board of Commissioners and Directors is adjusted to BRI's internal policies stated in Decision of Directors Number: 208-DIR/SDM/08/2011 on wages for employees both in terms of adjusting annual salaries and in the system of giving bonuses to employees BRI's remuneration strategy continues to consider effective best practices in banking industry and market comparisons. The company has regularly participated in an annual survey regarding the banking total reward survey through professional independent consultants and has been attended by the majority of banks in Indonesia. This is carried out as a reference and suggestion for remuneration adjustments at BRI.

One of the company's remuneration principles is externally competitive in which remuneration is given at a level that is competitive with the banking industry. In this regard, BRI cooperates with Willis Towers Watson, whose job is to carry out benchmarking and/or salary surveys in accordance with the company's requests related to remuneration policies. BRI has no other relations with remuneration consultants. It can also be ensured that the company has complied with all prevailing regulations related to the implementation of the remuneration system.

[GRI 2-20]

In terms of remuneration policy, the KNR is responsible for evaluating remuneration policies and providing recommendations to the Board of Commissioners regarding remuneration policies for Board of Commissioners and Directors to be submitted to the GMS. The KNR is also tasked with providing recommendations to the Board of Commissioners regarding the evaluation of remuneration policies for Executive Officers and Employees.

The GMS can approve and determine the structure and amount of remuneration with a quorum requirement for attendance of more than 50% of shareholders and approval by more than 50% of the shareholders present. If the GMS does not approve the proposal, the Board of Commissioners and Board of Directors will use the same remuneration structure and amount as the previous financial year. [GRI 2-20]

The standard procedure for determining remuneration for Board of Commissioners and Board of Directors is as follows: [GRI 2-20]

a. Formulation Stage

Nomination and Remuneration Committee evaluates structure and amount of remuneration for Board of Commissioners and Board of Directors by considering performance, risk, fairness with peer groups, goals and long-term strategies of the bank, fulfillment of reserves as stipulated in laws and regulations, and potential income of the bank in the future. Based on the evaluation results, the Nomination and Remuneration Committee recommends the structure and amount of the remuneration at the Board of Commissioners meeting.



b. Proposal Stage

Board of Commissioners submits proposals regarding the determination of honorarium, allowances, and facilities as well as tantiem for members of Board of Commissioners and Directors to the GMS.

c. Determination Stage

The GMS may approve and determine the structure and amount of remuneration with the requirement that a quorum for the presence of more than 50% of shareholders and approval by more than 50% of the shareholders present. In the event that the GMS does not approve the proposal, the Board of Commissioners and Board of Directors will use the same remuneration structure and amount as the previous financial year. In the event that the GMS has not determined the structure and amount of remuneration, it may authorize the Board of Commissioners to determine the structure and amount of remuneration after obtaining approval from the Series A Dwiwarna shareholder.

## Performance Evaluation of Highest Governance Body [GRI 2-18]

Self-assessment is a process to evaluate the performance of the highest governance body in relation to the management of economic, environmental, and social impacts with a frequency of at least once a year and is not carried out by a third party.

BRI's governance self-assessment process involves many parties, including Board of Commissioners, Directors, and work units related to governance assessment factors. The self-assessment refers to Regulation of the Financial Service Authority Number 55/POJK.03/2016 on Implementation of Governance for Commercial Banks, OJK Circular Number 13/SEOJK.03/2017 on Implementation of Governance for Commercial Banks, Financial Services Authority Regulation Number 21/POJK. 04/2015 on Implementation of Public Company Governance Guidelines, Circular of the Financial Service Authority Number 32/SEOJK.04/2015 on Guidelines for Public Company Governance and Regulation of the Financial Service Authority Number 4/POJK.03/2016 on Rating of Commercial Bank Soundness Levels. One of the assessment points for the soundness of a bank is self-assessment of the implementation of the principles of good corporate governance (GCG) at the bank. BRI's governance self-assessment process involves the entire Board of Commissioners, Directors, and work units related to the established governance assessment factors. Criteria, cores, recommendations, and follow-ups refer to BRI's Annual Report on page 786-791 and changes of composition on page 132-146.



## Stakeholder Consultation [GRI 2-12] [FS2] [E.4] [FS12]

BRI seeks to achieve sustainable finance through the process of identifying and managing three sustainability topics: environment, social, and governance topics together with internal and external parties of the company. Achievements of sustainable finance need to be communicated to all internal and external stakeholders, in which achievements in 2022 are presented in the 2022 BRI Sustainability Report. Sustainability strategies and targets are presented in the company's RAKB.

Based on the limited level of understanding and knowledge related to sustainability, the communication and consultation process is not only carried out with internal stakeholders, but also with external stakeholders with experience or expertise in the field of sustainability. Consultations with external parties are carried out with an open discussion method at least once a year by the highest governance body delegated to the ESG Division. Feedback from the consultation process will be reported to the Board of Directors to be discussed at the meeting. The results of the discussion determine the topic of sustainability for BRI which will later be included in the RAKB and the 2022 BRI Sustainability Report. Consultations are carried out with interested parties or related parties with competence in ESG issues with the aim of determining appropriate materiality topics for the company, including involving ESG rating agencies, the media, CSR consultants, non-governmental organizations, and sustainability report consultants. [GRI 2-12] [FS2]

Apart from conducting consultations with external stakeholders, the company also consults with internal stakeholders through discussions between the highest governance body or senior management. Each level of management can also express their own opinions related to sustainability topics, done through a questionnaire distributed at least once a year and is collected and evaluated by ESG Division as a delegation from the highest governance body. Consultations with employees are also carried out through morning briefings in each division and monthly supervisory meetings, as well as direct interviews related to annual materiality topics for reporting purposes. Consultations with shareholders are carried out regularly every month through performance meetings and the GMS, or through coordination any time.

In formulating corporate sustainability initiatives, the governance body's role is to identify and manage economic topics as well as impacts, risks, opportunities, as well as to conduct due diligence. The role carried out is the person in charge of implementing the sustainable finance program. The program aims to implement environmentally friendly financial practices by prioritizing financial transactions for environmentally friendly business projects. Units in charge of this program consists of several work units, including: [FS3]

- **Risk Management Work Unit**

It is responsible for overseeing the implementation of each implementation of risk management and being the coordinator for monitoring the sustainable finance policy.

- **Compliance Work Unit**

It has the duty and the responsibility of ensuring that policies and procedures are carried out accordingly, and that the bank's business activities comply with statutory provisions related to sustainable finance and ensure that the implementation of sustainable finance continues to run well in each business unit and operational unit.

- **Internal Audit Work Unit**

It is directly responsible to the President Director and has a direct line of communication with the Audit Committee. The Internal Audit acts as an independent and objective assurance and consulting provider by evaluating adequacy and effectiveness of risk management, internal control, and corporate governance processes with the aim of increasing added value and improving the bank's operations.

- **Corporate Secretary**

It is responsible to the President Director and plays a role in assisting Board of Commissioners and Board of Directors in carrying out their respective duties and responsibilities related to the implementation of corporate governance. It also acts as a liaison and manager of communication between the company and both internal and external parties, including shareholders who are regulators as well as other stakeholders.

- **Investor Relations Division**

It plays an active role in managing relations and communication with investors, as well as participating in monitoring ESG values as one of the focuses of wider stakeholders.

The aim of consulting with stakeholders and the highest governance body on ESG issues is to discuss key issues and produce comprehensive plans, strategies, and programs. This way, all ESG topics can be communicated in a complete, accurate and balanced to the parties who use the information in the form of BRI Assured Sustainability Report.





## Challenges and Opportunities in Sustainable Finance

### Initiatives [E.5] [GRI 2-12] [GRI 2-16]

The implementation of sustainable finance brings its own challenges, both internal and external challenges. Internal challenges include:

- a. The need for extra efforts and a long time to train the competence of a very large number of employees, organizational structure, and work unit network which has a wide scope;
- b. Limitations in the integrated automation system to monitor and report on the implementation of sustainable finance.

BRI has strategies in tackling internal challenges. This strategy is carried out by increasing consistent and structured training on sustainability topics for employees at the head office, regional offices, branch offices, and other work units. The training is carried out in the forms of online learning, videos, and online training by inviting external experts and speakers.

Besides identifying internal challenges, BRI also identifies external challenges, among others:

- a. Various regulations related to sustainable finance that are created can affect the market, potentially causing obstacles in the implementation of sustainable finance;
- b. Advances in digitalization technology require banking sector to continue to adapt, thereby increasing risk of disruption;
- c. There is limited clear guidance and information for each industry in relation to sustainable finance so it can pose challenges in the implementation;
- d. The COVID-19 pandemic caused economic disruption on a global scale, slowed down work processes, and disrupted the smooth running of the company's financing and funding.

BRI seeks to overcome external challenges by implementing risk management and identifying potential risks that may be faced as a result of these external factors.

The optimism of the small and medium business segment may create many business opportunities and support business development with checked credit quality. In providing loan facilities for non-SOE corporate businesses, BRI also seeks to optimize opportunities in terms of business value chain and cross selling, so small and medium business segments or even BRI's consumer businesses can grow. Agribusiness and non-agribusiness sectors are the target market for non-SOE corporate business.

The development of agribusiness credit prioritizes financing on export commodities that have competitive edges and a multiplier effect for micro, small and medium enterprises (MSMEs), while non-agribusiness segment extends credit to a number of industries such as processing, infrastructure, and utilities industries, as well as oil and gas industry.

In line with BRI's function to create social and economic value, BRI's micro growth will follow government stimulus. This program can pave the way for BRI to enter the ultra-micro market in Indonesia that is capable of providing competitive returns and measurable risks.

BRI opens business opportunities in the form of cooperation and funding related to green funds, both with national and international institutions. BRI believes that the strategies implemented are the right actions in responding to emerging opportunities and risks that will be able to sustain the business and to be able to grow in a sustainable manner. In providing banking services and products, companies are required to comply with the applicable health, safety, and security protocols.

BRI is able to become a company that turns difficulties into opportunities by developing its business and using creativity in making a digital ecosystem as a means to show resilience in overcoming all business challenges. In reviewing the effectiveness of risk management processes related to environmental, social and governance topics, BRI's highest governance body is represented by the ESG Division under the Compliance Directorate.

During the reporting period, there was a critical issue which was then raised to the highest governance body. BRI realizes that data related to ESG is crucial for stakeholders, especially shareholders. Against the backdrop, BRI has the authority to improve ESG performance and improve the quality of ESG information to the public, such as improving quality of information according to Dow Jones Sustainability Indices and the MSCI criteria. This critical issue has been conveyed to the highest governance body through representatives of the relevant divisions. Division representatives obtain input from multiple stakeholders by submitting the input directly to the highest governance body through a special forum. [GRI 2-9] [GRI 2-16]

## Potential Impacts of Sustainable Financial Products [F.28]

BRI is aware of the importance of implementing sustainable finance initiatives as a form of support for the government to achieve sustainable development goals (SDGs) and together with the global community to build a better life for future generations. In line with the implementation of sustainable finance, BRI understands the potential to increase its ESG-oriented loan portfolio, which can have a positive impact on supporting environmental preservation and improving people's welfare.

Since 2017, BRI has had specific provisions related to credit in the palm oil sector as stated in Circular Number 24-DIR/DMR/04/2017 on Environmental, Social and Governance (ESG) Oil Palm Risk Management Policies. Special provisions related to credit in the pulp and paper sector were also issued by the bank in 2022.

The implementation of sustainable finance has the potential to pose a negative risk to BRI's performance if it is not prevented from the start. One of the risks that may occur is that ESG-oriented loans will cause an increase in non-performing loans (NPLs) if they are not feasible. Therefore, BRI will address this issue by conducting careful checks and calculations and using credit procedures as a reference for applying a complete risk management process to every funding product, including ESG-oriented loans. [FS13] [FS14] [FS3]



## Action Plan as a Systemic Bank

As an action aimed at preventing, recovering, and/or correcting conditions that endanger the bank's business continuity during the pandemic that puts pressure on the economy, BRI prepared scenario analysis that can identify systematic changes using stress testing, which is divided into three scenario sections, including idiosyncratic scenarios, market-wide shock scenarios and combination scenarios which are a combination of Idiosyncratic scenarios and market-wide shock scenarios.

The action plan carried out by BRI has been adjusted to Law Number 9 of 2016 on Prevention and Handling of Financial System Crisis, Regulation of the Financial Service Authority Number 2/POJK.03/2018 on Determination of Systemic Banks and Capital Surcharges, and Regulation of the Financial Service Authority Number 14/POJK.03 of 2017 on Action Plan (Recovery Plan) for Systemic Banks. BRI is one of the systemic banks that has prepared an action plan document (recovery plan) where the document has been ratified in a Regulation of the Financial Service Authority. [\[SASB FN-CB-550a.1\]](#) [\[SASB FN-CB-550a.2\]](#)







# About this Sustainability Report

This sustainability report elaborates BRI's efforts to meet sustainable development goals (SDGs) targets realized through economic, environmental, social and governance (ESG) performance, as well as sustainable finance in 2022. Since 2013, BRI has consistently published a sustainability report on an annual basis to provide timely and accurate information.

This report provides information for the period of 1 January–31 December 2022 and is a continuation of the 2021 Sustainability Report, published in February 2022. Report is published annually and does not restate data from the previous reports. Through the formulation of this sustainability report, the bank hopes that stakeholders' trust in the company's commitment to implementing sustainable finance principles can be properly built. [GRI 2-4] [GRI 2-3] [GRI 2-3]

## Reference Reporting and External Initiatives

BRI's sustainability reports have been prepared with reference to several policies to support the implementation of sustainability principles. The reporting standards applied are as follows: [G.4]

- Regulation of the Financial Services Authority (POJK) Number 51/POJK.03 of 2017 on Sustainable Finance for Financial Services Institutions, Issuers and Public Companies;
- Circular of the Financial Authority (SEOJK) Number 16/SEOJK.04 of 2021 on Form and Content of Annual Reports of Issuers or Public Companies;
- The 2021 Standard Global Reporting Initiative (GRI)
- Task Force on Climate-Related Financial Disclosure (TCFD);
- The Sustainability Accounting Standard Board (SASB);
- The Sustainable Banking Assessment (SUSBA);
- The Carbon Disclosure Project (CDP);
- The World Economic Forum - Stakeholder Capitalism Metrics.

BRI actively participates in external initiatives such as the Indonesian Sustainable Finance Initiative (IKBI), expected to accelerate and improve the implementation of national Sustainable Finance.

We welcome any input and suggestions for improvement and progress of this report in the future. Please contact: [GRI 2-3]



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## Independent Review and Verification [GRI 2-5]

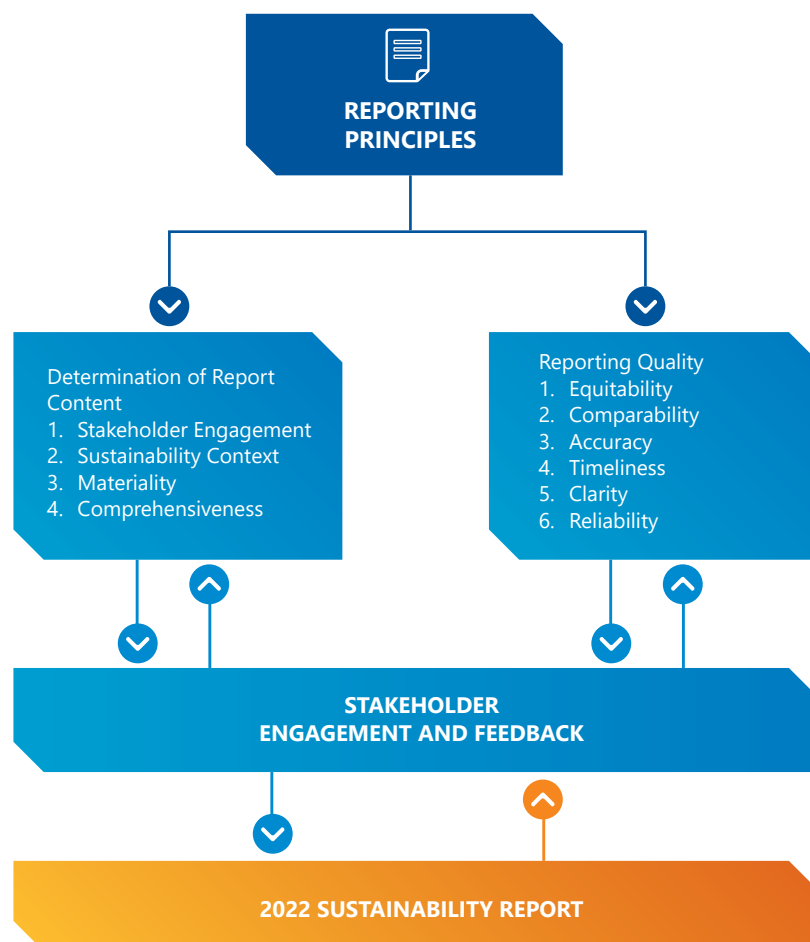
Based on the company's Service Procurement Policy in Board of Directors Decision Number KB.01-DIR/MAT/03 of 2020 on Fixed Assets and Logistics Management Policy (Catalog), the assurance process begins with verification of samples of documentary evidence and confirmations from sources who involving all related work units. Selection of external assesor is carried out in accordance with company's policy and ensures that there is no conflict of interest with any party. The results of the guarantee report are presented on page 244.

The contents of this sustainability report have been verified by independent CBC Global Indonesia, which is an insurance corporation that has been certified to international standard guarantee the AA1000AS v3 standard with license number 000-310. Selecting CBC Global Indonesia as an independent verifying party

was based on considerations of expertise, reputation, and the absence of a potential conflict of interest and no business relations with BRI. The selection is delegated by Board of Directors to the sustainability report drafting team under the leadership of the Corporate Secretariat. [G.1]

This sustainability report has been approved and signed by the Board of Commissioners and Board of Directors that can be found on page 20-21 to ensure that all material topics have been covered. [GRI 2-14]

In this report, we provide information on activities covering economic, social, environmental, and governance aspects of BRI without involving its subsidiaries. The following is a chart of BRI's Sustainability Report reporting principles. [GRI 2-2] [GRI 3-1]



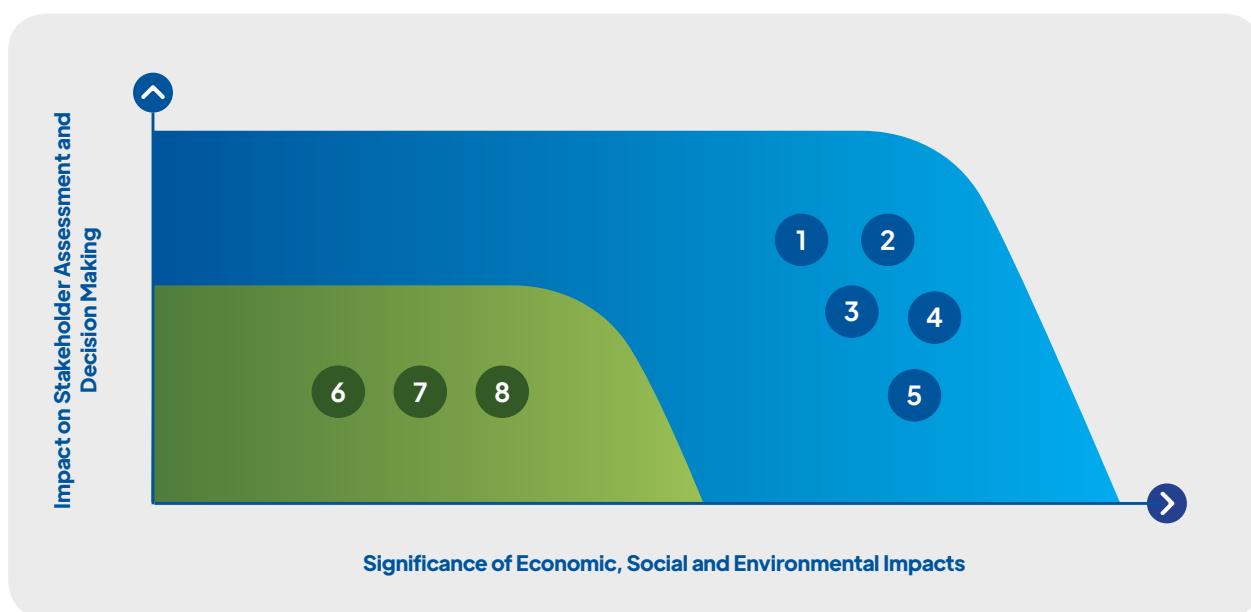


## Establishing Materiality and Topic Boundary [GRI 3-1]

In formulating this report, there are a series of processes considered by BRI to identify relevant topics for stakeholders, including:



## Materiality Matrix [GRI 3-1, 3-2]



## Material Topics and Support on Sustainable Development Goals

[GRI 3-1] [GRI 3-2]




## List of Material Topics and Their Boundaries [GRI 3-1] [GRI 3-2] [GRI 3-3]

BRI identifies sustainability issues that have an impact on it and the interests of stakeholders to determine material topics. Ten sustainability issues are assessed for materiality. Among those ten issues, eight issues were then selected as material topics from the results of the materiality questionnaire. Hence, this sustainability report focuses on eight material topics to meet stakeholder expectations.





### Environmental Sustainability Aspects [3-1] [3-2]


Material Topic	Important Information	Impact and Limits
 Greenhouse Gas Emissions	<ul style="list-style-type: none"> <li>Calculation and comparison of greenhouse gas emissions;</li> <li>Energy use;</li> <li>Strategies in tackling climate change;</li> <li>Reduction in greenhouse gas emissions per digital product.</li> </ul>	<p>Actual impact significance in scope:</p> <p><b>Within the Company:</b></p> <ul style="list-style-type: none"> <li>Employees;</li> <li>All BRI working units.</li> </ul> <p><b>Outside the Company:</b></p> <ul style="list-style-type: none"> <li>Customer;</li> <li>Regulator;</li> <li>Investors.</li> </ul> <p>Significance of potential impact (likelihood): Very Likely Priority: Very High</p>



### Social Sustainability Aspect



Material Topic	Important Information	Impact and Limits
 Manpower affairs	<ul style="list-style-type: none"> <li>Empowerment of female employees</li> <li>Number of employees and turnover rate;</li> <li>Average hours of training per employee;</li> <li>Employee safety and work adjustment during the pandemic;</li> <li>Diversity and equal opportunity; and</li> <li>Improving staff competence for implementing social and environmental policies and procedures in the company's business activities. <span>[FS4]</span></li> </ul>	<p>Actual impact significance in scope:</p> <p><b>Within the Company:</b></p> <ul style="list-style-type: none"> <li>Employees</li> </ul> <p><b>Outside the Company:</b></p> <ul style="list-style-type: none"> <li>Regulators;</li> <li>Investors.</li> </ul> <p>Significance of potential impact (likelihood): Very Likely Priority: Very High</p>
 Local Communities	<ul style="list-style-type: none"> <li>Improvement of community welfare;</li> <li>Products and services that embrace the communities</li> </ul>	<p>Actual impact significance in scope:</p> <p><b>Within the Company:</b></p> <ul style="list-style-type: none"> <li>Shareholder</li> </ul> <p><b>Outside the Company:</b></p> <ul style="list-style-type: none"> <li>Regulators;</li> <li>Investors;</li> <li>Public.</li> </ul> <p>Significance of potential impact (likelihood): Very Likely Priority: Very High</p>



Material Topic	Important Information	Impact and Limits
 <p>Protection of Customer Information</p>	<ul style="list-style-type: none"> <li>• Transparency in maintaining privacy and customer security;</li> <li>• Strategies in protecting customer information;</li> <li>• Development of sustainable products and services</li> </ul>	<p>Actual impact significance in scope:</p> <p><b>Within the Company:</b></p> <ul style="list-style-type: none"> <li>• Shareholder</li> </ul> <p><b>Outside the Company:</b></p> <ul style="list-style-type: none"> <li>• Customers;</li> <li>• Investors;</li> <li>• Regulators;</li> <li>• NGO.</li> </ul> <p>Significance of potential impact (likelihood): Very Likely Priority: Very High</p>





## Governance Sustainability Aspect

Material Topic	Important Information	Impact and Limits
 <p>Anti-Corruption</p>	<ul style="list-style-type: none"> <li>• Transparency in the fight against corruption;</li> <li>• Anti-corruption or anti-fraud policies and procedures</li> <li>• Company code of ethics</li> </ul>	<p>Actual impact significance in scope:</p> <p><b>Within the Company:</b></p> <ul style="list-style-type: none"> <li>• Shareholders;</li> <li>• Employees.</li> </ul> <p><b>Outside the Company:</b></p> <ul style="list-style-type: none"> <li>• Regulators;</li> <li>• Investors;</li> <li>• Customers;</li> <li>• Suppliers.</li> </ul> <p>Significance of potential impact (likelihood): Likely Priority: High</p>
 <p>Sustainability Governance</p>	<ul style="list-style-type: none"> <li>• Strengthening the governance structure;</li> <li>• Opportunities and strategies in environmental, social and governance (ESG) risk management</li> <li>• Formation of ESG Desk</li> </ul>	<p>Actual impact significance in scope:</p> <p><b>Within the Company:</b></p> <ul style="list-style-type: none"> <li>• Shareholders;</li> <li>• Employees.</li> </ul> <p><b>Outside the Company:</b></p> <ul style="list-style-type: none"> <li>• Regulators;</li> <li>• Investors;</li> <li>• Customers;</li> <li>• Suppliers.</li> </ul> <p>Significance of potential impact (likelihood): Very Likely Priority: Very High</p>



## Economic Sustainability Aspect

Material Topic	Important Information	Impact and Limits
 <p>Indirect Economic Influence</p>	<ul style="list-style-type: none"> <li>Indirect economic impact.</li> </ul>	<p>Actual impact significance in scope:</p> <p><b>Within the Company:</b></p> <ul style="list-style-type: none"> <li>Shareholders.</li> </ul> <p><b>Outside the Company:</b></p> <ul style="list-style-type: none"> <li>Regulators;</li> <li>Investors;</li> <li>Public.</li> </ul> <p>Significance of potential impact (likelihood): Likely Priority: High</p>
 <p>Economic Performance and Financial Inclusion</p>	<ul style="list-style-type: none"> <li>Economic added value and transparency</li> <li>Green revenue from sustainability loan and sustainability bond</li> </ul>	<p>Actual impact significance in scope:</p> <p><b>Within the Company:</b></p> <ul style="list-style-type: none"> <li>Shareholders.</li> </ul> <p><b>Outside the Company:</b></p> <ul style="list-style-type: none"> <li>Regulators;</li> <li>Investors;</li> <li>Customers;</li> <li>Public.</li> </ul> <p>Significance of potential impact (likelihood): Likely Priority: High</p>

The material topics presented do not have significant changes and do not restate the information provided in the previous report. In the previous report, BRI noted that no feedback was received so no follow-up was carried out. BRI always strives to improve the quality of the information presented in the Sustainability Report. [GRI 3-2] [G.3]

## Stakeholder Engagement [GRI 2-29] [E.4]

BRI continues to maintain positive and harmonious relations with stakeholders. Strategically, stakeholders, both individuals and groups, participate in developing the company and influencing BRI's performance. To that end, stakeholders are vital to pay attention to as their involvement affects the course of the company's operations.

A positive and harmonious relationship between BRI and stakeholders is manifested in numerous efforts. BRI seeks to establish intensive communication with stakeholders to build cooperation and synergy with stakeholders. BRI also directly and actively engages stakeholders in discussing important issues faced by the bank.

BRI identifies stakeholder involvement through the approach of proximity and the amount of interest (power) that mutually influences and are influenced by the company. Meanwhile, determining topics is based on the results of management assessments, regulatory compliance, as well as a direct approach to each stakeholder through filling out questionnaires, face-to-face interaction, communication, or surveys. [GRI 2-29] [E.4] [FS12]

BRI actively engages with stakeholders with the aim of identifying potential impacts that may occur and determining steps to mitigate these negative impacts. [GRI 2-29]

## Identification of Relations and Interactions with Stakeholders [GRI 2-29] [GRI 3-1] [E.4]

BRI actively engages with stakeholders with the aim of identifying potential impacts that may occur and determining steps to mitigate these negative impacts. [GRI 3-1] [GRI 3-2] [GRI 3-3] [G.3]

Stakeholders	Person in Charge of Engagement (Resources)	Determination Base	Methods of Engagement and Identification of Positive and Negative Impacts	Meeting Frequency	Topic	BRI's Responses
<b>Customer</b>	<ul style="list-style-type: none"> <li>Service &amp; Contact Center Division</li> <li>Corporate Secretary Division</li> </ul>	Economic relations	<ul style="list-style-type: none"> <li>Call Center Service;</li> <li>Customer Satisfaction Survey;</li> <li>Website &amp; Frontline Information;</li> <li>Materiality Questionnaire</li> </ul>	<ul style="list-style-type: none"> <li>At all times</li> <li>Twice a year</li> <li>At least once a year</li> <li>Once a year</li> </ul>	<ul style="list-style-type: none"> <li>Banking transaction security</li> <li>Small and medium enterprises credit</li> <li>Banking facilities and ease of access</li> <li>Clear and transparent information on banking products and services</li> </ul>	<ul style="list-style-type: none"> <li>Product and service innovation according to needs and technological developments</li> <li>Provision and delivery of information on products and services</li> <li>Storage and protection of customer data according to regulations</li> <li>Provision of customer complaint services, both manual services and digital services and mechanism for their resolution</li> <li>Dissemination of the implementation of sustainable finance</li> </ul>
<b>Investor</b>	<ul style="list-style-type: none"> <li>Investor Relation</li> <li>Corporate Secretary Division</li> </ul>	Economic, property, and legal relations	<ul style="list-style-type: none"> <li>Performance reporting</li> <li>Convening the GMS</li> </ul>	Periodical meetings, at least once a year	<ul style="list-style-type: none"> <li>Financial and non-financial performances</li> <li>Investment for environmentally friendly companies</li> </ul>	<ul style="list-style-type: none"> <li>Provision of periodic information on BRI's performance</li> <li>Direct communications or through analysis to ensure delivery of material information</li> <li>Convening of GMS</li> </ul>
<b>Employee</b>	<ul style="list-style-type: none"> <li>Human Capital Business Partner Division</li> <li>Human Capital Strategy &amp; Policy Division</li> </ul>	<ul style="list-style-type: none"> <li>Legal and stakeholders who help achieve the company's goals</li> <li>Legal relations</li> </ul>	<ul style="list-style-type: none"> <li>Internal media (portal), hotline via telephone and e-mail;</li> <li>Employee Satisfaction Survey</li> <li>Materiality questionnaire</li> </ul>	<ul style="list-style-type: none"> <li>At all times</li> <li>Once a year</li> <li>Once a year</li> </ul>	<ul style="list-style-type: none"> <li>Employees' rights</li> <li>Equal opportunity</li> <li>Career development</li> <li>Valuable and enjoyable work experience</li> </ul>	<ul style="list-style-type: none"> <li>Preparation of Collective Labor Agreement (PKB).</li> <li>Organizing training and developing employee capabilities, as well as establishing an assessment center.</li> <li>Conducive and productive work environment.</li> <li>Periodic employee welfare reviews and surveys.</li> </ul>
<b>Labor Union</b>	<ul style="list-style-type: none"> <li>Human Capital Strategy &amp; Policy</li> <li>Human Capital Business Partner Division</li> </ul>	Legal relations	Deliberation of Collective Labor Agreements	Twice a year	Employees' rights, remuneration and benefits	<ul style="list-style-type: none"> <li>Providing justice to employees</li> <li>Providing aspirations to the management as suggestions and criticisms.</li> </ul>





Stakeholders	Person in Charge of Engagement (Resources)	Determination Base	Methods of Engagement and Identification of Positive and Negative Impacts	Meeting Frequency	Topic	BRI's Responses
<b>Government</b>	Compliance Division	Legal	<ul style="list-style-type: none"> <li>Reporting and notification to Bank Indonesia regarding compliance with Basel standards;</li> <li>Reporting on compliance with sharia aspects to the National Sharia Council;</li> <li>Provision of ATM machines for people with disabilities</li> <li>Formulation of the RAKB and Sustainability Report;</li> </ul>	At least once a year	<ul style="list-style-type: none"> <li>Compliance with laws and regulations;</li> <li>Analysis of environmental and social risks in granting credit;</li> <li>Anti Bribery and Corruption (ABC), Anti Money Laundering (AML), Counter Financing of Terrorism, and Green Banking;</li> <li>Inclusive banking;</li> <li>Sustainable finance</li> </ul>	<ul style="list-style-type: none"> <li>Adjustment of internal policies and regulations, according to regulations issued by the government</li> <li>Implementation of GCG principles in all work units</li> <li>Submission of performance reports and implementation of other activities: Sustainable Financial Action Plan Report, Annual Report, Sustainability Report, PKBL Report, and other reports</li> </ul>
<b>Supplier</b>	<ul style="list-style-type: none"> <li>Fixed Asset Management &amp; Procurement</li> <li>Procurement &amp; Logistic Operation Division</li> </ul>	Economic and legal relations	<ul style="list-style-type: none"> <li>Seminars and dissemination</li> <li>Materiality questionnaire</li> </ul>	<ul style="list-style-type: none"> <li>When needed</li> <li>Once a year</li> </ul>	Mutually beneficial relations with suppliers through a fair and transparent procurement process for goods and services	<ul style="list-style-type: none"> <li>Focus group discussion to find out inputs and concerns from suppliers</li> <li>Sustainability reports and adjustment to various reporting frameworks related to environment, social and governance</li> <li>Dissemination regarding the company's policies such as employment, anti-corruption, environment, etc.</li> </ul>
<b>Business Organization</b>	Division in Charge	Legal relations and industrial interests	Meetings and programs at national, regional and international levels	According to the needs	<ul style="list-style-type: none"> <li>Investment financial performance for environmentally friendly companies</li> <li>Non-financial performance</li> <li>Operational activities towards business development</li> </ul>	<ul style="list-style-type: none"> <li>Providing understanding of business development and growth</li> <li>Analyzing impacts that will arise from business in the digitalization era.</li> </ul>

Stakeholders	Person in Charge of Engagement (Resources)	Determination Base	Methods of Engagement and Identification of Positive and Negative Impacts	Meeting Frequency	Topic	BRI's Responses
<b>Non-Government Organization</b>	Division in Charge	<ul style="list-style-type: none"> <li>Social relations and social license</li> <li>Supporting fulfillment of social responsibility</li> <li>Proximity to the company</li> </ul>	Strategic cooperation in BRI's concern for social aspects, partnership program reporting, and TJSL	At least once a year	<ul style="list-style-type: none"> <li>Implemented and planned CSR programs;</li> <li>Environmental impact and environmental performance;</li> <li>Opportunity to collaborate in CSR programs;</li> <li>Information on the company's activities;</li> <li>Understanding about sustainable finance</li> </ul>	<ul style="list-style-type: none"> <li>Provision of information and submission of performance reports and implementation of other activities: Annual Report, Sustainability Report, PKBL Report, and other reports</li> </ul>
<b>Media</b>	<ul style="list-style-type: none"> <li>Corporate Secretary</li> <li>Marketing &amp; Communication Division</li> </ul>	Social relations and social license	Press releases and media gatherings.	When needed, at least once every three months	<ul style="list-style-type: none"> <li>Financial and non-financial performance;</li> <li>Environmental impact and environmental performance;</li> <li>Implemented and planned CSR programs;</li> <li>Opportunity to collaborate in CSR programs</li> </ul>	<ul style="list-style-type: none"> <li>Providing information to the general public regarding the latest activities and programs from BRI</li> </ul>

## PROFILE DATA

### Work Unit

#### BRI Operational Work Unit

[GRI 2-6] [C.2]

Note	Unit	2020	2021	2022
Head Office	#	1	1	1
Regional Office	#	19	18	18
Branch Offices & Special Branch Offices	#	462	451	449
Overseas Branch / Representative Offices	#	5	6	6
Sub-Branch Office	#	608	588	579
Overseas Sub-Branch Office	#	3	3	3
BRI Unit	#	5,382	5,222*	5,156*
Cash Office	#	547	525*	506*
Teras BRI	#	1,867	1,697*	1,370*
Teras Keliling	#	132	132	117
Teras Kapal	#	4	4	4
<b>Number of Operational Work Units</b>	<b>#</b>	<b>9,030</b>	<b>8,647</b>	<b>8,209</b>

\*) In accordance with POJK No. 12/POJK.03/2021 concerning Commercial Banks, there are adjustments for bank office networks consisting only of Head Offices, Regional Offices, Branch Offices and Sub-Branch Offices. In accordance with the POJK, the types of BRI Unit, Teras BRI and BRI Cash Offices are included in the category of Sub-Branch Offices.

Note	Unit	2020	2021	2022
ATM	#	16,880	14,463	13,863
CRM	#	5,809	7,407	8,007
BRILink Agent	#	504,233	503,151	627,012

### Company Scale

#### Company Scale

[GRI 2-6] [B.1] [C.3]

Note	Unit	2020	2021	2022
Number of Employees	Person	88,184	82,718	74,735
Net Profit	Rp billion	18,353	32,215	47,828
Revenue	Rp billion	138,389	152,228	162,155
Total Assets	Rp billion	1,421,785	1,572,761	1,750,995
Total of Third-Party Funds	Rp billion	1,052,664	1,127,849	1,300,776
Total Debt	Rp billion	39,107	55,306	61,260
Equity	Rp billion	194,359	286,418	293,622
Non-Third-Party Funds	Rp billion	174,762	158,495	156,597
Number of Operating Work Units	Unit	9,030	8,647	8,209



## Employment Affairs

### Gender

[GRI 2-7] [C.3]

Note	Unit	2020	2021	2022
Male	Person	50,830	48,354	46,411
Female	Person	37,354	34,364	28,324
<b>Total</b>	Person	<b>88,184</b>	<b>82,718</b>	<b>74,735</b>

### Employment Status

[GRI 2-7] [C.3]

Note	Unit	2020	2021	2022
Permanent Employee	Male	42,010	40,843	40,296
	Female	20,378	20,142	19,913
Contract Employee	Male	8,773	7,456	6,021
	Female	16,923	14,164	8,326
Trainee	Male	47	55	94
	Female	53	58	85
<b>Total</b>	<b>Person</b>	<b>88,184</b>	<b>82,718</b>	<b>74,735</b>

### Placement Location

[GRI 2-7] [C.3]

Region	Unit	2020	2021	2022
Jakarta	Male	8,378	8,312	8,231
	Female	6,617	6,254	5,342
Sumatra	Male	10,734	9,367	9,021
	Female	7,110	6,036	4,905
West Java	Male	5,515	5,242	4,978
	Female	3,138	2,832	2,218
Central Java and Yogyakarta Special Region	Male	8,327	8,144	7,777
	Female	6,148	5,755	4,738
East Java	Male	6,976	6,754	6,296
	Female	5,543	5,211	4,175
Eastern Indonesia and Central Indonesia	Male	10,870	10,495	10,069
	Female	8,792	8,270	6,940
Others	Male	30	40	39
	Female	6	6	6
<b>Total</b>	<b>Person</b>	<b>88,184</b>	<b>82,718</b>	<b>74,735</b>

## Employment Affairs

### Level of Education

[GRI 2-7] [C.3]

Note	Gender	Satuan	2020	2021	2022
Elementary School	Male	Person	21	-	-
	Female	Person	15	-	-
Junior High School	Male	Person	-	-	-
	Female	Person	-	-	-
Senior High School	Male	Person	862	697	605
	Female	Person	631	523	441
Diploma I-III	Male	Person	5,493	5,327	5,026
	Female	Person	5,433	5,165	3,935
Bachelor's degree	Male	Person	43,311	41,188	39,615
	Female	Person	30,885	28,283	23,523
Post-Graduate	Male	Person	1,139	1,135	1,159
	Female	Person	388	393	425
Doctor	Male	Person	4	7	6
	Female	Person	2	-	-
<b>Total</b>		Person	<b>88,184</b>	<b>82,718</b>	<b>74,735</b>

## Economic Performance

### Achievement of Economic Performance

[F.2] [GRI 201-1]

Note	Realization		2022		
	2020	2021	Target	Realization	Percentage
Total Assets	1,421,785	1,572,761	1,609,766	1,750,995	108.77%
Total Earning Assets	1,348,177	1,504,797	1,496,187	1,573,609	105.17%
Bank Payment/Credit	880,675	943,703	1,049,449	1,029,803	98.13%
Third-Party Funds	1,052,664	1,127,849	1,200,336	1,300,776	108.37%
Total Revenue	139,565	152,194	157,226	162,432	103.31%
Total Cost	112,181	112,758	90,117	103,012	114.31%
Net Profit	18,353	32,215	41,805	47,828	114.41%

### Direct Economic Value Obtained and Distributed

[GRI 201-1]

Note	Unit	2020	2021	2022
Interest Income	Rp billion	109,959	119,828	123,835
Non-Interest Income	Rp billion	28,430	32,401	38,320
Non-Operating Income	Rp billion	(31)	(203)	277
<b>Total Direct Economic Value Obtained</b>	<b>Rp billion</b>	<b>138,358</b>	<b>152,025</b>	<b>162,432</b>
Non-Interest Operational Costs Excluding Employees	Rp billion	21,416	24,817	27,302
Employee Costs (Excluding Outsourced Employees)	Rp billion	24,980	29,961	29,316
Dividend Payment	Rp billion	20,623	12,125	14,046
Credit Interest and Bank Interest	Rp billion	34,812	24,008	22,830
Payments to Government (Taxes)	Rp billion	16,611	20,171	20,133
Investment Spending to the Public	Rp billion	264	270	285
<b>Economic Value Directly Distributed</b>	<b>Rp billion</b>	<b>118,706</b>	<b>111,353</b>	<b>113,912</b>
<b>Economic Value Retained</b>	<b>Rp billion</b>	<b>19,652</b>	<b>40,673</b>	<b>48,520</b>

Financial  
Performance  
Ratio

[F.3]

Note	2020	2021	2022		
	Realization (%)		Target (%)	Realization (%)	Percentage (%)
Performance Ratio					
Minimum Capital Adequacy Ratio	20.61	25.28	22.54	23.30	103.35
Non-Performing Earning Assets and Non-Performing Non-Earning Assets to Total Earning Assets and Non-Earning Assets	1.82	1.77	N/A	1.72	N/A
Non-Performing Earning Assets to Total Earning Assets	1.81	1.77	N/A	1.72	N/A
Allowance for Impairment Losses of Financial Assets to Productive Assets	5.42	4.93	N/A	6.11	N/A
NPL Gross	2.94	3.08	2.97	2.82	105.28
NPL Net	0.80	0.70	0.64	0.73	88.20
Return on Asset (ROA)	1.98	2.72	N/A	3.76	110.91
Return on Equity (ROE)	11.05	16.87	18.53	20.93	112.97
Net Interest Margin (NIM)	6.00	6.89	7.21	6.80	94.42
Efficiency Ratio (Operating Expense to Operating Income)	81.22	74.30	68.15	64.20	106.15
Liquidity Coverage Ratio (LCR) Value					
a. Individual LCR	256.21	219.33	100	199.72	199.72
b. Consolidated LCR	241.02	218.33	100	199.40	199.40
Loan to Deposit Ratio (LDR)	83.66	83.67	87.43	79.17	110.44
Capital Adequacy Ratio (CAR)	20.61	25.28	22.54	23.30	103.35
Credit Cost Net	2.45	2.45	1.74	1.28	136.19
Cost to Income Ratio (CIR)	45.40	43.26	42.22	41.95	100.64

## Supply Chain and Sustainable Procurement Practices

Transaction Value  
of Procurement  
of Goods and  
Services for BRI's  
Suppliers\*

[GRI 204-1] [B.1e]

Segment	Unit	2020	2021	2022
Domestic Suppliers	%	99.76	98.00	99.35
Overseas Suppliers	%	0.24	2.00	0.65

\*) The data is the recapitulation of the Head Office

Total Vendors by  
Region and Type  
of Vendors in  
2022

[GRI 204-1] [B.1e]

No	Region	Property	Vehicle	Office Machines	Furniture	Inventory	IT	Printing	Advertising	Other Goods	Other Consulting Services	Total Vendor
1	Aceh											
2	Lampung	3						1				4
3	Bandung	23				1	8	2	1	2		37
4	Banjarmasin											
5	Pekanbaru	9							1		1	11
6	Yogyakarta	16		1		2	1	1				21
7	Malang	8			1							9
8	Denpasar	8				1		1	1		1	12
9	Manado	13			1							14
10	Surabaya	21			2		1					24
11	Semarang	20		1		2	4	2				29
12	Head Office (Greater Jakarta)	167	21	13	19	33	278	53	28	12	85	709
13	Medan	29				1	1	5		1	1	38
14	Jayapura											
15	Makassar	10							1			11
16	Padang	6										6
17	Palembang	10		1		1		1				13
Total		343	21	16	23	41	293	66	32	15	88	938



## Portion of Credit Distribution

### Non-Performing Loan (NPL) Rate

[SASB FN-CB-240 a.2]  
[FS6]

Note	Unit	2020	2021	2022
NPL Rate	%	2.94	3.08	2.82

### Loan by Segment

[SASB FN-CB-410 a.2] [FS6]

Segment	Unit	2020	2021	2022
Micro	Rp trillion	351.34	396.96	449.63
	%	40	42	44
Consumer	Rp trillion	143.68	149.38	161.72
	%	16	16	16
Small	Rp trillion	197.23	204.14	216.88
	%	22	22	21
Medium	Rp trillion	19.99	20.80	20.95
	%	2	2	2
Corporation	Rp trillion	168.43	172.42	180.62
	%	19	18	18
<b>Total</b>	<b>Rp trillion</b>	<b>880.67</b>	<b>943.70</b>	<b>1,029.80</b>
	<b>%</b>	<b>100</b>	<b>100</b>	<b>100</b>

### Loan by Region in Indonesia

[SASB FN-CB-410 a.1]  
[FS6]

Region	Unit	2020	2021	2022
Jakarta	Rp trillion	242.45	243.45	241.08
	%	27.53	25.80	23.41
Sumatra	Rp trillion	137.18	150.23	166.43
	%	15.58	15.92	16.16
West Java	Rp trillion	74.16	81.86	87.75
	%	8.42	8.67	8.52
Central Java and Yogyakarta Special Region	Rp trillion	105.44	116.16	128.81
	%	11.97	12.31	12.51
East Java	Rp trillion	103.53	116.29	126.48
	%	11.76	12.32	12.28
Eastern Indonesia and Central Indonesia	Rp trillion	202.90	219.43	238.59
	%	23.04	23.25	23.17
Others	Rp trillion	14.98	16.27	40.66
	%	1.70	1.72	3.95
<b>Total</b>	<b>Rp trillion</b>	<b>880.67</b>	<b>943.70</b>	<b>1,029.80</b>
	<b>%</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>

### Loan by Region Outside Indonesia

[SASB FN-CB-410 a.1]  
[FS6]

Region	Unit	2020	2021	2022
New York	Rp trillion	6.95	6.80	8.25
	%	60.83	56.62	55.56
Singapore	Rp trillion	3.66	4.45	5.59
	%	32.01	37.06	37.64
Timor Leste	Rp trillion	0.82	759.35	0.86
	%	7.16	6.32	5.79
Taiwan	Rp trillion	N/A	N/A	0.15
	%	N/A	N/A	1.01
<b>Total</b>	<b>Rp trillion</b>	<b>11.42</b>	<b>12.01</b>	<b>14.85</b>
	<b>%</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>

### Loan by Business Sector [FS6]

Business Sector	Unit	2020	2021	2022
Government Administration and Mandatory Social Security	Rp trillion	1.33	0.69	0.38
	%	0.15	0.07	0.04
Processing Industry	Rp trillion	82.25	91.88	100.31
	%	9.34	9.74	9.74
Community, Socio-Cultural, Entertainment and Other Individual Services	Rp trillion	34.93	44.63	47.68
	%	3.97	4.73	4.63
Health Services and Social Activities	Rp trillion	3.11	3.44	3.52
	%	0.35	0.36	0.34
Education Services	Rp trillion	0.78	0.76	0.75
	%	0.09	0.08	0.07
Individual Services Serving Households	Rp trillion	1.43	1.15	1.01
	%	0.16	0.12	0.10
Undefined Activities	Rp trillion	9.67	15.57	24.70
	%	1.10	1.65	2.40
Construction	Rp trillion	36.48	31.81	31.02
	%	4.14	3.37	3.01
Electricity, Gas and Water	Rp trillion	35.81	34.83	36.31
	%	4.07	3.69	3.53
Recipient of Credit Not Field of Business	Rp trillion	221.17	220.93	225.43
	%	25.11	23.41	21.89
Accommodation Provider and Provision of Meals and Drinks	Rp trillion	14.30	17.59	20.96
	%	1.62	1.86	2.04
Financial Intermediary	Rp trillion	7.18	8.13	14.52
	%	0.82	0.86	1.41
Wholesale and Retail Trade	Rp trillion	283.19	309.28	327.17
	%	32.16	32.77	31.77
Fishery	Rp trillion	6.79	8.69	10.14
	%	0.77	0.92	0.98
Mining and excavation	Rp trillion	7.87	8.20	14.48
	%	0.89	0.87	1.41
Agriculture, Hunting and Forestry	Rp trillion	104.77	117.19	142.81
	%	11.90	12.42	13.87
Real Estate, Rental Business and Service companies	Rp trillion	10.30	9.20	9.38
	%	1.17	0.97	0.91
Transportation, Warehousing and Communication	Rp trillion	19.31	19.74	19.23
	%	2.19	2.09	1.87
Others	Rp trillion	0	0	0
	%	0.00	0.00	0.00
<b>Total</b>	<b>Rp trillion</b>	<b>880.67</b>	<b>943.70</b>	<b>1,029.80</b>
	<b>%</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>

### MSME Segment Credit [FS6]

Note	Unit	2020	2021	2022
Total Outstanding Loans to the MSME Segment*	Rp trillion	712.24	771.28	849.18
Total Outstanding Loans	Rp trillion	880.67	943.70	1,029.80
Percentage	%	80.87	81.73	82.46%

\*) MSME credit segment is BRI's total loans excluding the corporate credit segment

### Micro Loan

[GRI 203-2] [SASB FN-CB-240 a.2]

Note	Unit	2020	2021	2022
Number of Mantri (micro credit marketer)	Person	27,251	27,269	27,180
Number of Customers	Debtor	4,351,148	5,320,826	5,840,987
Distribution Realization	Rp trillion	116.93	163.19	215.27

### Distribution of Micro KUR Loan by Sector

[GRI 203-2] [SASB FN-CB-240 a.2]

Note	Unit	2020	2021	2022
Production	Rp trillion	70.20	96.36	132.08
Non-Production	Rp trillion	46.01	66.83	83.19
<b>Total</b>	<b>Rp trillion</b>	<b>116.93</b>	<b>163.19</b>	<b>215.27</b>

### Micro KUR Loan Debtors by Sector

[GRI 203-2] [SASB FN-CB-240 a.2]

Note	Unit	2020	2021	2022
Production	Debtor	2,717,963	3,175,086	3,580,759
Non-Production	Debtor	1,633,185	2,145,740	2,260,228
<b>Total</b>	<b>Debtor</b>	<b>4,351,148</b>	<b>5,320,826</b>	<b>5,840,987</b>

### KUPEDES Performance

Note	Unit	2020	2021	2022
Number of Customers	Million Debtors	3.44	2.73	2.84
Outstanding	Rp billion	144,653	131,760	129,216



## ENVIRONMENTAL PERFORMANCE

### Borrowers Environmental Performance

#### BRI Borrowers' PROPER Ratings (Total Borrowers)

[SASB FN-CB-410a.2] [FS8]  
[FS10] [FS11]

Rating	Unit	2020	2021	2022
Gold	Debtor	5	10	10
Green	Debtor	3	7	7
Blue	Debtor	42	37	42
<b>Total</b>	<b>Debtor</b>	<b>50</b>	<b>54</b>	<b>59</b>

#### Amount of Loan to Borrowers with PROPER Rating

[SASB FN-CB-410a.2]  
[FS8] [FS10] [FS11]

Rating	Unit	2020	2021	2022
Gold	Rp trillion	16.2	15.0	13.5
Green	Rp trillion	0.4	3.6	5.3
Blue	Rp trillion	17.9	31.4	45.9
<b>Total</b>	<b>Rp trillion</b>	<b>34.5</b>	<b>50.0</b>	<b>64.7</b>

#### Borrowers with ISPO/RSPO Certification (Total Borrowers)\*

[SASB FN-CB-410a.2]  
[FS8] [FS10] [FS11]

Certification	Unit	2021	2022
RSPO	Debtor	14	14
In the RSPO Process	Debtor	0	0
ISPO	Debtor	28	27
In the RSPO Process	Debtor	14	12
<b>Total</b>	<b>Debtor</b>	<b>56</b>	<b>53</b>

\*) Data includes customers in the corporate segment

#### Amount of Loan to Borrowers with ISPO/RSPO Certification\*

[SASB FN-CB-410a.2]  
[FS8] [FS10] [FS11]

Certification	Unit	2021**	2022
RSPO	Rp trillion	14.60	17.19
In the RSPO Process	Rp trillion	0	0
ISPO	Rp trillion	12.96	14.06
In the ISPO Process	Rp trillion	5.52	4.07
<b>Total</b>	<b>Rp trillion</b>	<b>33.07</b>	<b>35.32</b>

\*) Data includes customers in the corporate segment

\*\*) There was a restatement in 2021 with a wider scope of identification (applies to RSPO & ISPO)

### Sustainability Bond and Financing

#### Allocation of Use of Funds for Issuance of Sustainability Bonds

[FS7] [FS8]

Note	Unit	2020	2021	2022
Existing Accounts				
Green Projects	Rp billion	1,779	2,213	1,948
	%	25.32	31.06	25.68
KUPEDES	Rp billion	1,401	1,311	1,505
	%	19.94	18.40	19.84
People's Business Credit	Rp billion	898	840	964
	%	12.78	11.79	12.72
Subsidized Home Ownership Credit	Rp billion	37	35	40
	%	0.53	0.49	0.53
Fund Reallocation				
Micro Loan	Rp billion	2,000	1,872	2,148
	%	28.47	26.27	28.33
SME Loan	Rp billion	911	853	979
	%	12.97	11.97	12.90

### Credit Distribution to Sustainable Business Activities Category

[FS7] [FS8] [FS11]

Note	Unit	2020*	2021	2022
MSMEs	Rp trillion	484.40	543.40	616.07
Renewable Energy	Rp trillion	4.70	5.60	7.10
Pollution Prevention & Control	Rp trillion	0.02	0.03	1.75
Environmentally-Friendly Transportation	Rp trillion	15.50	14.90	12.10
Environmentally-Friendly Building	Rp trillion	2.80	2.30	1.44
Management of Natural Resources and Sustainable Land Use	Rp trillion	37.20	43.20	51.80
Conservation of Land and Water Biodiversity	Rp trillion	0.70	0.67	0.58
Sustainable Water & Waste Management	Rp trillion	0.600	0.010	0.005
<i>Eco-efficient Products</i>	Rp trillion	3.80	4.10	3.98
Other Environmentally Friendly Business Activities	Rp trillion	0.50	0.09	0.06

\*) Reclassification / restatement on more rigid parameters and BRI internal criteria

### Credit Distribution to Non-Renewable Energy and New Renewable Energy Sectors

[FS11]

Note	Unit	2020*	2021	2022
Non-Renewable Energy	Rp trillion	26.1	25.0	21.03
New & Renewable Energy	Rp trillion	4.7	5.6	7.1
<b>Total Financing</b>	<b>Rp trillion</b>	<b>30.8</b>	<b>30.6</b>	<b>28.13</b>

\*) Reclassification / restatement was carried out in 2020 based on more rigid parameters and BRI internal criteria

### Energy Use

[GRI 302-1] [GRI 302-2]  
[GRI 302-3] [GRI 302-4]  
[F.6]

Note	Unit	2020	2021	2022
Use of Fuel	Liter	44,857,350	45,496,514	44,922,960
Electricity Use	kWh	367,598,030	353,912,904	404,925,311
Total Energy Used	MJ	2,938,217,508	2,911,960,958	3,074,957,680
Energy Intensity per Work Unit	MJ/work unit/year	325,384	336,760	374,584
Energy Intensity per Employee	MJ/employee/year	24,263	25,710	26,078

Note: calculation standards and conversion factors used for energy calculations are sourced from Ministry of Energy and Mineral Resources.

### Cost of Energy Use

[F.6]

Note	Unit	2020	2021	2022
Electricity Use	Rp	566,170,067,100	553,037,000,000	579,663,972,351
Fuel Use	Rp	372,340,036,692	381,640,000,000	441,235,670,170

### Water Use

[F.8]

Note	Unit	2020	2021	2022
Water Use	m <sup>3</sup>	3,112,340	1,949,046	1,944,879
Water Use Performance	%	+12	-37	-2
Water Use Intensity	m <sup>3</sup> /employee	25.30	17.20	16.49

**Paper Use**  
[F.5]

Note	Unit	2020	2021	2022
Paper Use per Work Unit*	kg/work unit	269.04	226.89	248.72
Paper Use per Employee**	kg/employee	19.75	17.32	17.31

\*) All work units in Indonesia

\*\*) All employees including outsourced employees

**Waste Disposal**  
[F.13] [F.14] [F.15]

Note	Unit	2020	2021	2022
Total Waste Reuse/Recycle/Recovery	Kg			237,957
Total Waste Disposed (Landfill)*	Metric Ton			18,784

\*) Bank-wide waste generation is extrapolated based on the waste generation data per employee at BRI's head office. Waste at the head office was sent to landfill in January to July 2023. From August 2023 onwards, with the launch of the Zero Waste to Landfill program, all waste generated were diverted from landfill via composting, recycling and RDF Technology.

**Emission Control in All Work Units**  
[GRI 305-1] [GRI 305-2]  
[GRI 305-3] [GRI 305-4]  
[GRI 305-5]

Note	Unit	2020	2021	2022
Emissions from Scope 1: Mobile & Stationary Combustion (Positive Emissions)*	Metric Ton CO <sub>2</sub> eq	111,729	114,108	126,515
Emissions from Scope 1: Fugitive & Refrigerant (Positive Emissions)*	Metric Ton CO <sub>2</sub> eq			5,720
Emissions from Scope 2 (Positive Emissions)*	Metric Ton CO <sub>2</sub> eq	332,241	320,066	360,135
Scope 3 Emissions: Financed Emissions	Metric Ton CO <sub>2</sub> eq			11,115,719
Scope 3 Emissions: Purchased Goods and Services**	Metric Ton CO <sub>2</sub> eq			19,135
Scope 3 Emissions: Waste Generated in Operations***	Metric Ton CO <sub>2</sub> eq			9,680
Scope 3 Emissions: Business Travel	Metric Ton CO <sub>2</sub> eq	1,526	1,497	3,267
Emission Intensity of Scope 1 and 2 [GRI 305-4]	Metric Ton CO <sub>2</sub> eq/ Work Unit	49.2	50.2	60.0
Emission Intensity of Scope 1 and 2****	Metric Ton CO <sub>2</sub> eq/ Employee	3.7	3.8	4.2

\*) Positive emissions are emissions resulting from Scope 1, banking operational activities that come from fuel usage and refrigerant and Scope 2 that come from electricity usage in all BRI offices in Indonesia. Use of these energy sources is still under BRI's control.

\*\*) Spend-based emission factors are adopted to estimate emissions associated with: Purchased goods and services, capital goods, Upstream transportation and distribution.

\*\*\* Bankwide waste generation is extrapolated based on data on waste generation per employee at the BRI head office. Waste at the head office is sent to the landfill from January to July 2023. From August 2023 onwards, with the launch of the Zero Waste to Landfill program, all generated waste has been diverted from landfills through composting, recycling, and the RDF technology.

\*\*\*\*) To support validity of emission intensity per employee, outsourced employees are included in the calculation of total employee intensity. This is due to the fact all the energy produced by the company is used by all BRI employees, including outsourced employees.

### Scope 3 Emissions: Financed Emission by Asset Class

[GRI 305-1][GRI 305-2]  
[GRI 305-3][GRI 305-4]  
[GRI 305-5]

Note	Unit	2022
Bond Investment	Metric Ton CO <sub>2</sub> eq	434,816
Business Loans	Metric Ton CO <sub>2</sub> eq	6,671,611
Listed Equity	Metric Ton CO <sub>2</sub> eq	381
Electricity Generation Project Finance	Metric Ton CO <sub>2</sub> eq	3,872,508
Bond Investment	Metric Ton CO <sub>2</sub> eq	136,403

### Scope 3 Emissions: Financed Emission by Sectoral Assets

[GRI 305-1][GRI 305-2]  
[GRI 305-3][GRI 305-4]  
[GRI 305-5]

Note	Unit	2022
Agriculture, forestry and fishing	Metric Ton CO <sub>2</sub> eq	222,456
Construction	Metric Ton CO <sub>2</sub> eq	94,265
Electricity, gas, steam and air conditioning supply	Metric Ton CO <sub>2</sub> eq	7,141,849
Finance and insurance	Metric Ton CO <sub>2</sub> eq	1,744
Manufacturing	Metric Ton CO <sub>2</sub> eq	2,487,438
Mining and quarrying	Metric Ton CO <sub>2</sub> eq	1,027,462
Real estate	Metric Ton CO <sub>2</sub> eq	136,403
Transportation and storage	Metric Ton CO <sub>2</sub> eq	4,103

### Avoided Emission

[GRI 305-1] [GRI 305-2]  
[GRI 305-3]

Note	Unit	2022
Zero Waste to Landfill program*	Kg CO <sub>2</sub> eq	164,375
Digitalization of Products and Services	Kg CO <sub>2</sub> eq	1,201,496

\*) This calculation does not include waste that is classified as "other", such as tissues, Styrofoam, masks, etc., due to the absence of emission factors for RDF technology.



## SOCIAL PERFORMANCE

### Ultra-Micro Synergy

Number  
Co-Location  
of Ultra  
Micro (UMi)  
[F13]

Region	2021	2022
Medan	5	71
Pekanbaru	4	31
Padang	2	25
Palembang	5	39
Lampung	2	34
Jakarta 1	1	13
Jakarta 2	12	39
Jakarta 3	9	63
Bandung	29	127
Semarang	10	72
Yogyakarta	19	77
Surabaya	9	55
Malang	12	90
Denpasar	7	74
Banjarmasin	5	49
Makassar	12	86
Manado	9	54
Jayapura	1	14
<b>Total</b>	<b>153</b>	<b>1,013</b>

### Social and Environmental Responsibility (TJSL) Public Development and Engagement

BRI Peduli  
TJSL Program  
Distribution  
[F.4] [F.25]

Pilar	Unit	2021	2022
Social	Rp million	186,597	196,678
	%	68.99	69.01
Economic	Rp million	13,703	16,008
	%	5.07	5.62
Environmental	Rp million	70,159	72,313
	%	25.94	25.37
<b>Total</b>	<b>Rp million</b>	<b>270,460</b>	<b>284,999</b>
	<b>%</b>	<b>100.00</b>	<b>100.00</b>

Budget Allocation  
for BRI Peduli  
TJSL Community  
Development  
Program  
[F.25]

Program	Unit	2020	2021	2022
Charitable Donations	%	43.77	45.44	49.00
Community Investments	%	47.00	46.70	46.00
Commercial Initiatives	%	9.23	7.86	6.00
<b>Total</b>	<b>%</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>

**TJSL  
Contribution  
Type**  
[F.25]

Types of Contribution	Unit	2022
Cash Contribution*	Rp million	0
In-Kind Giving (product or service donation, project/collaboration or similar programs)**	Rp million	284,999
Management Overhead (consulting and research fees)	Rp million	1,588

\*) BRI does not provide cash assistance to the public. TJSL contribution is fully implemented through community development programs and strategic infrastructure development.

\*\*) This is the total TJSL program realization fund

## Financial Inclusion and Literacy

**Total New Digital  
Savings Account**  
[FS8]

Types of Products	Unit	2021	2022
BritAmaX	#	392,046	729,883
BritAma	#	178,800	521,773
BritAma Bisnis	#	17,400	36,611
Simpedes	#	540,823	2,484,348
Simpedes BISA	#	9,438	79,979
<b>Total</b>	<b>#</b>	<b>1,138,507</b>	<b>3,852,594</b>

## Financial Inclusion and Literacy

### Distribution of Teras BRI

[SASB FN-CB-240a.4]

[FS13] [FS14]

Region	Unit	2020	2021	2022
Banda Aceh	Teras BRI	#	2	-
	Mobile Teras BRI	#	-	-
	Teras Kapal (Teras BRI on boat)	#	-	-
Bandar Lampung	Teras BRI	#	57	57
	Mobile Teras BRI	#	-	-
	Teras Kapal	#	-	-
Bandung	Teras BRI	#	216	175
	Mobile Teras BRI	#	26	26
	Teras Kapal	#	-	-
Banjarmasin	Teras BRI	#	117	112
	Mobile Teras BRI	#	7	7
	Teras Kapal	#	-	-
Denpasar	Teras BRI	#	150	150
	Mobile Teras BRI	#	4	4
	Teras Kapal	#	1	1
Jakarta	Teras BRI	#	224	203
	Mobile Teras BRI	#	21	21
	Teras Kapal	#	1	1
Jayapura	Teras BRI	#	27	27
	Mobile Teras BRI	#	1	1
	Teras Kapal	#	-	-
Special Branch Office	Teras BRI	#	-	-
	Mobile Teras BRI	#	-	-
	Teras Kapal	#	-	-
Makassar	Teras BRI	#	127	124
	Mobile Teras BRI	#	-	-
	Teras Kapal	#	-	-
Malang	Teras BRI	#	205	195
	Mobile Teras BRI	#	5	5
	Teras Kapal	#	-	-

## Distribution of Teras BRI

[SASB FN-CB-240a.4]

[FS13] [FS14]

Region	Unit	2020	2021	2022
Manado	Teras BRI	51	48	47
	Mobile Teras BRI	43	43	43
	Teras Kapal	1	1	1
Medan	Teras BRI	97	90	75
	Mobile Teras BRI	15	15	3
	Teras Kapal	-	-	-
Padang	Teras BRI	54	49	49
	Mobile Teras BRI	-	-	-
	Teras Kapal	-	-	-
Palembang	Teras BRI	79	53	46
	Mobile Teras BRI	-	-	-
	Teras Kapal	-	-	-
Pekanbaru	Teras BRI	100	96	61
	Mobile Teras BRI	1	1	1
	Teras Kapal	1	1	1
Semarang	Teras BRI	97	88	85
	Mobile Teras BRI	-	-	-
	Teras Kapal	-	-	-
Surabaya	Teras BRI	120	101	78
	Mobile Teras BRI	8	8	8
	Teras Kapal	-	-	-
Yogyakarta	Teras BRI	144	129	86
	Mobile Teras BRI	1	1	-
	Teras Kapal	-	-	-
<b>Total</b>	<b>Teras BRI</b>	<b>1,867</b>	<b>1,697</b>	<b>1,370</b>
	<b>Mobile Teras BRI</b>	<b>132</b>	<b>132</b>	<b>117</b>
	<b>Teras Kapal</b>	<b>4</b>	<b>4</b>	<b>4</b>



## Financial Inclusion and Literacy

### Total BRI Kapal Performance

[FS7]

Region	Form	Unit	2020	2021	2022
Seva I (Thousand Islands Region)	Total Savings				
	Account	#	3,018	7,478	7,967
	Balance	Rp billion	11.04	16.97	18.54
	Total Credit				
	Debtor	#	636	708	715
	Credit	Rp billion	12.73	16.63	21.74
Seva II (East Nusa Tenggara - Labuan Bajo Islands Region)	Total Savings				
	Account	#	840	3,174	1,928
	Balance	Rp billion	4.74	11.20	5.68
	Total Credit				
	Debtor	#	265	798	851
	Credit	Rp billion	9.83	15.49	20.53
Seva III (Anambas Islands Region)	Total Savings				
	Account	#	5,911	5,912	6,321
	Balance	Rp billion	13.99	13.60	9.15
	Total Credit				
	Debtor	#	544	281	246
	Credit	Rp billion	16.64	6.93	6.38
Seva IV (South Halmahera Islands Region)	Total Savings				
	Account	#	2,208	37,808	36,272
	Balance	Rp billion	12.62	40.35	35.97
	Total Credit				
	Debtor	#	318	1,075	1,131
	Credit	Rp billion	4.33	23.57	28.07
Total	Total Savings				
	Account	#	11,977	54,372	52,488
	Balance	Rp billion	42.39	82.12	69.34
	Total Credit				
	Debtor	#	1,763	2,862	2,943
	Credit	Rp billion	43.53	62.62	76.71

## Financial Inclusion and Literacy

### BRI Customers Mobile Service Users (e-Banking)

Types of e-Banking	Note	Unit	2020	2021	2022
BRImo	User	#	9,052,350	14,154,835	23,845,612
BRIZZI	User	#	19,342,026	21,690,465	33,687,521
CMS	User	#	31,502	43,483	47,313

### Amount of Mobile Service Transactions (E-Banking)

Type of Services	Unit	2020	2021	2022
BRImo Financial Transaction	Thousands	239,466	869,100	1,825,397
BRILink	Thousands	727,610	929,380	1,078,040
BRI Merchants	Thousands	-	172,792	124,643
BRIMOLA	Thousands	3,735	7,888	8,541
BRIZZI	Thousands	426,012	244,766	155,069
BRI ATM	Thousands	3,745,595	4,238,503	4,093,869
CMS	Thousands	51,474	44,964	50,638

### Volume of Mobile Service Transactions (e-Banking)

Type of Services	Unit	2020	2021	2022
BRImo Financial Transaction	Thousands	197,428	1,344,786	2,669,091
BRILink	Rp billion	843,208	1,143,618	1,297,654
BRI Merchants	Rp billion	81,646	106,941	151,458
BRIMOLA	Rp billion	6,406	9,387	11,584
BRIZZI	Rp billion	8,829	6,818	4,747
BRI ATM	Rp billion	2,930,930	3,531,318	3,098,560
CMS	Rp billion	2,922,832	3,807,810	5,070,180

## Community Development

### Distribution of BRILink Agents

[FS13] [FS14] [FS16]

Region	Unit	2020	2021	2022
Sumatra	Agent	108,586	109,636	137,037
	%	21.53	21.79	21.86
Java	Agent	272,785	265,676	335,270
	%	54.10	52.80	53.47
Kalimantan	Agent	34,168	39,897	48,685
	%	6.78	7.93	7.76
Sulawesi	Agent	50,387	53,720	63,218
	%	9.99	10.68	10.08
Bali and Nusa Tenggara	Agent	28,736	23,002	29,205
	%	5.70	4.57	4.66
Maluku and North Maluku	Agent	5,478	5,592	6,540
	%	1.09	1.11	1.04
Papua	Agent	4,093	5,628	7,057
	%	0.81	1.12	1.13
<b>Number</b>	<b>Agent</b>	<b>504,233</b>	<b>503,151</b>	<b>627,012</b>
	<b>%</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>

### BRILink Agent Transaction

[FS13] [FS14] [FS16]

Note	Unit	2020	2021	2022
Number of BRILink Agents	Agent	504,233	503,151	627,012
Transaction Volume	Million	727.61	929.38	1,078.04

## Employee Recruitment

### Composition of New Employees and BIP Frontliner by Recruitment

[GRI 401-1]

Work Unit	Unit	2021	2022
Internal Hires*	%	91.84	94.42
External Recruitment	Male	2,431	1,579
	Female	2,912	1,246
Internal Recruitment	Male	35,922	26,534
	Female	24,231	21,227
<b>Total</b>	<b>person</b>	<b>65,496</b>	<b>50,586</b>

\*) Percentage of open positions filled by internal candidates

Work Unit	Age	Unit	2021	2022
External Recruitment	<30 years old	person	5,253	2,058
	30-50 years old	person	81	766
	> 50 years old	person	9	1
Internal Recruitment	<30 years old	person	13,625	14,369
	30-50 years old	person	43,060	31,023
	> 50 years old	person	3,468	2,369
Total		person	65,496	50,586

### Composition of External New Employees and BIP Frontliner by External Recruitment Path

[GRI 401-1]

Recruitment Path	Gender	2020	2021	2022
BFLP	Male	138	112	92
	Female	93	92	83
	Total	231	204	175
Marketing Officer, Administration Officer, and Frontliners	Male	2,907	507	1,342
	Female	2,960	786	1,113
	Total	5,867	1,293	2,455
Others	Male	0	1,714	38
	Female	0	2,002	21
	Total	0	3,716	59
Fresh Graduates	Male	3,045	2,333	1,472
	Female	3,053	2,880	1,217
	Total	6,098	5,213	2,689
Experienced	Male	12	98	107
	Female	37	32	29
	Total	49	130	136
<b>Total</b>	<b>Male</b>	<b>3,057</b>	<b>2,431</b>	<b>1,579</b>
	<b>Female</b>	<b>3,090</b>	<b>2,912</b>	<b>1,246</b>
	<b>Total</b>	<b>6,147</b>	<b>5,343</b>	<b>2,825</b>

### Composition of New Employees Recruitment by Region

[GRI 401-1]

Region	Gender	2020	2021	2022
Jakarta and Banten	Male	699	563	354
	Female	716	520	245
	Total	1,415	1,083	599
Sumatra	Male	545	588	230
	Female	584	420	195
	Total	1,129	1,008	425
West Java	Male	300	210	255
	Female	231	229	106
	Total	531	439	361
Central Java and Yogyakarta Special Region	Male	628	378	213
	Female	294	494	233
	Total	922	872	446
East Java	Male	308	340	123
	Female	344	230	127
	Total	652	570	250
Eastern Indonesia and Indonesia	Male	655	832	404
	Female	843	539	340
	Total	1,498	1,371	744
<b>Total</b>	<b>Male</b>	<b>3,135</b>	<b>2,911</b>	<b>1,579</b>
	<b>Female</b>	<b>3,012</b>	<b>2,432</b>	<b>1,246</b>
	<b>Total</b>	<b>6,147</b>	<b>5,343</b>	<b>2,825</b>



## Employees Composition

### Composition of New Employees by Age Group

[GRI 401-1]

Age Group	Gender	2020	2021	2022
< 31	Male	2,913	2,370	1,260
	Female	2,774	2,883	798
	Total	5,687	5,253	2,058
31-40	Male	212	52	313
	Female	234	27	446
	Total	446	79	759
41-50	Male	5	2	6
	Female	2	0	1
	Total	7	2	7
>50	Male	5	7	0
	Female	2	2	1
	Total	7	9	1
<b>Total</b>	<b>Male</b>	<b>3,135</b>	<b>2,341</b>	<b>1,579</b>
	<b>Female</b>	<b>3,012</b>	<b>2,912</b>	<b>1,246</b>
	<b>Total</b>	<b>6,147</b>	<b>5,343</b>	<b>2,825</b>

### Composition of Employees by Citizenship

[GRI 405-1]

Citizenship	Unit	2021	2022
Indonesian	person	82,718	74,735
Timor Leste	person	20	20
The US	person	7	7
Singapore	person	6	7
Others	person	11	11

### Composition of Employees by Designation Group

[GRI 405-1]

Designation Group	Gender	2020	2021	2022
<b>Management</b>				
Senior Executive Vice President	Male	2	3	3
	Female	3	-	1
	Total	5	3	4
Executive Vice President	Male	79	83	84
	Female	12	18	21
	Total	101	104	105
Vice President	Male	145	158	156
	Female	28	32	27
	Total	375	398	183
Assistant Vice President	Male	300	383	447
	Female	69	119	139
	Total	369	502	586

## Composition of Employees by Designation Group

[GRI 405-1]

Designation Group	Gender	2020	2021	2022
Senior Manager	Male	622	587	557
	Female	193	158	153
	Total	815	745	710
Manager	Male	1,147	1,520	2,066
	Female	363	495	753
	Total	1,510	2,015	2,819
Total	Male	2,295	2,734	3,313
	Female	668	822	1,094
	<b>Total</b>	<b>2,963</b>	<b>3,556</b>	<b>4,407</b>
Non-Management				
Assistant Manager	Male	3,937	3,662	3,359
	Female	1,102	1,032	893
	Total	5,039	4,694	4,252
Officer	Male	8,423	9,127	9,288
	Female	4,063	4,461	4,504
	Total	12,486	13,588	13,792
Assistant	Male	36,175	32,831	30,451
	Female	31,521	28,049	21,833
	Total	67,696	60,880	52,284
<b>Total</b>	<b>Male</b>	<b>50,830</b>	<b>48,354</b>	<b>46,411</b>
	<b>Female</b>	<b>37,354</b>	<b>34,364</b>	<b>28,324</b>
	<b>Total</b>	<b>88,184</b>	<b>82,718</b>	<b>74,735</b>

Designation Group	Age	2020	2021	2022
Management				
Senior Executive Vice President	< 30	-	-	-
	31-40	-	2	-
	41-50	-	-	2
	> 50	5	1	2
	Total	5	3	4
Executive Vice President	< 30	-	-	-
	31-40	2	61	1
	41-50	24	6	51
	> 50	65	34	53
	Total	91	101	105
Vice President	< 30	-	1	-
	31-40	11	82	15
	41-50	69	14	73
	> 50	93	93	95
	Total	173	190	183

Designation Group	Age	2020	2021	2022
Assistant Vice President	< 30	-	-	-
	31-40	65	121	166
	41-50	179	143	266
	>50	125	238	154
	Total	369	502	586
Senior Manager	< 30	-	1	-
	31-40	513	71	436
	41-50	207	498	207
	>50	95	175	67
	Total	815	745	710
Manager	< 30	46	68	44
	31-40	977	231	2,156
	41-50	293	1,387	345
	>50	194	329	274
	Total	3,140	2,015	2,819
Total	< 30	46	70	44
	31-40	1,568	568	2,774
	41-50	772	2,048	944
	>50	577	870	645
	Total	2,963	3,556	4,407
Non-Management				
Assistant Manager	< 30	1,005	648	406
	31-40	1,529	1,092	1,060
	41-50	1,373	1,520	1,627
	>50	1,132	1,434	1,159
	Total	5,039	4,694	4,252
Officer	< 30	686	890	756
	31-40	5,746	1,700	5,620
	41-50	4,206	6,276	5,473
	>50	1,848	4,722	1,943
	Total	12,486	13,588	13,792
Assistant	< 30	11,386	23,485	11,397
	31-40	25,842	901	36,500
	41-50	29,427	33,736	3,413
	>50	1,041	2,758	974
	Total	67,696	60,880	52,284
Total	< 30	13,123	25,093	12,603
	31-40	34,685	4,261	45,954
	41-50	35,778	43,580	11,457
	>50	4,598	9,784	4,721
	Total	88,184	82,718	74,735

### Composition of Marketing Officer

[GRI 405-1]

Marketing Officer	Gender	2020	2021	2022
RM Micro (Mantri)	Male	19,972	19,673	19,410
	Female	7,279	7,596	7,770
	Total	27,251	27,269	27,180
Small RM (Small + Program + Retail)	Male	4,459	4,512	4,459
	Female	952	1,080	1,104
	Total	5,411	5,592	5,563
Middle RM	Male	83	91	95
	Female	11	13	11
	Total	94	104	106
Consumer RM	Male	339	350	902
	Female	176	172	584
	Total	515	522	1,486
Funds RM (Funds + PBO)	Male	891	893	1,033
	Female	1,567	1,605	1,735
	Total	2,458	2,498	2,768
<b>Total</b>	<b>Male</b>	<b>25,744</b>	<b>25,519</b>	<b>25,899</b>
	<b>Female</b>	<b>9,985</b>	<b>10,466</b>	<b>11,204</b>
	<b>Total</b>	<b>35,729</b>	<b>35,985</b>	<b>37,103</b>

### Composition of Female Employees by Designation Level

[GRI 405-1]

Designation Level	unit	2020	2021	2022
Composition of Female Employees of All Employees	%	42.78	42.77	37.90
Composition of Female Employees at Junior, Middle and Top Management Levels	%	22.63	23.14	22.67
Composition of Female Employees at Junior Level (First Level) Management	%	24.00	24.57	24.83
Composition of Female Employees at Top Management Level	%	16.82	17.82	19.05
Composition of Female Employees at Revenue Generating Level Functions	%	28.29	30.09	28.94
Komposisi Pekerja Wanita di Level STEM (Science, Technology, Engineering, and Mathematics)-related	%	22,94	24,87	23.73



### Composition of Employees with Disabilities

[GRI 405-1]

Work Unit	Unit	2020	2021	2022
Head Office	Male	16	15	17
	Female	10	12	11
Regional Office	Male	21	20	23
	Female	20	17	18
<b>Total</b>	<b>Male</b>	<b>37</b>	<b>35</b>	<b>40</b>
	<b>Female</b>	<b>30</b>	<b>29</b>	<b>29</b>

## Employee Wages

### Average Wage of Employees by Gender

[GRI 202-1]

Designation	Gender	2020	2021	2022
SEVP	Male	67,607,000	76,995,000	103,345,781
	Female	76,066,331	-	73,621,648
EVP	Male	46,694,760	50,009,988	57,660,033
	Female	46,188,068	53,796,495	63,492,665
SVP/VP	Male	29,460,635	29,663,910	32,478,174
	Female	27,415,433	27,953,409	30,943,728
SM/AVP	Male	17,356,572	17,437,864	18,992,070
	Female	17,764,386	18,224,970	20,158,714
Manager	Male	10,891,702	11,215,320	11,817,542
	Female	11,002,442	11,206,513	11,626,822
Assistant Manager	Male	9,536,170	9,968,904	10,653,785
	Female	8,755,449	9,261,292	9,796,457
Officer	Male	6,918,663	6,898,740	7,212,563
	Female	7,129,785	7,174,280	7,501,556
Assistant	Male	3,217,660	3,429,605	3,739,714
	Female	2,960,546	3,129,917	3,349,757

### Wage Indicator by Gender

[GRI 202-1]

Note	Designation Group	Gender	2021	2022
Average Wage	Management	Male	27,081,771	26,751,344
		Female	27,795,347	27,355,188
	Non-Management	Male	6,765,750	6,671,246
		Female	6,521,830	6,254,725
Average Wage and Other Incentives	Management	Male	66,267,944	65,904,714
		Female	59,626,608	59,174,575

### Employee Compensation Ratio

[GRI 2-21]

Note	Unit	2021	2021	2022
Highest and lowest employee salaries	#	31.13	36.67	47.14
Highest and lowest Directors' salaries	#	1.18	1.18	1.25
Highest and lowest Commissioner's salaries	#	1.11	1.11	1.11
Highest salary for Directors and employees	#	2.88	2.24	2.36

\*Management: Manager, Senior Manager, AVP, VP, EVP, SVP

\*\*Non-Management: Assistant, Officer, Assistant Manager

Note	Unit	2022
The median value of compensation without the highest value	Rp	41,065,783
The average value of compensation without highest value	Rp	58,938,722
Change in the annual compensation ratio	%	18.86

#### Average Cost of Additional Employees

Note	Unit	2021	2022
Average Cost of Additional Employees	Rp	6,604,808	2,031,631

## Employee Development and Training

#### Number of In-class and E-Learning Education/ Training Participants

[GRI 404-1] [F.22]

Note	Unit	2020	2021	2022
Number of Participants	participant	5,274,114	3,809,382	2,957,075
Number of Hours	Hour	6,393,448	4,186,683	8,653,464
Total Hours of Education/Training	Hour	62	41	78

#### Average Hours of Education/ Training

[GRI 404-1] [F.22]

Note	Unit	2021	2022
All participants	hour	41	78
Gender	Male	41	74
	Female	40	84
Age Group	<30 years old	39	86
	30-50 years old	40	74
	>50 years old	54	83

#### Education / Training By Designation Group

[GRI 404-1] [FS4] [F.22]

Designation Group	Note	Unit	2020	2021	2022
Top Management (VP - SEVP)	Number of Participants	#	1,144	574	251
	Total Training Hours	hour	21,913	7,722	15,351
	Average Training Hours	hour	19.2	13.5	61.0
Middle Management (AM - AVP)	Number of Participants	#	24,039	22,057	12,333
	Total Training Hours	hour	475,094	337,846	1,554,855
	Average Training Hours	hour	19.8	15.3	126.0

Designation Group	Note	Unit	2020	2021	2022
Operation (Assistant - Officer)	Number of Participants	#	143,243	47,758	97,776
	Total Training Hours	hour	3,394,278	589,831	7,083,257
	Average Training Hours	hour	23.7	12.4	72.0
Average	Number of Participants	#	18,714	23,463	110,360
	Total Training Hours	hour	432,365	311,800	8,653,464
	Average Training Hours	hour	20.9	13.7	78.0

### Types and Scope of Training

[GRI 404-2] [FS4] [F.22]

Types of Training	Vendor Name	Unit	2020	2021	2022
Intern Bank Audit	BRI Professional Certification Institute	participant	41	120	228
Wealth Management	MCI	participant	281	354	5
Treasury Dealer	BRI Professional Certification Institute	participant	2	66	4
General Banking	BRI Professional Certification Institute	participant	420	805	1,430
Risk Management	BSMR & LSPF	participant	704	3,119	1,731
Compliance	BRI Professional Certification Institute	participant	103	402	1,063
Credit	BRI Professional Certification Institute	participant	60	1,340	423
Human Capital	BRI Professional Certification Institute	participant	1	-	3
IT	BRI Professional Certification Institute	participant	4	15	19
Funding & Service	BRI Professional Certification Institute	participant	23	70	31

### Competency Development Costs

Note	Unit	2022
Competency Development Costs	Rp billion	699
Average Competency Development Cost per Employee	Rp thousand	5,937

### Employee Turnover

#### Recapitulation of Employee

[GRI 401-1]

Note	Unit	2021	2022
Employee Turnover Rate	%	3.58	2.88
Employee Resignation Rate	%	1.84	1.12

## Employee Turnover Rate

[GRI 401-1]

Note	Description	Unit	2021	2022
Employee Turnover Rate	Male	%	2.06	3.03
	Female	%	5.68	2.65
	<30 years old	%	0.45	0.71
	30-50 years old	%	3.30	2.13
	> 50 years old	%	27.63	21.31
Employee Resignation Rate	Male	%	1.94	1.03
	Female	%	1.72	1.25
	<30 years old	%	0.51	0.19
	30-50 years old	%	2.24	1.24
	> 50 years old	%	6.17	3.43

## Employee Turnover Rate by Region

[GRI 401-1]

Region	Description	Unit	2020	2021	2022
Jakarta	Recruitment of New Employees	person	1,415	1,083	599
	Number of quitting employees	person	564	172	149
Sumatra	Recruitment of New Employees	person	1,129	1,008	425
	Number of quitting employees	person	416	691	159
West Java	Recruitment of New Employees	person	531	439	361
	Number of quitting employees	person	336	183	113
Central Java and Yogyakarta Special Region	Recruitment of New Employees	person	922	872	446
	Number of quitting employees	person	393	142	124
East Java	Recruitment of New Employees	person	652	570	250
	Number of quitting employees	person	296	141	113
Eastern Indonesia and Central Indonesia	Recruitment of New Employees	person	1,498	1,371	744
	Number of quitting employees	person	435	247	221
<b>Total</b>	<b>Recruitment of New Employees</b>	<b>person</b>	<b>6,147</b>	<b>5,343</b>	<b>2,825</b>
	<b>Number of quitting employees</b>	<b>person</b>	<b>2,437</b>	<b>1,576</b>	<b>879</b>



**Employee  
Engagement Trend**

Note		Unit	2020	2021	2022
Employee Engagement		#	3.20	3.46	3.48
Employee Coverage		%	100	100	100
Active Employee Engagement		%		92	92
Gender	Male	%		91	92
	Female	%		93	93
Age	<30 years old	%		90	91
	30-50 years old	%		92	92
	>50 years old	%		95	94

**Leave Policy****Data on  
Maternal  
Leave**

[GRI 401-3]

Note		Unit	2020	2021	2022
Number of employees entitled to maternity leave	Male	person	41,335	-	37,494
	Female	person	20,173	-	17,891
Number of employees who take maternity leave	Male	person	3,033	1,509	2,901
	Female	person	5,793	2,640	1,088
Returning after taking maternity leave	Male	person	3,033	1,509	2,901
	Female	person	5,793	2,640	1,088
Rate of employees who taking maternity leave who return and can be retained	Male	%	100	100	100
	Female	%	100	100	100

**Absenteeism  
Rate**

[GRI 401-1]

Note	Unit	2020	2021	2022
Absenteeism (day)	%	1.31	1.51	2.44
Number of days in a year	days	242	243	242
Total Number of Employees	person	88,184	82,718	74,735

## Customer Service and Satisfaction

### Customer Satisfaction Survey

[F.30]

Note	Unit	2020	2021	2022
Customer Satisfaction Rate	%	84.57	89.28	83.58
Customer Complaint Resolution Rate	%	99.62	99.53	99.53

### BRI Performance Index

Note	Unit	2020	2021	2022
Banking Industry Rate	#	4.09	4.29	4.25
BRI Performance Index	#	4.10	4.29	4.30

## Confidentiality and Security of Customer Data

### Data on Customer Complaints

[GRI 418-1] [F.24]

Types of product/ service	Sources of Complaints	Number/ Total	Percentage	Resolved	Percentage	Unresolved	Percentage	In process	Percentage
<b>2022</b>									
Banking	Customer	1,422,935	30.73%	1,401,123	98.47%	0	0%	21,812	1.53%
Availability of Information	Customer	2,330,290	50.33%	2,330,290	100.00%	0	0%	0	0.00%
Non-Banking	Customer	873,079	18.86%	873,079	100.00%	0	0%	0	0.00%
Service-Quality	Customer	3,939	0.09%	3,936	99.92%	0	0%	3	0.08%
<b>Total</b>	<b>Customer</b>	<b>4,630,243</b>	<b>100.00%</b>	<b>4,608,428</b>	<b>99.53%</b>	<b>0</b>	<b>0%</b>	<b>21,815</b>	<b>0.47%</b>
<b>2021</b>									
Banking	Customer	1,420,052	29.3%	1,397,306	98.4%	0	0%	22,746	1.60%
Availability of Information	Customer	2,488,589	51.4%	2,488,589	100%	0	0%	0	0%
Non-Banking	Customer	933,230	19.3%	933,230	100%	0	0%	0	0%
Service-Quality	Customer	3,561	0.1%	3,558	99.9%	0	0%	3	0.08%
<b>Total</b>	<b>Customer</b>	<b>4,845,432</b>	<b>100%</b>	<b>4,822,683</b>	<b>99.5%</b>	<b>0</b>	<b>0%</b>	<b>22,749</b>	<b>0.47%</b>

### Settlement of Customer Complaints

[GRI 418-1] [F.24] [GRI 2-25]

Note	Unit	2020	2021	2022
Transaction Volume	#	9,858,840,739	10,344,763,049	19,370,677,332
Number of Complaints	#	4,716,338	4,845,432	4,630,243
Complaint Percentage	%	0.05	0.047	0.02
Resolved Complaints	#	4,698,228	4,822,683	4,608,428
Resolving Percentage	%	99.62	99.53	99.53

### Complaints Regarding Security of Customer Data

[GRI 418-1] [F.24]

Note	Unit	2021	2022
Complaints* from External Parties	#	0	0
Complaints* from Government	#	0	0

\*) Substantiated complaints concerning breaches of customer privacy and losses of customer data

## GOVERNANCE PERFORMANCE

### Corporate Governance Performance Index

BRI CGPI Score	Aspect	Unit	2020	2021	2022
	Governance Structure	#		33.72	26.58
	Governance Process	#		34.38	36.38
	Governance Outcome	#		27.00	32.22
	<b>Total Score</b>	<b>#</b>	<b>93.25 (Most Trusted)</b>	<b>95.10 (Most Trusted)</b>	<b>95.18 (Most Trusted)</b>

### Anti-Fraud Strategy & Management of Whistleblowing System (WBS)

Compliance Level of State Officials' Wealth Report Obligations (LHKPN)	Obligation	Designation	Unit	2020	2021	2022
Employees With LHKPN Obligation	Board of Commissioners	employee		8	8	11
		Directors	employee	12	16	12
		BRI employee	employee	299	235	270
Employees Already Report LHKPN	Board of Commissioners	employee		8	8	11
		%		100	100	100
	Directors	employee		12	16	12
		%		100	100	100
	BRI employee	employee		283	235	270
		%		94.65	100	100
Employees That Have Not Reported LHKPN	Board of Commissioners	employee		0	0	0
		%		0	0	0
	Directors	employee		0	0	0
		%		0	0	0
	BRI employee	employee		16	0	0
		%		5.02	0	0

### Sub Complaint Indication of Violation

[GRI 205-3]

Indication of Violation	Note	Unit	2022
Fraud	Violation	#	27
	In process	#	1
	Settled	#	26
Gratification	Violation	#	3
	In process	#	0
	Settled	#	3

Indication of Violation	Note	Unit	2022
Ethics Violations	Violation	#	15
	In process	#	2
	Settled	#	13
Violation of Code of Ethics and GCG	Violation	#	62
	In process	#	1
	Settled	#	61

### Number of Reporting and Follow-Ups

[GRI 205-3]

Note	Unit	2020	2021	2022
Number of reporting	#	236	116	107
Follow-up	Proven	#	104	47
	Not Proven	#	132	60
	Cannot Be Followed-up	#	-	-

### Number of Follow Up Fraud Cases

[GRI 205-3]

Internal Fraud	Designation	Unit	2020	2021	2022
Employees Involved in Fraud	Board of Commissioners and commissions	employee	-	-	-
	Permanent Employee	employee	177	191	388
	Non-Permanent Employee	employee	30	17	5
Having Been Completed with Disciplinary Punishment Process	Board of Commissioners and commissions	employee	-	-	-
	Permanent Employee	employee	165	188	272
	Non-Permanent Employee	employee	24	17	3
In Settlement Process at Bank's Internal (Disciplinary Punishment)	Board of Commissioners and commissions	employee	-	-	-
	Permanent Employee	employee	-	-	8
	Non-Permanent Employee	employee	-	-	-
Not Yet Resolved	Board of Commissioners and commissions	employee	-	-	-
	Permanent Employee	employee	11	3	108
	Non-Permanent Employee	employee	6	-	2
Having Been Followed Up Through Legal Process	Board of Commissioners and commissions	employee	-	-	-
	Permanent Employee	employee	-	-	-
	Non-Permanent Employee	employee	-	-	-



## Contribution and Other Spending

### Contribution and Other Spending

Note	Unit	2021	2022
Lobbying, representation of interests, etc	Rp	0	0
Campaigns and local, regional, national political candidates/ organizations	Rp	0	0
Trade associations/tax exempt groups	Rp	0	0
Other expenses (e.g. spending related to ballot measures or referendums, including political related charitable donations)	Rp	0	0
Total contribution and other spending	Rp	0	0

\*BRI prohibits political contributions to organizations based on our Code of Conduct and Internal Policy.

## Tax Reporting

### Tax Reporting (2021)

Country	Number of Employees	Unit	Revenue	Profit (Loss) before Tax	Income Tax Accrued	Income Tax Paid
Domestic	86,058	Rp million	185,985,834	40,540,297	12,882,902	19,512,364
Other	95	Rp million	940,302	550,273	119,123	100,905

Note:

All information included in this report belongs to PT Bank Rakyat Indonesia (Persero) Tbk without Subsidiaries. On the other hand, BRI carries out audits of consolidated financial statements, which consist of Subsidiaries such as Bank Raya, BRI Remittance, BRI Life, BRI Finance, BRI Ventures, BRIDS, BRI Insurance, Pegadaian and PNM. Information related to these Subsidiaries is not included in this report. [\[GRI 2-2\]](#)



# EXTERNAL ASSURANCE STATEMENT [GRI 2-5]



## INDEPENDENT ASSURANCE STATEMENT

**PT. Bank Rakyat Indonesia Tbk**  
**Sustainability Report 2022**  
**Statement No : 05/IAS/CBC/II/2023**  
**Type 2, Moderate Level**

### Scope of Engagement in Assurance

CBC Global Indonesia ("CBC Global Indonesia", "us" or "we") were commissioned by PT. Bank Rakyat Indonesia Tbk. ("bank **BRI**") with the objective to provide assurance of bank **BRI**'s 2022 Sustainability Report (the "Report") in relation with accordance to GRI Sustainability Reporting Standards (GRI Standards) and the adherence to AA1000 Accountability Principles (2018) with assurance over the Subject Matter presented in the Report, for the reporting year ended 31st December 2022. **This statement is intended to be used by stakeholders & management of bank BRI.**

The **scope and limitation** of our work is restricted to the following areas:

#### 1. Subject Matter

- |                             |                              |
|-----------------------------|------------------------------|
| - Customer Privacy          | - Indirect Economy Impact    |
| - Sustainability Governance | - Anti-Corruption            |
| - Economic Performance      | - GHG Emission               |
| - Employment                | - Supporting Local Community |

#### 2. AA1000 Principles (2018)

Our assurance engagement was planned and performed to meet the requirements of a **Type 2 "moderate level"** of assurance as defined by AA1000 Assurance Standard (AA1000AS) v3 to evaluate the nature and extent of bank **BRI**'s adherence to all four AA1000 Accountability Principles (2018): Inclusivity, Materiality, Responsiveness and Impact, where sufficient evidence has been obtained to support our statement such that the risk of our conclusion being in error is reduced, but not reduced to very low, but not zero.

**We have not performed any work, and do not express any conclusions, on any other information outside of the Subject Matter** that may be published in the Report or on bank **BRI**'s website for the current reporting period or for previous periods and assumed that the



financial data and figures provided by bank **BRI** has been audited by independent parties therefore, presentation of financial data and figures in the report NOT within the scope of assurance.

#### **Responsibilities of the Management of bank BRI**

The Management of bank **BRI** has sole responsibility for preparing and presenting the Subject Matter in accordance with GRI Standard and preparing the Report in adherence to the AA1000 Principles (2018). Bank **BRI**'s responsibilities also include maintaining effective internal controls over the information and data, resulting in the preparation of the Subject Matter in a way that is free from material misstatements.

#### **Responsibilities, Competencies and Independency of CBC Global Indonesia**

Our responsibility is to plan and perform our work to obtain assurance over whether the Subject Matter has been prepared in accordance with the GRI Standard and to report to bank **BRI** in the form of an independent assurance conclusion, based on the work performed and the review progress. We must also express a conclusion over whether the Report adheres to the AA1000 Principles (2018) and comment on the nature and extent of each Principle individually. All this engagement was carried out by an independent team of sustainability assurance professionals whose already obtained the **Certified Sustainability Report Assurer (CSRA) and any relevant certifications.**

CBC Global Indonesia is bounded by rules of conduct and professional practice relating to independence and quality overseen by AccountAbility ([www.accountability.org/standards/licensing/AA1000](http://www.accountability.org/standards/licensing/AA1000) as licensed-providers) and has established policies and procedures that are designed to ensure that our team maintain independence and integrity. We had no financial interest in the operation of bank **BRI** other than for the assessment and assurance of this report. We don't accept or assume responsibility (legal or otherwise) or accept liability for or in connection with any other purpose for which it may be used, or to any person by whom the independent assurance opinion statement may be read.

#### **Methodology**

We conduct the following assurance procedures and activities:

- Pre-engagement to ensure the independence and impartiality of the assurance team.
- Kick-off meeting and initial analysis of the report draft.
- Review, assess and evidence the reliability and quality of sustainability performance and disclosed information as specified in the Report content for the reporting period of 1st of January up to 31st of December 2022.



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- Evaluate the adherence of report content, disclosure and presentation **against the criteria of standard, principles, and indicators using references from AA1000AS v3, AA1000AP (2018) (AccountAbility Principles), GRI Standards, POJK51, SEOJK 16, SASB and TCFD.**
- Adopt IPCC Guidelines for calculation methodology of energy used and emission.
- Assess indicators data and traced back data to the sources.
- Enquiries of management to gain an understanding of the processes for determining material issues for key stakeholder groups.
- Conduct in-depth interview on compliance, governance, risk management, business continuity management topics with the representatives of the relevant functions/divisions of the bank BRI concerning sustainability strategy and policies for material issues and the implementation of these across the BRI's business.
- Obtain an understanding of internal control relevant to the engagement in order to design procedures that are appropriate in the sustainability program and strategy.
- Compare the subject matter presented in the report to corresponding information in the relevant underlying sources on a sample basis.
- Evaluate the subject matter presented in the report to determine whether they are in line with our overall knowledge of, and experience with, the sustainability performance of the group.
- Discuss and analysis data and reports with management and data contributor to determine whether there are any material misstatement of fact or material inconsistencies based on our understanding obtained as part of our assurance engagement.

### Finding and Conclusions

From the assurance program and the evidence, we have obtained, a detailed review against the AA1000 AccountAbility Principles of Inclusivity, Materiality, Responsiveness and Impact, the GRI Standards, POJK51, SEOJK 16, SASB, and TCFD is set out below:

#### INCLUSIVITY

An assessment was made to investigate the engagement of all key stakeholders within the company. The presentation of stakeholder's inclusivity in the report is fairly identified and covers all bank BRI's inclusivity material issues. The stakeholder's engagement has been held through communication based on various methods and approaches in a pandemic situation with the contributions of all key stakeholders includes their internal and external stakeholders to develop an accountable and strategic sustainability topic.





#### MATERIALITY

An assessment was made to investigate the material information disclosed by the company. The report fairly covers the organization's material issues by using materiality matrix and boundary mapping through the stakeholder's inclusivity process. The materiality topics shows in the report provide a fair and sufficient information and aligned with risk management within the company which enables its stakeholders to make a professional judgment about bank BRI's performance and management.

#### RESPONSIVENESS

An assessment was made to investigate the transparency act of the company on material sustainability topics and their related impacts. The report covers bank BRI's responsiveness issues. All the information related to the responses from management to its stakeholder's inputs and complaints have been included in the report and any others company's mechanisms transparently and appropriateness the responses to a strategic stakeholder engagement management. Besides, the engagement with the Indonesia Sustainable Finance (IKBI) indicated the company's commitment towards sustainability issues.

#### IMPACT

The Report content discloses data and information indicating the impacts of the Company's decisions, activities, and services on the economy, environment, and society. An assessment was made to investigate the practice of the company to monitor, measure and be accountable for how their actions affect their broader ecosystems. In overall, disclosures of impacts in the Report content are rather balance and adequate with both metric and qualitative information. However, the Company still needs to integrate comprehensively the identified impacts into key management processes to conduct an impact assessment on the other stakeholders, including its organizational strategy, governance, goals, objectives, and operations.

#### GRI STANDARDS PRINCIPLES

The report has followed the in accordance option of GRI Standards where all disclosure of each material topic is presented in the report. The disclosures of management approach for each material topic in general are fairly disclosed. The Management has applied the principles for defining the report's quality (balance, comparability, accuracy, timeliness, clarity, and reliability) and the principles for defining the report's content (stakeholder inclusiveness, sustainability context, materiality, and completeness) and supporting documents were adequately presented during the assurance program.



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#### **Adherence to POJK51, SEOJK16, SASB, AND TCFD**

The report has followed or complied to all POJK 51 and SEOJK16 reporting guidelines. However, in terms of the adherence against SASB and TCFD, bank BRI still need to develop more policies and initiatives on environment concern. The company is advised to improve their risk and impact analysis on sustainability and also improve the assessment on high-risk lending sectors with negative impacts towards social and environment issues. Besides, the company should also present the sustainability matrix and target more comprehensively.

#### **Opinion Statement**

Our professional and certified team of sustainability report assurer has assured this report in accordance with the AA1000AP (2018), AA1000AS v3 and GRI Standards. From the review progress, we conclude that the bank BRI's Sustainability Report 2022 provides a fair view of all the bank BRI's programmes and performances during 2022. The extent to which the GRI Standards has been applied in the Report and conclude this report has been prepared in accordance with GRI Standards.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion. We conclude that the data in 2022 for all material topics performance indicators are fairly represented and there is nothing has come to our attention that would lead us to believe that the subject matter in the Report for the year ended 31 December 2022, in all material respects, is not prepared in accordance with the applicable criteria.

#### **Recommendations**

To maintain Bank BRI's sustainability commitment, stakeholder engagement management should be more strategic in terms of materiality topics mapping through an integrated assessment, concise policies, and measurements of social and environmental performance across functions.

For and on behalf of:

Jakarta, February 7<sup>th</sup>, 2023

**Dr. Ari Purwanti, Ak., CA., CSRA**

**Operational Manager**

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# POJK, GRI, SASB, SUSBA, TCFD and SCM Indexes

## GRI Content Index

Statement of use	PT Bank Rakyat Indonesia (Persero) Tbk has reported in accordance with the GRI Standards for the periode January 1, 2022 - December 31, 2022
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard	Financial Services

GRI Content Index	Disclosure	Location	Omission			GRI Sector Standard Ref. No.
			Requirement Omitted	Reason	Explanation	
General Disclosures						
GRI 2: General Disclosures 2021	2-1	Organizational details	48,52			
	2-2	Entities included in the organization's sustainability reporting	203, 243			
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	2-9	Governance structure and composition	68,182-183, 186, 187,188,199			
	2-10	Nomination and selection of the highest governance body	188-189			
	2-11	Chair of the highest governance body	188			
	2-12	Role of the highest governance body in overseeing the management of impacts	53,71,75,167, 168,187,196, 198			
	2-13	Delegation of responsibility for managing impacts	187			
	2-14	Role of the highest governance body in sustainability reporting	20,21,182, 204			
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	2-16	Communication of critical concerns	158,167,198, 199			
	2-17	Collective knowledge of the highest governance body	189-192			
	2-18	Evaluation of the performance of the highest governance body	195			
	2-19	Remuneration policies	193-195			
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GRI Content Index	Disclosure	Location	Omission			GRI Sector Standard Ref. No.
			Requirement Omitted	Reason	Explanation	
	2-21	Annual total compensation ratio	129, 235-236			
	2-22	Statement on sustainable development strategy	7-19			
	2-23	Policy commitments	16,53,54,76-78, 157,164,165			
	2-24	Embedding policy commitments	16, 28, 75,164, 165, 179, 186, 187			
	2-25	Processes to remediate negative impacts	100,154,155, 172, 173, 178, 240			
	2-26	Mechanisms for seeking advice and raising concerns	122,154,155, 172			
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	2-29	Approach to stakeholder engagement	172, 178, 208-211			
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Material Topics						
GRI 3: Material Topics 2021	3-1	Process to determine material topics	76-78, 203-211			
	3-2	List of material topics	204-211			
Economic Performance						
GRI 3: Material Topics 2021	3-3	Management of material topics	28, 59, 75, 141, 206-211			
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	214			
	201-2	Financial implications and other risks and opportunities due to climate change	59, 75, 76-79			
	201-3	Defined benefit plan obligations and other retirement plans	141			
	201-4	Financial assistance received from government	48, 59			
Indirect Economic Impacts						
GRI 3: Material Topics 2021	3-3	Management of material topics	28, 59, 90, 92-100, 206-211			
GRI 203: Indirect Economic Impacts 2016	203-1	Infrastructure investments and services supported	64, 71, 92, 95, 96, 97, 98, 100			
	203-2	Significant indirect economic impacts	61, 64, 94, 95, 100, 110, 116, 218			
Procurement Practice						
GRI 3: Material Topics 2021	3-3	Management of material topics	28, 60, 177-178, 206-211			
GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers	60, 215			



GRI Content Index	Disclosure	Location	Omission			GRI Sector Standard Ref. No.
			Requirement Omitted	Reason	Explanation	
Anti-corruption						
GRI 3: Material Topics 2021	3-3	Management of material topics	28, 60, 170-172, 177 206-211			
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	170, 171			
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	205-3	Confirmed incidents of corruption and actions taken	171, 172, 241, 242			
Energy						
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GRI 302: Energy 2016	302-1	Energy Consumption Within the Organization	80, 220			
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Emissions						
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GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	83, 84, 221, 222			
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Employment						
GRI 3: Material Topics 2021	3-3	Management of material topics	28, 124, 127, 130, 131, 135, 206-211			
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	127, 131, 229, 230, 231, 237, 238, 239			
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	131			
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GRI Content Index		Disclosure	Location	Omission			GRI Sector Standard Ref. No.
				Requirement Omitted	Reason	Explanation	
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GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	132, 236-237				
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Non-Discrimination							
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GRI 406: Non Discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	122, 127				
Freedom of Association and Collective Bargaining							
GRI 3: Material Topics 2021	3-3	Management of material topics	28, 127, 206-211				
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	73, 127, 164				
Child Labor							
GRI 3: Material Topics 2021	3-3	Management of material topics	28, 60, 127, 206-211				
GRI 408: Child Labor 2016	408-1	Operations and suppliers at significant risk for incidents of child labor	60, 73, 127				
Forced or Compulsory Labor							
GRI 3: Material Topics 2021	3-3	Management of material topics	28, 127, 206-211				
GRI 409: Forced or Compulsory Labor 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	73, 127, 131				
Local Community							
GRI 3: Material Topics 2021	3-3	Management of material topics	28, 90, 92-100, 206-211				
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	92, 93, 94, 95, 100				
	413-2	Operations with significant actual and potential negative impacts on local communities	100				

GRI Content Index	Disclosure	Location	Omission			GRI Sector Standard Ref. No.
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Customer Privacy						
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GRI Content Index	Disclosure	Location	Omission			GRI Sector Standard Ref. No.
			Requirement Omitted	Reason	Explanation	
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## Financial Service Authority (OJK) Reference [G.4]

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## Stakeholder Capitalism Metrics - World Economic Forum

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c	Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets	75,79





# Green Bond Impact Report



## 1. Introduction

Founded in 1895 and being the oldest commercial bank in Indonesia, PT Bank Rakyat Indonesia (Persero) Tbk (“Bank BRI”) is one of the largest banks with a long history of serving micro, small and medium enterprises. BRI continues to contribute to the country and supporting government programs in financial literacy, financial inclusion, as well as social and economic resilience. Amid the pandemic, BRI consistently provides the best services by fostering, empowering, optimizing competencies and capacities, and supporting the Indonesian people, improving the welfare of their families and communities by realizing the vision of becoming “**The Most Valuable Banking Group in Southeast Asia and Champion of Financial Inclusion**” in 2025.

In line with the company’s focus on sustainable financial practices, BRI carries out business and operational activities by considering environmental, social, and governance aspects, as well as implementing the sustainable finance action plan (RAKB) programs. BRI also seeks to create a variety of programs and initiatives that support sustainable development goals (SDGs) so that those 17 SDGs can be realized nationally.

BRI also actively participates as a growth agent in line with various government programs to narrow down economic inequality, such as the gap in welfare distribution. BRI is also committed to conserving biological and environmental resources, such as natural resources and sustainable land, water management and irrigation or others, as well as sustainable economic growth to improve the quality of life and the environment, for the bank, the public, and Indonesia in general. [G.3]

## 2. Bank BRI’s Green Bond – Issuance Details

In 2022, BRI issued BRI Phase I Green Bonds I year 2022 with an emission value of Rp5 trillion and oversubscribed by 4.4 times.

**Bond Transaction Summary**

Name	BRI Green Bonds I Phase I Year 2022				
Value	Rp5 trillion				
Series	Tenor	Listing Date	Due Date	Coupon	Value
A	370 days	July 21, 2022	July 30, 2023	3.70%	Rp 2.5 trillion
B	3 years	July 21, 2022	July 20, 2025	5.75%	Rp2.0 trillion
C	5 years	July 21, 2022	July 20, 2027	6.45%	Rp0.5 trillion
Ranking	idAAA (Pefindo)				
List	Indonesia Stock Exchange				

### 3. Summary of BRI's Green Bond Framework

BRI has formulated the framework for BRI's Green Bond I prior to the issuance in July 2022. In ensuring the suitability of the framework with the prevailing regulations and standards, BRI works closely with the sustainable development goals hub of University of Indonesia (SDGs UI) to provide a second-party opinion. The issuance of BRI green bonds denominated in Rupiah was carried out by referring to Regulation of the Financial Services Authority Number 60/POJK.04 of 2017 on Issuance and Requirements for Environmentally Friendly Debt Securities ("Green Bond") (POJK 60). In the framework that has been prepared there are four main focuses, including use of proceeds, process for project evaluation and selection, management of proceeds and reporting.

#### Use of Proceeds

Minimum **70%** financing for environmentally friendly public activities

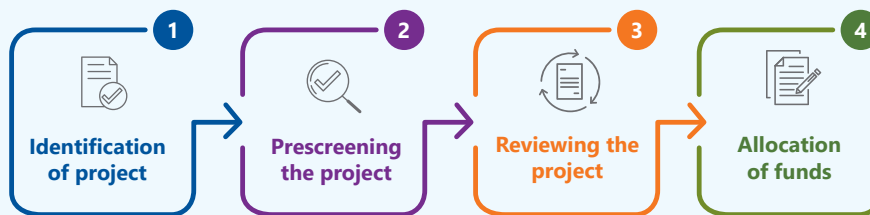
Maximum **30%** financing for other general activities, for example the micro, health, and social sectors

#### Environmentally Friendly Public Activities

Renewable energy	Energy efficiency
pollution prevention and control	environmentally sustainable management of living natural resources and land use
terrestrial & aquatic biodiversity	clean transportation
sustainable water & wastewater management	climate change adaptation
eco-efficiency	green building
other environmental oriented activities	



### Process for Project Evaluation & Selection



### Management of Proceeds

#### Management of Proceeds

- Funds for the issuance will be managed by pooling and allocated at least 70% to environmentally friendly public activities
- The making of a special account or a separate note in the notes to the financial statements or sustainable reports
- Assets allocated for financing purposes are actively managed both on an individual and portfolio basis
- If there are assets that are irrelevant to the framework or the financing is discontinued, they will be transferred to other assets
- Funds whose realization is delayed can be placed in safe and liquid financial instruments.

### Reporting

#### Allocation Reporting

BRI reports allocation of the use of funds periodically once in a year no later than a year after the issuance and every time there is a material change in environmentally friendly public activities accompanied by a report on the results of a review by an environmental expert.

#### Impact Reporting

BRI issues regular reports on the impacts of projects/ assets financed as long as they can be calculated and measured practically according to environmental experts' reviews.

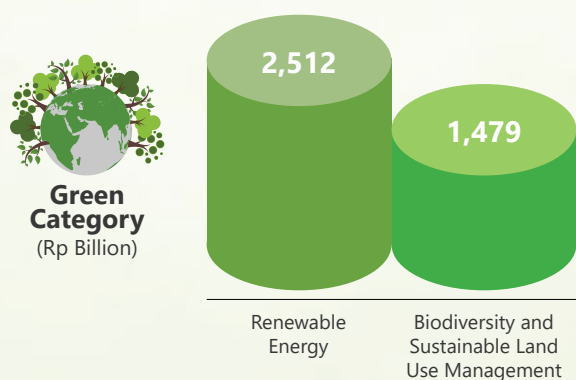
## 4. Allocation Report

In the reporting period of December 31 2022, BRI allocated 100% of the proceeds from the issuance of BRI Phase I Green Bonds I Year 2022. The funds obtained are intended to refinance several projects that are already in BRI's financing portfolio and have environmental and social benefits.

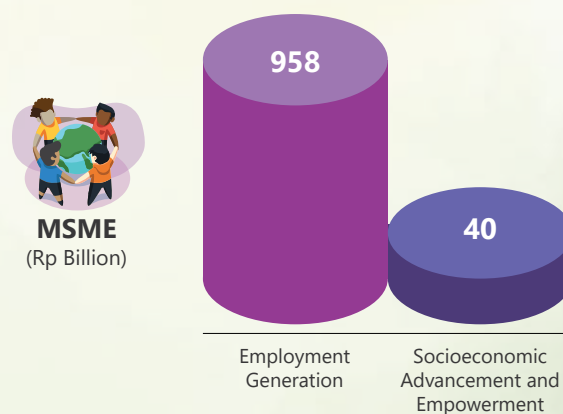
Referring to the provisions of Regulation of the Financial Service Authority Number 60/POJK.04 of 2017 on Issuance and Requirements for green bonds and in accordance with the framework for green bonds, BRI conducts a selection and evaluation process for financing portfolio and pipeline related to sectors that meet the requirements in accordance with the established green bond Framework. Eighty percent of the funds obtained are used to refinance green activities while twenty percent of the funds obtained are used to refinance social activities. The details of the allocation are as follows:



Sector (Eligible Category)	Loan Type	Fund Allocation (Rp billion)	Portion of Fund Allocation
<b>Green Category</b>			
Renewable Energy	Refinancing	2,512	50%
Management of Natural Resources and Their Use	Refinancing	1,479	30%
<b>MSME</b>			
Employment Generation	Refinancing	958	19%
Socioeconomic advancement and empowerment	Refinancing	40	1%



Allocation for the green category is 80% or Rp3.9 billion. Projects financed fall into two categories, namely renewable energy and sustainable land use and resources management



Allocation for the MSME is 20% or Rp998 billion. Projects that are funded fall into the categories of employment generation and socioeconomic advancement and empowerment.



## 5. Impact Report

Based on **BRI Green Bonds I Phase I Year 2022** framework, appropriate environmental and social impacts based on sectors that meet the requirements, namely:

 Green Categories				
Eligible Sectors	Alignment to SDGs	% of Asset Allocation	Types of Projects	Brief Description & Impact Indicators
Renewable Energy	 	50%	Power Plant	Estimated environmental impact produced: <ul style="list-style-type: none"><li>Renewable energy produced per year: 2,803,272 MWh</li><li>Avoided GHG emissions per year: 2,468,412 Ton CO<sub>2</sub>eq</li></ul>
Biodiversity and Sustainable Land Use Management		30%	Oil Palm Land Investment Financing with Green and Sustainable Production Process	BRI has financed sustainable oil palm plantation projects that adopt best domestic and global practices and standards in responsible palm oil production by having ISPO or RSPO certifications



## MSME

## Eligible Sectors

Employment  
Generation (Kredit  
Kupedes)

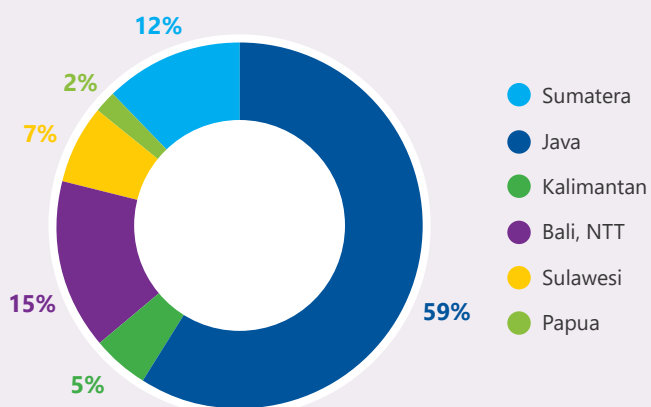
## Alignment to SDGs



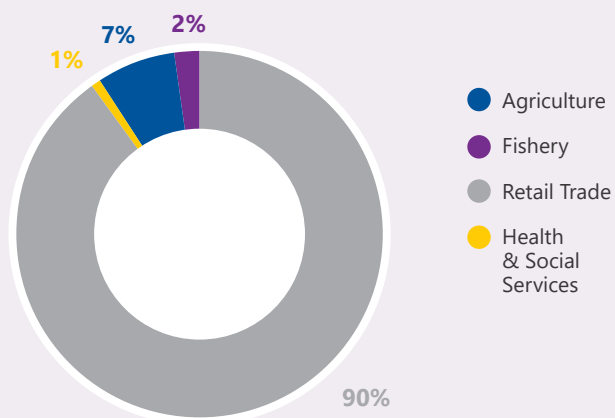
## Estimated Social / Environmental Benefits

Creating jobs for the MSME segment, an estimate of 9,000 jobs across Indonesia.

## KUR by Region



## KUR by Sector





## Eligible Sectors

Socioeconomic Advancement and Empowerment (KUR Micro)

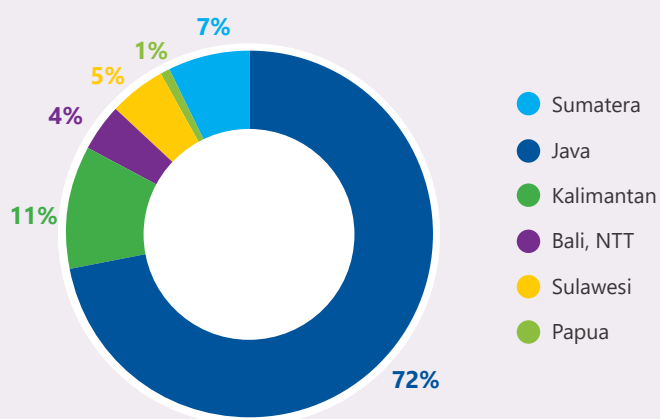
## Alignment to SDGs



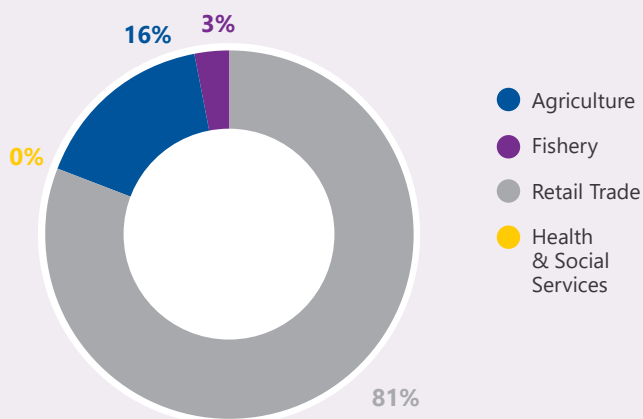
## Estimated Social / Environmental Benefits

The people's business credit program (KUR) is intended to support the development of non-bankable micro-enterprises and is estimated to create more than 900 jobs in various regions across Indonesia.

### KUR by Region



### KUR by Sector





## 6. Conclusion

Green Bonds Report shows realization of BRI's commitment through BRI Sustainable Action Plan 2019-2023 as one of the pioneers of sustainable finance in Indonesia, in line with the United Nations' Sustainable Development Goals. BRI will promote collaboration with relevant stakeholders in terms of allocating, using, and monitoring proceeds from the issuance of green bonds so it can continue to meet the criteria set out in regulations and standards that prevail in the market.

Issuance of green bonds is a milestone for the bank with success in achieving the largest value for green bonds. BRI has also managed to attract investor interest in environmentally themed securities as seen from oversubscriptions, enabling the bank to obtain efficient issuance costs so it can better support the development of a green economy.

BRI has obtained the results of a review from environmental experts, stating that at least 70% of the activities financed by green bonds have met the criteria as environmentally friendly public activities and bring positive impacts on the environment and are in accordance with a predetermined framework.





## Review Report by Environmental Expert

SDGs Hub of the University of Indonesia, as the Environmental Expert selected to review the Report on Bank BRI Green Bond, Phase I Year 2022 (Green Report) which includes some supporting data regarding to it. Environmental Experts have competency experience and relevant certificates in environmentally sound activities (attached-Appendix I).

### Management Responsibilities

Management's responsibility for the preparation and presentation of the Green Bond Report 2022 is following Bank BRI's Green Bond Framework.

### Responsibilities of Environmental Experts

The responsibility of the Environmental Expert is to review the Green Bond Report and several other supporting documents following with the provisions of the Financial Services Authority Regulation Number 60 of 2017 ("POJK 60") Article 10 Paragraph 1. The review that we carry out includes the suitability of the implementation of the selection of Environmentally Friendly Business Activities projects ("KUBL") as stated in the Green Bond Framework, distribution of proceeds from the 2022 Green Bond issuance to selected KUBL projects, and the availability of environmental impact estimates from the financed KUBL project. 100% of the proceeds from the issuance of the Green Bond Phase I 2022 have been allocated and reported in the Green Bond Report Phase I 2022 and there has been no change to the projects financed. Environmental experts only review the environmental impacts contained in the 2022 Green Bond Report compiled by the Team at Bank BRI, based on data provided by recipients of the 2022 Phase I Green Bond issuance funds.

### Review results

Based on the review that has been done, it can be concluded:

- 1) The selection of KUBL projects in the distribution of proceeds from the 2022 Green Bond issuance is following the Green Bond Framework.
- 2) The proceeds from the issuance of Green Bond Phase I 2022, 100% have not changed from the funds allocated to finance the two approved KUBL sectors (attached - Appendix II).
- 3) The ongoing project has an estimated positive impact on the environment (attached- Appendix II), according to the indicators predetermined by Bank BRI. These indicators are obtained through calculations that are consistent and in accordance with existing best practices.
- 4) Regarding the social impact measurement, it is proposed to use a relevant method such as the SROI (Social Return on Investment).

**Jakarta, January 31<sup>st</sup> 2023**

**SDGs HUB UI Coordinator**

**Dr. Triarko Nurlambang, MA**

**SDGs HUB UI Advisor**

**Prof. Dr. Jatna Supriatna, M.Sc**

# Appendix 1

## About Universitas Indonesia's SDGs Hub

SDGs HUB UI was founded and inaugurated in Jakarta on April 29, 2019 by Prof. Bambang Brodjonegoro, the then Minister of National Development Planning. SDGs HUB UI functions as a hub or liaison for all activities and programs related to achieving and implementing sustainable development goals (SDGs) at University of Indonesia (UI) as well as at the national, regional, and international levels, and covers topics related to economic, social and environmental issues. SDGs HUB UI is also a body appointed as the main coordinator of the UN Sustainable Development Solutions Network (SDSN) for the Indonesian region. SDSN itself is headquartered at Columbia University in New York.

HUB UI's SDGs is under the auspices of the Institute for Sustainable Earth and Resources (ISER) of UI's Faculty of Mathematics and Natural Sciences (FMIPA). HUB UI's SDGs have been in multiple collaborations with development partners such as think tanks, governments, international organizations, and philanthropy. Scope of cooperation that can be carried out by SDGs Hub UI covers the following fields: consultation and assistance in the preparation of RTRW, RDTR, RPJM, and others; policy formation and analysis; training and capacity building; invention and innovation; as well as investment impact and efficiency. In carrying out tasks and projects, SDGs HUB UI bridges clients with experts with diverse backgrounds and areas of expertise.

SDGs Hub UI has a wealth of experience in preparing environmental opinions for the Green Bond Framework for BRI and PT Pegadaian. Its environmental experts have a good reputation in working on Green Bonds whose presence has been recognized by the Financial Service Authority (OJK) and central bank Bank Indonesia. evidenced by the invitation of HUB UI's SDGs' members as speakers at the External Verifier discussion for Green Bond Issuance in the Indonesian capital market carried out by the OJK and speakers for an event organized by central bank Bank Indonesia called the Completion of Studies and Assessments related to the Development of Environmental, Social and Governance (ESG) Instruments. Environmental Expert at Green Bond SDGs HUB UI are:

- Prof. Drs. Jatna Supriatna, Ph.D : Expert in Climate Change, Sustainable Economy;
- Dr. Triarko Nurlambang, MA : Expert in Sustainable Development (SDGs), Public Policy;
- Dr. Sri Mariati, MSc : Expert in Socio-Economy, Investment, Sustainable Economy;
- Dr. Mahawan Karuniawan, MSc : Expert in Environment, Climate Change and Sustainable Development issues;
- Dr. rer. pol Sonny Mumbunan, MSc : Expert in Economy, Climate Change Environment, and Climate Change Policy;
- Cand. Dr. Berly Martawardaya, MSc : Expert in Sustainable Economy, Business and Finance, and Banking.

For more information, contact us at [sdgshub@ui.ac.id](mailto:sdgshub@ui.ac.id)





## Appendix II: Use the Issuance Proceeds

### Flow of Proceeds

BRI has allocated 100% of the proceeds from the issuance of the Green Bond I Bank Rakyat Indonesia Stage I Year 2022 to finance the KUBL project in accordance with POJK No. 60/POJK.04/2017 to three eligible sectors that have been approved for financing, namely:

Green Activities	Project Type	Percentage of Allocated Proceed	Project Amount (IDR)
Green Categories		80.00%	3,990,761,720,000
Renewable energy	Hydro Power Plant	50.35%	2,511,669,483,881
Natural Resources Management & Sustainable Land Use	Environmental-Friendly and Sustainable Palm Oil Plantation Land Financing/Refinancing	29.65%	1,479,092,236,119
MSME (Non-Green)		20.00%	997,690,430,000

### Environmental Impact Generated by Financed Projects

All projects in Green Sector have positive impacts, according to indicators previously set by BRI. These indicators are obtained through identification and calculation that are consistent and in accordance with the existing best practice. The project financed by the issuance of Green Bond BRI Stage I 2022 meet the POJK 60/POJK.04/2017 requirements while also contributed to the achievement of the Sustainable Development Goals ("SDGs").

The following is a summary of the environmental impact for year 2022 of projects financed by the proceeds from the issuance of BRI's Green Bond:

Indicator	Hydro Power Plant	Environmental-Friendly and Sustainable Palm Oil Plantation Land Financing/Refinancing
Renewable Energy Created	2,803,272 MWh	N/A
GHG Emission Avoided	2,468,412 ton CO <sub>2</sub> e / annum	N/A
Have a relevant Environmental Certification appropriate with type of the industry for sustainability purposes	N/A	ISPO or RSPO Certified



## FEEDBACK FORM [G.2]

The Sustainability Report 2021 of PT Bank Rakyat Indonesia (BRI) Persero provides an overview of financial performance and sustainability. We are looking forward to your feedback, critiques and suggestions.

1. This report is easy to understand

☐ Disagree

☐ Neutral

☐ Agree

2. This report has described the material aspects of the Company, both its positive and negative aspects

☐ Disagree

☐ Neutral

☐ Agree

3. What material topics are most important to you: ( 1 = most important to 4 = least important)

- Greenhouse Gas Emission ( )
- Protection of Customer Information ( )
- Sustainability Governance ( )
- Manpower Affairs ( )
- Local Communities ( )
- Anti-Corruption ( )
- Economic Performance and Financial Inclusion ( )
- Indirect Economic Impact ( )

4. Kindly provide your inputs/suggestions/comments about this report

.....

.....

.....

### Your Profile

Full Name : .....

Occupation : .....

Name of Institution/Company : .....

Stakeholder Group : .....

☐ Investor    ☐ Customer    ☐ Employee    ☐ Community    ☐ Government    ☐ Other

**Please send this feedback form to**

**Aestika Oryza Gunarto**

Head of Corporate Secretariat Division

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