



## Corporate Social Responsibility as it Pertains to the Environment

### POLICY AND IMPLEMENTATION

In general, BRI's business activities do not have a direct impact on the environment. Nevertheless, BRI is fully committed to managing and minimizing its operational impact on the environment. To this end, BRI has set up a special division to manage environmental issues under the Fixed Assets Management and Procurement of Goods and Services Division. This division performs policy, monitoring and strategic oversight functions. Environmental conservation management in the Bank's operational activities is exercised in the areas of water efficiency, paper consumption, energy and other natural resources.

### BRI as a Pioneer of Sustainability Banking

As a part of the Sustainable Finance Roadmap 2015-2019 implementation program, BRI was selected by FSA as a participant in the "Indonesian First Mover in Sustainable Banking" pilot project. The signing of the commitment took place on 23 November 2015. The pilot project aims at integrating elements of Environmental, Social and Governance responsibility in BRI's banking activities.

To carry out these activities, BRI has established the Sustainable Finance Implementation Assistance Team pursuant to Nokep. S.140-DIR/DMR/02/2016, dated February 18, 2016. The team has been tasked with identifying the Bank's level of sustainable finance (green banking), improving sectoral financing policies for environmentally friendly industries, as well as conducting regular project-related coordination with the relevant agencies (FSA and WWF).

The implications of BRI's participation in the "Indonesian First Mover in Sustainable Banking" pilot project include:

- a. Bank BRI is committed to making policies and distribution of credit to business sectors that are environmentally friendly and have environmental impact analysis certification.
- b. Bank BRI is committed to avoiding loan distribution to businesses that damage the environment.
- c. Bank BRI is committed to efficient and environmentally friendly business operations.
- d. Bank BRI participates in coaching, educating, training and empowerment of people to care for the environment (planting, environmental sustainability and conservation).

## BRI's Environment-Related Policies

### a. Paperless System

Paperless policy and information technology are very relevant to the banking industry, including BRI's business. BRI focuses on both, thus efficient energy use, including efficient water use, will be continuously implemented. This promise was outlined in the Division Letter JBR No. B.612-JBR/KJR/07/2013, dated July 9, 2013, with reference to the Instructions of the President of the Republic of Indonesia No. 13 Year 2011 on energy and water conservation, as well as the Regulation of the Minister of Energy and Minerals No. 13 of 2012 on electricity saving.

BRI is committed to improving its operational efficiencies through reduced paper usage and better use of information technology. BRI's integrated information system benefits both its employees and customers as it supports operational efficiency.

#### Applications that Support BRI's Operational Efficiency

1. Intranet and Internet to enable real-time communication
2. E-SPJ application through which BRI employees can submit official travel requests online for their supervisor's approval
3. All policies to be implemented by BRI Work Units are disseminated through the Public Folder
4. BRI's Employee attendance is recorded with EDC
5. BRISTARS application, which implements integrated operational efficiency, consists of integrated applications as follows:
  - a. e-Rekrutmen is an online applications for prospective BRI employees
  - b. Digital Assessments are online assessments of each employee's competency
  - c. e-Mutasi allows the processing of employee transfers online
  - d. Data Pribadi, automated application that contains personal information
  - e. e-Cuti, online application which enables employees to apply for leave of absence and supervisors to approve their requests
  - f. e-SPJ, application to issue official orders electronically
  - g. E-Fasilitas Pinjaman Pekerja, online application to apply for loans

- h. e-Jaminan Pemeliharaan Kesehatan, online application to apply for reimbursement of medical expenses
  - i. e-Lembur, online application that issues Overtime Work Orders and automated overtime payments
6. BRIHC (BRI Human Capital) to manage HR business processes
  7. SMK (Performance Management System), online application to monitor employee performance
  8. Industrial Relations Portal to monitor violations of labor discipline
  9. e-Pensiun, information source about employee retirement benefits
  10. e-Corporate Culture to monitor the implementation of BRI's work culture among employees
  11. HR Consulting and Information displays the latest HR information
  12. e-Filling to meet the obligation for income tax return reporting
  13. Digital Office to improve efficiency and effectiveness of internal correspondence
  14. Online customer satisfaction survey to analyse BRI employee engagements.

#### Paperless Applications for BRI Customers

1. e-tax BRI, the first in Indonesia;
2. e-Form, formless frontline service at BRI work units;
3. e-statements, information delivery via registered email;
4. New account system to help clients connect loan products and current accounts into one account;
5. ATM 'without a print receipt' option;
6. Loan approval system;
7. E-Tilang;
8. E-Pasar;
9. E-UMKM;
10. E-Waroeng.

#### Paper Consumption Data

Description	Unit	2014	2015	2016
Paper Consumption	Ream	34,125	31,985	31,980
Procurement Expenses	Rp Million	1,083	1,218	1,175

### b. Energy Consumption

BRI is committed to minimizing the amount of energy use across the Bank's operational areas. To do this, the Bank implemented a reduced electricity consumption strategy through the use of energy-saving lamps, setting reasonable office temperature, and maintaining near zero downtime. Furthermore, in terms of additional work units, the Bank is utilizing an integrated server and technology, ensuring that data is now centralized.

At the end of 2016, electricity consumption in the central office totalled 8.2285 million Kwh, down by 3.02% from 8.48452 million Kwh in 2015. This reduction is due to the replacement of all conventional lights in BRI 1 building with LED lamps.

### c. Vehicle Use

BRI's commitment to maintaining clean environment is reflected in the use of PERTAMAX in all operational vehicles. This is in line with the government's policy since 2012 that requires all state-owned enterprise vehicles to use non-subsidized gasoline.

No	Description (Kilolitre)	2014	2015	2016
1.	Fuel Consumption	243.36	276.24	302.31

### D. Environmental Impact Management

BRI has carried out various activities to minimize its environmental impact such as:

1. Solid waste management in cooperation with a licensed company;
2. The use of environmentally friendly fire extinguishers (APAR);  
Replacing chlorofluorocarbon freon (CFC) with Halotron freon;

## INDONESIA LESTARI

BRI supports, and is involved in, various environmental conservation and protection efforts. Its participation is reflected in the Company's CST environment program, namely BRI Peduli Indonesia Lestari.

In addition to the Bank's environmentally friendly operations, BRI is also committed to environmental sustainability through the Indonesia Lestari Program. The program focuses on two (2) main activities, i.e: reforestation and environmental conservation. In 2016, BRI allocated Rp1.99 billion to Program Indonesia Lestari, with the number of trees planted reaching 231,735.

The various activities that have been carried out include:

### a. Reforestation Programs

Activity	Location	Total Trees
Mangrove Tree Planting at Sabang	Sabang	10,000
Mangrove Tree Planting at the north coastal areas of Regency of Ende	Ende	4,000
Tree Planting at Monkey Forest Ubud	Bali	119
Planting of 1.000 trees to commemorate the 2016 Earth Day	Jakarta	1,000
Tree Planting at Ecopark Cibinong	Jakarta	300
Environment Preservation through <i>Mangrove</i> , linked with the marketing of <i>Saving Bond</i> Retail (SBR) Series 002 Central Java	Central Java	100
Donating Sapodilla seeds during the event of the Movement of Santri Planting and Nurturing 1 million Trees in Situbondo	Situbondo	1,000
Reforestation in Patiayam Kudus	Kudus	21,450
Quality and Quantity Enhancement Program for the Open Green Space in Surabaya	Surabaya	2,635
Mangrove Tree Planting at Coastal Area of Sidoarjo	Sidoarjo	35,000

### b. Environmental Conservation Activities

Activity	Location	Total Value (Rp)
Construction of the Holtikultura compass house for household organic waste management	Serang	250,000,000
Construction of clean water facilities for the elephant training center at the Way Kambas National Park Bandar Lampung	Bandar Lampung	154,250,000
Planting of timber seedlings in the Conservation Forest at Mata Air Sup area, Pujon Malang Region, East Java	Malang	50,000,000
Conservation activities in the area of Lake Toba, Samosir, North Sumatra	North Sumatra	30,000,000

## HANDLING OF ENVIRONMENT-RELATED COMPLAINTS

In 2016, Bank BRI did not receive any complaints from third parties related to how BRI's operational activities impact the environment.

## CERTIFICATION

Bank BRI does not have any certifications that relate to the environment.