Synergizing for Sustainable Resilience

SUSTAINABILITY REPORT
2021

PT Bank Rakyat Indonesia (Persero) Tbk.

Synergizing for Sustainable Resilience

In the midst of the pandemic, PT. Bank Rakyat Indonesia (Persero) Tbk. (BRI) consistently provides the highest quality services to the people of Indonesia by fostering, empowering, and supporting them to optimize their competencies so as to improve the welfare of their families and surrounding communities. Carrying the vision of becoming "The Most Valuable Banking Group in Southeast Asia and Champion of Financial Inclusion" by 2025, BRI has realized many BRILiaN breakthroughs to overcome the limited mobility of all business actors in interacting and promoting their products.

BRI swiftly supports the government's loan restructuring program while optimizing the benefits of infrastructure and digital-based service products. BRI is increasingly establishing a digital technology-based business ecosystem to allow all customers and business actors to connect with their consumers in all corners of the country and abroad. BRI has turned challenges into opportunities for business development and used innovation in optimizing the digital ecosystem as a means to be resilient in overcoming all business challenges.

In line with the company's vision and mission to support sustainable finance, BRI carries out operational activities based on environmental, social and governance (ESG) principles and implements the Sustainable Finance Action Plan (RAKB) programs. BRI also endeavors to create various programs and initiatives that support and contribute to the Indonesia's 17 Sustainable Development Goals (SDGs).

BRI aims to enhance Indonesia's economic resilience. In 2021, BRI has established the Ultra Micro Ecosystem, which is a product of the synergy between BRI, PT. Pegadaian (Persero) (Pegadaian), and PT Permodalan Nasional Madani (PNM) to increase BRI's ability to reach customers in the deepest strata of society. In supporting the government's achievement in reducing carbon emissions, BRI has also identified and started focusing on green financing schemes in lending to borrowers.

This 2021 Sustainability Report will also discuss the implementation of Social and Environmental Responsibility (TJSL) and how BRI focuses on protecting the rights of the community, including BRI's Employees and Customers. With increasing awareness of the importance of integrating ESG aspects into business practices and banking operations, BRI has further strengthened corporate governance by establishing an ESG (Environmental, Social, Governance) Committee to ensure that BRI's sustainable finance activities can be managed and reviewed directly by BRI's Directors.

Through all of our initiatives that focus on ESG aspects, BRI is optimistic that it can provide and deliver added value to all stakeholders, customers and the community in an effort to revive the national economy.

BRI
Senyum

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Sustainability Performance Overview [B]

ENVIRONMENTAL ASPECT [B.2]

Emission Intensity Per Employee (kg CO_2e)

4,028.32

2021

Emissions Scope 1 (kg CO_2e)

133,726,800

2021

Emissions Scope 2 (kg CO_2e)

320,065,678

2021

Emissions Scope 3

Air Business Travels (kg CO_2e)

1,497,162

2021

Land Business Travels (kg CO_2e)

969,384

2021

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

70,159

2021

Financing for Sustainable Business Activities

Rp 614.2 Trillion

2021

2020 Rp 550.4 Trillion

Potential for Reducing Emissions from Digitization (kg CO_2e)

1,244,356,523

SOCIAL ASPECT B.3]

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

186,597

2021

153

SenyuM

Offices throughout Indonesia

Customer Satisfaction Level

89.28%

2021

2020 84.57%

2019 85.90%

Customer Complaints Resolution Rate

99.53%

2021

2020 99.62%

2019 98.94%

Employee Engagement Index (On a Scale of 4)

3.46

2021

2020 3.27

2019 3.20

A total of 63,101 employees have accessed online learning on Sustainable Finance with a passing rate of 98.9%

ECONOMIC ASPECT [B.1]

The Bank's Financial Performance

Profit before taxes (Rp Trillion)

39.22 — 2021

2020 26.16

2019 42.95

Bank Net Profit (Rp Trillion)

32.21 — 2021

2020 18.35

2019 34.02

Operating Income (Rp Trillion)

152.22 — 2021

2020 138.38

2019 143.85

Quantity of products or services sold

343 — 2021

2020 343

2019 165

Eco-Friendly Products

Loans to the Green Sector or Environmentally Friendly Business Criteria

Rp70.8 Trillion

2021

BRI's Sustainability Bonds 2019

US$500 Million

2021

Digital-Based BRI Products and Services

BRImo, BRI SPOT, e-Banking BRI, CMSBRI, ceria (Cicil. Cepat. Ceria.), BRI TOUCH (FOR YOUR PERSONAL TOUCH) CARDLESS

Benefit Distribution

Dividend Payments to Shareholders (Rp Trillion)

12.13 — 2021

(65% of 2020 Net Profit)

2020 20.62

(60% of 2019 Net Profit)

2019 16.18

(50% of 2018 Net Profit)

Tax Payments (Rp Trillion)

20.17 — 2021

2020 16.61

GOVERNANCE ASPECT B.1]

Establishment of the ESG Desk

Establishment of the ESG (Environmental, Social, Governance) Committee

CORPORATE GOVERNANCE PERCEPTION INDEX

CGPI

2021 SCORE 95.10

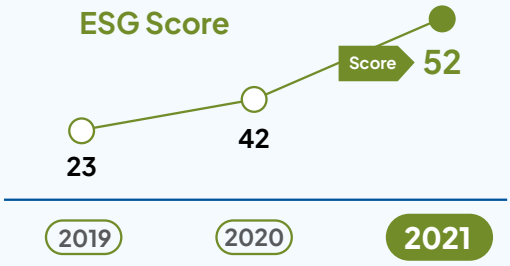
Highest Corporate Governance Perception Index (CGPI) Score among other State-owned Banks

Sustainability Rating and Sustainability Index

Other than financial indicators, ESG based criteria are increasingly becoming an important factor for the investors to make investment decisions. BRI continues to strive to improve its performance regarding ESG implementation and continuously measures this performance

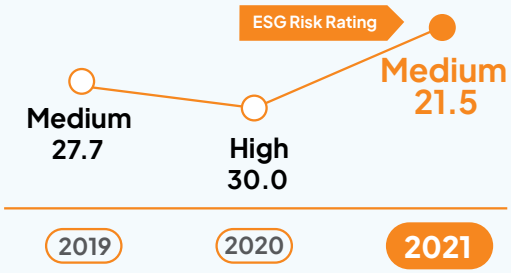
Update ESG Ratings BRI

S&P Global
CORPORATE SUSTAINABILITY ASSESSMENT (CSA)



Updated of 2021

SUSTAINALYTICS

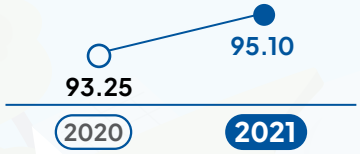


Updated of 2021

CORPORATE GOVERNANCE PERCEPTION INDEX
CGPI

OVERALL SCORE **95.10**

Improvement from 93.25 in 2020



Updated of 2021

ASEAN CORPORATE GOVERNANCE

OVERALL SCORE **110.2**

Improvement from 93.08 in 2019

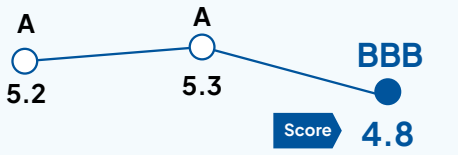
Top 3 public companies
in Indonesia with the highest score above 97

Updated of 2020

by referring to analysis and ratings made by competent and credible agencies such as the MSCI ESG Index, ESG Score from the S&P Global Corporate Sustainability Assessment, ESG Risk Rating from Sustainalytics, and others.

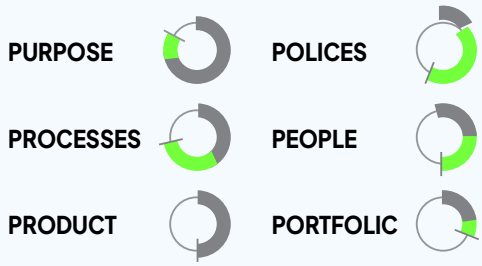
MSCI

ESG Rating



Updated of 2021

WWF SUSBA



Updated of 2021

KEHATI

KEHATI ESG INDICES

is an index that contains stocks with ESG performance appraisal results above the industry average. Consists of 3 categories, namely SRI KEHATI, ESGQ 45, ESG SL IDX KEHATI.

BRI has been listed in the 3 KEHATI Indices

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

IDX
Indonesia Stock Exchange
Bursa Efek Indonesia

IDX ESG Leaders

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

BRI Listed in The IDX ESG Leaders Index (ESGL) since March 2021

Awards and Certifications

[GRI 102-12, 102-14]

As a responsible entity, BRI continues to carry out its commitments on environment, social and governance (ESG) matters. Along the way, BRI has received several appreciations related to the implementation of ESG and Sustainable Finance.

Platinum Rank Asia Sustainability Reporting Rating

November 17, 2021

Celent Model Bank 2021: Model Bank Financial Inclusion 2021

March 16, 2021
Celent Model Bank 2021
Category: Banking
Jakarta

Liputan6.com Award: BRI's KPR (Mortgage) as a brand solution provider during the pandemic

April 21, 2021
Liputan6.com
Category: Brand solution provider
Jakarta

Top Leader on CSR Commitment 2021

April 22, 2021
TOP CSR 2021
Category: Corporate
Jakarta

Tempo Financial Award 2021: The Best Bank In Digital Services

October 19, 2021
Tempo
Category: Finance
Jakarta

Highest Award For Integrated CSR Strategy for BRILiaN Tourism Village Development

November 24, 2021
IDX Channel
Category: CSR
Jakarta

Award	Date	Awarding Body	Category	Place	Level
Best of The Best Communications	January 29, 2021	SOE Ministry : BCOMSS 2020	Corporate Communications	Jakarta	National
Gold Winner Social Media and Corporate Campaign	January 29, 2021	SOE Ministry : BCOMSS 2020	Social Media & Corporate Campaign	Jakarta	National
Infobank 4th Satisfaction Loyalty Engagement Awards 2021 : ATM BRI 2nd Rank	February 9, 2021	Infobank	Satisfaction index	Jakarta	National
Top Brand Award 2021 : BritAma 2nd Rank	February 25, 2021	TOP Brand	Savings	Jakarta	National
Top Brand Award 2021 : Simpedes 3rd Rank	February 25, 2021	TOP Brand	Savings	Jakarta	National
Top Brand Award 2021 : Simpedes Impian 3rd Rank	February 25, 2021	TOP Brand	Time Savings	Jakarta	National
Top Brand Award 2021 : BRI Junio Savings 1st Rank	February 25, 2021	TOP Brand	Savings for Children	Jakarta	National
Top Brand Award 2021 : Deposito BRI 2nd Rank	February 25, 2021	TOP Brand	Deposits, Mobile Banking, & Internet Banking	Jakarta	National
Top Brand Award 2021 : BRImo 2nd Rank	February 25, 2021	TOP Brand	Deposits, Mobile Banking, & Internet Banking	Jakarta	National
Top Brand Award 2021 : Internet Banking BRI 2nd Rank	February 25, 2021	TOP Brand	Deposits, Mobile Banking, & Internet Banking	Jakarta	National
Syndicated Financial Institution Deal of the Year	March 10, 2021	Asia Pacific Loan Market Associaton (APLMA)	Financial	Online, globally	International
Indonesia Digital Popular Brand Award (IDPBA) 2021 : Savings Products	March 25, 2021	Tras n Co	Banking	Jakarta	National
Indonesia Digital Popular Brand Award (IDPBA) 2021 : Credit Cards	March 25, 2021	Tras n Co	Banking	Jakarta	National
Indonesia Digital Popular Brand Award (IDPBA) 2021 : Prepaid Cards	March 25, 2021	Tras n Co	Banking	Jakarta	National
Indonesia Digital Popular Brand Award (IDPBA) 2021 : Deposit Products	March 25, 2021	Tras n Co	Banking	Jakarta	National
Indonesia Digital Popular Brand Award (IDPBA) 2021 : Mobile Banking	March 25, 2021	Tras n Co	Banking	Jakarta	National
Indonesia WOW Brand 2021 : Call Center 1st Rank	March 25, 2021	MarkPlus	Brand Products and Services	Jakarta	National
Indonesia WOW Brand 2021 : ATM 2nd Rank	March 25, 2021	MarkPlus	Brand Products and Services	Jakarta	National
Indonesia WOW Brand 2021 : Mortgage 2nd Rank	March 25, 2021	MarkPlus	Brand Products and Services	Jakarta	National
Indonesia WOW Brand 2021 : Savings Accounts 2nd Rank	March 25, 2021	MarkPlus	Brand Products and Services	Jakarta	National
Indonesia WOW Brand 2021 : E-money 3rd Rank	March 25, 2021	MarkPlus	Brand Products and Services	Jakarta	National
Indonesia WOW Brand 2021 : Mobile Banking 3rd Rank	March 25, 2021	MarkPlus	Brand Products and Services	Jakarta	National
Indonesia WOW Brand 2021 : Digital Savings 3rd Rank	March 25, 2021	MarkPlus	Brand Products and Services	Jakarta	National
Indonesia WOW Brand 2021 : Digital Lounge 3rd Rank	March 25, 2021	MarkPlus	Brand Products and Services	Jakarta	National
Branding Campaign Award : BRILiaNPreneur MSME Export Gold nominee	March 25, 2021	MarkPlus	BTL	Jakarta	National
Branding Campaign Award : BRImo Gold nominee	March 25, 2021	MarkPlus	Digital	Jakarta	National
The Most Innovative Conventional Bank for The Ultra Micro Digital Risk Management Framework	March 31, 2021	Warta Ekonomi	Banking	Jakarta	National
The Best Chief Information Officer	March 31, 2021	DIGITECH Award 2021	Digital Technology Transformation	Jakarta	National
Merdeka Award 2021 : Social Awareness Program to Alleviate the Impact of Covid-19	March 31, 2021	Merdeka.com	CSR	Jakarta	National
iNews Maker Awards 2021 : The Best CEO	April 7, 2021	iNews TV	Company	Jakarta	National

Award	Date	Awarding Body	Category	Place	Level
iNews Maker Awards 2021 : Best of The Best Innovation Company	April 7, 2021	iNews TV	Company	Jakarta	National
10th SOE Awards 2021 : Sunarso As The Best CEO of a Public Company	April 8, 2021	BUMN Track	SOE & SOE Subsidiaries	Jakarta	National
10th SOE Awards 2021 : Sunarso As CEO Strategic Orientation of a Public Company	April 8, 2021	BUMN Track	SOE & SOE Subsidiaries	Jakarta	National
10th SOE Awards 2021 : The Best Corporate (Public)	April 8, 2021	BUMN Track	SOE & SOE Subsidiaries	Jakarta	National
10th SOE Awards 2021 : 1st Rank for Good Corporate Governance (GCG)	April 8, 2021	BUMN Track	SOE & SOE Subsidiaries	Jakarta	National
10th SOE Awards 2021 : 1st Rank for Business & Organizational Transformation	April 8, 2021	BUMN Track	SOE & SOE Subsidiaries	Jakarta	National
Corporate Branding PR Award 2021 : Book 4 Banks	April 22, 2021	Iconomics	Corporate	Jakarta	National
Bintang 5 Top CSR 2021	April 22, 2021	TOP CSR 2021	Corporate	Jakarta	National
Best Corporate Emissions 2021	April 29, 2021	Beritasatu (Majalah Investor)	Corporate	Jakarta	National
Best Fintech for Digital CX : Ceria	May 20, 2021	The Digital Banker	Banking	Online, globally	International
Best Use of Data and Analytics for CX : BRIBrain	May 20, 2021	The Digital Banker	Banking	Online, globally	International
3G Best of The Best Award (Microfinance) 2021	May 25, 2021	Global Good Governance Awards 2021	Microfinance	Online, globally	International
3G Corporate Governance Disclosure Award 2021	May 25, 2021	Global Good Governance Awards 2022	Corporate	Online, globally	International
Infobank 10th Digital Brand Awards : BRI Platinum Trophy 1st Rank	June 3, 2021	Infobank	Conventional Commercial Bank	Jakarta	National
Infobank 10th Digital Brand Awards : KKB BRI Golden Trophy 1st Rank	June 3, 2021	Infobank	Motor Vehicle Credits (KKB) by Conventional Commercial Bank	Jakarta	National
Infobank 10th Digital Brand Awards: BRIZZI Golden Trophy 1st Rank	June 3, 2021	Infobank	Banking e-money	Jakarta	National
Infobank 10th Digital Brand Awards : Deposito BRI Best Overall 2nd Rank	June 3, 2021	Infobank	Conventional Commercial Bank Deposits	Jakarta	National
Infobank 10th Digital Brand Awards: KPR BRI Best Overall 3rd Rank	June 3, 2021	Infobank	Housing Mortgage by Conventional Commercial Bank	Jakarta	National
Infobank 10th Digital Brand Awards : Tabungan BRItama 3rd Rank	June 3, 2021	Infobank	Conventional Commercial Bank Savings	Jakarta	National
BUMN Marketeers Awards 2021 : Best of the Best Company	June 9, 2021	Markplus.inc	SOE	Jakarta	National
BUMN Marketeers Awards 2021 : The Most Promising Company in Strategic Marketing	June 9, 2021	Markplus.inc	SOE	Jakarta	National
Private Banking Awards 2021 : Best Domestic Private Bank	June 16, 2021	Asiamoney Award	Domestic Private Banking	Asia	International
Private Banking Awards 2021 : Best for Wealth Transfer/ Succession Planning	June 16, 2021	Asiamoney Award	Wealth Transfer/ Succsesion	Asia	International
Private Banking Awards 2021 : Best for HNW	June 16, 2021	Asiamoney Award	Planning	Asia	International
11th Alpha Southeast Asia Treasury & FX Awards : Best FX Bank for Retail Clients	July 2, 2021	Alpha Southeast Asia	HNW	Southeast Asia	International
11th Alpha Southeast Asia Annual Treasury & FX Awards : Best FX Bank for Money Market Product	July 2, 2021	Alpha Southeast Asia	Banks in Southeast Asia	Southeast Asia	International
11th Alpha Southeast Asia Annual Treasury & FX Awards : Best FX Bank for Structured Product	July 2, 2021	Alpha Southeast Asia	Banks in Southeast Asia	Southeast Asia	International

Award	Date	Awarding Body	Category	Place	Level
SBBI Award 2021 : Best Brand in Solo (Children's Savings)	July 7, 2021	Solopos	Banking	Solo	National
SBBI Award 2021 : Best Brand in Solo (Digital Payment Cards)	July 7, 2021	Solopos	Banking	Solo	National
Top Corporate Award 2021	July 15, 2021	Tras n Co	Corporate	Jakarta	National
Top CEO Award 2021	July 15, 2021	Tras n Co	Corporate	Jakarta	National
Banking Service Excellence Award 2021 : Overall E-banking 2nd Rank	July 2021	Infobank	Conventional Commercial Bank	Jakarta	National
Banking Service Excellence Award 2021 : Overall Contact Center 2nd Rank	July 2021	Infobank	Conventional Commercial Bank	Jakarta	National
Banking Service Excellence Award 2021: Overall Digital Channel 3rd Rank	July 2021	Infobank	Conventional Commercial Bank	Jakarta	National
Banking Service Excellence Award 2021 : Best Overall Performance 5th Rank	July 2021	Infobank	Conventional Commercial Bank	Jakarta	National
Indonesia Best CEO Award 2021 : Employees' Choice	July 23, 2021	Iconomics	Banking	Jakarta	National
Teropong Public Relation Award 2021 : Best Media Relation	July 28, 2021	TeropongSenayan.com	Banking	Jakarta	National
GRC & Performance Excellence Award 2021: The Best Chief Compliance Officer (CCO)	July 28, 2021	BusinessNews Indonesia	Banking	Jakarta	National
GRC & Performance Excellence Award 2021: The Best Chief Risk Management Officer	July 28, 2021	BusinessNews Indonesia	Banking	Jakarta	National
GRC & Performance Excellence Award 2021: The Best Overall for Corporate Governance & Performance 2021	July 28, 2021	BusinessNews Indonesia	Banking	Jakarta	National
GRC & Performance Excellence Award 2021: The Best CEO	July 28, 2021	BusinessNews Indonesia	Banking	Jakarta	National
GRC & Performance Excellence Award 2021: The Best Board of Commissioners in Banking Industries	July 28, 2021	BusinessNews Indonesia	Banking	Jakarta	National
Top Corporate Social Responsibility of The Year 2021	August 19, 2021	Infobrand		Jakarta	National
Best Bank 2021	August 24, 2021	Beritasatu	Commercial Banks with Core Capital > 30 T	Jakarta	National
The Bank with the Largest MSME Customers	August 24, 2021	Beritasatu	Banking	Jakarta	National
Indonesia Best Bank 2021 with Great Financial Health and Corporate Performance : Maintaining Investor Relationship	August 25, 2021	Warta Ekonomi	BUKU 4 with total assets over 5 trillion	Jakarta	National
Leading in Precedented Time : Very good performance for 2020	September 7, 2021	Infobank	Banking	Jakarta	National
Leading in Precedented Time : Very good performance for 20 years in a row : Diamond Trophy	September 7, 2021	Infobank	Banking	Jakarta	National
Leading in Precedented Time : The Most Profitable Book 4 Bank : ROA & ROE indication for the last 6 years	September 7, 2021	Infobank	Banking	Jakarta	National
Leading in Precedented Time : Individu Award for Mr. Sunarso as The Best CEO 2021	September 7, 2021	Infobank	Banking	Jakarta	National
Nusantara CSR Awards 2021 : The Best Nusantara CSR Awards 2021/The Best CSR Of The Year	September 15, 2021	La Tofi School Of CSR	CSR	Jakarta	National
Nusantara CSR Awards 2021 : CSR CEO Of The Year 2021 for BRI's President Director (Mr. Sunarso)	September 15, 2021	La Tofi School Of CSR	CSR	Jakarta	National
Best Bank Awards: Indonesia's Best Bank for SMEs 2021	September 20, 2021	Asiamoney	Banking	-	International
IDC Future of Entreprise Award : Special Award For Digital Resiliency	October 7, 2021	IDC	Corporate	online	International

Award	Date	Awarding Body	Category	Place	Level
IDC Future of Entreprise Award : CIO of The Year	October 7, 2021	IDC	Corporate	online	International
Tempo Financial Award 2021 : The Best Financial Performance Bank	October 19, 2021	Tempo	Finance	Jakarta	National
Tempo Financial Award 2021 : The Best Bank In Financial Sustainability	October 19, 2021	Tempo	Finance	Jakarta	National
Infobank Top BUMN 2021 : Platinum Thropy	October 22, 2021	Infobank	SOE	Jakarta	National
Infobank Top BUMN 2021 : The Best Dividen Contributor	October 22, 2021	Infobank	SOE	Jakarta	National
Infobank Top BUMN 2021 : Sunarso Sebagai "The Best CEO In Value Creation"	October 22, 2021	Infobank	SOE	Jakarta	National
Corporate Governance Perception Index (CGPI)	October 25, 2021	IICG	Corporate	Jakarta	National
Indonesia Finance Award IV 2021 : Public Bank Company Platinum Award	November 19, 2021	Economic Review	Public Bank Company	Jakarta	National
Indonesia Finance Award IV 2021 : Figure in Finance 2021 (Sunarso)	November 19, 2021	Economic Review	Finance	Jakarta	National
Indonesia Awards 2021 : Outstanding Corporate Social Responsibility in Handling Pandemic	November 24, 2021	MNC Televisi Network	CSR	Jakarta	National
The Best BI-RTGS and BISSSS Participating Banks : Book 3 & 4 Banks	2021	Bank Indonesia	Banking	-	National
The Best Supporting Conventional Bank for Rupiah and Forex Monetary Court	2021	Bank Indonesia	Banking	-	National
Best MSME Supporting Bank : Book 3 & 4 Banks	2021	Bank Indonesia	Banking	-	National
QRIS Payment Service Provider (PJP) With the Best Performance	2021	Bank Indonesia	Banking	-	National
Top 20 Financial Institution 2021	November 29, 2021	The Finance	Corporate	Jakarta	National
Top 20 Financial Institution 2021 : Best CTO In Banking 2021	November 29, 2021	The Finance	Best CTO In Banking 2021	Jakarta	National
Bisnis Indonesia Top SOE Awards 2021 : Top CFO In Enterprise Risk Management	November 30, 2021	Bisnis Indonesia	Top SOE CFO	Jakarta	National
Bisnis Indonesia Top SOE Awards 2021 : Top SOE Corporation	November 30, 2021	Bisnis Indonesia	Top SOE Corporation	Jakarta	National
PR Indonesia Most Popular Leader in Social Media (Pak Sunarso)	November 10, 2021	PR Indonesia	PR	Jakarta	National
Influential Leader in Public Relations 2021 (Mr. Roma)	November 23, 2021	PR Indonesia	PR	Jakarta	National

"Prioritizing Environmental, Social and Governance (ESG) Aspects"

Kartika Wirjoatmodjo
President Commissioner

Foreword by the **President Commissioner** [GRI 102-14] [GRI 102-15] [D.1]

Greetings and hope we are all keeping well and healthy

Our Respected Stakeholders,
First of all, we would like to thank God Almighty for His mercy and protection throughout 2021.

PT Bank Rakyat Indonesia (Persero) Tbk —hereinafter referred to as "BRI"— successfully achieved a positive and sustainable performance as seen in the overall business growth indicators. BRI also continues to provide the best digital technology-based financial services and strengthen collaboration with various parties to strengthen its role as an agent of empowerment for Indonesian Micro, Small and Medium Enterprises (MSMEs) through its various initiatives.

Competition in the banking industry is becoming more fierce, and industry players are competing even more on human resources and technology. In these intense business conditions, BRI still retains its status as one of the best financial institutions as evidenced by the achievement of the company's asset growth (bank only) of 10.6% in 2021. Loan growth, especially in the MSME sector, provided the largest contribution to this performance achievement. BRI also continues to be a partner of the Government by implementing various policy stimulus for the National Economic Recovery (PEN) program, especially in the real sector. In addition, BRI continues to be there for its customers to help them strive through various situations and conditions.

The economy in 2021 was still impacted by the Covid-19 pandemic but generally it had begun to improve compared to the previous period, signifying the turning of both the national and the global economy. According to the data from the Central Statistics Agency (BPS), Indonesia's economic growth in 2021 was recorded at 3.51%, which was higher than in 2020 at 2.07%. BRI responded positively to the challenges posed by Covid-19 by adjusting work activities with the implementation of strict health protocols and digital-based business processes to ensure that BRI is always able to provide the highest-quality service according to customer needs more easily, safely, comfortably, anywhere and anytime without having to come to any of its branch offices. One such way is the flexibility of opening a digital saving account through BRImo.

The Board of Commissioners understands that the Company will always be committed and consistent in implementing sustainable strategic initiatives for the achievement of targets oriented to the Sustainable Development Goals. The implementation of these initiatives is also expected to have a positive impact in accelerating the realization of sustainable finance in Indonesia. Moreover, BRI will also focus on realizing integrated financial solutions for the community.

Towards Sustainable Banking

The sustainable development currently being implemented by the government requires an economic system that prioritizes harmony between economic, social and environmental aspects. In order to realize the success of the economic system, support from various parties is needed, including from corporations such as BRI.

As a form of BRI's compliance with the implementation of the Financial Services Authority Regulation No. 51/POJK.03/2017 dated July 27, 2017 concerning the Implementation of Sustainable Finance for Financial Services Institutions (LJK), Issuers and Public Companies, BRI continues to increase the depth of implementation of the principles of sustainable finance. BRI is proactive and adaptive in serving the community's needs regarding sustainability through innovation and development of financial service products.

As a company that is oriented towards sustainable finance, BRI continues to strive to improve economic performance and optimize gains (profits) while simultaneously trying to improve social performance (people) and increase awareness of the environment (planet). BRI pays attention to all three factors because it believes that profit, people and planet are crucial in realizing BRI's progress and sustainability.

Environmental, social, and governance (ESG) aspects are one of the elements that continue to play a significant role in the operational activities of the Company. This commitment is further strengthened by the Company as stated in the BRI Sustainable Finance Action Plan which aims to increase its competitiveness in facing the challenges of the dynamic banking world and is oriented towards sustainable development (Sustainable Development Goals / SDGs) both in terms of assets, liabilities, and operations and human capital. The Company continuously conducts socialization both to the company's internal and external parties on the Sustainability Principles through various activities such as sharing sessions, seminars, and training to entrepreneurs at Rumah Kreatif BUMN which aims to improve the understanding of the economy and green business.

On the other hand, the composition of the company's financing for the MSME segment continues to dominate every year; in 2021, the composition of MSMEs reached 81.8%. This achievement makes BRI one of the banks in Indonesia with the largest MSME loan portfolio. In 2021, the Ultra Micro Synergy was formed between BRI, PT Pegadaian ("Pegadaian") and PT Permodalan Nasional Madani ("PNM") with the objective of providing more complete financial services with an integrated pathway to facilitate access for business actors in the ultra micro segment.

In accordance with the Sustainable Development Goals, Ultra Micro Synergy presents a new source of growth that encourages formal financial literacy and inclusion for Ultra Micro businesses in an effort to strengthen the acceleration of the MSME segment in the future. The journey starts with empowerment by PNM by offering Mekaar products. This product specifically empowers women and the businesses in underprivileged community groups to help them become independent entrepreneurs, which can then advance in class and be served with products from Pegadaian and BRI. This integration carried out by the company is a form of support in achieving the 5th Sustainable Development Goal of achieving gender equality and empowering all women.

Efforts to create the integration of services, products and sustainable sources of growth continue to be carried out by the Company (as a holding company) through the "Senyum" (Ultra Micro Service Center) and "Umi Corner" services for the marketing integration of BRI, Pegadaian and PNM products, both through direct services and through an integrated digital sales platform. BRI's commitment to empowering the community continues to be one of its focuses to 'strengthen the core' by optimizing the potential of the Ultra Micro segment so that it can provide value to stakeholders, including shareholders.

BRI's sustainability focus is also demonstrated by being the first mover in implementing sustainable finance through the Green Project by initiating the issuance of the first Global Sustainability Bond in Indonesia which is an issuance that meets the ASEAN Sustainability Bond Standard.

On the disbursement of funds, in addition to channeling sustainability-oriented MSME activities, the company responded positively by participating in reducing the negative impacts of climate change as reflected in the loan provision that pays attention to the environment, natural and social sustainability. This includes, among others, requiring borrowers to have environmental certifications including RSPO, ISPO, PROPER, AMDAL, and other requirements. In addition, the company has also added to its outstanding portfolio of financing for borrowers in the renewable energy business category in 2021 amounting to Rp. 5.6 trillion, environmentally friendly transportation with an amount of Rp. 14.9 trillion, pollution prevention and control with an amount of Rp. 25 billion and other environmentally sound financing.

Digitization in business processes is part of the company's effort in implementing sustainable finance. Improving digital services is very much needed as a strategy to accommodate changes in the trends in people's transaction behavior that is moving towards the digital world. The Board

of Commissioners appreciates the efforts of the Board of Directors in creating and developing digital ecosystem platform services in various Superapps, including BRImo, Brispot and BRILink.

In line with financial inclusion and literacy, the Company also establishes close cooperation with bank agents called Agen BRILink. As of the end of 2021, there were 503,151 Agen BRILink spread throughout Indonesia, including in the Frontier, Outermost and Disadvantaged areas. Providing services as bank agents can be a source of productive and comprehensive job opportunities and a means to share the Indonesian economy to more of its people.
Within BRI, the implementation of sustainable finance is also carried out through the implementation of environmentally friendly office operational activities. Efforts have been made, among others, to make various reductions, especially on the use of increasingly limited available natural resources such as paper, fuel, water, and electricity. BRI encourages every employee to reduce the use of plastics and conduct an independent campaign to encourage waste reduction through the consumption of drinking water in reusable bottles; BRI conducted a campaign to use a tumbler as a drinking water container that can be used repeatedly. The campaign was carried out through BRI's social media to all employees.

The company's operational activities are also supported by the employee's internal platform, namely BRISTARS which comprises a digital office as a means of correspondence within the Company without the need to use paper. Furthermore, in order to continuously improve employee competence, the company also provides webinars and e-learning using the BRISMART platform. Reductions are also made without having to reduce work comfort or productivity. Work from home and Flexy Work on Alternative Sites are also implemented in three places in Jakarta, Bintaro, and Bekasi to further reduce Greenhouse Gas (GHG) emissions. The ratification of the Paris Agreement which requires all countries including Indonesia to submit commitments for efforts to reduce GHG emissions is implemented through the enactment of Law Number 16 of 2016.

The Board of Commissioners is confident that the Company will continue to focus on implementing the Sustainable Finance Action Plan which is in line with the company's journey in achieving its vision of becoming "The Most Valuable Banking Group in Southeast Asia and Champion of Financial Inclusion" by 2025.

Sustainable Business Journey

BRI's Roadmap as a first mover contains the commitment to implementing sustainable finance principles not to just adhere to regulations (beyond compliance). This commitment is contained in the BRI Sustainable Finance Action Plan, among others, by conducting green funding, through collaboration with merchants for environmentally friendly products, and increasing investor attention on the company's implementation of sustainable finance. The Company will continue to map its sustainable business portfolio and provide loan to environmentally friendly business sectors.

Subsequently, the company will continue to carry out operational activities in a manner that is efficient and does not damage the environment. Awareness regarding sustainable finance will continue to be improved by conducting education and training for the BRILiaN Personnel and subsidiary companies as well as conducting community empowerment socialization about Sustainable Finance. Implementation can also be done through webinars or e-learning so that it remains environmentally oriented.

BRI continues to innovate in its products and services entering the era of banking digitization. BRI has formulated a customer-focused digital strategy. BRI has developed Big Data analysis capabilities so that it is able to offer products and services to customers according to their profile characteristics. In addition, BRI has also improved the supporting infrastructure

for digital banking, which provides banking services that are faster, easier, more convenient, safer and meet various customer transaction needs, supported by human capital capabilities that are able to maintain security and service reliability. Another strategy undertaken by BRI is to partner with the fintech sector as a partnership in order to offer a variety of business models tailored to the various needs of the customer segments.

In addition, BRI's business development is guided by long-term strategies for each business segment and company. The Company also focuses on growing and maintaining market share in the MSME segment. In general, with a focus on the 2021 theme of becoming a leading MSME service provider bank and achieving operational excellence through digital banking, BRI has been able to operate remarkably well.

On the other hand, BRI continues to be committed to implementing government programs through the BRI Agen BRILink who also distribute government assistance programs in remote areas so as to bring people closer with BRI as the provider of financial services. All of these strategies will help accelerate the digital transformation that is being carried out by BRI. BRI's main strategy in 2021 included reaching the entire network and realizing the pillars of the Sustainable Development Goals effectively and efficiently by utilizing digitization.

Expression of Gratitude

The Board of Commissioners believes that the implementation of the company's commitment to sustainable finance requires the support of various stakeholders, so that cooperation and collaboration from various parties is needed to drive the Company towards becoming a sustainable bank.

On behalf of the Board of Commissioners, we would like to give thanks for all the trust and support from various parties and stakeholders for all the achievement of targets in implementing Sustainable Finance and other sustainability performances. We also express our appreciation and gratitude to the

commitment of the Board of Directors and all the BRILiaN Personnel for all their hard work, commitment and shared goals towards sustainable development goal-oriented financial performance.

The Board of Commissioners hopes that BRI can achieve an even higher sustainability performance in 2022 because we believe that a new journey has begun for us to realize a sustainable financial future in accordance with ESG aspects. Transformation and maximum hard work are the key to thrive in this journey. We are confident that BRI will continue to move forward and ably face very dynamic changes in implementing sustainable banking.

Thank you.

Jakarta, February 2022
On behalf of the Board of Commissioners

Kartika Wirjoatmodjo
President Commissioner

BANK RAKYAT INDONESIA

Unlocking New Sources of Growth and Supporting the Achievement of Sustainable Finance

Sunarso
President director

Foreword by the **President Director**

[GRI 102-14] [GRI 102-15] [D.1]

Assalamualaikum Wr. Wb.

Dear shareholders and stakeholders,

Praise and gratitude we extend to the presence of God Almighty, because by His grace PT Bank Rakyat Indonesia (Persero) Tbk has been able to face the challenges of the global economy and adapt in the midst of uncertain world conditions due to the Covid-19 pandemic throughout 2021.

In the new normal conditions throughout 2021, the company remains responsible for carrying out various activities that support the Sustainable Development Goals (SDGs) and the Paris Agreement through which the international community has agreed to achieve sustainable business. The company is also still able to realize its commitment to sustainability performance by fully supporting the implementation of OJK Regulation No.51/POJK.03/2017 dated July 27, 2017 concerning the Implementation of Sustainable Finance for Financial Service Institutions (LJK), Issuers, and Public Companies.

To support these commitments, BRI has implemented a strategy by integrating all aspects of ESG (Environmental, Social and Corporate Governance) focusing on three aspects: (1) Assets, (2) Liabilities, and (3) operations and human resources. The Sustainability Strategy stipulated in the Decree of the Board of Directors No.: S.05 – Dir/EMP/07/2018 Concerning the Sustainability Policy of PT Bank Rakyat Indonesia (Persero) Tbk. With this strategic focus, BRI was able to show good performance in the midst of the pandemic throughout 2021. On the asset side, BRI has disbursed loans of Rp 943.7 Trillion or a growth of 7.2% (YoY). The quality of productive assets is also well maintained, as can be seen from the NPL ratio of 3.08%. Of the total loan disbursement, 65.1% was loan disbursed to borrowers under the Criteria of Sustainable Business Activities (KKUB), which consists of Micro, Small and Medium Enterprises (MSMEs) amounting to Rp 543.4 trillion and Environmentally Friendly Business Activities (KUBL) of Rp. 70.8 Trillion.

In terms of liabilities, BRI was able to raise Third Party Funds amounting to Rp 1,128 Trillion or a growth of 7.1% (YoY). As part of BRI's sustainability strategy in terms of liabilities, as of the end of 2021, the proceeds from the issuance of BRI's Sustainability Bonds issued in 2019 have been fully utilized for sustainable projects: 69% of the proceeds were used on social

projects and 31% for green projects. Meanwhile, in terms of operations and human resources, BRI continues to optimize all BRI digital initiatives such as BRISPOT (digital loan underwriting application), BRISTARS (digital office application), BRISMART (digital learning application), and so on to support reductions in paper, fuel and electricity. This 2021 sustainability report is a reflection of BRI's efforts to strengthen the company's performance base by implementing the principles of sustainable finance. In addition, this sustainability report is a manifestation of BRI's efforts in fostering and maintaining good relations with those around its vicinity, such as its stakeholders, employees, nearby communities and the environment. This report outlines various strategies, policies, and the company's successful performance in carrying out its responsibility for environmental, social, and corporate governance (ESG) aspects, which demonstrates BRI's ability to maintain its business sustainability in the future.

BRI's Support for Sustainable Development

Through the implementation of sustainable finance principles, BRI contributes and is committed to providing support for environmental conservation programs that are in line with the achievement of the Indonesian Government's targets in the Four Pillars of Sustainable Development. The Four Pillars of the SDGs were formulated by the Ministry of National Development Planning of the Republic of Indonesia and the National Development Planning Agency (Bappenas), which are comprised of the Social Development Pillar, the Economic Development Pillar, the Environmental Development Pillar, and the Legal Development and Governance Pillar.

In an effort to achieve the targets of the Social Development Pillar, BRI improves the quality of life and public health by reaching and empowering people

living in remote areas. BRI improves people's welfare and financial literacy in order to fulfill the targets of the Economic Development Pillar. Meanwhile, the target of the Environmental Development Pillar is achieved through the implementation of business activities and financing that helps preserve the environment and reduce the impact of climate change. The Legal Development and Governance Pillar is achieved through the implementation of audits of policies and their implementation, so as to create good corporate governance in accordance with applicable regulations.

Furthermore, we continue to innovate through the digitization of banking products and services to make it easier for customers to manage their finances, whenever and wherever they want to. We also continue to invest in IT infrastructure and develop the management of Data Privacy and Cyber Security to improve data security and ease of payments by consumers. We hope that these efforts will fulfill the principles of security and customer privacy while providing a pleasant and comfortable experience for customers in transacting using BRI products. The best performance is always shown by not only prioritizing the profit aspect but also by focusing on environmental sustainability.

We continue to innovate through digitizing our products and services to make it easier for customers to manage their finances whenever and wherever they want. One such product that customers can use is the BRImo Super Apps. In addition, we also continue to invest in IT infrastructure to improve data security and ease of payment by consumers. We hope that these efforts will fulfill the principles of security and customer privacy while providing a pleasant and comfortable experience for customers in transacting using BRI products. The best performance is always shown by not only prioritizing the profit aspect but also by focusing on environmental sustainability.

Strengthening Sustainable Resilience

In the future, economic conditions are predicted to be more dynamic. Therefore, BRI strives to strengthen the foundation of the company's performance by implementing the principles of sustainable finance. As

a 'First Mover on Sustainable Banking' BRI has begun to gradually implement a sustainability strategy which is expected to have a positive impact in accelerating the implementation of sustainable finance in Indonesia. In addition, BRI will focus on realizing integrated financial solutions for the community.

BRI understands the importance of implementing Sustainable Finance in order to remain persistent in competing in the rapidly growing banking industry. In the era of the Covid-19 pandemic, BRI's digitization efforts are an answer to customer needs to make it easier for them to get what they need.

In applying the principles of sustainable finance, BRI involves key stakeholders to ensure that BRI understands the sustainability impact of the activities it finances. BRI also strives to continuously improve the implementation of sustainable finance, one of which is by ensuring its implementation flows to all levels of the organization. In addition, the Board of Commissioners and the Board of Directors also play an active role in supervising and implementing ESG integration, including reviewing climate change risk opportunities that have an impact on BRI's financing activities. In 2021, BRI strengthened corporate governance by establishing an ESG Committee for the Board of Directors and the development of an ESG Desk organization that is responsible for the implementation of ESG and Sustainable Finance Practices at BRI. We have also held the ESG Committee Meeting for the first time in December 2021 which discussed the latest updates on global and domestic issues related to ESG risks, the implementation of sustainable finance, determining BRI's ESG aspirations and planning for BRI's strategy & ESG Roadmap going forward.

The implementation of sustainable finance is one of the answers to the current global challenge: climate change. Efforts to overcome these challenges are outlined by the international community through the Paris Agreement and the Sustainable Development Goals (SDGs). The Indonesian government has actively contributed to and has adopted the commitments contained in the two forums through regulatory policies at the national level. In addition, the Indonesian National Economic Development Plan formulated by Bappenas, the Ministry of Finance, and the Financial Services Authority (OJK) is also based on the two global commitments.

During the Covid-19 Pandemic, BRI made many breakthroughs in overcoming depressed business conditions, which have limited the mobility of all business actors in interacting and promoting their products. BRI swiftly implemented a debt restructuring program to support its customers, especially MSMEs, so that they were able to survive through the pandemic. At the same time, BRI also continues to optimize the benefits of infrastructure and information technology-based service products, and continues to look for new sources of growth for a more sustainable BRI business in the future.

BRI aspires "To be The Most Valuable Banking Group in Southeast Asia and Champion of Financial Inclusion" as a guiding light when formulating BRI's strategies and actions by 2025. This aspiration is an interpretation of BRI's true goal to be able to provide "Sustainable Value" to all stakeholders by continuing to grow strongly and sustainably. We recognize that strong growth requires new sources of growth. Therefore, in 2021 BRI made an extraordinary breakthrough with the establishment of the Ultra Micro Ecosystem by synergizing the strengths of BRI, Pegadaian, and PNM which have been known as the three companies with the competence in disbursing loans and financing to the MSME segment, especially the Ultra Micro segment.

In addition, BRI is aggressively establishing a digital technology-based business ecosystem, which allows all business customers to connect with their consumers in all corners of the country and even abroad. BRI has turned difficulties into opportunities for business development and has used innovation in optimizing the digital ecosystem as a means to show resilience in overcoming all business challenges.

Every year, BRI demonstrates its commitment to prioritizing services to the micro, small and medium

enterprise (MSME) segment. BRI consistently provides the best service to the largest economic segment which covers the largest number of Indonesians citizens by nurturing, empowering, and supporting them to optimize their competence in improving the welfare of their families and surrounding communities. To further strengthen our role in the implementation of Sustainable Finance through the enactment of SK NO.: S.118–DIR/EMP/02/2019 dated February 7, 2019, we also formulated and established a Sustainable Finance Action Plan (RAKB) as part of the implementation of sustainability. The RAKB is intended to support the achievement of BRI's performance, which is oriented towards the sustainable development goals. In line with the implementation of sustainability through the RAKB, BRI's contribution as a financial service institution in responding to climate change is to encourage financing for environmentally friendly sustainable business sectors/activities and the development of product portfolios that will support the National Action Plan for Reducing Greenhouse Gas Emissions (RAN-GRK).

Steady Steps to become a Development Agent

As one of the largest financial institutions in Indonesia, BRI continues to be committed in playing an active role and strengthening its steps as an agent of development. Internally, BRI continues to strive to improve the competence of its human capital, namely BRI employees whom we call BRIiaN personnel, through various education and training programs. With increasing employee competence, BRI will be able to provide better services so that customer satisfaction is achieved, which translates to higher customer loyalty. In addition to service quality, BRI is also committed to developing sustainable products using technology, as well as improving the implementation of good corporate governance. BRI believes that the combination of these steps and policies can enhance BRI's status as a sustainable bank that also acts as an agent of national development.

In the midst of increasingly fierce competition, BRI needs support and cooperation from various parties to be able to realize this commitment; BRI is optimistic in realizing its dream. Finally, we would like to thank all stakeholders, especially our customers and employees, who have given their trust and support thus far. We hope that this trust and support will continue to be given so that BRI is increasingly driven to realize sustainable banking.

Wassalamualaikum Wr. Wb.

Greetings to all of us.

Jakarta, February 2022

Sunarso

President Director

2021 Sustainability Report Responsibilities

Statement Letter of Members of the Board of Directors Regarding Responsibility for the 2021 Sustainability Report of PT Bank Rakyat Indonesia (Persero) Tbk. [GRI 102-32]

We, the undersigned, declare that all information in the 2021 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 2022

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

Indra Utoyo
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 Noorsanto
Director of Wholesale & Institutional Business

Arga Mahanana Nugraha
Director of Network & Services

Statement Letter of Members of the Board of Commisioners Regarding Responsibility for the 2021 Sustainability Report of PT Bank Rakyat Indonesia (Persero) Tbk. [GRI 102-32]

We, the undersigned, declare that all information in the 2021 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 2022

The Board of Commissioners

Kartika Wirjoatmodjo
President Commissioner

Rofikoh Rokhim
Vice President Commissioner/
Independent Commissioner

Rabin Indrajad Hattari
Commissioner

Nicolaus Teguh Budi Harjanto
Commissioner

Hadiyanto
Commissioner

R. Widyo Pramono
Independent Commissioner

Hendrikus Ivo
Independent Commissioner

Dwi Ria Latifa
Independent Commissioner

Zulnahar Usman
Independent Commissioner

Heri Sunaryadi*
Independent Commissioner

* May only carry out their duties after obtaining approval from the Financial Services Authority (OJK) via the Fit & Proper Test

About the Sustainability Report [GRI 102-40]

The preparation of the sustainability report is part of our efforts to convey the various achievements and challenges faced in meeting the targets of the Sustainable Development Goals (SDGs). In order to provide timely and accurate information, BRI has consistently published a sustainability report every year since 2013.

This report, which contains information for the period January 1 – December 31, 2021, is a continuation of the 2020 Sustainability Report published in March 2021. This report is published annually and does not restate data from the previous report. BRI hopes that the preparation of this sustainability report can become a routine venue in building stakeholder trust in the commitment to implementing the company's sustainable finance principles.
[GRI 102-48] [GRI 102-50] [GRI 102-51] [GRI 102-52]

Reporting Reference and External Initiatives [GRI 102-12] [GRI 102-12] [GRI 102-54]

In order to support the implementation of sustainability principles, the BRI Sustainability Report has been prepared in accordance with several policies and reporting standards as follows: [G.4]

- Financial Services Authority Regulation (POJK) Number 51/POJK.03/2017 concerning the Implementation of Sustainable Finance for Financial Services Institutions, Issuers and Public Companies;
- Financial Services Authority Circular Letter Number 16/SEOJK.04/2021 concerning the Form and Content of the Annual Report of Issuers or Public Companies;
- Global Reporting Initiative (GRI) Standards: this report has been prepared in accordance with the GRI Standards: comprehensive Option;
- Task Force on Climate-Related Financial Disclosure (TCFD);
- Sustainability Accounting Standard Board (SASB);
- Sustainable Banking Assessment (SUSBA);
- Carbon Disclosure Project (CDP).

In addition, BRI actively participates in external initiatives such as the Indonesian Sustainable Finance Initiative (IKBI). This initiative will help accelerate and improve the implementation of national Sustainable Finance.

We appreciate every input and suggestion for the improvement and progress of this report in the future.
Please contact: [GRI 102-53]

Aestika Oryza Gunanto
Head of Corporate Secretariat Division
Gedung BRI I

Jalan Jendral Sudirman No. 44-46
Jakarta 10210, Indonesia
Phone : +6221 575 2452
Facsimile : +6221 570 0961
Email : humas@BRI.co.id

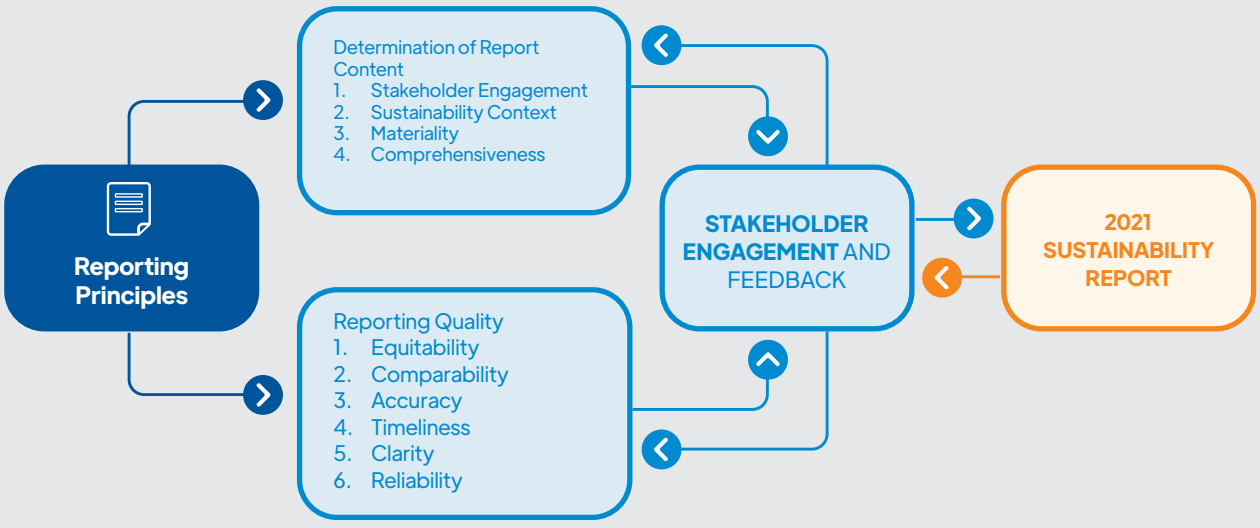
Independent Review and Verification

The assurance process begins with verification of a sample of documentary evidence and confirmation with the information sources involving all relevant work units and other related functions. The selection of an external assurer is in accordance with company policy to ensure that there is no conflict of interest with any party in accordance with the Company's Service Procurement Policy by Board of Directors no. KB.01- DIR/MAT/03/2020 concerning Fixed Asset Management Policy and Logistics (Catalog). The results of the assurance report are attached on page 235. [GRI 102-55]

This sustainability report has been verified by an independent party, CBC Global Indonesia. CBC Global Indonesia is an assurance institution that has been certified by the international level guarantee standard, the AA1000AS v3 standard with license number 000-310. BRI selected CBC Global Indonesia by considering its expertise and reputation, as well as the absence of a potential conflict of interest or business relationship with BRI. The selection was delegated by the Board of Directors to the SR drafting team, under the leadership of the Corporate Secretary. [GRI 102-56] [G.1]

This report has been reviewed, approved, and signed by the Board of Commissioners and Board of Directors which can be seen on page 30-31 to ensure that all material topics have been covered. [GRI 102-32]

In this report, we provide information on activities covering the economic, social, environmental and governance aspects of BRI without involving its subsidiaries. The following chart lays out the principles underpinning the reporting of the BRI Sustainability Report. [GRI 102-45, 102-46]



Establishing Materiality and Topic Boundaries [GRI 102-46]

In preparing this report, BRI paid attention to these processes necessary to identify topics relevant to stakeholders:

STEP 1

Sustainability Issues

BRI identified sustainability issues based on the standards of GRI, DJSI, SUSBA, SASB, etc. and analyzed issues from the previous year to form a collection of issues related to ESG factors.

STEP 2

Prioritization

Priority setting was carried out on the issues that had been identified. This process resulted in the determination of 10 issues that were considered to have an impact on BRI and the interests of stakeholders. Then, a survey was conducted through a materiality questionnaire distributed to internal and external stakeholders. The distribution of the materiality questionnaire was carried out from November to December 2021.

STEP 3

Validation

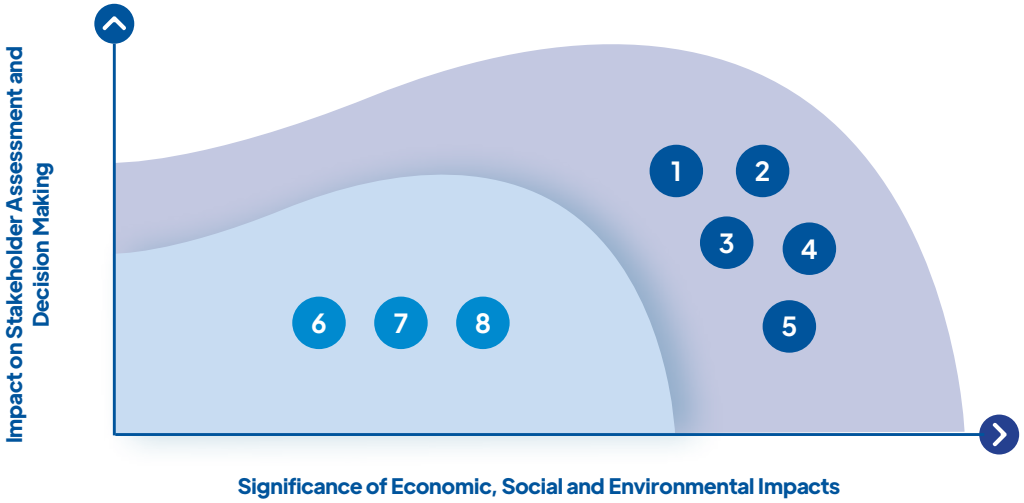
Based on the results of the materiality questionnaire, 8 material topics were selected which were then submitted to the Board of Directors and Board of Commissioners for approval

STEP 4

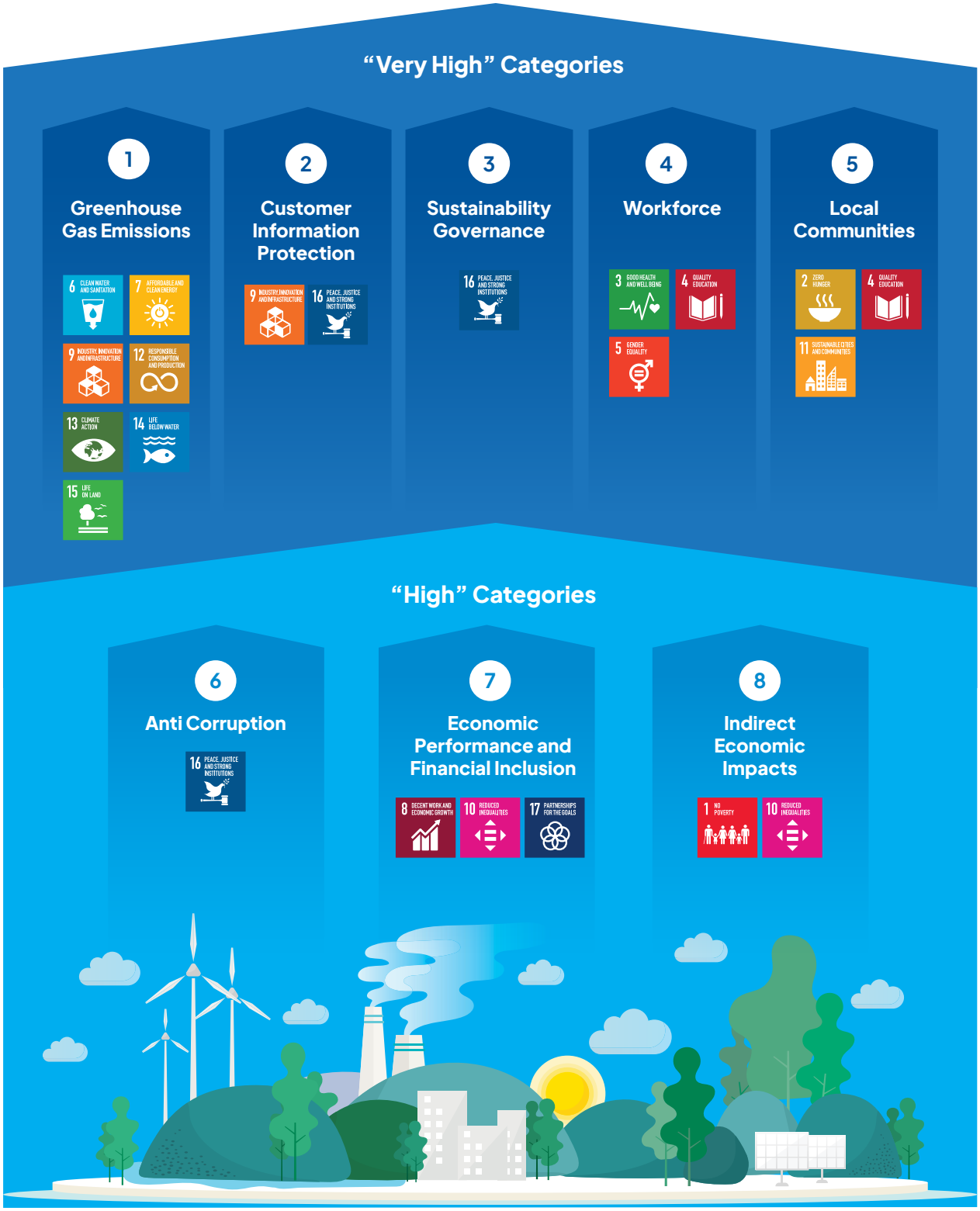
Material Topic Review

Eight material topics that had been approved by the Board of Directors and Board of Commissioners were reviewed and ranked into a priority scale from high to very high. Past reports were also reviewed.

Materiality Matrix



Material Topics and Contributions to the Sustainable Development Goals [GRI 102-47]



List of Material Topics and Boundaries [GRI 102-46] [GRI 102-47]

BRI determines material topics through the identification of sustainability issues that have an impact on BRI and the interests of stakeholders. There were 10 sustainability issues that required BRI's materiality assessment. Among the 10 issues, 8 were selected as material topics from the results of the materiality questionnaire. Therefore, this Sustainability Report focuses on 8 material topics to meet stakeholder expectations.

Environmental Sustainability Aspects [GRI 102-46] [GRI 102-47]

Material Topic	Important Information	Impact and Boundaries
Greenhouse Gas Emissions	• Calculating and Comparing Greenhouse Gas Emissions; • Energy Consumption; • Strategies in dealing with Climate Change; • Determination of Benchmark Year for Emissions; • Greenhouse Gas Emission Reduction per digitized product.	**Within the Company:** • Employees; • All BRI's Offices. **Outside the Company:** • Customers; • Regulators; • Investors.

Social Sustainability Aspects

Material Topic	Important Information	Impact and Boundaries
Workforce	• Number of employees and turnover rate; • Average hours of training per employee; • Employee safety and work adjustment during the pandemic; • Diversity and equal opportunity; • Improving staff competence for the implementation of social and environmental policies and procedures in the company's business activities. [FS4]	**Within the Company:** • Employees; **Outside the Company:** • Regulators;
Local Communities	• Community welfare improvement; • Products and services that embrace the community.	**Within the Company:** • Shareholders ; **Outside the Company:** • Customers; • Investors; • Regulators; • NGOs.

Material Topic	Important Information	Impact and Boundaries
Customer Information Protection	• Transparency in maintaining customer privacy and security; • Strategies for protecting customer information; • Sustainable product and service development.	**Within the Company:** • Shareholders **Outside the Company:** • Customers; • Investors; • Regulators; • NGOs.

Sustainability Governance Aspects

Material Topic	Important Information	Impact and Boundaries
Anti Corruption	• Transparency in anti-corruption policy implementation; • Anti-corruption and anti-fraud policies and procedures; • Company code of ethics.	**Within the Company:** • Shareholders; • Employees. **Outside the Company:** • Regulators; • Investors; • Customers; • Suppliers.
Sustainability Governance	• Strengthening the governance structure; • Opportunities and strategies in Environmental, Social and Governance (ESG) risk management • The establishment of the ESG Desk	**Within the Company:** • Shareholders; • Employees. **Outside the Company:** • Regulators; • Investors; • Customers; • Suppliers.

Economic Sustainability Aspects

Material Topic	Important Information	Impact and Boundaries
Indirect Economic Impacts	• Indirect economic impacts.	**Within the Company:** • Shareholders **Outside the Company:** • Regulators; • Investors; • Communities.
Economic Performance and Financial Inclusion	• Added economic value and transparency; • Green revenue from sustainability loans and bonds	**Within the Company:** • Shareholders **Outside the Company:** • Regulators; • Investors; • Customers; • Communities.

The material topics in the report are slightly different from those in the 2020 sustainability report. This year, the Implementation of Sustainable Finance is not a separate topic because the implementation is contained in every other material topic.

Conditions under the pandemic have driven BRI to strive to meet the interests of wider stakeholders, especially on efforts related to the calculation and reduction of emissions, as well as the efficiency of the company's energy use. We have made adjustments to certain information disclosed so that it is in line with the application of sustainable finance principles. [GRI 102-47] [GRI 102-49]

Stakeholder Engagement [E.4]

Stakeholders receive priority attention by BRI because they pose potential impacts to the company's operations and/or are affected by the company's activities. Strategically, stakeholders both individuals and groups participate in developing BRI and influencing its performance. Therefore, we always strive to build a harmonious relationship with the stakeholders.

Efforts to build harmonious relationships with stakeholders are carried out through various strategies, such as through building cooperation and synergy with stakeholders. RI also seeks to conduct intensive communication with stakeholders, as well as involve them directly and actively in discussing important issues faced by BRI.

Stakeholder engagement is identified through the approach of proximity and size of interest that influence and/or are influenced by the Company. Selection of topics is based on the results of management assessments, regulatory compliance, or through direct feedback from stakeholders via questionnaires, in-person communications, other forms of communications, or surveys. [GRI 102-42] [E.4] [FS12]

Identification of Relationships and Interactions with Stakeholders
[GRI 102-40] [GRI 102-43] [GRI 102-44] [E.4]

Stakeholder [GRI 102-40]	Selection Basis [GRI 102-42]	Engagement/ Communication Methods [GRI 102-43]	Meeting Frequency [GRI 102-43]	Topic [GRI 102-44]	BRI's Response
Customers	Economic relations	• Call Center Service; • Customer Satisfaction Survey; • Website & Frontline Information. • Materiality Questionnaire	• At all times; • Once every two years; • At least once a year. • Once a year.	• Banking transaction security; • Loans to Small and Medium Businesses; • Banking facilities and easy access; • Clear and transparent banking product and service information.	• Innovations of products and services according to needs and technological developments. • Provision and delivery of product and service information. • Storage and protection of customer data according to regulations. • Provision of manual and digital customer complaint services, and the methods of resolution. • Socialization of the implementation of sustainable finance

Stakeholder [GRI 102-40]	Selection Basis [GRI 102-42]	Engagement/ Communication Methods [GRI 102-43]	Meeting Frequency [GRI 102-43]	Topic [GRI 102-44]	BRI's Response
Investors	Economic, ownership and legal relations	• Performance Reporting; • Holding AGMs.	Regular meetings, at least once a year.	• Financial and non-financial performances; • Investment in an eco-friendly company	• Periodic provision of information on BRI's performance. • Direct communications or through analysis to ensure the delivery of material information. • Holding AGMs
Employees	• Legal & stakeholders who help achieve company goals; • Legal ties.	• Internal media (Portal), hotline via phone and email; • Employee Satisfaction Survey. • Materiality Questionnaire	• At all times • Once a year • Once a year.	• Employee rights • Equal opportunities • Career development • Fulfilling and enjoyable work experience.	• Preparation of Collective Labor Agreement. • Organizing training and developing employee capabilities, as well as establishing an assessment center. • Conducive and productive work environment. • Review and survey on employee welfare on a regular basis.
Employee Union	Legal ties	Collective Labor Agreement negotiations	Every two years	Employee rights, remuneration and benefits	• Equality and fairness to employees • Provide objectives to management through suggestions and criticisms.
Government	Legal obligations	• Reporting and notification to Bank Indonesia regarding compliance with Basel standards; • Sharia compliance reporting to the National Sharia Council; • Provision of ATMs to the disabled; • Preparation of RAKB and Sustainability Report;	At least once a year	• Compliance with laws and regulations; • Environmental & social risk analysis in lending; • Anti Bribery and Corruption (ABC), Anti Money Laundering (AML), Counter Financing of Terrorism, and Green Banking; • Inclusive banking; • Sustainable finance.	• Adjustment of internal policies and regulations, according to regulations issued by the government. • Implementation of GCG principles in all work units. • Submission of performance reports and the implementation of other activities: Sustainable Finance Action Plan Reports, Annual Reports, Sustainability Reports, PKBL Reports, and other reports.

Stakeholder [GRI 102-40]	Selection Basis [GRI 102-42]	Engagement/ Communication Methods [GRI 102-43]	Meeting Frequency [GRI 102-43]	Topic [GRI 102-44]	BRI's Response
Suppliers	Economic and legal relations	• Seminars and outreach • Materiality Questionnaire	• As needed • Once a year	Mutually beneficial relationships with suppliers through the implementation of a fair and transparent procurement process for goods and services	• Focus group discussions to derive inputs and concerns from suppliers • Sustainability reports and compliance with various environmental, social and governance reporting frameworks • Socialization of company policies on employment, anti-corruption, the environment, etc..
Business Associations	Legal relations and industrial interests	Meetings and activities at the national, regional and international levels.	Every four years	• Financial performance on investments in green companies • Non-financial performance • Operational activities towards business development	• Provide insight on business development and growth • Analyzing the impact arising from business in the digitization era.
Non-Governmental Organizations (NGOs)	• Social relations and social license; • Supporting the implementation of social responsibility; • Proximity to company	Strategic cooperation in BRI's concern for social aspects, reporting of partnership programs, and CSR	At least once a year	• Implemented and planned CSR programs; • Environmental impact and performance; • Opportunity to collaborate in CSR programs; • Company activity information; • Understanding of Sustainable Finance.	• Provision of information and submission of performance reports and the implementation of other activities: Annual Reports, Sustainability Reports, PKBL Reports, and other reports
The Media	Social relations and social license	Press releases and media events.	As needed, at least once every three months	• Financial and non-financial performances; • Environmental impact and performance; • Implemented and planned CSR programs; • Opportunity to collaborate in CSR programs.	• Providing information to the general public regarding the latest BRI activities and programs

Brief Profile of the Company

Organizational Profile
[GRI 102-1]

Name of the company:
PT Bank Rakyat Indonesia (Persero) Tbk.

Date and year of establishment :
December 16, 1895

Activities, Brands, Products, and Services
[GRI 102-2, 102-48] [C.4]

Activities :
Banking and Financial Services

Products and Services :
Information on BRI's products and services is available in its Annual Report and Sustainability Report which can be accessed through the Website http://bri.co.id

Headquarters
[GRI 102-3] [POJK51-3.b] [C.2]

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

Phone No. :
(62-21) 251-0244, 251-0254, 251-0264, 251-0269, 251-0279

Fax No. :
(62-21) 251-0244, 251-0254, 251-0264, (62-21) 250-0077

Legal Form and Ownership
[GRI 102-5] [C.3]

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

Operational Areas
[GRI 102-4, GRI 102-10] [C.3]

Covers 7 countries: Indonesia, United States (New York), the Cayman Islands, Hong Kong, Taiwan, Singapore, and Timor Leste.

Markets Served [GRI 102-6]

Service Recipients :
General Public, Government and Corporations

Business Segments :
Micro, Small, Medium and Corporate Groups

Geographic Segments :
Indonesia, Asia and North America

BRI's Operational Units [C.2]

Description	2019	2020	2021
Headquarters	1	1	1
Regional Offices	19	19	18
Special Branch Offices	1	1	1
Branch Offices	461	461	450
Overseas Branch/Representative Offices	5	5	6
Supporting Branch Offices	608	608	588
Overseas Sub-Branch Office	3	3	3
BRI Units*	5,382	5,382	5,222
Cash Offices*	952	547	525
Teras BRI and Teras Keliling*	2,182	1,999	1,829
Teras Kapal*	4	4	4
Number of Operational Work Units	**9,030**	**9,618**	**8,647**

Description	2019	2020	2021
ATMs	19,184	16,880	14,463
CRMs	3,809	5,809	7,407
AgenBRIlink	422,160	504,233	503,151

*) In accordance with POJK No.12/POJK.03/2021 concerning Commercial Banks which puts UKO BRI Unit, BRI Teras Cash Office, Teras Keliling, and Teras Kapal under the status of the KCP type UKO (Sub-Branch Office).

Products, Services and Business Activities [C.4] [GRI 102-2]

BRI's products and services generally consist of savings products, loans products and services in the financial sector with an operational area covering all of Indonesia.

Product		Service
Savings Products	**Loans Products**	
• Tabungan BRI Simpedes • Tabungan BRI BritAma • Tabungan BRI Junio & Junio Rencana • Tabunganku • SimPel (Simpanan Pelajar) • Deposito (Rupiah and Foreign Exchange) • Giro (Rupiah and Foreign Exchange)	• Kupedes • Kredit BRIguna • Home Ownership Loans • Credit cards • Commercial Retail Credits • Credit Programs • Medium/Corporate Credits	• Cash Management System • Institutional Services • Business and Financial Services • E-Banking • International Business Services • BRIfast Remittance • Treasury Services • BRI Prioritas

Complete disclosure of information about BRI's products, services and business activities as of the end of the reporting period is disseminated in the 2021 Annual Report which was published separately from this Report.

Vision, Mission and Values [GRI 102-16] [C.1]

Vision

"The Most Valuable Banking Group in Southeast Asia & Champion of Financial Inclusion"

Mission

a. Conduct the highest quality banking activities by prioritizing services to the micro, small and medium segments to support the improvement of the community's economy;

b. Provide excellent, customer-focused services through professional human resources, a performance-driven culture, reliable and future-ready information technology, and effective conventional and digital networks by applying operational principles and risk management excellence;

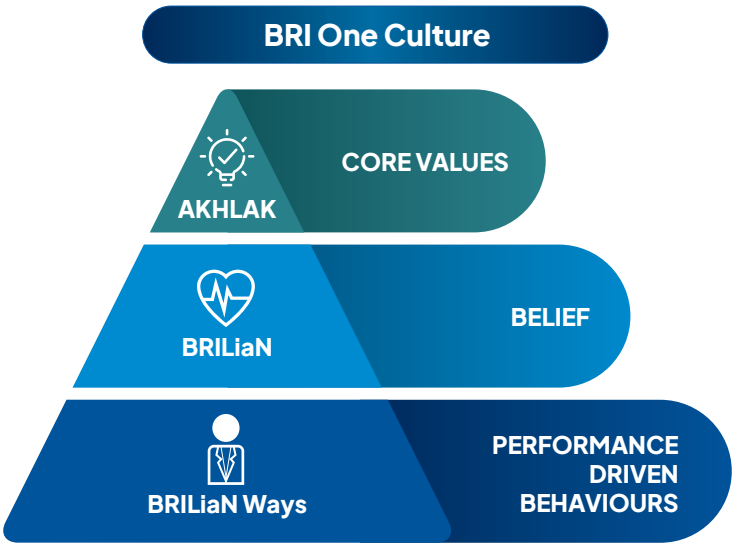
c. Provide optimal benefits and returns to interested parties (stakeholders) by taking into account the principles of sustainable finance and excellent Good Corporate Governance practices.

BRI reviews and evaluates its Vision and Mission every five years or as needed. In 2021, BRI also invited independent parties in the Board Retreat (in addition to members of its highest management – Board of Directors and SEVP) to review and evaluate the Vision and Mission as well as the achievement of several key indicators. The Company's Vision and Mission have been discussed and approved by the Board of Directors and the Board of Commissioners. [GRI 102-26]

Various challenges during 2021, whether caused by the Covid-19 pandemic, very fast technological developments, or internal growth challenges prompted BRI to make adjustments to its long-term plans to performance achievement strategies. For this reason, BRI has conducted a study on BRI's 2021–2025 Corporate Plan, which was later referred to as BRIVolution 2.0. As a result of this study, BRI made adjustments to BRI's vision for 2025, which is to become "The Most Valuable Banking Group in Southeast Asia and Champion of Financial Inclusion"

BRI's Culture [GRI 102-16] [F.1]

BRI One Culture is a guideline in implementing and building a strong corporate culture to achieve the company's vision. BRI One Culture consists of Core Values AKHLAK, BRILiaN Belief, and BRILiaN Ways.



In implementing the Internalization and Externalization of the work culture, BRI uses the Core values of the Ministry of SOEs, namely AKHLAK which is an acronym for Indonesian words: Amanah (Trustworthy), Kompeten (Competent), Harmonis (Harmonious), Loyal (Loyal), Adaptif (Adaptive) and Kolaboratif (Collaborative). In addition, there are keywords and guidelines for the BRILiaN Personnel's conduct/behavior in accordance with the Circular Letter of the Minister of State-Owned Enterprises (SOEs) Number: SE-7/MBU/07/2020 concerning Core Values of Human Resources of State-Owned Enterprises as follows :

A	K	H	L	A	K
Amanah	**Kompeten**	**Harmonis**	**Loyal**	**Adaptif**	**Kolaboratif**
Integrity, Sincerity, Consistency, and trustworthy	Highest Performance, Success, Achievements, Learning Agility, Expertise in their fields	Caring, Championing Diversity	Committed, Dedicated, willingness to sacrifice and contribute	Innovative, Enthusiastic for change, proactiveness	Willingness to cooperate and Synergy for better results

Core value AKHLAK along with behavioral guidelines for BRILiaN Belief and BRILiaN Ways are the key behaviors to ensure the achievement of the bank's performance.

- BRILiaN Belief is an embodiment of the BRILiaN Personnel who always maintains integrity and behaves professionally in carrying out their duties with mutual respect (Trust) to produce innovative BRI Group's services based on the Customer Centric spirit that provides added value for customers, communities and stakeholders
- BRILiaN Ways is the conduct of the BRILiaN Personnel in ensuring the achievement of the highest quality performance (performance-driven behavior). BRILiaN Ways can be adjusted by Subsidiaries, Associate Companies and Affiliated Companies according to the types of industry and company strategy.

BRILiaN Ways has the following values :

1. BRILiaN honest, sincere and respect for the rules
2. BRILiaN capable and reliable, continuously learning and developing themselves and others
3. BRILiaN working thoroughly with full responsibility oriented to the best performance
4. BRILiaN building productive collaborations
5. BRILiaN openness and respect to diversity
6. BRILiaN proactive, adaptive, innovative and oriented towards sustainable growth
7. BRILiaN empathy to understand customer needs and provide service beyond expectations
8. BRILiaN caring for the community and the environment

Scale of the Organization [GRI 102-7] [B.1] [C.3]

Description	Unit	2019	2020	2021
Number of employees	Persons	91,620	88,184	82,718
Net profit	Billion Rupiah	34,029	18,353	32,215
Revenue		143,852	138,389	152,228
Total assets		1,343,078	1,421,785	1,572,761
Total Third Party Funds (DPK)		969,760	1,052,664	1,127,849
Total Liabilities		33,779	39,107	55,306
Equity		203,665	194,359	286,418
Non-Third Party Funds (DPK)		169,662	174,762	158,495
Number of Operating Work Units	Units	9,030	9,618	8,647

BRI's workforce consists of permanent employees, contract employees and interns. They are all covered by the Collective Labor Agreements (PKB) for the period 2021–2022 which have been signed by everyone (100%) in BRI's workforce. The number of employees as of December 31, 2021 was 82,718 people, a decrease compared to 2020 at 88,184 people. Employees who are members of the BRI Labor Union as of the end of 2021 are 42,798 people or 70.2% of all permanent employees. [GRI 102-8, 102-41] [F.18]

This report does not include the number of other employees, namely outsourced employees employed in all of BRI's work units. Outsourced employees are included in the total number of employees calculated for energy efficiency. All employee-related data is compiled based on data held by the Human Capital Business Partner Division. [GRI 102-8]

In 2021, BRI employed 60,985 permanent employees, 21,620 contract employees and 113 trainees. All employees at BRI are full-time employees and there are no part-time employees. [GRI 102-8]

The composition of BRI's employees according to employment status is as follows :

Number of Employees by Employment Status [GRI 102-8] [C.3]

Description	2019		2020		2021	
	Male	Female	Male	Female	Male	Female
Permanent employees	41,763	20,0 05	42,010	20,378	40,843	20,142
Contract employees	10,543	19,318	8,773	16,923	7,456	14,164
Trainees	164	108	47	53	55	58
Total	52,297	39,323	50,830	37,354	48,354	34,364
	91,620		**88,184**		**82,718**	

The composition of employees based on locations is as follows :

Number of Employees by Placement Location and Gender [GRI 102-8] [C.3]

Description	2019		2020		2021	
	Male	Female	Male	Female	Male	Female
Jakarta	7,899	6,379	8,378	6,617	8,312	6,254
Sumatra	10,942	7,493	10,734	7,110	9,367	6,036
West Java	5,832	3,412	5,515	3,138	5,242	2,832
Central Java & DI Yogyakarta	8,503	6,534	8,327	6,148	8,144	5,755
East Java	7,206	5,837	6,976	5,543	6,754	5,211
East and Central Indonesia	11,882	9,662	10,870	8,792	10,495	8,270
Others	33	6	30	6	40	6
Total	52,297	39,323	50,830	37,354	48,354	34,364
	91,620		**88,184**		**82,718**	

The education level of the majority of BRI's employees is bachelor's degree and Diploma graduates. The composition of employees by education level is as follows :

Number of Employees by Education Level and Gender [GRI 102-8] [C.3]

Description	2019		2020		2021	
	Male	Female	Male	Female	Male	Female
Primary school	55	84	21	15	-	-
Junior high school	2	1	-	-	-	-
Senior High School	1,055	758	862	631	697	523
Diploma I-III	5,104	5,460	5,493	5,433	5,327	5,165
Bachelor's	45,080	32,687	43,311	30,885	41,188	28,283
Post Graduate	989	328	1,139	388	1,135	393
Doctoral	12	5	4	2	7	-
Total	52,297	39,323	50,830	37,354	48,354	34,364
	91,620		**88,184**		**82,718**	

Economic performance

The level of economic performance has a significant impact on the sustainability of BRI's business, making it fundamental to the decision making of stakeholders, especially investors. In 2021, BRI made a profit of IDR 32.2 trillion, up 48.1% from the previous year. Economic performance is also monitored by the internal audit and external audit teams who submit their reports periodically. The Director of Finance is responsible for the financial supervision and management. [GRI 103-1]

Disclosure of information on economic performance in 2021 was submitted in accordance with POJK guidelines in the form of a comparison between production targets and performance, portfolios, financing or investment targets, income and profit and loss; and comparisons between portfolio targets and performance, financing targets or investments in financial instruments or projects that are in line with the implementation of sustainable finance [GRI 103-2] [F.2]

Disclosure of information on economic performance in 2019-2021 was submitted in accordance with POJK guidelines in the form of a comparison between production targets and performance, portfolios, financing or investment targets, income and profit and loss; and comparisons between portfolio targets and performance, financing targets or investments in financial instruments or projects that are in line with the implementation of sustainable finance. [GRI 201-1] [F.2] [F.3]

Economic Performance Achievement Table (Rp Billion)

Description	2020	2021		
	Achievement	Target	Achievement	Percentage
Total Assets	1,421,785	1,505,916	1,572,761	104.44%
Earning Assets	1,343,563	498,426	1,504,797	104.25%
Loan/Bank Financing	880,685	944,978	943,703	99.87%
Third-Party Funds	1,052,664	1,108,523	1,127,849	101.74%
Total Income	139,565	146,326	152,194	104.01%
Total Cost	112,181	115,599	112,758	102,52%
Net profits	18,353	23,516	32,215	136.99%

BRI realizes that its economic success has an impact on sustainability performance because it affects the Company's capability to fulfill commitments to social and environmental issues. Therefore, BRI determines economic performance to be one of the material topics for the Company and its stakeholders. Even though the Company faced challenges related to the pandemic in 2021, BRI remains firmly committed and has fulfilled its responsibility to provide quality and innovative products and services to maintain and improve customer satisfaction. [GRI 103-1][GRI 103- 2] [F.2]

One of the strategies implemented in 2021, especially during this pandemic, was to provide loan restructuring to customers affected by the pandemic in accordance with POJK No.11/POJK.03/2020 of 2020 concerning National Economic Regulations as Countercyclical Policies for the Impact of the Spread of Covid-19 . During 2021, BRI has restructured the loans of 2 million customers affected by the economic impact of Covid-19 with a total loan outstanding of IDR 157 Trillion. [GRI 103-2] [F.1] [F.2]

BRI has carried out transparent financial reporting which is reported in its entirety in BRI's 2021 annual report. Business revenues earned were distributed to stakeholders through dividend payments to shareholders, payments of employee benefits, tax payments to the Government, and investments in the community. In this sustainability report, BRI demonstrates the direct economic value earned and distributed as shown in the table below. All revenues in 2021 came from banking services. There was no income derived from the opportunities and/or financial implications of climate change. BRI did not receive any financial assistance from the Government and did not spend on any political organizations, political activities, campaigns, lobbying, trade associations or tax-exempt groups.[GRI 201-2] [GRI 201-4] [F.1] [F.2]

Direct Economic Values Earned and Distributed (Rp Billion) [GRI 201-1]

Description	2020	2021
Interest Income	109,959	119,828
Non Interest Income	28,430	32,401
Non-Operating Income	(31)	(203)
Total Economic Value Directly Earned	**138,358**	**152,026**
Non-Interest Operating Costs ex. Employees	21,416	24,817
Labor Costs (ex. Out-sourcing)	24,980	29,961
Dividend Payments	20,623	12,125
Credit Interests and Bank Interests	34,812	24,008
Payments to the Gov-ernment (Taxes)	16,611	20,171
Investment Expenditure to the Community	264	270
Total Economic Value Directly Distributed	**118,706**	**111,353**
Retained Direct Eco-nomic Value	**19,652**	**40,673**

Comparison of Financial Performance Ratio for 2020–2021 (In %). [F.3]

Description	2020	2021		
	Realized Amount	Target %	Realized Amount	%
Performance Ratio				
Minimum Capital Adequacy Ratio	20.61	22.07	25.28	114.54%
Non-performing Earning Assets and Non-performing Non-Earning Assets to Total Earning Assets and Non-Earning Assets	1.82	N/A	1.77	N/A
Non-performing Earning Assets to Total Earning Assets	1.81	N/A	1.77	N/A
Allowance for Impairment Losses for Financial Assets Against Earning Assets	5.42	5.73	4.93	116.23%
Gross Non Performing Loans	2.94	3.38	3.08	109.59%
Net Non Performing Loans	0.80	0.97	0.70	138.04%
Return on Assets (ROA)	1.98	2.23	2.72	121.97%
Return on Equity (ROE)	11.05	10.92	16.87	154.49%
Net Interest Margin (NIM)	6.00	6.48	6.89	106.32%
Rasio Efisiensi (BOPO)	81.22	79	74.3	106.32%
Nilai Liquidity Coverage Ratio (LCR)				
a. LCR Secara Individu	256.21	85	219.33	258.04%
b. LCR Secara Konsolidasi	241.02	85	218.33	256.85%

Description	2020	2021		
	Realized Amount	Target %	Realized Amount	%
Loan to Deposit Ratio (LDR)	83.66	85.25	83.67	98.15%
Capital Adequacy Ratio (CAR)	20.61	22.07	25.28	114.58%
Credit Cost Nett	2.46	2.63	2.45	107.50%
Cost to Income Ratio (CIR)	45.40	46.08	43.26	106.52%

BRI transparently publishes the Company's financial and non-financial situations and reports to regulators in accordance with applicable regulations. Publication of financial and non-financial situations is conveyed to the public either through print media or on the Company's website (www.bri.co.id/laporan).

Supply Chain and Procurement Practices Towards Sustainability

[GRI 102-9] [GRI 102-10]

BRI does not only use internal resources in running its business; it utilizes third party suppliers of goods and services to support its overall operations. Relevant suppliers include suppliers of information technology and computers, stationery and office equipment, consulting services, communication and design services, event organizers, and others. During the reporting period, there were no significant changes related to the size, structure, ownership or supply chain of BRI. All third parties that are BRI's business partners have met the prerequisites and have met the requirements stipulated by the Fixed Asset Management and Procurement Policy and the Conditions for Registration of BRI Goods and Services Provider Partners. [GRI 103-1]

Throughout 2021 BRI has 69 new suppliers and there was no negative impact on the environment in the supply chain. BRI always strives to ensure the fulfillment of required documents when selecting suppliers including signing an anti-bribery statement as a selection requirement. In the future, BRI will consistently implement supplier selection using environmental requirements as an added criteria for suppliers and evaluate their compliance with environmental and social requirements. BRI has conducted a human rights assessment of its operations and of all suppliers, including ensuring that prospective partners do not employ any child labor [FS1] [FS3] [FS5] [GRI 205-2]

The table below lists suppliers who already have a BRI Registration Certificate (SKT). The SKT is an integrated part of the BRI Partner Management application and is in accordance with BRI's Fixed Asset Management and Logistics Policy. The issuance of SKT is carried out selectively to prospective partners who are deemed proper and meet the stipulated requirements, and is not limited to certain business activities as long as the products/services provided are required by BRI. [FS3]

Supplier Data by Region 2021 [GRI 102-9]

No	Region	Property	Vehicles	Office Equipment	Furniture	Inventory	IT	Printing	Advertising	Other Items	Other Services Consultants	Total Vendor
1	Aceh	5	-	-	-	-	-	-	-	-	-	5
2	Lampung	3	-	-	-	-	-	-	-	-	-	3
3	Bandung	26	1	-	-	1	6	2	1	2	1	40
4	Banjarmasin	-	-	-	-	-	-	-	-	-	-	0
5	Pekanbaru	8	-	-	-	-	-	-	1	-	1	10
6	Yogyakarta	23	-	1	-	3	1	2	-	-	-	30
7	Malang	6	-	-	1	-	-	-	-	-	-	7
8	Denpasar	7	-	-	-	1	-	1	1	-	1	11
9	Manado	13	-	-	1	-	-	-	-	-	-	14
10	Surabaya	21	-	1	2	1	-	-	-	-	-	25
11	Semarang	13	-	1	-	3	1	1	-	-	-	19
12	Headquarters (Jabodetabek)	171	23	14	8	37	259	55	29	13	94	703
13	Medan	21	-	-	-	1	1	5	-	1	1	30
14	Jayapura	2	-	-	-	1	-	-	-	-	-	3
15	Makassar	11	-	-	-	-	-	-	1	-	-	12
16	Padang	7	-	-	-	2	-	-	-	-	-	9
17	Palembang	9	-	1	-	1	-	1	-	-	-	12
	Total	**345**	**24**	**18**	**12**	**52**	**268**	**67**	**33**	**16**	**98**	**933**

There were 864 suppliers in 2020 according to data on suppliers. This number increased as a whole as of the end of 2021 where there were 933 business entities in total that were part of the BRI supply chain.

Disclosure of information related to this supply chain includes suppliers for all BRI office units spread throughout Indonesia. The suppliers used by BRI work units are related to property, IT, inventory, vehicles, printing, advertising, furniture, office machines, other goods and other service consultants.

Percentage of Transaction Amounts of Goods and Service Procurements by BRI's Suppliers [GRI 204-1]

Segment	2019	2020	2021
Domestic Suppliers	94.47%	99.76%	98%
Overseas Suppliers	5.53%	0.24%	2%
Jumlah	**100%**	**100%**	**100%**

Note : The data above is a summary by the Headquarters

BRI prioritizes good corporate governance; the procurement of goods and services at BRI is based on the principles of efficiency, effectiveness, competitiveness, transparency, fairness and equanimity, transparency and accountability. In addition, procurement at BRI is also guided by procurement ethics such as avoiding and preventing wastage and leakage of state/company finances, avoiding and preventing abuse of authority and/or collusion, and/or not accepting, not offering, or not promising to give or receive gifts, rewards, commissions, rebates, and anything from or to anyone known or reasonably suspected to be related to the procurement of goods and services[FS3] [FS9]

Membership of Associations [GRI 102-12] [GRI 102-13] [C.5]

BRI is an active participant in relevant organizations and associations in an effort to further understand the development of the business environment, expand business relationships, and strengthen its existence. This membership also aims to provide BRI with updated information and discussions on topics related to the Environment, Social and Governance (ESG).

BRI's membership in a number of associations that are relevant to its business has a strategic significance for the Company, which is in order to achieve sustainable integrity in the current banking world and to synergize to continuously develop sustainable resilience, knowledge and experience. BRI does not contribute financially other than by paying regular membership fees. As of the end of 2021, BRI is listed as a member of the following associations:

Association Membership Table

Association Name	Objective	Membership Position
Association of State-Owned Banks (HIMBARA)	BRI's membership in a number of asso-ciations that are relevant to its business has a strategic significance for the Company, which is in order to achieve sustainable integrity in the current banking world and to synergize to continuously develop sustainable resilience, knowledge and experience. BRI does not contribute financially other than by paying regular membership fees	Chairman
Domestic Bank Association (Perbanas)	To formulate banking-related policies.	Deputy General Secretary
Compliance Directors' Communication Forum (FKDKP)	A venue for exchanging information on Bank Indonesia's regulations/policies and international banking standards.	Treasurer
Indonesian Payment System Association (ASPI)	To optimize functions and professionalism in the implementation of good corporate governance.	Supervisory Board Member
Indonesian Sustainable Finance Initiative (IKBI)	To optimize functions and professionalism in the implementation of good corporate governance.	Chairman

Significant Changes [GRI 102-10]

During 2021, there was the addition of a 6th overseas branch office in Taiwan, the addition of 2 subsidiaries in the Ultra Micro Ecosystem (Pegadaian and PNM), as well as changes in the composition of BRI's share ownership, namely the Indonesian Government by 53.19% and the Public by 46.81%. There were no significant changes related to supplier locations and supply chain structure in 2021.

Loan Disbursement

Broadly speaking, BRI's business portfolio consists of loans and deposits. As of the end of the reporting period, lending per segment and total deposits showed significant growth. Lending is carried out through the application of the prudential principle by maintaining the ratio of non-performing loans (NPL). The NPL rate at the end of 2021 reached 3.08%, which is higher than 2020 by 2.94%. The NPL value is still below the threshold set by Bank Indonesia at 5%.

Non-Performing Loan Rate [SASB FN-CB-240.a.2] [FS6]

Year	NPL Rate Percentage
2019	2.62%
2020	2.94%
2021	**3.08%**

In lending, BRI expands the range of loan to various segments that can support the development of economic performance. BRI classifies lending into several segments:

Loan Composition by Segment (Rp Trillion) [SASB FN-CB-410.a.2] [FS6]

Segment	2019		2020		2021	
	(Rp Trillion)	%	(Rp Trillion)	%	(Rp Trillion)	%
Micro	307.72	36	351.36	40	396.96	42
Consumers	140.50	16	143.68	16	149.38	16
Small	198.66	23	197.23	23	204.14	22
Medium	21.55	3	19.42	2	20.80	2
Corporates	191.14	22	168.99	19	172.42	18
Total	**859.56**	**100**	**880.67**	**100.00**	**943.70**	**100.00**

The growth of lending per region in Indonesia can be seen in the following table :

Table of Loan Composition by Region in Indonesia (in Rp Trillion) [SASB FN-CB-410.a.1] [FS6]

Region	2019	%	2020	%	2021	%
Jakarta Area	251.61	29.27	211.82	24.05	237.27	25.14
Sumatra Area	142.33	16.56	137.18	15.58	150.23	15.92
West Java Area	67.51	7.85	100.81	11.45	81.86	8.67
Central Java Area & DI Yogyakarta	95.13	11.07	105.27	11.95	116.16	12.31
East Java Area	92.07	10.71	103.7	11.78	116.29	12.32
East and Central Indonesia	199.24	23.18	214.12	24.31	229.90	24.36
Others	11.64	1.35	7.76	0.88	11.99	1.27
Total	**859.56**	**100**	**880.67**	**100**	**943.70**	**100**

The growth in the loan disbursement is not only seen in regions in Indonesia, but also in territories outside Indonesia. Details are as follows:

Loan Composition by Region Outside Indonesia (Rp Trillion) [SASB FN-CB-240.a.1] [FS6]

Region	2019	%	2020	%	2021	%
New York	7.90	65.29	6.95	60.83	6.80	56.62
Singapore	3.35	27.70	3.66	32.01	4.45	37.06
Timor Leste	0.85	7.01	0.82	7.16	759.35	6.32
Total	**12.10**	**100.00**	**11.42**	**100.00**	**12.01**	**100.00**

BRI's loan distribution by the business sector segmentation is detailed as follows:

Loan Composition by Business Sector (Rp Trillion) [FS6]

Economic Sector	2019	%	2020	%	2021	%
Government Administration, Land Admin-istration, and Mandatory Social Security	5.31	0.62%	1.33	0.20%	0.69	0.07%
Process Manufacturing	68.13	7.92%	82.25	9.30%	91.88	9.74%
Social, Cultural, Entertainment and Other Personal Services	28.88	3.36%	34.93	4.00%	44.63	4.73%
Health Services and Social Ac-tivities	7.15	0.83%	3.11	0.40%	3.44	0.36%
Education Services	1.49	0.17%	0.78	0.10%	0.76	0.08%
Individual Services to Households	1.64	0.19%	1.42	0.20%	1.15	0.12%
Activities with Unclear Boundaries	8.48	0.99%	9.67	1.10%	15.57	1.65%
Construction	38.14	4.43%	36.48	4.10%	31,81	3.37%
Electricity, Gas and Water	39.7	4.61%	35.81	4.10%	34,83	3.69%
Non-Business Loan Recipients	211.38	24.56%	221.17	25.10%	220.93	23.41%
Providers of Accommodations, Foods and Beverages	9.72	1.13%	14.3	1.60%	17.59	1.86%
Financial Intermediaries	8.8	1.02%	7.18	0.80%	8.13	0.86%
Wholesale and Retail Trade	283.17	32.90%	283.19	32.20%	309.28	32.77%
Fishery	5.25	0.61%	6.78	0.80%	8.69	0.92%
Mining and Excavation	15.71	1.83%	7.87	0.90%	8.2	0.87%
Agriculture, Hunting and Forestry	96.98	11.27%	104.76	11.90%	117.19	12.42%
Real Estate, Rental Business and Company Services	11.53	1.34%	10.3	1.20%	9.2	0.97%
Transportation, Warehousing and Communication	19.12	2.22%	19.31	2.20%	19.74	2.09%
Others	0	0.00%	0	0.00%	0	0.00%
Total	**859.56**	**100%**	**880.67**	**100%**	**943.7**	**100%**

BRI's lending to the MSME segment reached Rp 771.3 trillion by the end of the reporting period, accounting for 81.7% of the total loans issued worth Rp 943.7 trillion. The strategy as of the end of 2021 was to channel loan to MSME actors and carry out sustainable development including financial education. This strategy is expected to empower MSME actors so that they can move up into the medium and large segments. BRI as an agent of development provides financing to MSME players through People's Business Loan (KUR) and KUPEDES. [SASB FN-CB-240a.1]

Proportion of MSME Segment Loan Distribution (Rp Trillion) [FS6]

Description	2019	2020	2021
Total MSME Segment Loans*	668.42	712.24	771.28
Total Credits Disbursed	859.56	880.67	943.70
Percentage	77.76%	80.87%	81.73%

*Note: *MSME segment loan refers to BRI's total loan excluding the corporate loan segment*

Micro KUR is a financing facility for MSME actors, with a maximum loan limit of IDR 50 million. The following is the performance of KUR Micro at BRI: [GRI 203-2]

Realization of Micro Loan Disbursement [GRI 203-2] [SASB FN-CB-240a.2]

Description	2019	2020	2021
Number of Mantri (Individuals)	12,187	12,804	27,269
Number of Customers (Borrowers)	4,004,066	4,351,148	5,320,826
Distribution Realized (Rp Trillion)	75.71	116.93	163.19

**the number of Mantri increased significantly because of the 2021 policy of Mantri re-segmentation in which Mantri is no longer divided by segment but they can all carry out KUR realization*

The disbursement of Micro KUR loan can also be classified by sector: [GRI 203-2] [SASB FN-CB-240a.2]

Realization of Micro KUR Disbursement by Sector (Rp Trillion) [GRI 203-2] [SASB FN-CB-240a.2]

Description	2019	2020	2021
Production	40.02	70.2	96.36
Non Production	35.69	46.01	66.83
Total	**75.71**	**116.93**	**163.19**

Number of Micro KUR Borrowers by Sector [GRI 203-2] [SASB FN-CB-240a.2]

Description	2019	2020	2021
Production	2,126,776	2,717,963	3,175,086
Non Production	1,877,290	1,633,185	2,145,740
Total	**4,004,066**	**4,351,148**	**5,320,826**

KUPEDES Is a general loan that can finance the micro segment of any economic sector. The financing can be used for working capital needs and/or investment to individual borrowers/individuals who meet the requirements. The outstanding of KUPEDES in 2021 reached Rp 131,760 trillion.

KUPEDES Performance Table

Description	2019	2020	2021
Number of Customers (Borrow-ers)	3,943,789	3,486,271	2,769,206
Outstanding (Rp Trillion)	155,134	144,653	131,760

Sustainable Finance Implementation

BRI prepares the Sustainable Finance Action Plan (RAKB) in compliance with the Financial Services Authority Regulation (POJK) No. 51/POJK.03/2017 concerning the Implementation of Sustainable Finance for Financial Service Institutions, Issuers and Public Companies. The RAKB becomes a guideline in implementing sustainable finance; the activities listed in the RAKB are Environmentally Friendly Financing, Environmentally Friendly Funding, BRI Peduli Program, and Environmentally Friendly Operational Activities. [FS1]

The preparation of the RAKB is directly supervised by the Director of Risk Management, with members of the steering committee consisting of the Director of Finance, Director of Corporate Business, Director of Small, Retail & Medium Business, and Director of Compliance; assisted by the Sustainable Finance team from the EMP Division, CDS, SKP, BUMN 1 and 2, Agribusiness, Retail and Medium Business, Compliance Division, ARK Division, KRD Division, and the BRI internal audit work unit.

Adjustments to BRI's vision and mission at the operational policy level include sustainability initiatives towards sustainable banking. So far, BRI has implemented the concept of sustainable finance (SF) and stated its commitment to the implementation of the principles of Sustainable Finance. BRI is one of the First Movers on Sustainable Banking initiated by the Financial Services Authority (OJK). BRI also implements environmental, social and governance (ESG) risk management in line with the banking principles of prudence. [GRI 102-12] [FS9]

BRI is committed to implementing environmentally friendly financing through Green Banking, which is a financing activity that emphasizes the adherence with the compliance with sustainability aspects from business actors who receive financing from the Bank. BRI has developed an environmentally friendly financing policy for the Palm Oil sector. In addition to paying attention to environmental requirements, the Bank also focuses on the social aspects of oil palm financing, including mapping of plantation areas to

avoid overlapping with surrounding communities and conservation areas. BRI palm oil borrowers are required to have registered or been certified by the Roundtable Sustainable Palm Oil (RSPO) and Indonesia Sustainable Palm Oil (ISPO). This requirement applies to all corporate borrowers. [GRI 102-12] [FS2] [FS3]

Throughout 2021, BRI has succeeded in implementing all planned programs and maximizing the implementation of the RAKB, including the following: [F.25] [GRI 102-12]

Activity	Description of Activity	achievement
Mapping "Green" Borrowers	Mapping the number of corporate borrowers that have complied with the Environmental Certification according to the requirements of their respective industrial subsectors.	There are now 28 borrowers with environmental certifications.
Credit Policy Review	Review of credit policies that lead to sustainable finance.	A review of the lending policy for the corporate segment was conducted by adding aspects of ESG assessment and a risk assessment matrix in the palm oil and manufacturing sectors in the borrower loan analysis report.
Green Energy Financing	Financing for green/renewable energy sectors.	The outstanding financing portfolio for borrowers in the renewable energy business category increased to 956 billion in 2021 (Delta Dec 20 – Dec 21).
"Green" Merchant Cooperation	Cooperation with merchants with environmental certifi-cations on environmentally friendly products as BRI Priority customers. [FS2]	Product sales collaborations with six merchants with environmentally friendly prod-ucts were launched. ESG aspects were also implemented in business processes.
Digital Saving Initiative	Increase in low-cost funds by opening a savings account through a digital application.	A digital saving account opening system is now available through BRImo using the Privy ID line; the number of accounts opened during 2021 reached 1,122 million accounts, with a total balance of 2.5 trillion Rupiah.
Ecosystem Banking Initiative	Payment systems for paying school and university fees, local taxes and other administration fees that can be done online through the application.	An online school payment system is now available. Collaboration was launched with educational websites/applications (Didiq).
Sustainable Product Audit	Implementation of audits on policies and implementation of sustainable products/activities in BRI work units from a business and operational perspective.	Thematic audits were carried out on products with ESG aspects, namely echannels (ATM, CRM, EDC, etc.) and BRILink, and corporate borrowers that are included in the green category.
Less Plastic Campaign	Campaign for reduction in the use of plastics at BRI's headquarters.	A campaign to all BRILiaN Personnel through BRI social media (Bristars, Instagram, etc.).
Flexy Work on Alternate Site	Implementing a culture of work flexibility through alternative sites as an effort to minimize the spread of Covid-19.	Three alternative sites in Jakarta, Bintaro, and Bekasi were set up for employees to use .

Activity	Description of Activity	achievement
Sustainability Learning	Implementation of education programs for BRI Employees using self learning method through the BRISMART website and application on Sustainable Finance to increase Employees' knowledge capacity.	An E-Learning program on Sustainable Finance was attended by a total of 63,711 employees.
Instilling Sustainable Finance Culture	Integration aspects of environmental and increasing awareness of employees related sustainability through awarding programs called BRI Sustainable Finance Awards.	BRI Sustainable Finance Awards program was implemented through the assessment criteria for SF paper writing and implementation of activities that support the ESG aspect with participants from the Head Office Work Unit, Regional Office, and Regional Audit Office.
Talent Pooling	Equal opportunities in BRILiaN talent development to produce specialization in various fields.	The Talent Pooling program was implemented based on the field of expertise for seniorlevel employees to train them to become Subject Matter Experts (SME).
Socialization of Sustainable Finance to Customers [FS16]	Outreach to customers regarding the importance of environmental certification/ permits & sustainable finance.	Sustainability Awareness outreach was carried out in November 2021 through a sharing webinar session which was attended by Middle & Corporate Segment Borrowers, as well as BRI's employees with a total of 93 participants.
Community Empowerment	The realization of community empowerment through education and training conducted through Rumah BUMN, linkumkm, as well as direct assistance by Mantri on financial literacy, business literacy, and digital literacy.	Community Empowerment activities were carried out in the form of Rumah BUMN training which reached 1,271 training activities, of which 49 activities were specifically related to green activities, with the result of 11,758 new MSMEs who are members of Rumah BUMN in 2021.
Subsidiary Collaborations	Capacity building activities through sustainable finance seminars / webinars in collaboration with Subsidiaries.	Webinars / sharing sessions were held in July 2021 with top management of all subsidiary companies regarding Sustainability Awareness.

As a company that is engaged in financial products and services, BRI realizes that the provision of products and services will have a direct or indirect impact on sustainability issues. These issues include risks related to water (floods, water scarcity, pollution, marine environment), risks related to human rights and impacted local communities, risks to labor rights and Occupational Health and Safety (OHS), biodiversity and deforestation in customer activities. BRI is committed to monitoring the distribution of funds provided and strives to always provide sustainable financial products and services. [FS6]

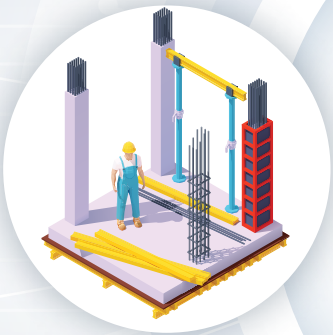
Formulating the Future of BRI

BRIVOLUTION 2.0

Along with the recovery of the world economy, the Indonesian economy is also projected to enter a recovery phase. The national banking system is believed to be able to grow positively. Expectations of economic recovery are supported by accommodating government policies to increase public demand and purchasing power, which in turn is able to boost loan demand. In addition, the government has implemented the Covid-19 vaccination program which is expected to be a positive catalyst in accelerating economic recovery.

The revival of the national economy and the banking sector shows that BRI's business prospects will continue to improve. This is in line with signs of recovery in loan disbursement which is beginning to increase and the improving trend in profitability. Nevertheless, BRI remains alert to future trends in loan quality by conducting close monitoring and establishing adequate reserves to anticipate deterioration in loan quality. BRI is optimistic to face the future with reviewing the BRIVolution transformation program 1.0. and sharpen it to BRIVolution 2.0. BRIVolution 2.0 is designed to strengthen the core business of the BRI Group and accelerate the new growth engine that will lead BRI to achieve its strategic vision, which is to become "The Most Valuable Banking Group in Southeast Asia and Champion of Financial Inclusion".

BRI's Transformation Phase



Strengthen

"Strengthen the core for growth"

Scale up & Scope up

"Scale up new growth engines and beyond banking"

Sustain

"Sustain top-tier position in Southeast Asia"

2021 – 2022

In the "Strengthen" phase, BRI formulates a strategy to strengthen all aspects of its core business to ensure future growth. In strengthening the fundamentals at BRI and its subsidiaries, it is necessary to increase the distribution network, IT, HR, culture, risk management, and all components that support the business. BRI is also resilient in dealing with the impact of the Covid-19 pandemic through a selective growth strategy, maintaining asset quality, and increasing efficiency.

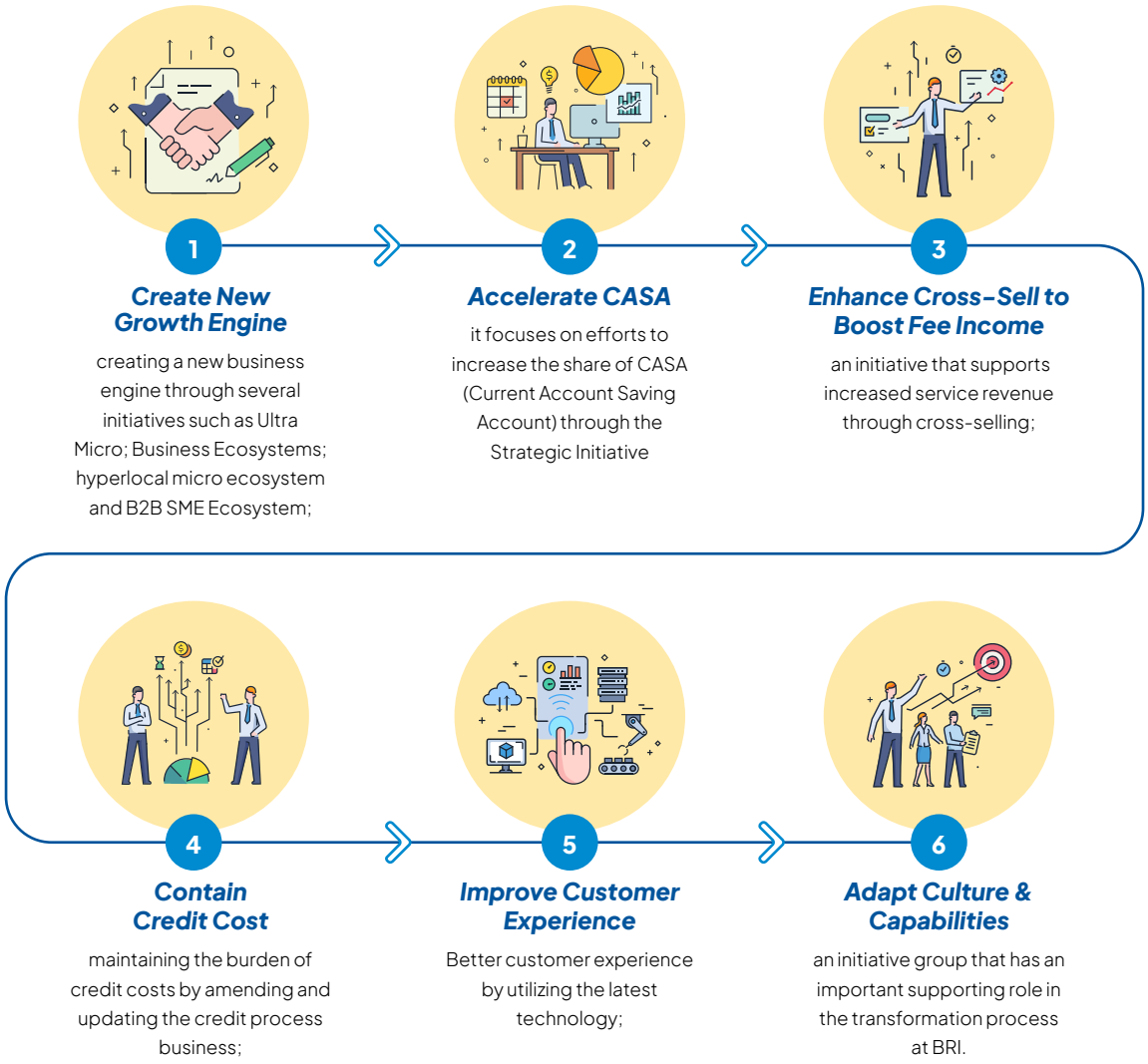
2023 – 2024

In the "Scale up & Scope up" phase, BRI and its subsidiaries focus on growth rates and expanding new scopes including offering products and services through digitization. In 2023, BRI expects its subsidiaries to contribute more than the previous year to achieve profitability. Then in 2024, BRI will strive to become a leader in banking transactions by developing digital products and services.

2025 onwards

In the "Sustain" phase, BRI is expected to have grown and developed into a bigger and stronger company that 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 to create economic and social value for all of the company's stakeholders.

In order to achieve the Company's vision and mission by 2025, BRI has determined 6 (six) main strategies called 6Cs, namely:



BRIvolution 2.0 is expected to improve the structure of BRI's balance sheet and profit and loss through improving the structure of funds, controlling the quality of productive assets, diversifying income, increasing network productivity through business process efficiency, increasing employee productivity, implementing operational excellence through business process reengineering and improving IT & Information Management System, and continuing developing SOE synergy to improve efficiency.

SUSTAINABILITY STRATEGY

In order to achieve its sustainability goals, BRI has issued a Board Decree to guide the implementation of a sustainability strategy in all levels within BRI: [GRI 102-26]

1. Decree: 17 - Dir / DMR / 04/2017 pertaining to the Sustainability Implementation Strategy of PT Bank Rakyat Indonesia (Persero) Tbk.
2. Decree: S.05 - Dir / EMP / 07/2018 pertaining to the Sustainability Policy of PT Bank Rakyat Indonesia (Persero) Tbk

BRI'S COMMITMENT AS A FIRST MOVER ON SUSTAINABLE BANKING

- To formulate loan policies and to consistently implement such policies in environmentally friendly and certified sectors. [FS2]
- To manage company operations efficiently and in an environmentally friendly manner. [FS1]
- To apply prudential banking principles in its business operations and activities. [102-12][FS9]
- To support the development of priority sectors, namely sectors with high multiplier effects such as energy, agriculture, manufacturing, infrastructure, and MSMEs. [FS6] [FS10]
- To develop staff competency in understanding social and environmental policies and procedures and their application in every BRI business activity. [FS4]
- To provide financial access to all communities including those who are economically less developed or in remote areas. [FS13] [FS14]
- To participate in community development, education, training and empowerment to create a sustainable environment such as through planting and environmental restoration and conservation.

Mapping the Sustainable Development Goals

Climate Change causes global warming and has since become the center of attention from all sectors, including banking. Banking is not only concerned with economic growth, but it also pays attention to social and environmental risks because they can significantly affect successful sustainability. In accordance with BRI's commitment, banking activities implement financing with environmental, social, and governance perspectives which are continuously improving from year to year. Mapping the Sustainable Development Goals is a form of BRI's contribution and support for its achievement.

Implementation of Activity	Impact	Coverage in Report Chapter	SDGs
• BRI together with Pegadaian and Permodalan Nasional Madani (PNM), which are members of Holding Ultra Mikro (UMi), continue to accelerate. The expansion of UMi products and services. Synergy in the form of joint work units using SenyuM and digital platforms as marketing media, namely SenyuM Mobile. There are 153 SenyuM offices spread throughout Indonesia	• This synergy provides easy access to financing while reducing borrowing costs for Ultra Micro businesses. These conveniences can also indirectly prevent people from falling prey to high-interest loans and encourage financial literacy and inclusion as an effort to strengthen the acceleration of the MSME and UMi segments in the future.	Embracing the Community	
• BRI is the Chair of Indonesia's Sustainable Finance Initiative (IKBI)	• BRI as the first mover on sustainable finance has encouraged the creation of inclusive sustainable finance regulations that are open to financial service institutions, both banks and non-banks.	Profile of the Company	

Implementation of Activity	Impact	Coverage in Report Chapter	SDGs
ENVIRONMENT			
• The company's net emission of 456,259 ton CO_2e	• This achievement is a testament to national and global emission reductions. BRI has supported and practiced low emission activities, such as by reducing the use of electrical energy. With the reduction in electrical energy, the company's electricity costs have also decreased compared to 2020.	Improving Climate Change Resilience	13 CLIMATE ACTION 7 AFFORDABLE AND CLEAN ENERGY 15 LIFE ON LAND
• BRI has received a greenship certificate with the gold category from the Green Building Council Indonesia for Menara BRILiaN.	• The electricity savings generated from this building reached 19.49% • Emission reduction resulting from this building reached 19.49% • The green open space in this building is 3,132.72 m^2.		
• BRI has already employed Electric Vehicles (electric cars) which are currently used by the BRI Renon & Gianyar Branch Offices	• The use of electric cars supports the reduction of air pollution and emissions from fuel oil. BRI encourages the use of renewable energy sources so that emission reductions can be achieved.	Improving Climate Change Resilience	13 CLIMATE ACTION 7 AFFORDABLE AND CLEAN ENERGY 15 LIFE ON LAND
• BRI has set up a digital ecosystem platform for various services to customers and operational activities that can be carried out by employees. In the era of the Covid-19 pandemic, BRI's digitization is an answer to customer needs. BRI also continues to encourage digitization activities as an emission reduction initiative	• BRI's digitization activities have driven the company's emission reductions in 2021	Improving Climate Change Resilience	13 CLIMATE ACTION 7 AFFORDABLE AND CLEAN ENERGY 15 LIFE ON LAND
• BRI provided assistance by handing out tree seedlings and productive trees to Brigif 21 Komodo Kupang.	• Tree planting activities reduce emissions. This activity also contributes to the calculation of the Company's emission reduction.	Embracing the Community	13 CLIMATE ACTION 15 LIFE ON LAND

Implementation of Activity	Impact	Coverage in Report Chapter	SDGs
• BRI's line of business is in providing financial services. Thus, the provision of BRI's products and services may have a direct or indirect impact on sustainability issues, such as risks related to water (floods, water scarcity, pollution, marine environment).	• BRI is responsible for community involvement and development to realize the achievement of a more sustainable underwater life	Improving Climate Change Resilience	
• River Clean-up Program phase 2 in 10 different river areas from 2020. Activities carried out include river revitalization, construction of physical facilities and education of a healthy environment.	• BRI supports access to clean water for all surrounding communities and contributes to the prevention of natural disasters such as floods. In addition, public awareness of environmental cleanliness will increase with this activity.	Embracing the Community	
• Water usage decreased by 37% from 2020.	• BRI supports saving water use in operational areas to conserve the availability of this renewable natural resource. This decrease was also contributed by taking into account water use by outsourced employees.	Improving Climate Change Resilience	
• BRI provides assistance in the form of renovation/construction of an Integrated Waste Management Site (TPST) and its supporting facilities in the DKI Jakarta Province. The assistance was given at 2 location points used for processing inorganic and organic waste	• This activity helps the community in managing waste in their area to prevent the emergence of waste problems and facilitate the recycling process.	Embracing the Community	
• BRI implements the Head Office Audit (HOA) Culture Activation Program under the name "Love Tree Angel". This program imposes a fine on every sheet printed in error.	• BRI supports a paperless culture and encourages employees to be more responsible in using paper. This activity also reduces the company's emissions	Improving Climate Change Resilience	

Implementation of Activity	Impact	Coverage in Report Chapter	SDGs
• Srikandi BRI planted 1,000 trembesi trees and 1,000 banana trees in Sidoarjo and Gresik, East Java	• This activity encourages the active participation of women in environmental conservation. Srikandi BRI is aware that tree planting contributes to the company's absorption of 50,000 kg of CO_2e in emissions.	Improving Climate Change Resilience	13 CLIMATE ACTION 15 LIFE ON LAND
• BRI contributes to financing new and renewable energy (EBT) via the financing of PLTA Poso Energy and Kerinci Merangin borrowers	• Financing for this hydropower plant is an energy source whose supply is sustained, generates electricity without generating waste, has relatively low maintenance costs, and at the same time is in line with sustainable business activities.	Improving Climate Change Resilience	7 AFFORDABLE AND CLEAN ENERGY
SOCIAL			
• 17.8% of top management personnel are female	• BRI understands that work ability is never determined by gender, and that women's role in leader-ship is highly crucial. This achievement has encouraged other BRI Heroes (Srikandi) to be more motivated to show their expertise in every sector of work.	Supporting Employee Welfare	5 GENDER EQUALITY 10 REDUCED INEQUALITIES
• Providing opportunities for the younger generation of Indonesian women to experience a day serving as the Presi-dent Director of BRI. This activity came under SOE Ministry's Girls Take Over campaign		Embracing the Community	5 GENDER EQUALITY
• 503,151 Agen BRILink spread throughout Indonesia, 49,835 of which are located in the Frontier, Outermost and Disadvantaged areas	• Agen BRILink bring the communi-ty closer to BRI as a financial service provider, making it easier for people to carry out their eco-nomic activities.	Embracing the Community	1 NO POVERTY
• Supporting the Government's Program to assist MSME business actors in the Covid-19 Pandemic through the State Economic Recovery Program (PEN).	• BRI has succeeded in improving business actors' economic condi-tions through the PEN program which is in line with the govern-ment's program.	Embracing the Community	1 NO POVERTY
• Rp 543.4 Trillion loan disbursement for Micro, Small, Medium Enterprises or 57.6% of total loans disbursed during 2021	• The difficulty that is often faced by MSMEs is business capital. This loan distribution can pro-vide significant economic im-provement for MSMEs and en-courage poverty alleviation.	Embracing the Community	1 NO POVERTY

Implementation of Activity	Impact	Coverage in Report Chapter	SDGs
• BRI provides assistance to communities affected by the tropical cyclone disaster in East Nusa Tenggara. The assistance provided was in the form of ready to eat food, medicines, basic necessities and other logistical needs.	• Food assistance for disaster victims, orphanages and nursing homes to prevent hunger and aim for Indonesia without starvation.	Embracing the Community	
• BRI held food distribution activities for the community. The activity, which was carried out throughout Indonesia, in the form of distributing aid in the form of basic necessities to 200 orphanages and 50 nursing homes throughout Indonesia.		Embracing the Community	
• BRI provides assistance in the form of healthcare infrastructure at 74 hospitals throughout Indonesia. Infrastructure assistance includes hospital beds, oxygen tanks, oximeters and others.	• This activity can support the operations of hospitals that are still dealing with the hazards of Covid-19.	Embracing the Community	
• Providing vaccines to employees through procurement of vaccines, procurement of rapid tests and periodic antigen swabs	• This activity can reduce the potential for the spread of Covid-19 and maintain the health of employees and those around employees.	Supporting Employee Welfare	
• The program for providing masks and vitamins, providing regular workplace disinfectants, monitoring employees' daily health self checking		Supporting Employee Welfare	
• Support financing for borrowers who pay attention to business practices that do not damage the environment, and pay attention to social aspects and good governance.	• BRI has won international awards as "Best Issuer for Sustainable Finance" and "Best Sustainability Bond"	Improving Climate Change Resilience	
• BRI Peduli for Desa BRILiaN is an assistance program to villages in the form of community empowerment and physical facilities to support villages.	• BRI stimulates the community to run businesses independently and sustainably that can support the improvement of the local economy	Embracing the Community	

Implementation of Activity	Impact	Coverage in Report Chapter	SDGs
• The Woman Communi Tree program is a form of assistance for the construction of physical infrastructure for Urban Farming, plant houses, greenhouses, and other infrastructure; as well as providing assistance for productive plants in the form of vegetables, fruits, family medicine, and other types of productive plants. This assistance was done throughout Indonesia.	• This unprecedented activity provides women with new knowledge and skills. Productive plants can provide health benefits for those who consume them; this activity focuses on Indonesian women's health.	Embracing the Community	11 SUSTAINABLE CITIES AND COMMUNITIES
• Decrease in the number of complaints indicating violations by 50.84%.	• Increasing employees' awareness and under-standing of implementing the code of ethics and to not commit criminal acts such as corruption, gratuities, etc.	Operating a Responsible Business	16 PEACE, JUSTICE AND STRONG INSTITUTIONS
• Appreciation of Education Funds for Children of Covid-19 Medical Support Employees	• Educational funding assistance and school renovations provide facilities for the nation's children. Teaching and learning activities run more efficiently to continue motivating the younger generation to achieve their goals.	Embracing the Community	4 QUALITY EDUCATION 1 NO POVERTY
• BRI Peduli renovated 4 Shools located in Indonesia's boarder: Atambua NTT, Karimun Kepulauan Riau, Jayapura and Nunukan, North Kalimantan.		Embracing the Community	4 QUALITY EDUCATION 1 NO POVERTY
• 63,101 employees have accessed online learning about Sustainable Finance with a pass rate of 98.9%.	• Improving employee understanding regarding e-learning based sustainable finance which also fueled the paperless movement	Supporting Employee Welfare	4 QUALITY EDUCATION
ECONOMY			
• An increase in the number of Sim-pedes customers by 12.53%.	• Simpedes products reach under developed areas and provide financial access for people in disadvantaged areas.	Embracing the Community	8 DECENT WORK AND ECONOMIC GROWTH
• BRI provides assistance to business groups in the form of business support facilities. The assistance was given to to a group of farmers in Guwa Lor Village, Kaliwedi Cirebon.	• Business support facilities have an impact on business efficiency and effectiveness than farmer groups. This activity can improve the standard of living of local farmers.	Embracing the Community	8 DECENT WORK AND ECONOMIC GROWTH

Implementation of Activity	Impact	Coverage in Report Chapter	SDGs
• BRI provides assistance in the form of sewing training facilities for women's groups in the Maumere area	• Provision of tools, training and means for women's groups to start their own businesses and hone their business capabilities. This will greatly contribute to the improvement of the economic standards of group members.	Embracing the Community	8 DECENT WORK AND ECONOMIC GROWTH 10 REDUCED INEQUALITIES
• Women's Empowerment Assistance Program is provided to women's business groups in the form of training and business equipment. This assistance was given to 18 women's business groups throughout Indonesia		Embracing the Community	8 DECENT WORK AND ECONOMIC GROWTH 10 REDUCED INEQUALITIES
• SenyuM Mobile digital product innovation which is a marketing tool for Ultra Micro. The highest referrals number on SenyuM Mobile was for tabungan emas with a total of 67,384 referrals.	• This provides growth and development opportunities for ultra micro business actors. Digitization is one of the efforts to mitigate climate change that results in reduced emissions.	Embracing the Community	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 8 DECENT WORK AND ECONOMIC GROWTH
• Tebu Chain is a blockchain based platform for the sugarcane and sugar ecosystem to support data transparency and banking transactions.	• Maintain and develop partnerships between Sugar Mills, BRI, Farmers and stakeholders in the Sugar supply chain as an effort to control the business and transaction of Sugar commodities.	Embracing the Community	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 8 DECENT WORK AND ECONOMIC GROWTH
• Pasar.id website: transactions through this site reached Rp 20.3 billion with a total transaction of 178,448	• Buying and selling transactions are easier and faster; buyers can interact with sellers in the market through the market administrators without having to go to the market. Reduction in the use of transportation fuel which reduces emission	Embracing the Community	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 8 DECENT WORK AND ECONOMIC GROWTH

Implementation of Activity	Impact	Coverage in Report Chapter	SDGs
• *Zero tolerance towards discrimination*	• The anti-discrimination initiative helps boost employees' sense of belonging and comfort at work, which hopefully translates to increase in work morale and productivity.	Supporting Employee Welfare	10 REDUCED INEQUALITIES
• BRI employs 66 people with disabilities			10 REDUCED INEQUALITIES
• New female employee recruitment increased by 34.23% and male employee increased by 20.41%			10 REDUCED INEQUALITIES 5 GENDER EQUALITY
• There were no complaints related to discriminatory practices within BRI's work area			10 REDUCED INEQUALITIES
• BRI implements various digital innovations, such as the BRISMART learning system and the provision of remote working facilities in satellite cities called BRIWORK.	• BRI has supported GHG emission reduction by reducing business travel and supported work flexibility.	Supporting Employee Welfare	12 RESPONSIBLE CONSUMPTION AND PRODUCTION
• BRI implements mandatory requirements for all borrowers in the oil palm plantation sector to have ISPO/RSPO certification along with other ESG related documents	• BRI not only practices this in the operational activities, but it also considers the impact of ESG on potential borrowers. This certainly supports the achievement of environmental, social and governance practices from upstream to downstream of the sector.	Improving Climate Change Resilience,	12 RESPONSIBLE CONSUMPTION AND PRODUCTION
• Customer complaint resolution rate is 99.53%	• Good handling of customer complaints will provide satisfaction to customers. This will encourage the improvement of BRI's brand image as a bank that is responsi-ble for solving customer prob-lems.	Prioritizing Customers	12 RESPONSIBLE CONSUMPTION AND PRODUCTION

01 2021 ESG Highlights

Embracing the Community

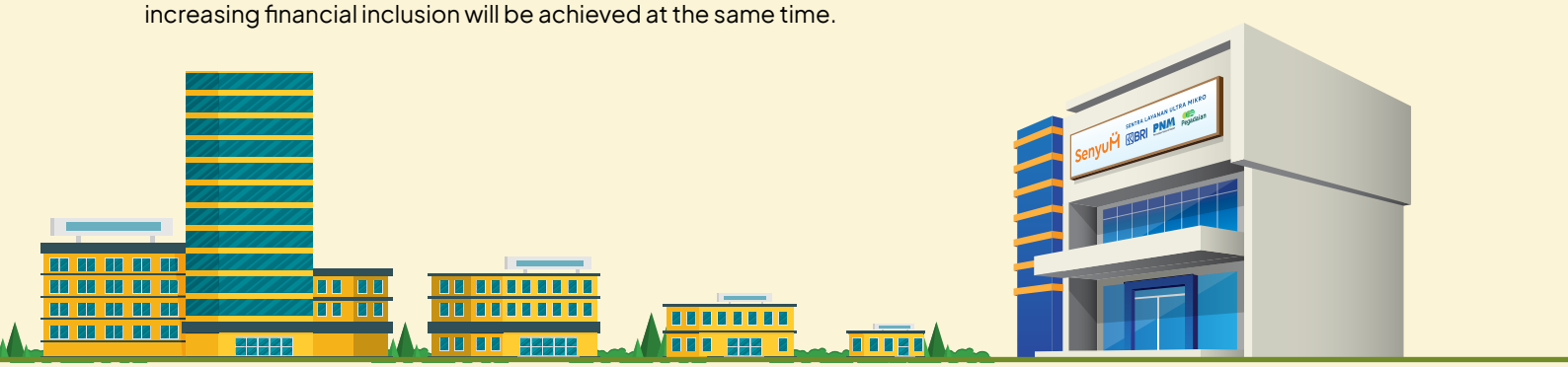
1. Synergy to Unlock New Growth Paths

The Ultra Micro Ecosystem (UMi), or the synergy between BRI, Pegadaian, and PNM that was optimally built will become a source of sustainable new business growth and strengthen BRI's core business in the micro, small and medium enterprise (MSME) segment. In order to support the empowerment of the ultra-micro ecosystem, BRI also mobilized Agen BRILink to provide financial inclusion services. Meanwhile, UMi partners can assist in the loan marketing process, verify and analyze prospective borrowers, and assist in the realization and collection of loan installments. Forms of synergy in the ultra micro ecosystem include:

a. Synergy in the form of an integrated service unit (co-location) under the SenyuM brand name (Ultra Micro Service Center) to facilitate access to business actors through the provision of more complete financial services; and
b. Digital marketing through the SenyuM digital platform that assists marketers; BRI mantri, Pegadaian Sales and PNM Account Officers collaborating in recommending and marketing cross-entity products. The platform is an integration of BRISPOT (BRI), Selena (Pegadaian) and PKM Digi (PNM) marketing applications which are expected to encourage cross selling.
c. Potential database integration of the three entities to support cross selling.

BRI, Pegadaian, and PNM business models will complement each other to serve more integrated services in three phases, namely "Empower, Integrate, and Upgrade".

Since it was inaugurated on September 13, 2021, there have been 153 SenyuM co-location offices spread throughout Indonesia. In the future, BRI will further expand its reach and complement its micro business DNA and strengthen its market leadership in the Micro, Small and Medium Enterprises (MSME) segment. Thus, the goal of increasing financial inclusion will be achieved at the same time.



153 SenyuM Offices throughout Indonesia

Marketers

796 Mantri (Micro Marketers) BRI

285 Sales Person Pegadaian

955 Account Officer PNM

Empowering Underprivileged Women Through the Ultra Micro Ecosystem

Through PNM Mekaar, BRI contributes to empowering underprivileged women (especially housewives) by providing access to capital, coaching and capacity building.

12.1 Billion Female borrowers

IDR 29.5 Trillion

2. FINANCIAL LITERACY

A. BRILiaN VILLAGES

Desa BRILiaN (BRILiaN Villages) is an incubation and literacy program for BRI-assisted villages through optimization of BUMDES (Village Owned Enterprises). The Desa BRILiaN Program aims to manage the village ecosystem in the context of implementing revitalization of mantri (division of work area, a mantri in every village), acquisition of BUMDES business potential (as Agen BRILink and UMi agents), literacy & BRI inclusion to village officials & BUMDES). In 2021, BRI has empowered 1,191 BUMDES spread across the following areas:

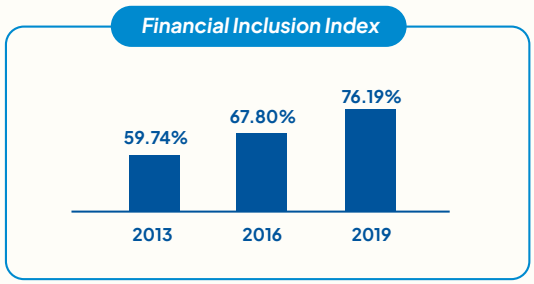
desa brilian

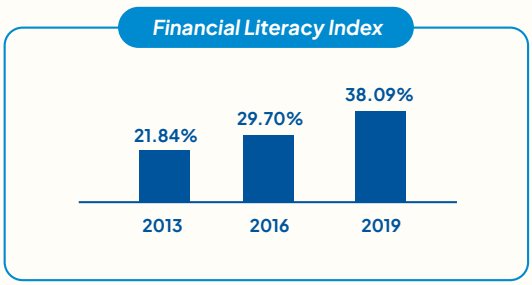
BUSINESS PROFILE BUMDes DESA BRILiaN

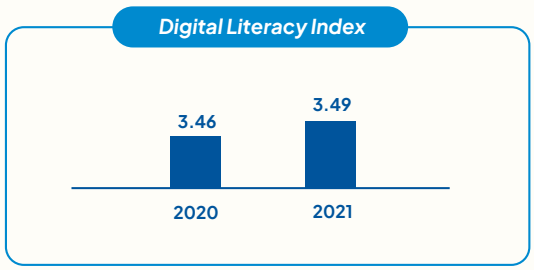
- TRADING 395 BUMDes
- FOOD 125 BUMDes
- CLEAN WATER 83 BUMDes
- FINANCIAL SERVICES 218 BUMDes
- WASTE MANAGEMENT 94 BUMDes
- VILLAGE TOUR 160 BUMDes
- OTHER 233 BUMDes

B. DIGITAL SOLUTION PROVIDERS

- Based on the National Financial Literacy and Inclusion Survey conducted by OJK in 2019, the financial inclusion index showed an increase to 76.19%. While this was an improvement, financial literacy was still at a relatively low level of 38.09%.
- The improvement in the inclusion index and financial literacy of the people of Indonesia is also accompanied by an increase in the digital literacy index. based on the results of the National Digital Literacy Survey conducted by the Indonesian Ministry of Information and Communication, the digital literacy index of the Indonesian people is at a moderate level at 3.49 out of 5.00.







Sumber:

- *National Survey of Financial Literacy and Inclusion* 2019 *by Financial Services Authority*
- *National Digital Literacy Index Survey Result* 2021 *by Ministry of Information and Communication* Indonesia

To improve the financial and digital literacy of BRI's customers, BRI has a program in which all BRILiaN Personnel are required to act as digital instructors. BRILiaN personnel were given preparation and briefing through socialization. The socialization process is carried out to RM (Funds, Credit, Mantri) as an influencer by conducting outreach and education to all employees in work units regarding BRI's digital products and how to conduct transactions on digital platforms easily and safely.

Digital solution providers activities are:

Digital acquisition

Encouraging customers to conduct Digital Platform banking transactions, such as opening Digital accounts (BRI Digital Savings), BRImo, Smart Billing, Junio Smart, etc.

Digital Transactions

Helping customers to make financial transactions through Internet Banking, Mobile Banking & BRImo, and others.

Safe financial transactions

Conducting socialization and education to customers on conducting safe financial transactions.

C. linkumkm

Link UMKM is an online platform that can be accessed through websites & applications which aims to bring Indonesian MSMEs to the next level through a series of integrated empowerment programs. The MSME Smart menu on the linkumkm application can educate MSMEs about their business categories through the "Assessment of Upgrading MSMEs" & "Programs and training modules" features. MSMEs will conduct a self-assessment to determine their class or category. Options are available on the MSME Smart menu. Business categories consist of:

1. Traditional
2. Developing
3. Modern

After knowing the MSME class, business actors can do self-learning through the training modules available at linkumkm. This is expected to be able to develop the skills of MSME actors so that they can advance to class in the next assessment.

linkumkm progress is as follows:

Traditional class MSME user scoring	Developing class MSME user scoring	Modern class MSME user scoring
436,265	169,122	13,429

313	227	92
MENTOR	TRAINING MODULE	TRAINING VIDEOS

D. Simpedes total number of customers increased by 10 million or 12.53% from 79.7 million in 2020 to 89.7 million customers in 2021.

Simpedes 12.53%

E. Increase in Total Student Savings Account 1.2 million accounts or the equivalent of 5.39% from 21.7 million accounts in 2020 to 22.9 million accounts in 2021.

Tabungan BRI SimPel Simpanan Pelajar 5.39%

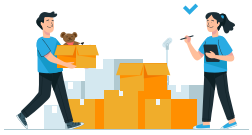
F. Increase in Total Borrowers via Teras BRI Kapal by 548 or 31.08% from 1,763 in 2020 to 2,311 borrowers in 2021.

31.08%

3. CORPORATE ENVIRONMENTAL & SOCIAL RESPONSIBILITY (TJSL)

BRI not only provides services and products that are easily understood and accessible by customers, but is also committed to contributing to the surrounding community through Environmental Social Responsibility (TJSL) activities which are communicated by BRI Peduli. BRI's CSR activities are classified into three types: Charitable Donations, Community Investments, and Commercial Initiatives. The details are as follows:

Charitable Donations



Rp 122.9 Billion
Amount of Fund Allocation

Percentage Allocation
45.44%

Community Investments

Rp 126.3 Billion
Amount of Fund Allocation

Percentage Allocation
46.70%

Commercial Initiatives

Rp 21.3 Billion
Amount of Fund Allocation

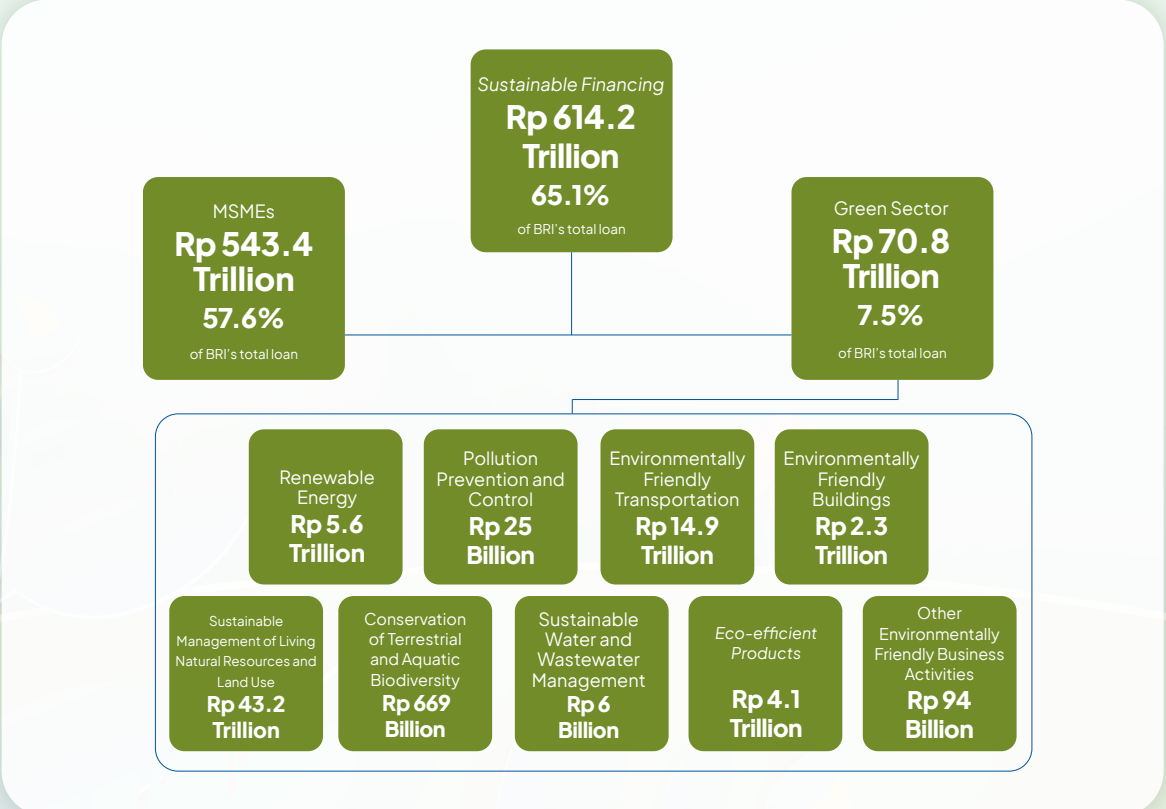
Percentage Allocation
7.86%

BRI strives to consistently adhere to the principles of social and environmental responsibility in carrying out CSR activities, including by making a positive contribution to the achievement of the Sustainable Development Goals (SDHs), supporting income distribution, improving economic and social welfare, and becoming an integral part of all BRI business activities.

02 2021 ESG Highlights

Increasing Climate Change Resilience and Digital Innovation

1 BRI realizes that a main activity of the bank's business which is lending to customers has the potential to affect the environment, either directly or indirectly. In order to identify the impacts that may arise from these financing activities, BRI has mapped the loan portfolio included in the financing group to the Environmentally Friendly Business Criteria (KUBL) or the Green Sector. From the mapping results, BRI has disbursed loans to the Green Sector amounting to Rp 70.8 trillion as of December 2021, or 7.5% of BRI's total loan disbursement.



2 BRI constructed the BRILian Tower on Jl. Gatot Subroto Kav. 62 South Jakarta with the Green Building concept. BRI has received a gold category greenship certificate from the Green Building Council Indonesia for the BRILian Tower.

The electricity savings generated from this tower reach:	19.49%
The emission reductions resulting from this Tower reach:	19.49%
The green open space in this tower is:	3,132.72 meter^2

3 BRImo transactions increased by 507 million or equivalent to 66.2% from 766 million to 1,273 million transactions in 2021.

4 Internet Banking and BRImo transactions increased by 483 million or equivalent to 17.8% from 2,715 million to 3,198 million transactions in 2021.

BRImo ↑ 66.2%

Rp BRImo ↑ 17.8%

5 SenyuM Mobile : Tabungan Emas the Ultra Micro product with the highest number of referrals on SenyuM mobile. The number of approved referrals is 4,047 with a nominal value of Rp. 30,296,574,303.

SenyuM Mobile

4,047 referral

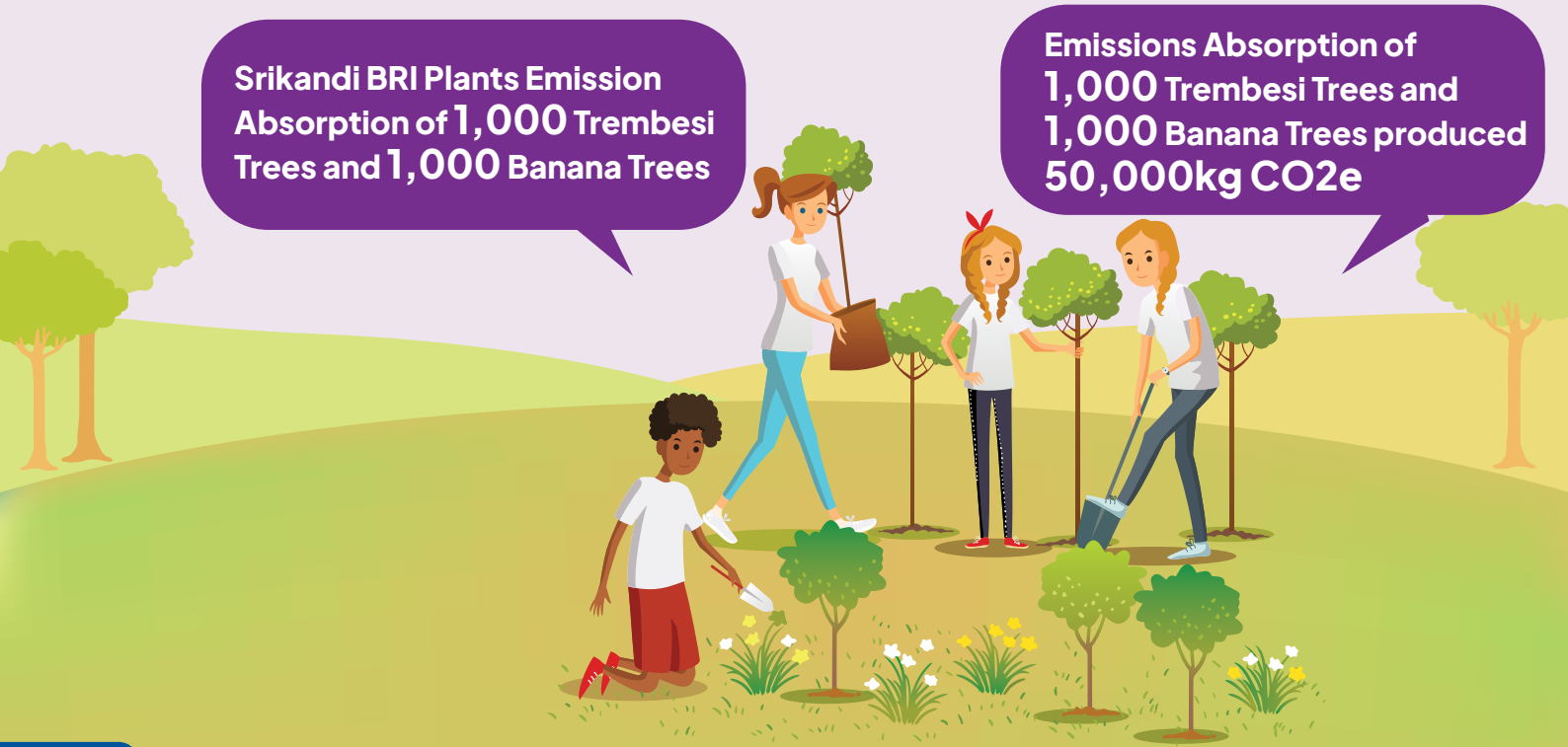
Rp. 30,296,574,303

03 2021 ESG Highlights

Empowerment of Female Employees and Enforcement of Anti-Discrimination

BRI continues to strive to empower its human resources fairly and equitably. One of the efforts made is the women's empowerment movement through the establishment of the BRI Srikandi community. This community was established as a form of BRI's concern for women through efforts to increase the capacity of female employees. In addition, this community also aims to encourage the expansion of opportunities for female employees to take important roles for the progress of the country.

All activities of BRI Srikandi are carried out in three main principles: pro planet, pro people, and pro profit. One of the activities carried out was a female community tree, which involved planting a thousand trembesi trees and a thousand banana trees in Sidoarjo and Gresik, East Java.



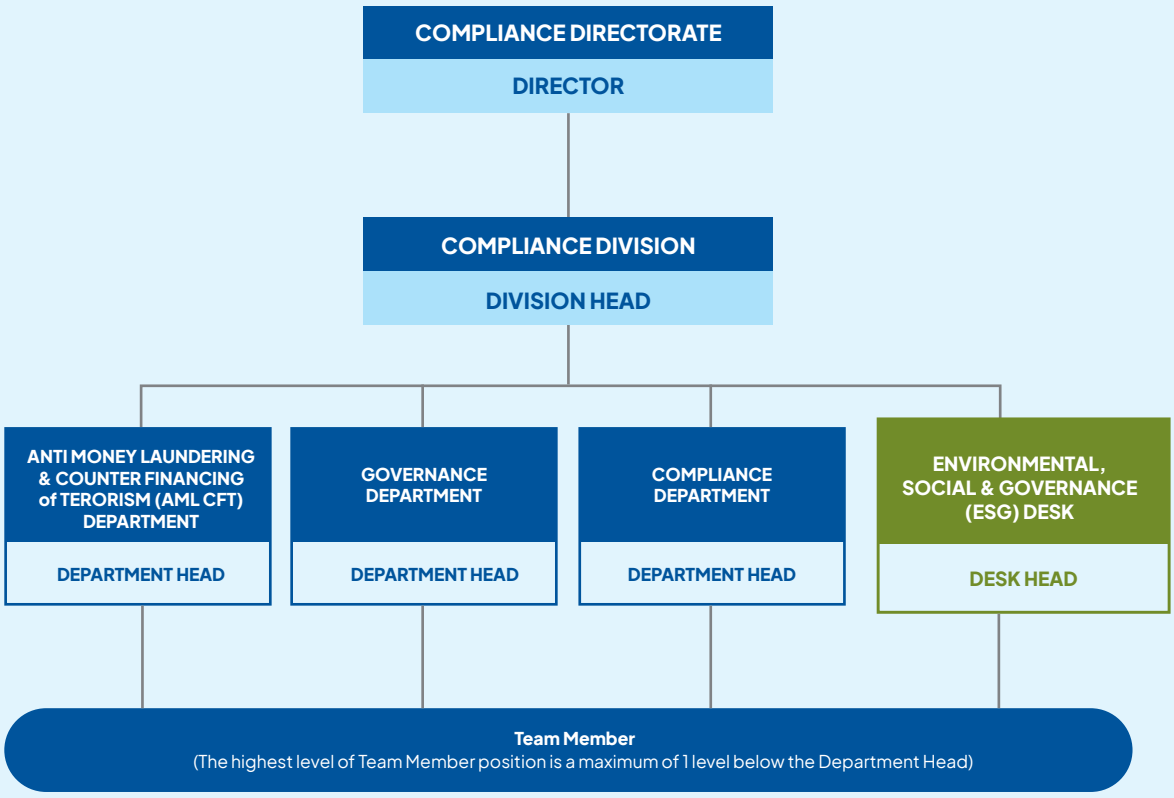
In 2021, the composition of female employees spread across all levels of positions at BRI is as follows:

Description	2019 %	2020 %	2021 %
Composition of all female employees	42.92%	42.78%	**42.77%**
Composition of female employees at junior, middle, and top management levels	22.26%	22.63%	**23.14%**
Composition of Female Employees at Junior Level (first level) Management	24.35%	24.00%	**24.57%**
Composition of Female Employees at Top Management Level	11.93%	16.82%	**17.82%**
Composition of Female Employees at Revenue-generating Functions	28.44%	28.29%	**30.09%**
Composition of Female Employees at STEM (Science, Technology, Engineering, and Mathematics) related Roles	24.07%	22.94%	**24.87%**

04 2021 ESG Highlights

Governance Resilience

1 BRI focuses on efforts to improve the company's ESG performance. One action is through the establishment of an ESG Desk which is in charge of monitoring the implementation of ESG directly under the Compliance Director. The ESG Desk encourages BRI to strengthen the implementation of sustainable finance and contribute more to the SDGs. BRI hopes to continue to optimize strategies and commitments through activities, services and products that support sustainable ESG. BRI established a governance structure to monitor ESG as follows [GRI 102-18, 102-20]



2 2021 ESG Committee

- BRI established an ESG Committee in 2021.
- BRI implemented the ESG Committee for the first time in December 2021; it has discussed several topics, including:
  - Discussion with the Board of Directors and Executive Management on issues related to ESG
  - ESG Desk aspiration determination
  - BRI ESG Roadmap preparation plan

3 A decrease in the number of complaints about possible violations by

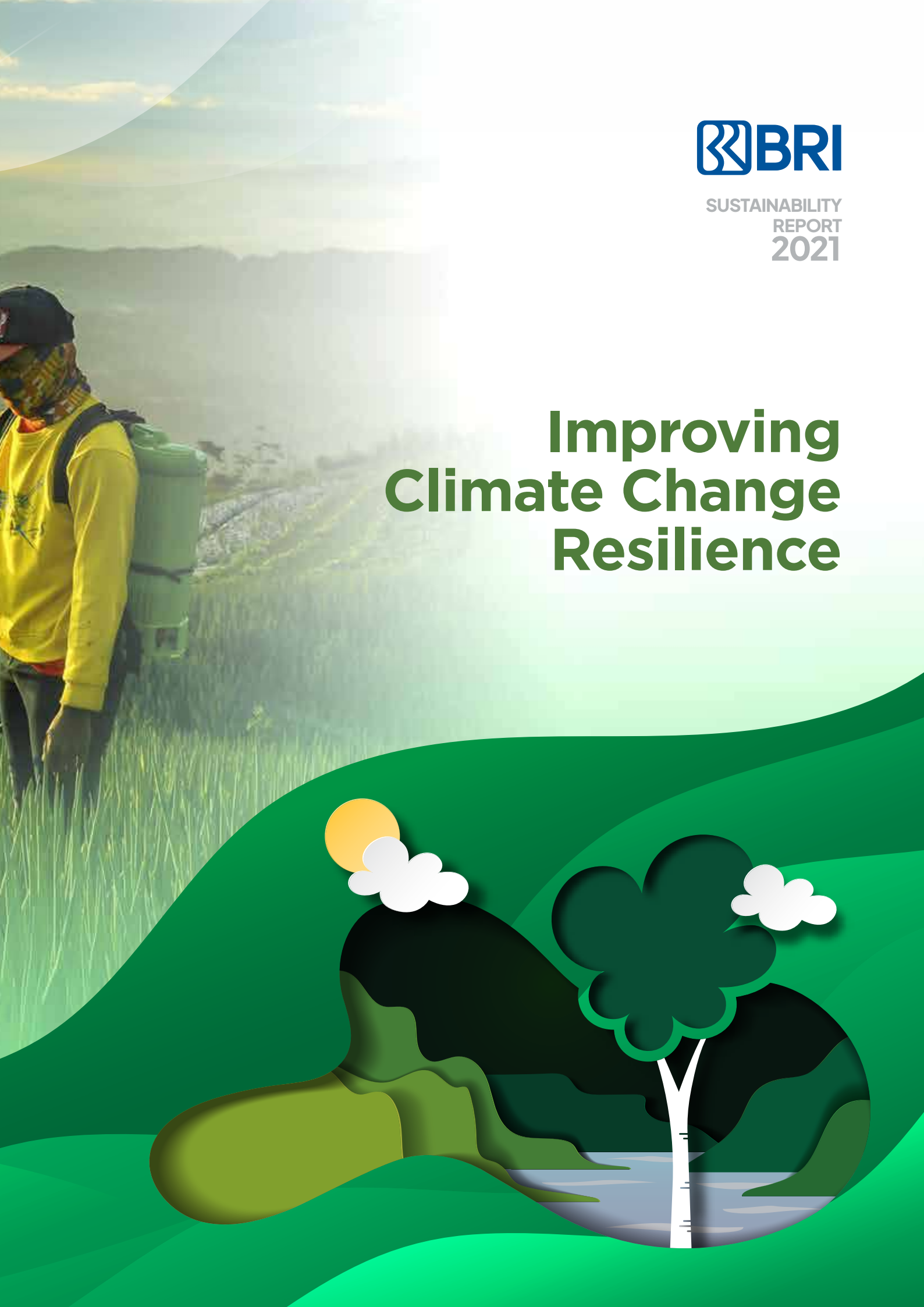
50.84%

Decreased from 236 complaints in 2020 to 116 complaints in 2021

BRI

SUSTAINABILITY REPORT 2021

Improving Climate Change Resilience



The Task Force on Climate-Related Financial Disclosures Report

The Task Force on Climate-Related Financial Disclosures (TCFD) makes recommendations for climate-related voluntary financial disclosures to help financial markets understand the risks and opportunities faced by companies and how companies monitor and manage them. The TCFD recommendations define corporate governance, strategy, risk management, metrics and targets for dealing with climate change as core elements. In addition, TCFD also provides guidance on relevant disclosures.

The core elements of the TCFD recommendations are as follows:

BRI has implemented the TCFD recommendations with the following results: [F.26]

Governance	Strategy	Risk Management	Metrics and Targets
Establishment of an ESG Desk under the Compliance Division with the task of monitoring BRI's ESG aspects.	Creating an ESG Roadmap.	BRI adjusts its lending policies, especially on financing with environmental, social and governance (ESG) views. The loan requirements at BRI contain a checklist related to ESG aspects. [FS3]	BRI is currently compiling an ESG Roadmap containing environmental performance targets.
	Analyzing the risks and opportunities caused by climate change.	BRI establishes ESG risk policies for the palm oil and pulp and paper sectors.	
	Implementation of sustainable finance through the preparation of RAKB		
	Launching of ESG-related products such as loans and sustainable bonds.		
	Participating in creating jobs that support energy efficiency. For example, supporting LRT development projects, the development of clean energy production such as PLT Bayu and Micro-hydro plants, and building a biodiesel factory derived from certified palm oil. [GRI 203-1]		

Climate Change Risks and Opportunitie [GRI 201-2] [GRI 102-15] [FS1] [FS2]

BRI realizes that climate change has a significant impact that indirectly affects the economic performance of the banking system. The effects of climate change result in an increase in the operational risk of the borrowers' businesses which triggers an increase in the risk of default on loans that have been given. Therefore, it is very important for BRI to be able to analyze the risk of climate change faced by prospective borrowers to consider the impact the Company will face on the loans, such as physical risk, the risk that arises from changes in climate conditions that affect the Company's energy consumption directly and indirectly, the ability to use the Company's network, the status of each building, the supply of raw materials and others, regulatory risks, such as risks that arise from the government and other regulators that limit the Company's GHG emissions that require companies to carry out investment in environmentally friendly technology, and reputation risk, such as risks arising from the lack of environmentally friendly products and pro-environment policies owned by the company. On the other hand, climate change also creates significant business opportunities for companies that want to innovate and take challenges into opportunities for growth. [GRI 103-1] [FS10]

The discussion on environmental issues is carried out in a meeting between the Board of Directors and the Risk Management Committee which is attended by the Board of Directors, Business Division, Compliance Division, Risk Management Division, Internal Audit Unit, and divisions relevant to the discussion of the meeting. BRI has not used the voting method based on share ownership, but has used the direct discussion method which resulted in mutual agreement. Issues discussed at the meeting included environmental issues such as forestry and climate change, which may have an impact on BRI's borrowers. [GRI 102-30] [FS9] [FS12]

During the reporting period, BRI has mapped the risks and opportunities of climate change, but has not yet calculated the cost or financial implications of climate change risks and opportunities. This is because these risks and opportunities have an indirect impact on the company. However, BRI remains aware of the importance of analyzing the financial value of the risks or opportunities resulting from climate change. Currently, BRI is in the stage of discussing a plan to develop a system to calculate the financial implications and generate income projections from the risks and opportunities of climate change. [GRI 201-2] [FS10]

The results of the mapping of climate change opportunities and risks are as follows:
[GRI 102-11] [GRI 201-2] [FS10]

Risk Type	Risk Trigger	Risk Probability	Description	Risk Response Strategy
Applicable Regulations	Regulation and monitoring of climate-related risks in the financial sector.	Likely	1. The risks arising from the emergence of regulations related to climate change such as POJK No. 51/POJK.03/2017 concerning Sustainable Finance and Law Number 16 of 2016 concerning Ratification of the Paris Agreement. 2. Risks arising from the emergence of climate regulations business actors	1. BRI has established an ESG Desk under the Compliance Division. The BRI ESG Desk is responsible for the implementation of BRI Sustainable Finance which comply with the applicable regulations such as POJK 51/POJK.03/2017 and POJK 60/POJK.04/2017 regarding sustainable finance and regulations applicable to borrowers (the regulation on risks of potential borrowers is also considered in the due diligence process). 2. BRI has developed Loan portfolio guidelines and loan sectoral policies (palm oil) to tackle environmental issues and encourage customers to adopt sustainable practices.
Technology	Replacement of existing products and services with lower emission alternatives.	Likely	Technology risk is one of the transition risks that tends to have a strategic and substantive impact on the Company's business. The resulting indirect impacts are asset impairment and premature retirement of assets due to technological changes as a result of replacing existing products and services with lower emission alternatives.	1. Information technology (IT) development is one of BRI's focuses. The development of information technology systems leads to a transformation towards digital banking for all products and service activities. Through BRI Hybrid Banking, BRI is the first to provide self-service banking in Indonesia. Technology-based banking services are also brought by BRI to remote areas of the country, such as by CRM agents and BRILink. Not only on products, BRI also realizes its commitment to improve operational efficiency, namely saving paper use through the "Love Tree Angel" activity. 2. BRI has established a Digital Risk Division in response to emerging issues related to digitization.
Law	Legal risks arising from climate change.	Likely	The risks that can arise are demands related to climate change regulations in Law Number 16 of 2016 concerning the Ratification of the Paris Agreement. The regulation relates to national emission reductions.	BRI's Legal Division acts as the Legal Risk Coordinator. Coaching is carried out to all employees in order to improve legal risk control competence. In addition, with the establishment of the ESG Desk, BRI hopes to comply with all regulations related to climate change.

Risk Type	Risk Trigger	Risk Probability	Description	Risk Response Strategy
The Market	Changes in customer preferences.	Likely	Market risk is the risk that arises due to changes in customer preferences towards low-emission products. This risk may lead to reduced demand for the products offered by the Company, which could potentially result in a decrease in revenue.	In responding to this risk, BRI has implemented initiatives such as: launched a Sustainability Loan, conducting green funding-based financing, and establishing criteria for the green sector. In addition, BRI has established credit conditions for the palm oil and pulp and paper sectors.
Reputation	Negative publicity for supporting projects or activities that have a negative impact on the climate.	Likely	Reputation risk is the risk caused by, among other things, negative publicity around the Bank's business activities or negative perception of the Bank regarding compliance with climate change regulations.	In an effort to minimize reputational risk, BRI participates in sustainable initiatives in the form of financing (credit) in accordance with the Loan Portfolio Guidelines (LPG) as stated in the Acceptable Risk Criteria (KRD). BRI's KRD includes credit requirements in the palm oil and pulp and paper sectors, environmental requirements for business activities that have an impact on the environment, and green sector provisions. In addition, BRI hopes that the establishment of the ESG Desk can assist efforts to comply with all regulations related to climate change. Furthermore, the Corporate Secretariat Division has been appointed to handle any negative publicity. The reputation risk management process is contained in the description of the field of work and the Operations Manual for the Corporate Secretariat Division.
Acute and Chronic Physical Risk	Increasing severity and frequency of extreme weather events such as storms and floods.	Likely	1. Acute and chronic physical risks are risks that have an impact on the Company's business and the Company's borrowers. The increasing severity and frequency of climate disasters can affect certain locations and operations. 2. Geographically, Indonesia is an equatorial country prone to disasters such as floods, droughts and forest fires, in addition to plate tectonics that may cause frequent earthquakes, tsunamis, landslides and volcanic eruptions. BRI, as the bank with the largest and widest working unit, has the potential to be affected by operational and credit risks due to physical risk	1. Acute and chronic physical risk consideration is one of BRI's criteria for lending. BRI will assess how the customer is exposed to acute and chronic physical risks. In addition, to respond to acute and chronic physical risks to its operations, BRI conducts feasibility studies for each operational office construction located in disaster-prone locations. In addition, BRI has insurance to reduce the potential financial impact of the physical climate risks it faces. 2. Business Continuity Management, Occupational safety and health, building insurance, routine disaster briefings and simulations

Risk Type	Risk Trigger	Risk Probability	Description	Risk Response Strategy
Credit Risk	Inability of borrowers to repay loans.	Likely	Risks that may arise due to the impact of climate change that affect the borrowers' businesses and ultimately increase BRI's credit risk. [FS2]	In an effort to minimize credit risk, BRI has carried out a selection and evaluation process that involves mitigating environmental and social risks. In addition, BRI has adjusted its lending policies, especially on financing with an environmental, social and governance perspective through a checklist related to ESG aspects.

Opportunity Type	Opportunity Trigger	Probability of Opportunity	Description	Strategies to Realize the Opportunity
Products and Services	Increased diversification of financial assets (eg, green bonds and infrastructure).	Very Likely	Changes in customer preferences to low-emission products provide opportunities for the Company to increase the diversification of financial assets. One option is by issuing bonds with ESG objectives which qualify them as green bonds and attract investors who have an interest and focus on ESG issues.	BRI takes advantage of the changing preferences of customers who not only want to reap financial benefits but also have a positive impact on the environment by issuing a Sustainability Loan in 2021. BRI has issued the first Sustainability Bond in Indonesia in 2019. The issuance of bonds with an environmentally and socially friendly scheme worth US$500 million or Rp. 7,025 billion is the first for state-owned companies and financial institutions in Indonesia, even in Southeast Asia. The issuance of BRI's Sustainability Bonds has complied with the ASEAN Sustainability Bond Standards (ASEAN SUS).
Technology	Use of new technology.	Very Likely	The digital era provides various opportunities for the Company. Digital-based products and services are the main means of banking during the pandemic. In addition, the digitization process has the potential to support emission reductions and paper savings.	BRI has established a digital ecosystem platform in various services to customers and operational activities that can be carried out by employees. In the era of the Covid-19 pandemic, BRI's digitization effort is the answer to customer needs. BRI also continues to encourage digitization activities as an emission reduction initiative. As a result, in terms of environmental performance, BRI's digitization activities have led to a reduction in Scope 3 emissions by 1,244,356 ton CO_2 eq in 2021.

Opportunity Type	Opportunity Trigger	Probability of Opportunity	Description	Strategies to Realize the Opportunity
The Market	Improvement in sustainability / ESG index ranking.	Likely	The Company's disclosure of ESG aspects provides an opportunity for an external rating agency to raise its scoring/ rating. In addition, there are opportunities to obtain investment funds from investors who have an interest and focus on Banks with sustainable performance and transparency on ESG disclosure.	BRI realizes the importance of transparency in ESG disclosure by publishing an annual Sustainability Report that uses the Global Reporting Initiative (GRI) standards, POJK51, SUSBA, SASB, TCFD, and the Sustainable Finance Action Plan Report. BRI has also completed the Carbon Disclosure Project (DCP) questionnaire called the CDP Financial Service Questionnaire: Climate Change & Forest Pilot 2021. As a result, BRI has been included in the IDX ESG Leaders index launched by the Indonesia Stock Exchange on December 14, 2020. BRI has also been registered in the SRI-KEHATI index since its establishment in 2009. The SRI-KEHATI index is a biodiversity index for sustainable and responsible investment (SRI) using ESG principles.
Energy Sources	Deriving energy lower-emission sources.	Likely	Sustainability factors such as the use of low-emission energy sources are one of the factors that are increasingly considered by investors when making investment decisions. This is an opportunity for the Company to have a positive impact on the environment through the Company's operations.	One of the most important targets of BRI is to become a green office. BRI's efforts involve implementing good environmental management in the office environment. The strategies undertaken include using low-emission energy sources such as LED lamps and solar cells. In addition, BRI is also in the process of creating an ESG Roadmap that can support BRI's commitment to achieving emission reductions in accordance with Law Number 16 of 2016 concerning Ratification of the Paris Agreement and POJK No. 51/ POJK.03/2017 concerning Sustainable Finance.

BRI is aware of the social and economic risks that can arise from climate change and environmental degradation. All types of risks and opportunities above can have an impact on the Company's financial condition in the form of income, expenses or substantive changes in operations.

The biggest economic, social and environmental risk if a company is unwilling to take part in fighting climate change is global warming with known negative impacts such as sea level rise, storm surges, and the destruction of the ecosystem balance. In the future, BRI is committed to measuring and developing strategies for managing risks and opportunities, actions taken, and costs arising from managing these risks and opportunities.

All types of risks and opportunities above can have an impact on the Company's financial condition in the form of income, expenses, or substantive changes in operations. In the future, BRI is committed to measuring and developing strategies for managing risks and opportunities, actions to be taken, and costs arising from managing these risks and opportunities.

Strengthening the Climate Change Strategy [FS1]

BRI strengthens its strategy on climate change by establishing an ESG governance structure called the ESG Desk under the Compliance Division to align ESG performance. The establishment of the ESG Desk is aimed at optimizing the monitoring and management of ESG issues in the Company's economic performance. The management of issues related to ESG is done through efforts like carrying out green funding-based activities, mapping portfolios, managing company operations efficiently and in an environmentally friendly manner, formulating policies related to lending, developing products, services, and environmentally sound innovations, and conducting education and training for employees, customers, and the public to create awareness of sustainable finance. [FS4] [FS11]

The ESG Desk strengthens BRI's efforts to implement the principles of sustainable finance and supports BRI's contributions to the Sustainable Development Goals (SDGs). To formulate a guideline for the implementation and strategy of implementing sustainable finance by all levels, BRI has ratified the Decree of the Board of Directors which stipulates the responsible parties and levels of authority in implementing sustainable finance as follows: [GRI 102-26]

a. Decree No: 17 – Dir/DMR/04/2017 regarding PT Bank Rakyat Indonesia (Persero) Tbk's Sustainability Implementation Strategy;
b. Decree No.: S.05 – Dir/EMP/07/2018 regarding PT Bank Rakyat Indonesia (Persero) Tbk's Sustainability Policy

As a form of its seriousness towards ESG issues, BRI is currently in the process of preparing an ESG Roadmap which will be used as a benchmark for improving ESG performance. [FS11]

BRI as one of the leading state-owned banks in Indonesia does not only focus on the banking business but also in providing loan and financial solutions. The risk of climate change experienced by borrowers has an indirect impact that triggers loan repayment failures. In order to minimize this impact, BRI actively participates in sustainable initiatives such as by financing (giving loans) that abides by the Loan Portfolio Guidelines (LPG). [FS2]

Based on Circular No. SE.67-DIR/MPE/12/2020 dated December 29, 2020 regarding the Loan Portfolio Guidelines and referring to the Attachment to the Decree Nokep: S.695-DIR/EMP/09/2018 dated September 13, 2018 concerning the 2018 Loan Portfolio Guidelines, the mandatory requirements to meet the General Acceptable Risk Criteria (KRD) are as follows: [FS11]

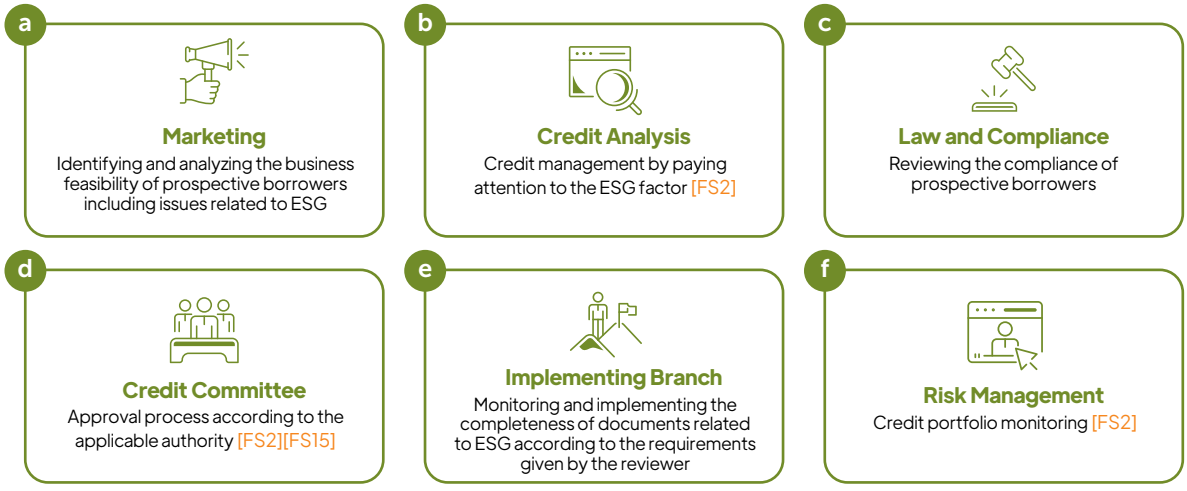
- RSPO/ISPO (Roundtable on Sustainable Palm Oil/Indonesian Sustainable Palm Oil System) certification is a mandatory requirement for all borrowers in the Small, Medium and Corporate segments in the oil palm plantation sector;
- Every type of business and/or activity that has an impact on the environment must be equipped with permits, including documents for Environmental Management Efforts and Environmental Monitoring Efforts (UKL-UPL), Environmental Impact Analysis (AMDAL), environmental permits, etc.

BRI carries out a selection and evaluation process that involves mitigating environmental and social risks through: [FS2] [FS5] [GRI 103-3] [SASB FN-CB-410a.2]

a. Full licensing in accordance with applicable regulations;
b. Environmental management documents by industry sector, including UKL-UPL, AMDAL; management permits or certifications including PROPER, and RSPO/ISPO for oil palm plantation companies;
c. Result of study/analysis of social impact;
d. Regular monitoring through reporting based on national and global reporting standards.

BRI has a Risk & Credit Management Committee which pays attention to environmental risks including climate change issues. BRI has carried out a selection and evaluation process that involves mitigating environmental and social risks through: [SASB FN-CB-410a.2] [FS2]

BRI adjusts its lending policies, especially on financing with environmental, social and governance (ESG) views in mind. The loan requirements at BRI contain a checklist related to ESG aspects. In addition, BRI continues to develop financial products and services for the Environmental Business Activities category. Loan approval procedures are carried out by taking into account ESG risk through the following mechanisms: [SASB FN-CB-410a.2] [FS15] [FS2]



Since 2015, lending to plantation and forestry customers has complied with the agreement issued by the government regarding the Moratorium on Land Clearing. Therefore, BRI always informs each customer from these two sectors that the credit provided cannot be used to finance the opening of new land. Then, the relevant division monitors the implementation of this provision and corresponds with the customer if any potential non-compliance is detected.

Meanwhile, the ESG risk management policies for the palm oil sector that have been prepared by BRI are as follows: [FS1] [FS3] [FS5] [FS11]

- Protection of priority areas: land under use must not convert, or must maintain, primary forests or High Conservation Value (HCV) of primary forests. The land used has not been converted from primary forest or HCV since November 2005;
- Greenhouse gas emissions: the land used is not an area of high carbon potential. Borrowers are also expected to demonstrate efforts to increase carbon sequestration, have procedures in place to remove oil palm from peatlands, eliminate forest burning practices, measure and manage emissions, minimize inorganic fertilizers, and capture methane from palm oil waste to increase the use of renewable energy mills;
- Production conditions: products comply with local, national and international regulations. The company holds the legality to conduct business activities in the area;
- Chemicals used: in accordance with the recommendations of the relevant agencies and in accordance with standard operating procedures (SOP);
- Pest control: procedure is developed by taking into account environmental aspects of nutrient management such as foliage testing, use of technology for fertilizer application, crop rotation, use of cover crops, and soil strip filters;
- Soil management: focus on soil productivity, soil biomass levels, and carbon sequestration;
- Water use management: the company conducts a complete assessment of water resource requirements and impacts of water discharge taking into account groundwater requirements for plants, and hydrological conditions;
- Local and indigenous people: the company respects the rights of local communities, provides access to health and clean water, and is mindful to resource 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, as well as gender discrimination and equality; and
- Operational health and safety: the company has health and safety SOPs, adequate training, and accident prevention.

Regarding the PROPER policy, BRI continuously monitors customers' PROPER ratings. If there is a decrease in the level from Blue to Red or Black, BRI will conduct special correspondence to monitor the customer's efforts to improve the rating to the Blue, Green, or Gold level. [SASB FN-CB-410a.2] [SASB FN-CB-550a.2] [FS3]

BRI Borrowers' PROPER Ratings (Total Borrowers) [SASB FN-CB-410a.2] [FS10] [FS11]

Description	2019	2020	2021
Gold	4	5	10
Green	17	3	7
Blue	55	42	37
Total	**76**	**50**	**54**

Amount of Loan to Borrowers with PROPER Rating (Rp Trillion) [SASB FN-CB-410a.2]

Description	2019	2020	2021
Gold	61	16.2	15
Green	61	0.4	3.6
Blue	78	17.9	31.4
Total	**200**	**34.5**	**50**

Borrowers with ISPO/RSPO Certification (Total Borrowers) [SASB FN-CB-410a.2] [FS8] [FS10]

Description	2019	2020	2021
RSPO	12	9	11
In the process of obtaining RSPO	0	0	0
ISPO	24	23	29
In the process of obtaining ISPO	11	7	9
Total	**47**	**39**	**49**

Note: Data covers corporate segment borrowers

Financing Value for Borrowers with ISPO/RSPO Certification (Rp Trillion) [SASB FN-CB-410a.2] [FS8] [FS11]

Description	2019	2020	2021
RSPO	15	5	11.4
In the process of obtaining RSPO	0	0	0
ISPO	9	7	10.7
In the process of obtaining ISPO	6	2	4
Total	**30**	**14**	**26.1**

Note: Data covers corporate segment borrowers

Furthermore, BRI has adjusted the policy for granting loan to the green sector as stated in Circular No. 74-DIR/MPE/12/2020 dated December 30, 2020 regarding PT BRI (Persero) Tbk's Green Sector Provisions.

BRI has not conducted a special audit related to environmental and social risks. However, the Company realizes the importance of conducting an audit of the results of environmental and social risk analysis so that all BRI's operational activities can run in accordance with the Sustainable Development Goals. The implementation of this audit activity will be planned in the coming period. [FS9]

Financing Review

[FS2] [FS3] [FS5]

BRI carries out continuous monitoring of every project/activity financed by proceeds from sustainable bonds. The results are submitted periodically through an internal BRI mechanisms. In addition, BRI will report the allocation of financing according to the framework within one year. The report is published annually and contains an explanation of the number of eligible assets based on project categories, and the remaining balance from the unallocated proceeds at the end of reporting.

BRI develops a framework for assessing risks related to customer business activities based on the customer's capacity, commitment and track record related to sustainability. BRI routinely monitors and evaluates to ensure that borrowers apply the principles of sustainable finance at least once a year. One of the methods used is site visit. Regarding the PROPER certification policy for companies that have decreased their grade from Blue to Red or Black, BRI conducts special monitoring and correspondence to monitor customer efforts to return to grade Blue, Green, or Gold. Based on the Decree of the Board of Directors No KB.3 - DIR / KRD / 11/2018, supervision is carried out by reviewing the credit documents submitted by the borrower.

In certain situations, if a debtor is found to not have met the ESG requirements, BRI will ask the borrower for an explanation and monitor its progress periodically. BRI will ask for information from the borrower if there is a warning/violation/issues relating to ESG. BRI periodically updates borrower data on ESG compliance. Furthermore, information on monitoring activities will be conveyed in the Customer Visit Report. The results of this evaluation are used by BRI when reviewing financing received by borrowers. BRI will engage with customers to improve its sustainability performance according to an action plan with a mutually agreed deadline. If the borrower is found to not have implemented environmental and social management in accordance with the principles of sustainable finance, BRI may decide to cease financing. FS2] [FS3] FS5]

As part of its duty to serve customers as optimally and comprehensively as possible with financial services that are in line with customer needs, BRI strives to also take into account the impacts that arise on society and the environment so that the impacts on the environment and society can be identified and mitigated. When making recommendations, BRI also ensures that the recommendations given have considered these aspects and that customers have received clear and adequate information regarding the risks.

Sustainability Bonds and Financing

BRI issued a Sustainability Bond in March 2019 which was regarded as the first environmentally friendly bond in Indonesia. The largest Sustainability Bond offering in Southeast Asia is one of the real contributions of BRI's role in carrying out sustainable business activities. The issuance of BRI's Sustainability Bonds has complied with the ASEAN Sustainability Bond Standards (ASEAN SUS) with a nominal value of US$500 million and a tenor of five years.

All funds received are subject to the obligation to support the financing of various projects related to the achievement of sustainability goals. As of December 2021, the proceeds from the issuance of Sustainability Bonds have been fully utilized with a composition of 31% used for green projects and 69% used for social projects.

Table of Allocation Use of Funds for BRI Sustainability Bonds 2019 Issuance

Description	2020		2021	
	Billion Rp	%	Billion Rp	%
Existing Accounts				
Green Projects	1,779	25.32%	2,213	31.06%
KUPEDES	1,401	19.94%	1,311	18.40%
KUR	898	12.78%	840	11.79%
KPRS	37	0.53%	35	0.49%
Fund Reallocation				
Micro (Micro Loans)	2,000	28.47%	1,872	26.27%
KMK Tangguh (SME Loans)	911	12.97%	853	11.97%

Meanwhile, in terms of lending, as of 2021, BRI disburses 65.5% of total loans to the Sustainable Business Activities Category (KKUB). This number increased by 12% compared to 2020. Overall, BRI has disbursed KKUB loans to these 10 types of sustainable business activities: (1) micro, small and medium enterprises (MSMEs); (2) renewable energy; (3) pollution prevention and control; (4) sustainable management of living natural resources and land use; (5) conservation of terrestrial and aquatic biodiversity; (6) environmentally friendly transportation; (7) sustainable water and wastewater management; (8) Eco-efficient Product; (9) environmentally friendly buildings; and (10) other environmentally friendly business activities.

Category of Sustainable Business Activities (Rp. Trillion) [FS11]

Description	2020*	2021
MSMEs	484.4	543.4
Renewable Energy	4.7	5.6
Pollution Prevention and Control	0.02	0.03
Environmentally Friendly Transportation	15.5	14.9
Environmentally Friendly Buildings	2.8	2.3
Sustainable Management of Living Natural Resources and Land Use	37.2	43.2
Conservation of Terrestrial and Aquatic Biodiversity	0.7	0.67
Sustainable Water and Wastewater Management	0.6	0.01
Eco-efficient Products	3.8	4.1
Other Environmentally Friendly Business Activities	0.5	0.09

* Reclassification / restatement was made on the 2020 & 2021 figures based on BRI's more rigid internal parameters and criteria

In 2021, BRI financed new and renewable energy (NRE) by lending to PLTA Poso Energy for US$35 million and Kerinci Merangin for US$10 million. BRI supports the increase in the NRE mix through the Hydroelectric Power Plant (PLTA) project as one of the renewable energy sources. In addition, hydropower is also a source of energy whose supply is sustainable and generates electricity without generating waste with relatively low maintenance costs, thus making it a sustainable business activity. [GRI 203-1, 203-2]

Table of BRI loan disbursement to borrowers in non-renewable energy sector and renewable energy [GRI 203-1]

Year	Non-Renewable Energy (Rp Trillion)	New & Renewable Energy (Rp Trillion)	Total Financing (Rp Trillion)
2021	**25**	**5.6**	**30.6**
2020*	26.1	4.7	30.8

*A reclassification / restatement was made in the 2020 figures based on BRI's more rigid internal parameters and criteria.

BRI's Support towards the Results of the COP26

The Government of Indonesia, together with the international community, has agreed to the Glasgow Climate Pact and a commitment to finalize the preparation of the Paris Rules Book at the 26th Conference of the Parties (COP26) forum in Glasgow. This agreement is a crucial and positive achievement in the global agenda to deal with climate change.

As a form of support for the Indonesian government's climate commitment at the international level, BRI developed a Sustainable Finance Action Plan (RAKB) as a guideline in implementing sustainable finance principles. The preparation for making this RAKB is supervised by the Director of Risk Management and a committee consisting of the Director of Finance, Director of Wholesale and Institutional Business, Director of Small and Medium Enterprises, and Director of Compliance, and assisted by the Sustainable Finance Team consisting of Market, Portfolio, & Enterprise Risk Management, Planning, Budgeting, and Performance Management, Corporate Secretary, SOE Business, Corporate Banking, Retail and Medium Business, Compliance, Credit Risk Analyst, Credit Policy Division, and Internal Audit Unit. The Market, Portfolio & Enterprise Risk Management Division acts as the coordinator of the Sustainable Finance Team. [GRI102-18] [TCFD Gov.a]

The Less Plastic Campaign program is a work program initiated by BRI's Cultural Transformation Division to reduce the use of plastic in daily activities. This program is expected to have an impact not only to employees but also to the community around the BRI's Head Office.

BRI's form of support for COP26 is also reflected in paper saving activities such as the 2021 Head Office Audit (HOA) Culture Activation Program under the name "Love Tree Angel". This program imposes a fine on each sheet of paper printed in error. [GRI 302-5]

Other initiatives carried out by BRI in support of COP26 include: [F.7]

a. BRI constructed the BRILiaN Tower on Jl. Gatot Subroto Kav. 62 South Jakarta with the Green Building concept. BRI has received a gold category greenship certificate from the Green Building Council Indonesia for the construction of BRILiaN Tower. The assessment parameters are:
   - Appropriate site development
   - Energy efficiency & conservation
   - Water conservation
   - Material resource & cycle
   - Indoor health & comfort
   - Building environment management

   The electricity savings generated from this tower reached 19.49%.

   Emission reduction resulting from this tower reached 19.49%.

   The green open space in this tower is 3,132.72 meters.
b. BRI has already employed Electronic Vehicles (electric cars) which are currently used by the BRI Renon & Gianyar Branch Offices. These vehicles are Hyundai Ioniq Prime cars.
c. Efficiency of using air conditioner (AC). BRI seeks to prevent and reduce pollution caused by office activities by implementing good environmental management through the application of the eco-office or green office concept;

d. Supporting physical activity in the work environment. BRI seeks to reduce electricity use by encouraging increased physical activity among BRI employees during work hours, breaks, and after work. One of them is the use of stairs which can reduce the use of lifts to save electricity;
e. Lock & Shutdown My PC. BRI supports the movement of locking and turning off computer equipment after work is completed in order to reduce excessive electricity usage and prevent data theft;
f. BRIMO optimization in an effort to efficiently use ATM receipts. BRI continues to strive to always support the use of BRI mobile banking more. This program can increase the company's fee based income and directly protect the environment by reducing the use of ATM receipts.

Energy Usage

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

The operational activities of a bank require the use of energy, especially electrical energy used for office activities and fuel for operational vehicles. Although banking operations do not use excessive energy compared to other business sectors, BRI realizes that the Company still leaves an environmental impact. The company views this matter as important and makes it one of the company's priorities. [GRI 103-1]

The company's strategy in reducing energy use includes continuously increasing the awareness of all company employees to save on operational activities such as turning off lights and air conditioning when leaving the office. The company also increases the efficiency of electricity use by implementing several approaches, such as the use of energy efficient LED lights, the application of a work culture to turn off the lights when leaving a room, and setting elevator operating hours in the office. [GRI 103-2]

BRI's energy management is carried out with the principle of parsimony, which calls for saving energy, water and other natural resources. The approach taken is to save energy consumption, both electrical energy and fuel oil.

Optimal energy management can also reduce the potential for carbon dioxide (a greenhouse gas) emissions. Electrical efficiency is carried out by applying several approaches, such as: (1) Use of energy-efficient LED lamps; (2) The application of a work culture to turn off the lights when leaving a room; and (3) Setting the elevator operating hours. BRI's commitment to maintaining a clean environment is also manifested by the use of non-subsidized fuel for the company's operational vehicles. This is in line with government policy since 2012 which requires operational vehicles for all State Owned Enterprises to use non-subsidized fuel.

Efforts to save fuel consumption for operational vehicles are carried out by limiting the service life of operational vehicles and carrying out periodic maintenance so that fuel consumption can be more efficient. In addition, BRI also requires the use of non-subsidized fuel types that are more environmentally friendly. With these steps, the increase in the volume of fuel consumption for operational vehicles can be controlled.

Regarding renewable resources, BRI has used several units of electric cars and energy sourced from solar panels but has not calculated the resulting energy savings. In addition, BRI has no energy to sell. Data on fuel usage is obtained from the company's financial statement data. The use of fuel during 2021 is IDR 381,640,000,000.-. [GRI 302-1] [GRI 302-2]

The following table details BRI's estimated energy use during 2021: [F.6]

Description	Unit	2021
Solar (diesel fuel) *for Transportation	Liter	9,611,812
Pertamax Fuel Usage **for transportation	Liter	8,192,563
Pertalite Fuel Usage ***	Liter	16,920,148
Premium Fuel Usage ****	Liter	10,771,991
Electricity Usage	kWh	353,912,904
Total Energy Consumed	MJ	2,898,183,466
Energy Efficiency Performance per Branch Office	MJ/ Branch office/year	335,282,68
Energy Efficiency Performance per Employee	(MJ/employee/year)	25,588,31

* Solar (diesel fuel)
** Pertamax (fuel with octane number 92)
*** Pertalite (fuel with octane number 90)
**** Premium (fuel with octane number 88)

Outsourced employees are included in the total employees calculated on energy intensity. In the period reporting, the amount of decrease in energy consumption has not been shown because BRI is currently recalculation for calculation of energy consumption in 2019 and 2020. The calculation is carried out to improve comparability on energy use in 2021. In addition, BRI has not calculated the energy produced for products and services. [GRI 302-4, 302-5]

Total Cost of Electricity Usage

Total Cost of Energy Usage	2019 (Rp)	2020 (Rp)	2021 (Rp)
Total	558,422,081,800	566,170,067,100	553,037,000,000

Water Usage [F.8]

Water is one of the natural resources used by BRI in various operational activities such as toilets, mosques, pantri, canteen, and others. BRI realizes that clean water sources are increasingly limited, so BRI implements a water saving policy by installing recommendations to use water sparingly and wisely. In order to anticipate leakage, cloudy water, or other major damage; The company checks water installations regularly. [GRI 303-1] [GRI 303-5]

Protecting the environment is one of BRI's goals in achieving sustainability. Therefore, BRI does not take river water or ground water to prevent the impact of water stress. BRI uses third party services for water collection, namely PDAM and PAM Jaya, which have met the SNI standard regarding the provision of clean water quality that is safe for use in the office. The cost of water usage during 2021 is IDR 22,068,907,790,- [GRI 303-2], [GRI 303-3]

The following table displays BRI's estimated water use during 2021:

Table of Total Water Usage

Description	Unit	2019	2020	2021
Water Usage	m^3	2,809,471	3,112,340	1,949,046
Water Usage Performance	%	9% (increase)	12% (increase)	37% (decerase)
Water Usage Intensity	m^3/employee	22.37	25.30	17.20

Since the Covid-19 pandemic, water use at the office has decreased by 1,949,046 m3 in 2021 compared to that of 2020 at 3,112,340 m3. This is because the operational activities in the office were reduced and more operational activities were carried out digitally.

Paperless System [F.5]

BRI seeks to improve paper usage efficiency through the support of a modern system that is continuously being developed by the Company. One is a well-integrated information system for the internal use of BRI and customers which is supported by applications that can boost operational efficiency.

The various paperless applications that have been implemented for internal dan BRI customers are:

1. e-Tax is a tax reporting application for customers. BRI is the first banking institution in Indonesia to use this kind of application;
2. e-Form is an application to replace paper-based services for frontline employees in the BRI Work Unit;
3. e-Statement is an application that provides information to customers via registered email;
4. New Account Swap serves to help customers connect loan products and current accounts without having to have two separate accounts;
5. Automated Teller Machine (ATM) without needing to print receipts;
6. BRISPOT is an Android-based application that allows micro-loan decisions to be made online on the spot. The process is done quickly and is paperless;
7. MY BRI is an Android-based application that allows consumer loan decisions to be made on the spot. The process is done quickly and is paperless.
8. BRIStars, is an internal BRI application that includes e-office as a means of online correspondence and other staffing features;
9. BRISMART, is an e-learning management system application used internally at BRI.

Table of Total Paper Usage

Description	Unit	2019	2020	2021
Paper Usage (kg per branch office)*	kg	230.03	269.04	226.89
Paper Usage Performance per branch office	%	3% (increase)	14% (increase)	16% (decrease)
Paper Usage Intensity **	kg /employee	17.61	19.75	17.32

*) All branch offices in Indonesia **) All employees including Outsourced jobs

Through various austerity efforts, paper consumption in the company's activities has shown a decline. Based on financial report data for 2021, it is estimated that there will be a decrease in paper usage per branch office to 226.97 kg of paper in 2021 compared to 2020 of 269.04 kg of paper. This year, BRI has calculated the total emission from paper use of 19,619 tons of CO2e which is included in the scope 1 calculation of the company's greenhouse gas emissions. During the reporting period, there was no use of recycled input materials and no reclaimed products. The use of ATK during 2021 is IDR 172,147,000,000,- [GRI 305-6]

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 also participates in controlling carbon dioxide (Greenhouse Gas/GHG) emissions, which is one of the exhaust gases resulting from the use of fossil fuels (fuel, coal and gas) both for operational activities and for transportation activities. Consumption of electricity, fuel, and the intensity of transportation on business trips produce GHG emissions with a volume that is directly proportional to the amount. Therefore, the approach to managing GHG emissions is the same as the approach taken to manage energy consumption. In managing GHG emissions, BRI implements policies to save electricity consumption, efficient use of operational vehicles, and manage the intensity of business trips.[GRI 305-4] [GRI 305-5]

Emissions calculations are calculated using the 2006 Intergovernmental Panel on Climate Change Guidelines calculation methodology which was updated in 2019. The electricity emission factor uses emission factors issued by the Directorate General of Electricity, Ministry of Energy and Mineral Resources (DJK-ESDM) in 2020 and fuel emission factors using emission factors issued by the Oil and Gas Institute (Lemigas) ESDM in 2021. While other emission sources use emission factors that have been agreed upon by the IPCC. [TCFD Metric.b]

In this report, BRI has calculated the overall emissions at all branch offices in Indonesia, but the base year for emissions has not yet been determined. [GRI 305-1] [GRI 305-2] [GRI 305-3]

Description	2021
Scope 1 Emissions (Positive Emissions)* (Kg CO_2 eq)	133,726,800
Scope 2 Emissions (Positive Emissions)* (Kg CO_2 eq)	320,065,678
Tree Planting Activities (Negative Emissions)** (Kg CO_2 eq)	316,700
Scope 3 Emissions: Business Air Travel	1,497,162
Scope 3 Emissions: Business Land Travel (Local)	969,384
Net Emissions (Kg CO_2 eq)	456,259,024
Emission Intensity per Branch Office (Kg CO_2 eq/Branch Office)	52,783
Emission Intensity per Employee (Kg CO_2 eq/Employee) ***	4,028

* Positive Emissions are emissions that result from banking operational activities consisting of Scope 1 which come from the use of fuel and paper and Scope 2 which come from electricity consumption in all BRI offices in Indonesia. The use of these two energy sources is within BRI's control.

** Negative Emissions are emissions resulting from activities that absorb carbon emissions produced by the company. These negative emissions are not certified emissions and are the result of approaches based on the KLHK carbon accounting standard.

*** In order to support the validity of the emission intensity per employee, outsourced employees were included in the 2021 calculation of the total intensity of employees. This is because all of the energy produced by the company is used by all BRI employees, including outsourced employees.

Based on the table above, emission reductions were achieved with a significant reduction in electricity use from 2020 to 2021. In 2021, BRI began to separate the calculation of emission scopes 1 and 2 and began to calculate the emissions generated from land business trips.

BRI is committed to continuing to pursue emission reduction initiatives by encouraging the digitization process. ODS (Ozone-Depleting Substances) gasses Ozone, NOx, SOx, VOC (volatile organic compound gas), PM (Particulate Matter), and other significant air emission contributors are not taken into account in this calculation. This is because BRI is still in the early stages of classifying data and will increase data collection on emissions in the 2022 RAKB. This effort is in line with the 'Green Taxonomy' activity initiated by OJK in the Second Roadmap of Sustainable Finance, so that data related to internal emissions can begin to be managed in a database. Digital data management can make it easier for companies to sort data from financial reports into environmental-based internal performance data. [GRI 305-6] [GRI 305-7]

In 2021, BRI won the awards for "Reducing Corporate Emissions in the Green Category for Banking Issuers Sector" and "Reducing Corporate Emissions in the Green Category for the SOE Banking Sector" on March 30, 2021 because of its determination to create a low-carbon world.

Potential Emission Reduction from Digitization

Changes in behavior patterns in the midst of a pandemic, where many activities were shifted to the digital world have the potential to indirectly accommodate emission reduction efforts. In the application of the ISO14064 GHG Footprint Standard method, emission calculations for customers are carried out by comparing customer behavior patterns when making transactions through digital platforms with customers making transactions at branch offices. BRI implements filling out a questionnaire to customers to discern the types of BRI customers in 2021; the questionnaire helped understand customer information such as their locations and other information related to the calculation of greenhouse gas inventory. Indirectly, the information obtained through the questionnaire can identify the average distance between customers and the nearest BRI office or ATM, the type of vehicles used, the fuel efficiency level of the majority of the vehicles used, and the average use of smartphone as a tool for customers' daily transactions and as an emission saving solution . [GRI 305-3] [F.12]

Potential Emission Reduction From Digitazion 2021

SMS BANKING

Transaction frequency (in thousands)	Potential for Scope 3 Emission Reduction from Digitization (kg CO_2eq)
324,591	62,747,335

INTERNET BANKING + BRImo

Transaction frequency (in thousands)	Potential for Scope 3 Emission Reduction from Digitization (kg CO_2eq)
3,197,698	618,153,396

	Transaction frequency (in thousands)	Potential for Scope 3 Emission Reduction from Digitization (kg CO_2eq)
AgenBRILink – Brilink in Remote Areas	104,828	20,264,537
EDC	2,798,805	541,042,592
MOCASH + BRIMOLA	11,115	2,148,663
TOTAL		1,244,356,523

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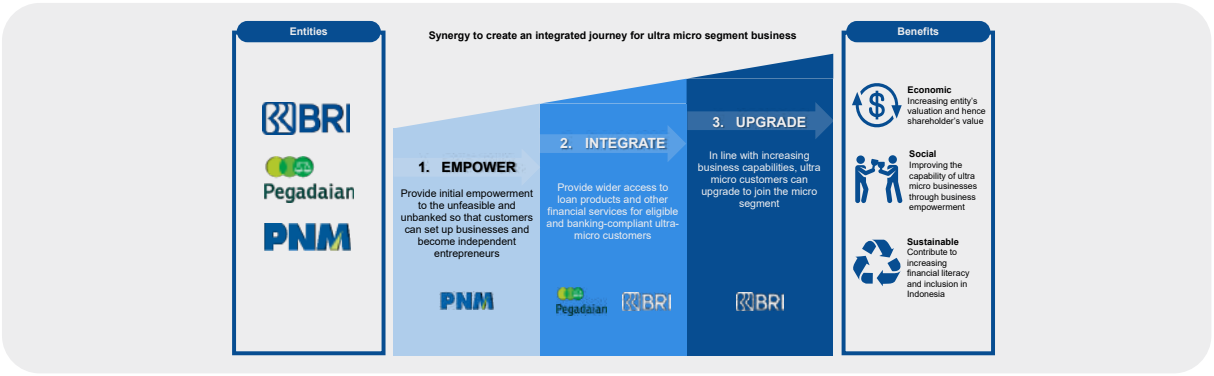
SUSTAINABILITY
REPORT
2021

Embracing the Community

Ultra Micro Synergy [FS13] [FS14]

BRI together with Pegadaian and Permodalan Nasional Madani (PNM), which are members of Holding Ultra Mikro (UMi), continue to accelerate the expansion of UMi products and services in the society to open up opportunities for growth and development for ultra micro businesses. This step is one of BRI's strategies to complement the DNA of the micro business while at the same time strengthening market leadership in the Micro, Small and Medium Enterprises (MSME) and Ultra Micro (UMi) segments. Throughout 2021, this synergy is implemented through three main initiatives, including: [F.26]

a. Service synergies embodied in joint work units (co-location) using SenyuM (Ultra Micro Service Center) which provide more complete financial services and facilitate access for business actors;
b. Marketing by prioritizing technological innovation to help marketers – BRI mantri, Pegadaian sales and PNM Account Officers – to collaborate in referrals and market cross-entity products through the digital platform SenyuM Mobile. The two platforms are the result of the integration of three digital marketing platforms: BRISPOT (BRI), Selena (Pegadaian), and PNM Digi (PNM) to integrate cross selling.
c. Potential database integration of the three entities to support cross selling.



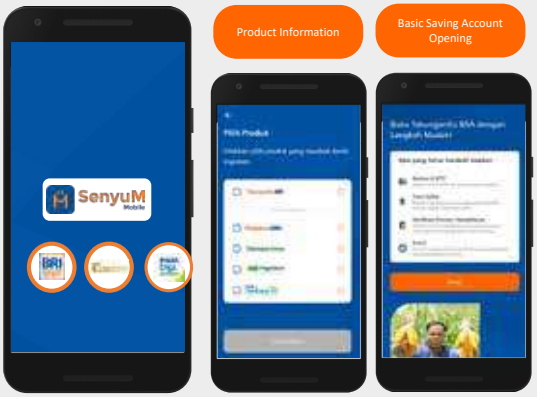
BRI, Pegadaian, and PNM business models will complement each other to serve more integrated services in three phases, namely "Empower, Integrate, and Upgrade". Since its inauguration on September 13, 2021, there are now 153 SenyuM offices spread throughout Indonesia.

SenyuM is an integrated service office between BRI-Pegadaian-PNM that makes it easy for customers from the three companies to make transactions according to their respective needs. The main difference between SenyuM co-location service and BRI offices in general is that Pegadaian and PNM customers can make transactions and make savings at the same time at the same premises, and vice versa. This synergy aims to expand the reach of

the Company by providing more complete financial services and easy access to the public.

For example, customers who want to open a gold savings account (Tabungan Emas) from BRI marketers can enter data through SenyuM Mobile, which is then directly connected to the Pegadaian database. Conversely, if Pegadaian's marketers serve customers who want to increase capital for their business, the customers' data can also be inputted through SenyuM Mobile which will then be directly connected to the BRI KUR database.

During 2021, Ultra Micro Synergy has been physically accessed through the integrated service office and through the SenyuM Mobile application.
The establishment of SenyuM Mobile was well received by the community. Currently, it is recorded that an average of 50 people open a Tabungan Emas account, make a pawn transaction, or purchase gold in installments every day. This is certainly a positive early achievement in BRI's efforts to promote financial inclusion, which is now at 76% compared to the 2025 goal of 90%.



On the other hand, BRI continues to push down the cost of funds for Pegadaian and PNM so that these costs are lower than what they were before the Holding was formed. The presence of this Ultra Micro Synergy will continue to provide empowerment and provide wider, complete, and inexpensive financing, so as to be in line with the government's main goal of encouraging more developed and advanced MSMEs.

Co-locations that have been Integrated with Ultra Micro by Region [FS13]

No.	Region	Total
1.	Medan	5
2.	Pekanbaru	4
3.	Padang	2
4.	Palembang	5
5.	Lampung	2
6.	Jakarta 1	1
7.	Jakarta 2	12
8.	Jakarta 3	9
9.	Bandung	29

No.	Region	Total
10.	Semarang	10
11.	Yogyakarta	19
12.	Surabaya	9
13.	Malang	12
14.	Denpasar	7
15.	Banjarmasin	5
16.	Makassar	12
17.	Manado	9
18.	Jayapura	1

With the Ultra Micro Synergy, BRI's commitment to contributing to the achievement of the Sustainable Development Goals is further strengthened, particularly in the 5th goal, namely Gender Equality, through the distribution of Mekaar PNM products.

PNM Mekaar is a capital loan service for underprivileged women who are MSME actors, PNM Mekaar is able to provide access to capital for underprivileged women so that customers are able to develop businesses in order to achieve their goals and improve their business family welfare.

As of December 2021, PNM Mekaar has been able to disburse loans to 12.1 million customers with a total outstanding of IDR 25.9 trillion. PNM Mekaar provides 3 (three) types of capital for MSEs. These capitals include financial capital, intellectual capital, and social capital. The Ultra Micro Ecosystem was developed through digitization so as to provide easy access to financing while reducing borrowing costs for business actors. These conveniences can also indirectly prevent people from practicing high interest loans.

Ultra Micro also encourages financial literacy and inclusion as an effort to strengthen acceleration of MSME and UMi segments in the future. An adequate level of literacy is a key factor in creating sustainable sources of growth, so that it can provide long term value and benefits to stakeholders.

The presence of Agen BRILink is also optimized in helping financial inclusion services. Mitra UMi is one of the Agen BRILink who have been delegated throughout Indonesia as an extension of BRI with additional functions to serve and manage Ultra Micro loans. UMi partners can assist in the loan marketing process, verification, and analysis of prospective borrowers as well as assisting the realization and collection of loan installments. [FS13] [FS13]

Office SenyuM

SenyuM offices were repurposed buildings for existing BRI work units. Then the office was developed through co-branding by three entities by providing synergies with BRI services, Pegadaian and PNM under one roof. These integrated service offices are different from BRI work units in general as they provide the widest possible access for customers who want to open a BRI TabunganKu account or Simpedes UMi, obtain BRI KUR business capital loans, or upgrade to Kupedes. In addition, customers can also enjoy the complementary synergy of services and products from Pegadaian such as Tabungan Emas, Pawn Loans, to Gold Installments. Meanwhile, PNM operates space back once to manage the transactional loan needs of members of the Mekaar group.

With this business synergy, the SenyuM office is expected to accelerate financial inclusion. Pegadaian customers, most of whom currently do not have savings, are now able to open BRI savings accounts when transacting pawns. On the other hand, BRI customers have the convenience of investing in gold savings accounts. For PNM, SenyuM can speed up the operations of the Mekaar group loan disbursement and deposit transactions.

Effectiveness and efficiency need to be improved through the redesign of business processes, among others by mainstreaming non-cash services, both through disbursement and payment of Pawn and Mekaar loans. This step can reduce operational costs and operational risks of Pegadaian and PNM; this synergy can provide more value to stakeholders, including the Ultra Micro community.

Serving the Micro Business sector is part of BRI's DNA. Therefore, BRI is committed to increasing the support and empowerment of the Ultra Micro segment in 2021, which is packaged with the spirit of digital transformation to go smaller, shorter, and faster. BRI's financial services, such as disbursing financing, can be carried out more quickly at a more affordable cost. Through these light loans, BRI hopes that Ultra Micro business actors can maintain their business and recover quickly from the impact of the Covid-19 pandemic, as well as increase the penetration of Ultra Micro segmentation and micropayment transaction systems in the community.

Corporate Social & Environmental Responsibilities (TJSL) - Community Engagement and Development

BRI through its working units spread throughout Indonesia is committed to community development activities through the implementation of the Corporate Social & Environmental Responsibilities (TJSL) Program which is internally communicated as the TJSL BRI Peduli Program.

The implementation of the TJSL BRI Peduli Program refers to the Regulation of the Minister of SOEs No. PER-05/MBU/04/2021 dated April 8, 2021 regarding the Social and Environmental Responsibility Program of State-Owned Enterprises which was later adopted into the company's internal regulations through Circular Letter NO. SE. 50 –DIR/CSC/09/2021 dated September 30, 2021 regarding the Implementation of the BRI Peduli Environmental and Social Responsibility Program for PT. Bank Rakyat Indonesia (Persero), Tbk.

In accordance with the SOE Ministerial Regulation, there has been changes in the distribution sector for the BRI Peduli CSR Program which previously referred to the 7 Community Development sectors. It now refers to the 4 main pillars: the Social Pillar, Economic Pillar, Environmental Pillar and Law & Governance Pillar with the activities aiming towards the Sustainable Development Goals (SDGs). The implementation of the BRI CSR program is also guided by the Triple Bottom Line concept of being Pro People, Pro Planet, and Pro Profit which underlies BRI's program so far. It is also in line with the Environmental, Social, and Governance (ESG) strategy in every business and investment activity.

The distribution of the BRI Peduli TJSL Program for 2019 & 2020:

Distribution of the BRI Peduli TJSL Program for the 2019–2020 Period (Audited)

Description	2019		2020	
	Amount (Rp. Million)	%	Amount (Rp. Million)	%
Indonesia Peduli	6,336	2.80	69,709	26.39
Indonesia Cerdas	70,192	30.98	52,607	19.92
Indonesia Sehat	44,760	19.75	45,907	17.38
Indonesia Membangun	29,303	12.93	32,165	12.18
Indonesia Takwa	43,785	19.32	34,948	13.23
Indonesia Lestari	866	0.38	4,432	1.68
Indonesia Sejahtera	31,342	13.83	24,369	9.23
Total	226,584	100.00	264,137	100.00

Distribution of the BRI Peduli TJSL Program for the 2021 Period (Audited)

Pillar	Amount (Rp. Million)	%
Social	186,597	68.99
Economic	13,703	5.07
Environmental	70,159	25.94
Total	**270,460**	**100.00**

The classification of the BRI Peduli TJSL Community Development Program is as follows:

Budget Allocation for TJSL Community Development Program by BRI Peduli

Description	Total Costs 2019 (%)	Total Costs 2020 (%)	Total Costs 2021 (%)
Charitable Donations	22.55	43.77	45.44
Community Investments	63.62	47.00	46.70
Commercial Initiatives	13.83	9.23	7.86
Total	**100.00**	**100.00**	**100.00**

Awards

In 2021 BRI received several awards and recognitions for the implementation of the BRI Peduli CSR Program, including:

No.	Awards	Organizer
1	TOP CSR 2021 – TOP CSR Awards #Star 5	Top Business
2	TOP CSR 2021 – Top Leader On CSR Commitment 2020	Top Business
3	BISRA 2021 – Gold Champion In CSR Program	Bisnis Indonesia
4	Teropong CSR 2021 – Peduli Covid-19	teropongsenayan.com
5	Teropong CSR 2021 – Peduli Bencana	teropongsenayan.com
6	Teropong CSR 2021 – Peduli UMKM	teropongsenayan.com
7	Merdeka Award – Program Kepedulian Sosial Membangu Dampak Covid-19	merdeka.com
8	The Best Nusantara CSR Awards 2021/The Best CSR Of The Year	The La Tofi School of Corporate Social Responsibility
9	CEO CSR Of The Year 2021 untuk Direktur Utama BRI (Bapak Sunarso)	The La Tofi School of Corporate Social Responsibility
10	Nusantara CSR Awards 2021 Kategori Peningkatan Mutu Pendidikan	The La Tofi School of Corporate Social Responsibility
11	Nusantara CSR Awards 2021 Kategori Pemberdayaan Ekonomi Komunitas	The La Tofi School of Corporate Social Responsibility
12	Nusantara CSR Awards 2021 Kategori Peningkatan Mutu Kesehatan	The La Tofi School of Corporate Social Responsibility
13	Nusantara CSR Awards 2021 Kategori Pengembangan Desa Wisata	The La Tofi School of Corporate Social Responsibility
14	Nusantara CSR Awards 2021 Kategori Pelibatan Komunitas dalam Menangani Sampah	The La Tofi School of Corporate Social Responsibility
15	Nusantara CSR Awards 2021 Kategori Pemberdayaan Penyandang Disabilitas	The La Tofi School of Corporate Social Responsibility
16	Nusantara CSR Awards 2021 Kategori Integrasi Program untuk Dampak Luas	The La Tofi School of Corporate Social Responsibility
17	Nusantara CSR Awards 2021 Kategori Pemimpin Penginspirasi Praktik CSR	The La Tofi School of Corporate Social Responsibility
18	Nusantara CSR Awards 2021 Kategori Bantuan Kesehatan dan Ekonomi (charity) untuk penanganan Darurat Covid-19	The La Tofi School of Corporate Social Responsibility
19	BUMN Track TJSL & CSR Award 2021 – Pilar Ekonomi Juara I	Majalah BUMN Track
20	BUMN Track TJSL & CSR Award 2021 – Pilar Lingkungan Juara I	Majalah BUMN Track
21	BUMN Track TJSL & CSR Award 2021 – Pilar Sosial Juara III	Majalah BUMN Track
22	Indonesia Award 2021 - Kategori Corporate Social Responsibility in Handling Pandemic	iNEWS
23	Integrated CSR Award	IDX Channel

BRI Peduli TJSL Program

Social Pillar

BRI Peduli's CSR program in the Social Pillar focuses on achieving the fulfillment of basic human rights in a fair and equitable manner to improve welfare for the entire community. The Social Pillars include SDGs No. 1 (No Poverty), 2 (Zero Hunger), 3 (Good Health & Well Being), 4 (Quality Education), and 5 (Gender Equality). In 2021 BRI distributed assistance to the community amounted of Rp. 186.6 billion through the implementation of featured programs in the Social Pillars, including:

1. **Educational Funds for Children of Covid-19 Health Employees**

   As a token of appreciation, BRI funded 1,800 children of Covid-19 health employees from various hospitals in Indonesia to support their education. This was given to coincide with the commemoration of Indonesia's 76th Independence Day. [GRI 413-1]

2. **BRI Peduli Cares for Schools in Border**

   Education is one issue BRI really concerned about. Through "This Is My School" program, BRI helps 4 schools located in the border of the country to renovate the schools' facilities. The assistance was done in Atambua, East Nusa Tenggara; Karimun, Riau Islands; Jayapura; and Nunukan, North Kalimantan.

   This program focuses on renovating the school's facilities that are no longer suitable to support the learning process. The newly-renovated infrastructure is expected to provide more comfortable learning space for both the students and teachers.. [GRI 203-1, 413-1]

3. BRI Peduli for Natural and Non-Natural Disasters

Indonesia experienced various kinds of natural and non-natural disasters in 2021. BRI, as a state-owned bank with nationwide network, hold responsibility to help relieving the situation, especially to the victims. BRI has formed an emergency response team called Tim Elang. Its main task is to report about BRI's assets and operations, BRI employees and their families, as well as to help distribute aid from BRI Group.

One of the national disasters that took placein 2021 was the tropical cyclone in East NusaTenggara which caused casualties and severe infrastructure damage. BRI then directly went to the site to provide aid to the communities in Adonara District, East Flores. The assistance provided was in the form ofready-to-eat food, medicines, basic necessities and other logistical needs.

4. Medical Equipment Aid

To help the government slowing down the vast spread of Covid-19 outbreak, BRI delivered medical equipment to 74 hospitals all around Indonesia. It include hospital beds, oxygen tanks, oximeters, and many more. It was expected to help the hospitals maintain and improve the quality of their services.

5. **Sharing Happiness with BRI**
   BRI held an activity in the month of Ramadan 1442 H to provide basic necessities to 200 orphanages and 50 nursing homes around Indonesia.

Economic Pillar

The Economic Pillar in BRI Peduli focuses on achieving sustainable economic growth through sustainable employment and business opportunities, innovation, financial inclusion, infrastructure, affordable clean energy, and supportive partnerships. The economic pillars are targeted to achieve SDGs No. 7 - Affordable and Clean Energy, 8 - Decent Work and Economic Growth, 9 - Industry Innovation and Infrastructure, 10 - Reduced Inequalities, dan 17– Partnerships For the Goal. BRI also supports the implementation of TJSL Economic Pillar program by distributing Rp 13.70 billion on 2021 that is delivered for community empowerment, including:

1. **BRI Peduli Women Empowerment**

   The Women's Empowerment Assistance Program is provided to support business groups in the form of training and business equipment. This assistance was given to 18 women's business groups all around Indonesia. This program is a form of BRI's support for women's groups in enhancing their capacity and competence so they can give more contribution to the community. In order to participate in the business training, the women's business groups must come up with their champion products to be curated by BRI. [GRI 203-1, 413-1]

2. BRI Peduli Desa BRILiaN

BRI Peduli Desa BRILiaN Program hands out assistance to the villages in the form of community empowerment and infrastructure to support. Villages are required to meet BRI standards to be selected as Desa BRILiaN, including economic and social value. In 2021, 5 villages were awarded Desa BRILiaN: Sukalaksana Village, Garut; Dusun Butuh, Magelang; Ketapanrame Village, Mojokerto; Sanankerto Village, Malang; and Tebara Village, West Sumba. [GRI 203-1, 203-2, 413-1] [FS13]

3. Business Infrastructure Assistance

As a form of concern and responsibility to the business, BRI provides assistance in the form of business support facilities for MSMEs located in the vicinity of BRI's working units. This assistance includes:

a. Women's Sewing Infrastructure Assistance in Maumere
BRI provided assistance in the form of sewing training facilities for women's groups in the Maumere area. The Maumere Women's Tailoring Group is a women's association engaging in the sewing business in Maumere. This group has an important role in carrying out sewing training in the area. The assistance from BRI aims to help provide sewing equipment in order to improve the economic standards of the group's members. [GRI 203-2, 413-1]

b. Business Support Vehicle Assistance
In order to support community business growth, BRI provides assistance to business groups in the form of vehicles. The assistance was given to a group of farmers in Guwa Lor Village, Kaliwedi Cirebon. This assistance is a form of BRI's concern in supporting the growth of MSMEs in the vicinity of BRI's working units. [GRI 203-1]

Environmental Pillar

BRI Peduli's CSR program within the Environmental Pillar focuses on the sustainable management of natural resources and the environment as a support for all life. The Environmental Pillar includes SDGs numbers 6 (Clean Water and Sanitation), 11 (Sustainable Cities and Communities), 12 (Responsible Consumption and Production), 13 (Climate Action), 14 (Life Below Water) and 15 (Life on Land). BRI has distributed Rp 70.16 billion in 2021 through programs including:

1. BRI Peduli River Clean-Up Program

The River Clean-Up Program is one of BRI's efforts to preserve the sustainability of the environment. Activities carried out in this program include river revitalization, construction of physical facilities and education of a healthy environment. BRI also conducted an empowerment training program titled "Turn Waste into Money" and provided waste-processing equipment. Residents living around the riverbank were given training on how to manage organic and inorganic waste to create economic values.

Phase I of the River Clean-Up Program has been implemented since 2019 at 19 rivers located throughout Indonesia. In 2021, BRI carried out maintenance program for 18 rivers and conducted Phase II of river clean-up in 10 different locations from the Phase I.
Gradually, after the Pro Planet and Pro People aspects have been realized, the benefits of river cleaning and proper waste management will provide economic benefits for the surrounding community, ultimately making Pro Profit possible. The money generated from the sale of waste will then be saved through a BRI account and can be withdrawn via Agen BRILink, BRI working units, or other BRI e-channel networks. Through this activity, BRI will continue to promote changes in people's perspectives on the functions and role of rivers in their lives and the future. [GRI 203-1] [FS13]

2. BRI Peduli Woman Communi-Tree

To support the role of women in community activities, BRI provides assistance through the Woman Communi-Tree Program. The Woman Communi-Tree program involves the construction of physical infrastructure for Urban Farming, planting house plants, building greenhouses and other infrastructure; as well as providing assistance for productive plants that produce vegetables, fruits, home medicines, and other types. Assistance was given to 18 women's groups in all around Indonesia. The Woman Communi-Tree program is a part of BRI's responsibility and concern in supporting environmental sustainability and a tangible manifestation of women empowerment. [GRI 203-1]

3. Integrated Waste Management

Waste garbage is a crucial problem especially in big cities that are densely populated. The amount of waste produced compared to the limited capacity of the waste processing site is disproportionate, causing waste problems at certain locations. Seeing this, BRI provided for the renovation/construction of an Integrated Waste Processing Site (TPST) and its supporting equipment in the Special Capital Region of Jakarta. The assistance was provided at 2 location points used for processing inorganic and organic waste.

The assistance is expected to help the community in managing waste in their area to prevent the emergence of waste problems. [GRI 203-1]

4. Assistance in Planting Perennial and Productive Trees

BRI continue to involve in supporting environmental conservation efforts in the community. In collaboration with the Indonesian National Armed Force, BRI handed tree seedlings of productive trees to BRIGIF 21 Komodo Kupang. The seeds planted include sandalwood, tamarind, guava, flamboyant, mango, moringa (merunggai), and other fruit crops. In addition to the environmental conservation values, the commodities produced by these plants can be utilized by the community around the Komodo BRIGIF 21 Headquarters. In addition to plant seeds, BRI also helped provide equipment in the form of fertilizers, equipment for watering plants, and various other equipment and facilities.

Assessment of TJSL CSR Activities [GRI 103-3]

BRI realizes that every implementation requires evaluation in order to improve the quality and impact of future activities. BRI has assessed the impact of CSR activities using the Social Return On Investment (SROI) measurement method. SROI is an approach to understanding and managing the social, economic, and environmental impacts created by an activity. SROI presents the economic, social, and environmental impacts experienced by stakeholders as a result of implementing a program and compares the value of the impact on the investments made.

BRI provides training to employees to continuously improve quality and have a positive impact on the implementation of CSR activities. The training that has been carried out, among others, are:

SROI Training Table

Date of Training	Topic of Training	Training Organizer	Number of Participants	Employee Hierarchy	Gender
December 18, 2021	SROI (Social Return On Investment) training	Bumi Global Karbon	10 people	• Assistant Vice President • Manager • Assistant Manager • Assistant • Officer	Male & Female
October 6-7, 2021	Measuring the Social Return on Investment (SROI)	CECT Trisakti	6 people	• Manager • Assistant Manager	Male & Female
April 2021	From CSR to CSV "Strategic Management Sharing"	Management Department of UNAIR	4 people	• Assistant Vice President • Senior Manager • Assistant Manager	Male & Female

In carrying out branch business activities in the rural areas, BRI prioritizes empowering local communities as employees at each unit. BRI realizes that the empowerment and progress of each region is our shared responsibility, which is in line with the 11th Global Development Goal of Sustainable Cities and Communities. One of BRI's work units, the Mojokerto Branch Office, empowers local communities; around 80% of its total workforce are local residents.

BRI has yet to conduct an environmental and social impact assessment specifically with the involvement of local communities, consultation committee, work council, and occupational safety and health. Should there be any complaints regarding operational activities, local communities can submit their formal complaints through the nearest BRI working units or Contact BRI. So far, there are no significant actual and negative impacts from activities at the company's operational locations on local communities. [GRI 413-1] [GRI 413-2]

Financial Literacy and Inclusion

[FS13] [FS14] [FS16]

BRI understands the importance of financial literacy in an individual or a company. It is considered a determining factor of management quality. BRI also understands the inequality of financial literacy, especially between people who live in rural and remote areas with little access to banking services. This situation may lead to inappropriate use of financial products and services. This situation encourages BRI to help improving people's financial literacy by conducting socialization or training about the use of banking products and services. This program would indirectly benefiting BRI to increase the number of products and services users.

BRI realizes that people who live far from urban areas, branch offices, and Automated Teller Machines (ATM) are likely to find it difficult to conduct banking transactions. Responding to this issue, BRI developed a branchless banking service to assist people in conducting banking transactions, named Agen BRILink. Agen BRILink assists banking transactions using smartphones. Agen BRILink adds positive impact in providing financial access to people with no access to bank. BRI also cares about the security of customer data information because it has the potential to open up opportunities for fraud and data theft, which in turn can diminish customer trust in BRI. Therefore, BRI continues to improve the professionalism and integrity of the agents.

BRI expands its reach to support the Financial Services Authority (OJK) program to improve financial literacy and provide education about insurance instruments and mutual fund investment to young people. Financial inclusion activities aim to increase public access to various quality and safe financial services at affordable costs according to the needs and capabilities of the community. In Indonesia, groups that receive priority access to financial inclusion are, but are not limited to, low-income communities, MSME actors, people with disabilities, migrant employees, and residents in underdeveloped areas. [FS13]

BRI cooperates with various parties in developing products, methods and technology to reach wider community, especially those in the priority group for financial inclusion. The positive impact related to financial inclusion is the opening of public access to banking products and services that can help stimulate community's economic activities, especially those in need of financial assistance such as low-income people. For SMEs, the opening of access to financial services has the potential to increase productivity to achieve maximum results. Meanwhile, the negative impact that must be managed from financial inclusion is the presence of fintech (financial technology) which has the potential to increase the risks and costs that must be borne by consumers. This is because the level of understanding of fintech products and services between individuals will vary. Therefore, intensive efforts are needed to avoid losses due to misunderstandings in using products and services [F.25]

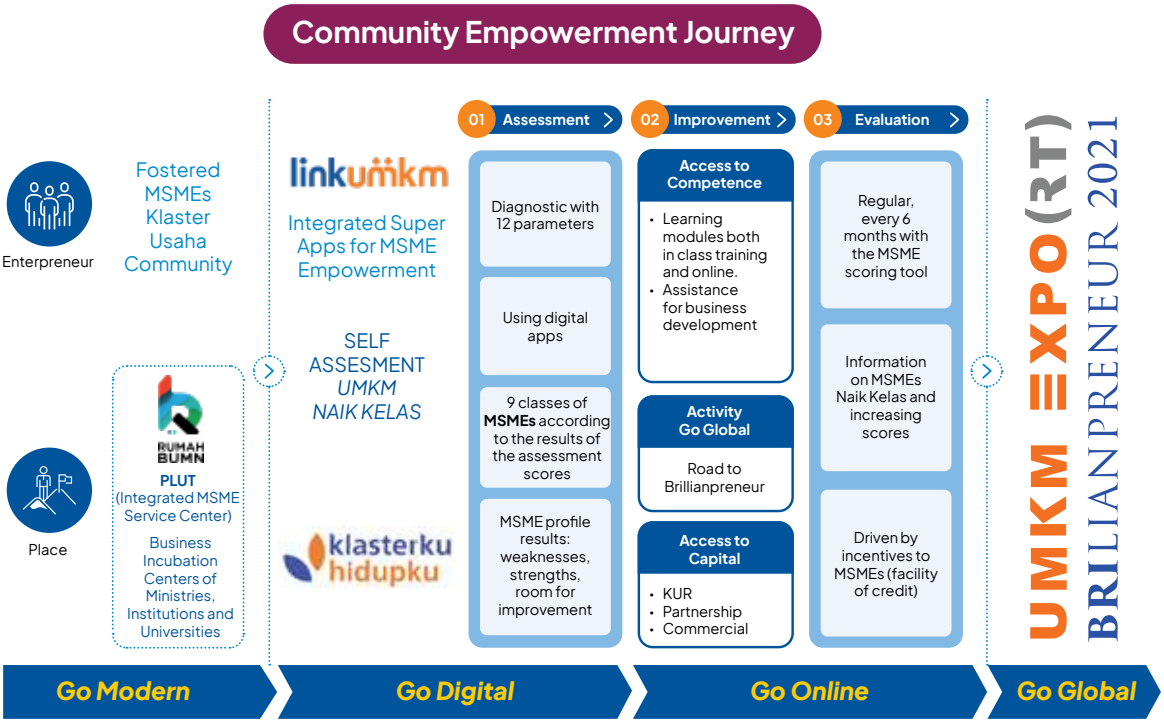
The digital approach also enables BRI to reach customers and MSME actors throughout Indonesia. BRI currently utilizes open API (Application Programming Interface) technology. In addition, BRI continues to provide loan facilities through several digital service initiatives, including CERIA. The entire application process takes place digitally through an

application with a digital verification process, credit scoring, and digital signature. This allows customers to enjoy banking services digitally, more quickly, easily, and cheaper. These various facilities are in line with the aim of increasing financial inclusion throughout Indonesia. [FS15]

BRI is committed to providing products that help the community to increase financial readiness in anticipation of a sustainable income. As a development agent, BRI is responsible for improving financial literacy and financial inclusion through several activities such as direct sales and financial education programs for the micro segment (Agen BRILink, PMI, and other micro customers), as well as providing financial preparation literacy.

a. Financial Literacy Channels [FS16]

1. Community Empowerment Journey



1.1 Klaster Hidupku

Klaster Hidupku uses a marketing approach to the community / collective / group to make it more effective and efficient for Mantri (BRI's micro loan officer). The management of marketing data which was previously carried out manually by mantri can now be done using database system. This is implemented in the Klaster Usaha program

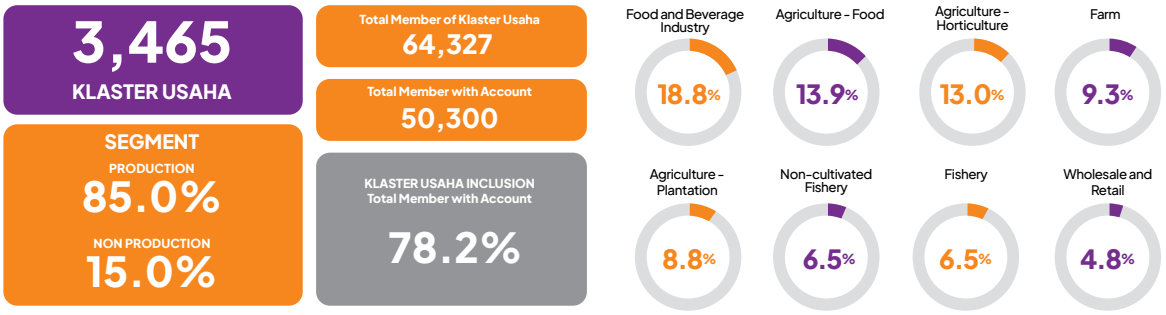
Klaster Usaha consists of business groups formed based on similarities:

- Business interests
- Environmental conditions (social, economic, resource, location) and/or familiarity

The Klaster Usaha Program has several criteria, including:

- The minimum number of business actors is 15 people.
- Regional proximity between entrepreneurs, namely RT, RW, village
- Similarities in business, commodities sold, and/or services

The following are performance data from the Klaster Usaha:



1.2 linkumkm– INTEGRATED MSME EMPOWERMENT PLATFORM

An online platform that can be accessed through websites & applications which aims to bring Indonesian MSMEs to the next level through a series of integrated empowerment programs. The UMKM Smart menu on the linkumkm application can educate MSMEs about their business categories through the "Assessment of Upgrading MSMEs" & "Programs and training modules" features. MSMEs will conduct a self-assessment to determine their class or category. Options are available on the MSME Smart menu. Business categories consist of:

1. Traditional
2. Developing
3. Modern

linkumkm progression is as follows:

1.3 UMKM EXPO(RT) BRILiaNPRENEUR 2021

As a form of appreciation for MSME actors, BRI once again held the UMKM EXPO(RT) BRILiaNPRENEUR 2021 event with the theme "From Indonesia to the World". More than 500 MSME players who have been curated participated in a series of events that took place from December 9 to 16, 2021. The number of participants made UMKM EXPO(RT) BRILiaNPRENEUR 2021 the largest virtual bazaar ever held by BRI.

The event, which started in 2019, aims to showcase the best products of Indonesia's Small Medium and Micro Enterprises (MSMEs) as well as to support the government in the #BANGGABUATANINDONESIA movement.

UMKM EXPO(RT) BRILiaNPRENEUR 2021 features a series of interesting and useful programs, such as 3D Virtual Expo, Business Matching, talk shows, online bazaars, and MSME Awards.

This series of programs is specifically designed to bring together MSMEs throughout Indonesia with international buyers. This is expected to encourage the improvement of MSME competitiveness in order to penetrate the international market and be a momentum for the revival of the MSME sector as a supporter of Indonesia's economic growth.

2. Desa BRILiaN [GRI 203-2]

Motivated by the low rate of financial literacy at 38%, BRI was motivated to empower village ecosystems. The low village financial literacy index reflects the low understanding and access of rural communities to banking products and services. Desa BRILiaN is an incubation and literacy program for BRI-assisted villages through optimization of BUMDES (Village Owned Enterprises). The Desa BRILiaN Program aims to manage the village ecosystem in the context of implementing revitalization of mantri (division of work area, one mantri for one village), acquisition of BUMDES business potential (as Agen BRILink and UMi agents), literacy & BRI inclusion to village officials & BUMDES). Desa BRILiaN is a combination of these 4 ecosystem aspects: [FS7][FS13]

In 2021, BRI has empowered 1,191 Bumdes spread across the following areas

3. BRI Digital Savings and Digital Solution Providers [FS8]

The ease of access to banking services is now increasingly realized with the advancement of digital technology. By utilizing digital technology, BRI now provides online account opening services, so that prospective customers do not need to physically come to BRI working units.

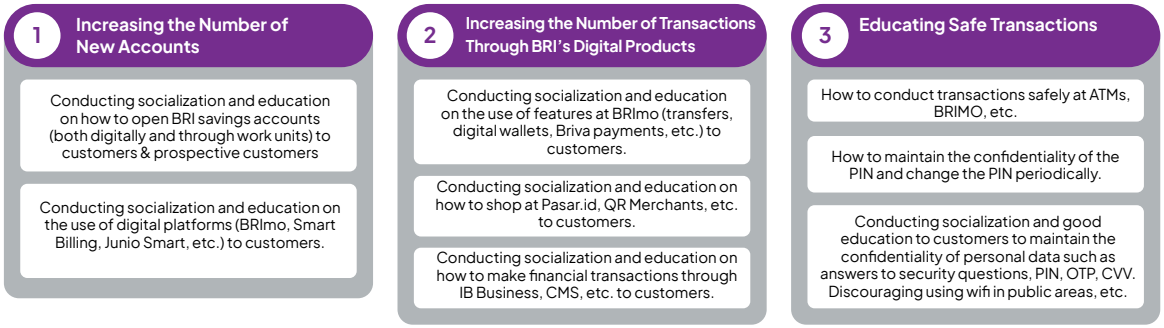
Accounts that have been opened by digital saving are 1,138,507 accounts. This number increased drastically during 2021. The digital saving accounts consist of BritAma Muda (BritAmaX), General BritAma, Business BritAma, Simpedes and Simpedes BISA with account details as follows:

Product Type	Total Account
BritAmaX	392,046
BritAma	178,800
BritAma Bisnis	17,400
Simpedes	540,823
Simpedes BISA	9,438
Total	**1,138,507**

Literacy related to digital accounts is socialized through several media, one of which is through digital solution providers. Digital Advisor is a program where all employees are required to act as digital solution providers.

BRI employees are given preparation and briefing through socialization. The socialization process is carried out to RM (Funds, Credit, Mantri) as an influencer by conducting socialization and education to all employees in working units regarding BRI's digital products and how to conduct transactions on digital platforms easily and safely.

The head of the working units must subsequently ensure the involvement of all employees as digital solution providers by exploring and understanding customer needs. This digital solution movement is part of the Culture Activation Program (CAP) to expand internal digital solution activities. Digital solution activities include:



4. Remittance Education

Currently, BRI has Remittance Representatives and subsidiaries to optimize potential remittance transactions from several jurisdictions such as Malaysia, Singapore, Brunei, Hong Kong, Taiwan, Japan, South Korea, Saudi Arabia, and the United Arab Emirates. The increase in business performance is made possible by BRI's collaboration with counterparts/partners with digital platforms (online applications) and the Fintech sector. The counterpart applications and the fintech applications can be used by migrant employees online. Remittance transactions can still be carried out regardless of the pandemic. BRI, in collaboration with Bank Indonesia and the Indonesian Economic and Trade Office (IETO) Taiwan, organized remittance education for Indonesian Migrant Employees (PMI) to provide insight into the importance of cashless transfers to Indonesia. In order to facilitate services for PMIs, BRI is supported by 10,121 outlets from 100 BRI partners in various countries. Through cooperation with foreign partners, BRI hopes to achieve sustainable income growth in the remittance business. [FS7]

a. Financial Inclusion Products

There are several products that can support the achievement of financial inclusion for the benefit of the society, including:

1. Simpedes

As a BRI savings product that is designed for the society, Simpedes BRI is equipped with modern features such as a Debit Card that can be used in various network in Indonesia and is supported by 24-hour internet banking and mobile banking services. There are also variants of Simpedes such as Simpedes

Umum, Simpedes TKI, Simpedes Impian and Simpedes Usaha. One of the main objectives of providing Simpedes services of various types with various features is to open the widest possible access to the community, which in turn can encourage financial literacy and support the regional economy. This is in line with BRI's micro business strategic framework of the Double Bottom Line, which illustrates that the value of micro business success is to provide financial and social impacts for stakeholders. BRI's Micro Business through the Simpedes products has been marketed through 8,647 BRI units spread throughout Indonesia, including in underdeveloped areas. [SASB FN-CB-240a.4] [FS6] [FS14] [FS13]

Another form of BRI's innovation towards Simpedes is the initiation of the Teman Simpedes product with the main objective of reaching people who still have difficulty saving at the bank. Teman Simpedes is an additional facility from the Simpedes BRI Savings account in the form of a physical moneybox to put money in to make it easier for people, especially those in micro communities, to save at BRI. The facility is always locked and can only be opened by a Agen BRILink who then deposits into the customer's Simpedes BRI Savings account. In simple terms, customers can keep Teman Simpedes at home as a savings means for all family members and a reminder to save. [FS13]

In addition, BRI rejuvenates Simpedes through the Simpedes 3 function which provides opportunities for Simpedes customers to access Micro insurance and investment products (DPLK) products through BRImo application. Additional financial features in the form of investment and protection can be an option for Simpedes customers in meeting their financial needs. This Simpedes 3 function also introduces and supports financial planning which educates customers to flexibly plan their finances according to their needs.

Simpedes 3 Function plays a strategic role in the creation of a closed financial system by providing features and systems through on-boarding that are designed to be more accessible to customers. With the advantages and concepts offered, Simpedes 3 Function is also geared towards reaching young customers to further emphasize Simpedes' status as a multi-segment savings product with more complete features for people of various ages.

The pandemic has limited the economic flexibility of MSMEs. However, through innovation, Simpedes continues to strengthen its role in helping MSME businesses through continuous campaigns via MSME Talkshows, Virtual PRS, and MSME training. All of these activities show that BRI is there to assist and fully support the sustainability of MSME businesses. [FS15]

Simpedes BRI Summary Table [FS7] [FS14]

Description	2019	2020	2021
Total Customers	64,562,181	79,691,338	89,677,936
Amount of Savings (Rp Billion)	224,143	260,726	282,828

2. Junio Smart

The Junio Smart application acts as a connecting ecosystem between students, parents, and schools in the midst of teaching and learning activities that are now being carried out online due to social distancing policies. This application is one solution for adjusting school management during the pandemic. In addition, using Junio Smart will certainly save a lot of paper and plastics that would have otherwise been used for attendance sheets, school information, school administration activities, and others. The payment and administration system from Junio Smart uses a BRIVA/BRI Virtual Account that allows users to conveniently conduct transactions options without having to go anywhere. By the end of 2021, there are 2,520 schools with more than 234,061 users who have collaborated with BRI regarding the Junio Smart application. This number increased compared to 2020 where there were only 1,511 schools and around 139,000 users. [FS7]

The features of Junio Smart as a school management management system include:

1. Academic calendar;
2. Data management for teachers, students, and parents;
3. Tuition billing feature;
4. Online assignment feature;
5. Syllabus feature;
6. Attendance and information features; and
7. Online exam feature.

3. Simpanan Pelajar (SimPel)

BRI synergizes with schools to provide Agen BRILink services through the "Saving is SimPel (Easy)" program. With this program, students simply need to bring their passbook to school and can immediately make transactions at Agen BRILink. This service frees administration fees and other additional costs. This service is a manifestation of BRI's commitment to partnering with students in realizing financial literacy and inclusion activities.

Simpel Account Ownership Proportion in 2021 [SASB FN-CB-240a.3] [FS7]

Total BRI Customer Accounts	Simpel Accounts	
	Total No. of Accounts	Percentage of Total BRI Accounts
142,881,089	22,904,285	16.03%

4. Teras BRI

Teras BRI serves the micro sector both through information and banking services. In 2021, the number of Teras BRI services was 1,697, including 132 Teras BRI Keliling (land vehicles) and 4 on Ships. [SASB FN-CB-240a.4]

Teras BRI Distribution Table 2021 [SASB FN-CB-240a.4] [FS13][FS14]

Region	2020			2021		
	Teras BRI	Teras BRI Keliling	Teras Kapal (on Ships)	Teras BRI	Teras BRI Keliling	Teras Kapal (on Ships)
Banda Aceh	2	0	0	-	-	-
Bandar Lampung	57	0	0	57	-	-
Bandung	216	26	0	175	26	-
Banjarmasin	117	7	0	112	7	-
Denpasar	150	4	1	150	4	1
Jakarta	224	21	1	203	21	1
Jayapura	27	1	0	27	1	-
Special Branch Offices	0	0	0	-	-	-
Makassar	127	0	0	124	-	-
Malang	205	5	0	195	5	-
Manado	51	43	1	48	43	1
Medan	97	15	0	90	15	-
Padang	54	0	0	49	-	-
Palembang	79	0	0	53	-	-
Pekanbaru	100	1	1	96	1	1
Semarang	97	0	0	88	-	-
Surabaya	120	8	0	101	8	-
Yogyakarta	144	1	0	129	1	-
Total	**1,867**	**132**	**4**	**1,697**	**132**	**4**

Teras BRI aims to help increase public financial literacy and inclusion in islands that are not yet covered by banking services. Teras BRI operates a fleet of ships named Teras BRI Kapal Bahtera Seva which is equipped with satellite-based digital banking service facilities (BRISat) operating at sea. As of the end of 2021, BRI has operated four units of Teras BRI Kapal. The following is the performance of the Teras BRI Kapal during 2021: [FS7] [FS13] [FS14]

Teras BRI Kapal Performance Table [FS7]

Region	2019				2020				2021			
	Total Savings		Total Loans		Total Savings		Total Loans		Total Savings		Total Loans	
	Accounts	Balance (Rp Billion)	Borrowers	(Rp Billion)	Accounts	Balance (Rp Billion)	Borrowers	(Rp Billion)	Accounts	Balance (Rp Billion)	Borrowers	(Rp Billion)
Seva I (Thousand Islands Region)	5,394	12.55	862	14.95	3,018	11.04	636	12.73	7,478	16.97	708	16.63
Seva II (East Nusa Tenggara–Labuan Bajo Archipelago Region)	837	5.02	667	12.79	840	4.74	265	9.83	3,174	13.60	798	15.49
Seva III (Anambas Islands Region)	9,981	23.78	782	15.21	5,911	13.99	544	16.64	5,912	11.20	281	6.93
Seva IV (South Halmahera Islands Region)	-	-	-	-	2,208	12.62	318	4.33	37,808	40.35	1,075	23.57

5. Web Pasar.ID [GRI 203-2]

BRI is committed to driving the traditional market economy and supporting the business sustainability of sellers at the markets. One form of this support is the development of the pasar.id website that facilitates online shopping activities for market administrators, sellers, and visitors at traditional markets. Visitors can interact with sellers through the administrator without having to be physically present in the market. This website can be operated directly by the market administrator so that the site can be personalized in such a way to increase the sense of ownership among market administrators and sellers. In its implementation, BRI supports the Pasar.id website system to facilitate its management.

The process of bargaining between sellers/administrators and buyers until an agreement is reached is done through instant messaging applications such as WhatsApp. Then, the payment process can be done using the transfer feature between BRI account holders which is done through e-channels such as EDC, BRImo, and Agen BRILink owned by sellers through the market administrators' accounts. In 2021 the number of transactions through this site reached Rp 20.3 billion with a total of 178,448 transactions. The number of traditional market sellers who have joined reached 189,611 sellers. This figure was a decrease from 2020 when the number of transactions reached Rp 52 billion with a total of 936,218 transactions. This decline was caused by the emergence of market conditions that prompted market operations to revert back to offline operations. [FS6] [FS13] [FS14]

The objectives behind establishing this website are: [FS13] [FS14]

- Connecting sellers/market traders and buyers through a virtual space in order to comply with the implementation of physical restrictions;
- Improving market traders' revenues which has been eroded due to the Covid-19 pandemic;
- Providing new job opportunities for people who have lost their jobs due to the Covid-19 pandemic.

Value Proposition – Online Market Social Value

- Digitization of traditional market businesses can encourage market economic growth as an effort to increase market traders' revenues;
- Open new job opportunities for motorcycle taxis around the market to become market couriers;
- Market Schools improve the capabilities of traders and market administrators in business management;
- Digital Assistance to market managers and traders in the new normal era and support the movement towards a cashless society.

6. Cashless Transactions and E-Banking

BRI continues to strive to educate the public on the use of cashless transactions through the development of e-banking features in line with BRI's goal to become a leading entity in digital banking. As of 2021, BRI has developed several e-banking features through e-channel media, including Super Apps BRImo, e-Pay BRI, IBBIZ, Internet Banking BRI, Mobile Banking BRI, BRIZZI, and others. Of the total existing customers, 21.31% of them have used mobile banking services and 25.33% have used internet banking and BRImo services in the e-channel network using smartphones connected to the internet.

BRI seeks to increase the number of customers using the e-banking services. The following is the proportion of BRI customers who use e-banking:

Proportion of BRI Customers Using e-banking Services in 2021

E-banking Service	2019		2020		2021	
	Number of Users	Percentage	Number of Users	Percentage	Number of Users	Percentage
SMS Banking	26,039,313	42%	29,034,006	39%	29,839,226	34%
Internet Banking + BRImo	19,093,787	31%	25,923,290	35%	35,457,255	41%
BRIZZI	16,790,300	27%	19,342,026	26%	21,690,465	25%
Total	**61,923,400**	**100%**	**74,299,322**	**100%**	**86,986,946**	**100%**

In 2021, the number of transactions and the volume of transactions through e-banking services continued to increase compared to the previous year. The following table details the transaction amounts:

Number of Mobile Service Transactions (e-banking) (in Thousands)			
Service	**2019**	**2020**	**2021**
SMS Banking	370,492	384,513	324,591
Internet Banking + BRImo	1,169,416	2,715,355	3,197,698
BRIZZI	932,858	426,012	244,766
ATM BRI	3,723,537	3,745,595	4,238,503
EDC BRI	2,147,451	2,867,279	3,407,167
BRIMOLA 2021	10,497	3,735	7,888
Total Mobile Service Transaction Volume (e-banking) (Rp Billion)			
SMS Banking	167,209	195,500	817,420
Internet Banking	957,653	1,445,902	3,170,341
BRIZZI	12,611	8,829	6,818
ATM BRI	2,848,560	2,930,930	3,531,318
EDC BRI	1,925,415	2,134,672	2,798,805
BRIMOLA 2021	11,029	4,747	11,115

BRI as Agent of Development

BRI is committed to the success of government programs to improve people's welfare. BRI is active and committed to supporting financial inclusion and literacy to increase the public's access to banking and finance so that the people's economy can progress further. One of the services that supports financial inclusion and literacy is the Agen BRILink. [FS13] [FS14] [FS16]

The BRILink service is an expansion of BRI's services where BRI cooperates with its customers as agents who can serve banking transactions for the public in real time. The increasing number of people who have access to financial services will directly affect the increase in the number of customers and deposits, thus in turn increasing the potential for loans disbursement. As of the end of 2021, BRI's services have reached all regions of Indonesia.

This is inseparable from the massive support and development of information technology carried out by BRI. This not only improves BRI's services but also implements financial literacy and inclusion, including in Frontier, Outermost and Disadvantaged (3T) areas. The number of Agen BRILink spread throughout Indonesia is 503,151, consisting of 127,352 BRILink EDC agents, 375,799 BRILink Mobile agents, and 49,835 Agen BRILink or 9.90% located in the 3T area. The Agen BRILink has succeeded in speeding up the flow of money and increasing economic access for the people in Indonesia. [FS13] [FS14] [FS16]

Table of Number and Percentage of Agen BRILink Distribution

Description	2019		2020		2021	
	Total Agent	Percentage	Total Agent	Percentage	Total Agent	Percentage
Sumatera	89,536	21.21	108,586	21.53	109,636	21.79
Jawa	228,791	54.20	272,785	54.10	265,656	52.80
Kalimantan	26,754	6.34	34,168	6.78	39,897	7.93
Sulawesi	43,781	10.37	50,387	9.99	53,720	10.68
Bali dan Nusa Tenggara	25,136	5.95	28,736	5.70	23,002	4.58
Maluku dan Maluku Utara	4,642	1.10	5,478	1.09	5,592	1.11
Papua	3,520	0.83	4,093	0.81	5,628	1.12
Jumlah	422,150	100.00	504,233	100.00	503,151	100.00

The distribution of Agen BRILink has increased the number of bank offices and BRI ATM services, bringing the community closer to BRI as a financial service provider, thereby contributing to the achievement of the 8 SDGs goals, including supporting inclusive and sustainable economic growth, productive and comprehensive employment opportunities, and decent work for all. Through the Agen BRILink service, the public can also participate in social protection programs for both health and employment, which is an indicator of the achievement of Goal 10 SDGs. [F.23]

Agen BRILink Transaction Growth Table

Description	2019	2020	2021
Number of Agen BRILink	422,160	504,233	503,151
Number of Transactions	521.32	727.61	929.38

In addition, BRI also distributes social assistance funds, which is a government program for the distribution of non-cash social assistance using the banking system. The distribution of aid through the banking system is expected to increase the effectiveness and efficiency of social assistance distribution, realize the 6 T principles (Right Target, Right Time, Right Price, Right Quantity, Right Quality, and Right Procedure), and encourage financial inclusion.

There are several social assistance programs that have been distributed by BRI, such as the Keluarga Harapan Program (PKH), the Basic Food Program, the Covid Cash Social Assistance (BST), and other programs targeted at underprivileged families.

BRI Holds Klaster Mantriku Bazaar, assisted MSMEs to Get Halal Certificates [FS6]

BRI organizes the Klaster Mantriku Bazaar as part of its commitments in empowering MSMEs. In this event, BRI focuses on providing halal certificates to BRI's MSME partners. This bazaar is held every month with the aim of expanding market access through the introduction of superior product clusters fostered by BRI through exhibitions.

The November 2021 edition of the Bazaar was attended by fostered product clusters that have spread throughout Indonesia. These include the Jayapura Smoked Fish, Makasar Crab Sticks, Banyuwangi Songgon Durian, Denpasar Chicken Chips, Banjarmasin Marabahan Oranges, and a cluster from western Indonesia: Guava from Demak Semarang.

Focus on Providing Halal Certifications

BRI encourages an increase in the production and capability of MSMEs and focuses on increasing the competitiveness of these MSME products through a halal certification program that is in line with the government's halal certification program. This program is aimed at food and beverage businesses in order to meet the halal criteria through ownership of a Business Identification Number (NIB).

This program involves providing assistance for MSME actors in registering their business with the SIHALAL application. Assistance is given because MSME actors often experience difficulties in filling out the application form. Assistance is given from the process of completing the data required by the SIHALAL application until they receive a halal certificate.

Testimonials

BRI's MSME Empowerment Helps Snacks Entrepreneur Suryaningsih to Reap Returns [GRI 203-2] [FS6]

Suryaningsih is an MSME entrepreneur who participated in BRI's training and coaching programs. Starting from a passion for delicious snack chips and crackers, Suryaningsih took the courage and decided to open a business selling those products in 2017. Since the inception of the business, Suryaningsih was provided with training by BRI until she was able to earn a turnover of Rp. 100 million per month.

Suryaningsih was given the opportunity to take part in product exhibitions in Malaysia and Singapore after diligently participating in BRI's MSMEs training and coaching programs. Suryaningsih was inspired to develop her creativity from the exhibitions. The products which were initially only wrapped in clear plastic packaging were then adorned in beautiful designs carrying the brand slogan "WOH CHIPS". The products can now be found in major supermarkets such as AEON Mall, Food Hall, Farmer Market, and even at cinemas.

Participating at the Rumah BUMN training programs gave Suryaningsih the additional insight and understanding of how to sell online through applications and learn about attractive designs and packaging. In addition, BRI's Rumah BUMN program offers training for MSMEs to raise capital.

Testimonials

This Woman Embodies the Spirit of Heroes' Day by Sharing Skills with Local Community [FS4] [FS6] [GRI 203-2]

Christiana Kayat, a seamstress from Maumere, shares knowledge and sewing skills with residents around her area to spread the entrepreneurial spirit and create jobs in the community. With that spirit, Christina contributes towards increasing the standard of living of her community and further alleviating poverty.

At first, Christina began working part-time and took personal sewing orders while still working at a boutique shop. In 2000, Christina decided to resign from her workplace to be able to open her own business. Christina then got her first customer, a BRI employee who ordered sewing clothes.

The increasing number of sewing orders prompted Christina to employ employees. However, the challenge in finding suitable employees encouraged her to train people in her surrounding community.

BRI provided CSR assistance to Christina in the form of 16 industrial sewing machines worth Rp 104 million from the BRI Maumere Branch. With the assistance from BRI, Christina is increasingly excited to further hone skills and build the entrepreneurial spirit of the surrounding community in order to improve the standard of living.

Christiana's fighting spirit and persistence to spread entrepreneurship, improve the knowledge, skills and welfare of residents in her area are concrete evidence of her determination to do her part as a citizen. She is a hero to her local community.

BRI

SUSTAINABILITY
REPORT
2021

Supporting Employee Welfare

Employee's Right Equality

BRI upholds the principles of equality and implements anti discrimination policies at every function of human capital management, both in terms of career development, remuneration and other aspects. BRI understands that employing people with disabilities can bring a positive impact on employee performance, provide greater diversity to the company, improve the quality of customer service for people with disabilities and at the same time increase employee productivity to work in a more diverse environment. BRI provides equal opportunity to work and develop a career at BRI regardless of gender, age, ethnicity, religion, race or other potential discriminatory aspects. Overall, there were 28,986 employees who received promotions in 2021, or 33% of BRI's total employees. During 2019–2021 BRI did not receive any complaints about any discriminatory practices against employees and at work. In addition, there were no violations related to freedom of association and collective bargaining at BRI's operations and suppliers. [GRI 406-1] [GRI 103-2] [B.3]

BRI also supports the empowerment of women by providing a forum or space for female employees to demonstrate their capabilities and roles at work. BRI believes that the active participation of female employees can have a positive impact on the company and on other women.

Gender equality is one of the Ministry of State-Owned Enterprises' commitments. One way to realize this is through the target of filling 25% of leadership positions with women. BRI has succeeded in realizing this and was awarded The UN Women 2021 Indonesia WEPs (Women's Empowerment Principles) Awards.

Girl Takes Over is a program initiated by the Ministry of State-Owned Enterprises together with related divisions to provide opportunities for the younger generation of Indonesian women aged 18–23 years to experience a day serving as the President Director of BRI. This program not only provides a unique opportunity for the young generation of qualified

women, but supports women's leadership in their companies, especially the SEOs.

BRI pays attention to the minimum age limit for employees to ensure that there is no risk of child labor, young employees being exposed to hazardous work, or forced labor in the operational team or BRI supply partners. [GRI 406-1], [GRI 408-1], [GRI 409-1] [B.3]

BRI is committed to maintaining diversity and equal opportunities for employees. The diversity provided by BRI is not only in creating a culture that supports women in the workplace, but also supports employees with diverse experiences, age groups, abilities, thoughts and perspectives. [F.18]

BRI is aware of the risks of violating employees' rights such as through discrimination or the employment of child labor and forced labor. In 2019 - 2021, there were no reports of incidents of discrimination within the BRI organization and there was no risk of forced labor, child labor or the risk of young employees being exposed to hazardous work in the operational team or BRI supply partners. [GRI 406-1] [GRI 408-1] [GRI 409-1] [C.3]

One tangible form of BRI's anti-discrimination policy is the guarantee that employee wages are not determined based on gender. The company's considerations in providing salaries and remuneration fully take into account the classification of positions, years of service, workload, and work performance. This can be a motivation for female employees to be able to excel without worrying about the potential for gender discrimination. [GRI 405-2]

BRI is committed to upholding human rights. All provisions regarding employees at BRI adhere to Indonesian Constitution No.13 of 2003 concerning Employment. Collective Labor Agreement (PKB) is a written forum in the application of human rights which is reviewed and updated regularly every three years to clarify the rights and obligations of companies, trade unions, and employees; maintain and improve harmonious working relations between the company, trade unions, and employees; and apply the principles of industrial relations. .[GRI 103-2]

In accordance with the policies contained in the Decree of the Board of Directors No.B.4e-PKO/KKO/01/2016 dated January 20, 2016, BRI always upholds the principle of equality and implements an anti-discrimination policy in every function of human capital management. BRI applies the principle of equality and provides equal opportunities for employees with disabilities, with positions and types of work that are tailored to their respective levels of expertise and skills. [GRI 103-2] [FS4]

The following table shows the number of persons with disabilities working at BRI during 2019 - 2021:

Number of Employees with Disabilities

Work Unit	2019		2020		2021	
	Male	Female	Male	Female	Male	Female
Headquarters	15	12	16	10	15	12
Regional Offices	18	21	21	20	20	17
Total	**66**		**67**		**66**	

BRI brings about equal opportunities by providing equal salaries regardless of employee gender. This can be seen from the absence of significant differences between the average salaries of male and female employees, as shown in the table below:

Average Employee Salaries by Position

Position	Average Salary (Rp)			
	2020		2021	
	Male	Female	Male	Female
SEVP	67,607,000	76,066,331	76,995,000	-
EVP	46,694,760	46,188,068	50,009,988	53,796,495
SVP/VP	29,460,635	27,415,433	29,663,910	27,953,409
SM/AVP	17,356,572	17,764,386	17,437,864	18,224,970
Manager	10,891,702	11,002,442	11,215,320	11,206,513
Assistant Manager	9,536,170	8,755,449	9,968,904	9,261,292
Officer	6,918,663	7,129,785	6,898,740	7,174,280
Assistant	3,217,660	2,960,546	3,429,605	3,129,917

In 2021, there was an increase in the recruitment of female employees by 2,912 people. Meanwhile, in 2020 the increase in female employee recruitment was 3,090 people and 6,560 people in 2019. The following table details new employee acceptance by recruitment channel and gender: [GRI 401-1]

New Employee Admission Paths by Gender and Recruitment [GRI 401-1]

Recruitment Channel	2019			2020			2021		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Number of BFLP*	132	88	220	138	93	231	112	92	204
Number of Marketing, Administration and Frontliner Staff	2,868	3,455	6,323	2,907	2,960	5,867	507	786	1,293
Others	1	0	1	0	0	0	1,714	2,002	3,716
Total Fresh Graduates	-	6,544	-	3,045	3,053	6,098	2,333	2,880	5,213
Total Experienced Hires	-	16	-	12	37	49	98	32	130
Overall Total	**-**	**6,560**	**-**	**3,057**	**3,090**	**6,147**	**2,431**	**2,912**	**5,343**

*BFLP : BRILiaN Future Leader Program

BRI recruits employees from all regions in Indonesia, including: [GRI 401-1]

New Employee Placement Locations by Region [GRI 401-1]

Region	2019			2020			2021		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Jakarta	519	721	1,240	699	716	1,415	563	520	1,083
Sumatera	558	811	1,369	545	584	1,129	588	420	1,008
West Java	348	338	686	300	231	531	210	229	439
Central Java and Yogyakarta	511	283	794	628	294	922	378	494	872
East Java	357	440	797	308	344	652	340	230	570
Central and East Indonesia	723	951	1.674	655	843	1,498	832	539	1,371
Total	**3,016**	**3,544**	**6,560**	**3,135**	**3,012**	**6,147**	**2,911**	**2,432**	**5,343**

During 2019 to 2021, the age composition of new employees was dominated by the age group 31 to 40 years. The following table details the entire age composition of new employees:[[GRI 401-1]

Composition of New Employees by Age Group [GRI 401-1]

Age Group	2019			2020			2021		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
<31	2,973	3,519	6,429	2,913	2,774	5,687	2,370	2,883	5,253
31-40	39	25	64	212	234	446	52	27	79
41-50	3	0	3	5	2	7	2	0	2
>50	1	0	1	5	2	7	7	2	9
Total	**3,016**	**3,544**	**6,560**	**3,135**	**3,012**	**6,147**	**2,341**	**2,912**	**5,343**

BRI continues to be committed to paying attention to BRI's human resources in running its business, both at the management and non-management levels. The following table shows the composition of employees at management and non-management levels by gender and age group:

Table of Management Composition by Gender and Age Group [GRI 401-1]

Position Echelon	2019					
	Gender		Age Group			
	Male	Female	<30	31–40	41–50	>50
Management						
Senior Executive Vice President	2	2	-	-	-	4
Executive Vice President	96	13	-	1	19	89
Vice President	153	24	-	9	42	126
Assistant Vice Presiden	282	63	-	39	154	152
Senior Manager	604	184	3	416	245	124
Manager	1,159	373	112	948	304	168
Total	**2,296**	**659**	**115**	**1,413**	**764**	**663**
Non-Management						
Assistant Manager	4,080	1,197	1,457	1,323	1,333	1,164
Officer	8,514	4,060	927	5,784	4,003	1,860
Assistant	37,407	33,407	40,049	27,045	2,648	1,072
Total	**50,001**	**38,664**	**42,433**	**34,152**	**7,984**	**4,096**

Position Echelon	2020					
	Gender		Age Group			
	Male	Female	<30	31–40	41–50	>50
Management						
Senior Executive Vice President	2	3	-	-	-	5
Executive Vice President	79	12	0	2	24	65
Vice President	145	28	0	11	69	93
Assistant Vice Presiden	300	69	0	65	179	125
Senior Manager	622	193	0	513	207	95
Manager	1,147	363	46	977	293	194
Total	**2,295**	**668**	**46**	**1,568**	**772**	**577**
Non-Management						
Assistant Manager	3,937	1,102	1,005	1,529	1,373	1,132
Officer	8,423	4,063	686	5,746	4,206	1,848
Assistant	26,680	14,340	11,386	25,842	2,751	1,041
Total	**39,040**	**19,505**	**13,077**	**33,117**	**8,330**	**4,021**

Position Echelon	2021					
	Gender		Age Group			
	Male	Female	<30	31–40	41–50	>50
Management						
Senior Executive Vice President	3	-	-	2	-	1
Executive Vice President	83	18	-	61	6	34
Vice President	158	32	1	82	14	93
Assistant Vice Presiden	383	119	-	121	143	238
Senior Manager	587	158	1	71	498	175
Manager	1,520	495	68	231	1,387	329
Total	**2,734**	**822**	**70**	**568**	**2,048**	**870**
Non-Management						
Assistant Manager	3,662	1,032	648	1,092	1,520	1,434
Officer	9,127	4.461	890	1,700	6,276	4,722
Assistant	32,831	28,049	23,485	901	33,736	2,758
Total	**45,620**	**33,542**	**25,023**	**3,693**	**41,532**	**8,914**

In addition, BRI also applies gender equality in the recruitment of its relationship managers to ensure that it is in line with BRI's gender equality goal. The following is the composition of BRI's relationship managers by gender:

Composition of Marketing Personnel by Gender [GRI 401-1]

Marketing Personnel	2019		2020		2021	
	Male	Female	Male	Female	Male	Female
RM Micro (Mantri)	20,752	7,313	19,972	7,279	19,673	7,596
RM Kecil (Small Businesses + Program + Retail)	3,425	782	4.459	952	4,512	1,080
RM Menengah (Medi-um-Sized businesses)	81	8	83	11	91	13
RM Konsumer (Personal Banking)	370	172	339	176	350	172
RM for Funds (Funds + PBO)	959	1,563	891	1,567	893	1,605
Total	**25,587**	**9,838**	**25,744**	**9,985**	**25,519**	**10,466**

*) RM : Relationship Manager
*) Mantri : Marketing and Micro Analyst

Gender equality at BRI can be seen in the composition of female employees spread across all levels as follows:

Gender Equality Table

Description	2019	2020	2021
Composition of all female employees	42.92%	42.78%	42.77%
Composition of female employees at junior, middle, and top management levels	22.26%	22.63%	23.14%
Composition of Female Employees at Junior Level (first level) Management	24.35%	24.00%	24.57%
Composition of Female Employees at Top Management Level	11.93%	16.82%	17.82%
Composition of Female Employees at Revenue-generating Functions	28.44%	28.29%	30.09%
Composition of Female Employees at STEM (Science, Technology, Engineering, and Mathematics)-related Roles	24.07%	22.94%	24.87%

In accordance with the Company's remuneration strategy to encourage a performance driven culture, the Company provides cash compensation to employees that is determined based on performance. Thus, the compensation received by the Employee will be directly proportional to his/her contribution to the Company.

In 2021, BRI provided wage increases to employees determined by the merit increase method. In addition, the Company also provides incentives and bonuses to Employees to encourage Employee motivation in achieving and exceeding the targets set by the Company in the midst of the Covid-19 pandemic and challenging global and national economic conditions.

BRI implements a policy of providing minimum wages for employees, where the minimum wages given to employees since joining have consistently been above the minimum wage rates applicable in all regions where the Company operates. The provision of a decent minimum wage is a form of BRI's commitment to fulfilling employee rights, even though it has an impact on increasing the allocation of funds for employees. However, BRI views that the allocation which is also intended to improve employee competence is an investment that is tangible and measurable. [F.20][FS4]

In addition, employees are included in the BPJS Employment and Health programs which aim to provide protection and social welfare for all employees. This is in line with government regulations to provide protection and welfare for every BRI employee.

BRI always strives to avoid too wide a remuneration gap. The ratio of the highest and lowest salaries in 2021 is as follows:

Compensation Ratio Comparison Table [GRI 102-38] [GRI 102-39]

Description	Ratio		
	2019	2020	2021
Highest and lowest Employee Salaries	31.24	31.13	36.67
Highest and lowest Directors' salaries	1.16	1.18	1.18
Highest and lowest Commissioners' salaries	1.14	1.11	1.11
The highest Director salary and the highest employee salary	2.6	2.88	2.24

Description	Amount (Rp) 2021
The median value of compensation without the highest value	25,206,757
The average value of compensation without highest value	33,348,683
Percentage Ratio increase in annual compensation	75.50%

The ratio of the percentage increase in the annual total compensation for the organization's highest-paid individual to the average total annual percentage increase in compensation for all employees is 75.5%. [GRI 102-38] [GRI 102-39]

BRI realizes that remuneration is one of the most important things that determines the quality of life of employees. Therefore, the company is committed to implementing competitive remuneration at every level of position, including at the entry level. BRI also pays great attention to rewards for employees through the provision of remuneration in the form of salaries, allowances, incentives, and other benefits. BRI is also committed to providing remuneration in accordance with applicable regulations and above the regional minimum wage. [GRI 202-1] [F.20]

Employee Training and Development

The pandemic created new challenges for companies, especially in developing attractive pedagogical strategies in providing training to employees. Social restrictions in the pandemic era reduce the opportunity for employees to undergo the educational process in-person. Nevertheless, BRI continues to be committed to adapting so that the employee capacity development program can continue to run optimally. One way is by organizing webinars and building an online learning system (e-learning). Currently, various training materials such as the implementation of Good Corporate Governance, gratification and bribery control, as well as training on the principles of sustainable finance have begun to be given to employees online. [FS4]

The pandemic era has also changed the perspective of time and workspace which was previously interpreted rigidly. Various social restrictions encourage flexible working hours and remote working systems. Therefore, BRI accelerates employee readiness in implementing education and development programs using distance learning methods. This pandemic condition also encourages companies to change business strategies and accelerate the ongoing digital transformation.

Indirectly, this condition provides valuable experience for employee competency development, especially in terms of decision making in critical conditions, as well as problem solving. In the day-to-day operations of the company, the knowledge and individual skills of employees are very much needed to ensure that the Company is able to compete in the highly competitive banking industry. Therefore, the Company must develop its employees to master new skills according to the divisions in which they work so that it is able to thrive amid the changes that occur in the financial sector. In 2021, 100% of employees have received training and regular performance and career development assessments. Training is provided to employees internally and in collaboration with external parties. [GRI 404-1], [GRI 404-3] [FS4] [FS15] [F.22]

Number of Hours of Education/Training and In-class & E-Learning Participants [GRI 404-1] [F.22]

Keterangan	2019	2020	2021
Number of Participants	4,054,872	5,274,114	3,809,382**
Number of Hours of Education/Training	14,639,065	6,393,448	4,186,683
Total	116	62*	41

*The decrease in the number of hours of education was due to an adjustment to the duration per e-learning module from 3 sessions (2019) to 0.5 sessions (2020).

**)In 2021 there was a decrease in e-learning participation, while in-class participation increased when compared to 2020

Number of Hours of Education/Training Echelon Group [GRI 404-1] [FS4] [F.22]

Echelon Group	2019			2020			2021		
	Number of Participants	Total Number of Training Hours	Average Hours of Training	Number of Partici-pants	Total Number of Training Hours	Average Hours of Training	Number of Partici-pants	Total Number of Training Hours	Average Hours of Training
Top Management (VP – SEVP)	1,357	30,664	22.6	1,144	21,913	19.2	574	7,722	13.50
Middle Management (AM-AVP)	22,189	486,926	21.9	24,039	475,094	19.8	22,057	337,846	15.30
Operation (Assistant – Officer)	105,726	2,711,993	25.7	143,243	3394,278	23.7	47,758	589,831	12.40
Average	14,364	358,843	23.4	18,714	432,365	20.9	23,463	311,800	13.70

BRI seeks to improve the competence of all employees through education and training. BRI employees gain improvements in hard and soft skills to equip them to become superior human capital and compete in the industry. [FS4]

A venue to improve employee welfare is through training programs according to the needs of each work unit to not only to improve employee skills in operational work but also to assist them in their retirement. BRI won the "2021 Best Stellar Workplace in innovative engagement during the pandemic category" and "2021 Stellar Workplace recognition in employee commitment & satisfaction" from Kontan on October 8, 2021. [GRI 404-2]

Training by external parties is prioritized for vendors licensed by the National Professional Certification Agency (BNSP) to ensure that the training provided to employees can be of higher quality and credibility. The following table lists the standard training programs registered with BNSP for bank employees during 2021: [FS4] [GRI 404-2]

Types and Scopes of Training Provided During 2021 [GRI 404-2]

No	Type of Training	Name of Vendor	Number of Participants
1	Bank Internal Audit	LSP BRI	120
2	Wealth Management	MCI	354
3	Treasury Dealer	LSP BRI	66
4	General Banking	LSP BRI	805
5	Risk Management	BSMR & LSPF	3,119
6	Compliance	LSP BRI	402
7	Loans	LSP BRI	1,340
8	Human Capital	LSP BRI	-*)
9	IT	LSP BRI	15
10	Funding & Service	LSP BRI	70

*) Currently in the process of re-submitting the scheme to BNSP due to changes to the SKKNI

In addition, BRI also understands that training on Anti Money Laundering (AML) is crucial for employees to be more responsible in handling every customer transaction. The following are training programs regarding AML that have been carried out by BRI during 2021: [GRI 205-2]

No	Date of Training	Number of Participants	Speaker	Participants	Topic
1	14 April 2021	1.016	OJK	1. Headquarters Division 2. RRM 3. RMC 4. BRC 5. URC	Digital Bank Account Opening (Requirements, Risks and Mitigation
2	28 April 2021	1.009	PPATK	1. Frontliner 2. FO 3. AO 4. Mantri 5. BR 6. UR 7. Sales Person	Quality Customer Data to Prevent Money Laundering
3	3 June 2021	1.225	KPK	1. Head Office Employees 2. Branch Manager 3. BRC 4. Compliance Staff 5. RM 6. Subsidiaries	Prevent Gratification and Uphold BRI's Integrity
4	23 June 2021	1.225	DJP	1. ORD Division 2. FMA Division 3. WMG Division 4. WCRA Division 5. CBO Division 6. CBT Division 7. Regional Office Legal 8. RMC 9. MO 10. AMO	Understanding the Intents of Tax Crime, Maximize State Income
5	4 August 2021	961	POLRI	All Headquarters Division Employees	Combating Cybercrime, Securing Transactions
6	24 August 2021	990	KPK	1. VP RRM 2. Head of Section and Staff of RMC 3. BRC 4. URC 5. Branch Manager 6. AIW 7. Head of Logistics at Regional Offices 8. Supervisor	*Awareness of Potential Corruption in the Process of Procurement of Goods and Services in Banking*
7	28 November 2021	1	-	Head of Compliance Division	*Certified Anti Money Laundering Specialist*
8	Augustus 2021	6	-	1. Compliance Division Head. 2. Head of RMC Department	Certification of Compliance and AML level 1

BRI always opens opportunities for employees to improve their knowledge and skills so that they can support the careers of each employee through various education and training options. Career development programs are also implemented based on the principle of fair opportunity, in which every employee has the same opportunity to grow and develop while still taking into account the company's needs, the family of the intended position, capability of the employee, performance predicate, talent classification, and job availability.

In addition, BRI Corporate University and BRI Campus throughout Indonesia have also been registered with the Manpower and Transmigration Office to become a Corporate Job Training Institute (LPK). Thus, all education and training of BRI employees will be recorded at the Ministry of Manpower. In addition, the BRI Corporate University also has the authority to issue 'Training Certificates' for participants. . [FS4]

In particular, BRI has established the BRILiaN Development Center to oversee the system preparation and digitization of the process for BRILiaN personnel, so that they can develop optimally and become Great Talents & Great Leaders. Starting with selecting the best candidates, BRI implements Talent Attraction through various attractive programs such as:

1. BRILiaN Scholarship Program (BSP) is the provision of scholarships to students pursuing undergraduate education who meet a certain criteria in the context of prospective BRI employees;
2. BRILiaN Creativity Contest Program (BCCP) is a competition for BRI's external and internal participants to express great innovation ideas, both in the form of team and individual collaborations, which can have a positive impact on the progress of the nation in general and BRI in particular;
3. BRILiaN Get Talent Program (BGTP) is a program to search for candidates who have superior achievements based on the recommendations of authorized officials;
4. BRILiaN Internship Program (BIP) is an apprenticeship program established by BRI as a manifestation of the success of the government's program in providing opportunities for the nation's

best sons and daughters to gain experience working in administrative functions and as frontliners;
5. BRILiaN Excellent Internship Program (BEIP) is a recruitment program run by BRI to recruit candidates who are currently in their 8th semester or fresh graduate programs from the best state universities to equip them with sufficient work experience to become future leaders.

The best talents mentioned above can join through these multi-track recruitment programs:

1. BRILiaN Future Leader Program (BFLP) is a recruitment and education program to recruit potential candidates externally and to provide education as a preparation to become BRI Group leaders in the future;
2. BRILiaN Next Leader Program (BNLP) is a recruitment and education program to recruit potential candidates and provide education as a preparation to become BRI leaders in the future;
3. BRILiaN Banking Officer Program (BBOP) is a recruitment and education program to prepare new employees at the Corporate Title Assistant level so that they can show maximum performance in accordance with operational standards and values that apply at BRI.

In order to prepare these talent specialists, BRI must continue to operate programs to increase employee competence. BRI always strives to develop the competence of its employees, both in technical/functional (hard competency) and managerial (soft competency) skills. In addition to adhering to the "three prongs" development concept, the entire Systematic Development Program also refers to the Set of Competencies that have been prepared by the Human Capital Development Division which consists of:

1. Competency Dictionary (SK Board of Directors of BRI No.S.303-D IR/HCD/04/2020 dated April 27, 2020): a document on a set of competencies containing names, definitions, and behavioral indicators for each competency required by the Company;
2. Position Groups and Position Functions (SK Board of Directors of BRI No. S.398-DIR/HCD/06/2020 dated June 17, 2020):
   a. Position Groups: a group of positions that carry out business processes or work activities in the same field of work which require a certain set of managerial competencies.
   b. Position Functions: a group of positions that carry out a series of business processes or work activities in the same work sub-field which require a similar set of technical/functional knowledge and competencies in certain scientific sub-fields, and a certain set of managerial competencies. The similarity of managerial competencies still points towards the characteristics of the activity/business processes in the same line of work;
3. Position Competency Profile (SK Board of Directors of BRI No. 489-DIR/HCD/07/2020 Dated July 20, 2020): a set of managerial competencies required by a position;
4. Position Knowledge and Skills Requirements (Director's Decree No.582-DIR/HCD/09/2020 Dated September 1, 2020): The baseline level of knowledge and skills set for each position, so that holders can carry out their work in accordance with established performance standards.

In addition to focusing on development programs, BRI also conducts assessments for all employees to explore and measure employee competencies and evaluate their suitability with competency requirements for current and future positions. Therefore, the assessment and development program for BRI's employees are inseparable. Employees are then given a series of development programs after the employee competency assessment process is completed. [FS4]

A series of Systematic Development Programs have been formulated by BRI so that the BRILiaN personnel can design their own careers through the BRILiaN Development Plan (BDP), which is an individual plan

for the BRILiaN personnel to achieve their career goals through personal development to improve individual and Company performance. [FS4]

The BRILiaN Development Plan (BDP) is supported by the BRILiaNce application; the BRILiaN personnel can express their aspirations for career and competency development, have discussions with trainers, and use the Learning Wallet to select development and training programs to be more competent in their current positions and prepare for positions they aspire to. Everything is evaluated on an ongoing basis as long as the BRILiaN personnel are at BRI. [GRI 103-3]

Through the Professional Coach Certification Program held by the Human Capital Development Division in collaboration with BRI Corporate University, there are 255 professional coach candidates, 200 of whom have completed certification, and 55 are still in the certification process.

Sustainable Finance Online Learning [FS4]

[GRI 404-2]

BRI understands that the implementation of sustainable finance requires the support of all employees. In order to grow employee knowledge, BRI has integrated the concept of Sustainable Finance as an e-learning curriculum material. Employees can easily access this online learning through BRISMART. This teaching material contains an Overview of Sustainable Finance.

Throughout 2021, as many as 63,101 employees have accessed online learning about Sustainable Finance with a passing rate of 98.9%.

Social Return on Investment Training

[GRI 404-2]

BRI through its Corporate Social Responsibility and Community Development division has held several training sessions regarding Social Return on Investment (SROI). SROI is an approach to understanding and managing the social, economic, and environmental impacts created by an activity. SROI presents the economic, social, and environmental impacts experienced by stakeholders as a result of implementing a program and compares the impact with the value of the investments made.

During 2021, there have been 3 trainings related to SROI and the last training was held on 17–19 December 2021 offline. This training was attended by 10 participants with a percentage of 50% male and 50% female.

Employee Turnover

One of the goals of recruiting new employees is to replace employees who leave the Company. BRI employees' satisfaction level with BRI's Human Capital management is hinted by the turnover rate. In 2021, the turnover rate of 1.84% is lower than the industry turnover rate of 6%. The turnover figure shows that BRI's efforts to carry out employee retention have shown positive results. BRI's efforts to manage the turnover rate include providing compensation at a competitive rate compared to the industry, benefits that provide a sense of security and comfort at work, and motivating career paths and a conducive work environment. [GRI 401-1]

Employee Turnover Rate [GRI 401-1]

Keterangan	2019	2020	2021
New Employee Recruitment	6,560	6,147	5,343
Employee Resignations	2,668	2,437	1,576
Number of Employees at the End of the Year	61,496	61,508	60,985
Employee Turnover Ratio	2.29%	1.73%	1.84%

The employee turnover rate can also be viewed by region: [GRI 401-1]

Employee Turnover Rate by Region in 2021 [GRI 401-1]

Region	Number of New Employees	Number of Employees Who Resigned
Jakarta	1,083	172
Sumatera	1,008	691
West Java	439	183
Central Java & Yogyakarta	872	142
East Java	570	141
East and Central Indonesia	1,371	247
Total	5,343	1,576

The employee turnover rate by age and gender in 2021 was lower than the previous year's. The data can be seen in the following table:

Employee Turnover by Age and Gender [GRI 401-1]

Age Group	2019		2020		2021	
	Male	Female	Male	Female	Male	Female
<30	38.87%	53.28%	10.23%	10.31%	9.27%	9.90%
31–40	45.42%	36.47%	35.35%	34.28%	56.77%	46.27%
41–50	8.14%	5.71%	8.63%	11.67%	19.58%	21.59%
>51	7.56%	4.55%	45.77%	43.72%	14.38%	22.24%
Total	**100%**	**100%**	**100%**	**100%**	**100.00%**	**100.00%**

BRI also offers various remuneration schemes for permanent and non-permanent employees in all of BRI's operational areas. The following are the various types of remuneration given to BRI employees: [GRI 401-2]

Remuneration Type	Name of Program	Full-Time Employees	Part-Time Employees
Life Insurance	BPJS Ketenagakerjaan, BPJS Kesehatan Santunan Duka	Yes	According to work agreement
Health Insurance	BPJS Kesehatan	Yes	According to work agreement
Disability Insurance	BPJS Kesehatan	Yes	According to work agreement
Parental leave	Parental leave	Yes	According to work agreement
Retirement Plan	Retirement Preparation Period	Optional	According to work agreement

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

Table of Employee Engagement Survey Results

Description	2019	2020	2021
Employee Engagement	3.20	3.27	3.46
Employee Coverage Employee	100.00%	100.00%	100.00%

Leave Policy

The right for paid leave and leave of absence is part of the employee's rights. BRI provides work leave, parental leave, and leave from work in accordance with the submission of application letters from employees to the superiors of each Division. In addition to maternity leave, BRI also provides paternity leave that is longer than what Law No. 13 of 2003 concerning Manpower stipulates.

The right for leave is granted with BRI continuing to bear the financial rights of the employees, in accordance with the points of agreement in the PKB and personnel guidelines. The types leave that employees can apply for are annual leave, holiday leave, menstrual leave, parental leave, miscarriage leave, and special duty leave. Meanwhile, the types of absenteeism permits that can be granted by BRI under certain conditions include: marriage, marriages of children, births of children, circumcision of registered children, death of immediate family members, and so on. The number of permits granted is regulated in the Employment Regulations.

Regarding the right to parental leave, BRI gives rights to female employees who will give birth as well as male employees whose spouses are about to give birth.

Table of Parental Leave Data [GRI 401-3]

Description	2019		2020		2021	
	Male	Female	Male	Female	Male	Female
Number of employees entitled to parental leave	41,501	19,795	41,335	20,173	-	-
Number of employees taking parental leave	3,404	6,071	3,033	5,793	1,509	2,640
Number of employees returning after parental leave	3,404	6,071	3,033	5,793	1,509	2,640

Note : In 2021 there was a problem with the recapitulation system for the number of employees who were entitled to parental leave. The recovery process is being carried out as an upgrade for the next reporting period.
100% of employees who took parental leave returned to work and were retained [GRI 401-3]

Absenteeism Rate Table [GRI 401-1]

Description	2019	2020	2021
Absenteeism (day)	1.24%	1.31%	1.51%
Number of Days in a year	248	242	243
Total Number of Employees	91,620	88,184	82,718

BRI creates a safe and comfortable work environment; the employee absenteeism rate in 2021 was only at 1.51% of the total number of employees.

Occupational Health and Safety [F.21]

BRI is committed to prioritizing health and safety for every employee by implementing Occupational Health and Safety (K3) Aspects to minimize operational risk. The BRI Occupational Safety and Health Management System (SMK3) is regulated in Circular Number 110 - DIR/MOP/12/2019. It consists of a strategy that is comprised of several provisions, including:

a. Business Continuity Management Policy;
b. Emergency Response Plan Guideline;
c. Occupational Health and Safety Management System Policy.

BRI always ensures the competence of members of occupational safety and health management. There are 6 BRI employees who have been certified in K3 and in 2021 the following certifications were carried out:

Certificate	Name of Participant	Effective Date	End Date
Ministry of Manpower's First Aid at Work	Fajar I	16-11-20	16-11-25
Ministry of Manpower's First Aid at Work	Morrys A	16-11-20	16-11-25
Fire Safety Certificate	Gedung BRI 2	09-06-20	09-06-21
Gondola Operator	Fadil	01-04-20	01-04-25
K3 Young Expert	Siti Nur Hasanah	04-11-21	04-11-24
K3 Young Expert	Juni Agung Sukoco	04-11-21	04-11-24

BRI strives to maintain the safety of its employees and stakeholders by engaging in these activities:

1. Instilling of emergency response culture in employees;
2. Communicating emergency response procedures to stakeholders within BRI;
3. Providing emergency response equipment;
4. Providing medical equipment in the workplace;
5. Conducting emergency response simulations on a regular basis;
6. Identifying disaster risk in BRI's work environment.

BRI's strategy in managing the risk of work accidents at BRI in business areas include:

Business Area	Outside of Business Area
Multi-storey buildings, office houses, shop houses, and e-channel-based mobile work units	Assessment of the locations of project development and customer visit activities
The implementation of K3 by building management policies	The implementation of K3 by building management policies

Business Area	Outside of Business Area
Training and providing evacuation information from high-rise buildings on a regular basis	Safety induction rules for every employee to follow
Basic training on the use of fire extinguishers [FS4]	Provision of work accident insurance policies for all employees that include personal accidents and the Work Accident Insurance program
Training to rescue victims inside buildings attended by building security employees	-
Facility equipment with relevant and adequate basic safety equipment, including Oxygen (O2) tanks, first aid kits, emergency slides at exit windows	-
First aid training during accidents attended by employees, security and building managers	--
Provision of two ambulances at the head office in collaboration with BRI Medika (a subsidiary of Dapen BRI)	-

Identification of hazards and assessment and control of OHS risks are carried out in conjunction with the Disaster Threat Risk Assessment (PRAB). PRAB is the determination of threats that may occur based on categories of causes, such as natural disasters, deliberate intention, technology, infrastructure and the impact of these threats on internal resources such as human resources, assets, information, customers, and so on. The scope of implementation of Corporate Social Responsibility related to employment, health and safety consists of:

- Implementation of employment programs (implementation of gender equality in employment opportunities, use of local labor; equality in participating in education, training, and getting fair remuneration programs; freedom of association, as well as the existence of a complaint mechanism and pension program;
- Program for providing health benefits and facilities (fitness club, sports club, and BPJS insurance);
- Work safety programs (periodic inspections/ checks of fire extinguishers and emergency

BRI New Way of Working

training).

Since the beginning of the spread of the Covid-19 outbreak in Indonesia, BRI's main focus has been on the safety and health of employees and customers. BRI has issued various policies and provided health benefits to ensure the safety and health of employees and customers, among others through the implementation of health protocols, implementation of flexible working arrangements and providing health facilities such as 'safe houses' and vitamins to employees and customers.

In dealing with the Covid-19 pandemic, BRI together with the Covid-19 task force initiated the New Way of Working by prioritizing the health and safety of employees. The programs carried out include the implementation and socialization of health protocols in work units, procurement of vaccines, provision of periodic rapid tests and antigen swab tests, programs for providing masks and vitamins, spraying workspace disinfectants regularly, monitoring of daily self-checking of employees' health, implementation of Working From Home (remote work scheme), organizational campaign about BRISMART e-learning, pilot project related to productivity tools and applications, shuttle bus facilities for employees to minimize the use of public transportation, and provision of remote work facilities in satellite cities called BRIWORK to support work flexibility. BRI also set up 'safe houses' to provide protection for employees exposed to Covid-19 without symptoms.

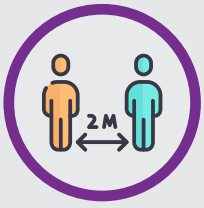
6M Health Protocol

Wearing a Mask

Washing Hands

Avoid the Crowd

Avoid Dining Out Together



Physical Distancing

Reduce Mobility

Please always be mindful and disciplined about health protocols. BRILiaN!

Retirement Programs [GRI 201-3]

BRI always pays attention to the welfare of employees, because BRI understands that the role of employees is very important in the durability of a company. In addition to focusing on efforts to improve employee skill development programs, BRI also provides training for employees who are about to retire. From the briefing provided, BRI hopes to provide mental readiness, knowledge, insight, and skills needed in retirement. BRI has organized the BRILiaN Leader Retirement Program (BLRP), which was attended by 490 people in 2021. [GRI 404-2]

BRI's concern in preparing for employee retirement is also evidenced by the calculation of fair post-employment benefits. The process of assessing the estimated liability of post-employment benefits and long-term employee benefits includes service awards, a long leave period, retirement plans, BPJS post-employment health programs and other benefits. Employee benefits are determined based on BRI regulations and the minimum requirements of Law no. 13 of 2003 concerning Manpower. Meanwhile, post-employment benefits and other long-term employee benefits are determined based on the Projected Unit Credit method. The measurement of the net defined benefit liability (asset), which is recognized in other comprehensive income, consists of:

- Actuarial gains and losses;
- Return on program assets, excluding amounts included in net interest on liabilities (assets);
- Any changes in the impact of asset limits, excluding amounts included in net interest on liabilities (assets). Remeasurement of the net defined benefit liabilities (asset), which is recognized as other comprehensive income which is not reclassified to profit or loss in the next period. Participation of permanent employees in the pension program is mandatory, in which the contribution to the pension fund comes from the Company and the employees with a share of 50% each. [GRI 201-3]

The total liability for employee benefits as of December 31, 2021 was Rp 14,549 billion which consists of several components. One is the remeasurement value of the defined benefit pension liability of Rp 845 billion and the remeasurement of the old age benefit obligation of Rp 554 billion. Calculations on defined benefit pension plans and other pension plans use the assessment done by independent actuaries. [GRI 201-3]

As a form of this commitment, BRI includes all its employees in the pension program, with a choice of defined benefit and defined contribution schemes. In addition, BRI also organizes a retirement preparation program focusing on entrepreneurship training by inviting retired employees who have successfully started their own businesses independently.

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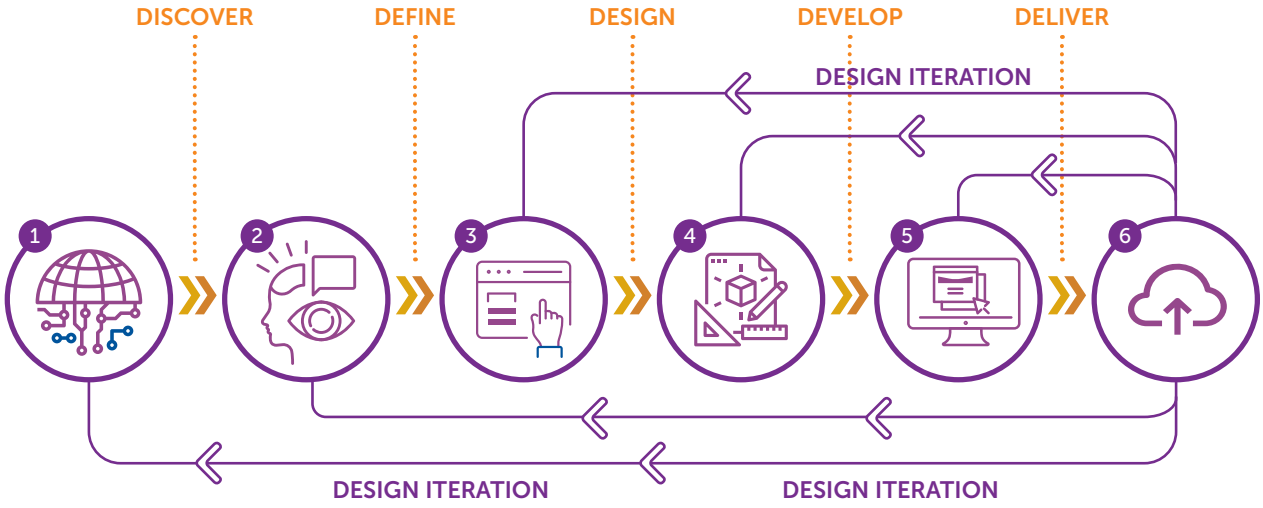
SUSTAINABILITY
REPORT
2021

Prioritizing Customers

Digital Product Innovation [GRI 102-11] [FS15]

The Covid-19 pandemic occurring around the world did not impede BRI's effort to accelerate digital transformation. Digital transformation is carried out with the aim of delivering better, faster and safer products and services. In addition, digital transformation is also an answer to customer needs in the new normal era. The digital platform presented by BRI will prioritize consumer needs and interests (to be customer centric) and customer experience. In validating market needs, BRI through the Digital Banking Development and Operation Division conducts intensive and thorough research involving data providers such as Bloomberg and Insights, domestic and foreign consultants, as well as needs and pain points that arise from within BRI itself.

In realizing innovative solutions to the problems identified, BRI applies the concept of design thinking to create innovative solutions to problems and pain points encountered from the research results that have been carried out. 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. Customer-friendly UI/UX application provides great user experience with easy-to-use features and beautiful aesthetics to attract more customers to use the BRI application.



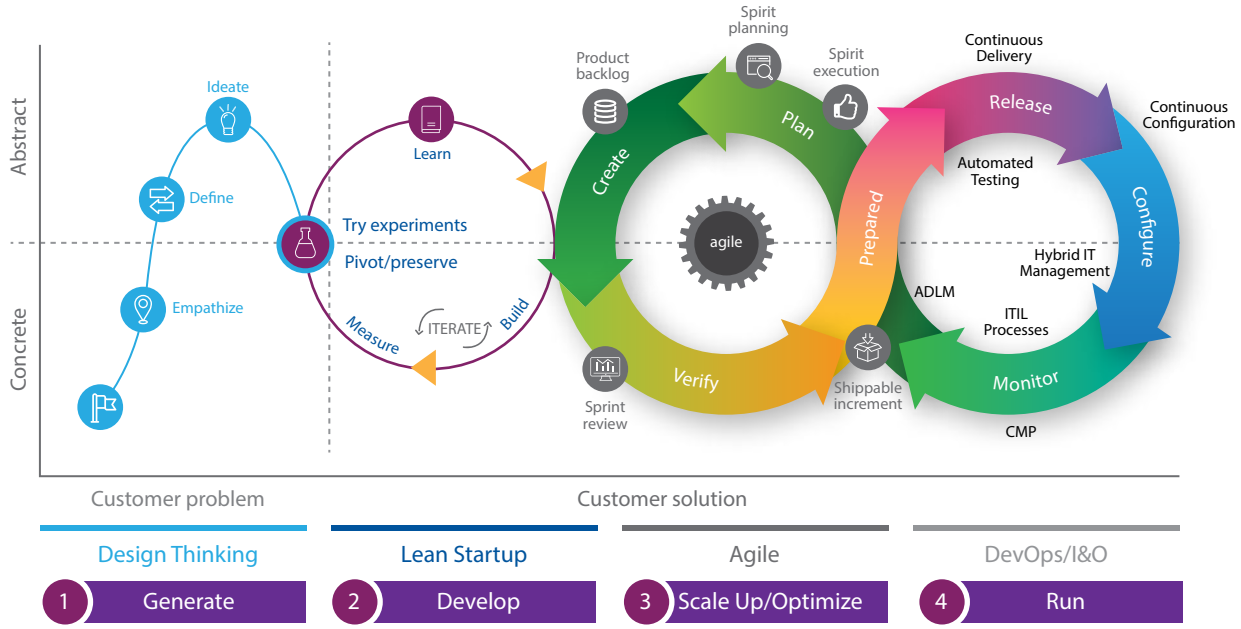
Currently, application development at BRI uses Waterfall and Agile methods. The Agile method is used in the New Delivery System (NDS), which is a development that is carried out in stages and iteratively. NDS has also used the latest technologies such as Progressive Web App (PWA), Micro Services, and Automatic Testing. The use of the latest technology makes it easy to monitor using existing monitoring tools in order to support efficiency and effectiveness in its development. This application is based on a website that can be opened on a computer through a modern browser and can be accessed

using a smartphone or mobile phone by utilizing PWA technology to provide an easy experience for the user. The application is built with a user-centric process, specifically anticipating common difficulties in users' experience. With these various features and development background, NDS can simplify existing business processes to become more comprehensive so that they can serve customers quickly and efficiently.

The use of this new technology also supports the reduction of resources such as physical servers because it can be used for several applications at once. The reduction of these resources helps to use electricity efficiently and reduce the impact of global warming due to the continuous use of large amounts of electricity.
[GRI 102-33]

Application development can easily adapt to ongoing changes using Agile methods. Minimum Viable Products can also be channeled so that users can immediately use applications with existing main features. To support this development method, the Confluence and JIRA project management applications serve as tools that can be used to assist in monitoring ongoing work and features to be developed.

The role of technology is highly relied upon 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 reliable financial transactions. Therefore, good digital banking services by BRI can provide a positive experience for BRI customers.



In 2021, BRI introduced the following new products and activities as part of its contribution towards reducing carbon emissions:

a. Development of Opening Accounts (Giro) through the BRI Platform. The digitizing service for opening a checking account has an impact on the efficiency of account opening. Customers do not need to be physically present to the Work Unit, so they can save paper for administrative purposes.
b. BRIguna Digital On-boarding, a new activity that changes BRIguna loan disbursement services to digital direction. This service is closely related to ESG because the digitization carried out has an impact on paper savings and service efficiency.

TebuChain: Blockchain Based Digital Solution [GRI 102-11] [FS15]

TebuChain is a blockchain-based platform for the sugar cane and sugar ecosystem to support data transparency and banking transactions. This product supports data integration between entities from the sector's upstream business to the downstream, to build business processes and transactions that are more efficient and effective. BRI is here to provide digital solutions for stakeholders' financial activities.

Benefits of this product are:

- The ability to maintain and develop the partnership of Sugar Mills, BRI, Farmers and stakeholders from the Sugar supply chain in an effort to manage the business and transaction of Sugar commodities.
- The ability to facilitate and accelerate access to loan for farmers, sugar mills and distributors.
- Increase in the quantity and quality of lending and cross selling of BRI products.

Target Market:

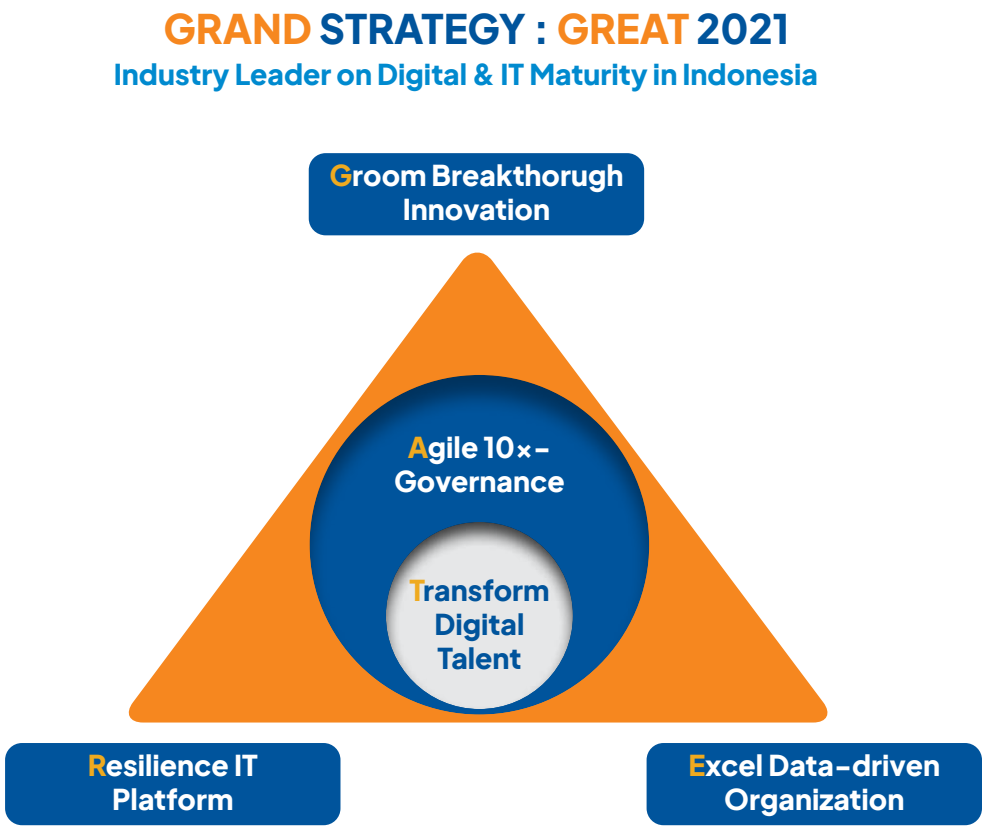
- Sugar mills both Government and Private owned
- Farmers fostered by sugar mills and independent farmers
- Sugar Distributors who have partnered with sugar mills
- Government ((Ministry of Agriculture, Ministry of Trade, Ministry of Industry)

The Journey:

- Quantification of Farmer Loyalty and Integration of PTPN's SIIMPG
- BRI Loan Service Integration
- Sugarcane On Farm Optimization
- Invoice Financing
- Integration of Logistics, Retail and Sugar Auctions

Information Technology Roadmap and Main Workplan

BRI's Directorate of Digital and Information Technology (IT) has established Strategic Initiatives and BRI's IT Main Workplan in order to implement the Company's Strategy for 2018 - 2022.



The Digital and IT Directorate has also established an IT strategic Roadmap based on five functional strategy pillars, namely:

GRAND STRATEGY: GREAT 2020	2021	2022
Groom Breakthrough Innovation	Digital Financial Supermarket	The Most Innovative Digital Financial Ecosystem in Southeast Asia
Resilience IT Platform	Highly Scalable, Open Banking Resilience & Composable Architecture	World-Class Digital Infrastructure
Excel Data-driven Organization	Decision-Driven Data Analytic	World-Class Digital Infrastructure
Agile 10X Governance	Comprehensive Application Development Governance	Mature Agile IT Governance
Transform Digital Talent	Nurture and Engage World-Class Digital Talent	Home to the Best Digital Talent & Mature Digital Dexterity (Holding & Subsidiaries)

1. Groom Breakthrough Innovation can encourage the realization of the company's goals with Omni-channel digitization, Digital Banking, and Micro Payments; and support digital ecosystem innovation to meet customer needs and expectations in creating efficiencies and finding new business models in order to create value. BRI's IT division launched three BRI applications: BRImo, Agen BRILink, and BRISPOT as "Super Apps" that can provide integrated services to all BRI customers;

2. Resilient IT Platform, BRI strives to minimize operational risks that may occur due to residual risk. This risk can be managed more effectively through optimization of Information Technology to provide an Integrated Cyber Threat Detection System with capabilities such as a Fraud Detection System and an Early Warning System that can proactively anticipate fraudulent behavior to allow for preventive actions. In addition, the transformation on the IT architecture is always carried out by modernizing the back-end, moving from a monolithic architecture to microservices, and various front-end solutions that are mobile-based and API-centric. In addition to increasing resilience, it is also necessary to improve security such as by integrating Identity & Access Management and Cyber Threat Detection System. IT Platform Resiliency is further strengthened by continuously testing the Disaster Recovery Plan periodically;

3. Excel Data-driven Organization, BRI is committed to improving BRI's IT capabilities in the field of artificial intelligence. BRI uses several of the latest technologies to support decision-making processes in business operations and services. There are still several challenges related to data management that have become the basis for implementing several data capability developments such as Master Data Management, BRIBRAIN, BRIOne Data, Change Data Capture, Unified Data Platform, as well as Self Service & Business Intelligence that supports the implementation of data governance and data analytics. Insights generated from big data analytics are used as input for business strategies in the form of risk management systems, product development, credit scoring, fraud detection, and so on.

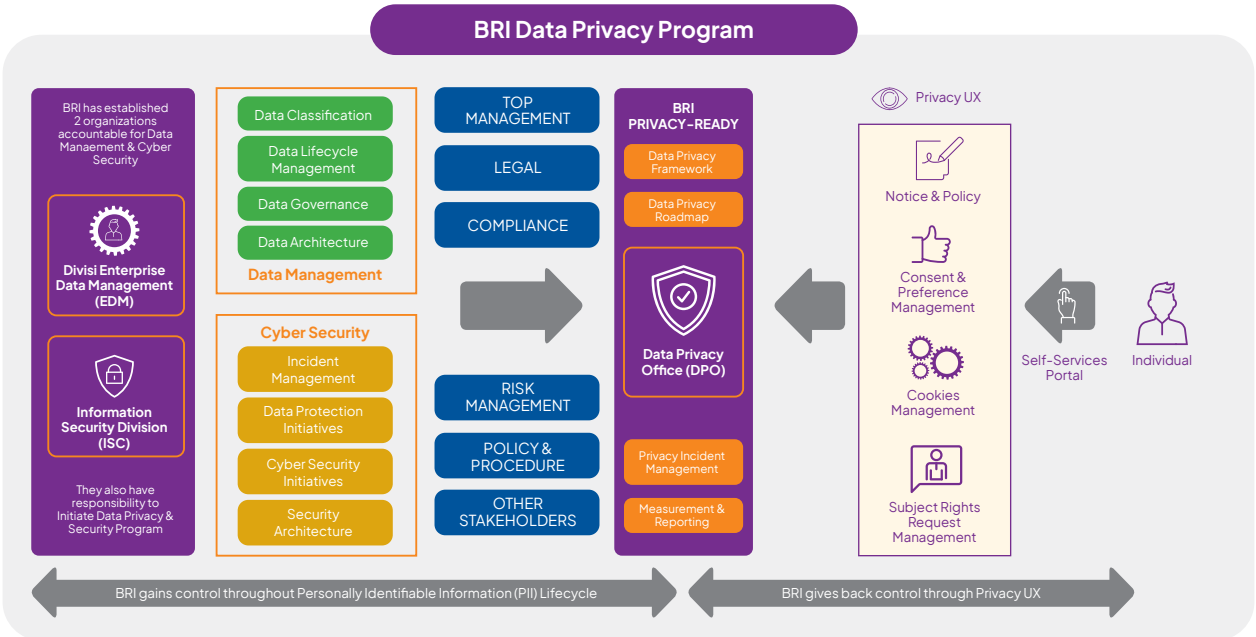
4. Agile Governance, is carried out with a product centric approach consisting of tribe and squad products whose development is carried out using agile and assisted by collaboration tools and automation according to good governance and improving quality in ensuring BRI's IT position in the industry compared to its peers. BRI's IT conducts Digital & IT assessments Maturity is based on several frameworks such as COBIT, DQ, INDI, and carries out various International Certifications such as ISO 27001, ISO 9001: 2015, ISO 20000: 2018, PCIDSS, and so on. BRIOne IT Shared Service Governance was formed to facilitate the provision

of IT services to all stakeholders, such as IT services to Subsidiaries, Associated Companies, and BRI's Affiliated Companies.

5. Transform Digital Talent, BRI has key assets that must continue to be honed in terms of their potential and expertise, especially in core and potential competencies, through several globally recognized certifications. In addition, BRI also enhances a digital culture that acts as mission-critical monitoring of all IT platform developments at BRI that are centered on customer experience.

BRI's Data Privacy Program [GRI 418-1]

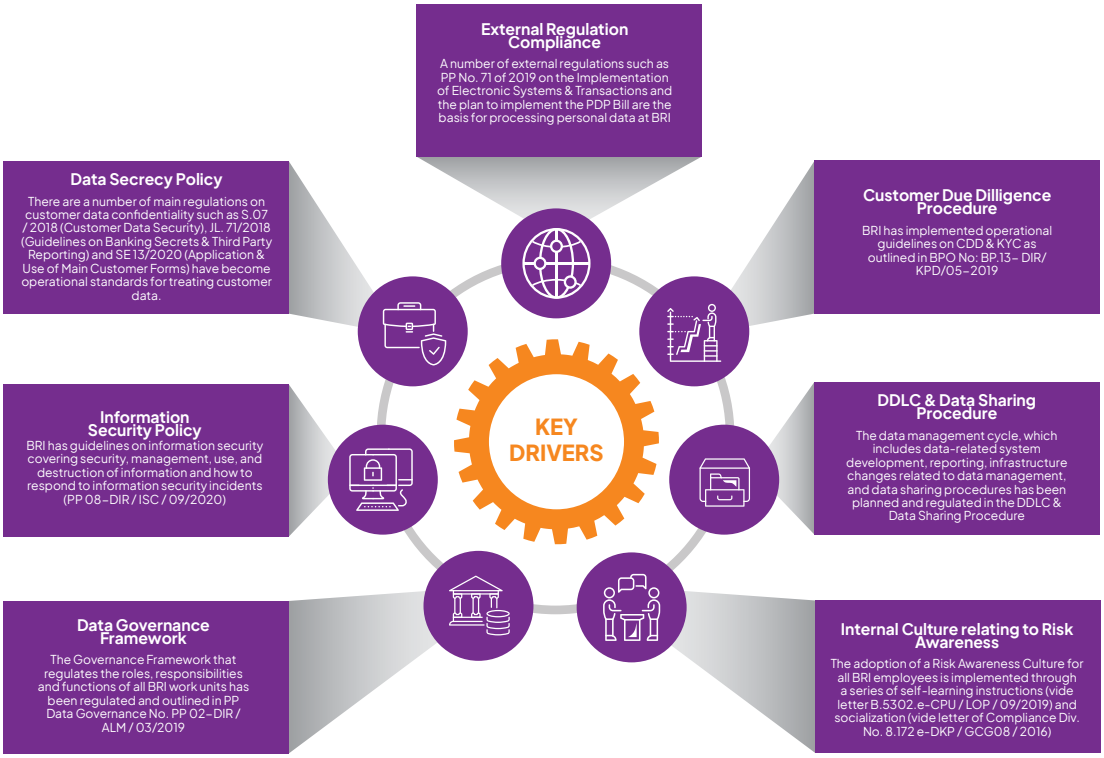
BRI has implemented various customer data security programs. BRI is preparing a blueprint for a special integrated Data Privacy Management program including a sustainable long-term execution plan. This is carried out in line with the planned ratification of the Personal Data Protection Bill (RUU PDP) of the Republic of Indonesia and efforts to adopt the fundamental capability requirements regulated in the European Union General Data Protection Regulation (EU GDPR). The RUU PDP provides the legal basis for BRI and for Indonesia to maintain state sovereignty, state security, and protection of personal data belonging to Indonesian citizens wherever the personal data is located. Regulations regarding the security of personal data in various countries are heavily influenced by the EU GDPR. Thus, the EU GDPR is also a foundation for BRI in implementing fundamental requirements and building capability standards in the protection of personal data. BRI will conduct an in-depth review of regulations in various countries as a reference for the implementation of the assessment. BRI aspires to be privacy-ready two years after the ratification of Indonesia's PDP Bill by prioritizing the principle of privacy-by-design in every process involving data in the Personally Identifiable Information (PII) category.



Data Management System

BRI has established a Division that specifically handles Data Management (Enterprise Data Management or EDM) with a special task of handling Cyber Security (Information Security Division or ISC). At the initiation of the Data Privacy Program, BRI needs to build fundamental capabilities in order to exercise control over personal data (personally Identifiable Information or PII category) throughout the life cycle of the data at BRI, starting from the data being obtained or created, until the data is deleted. The initiation stage requires close collaboration to build technical capabilities of EDM and ISC, with empowerment from Top Management and supported by other stakeholders to complete capabilities in related fields such as Legal, Compliance, Digital and Operational Risk Management and the Policy & Procedures Division. On the implementation of the governance structure of Data Privacy Management, it is necessary to appoint a special organization or work unit which in the regulations is referred to as the Data Privacy Office (DPO). This DPO work unit will also carry out privacy risk assessments or periodic audits on the use of technology and practices that have an impact on the owner of personal data. This work unit will also continue to carry out regular training or socialization on Data Privacy Management. Before this work unit was formed, several functions of this work unit were carried out by existing work units at BRI. The Incident Management related to Data Privacy was carried out by ISC under the auspices of the Cyber Security Incident Response Team (CSIRT). Meanwhile, the socialization of Data Privacy Management was carried out by EDM. On the personal data protection regulations that require BRI to give control to the personal data owners on giving consent and choosing preferences for certain processing of data subjects, BRI will provide a self-service portal as Privacy UX, where the personal data owners can directly manage all services related to data privacy.

BRI is highly committed to improving the security of the data information it manages. The following are the principles for securing and managing customer data as outlined in various internal regulations



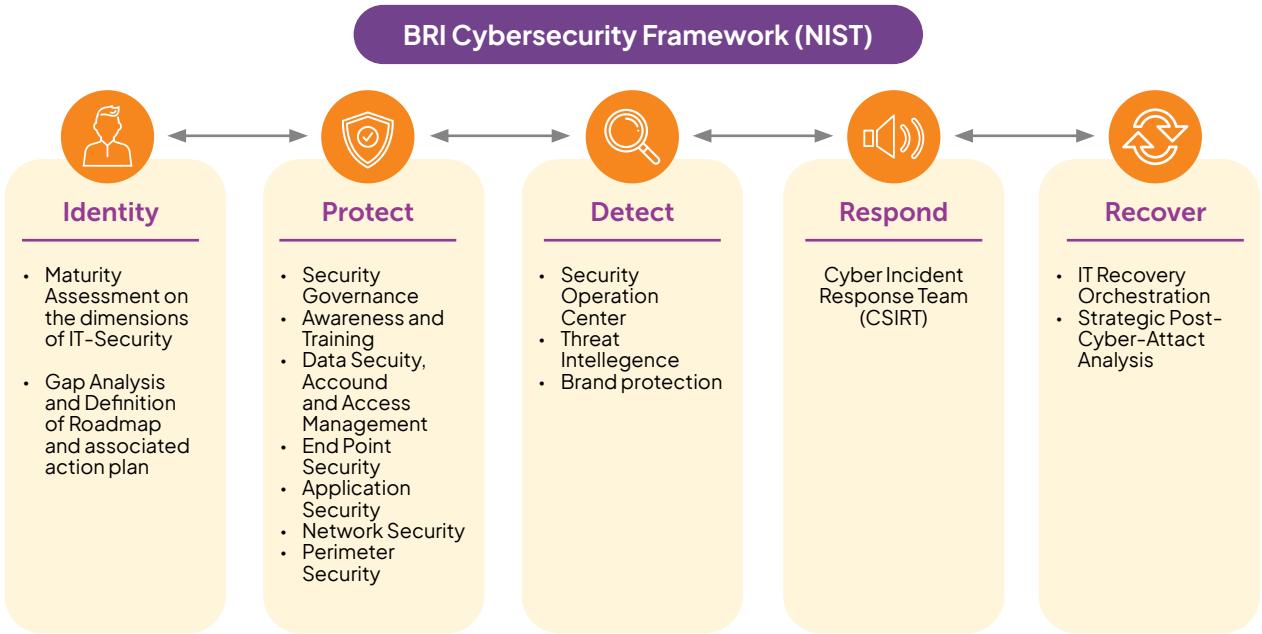
1. External Regulation Compliance : A number of related external regulations such as Law No. 10 of 1998 concerning Banking, PP No. 71 years 2019 concerning the Implementation of Electronic Systems and Transactions, Financial Services Authority Regulation No. 38/POJK.03/2016 concerning the Implementation of Risk Management in the Use of Information Technology by Banks General and SE OJK No. 14/SEOJK.07/2014 Concerning Confidentiality and Security of Data and/or Consumer Personal Information are the basis for processing personal data at BRI.
2. Data Secrecy Policy : We interpret a number of external regulations from the above-mentioned authorities through a number of main internal regulations and their derivatives related to the confidentiality of customer data, including Internal Procedures for Safeguarding Customer Data (Protection of customer data at all stages of the data acquisition cycle from acquisition/collection, processing & analysis, storage, transfer/transmission, opening access to data destruction) including the data encryption procedure, encryption, guiding instructions regarding bank secrecy, transaction delays and third party reporting as well as internal procedures regarding the application & use of customer main forms. 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 based on industry best practice procedures or standards that refer to POJK Number 38/POJK.03/2016 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 year 2016 Requirements 12.1 Establish, Publish, Maintain, Disseminate Security policy. This is stated in the Main Guidelines for implementing information security guidelines including securing activities, managing, using, destroying information to following-up on information security incidents (PP 08/ISC/09/2020).
4. Data Governance Framework : BRI has established and adopted a Data Governance Framework which regulates the roles, responsibilities and functions of all BRI work units which have been regulated and set forth in the Internal Procedures on Guidelines for the implementation of Data Governance.
5. Customer Due Diligence Procedure : BRI prioritizes the principle of prudence towards all customers and prospective customers. BRI has established and implemented operational guidelines regarding the Customer Due Diligence (CDD) & Know Your Customer (KYC) Procedures for customers as outlined in the Operational Manual which is implemented as the standard for all BRI work units.
6. Data Development Life Cycle (DDLC) & Data Sharing Procedure : data management cycle which includes data related system development, report generation, infrastructure changes related to data management including data sharing procedures have been compiled and regulated in internal procedures regarding DDLC & Data sharing procedures.
7. Internal Culture on Risk Awareness : BRI understands that the above set of procedures must be followed by internalization of the work culture for all BRI management and employees. Therefore, the Internalization of Risk Awareness Culture for all BRI employees has been implemented through a series of routine self-learning, instructions and continuous socialization.

Cyber Security

Cybercrime is an act carried out by a party intentionally, directly or indirectly, which results in the breach of security mechanisms or failure of control, resulting in the loss or disruption of an operation, service, organizational function, and the occurrence of material and non-material losses, which, if not anticipated, acted upon and mitigated, can escalate into a catastrophe. BRI determines cyber incidents based on their impact, including regulatory sanctions, data classification, publications in the media, and the disrupted services as a result of the incident.

BRI uses the NIST Cyber Security framework that is has been integrated into the Enterprise Security Architecture (ESA) based on analysis and the latest cyber threat conditions. ESA consists of the pillars of Identification (Identity), Protection (Protect), Detection (Detect), Response (Respond), and Recovery (Recover) of information security. ESA is a benchmark for the development of the BRI cybersecurity. ESA is also integrated into the products of the Identity pillar, namely gap analysis, maturity assessment, and preparation of the BRI security roadmap.

In the Protect pillar, BRI applies various information security technologies as well as security governance. BRI has implemented a policy regarding information security which was formulated using references from OJK Regulation Number 38/POJK.03/2016 concerning the Implementation of Risk Management in the Use of Information Technology by Commercial Banks, ISO27001: 2013, PCI-DSS, and NIST. BRI also has provisions regarding the security of customer data which are formulated based on OJK Circular Letter Number 14/SEOJK.07/2014 concerning the confidentiality and security of consumer data and/or personal information.

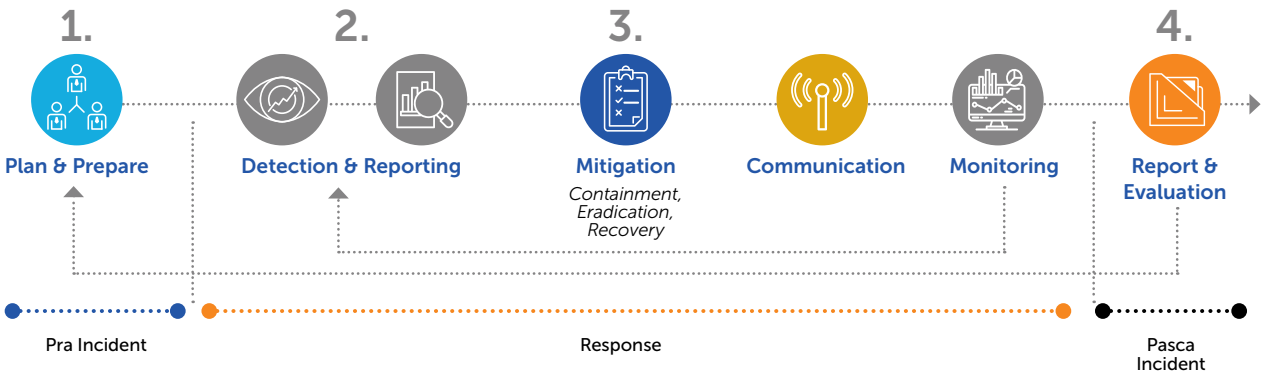


In order to ensure that information security governance has been carried out according to international standards, BRI is certified with ISO27001:2013 in the scope of Big Data, Open API, Managing Event & Cyber Threat Monitoring, Card Production, Spacecraft Operation and Data Center Facilities. BRI is certified with PA-DSS (Payment Application-Data Security Standard) for BRI's Direct Debit API. In order to increase the awareness of BRI's employees towards information security, BRI routinely conducts awareness raising programs through various forms and media, including:

1. BRI internal posters and publications;
2. E-learning for all BRI employees;
3. Webinars for all BRI employees; and
4. Email phishing campaign.

In the Detect pillar, BRI has a special function/ division in the form of a Security Operation Center (SOC) which monitors cyber threats continuously (24 hours, every week, for 365 days). BRI also carries out proactive surveillance through threat intelligence services from international-scale providers. Additionally, in order to monitor and mitigate the threat of brand abuse, BRI has a brand protection program whose task is to monitor misuse of the BRI brand on social media. BRI also cooperates with third parties to identify BRI system vulnerabilities and independently review BRI's information security in the form of vulnerability assessments, penetration tests and cyber attack simulations (red team).

In the Respond and Recover pillars, BRI has a CSIRT (Cyber Security Incident Response Team) that will respond quickly to information security problems or incidents. BRI has developed governance to respond information security incidents that in line with BRI's Disaster Recovery Plan (DRP) and Business Continuity Plan (BCP). BRI also has a protocol to inform the public in the event of an incident. BRI works closely with cybersecurity experts with global experience in incident response to assist BRI in conducting forensics and investigations of cyber incidents.



Customer Service and Satisfaction

In addition to security and convenience, customer trust is largely determined by how the bank provides services and resolves customer complaints/issues. BRI ensures that customer trust is maintained by providing excellent service and solutions that generate added value for the customers.

1. **Product and Service Information** [FS15]
   BRI strives to provide adequate information regarding the name, type, benefits, requirements, costs attached, calculation of interest or profit sharing, and the validity period of the product or service. BRI includes a product risk profile in order to provide a complete picture of the product for customers. The information is provided in clear and complete Indonesian language (Bahasa), both in writing and orally at the request of the customer. Information about BRI's products and services can be obtained at BRI's working units or through the BRI website at www.bri.co.id.

2. **Customer Satisfaction Survey** [F.30] [F.5]
   In the process of monitoring to identify progress in service quality, BRI conducts surveys to measure service quality, both independently and by third parties, as follows:
   - Measurement of Service Quality Consistency of BRI's working units is carried out using Mystery Shopping method which obtains an accurate and objective picture of the service quality of work units which include People (CS, Teller, Security Guard), Process, E-Channel (ATM/CRM), and Premises.
   - The Customer Satisfaction Survey is conducted using the Computer Assisted Telephone Interview (CATI) method to customers who have transacted at BRI (maximum three days after the transaction).

     The following table details the results of a customer satisfaction survey that has been analyzed using BRI's service quality measurement:

Customer Satisfaction Survey Results [F.5]

Description	2019	2020	2021
Customer Satisfaction Level	85.90%	84.57%	89.28%
Customer Complaints Resolution Rate	98.93%	99%	99%

Improvements in service quality are carried out to ensure that BRI's services are always of the highest quality in the banking industry. Therefore, BRI periodically measures service quality and compares it with its competitors.

BRI focuses on the quality of services provided to all customers on all service channels, especially at touch points where there is direct interaction between customers and bank. The implementation of Customer Centric values is carried out by increasing employee capabilities, improving business processes, and creating more comfortable physical premises for customers. All efforts are aimed at creating standardization of services and increasing customer satisfaction at all service channels. Increased customer satisfaction can encourage customers to increase the number of new accounts, increase account usage, or increase account balances (top-up) to have a positive impact through the value of CASA and BRI Fee Based Income.

In 2021, BRI undertook various initiatives to improve service quality, namely:

1. Improvement of People Capabilities, through JakartaSHine, JavaSHine, and IndonesiaSHine, which are programs to improve service quality and working unit operations in the aspects of People, Process, Premises and operational parameters so that customers can enjoy uniformity and consistency of service across BRI working units;
2. Development of Service Culture, through BRI Customer Day, which is a collection of activities to enliven the service of working units in a particular work area that is aligned with local themes and culture to increase customer involvement with BRI working units where customers usually transact;
3. Improved Service Process, through business process reengineering in the form of simplification of procedures and arrangement of service process flow in work units to simplify and speed up service time to customers;
4. Improvement and refurbishment of Premises, through repair and improvement of work unit infrastructure facilities to make the customers feel more comfortable when making transactions.

The Covid-19 pandemic has forced BRI to fight along all customers in dealing with the pandemic. BRI is committed to maintain service quality through the implementation of health protocols. The evidence of this commitment is the stable quality of BRI services as measured by the Service Quality Index in 2019 - 2021, as follows:

Year	Banking Industry Index	BRI Performance Index
2019	3.99	4.00
2020	4.09	4.10
2021	**4.29**	**4.29**

3. Violation Reporting Mechanism [GRI 102-17] [SASB FN-CB-510.a.2]

Violation indications of BRI's code of ethics can be reported through the Whistleblowing System (WBS). BRI will impose sanctions to violators who are proven to have violated the code of ethics in accordance with the provisions of BRI discipline violations. The implementation of the violation reporting system is based on the Circular Letter of the BRI Directors No.: 65-DIR/KEP/10/2021 dated October 28, 2021 regarding the Whistleblowing System of PT BRI (Persero), Tbk. Complaints indicating violations through the Whistleblowing System must be based on good faith and not as a personal outlet or in the form of bad intentions/slander. The management of the Whistleblowing System report is carried out by the WBS Management Unit which reports to the President Director and monitored by the Board of Commissioners through the Audit Committee. The WBS Management Unit is responsible for managing and following up on reports of violation indications. [GRI 102-17] [SASB FN-CB-510.a.2]

In connection with BRI's commitment to support the KPK's efforts to eradicate Corrupt Criminal Acts and pay attention to the BRI-KPK Cooperation Agreement (PKS) regarding the handling of complaints in an effort to eradicate corruption, BRI has built a means for reporting complaints of violations in the form of BRI's Whistleblowing System (WBS) which is integrated with the KPK's.

Complaints about possible violations as well as suggestions regarding ethical conduct and behavior (both internal and external) can be submitted through the Whistleblowing System via these means: [GRI 102-17] [FS8]

- Mail : PO BOX 1895 JKP 10900
- Email : whistleblower@corp.bri.co.id
- Sms : 0811 8200 600
- Website : www.bri.co.id/whistleblowing-system

4. Handling of Customer Complaints

BRI adheres to the aforementioned regulations through the issuance of internal regulations regarding customer complaints, namely the Decree on Policies and Procedures for Settlement of Customer Complaints. Through this procedure, any complaints related to breaches of customer confidentiality will be immediately acted upon. In addition, BRI emphasizes the protection of customer data and/or information as stipulated in the Circular on the Protection of Customer Data. The Circular also specifically regulates:

1. Customer data is information that must be protected in accordance with laws and regulations.
2. Customer data may not be opened by or provided to third parties without written consent from the customer
3. Customer data stored in the system must be secured by formally regulated access control mechanisms taking into account risk management aspects
4. Files or documents containing sensitive information are not stored on the server/file sharing folder.
5. Customer data is a customer privacy right that must be protected for its existence and confidentiality.
6. Work Environment Control to protect data security
7. Hardware and software handling

In the account opening process, BRI asks for consent from prospective customers regarding permission to use their customer data for the purposes of offering banking products and services by either BRI or the BRI Group. Along with the journey of the data privacy program at BRI, this consent procedure will be expanded according to the data subject set out in the data privacy management framework established by BRI.

In addition, BRI also has Guidelines for the Implementation of Bank Secrecy, Transaction Postponements and Reporting to Third Parties, which contain the following information:

1. Provisions regarding bank secrecy in general as well as procedures for stringent steps that must be taken to execute opening, transaction postponements, temporary suspensions, confiscations, blocking and reporting related to customer data which includes understanding and provisions, authorities and responsibilities, workflows and descriptions as well as flowcharts.
2. This procedure also regulates how to disclose bank secrecy in terms of:
    a. Tax Interests
    b. Judicial interest in civil cases between the Bank and its customers
    c. Banking information exchange
    d. Request, approval or authorization from the customer in writing
    e. Bank Inspections by Bank Indonesia

BRI has implemented internal regulations on the Procedures for Provision of Data Sharing for Third Party Needs. The procedure stipulates the forms that must be completed during data request while still prioritizing the principles of bank secrecy. In addition, this procedure also regulates the level of data classification owned by BRI so that the compliance mechanism for each level of data classification is clear. Request for data require authorization according to the level of data classification.

BRI also applies the principles of prudence in terms of submitting or receiving data from Third Parties to protect its data. Therefore, before exchanging data with third parties, BRI always requests them to agree to a Non-Disclosure Agreement, either as data disclosers or between parties that disclose data to each other.

Confidentiality and Security of Customer Data

Currently, the policy regarding data security and consumer privacy at BRI Bank adheres to SEOJK No. 14/SEOJK.07/2014 concerning Confidentiality and Security of Consumer Data and/or Personal Information and POJK No. 1/POJK.07/2013 concerning Consumer Protection in the Financial Services Sector. BRI established a Data Privacy Management function under the Enterprise Data Management Division to protect customer data. This function is also developing SE Standards and safeguards against personal data. [F.27]

In 2019 to 2021, there were no incidents of leakage, theft or loss of customer privacy data. In addition, there were no complaints regarding customer confidentiality and data theft by customers or government agencies. Therefore, there are no fines or penalties paid by BRI during 2021. [SASB FN-CB-230a.1] [GRI 418-1]

In 2021, the implementation of the complaint procedure and complaint resolution was directly reported to BRI's Director of Network and Services and resulted in an achievement of 99%. BRI realizes that the security of data and customer data is very important for the continuity of the bank's business and thus it has become a KPI for the Service and Contact Center Division. BRI is committed to maintaining customer privacy from various incidents that can occur, such as data breaches.

The details of customer complaint data are as follows: [GRI 418-1] [GRI 103-3] [F.24]

Type of product and/or service	Source of Complaints (Customers, Regulators, etc.)	Total	Percentage	Resolved	Percentage	Unresolved	Percentage	In Progress	Percentage
Banking	Customer	1,420,052	29.3%	1,397,306	98.4%	0	0	22.746	1.6%
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	0.1%
Total		**4,845,432**	**100%**	**4,822,683**	**99.5%**	**0**	**0**	**22.749**	**0.5%**

The number of customer complaints has increased in the period of 2019–2021. This correlates with the increasing number of services, complexity, and customer transactions. However, the percentage of customer complaints tends to decrease every year. The level of complaint resolution shows a good performance; the level of complaint resolution is relatively high in the midst of the Covid-19 pandemic, as shown in the percentage of complaints resolved of 99.53%. This shows that BRI is committed to providing the highest quality service to customers even in the midst of a pandemic.

Complaints and Percentage of Complaints

Year	Number of Transactions	Number of Complaints	Percentage	Complaints Resolved	Percentage
2019	8,072,908,908	4,284,801	0.05%	4,239,155	98.94%
2020	9,858,840,739	4,716,338	0.05%	4,698,228	99.62%
2021	10,344,763,049	4,845,432	0.047%	4,822,683	99.53%

As a form of commitment to enforce information security governance, BRI applies penalties to perpetrators of information security violations that have an impact on the bank's business.

In correlation with the growth of a business, the transactional process gets more complex, and the company's cash flow will be more branched out. Supervision can be made easier by integrating the business dashboard with the BRI API. This process can provide convenience in managing company finances as offered by the banking cash management system (CMS).

CMS is a banking service to help a business perform daily transactions and manage finances easily, quickly, and accurately. With CMS, BRI customers can obtain account information, perform liquidity management, and transact in real-time without restrictions on place and time. This service is intended for businesses that need easy-to-use, modern, secure and dynamic financial management.

This platform provides various services that can make it easier for customers to manage business activities. Some of the services are the Balance Information API to check company balances, information API to view balance sheet information including cash, receivables, and transactions, as well as bank transfer APIs and interbank transfers to carry out fund transfer activities from the customers' companies to other parties.

All API services from BRIAPI above have security certifications with the international standards ISO 27001 and PADSS (Payment Application Data Security Standard). This certification is proof that BRIAPI guarantees that the data stored is safe and does not leak to other parties and can minimize the potential for fraud or fraud that can endanger BRI's reputation. [SASB FN-CB-230a.2]

In addition, BRI is committed to protecting customer information/data as a form of compliance with several external regulations. The following are references to external regulations and an explanation of BRI's internal regulations regarding the protection of customer information or data: [GRI 418-1]

a. Indonesian Law No. 10 of 1998 concerning Amendments to Law No. 7 of 1992 concerning Banking.
b. Regulation of the Financial Services Authority (OJK) No.1/ POJK.07/2013 concerning Consumer Protection in the Financial Services Sector
c. OJK Circular Letter No.14/SEOJK.07/2014 concerning Confidentiality and Security of Consumer Data and/ or Personal Information.
d. Regulation of the Financial Services Authority (OJK) No.1/ POJK.07/2013 concerning Consumer Protection in the Financial Services Sector
e. OJK Circular Letter No.14/SEOJK.07/2014 concerning Confidentiality and Security of Consumer Data and/ or Personal Information.
f. And various other related regulations

Scenario 1
The Better Bank
Scenario 2
The New Bank
Scenario 3
The Distributed Bank
Bank bertransformasi mengikuti perkembangan
✓ Transformasi IT Platforms
✓ Transformasi Proses bisnis
✓ Repurposed kantor cabang menjadi fungsi yang lebih efisien
Bank tidak mampu berubah sesuai kebutuhan kostumer (digital disruption)
✓ Lahir new banking industry
✓ Core platform design untuk membuat teknlogi baru
✓ New bank masa yang sama dengan bank namun lebih cepat dan lebih baik
Fintech berevolusi untuk perbankan tanpa menjadi bank
✓ payments, pinjaman, forex, pensiun, dll)
✓ Bank kolaborasi
Kostumer menarik simpanan di Bank dan langsung m keapada peminjam melalui platform (P2P Lending)

BRI

SUSTAINABILITY REPORT 2021

Operating a Responsible Business

BRI's Code of Ethics

BRI implements its code of ethics as the basis for the conduct and attitudes of every BRI employee. This code of ethics provides basic principles in accordance with the vision, mission, values, and regulations that apply within BRI. The provisions governing the elements of BRI's code of ethics and their implementation are stipulated in the Joint Decree of BRI' Board of Commissioners and Board of Directors Number: 06-KOM/BRI/12/2013 and Nokep: S.65-DIR/DKP/12/2013 concerning BRI's Code of Ethics. This code of ethics is the guiding value for all employees in carrying out their work professionally. All BRI employees must sign a statement of compliance with the code of ethics every year as a form of commitment to comply with BRI's code of ethics. [GRI 102-16]

BRI implements these 9 main elements of its code of ethics:

1. Compliance with Laws and Bank Policies
2. Relationship with Stakeholders
3. Relationship with the Community and the Environment
4. Relationship between the Bank and Its Employees
5. Bank Information Confidentiality
6. Integrity and Accuracy of Bank Reporting
7. Conflict of Interest
8. Prohibition of Political Contributions and Activities
9. Prohibition of Accepting Gifts

BRI's code of ethics applies to all BRI personnel at all levels of the company. The implementation of the code of ethics is continuous and perpetual in the form of attitudes, actions, commitments and provisions that support the creation of a BRI culture. One form of employee commitment to the implementation of the Company's Code of Ethics is by making a Statement of Compliance with the Code of Ethics which is updated every year and reported digitally through the Good Corporate Governance Online System (GCG Online System). The commitment of the Board of Directors and the Board of Commissioners as role models in implementing the Company's Code of Ethics for all BRI employees greatly influences the success of implementing the Company's Code of Ethics. [GRI 102-17]

Certifications/reviews by third parties on BRI's code of ethics:

Certification Name	Validity Period
ISO 9001	2019–2022
ISO 37001	2020–2023

CERTIFICATE

SUCOFINDO

Certificate No. SAB 00019

SUCOFINDO INTERNATIONAL CERTIFICATION SERVICES

Menyatakan bahwa
Certify that

PT BANK RAKYAT INDONESIA (PERSERO) Tbk
Jl. Jend. Sudirman No.44-46, Jakarta - INDONESIA

telah menerapkan sistem manajemen anti penyuapan memenuhi
has implemented anti-bribery management system that comply with

SNI ISO 37001:2016
Sistem Manajemen Anti Penyuapan
Anti-Bribery Management System

Ruang lingkup sertifikasi :
The scope of certification :

1. Divisi Manajemen Aktiva Tetap & Pengadaan Properti.
2. Divisi Pengadaan Barang dan Jasa.
3. Desk Estimasi.

KAN

Sertifikat ini berlaku dengan ketentuan bahwa organisasi selalu memenuhi kriteria sebagaimana ditetapkan oleh SUCOFINDO INTERNATIONAL CERTIFICATION SERVICES
This certificate is valid provided that the organization continues to meet the criteria as laid down by SUCOFINDO INTERNATIONAL CERTIFICATION SERVICES

Hertiana Dewi
Ketua Badan Pelaksana
Chairman of Governing Board

Sertifikat ini berlaku dari 10 Agustus 2020 sampai 09 Agustus 2023
This certificate is valid from August 10th, 2020 until August 09th, 2023

3562998

SGS

Certificate 019/04963

The management system of

PT Bank Rakyat Indonesia (Persero) Tbk.
Divisi Kepatuhan

BRI II Building 10th Floor, Jl. Jendral Sudirman Kav. 44 – 46,
Jakarta, 10210, Indonesia

has been assessed and certified as meeting the requirements of

ISO 9001:2015

For the following activities

Compliance Assurance

This certificate is valid from 23 May 2019 until 23 May 2022 and remains valid subject to satisfactory surveillance audits.
Recertification audit due a minimum of 60 days before the expiration date.
Issue 1, Certified since 23 May 2019

SYSTEM CERTIFICATION ISO 9001 SGS

IAF

Authorised by

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HC SGS 9001 2015 0018

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UKAS MANAGEMENT SYSTEMS 0005

Sanctions for Violation of the Code of Ethics

Sanctions and disciplinary measures for violating the code of ethics are stipulated in the Circular Letter by the BRI Directors No.: 48–DIR/HCS/09/2020 dated September 28, 2020 regarding the Disciplinary Regulations for violations of the Code of Ethics as follows:

a. Guidance
   i. Written Reprimand
   ii. Guidance Letter
   iii. Written Warning

b. Position-Related Penalties
   i. Demotion by 1 Position Level
   ii. Demotion by 2 Position Levels

The sanctions mentioned above depend on the category of violation (mild, moderate or severe) in accordance with the provisions of disciplinary violations.

Risk Management Program Effectiveness [GRI 102-30, 102-31, 102-33, 102-34]

Risk Management plays an important role in protecting capital and optimizing return against risk. The wide scale of operations and the ever-increasing business volume have prompted BRI to implement an integrated risk management system to identify, measure, monitor and control all risk exposures.

Consistent implementation of Risk Management in every process of business and operational activities ensures the Company's health and sustainable growth. In evaluating the effectiveness of risk management processes related to economic, environmental, social and governance matters, BRI's highest governance body is represented by the Risk Management Committee under the Board of Directors.

The measurement method can be done quantitatively and/or qualitatively. The measurement method can be in the form of a method determined by Bank Indonesia in the context of risk assessment and capital calculation (either in the form of a standard method or an internal method developed by the Bank).

BRI has evaluated the risk management system and the results showed that the risk management system at BRI is adequate. Thus, the limit parameters set for each type of risk have reflected the application of the principles of prudence by taking into account risk appetite and measurable risk tolerance as well as integrating several aspects in optimal risk management. [GRI 103-3]

The Covid-19 pandemic that has affected the entire world has brought significant changes to all industries including the banking sector. Therefore, companies need the right strategy in responding to opportunities or risks that arise, so that their business can continue to grow sustainably. This impetus drives BRI to be more selective in loan disbursement and to focus on saving MSMEs.

BRI has also mapped borrowers affected by Covid-19 and assisted them through the National Economic Recovery (PEN) program as well as supporting the government's program in restoring the economy and providing a massive loan restructuring scheme even if it could result in a contraction of income. [FS6] [FS10]

The limitations of physical social interaction have encouraged changes in people's behavior to become more digital minded. The growth of digital banking transactions marks a shift in the nature of operational and digital risk management. BRI has specifically established the Digital and Operational Risk Division. On the other hand, the decline in people's purchasing power and the demand shock due to Covid-19 increased the potential for credit risk, especially in the MSME segment. A good and measurable strategy and risk management of BRI's loan portfolio is needed to help customers affected by COVID survive and recover quickly.

BRI is guided by the General Risk Management Policy as a strategic and comprehensive reference in the context of implementing BRI Risk Management system through active and proactive supervision to control risks in business activities to prevent losses that exceed BRI's capabilities or disrupt the continuity of its banking business and performance.

Risk determination is discussed and ratified at the Risk Management Committee forum, which is held quarterly and disclosed in the Risk Management Monitoring Committee meeting forum with the relevant Director.

In the fourth quarter of 2021, BRI's risk profile rating was at a low to moderate level, which shows that the bank is able to maintain the level of risk management in line with business development and banking competition in Indonesia. The frequency of BRI's risk profile assessment is every quarter. Specific assessment on environment, social and governance risk is carried out at least twice a year. [GRI 102-31]

The Low to Moderate level of the risk profile rating, good loan portfolio quality and the percentage of non-performing loans maintained in 2021 are real results of good risk management synergies. The Risk Management Monitoring Committee also provides various inputs and assessments to the Board of Commissioners regarding the decision and actions of the Board of Directors that require the approval by the Board of Commissioners in accordance with the provisions of the Company's Articles of Association. The Board of Commissioners assesses that the entire Work Plan and Budget of the Risk Management Monitoring Committee has been implemented according to the set targets.

The risk management implementation process which includes identification, measurement, monitoring and risk control is carried out continuously by the three lines of defense: all risk taking units as the first line, compliance and risk management units as the second line and the internal audit unit as the third line. [GRI 102-31]

Uncertain and volatile market conditions lead to yield enhancement and increase the potential for losses on assets being traded. Taking this into account, the Market, Portfolio & Enterprise Risk division was established to strengthen the transaction monitoring function in the middle office and forward-looking assessment of market & liquidity including outlook, stress testing and forecasting.

BRI realizes that it is necessary to strengthen and extend risk management to regional offices, especially during this pandemic. For this purpose, BRI has established a Regional Risk Management (RRM) function in all regional areas of BRI which is responsible for the entire risk management process of work units in the region.

Furthermore, BRI will remain proactive and prudent in carrying out risk management in every line of business and operations so that it can support sustainable growth through the asset quality of specific business and specific risk management, as well as balancing business and risk policies. BRI's risk management will also continuously develop itself through the Risk Management Function, capacity building at all levels of risk management and increasing risk awareness among all Brilliant personnel. The development of technology to manage risk is also carried out to accelerate the process of identification, assessment, control and monitoring.

Better risk management and product and service innovations that are environmentally friendly can realize the principles of pro-growth, pro-job, pro-poor, and pro-environment.

As one of the largest and most widely spread banks in Indonesia, BRI has implemented Enterprise Risk Management throughout the company, including its Subsidiaries, both in the banking and non-banking sectors. BRI as the Main Entity understands very well that business continuity is also influenced by risk exposures that arise, either directly or indirectly from the business activities of Subsidiaries.

In this regard, BRI has implemented a risk management consolidation/integration system with its Subsidiaries, including Subsidiaries operating outside the territory of Indonesia, while still complying with risk management principles by taking into account the business characteristics of each Subsidiary Company and adjusting to the jurisdiction of the authority/local regulator. BRI continues to build Integrated Risk Management by improving accountability in integrated risk management starting from policies, procedures, setting limits (Risk Appetite Statement, Risk Profile and Key Risk Indicators in subsidiaries) and conducting periodic Risk Management Forums

for Parent and Subsidiaries. BRI's subsidiaries are Bank Raya Indonesia, Permodalan Nasional Madani, Pegadaian, BRI Life, BRI Ventura Investama, BRI Danareksa Sekuritas, BRI Multifinance Indonesia, BRI Insurance, dan BRI Remittance.

BRI develops its business through continuous product and service innovation and is supported by the Risk Management Function of digital technology and a reliable network supported by satellites to optimize banking services to remote areas of the country. BRI implements the Risk Management process consistently in every process of business and operational activities to ensure BRI's business health and sustainable growth.

Ten types of risks may affect BRI's performance: credit risk, market risk, operational risk, liquidity risk, legal risk, compliance risk, reputation risk, strategic risk, intra group transaction risk and insurance risk.

Against these various risks, BRI has implemented a series of procedures in identifying, measuring, monitoring and controlling risks in the implementation of sustainable finance related to economic, social and environmental aspects. The entire procedure is carried out by BRI through Risk Management. BRI implements risk management that is independent and in accordance with standards that refer to the provisions of the OJK, Bank Indonesia and best practices applied in international banking. The concept of Enterprise Risk Management (ERM) is a comprehensive and integrated risk management strategy, which is tailored to the business and operational needs of the Bank.

The implementation of ERM will provide added value for the Bank and stakeholders. The principle of prudence underpins the Bank's compliance with the provisions and legal norms that apply in banking, including in implementing sustainable finance, one of which is through the Implementation of Risk Management which includes identification, measurement, mitigation, supervision and monitoring of social and environmental risks of the projects or activities being financed.

Corporate Governance Performance Index

The results of the CGPI assessment for the last four years have become a benchmark for the company to continuously improve the implementation of GCG in a measurable way. BRI continues to make comprehensive improvements and enhancements to GCG; in 2021, BRI obtained the highest CGPI score, which was higher than the previous year's. This is the commitment of BRI's management to continuously and sustainably support the achievement of the company's vision and mission.

CGPI organized by The Indonesian Institute for Corporate Governance (IICG) is a research and rating program for the implementation of GCG in companies in Indonesia with the aim of improving the implementation of GCG in a sustainable manner.

The CGPI research and rating program flows through three stages of assessment: 1) Self-assessment, 2) Documentation System Assessment, and 3) Interview Observation Assessment on aspects of BRI's Governance Structure, Governance Process, and Governance Outcome.

The implementation of the CGPI assessment in 2021 carries the theme "Building Company Resilience in the Framework of Good Corporate Governance". The assessment is carried out by considering these three aspects:

1. Governance Structure covering corporate governance structure and policies.
2. Governance Process covering corporate governance systems and mechanisms.
3. Governance outcome covering the output, outcome and impact of the GCG implementation process.

The 2021 CGPI assessment yielded a score of 95.10 points with the Most Trusted rating. Details of the assessment are as follows:

Description	Score
Governance Structure	33.72
Governance Process	34.38
Governance Outcome	27.00
Total Skor	**95.10**

During the last four years, the CGPI score has increased significantly with the following scores achieved:

CGPI Scores

2018	2019	2020	2021
89.06	90.75	93.25	95.10

ASEAN Corporate Governance Scorecard

An external assessment carried out on BRI's governance practices over the past few years is conducted based on the ASEAN Corporate Governance Scorecard (ACGS) criteria which adopts the principles of Corporate Governance issued by the Organization for Economic Cooperation and Development (OECD). ACGS is one of the initiatives of the ASEAN Capital Market Forum (ACMF) which is supported by the Asian Development Bank (ADB) to improve governance practices of listed companies in ASEAN and promote listed companies in ASEAN to become a class asset. Indonesia is one of six ASEAN countries participating in this initiative.

The assessment of the governance practices of listed companies is carried out by reviewing information in English that is publicly available and accessible to the general public, and includes information contained in the Annual Reports, websites, announcements and circulars made by listed companies.

The assessment methodology consists of two stages:

1. Stage 1: minimum standard items that are expected to be implemented in each ASEAN member country and include laws and regulations and OECD principles.
2. Stage 2: bonus items that reflect good practices exceeding minimum standard expectations, as well as penalty items that reflect poor governance.

Assessment Criteria

ACGS assessment criteria include the following five aspects:

1. Shareholders' rights
2. Equal Treatment of Shareholders
3. Stakeholder Role
4. Disclosure and Transparency
5. Responsibilities of Directors and Commissioners

Party Conducting the Assessment

The assessment is carried out by the ASEAN Capital Market Forum (ACMF) through the Domestic Ranking Body (DRB) as a representative of each participating country to conduct an assessment on a national scale and appointed by the regulator of each country. Since 2016, OJK has appointed RSM as DRB for Indonesia. To maintain the independence of the assessment, verification of the assessment by the DRB on other ASEAN member countries is also carried out.

Asean Corporate Governance Scorecard (ACGS) Assessment Results

From the results of the assessment of the level of GCG practice according to the ACGS criteria, BRI was awarded the Top 3 PLCs of Indonesia in the Asean Corporate Governance Scorecard (ACGS) ranking by the Asean Capital Market Forum (ACMF) with a score of 110.22.

Anti-Fraud Strategy & Whistleblowing System (WBS) Management

The Company has an Anti-Fraud Strategy policy in order to improve aspects of Corporate Governance through stakeholder participation. This policy is a form of commitment from the Management in controlling fraud which is implemented in the fraud control system. Anti-fraud efforts receive serious attention from the Board of Commissioners and Directors of the Company who give zero tolerance towards any form of fraud, both internal and external. The policy regulates the organization and implementation of the Anti-Fraud Strategy at BRI which is based on four pillars as stipulated by the regulator: [GRI 103-2] [GRI 103-3]

1. Pillar 1 : Prevention
2. Pilar 2 : Detection
3. Pilar 3 :Investigation, Reporting and Sanctions
4. Pilar 4 : Monitoring, Evaluation and Follow-up

The Company must always maintain public trust, considering that the targeted and disadvantaged parties of fraud are the Company itself and its customers. BRI is committed to implementing zero tolerance in every business practice and preventing fraud and corruption as the 16th goal of the SDGs. BRI encourages all employees to participate in preventing involvement in all forms of fraud through prevention socialization. The company has not conducted a survey related to operations that are considered to be prone to gratuity risk because there is a risk of any employee taking part in gratification violation. In 2021, BRI held socialization and training on anti-fraud and anti-corruption policies to 100% of employees and governance bodies. These policies have also 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 practices. BRI provides legal assistance for employees who face legal problems from third parties related to alleged fraud in the implementation of their duties, responsibilities and obligations. Legal assistance and protection do not apply if the employee becomes a party reported to the Company and/or has been found guilty by the Company. BRI's internal fraud oversight is the responsibility of the Compliance Division under the Compliance Director. BRI also involves the Directorate of Digital Banking and Information Technology in preventing fraud by parties outside BRI. [GRI 103-1]

The company prohibits giving and receiving gratuities in any form and with anyone in accordance with applicable laws. The Company's commitment to the prohibition of gratification continues to be echoed, among others by issuing a policy regarding Anti-Bribery Provisions and Gratification Control. This policy guides all BRI personnel in preventing gratification and bribery practices that can harm BRI's interests and conflict with GCG principles in order to create a conducive control environment in accordance with BRI Directors Circular Number: SE.63-DIR/KEP/12/2020 dated 8 December 2020 and BRI Directors Circular Number S.18-DIR/MOP/03/2020 Regarding BRI Anti-Fraud Strategy.

Anti Gratification Program

The Company prohibits the giving and receiving of gratuities from any party that has a direct or indirect relationship with their position and that is contrary to their obligations or duties and which deviates from the provisions of BRI and the prevailing laws and regulations. The Company's commitment to the prohibition of gratification continues to be instilled internally by issuing a policy on Anti-Bribery Provisions and Gratification Control, among others, which is used as a guideline for all BRI personnel in preventing gratification and bribery practices that can harm the Company and conflict with GCG principles in order to create a conducive control environment. The provisions for gratification are in accordance with the Circular Letter of the BRI Directors Number: SE.63-DIR/KEP/12/2020 dated December 8, 2020 concerning Provisions on Anti-Bribery and Gratification Control.

In addition, the Company has also submitted an announcement letter regarding the prohibition of giving and receiving gratuities to all management and employees of BRI Group ahead of religious holidays. In order to implement this anti-gratification program, the Company has established the BRI Gratification Control Unit (UPG BRI) which formulates provisions for gratification control, develops socialization programs, manages reports on acceptance and rejection of gratifications, analyzes and administers reports on acceptance and rejection of gratifications.

If any employees receive or are offered any gratuities, they can file a report to the Gratification Control Unit whose function is attached to the Compliance Division. Reports on giving or receiving gratuities can be reported through:

There has been extensive employee support for the Company's anti-gratification program; there were 805 reports of gratification complaints submitted by BRI employees to the Compliance Division in 2021. [GRI 205-1] [GRI 103-2] [GRI 103-3]

BRI's commitment to the values of integrity is stipulated in Circular Letter Number: SE.63-DIR/KEP/12/2020 dated December 8, 2020 concerning Circular Letter on Anti-Bribery and Gratification Control Provisions. BRI management's gratification control is carried out by the Gratification Control Unit (UPG) which is attached to the Compliance Division, with the number of Gratification Reports increasing every year. The rising gratification reporting trend at BRI over the years is due to an increase in awareness of gratuities within the company. [GRI 205-3]

The mechanism for reporting gratification to UPG is carried out digitally through the GCG Online System and email address upg.bri@corp.bri.co.id which is then forwarded to the Corruption Eradication Commission (KPK) through the Online Gratification (GOL) application. The average reporting time span is only around seven working days out of the thirty-working-day deadline. As a form of the company's commitment to anti-bribery and a comprehensive form of gratification control, BRI has also carried

out the ISO 37001:2016 Anti-Bribery Management System Certification covering Procurement of Goods and Services at BRI Head Office.

Furthermore, through the GCG Online System, all employees can fulfill technical governance by, for example, signing a statement of compliance with the code of ethics and making annual disclosures online.

State Official Wealth Report

In order to improve the quality of GCG implementation, BRI also complies with the State Official's Wealth Report (LHKPN) regulations based on the provisions of the Corruption Eradication Commission (KPK). As a tangible form of increasing transparency, preventing corruption and supporting a clean culture free from corruption, collusion and nepotism, BRI requires all members of the Commissioners, Directors, SEVP, EVP and VP to report assets in accordance with the internal provisions of BRI Directors Circular No: SE.65 -DIR/KEP/12/2020 dated December 16, 2020. The data reported in the report includes the amount of assets before and after the end of a tenure. The reporting provisions are constantly updated to comply with the applicable regulations.

BRI has submitted the LHKPN report for the 2019 reporting period which will be reported in 2020 and the 2020 reporting period which was reported in 2021 as follows:

LHKPN Obligation Compliance Level

No.	Position	Mandatory LHKJP	2019			
			Mandatory LKHPN reported		Mandatory LKHPN not yet reported	
			Total	%	Total	%
1	Board of Commissioners	8	8	100%	-	-
2	Board of Directors	12	12	100%	-	-
3	Other BRI Employees	287	282	98.26%	5	1.74%
Total		307	302	98.37%	5	1.63%

No.	Position	Mandatory LHKJP	2020			
			Mandatory LKHPN reported		Mandatory LKHPN not yet reported	
			Total	%	Total	%
1	Board of Commissioners	8	8	100%	0	0%
2	Board of Directors	12	12	100%	0	0%
3	Other BRI Employees	299	283	94.65%	16	5.35%
Total		319	303	94.98%	16	5.02%

No.	Position	Mandatory LHKJP	2021			
			Mandatory LKHPN reported		Mandatory LKHPN not yet reported	
			Total	%	Total	%
1	Board of Commissioners	8	8	100%	0	0%
2	Board of Directors	16	16	100%	0	0%
3	Other BRI Employees	235	235	100%	0	0%
Total		259	259	100%	0	0%

Implementation of Compliance Function Work Program as a Form of Strengthening Governance

1. **Implementation of ISO 37001:2016 Anti-Bribery Management System**
   In 2021, BRI carried out a Surveillance Audit ISO 37001:2016 on Anti-Bribery Management System (SMAP) and successfully maintained the ISO SMAP certificate.

2. **Strengthening Integrated Governance**
   BRI has refined the framework for the implementation of Integrated Governance within the BRI financial conglomerate which includes Integrated Compliance, Integrated Risk Management, Integrated Internal Audit and Performance Management.

3. **Strengthening Anti-Money Laundering (APU) and Prevention of Terrorism Financing (PPT) Programs**
   In anticipation of the increasing complexity of products, financial services, marketing patterns (multichannel marketing) and banking technology, Bank BRI continues to make continuous improvements to the implementation of the APU PPT programs both within the Company and the group. Some of the improvement initiatives that have been carried out include:
   a. Development of a monitoring system for detecting suspicious transactions by utilizing Artificial Intelligence (AI) technology.
   b. Strengthening the screening and customer identification database by utilizing the PEP PPATK application.
   c. Review of ML & TF Risk Assessment with a risk-based approach (RBA) according to the latest National Risk Assessment (NRA) and Sectoral Risk Assessment (SRA).
   d. Optimizing the implementation of the APU PPT programs in Regional Offices and Branch Offices by increasing the roles of Regional Risk Management & Compliance and Branch Risk & Compliance.

4. **Improving Awareness**
   BRI held an awareness program in collaboration with BRI's Corporate University (Corpu) under the name Compliance Skill and Knowledge Upgrade (COLLEGE) program in 2021. It was conducted online and utilized expert professionals from OJK, PPATK, KPK, DJP and POLRI as resource personnel. In addition, BRI also increases awareness through In House Training (on GRC), webinars (on gratuities) and self learning (on gratifications, WBS). [FS4]

5. **System Digitization**
   a. Integrated System Whistleblowing Application
      BRI is collaborates with the Corruption Eradication Commission (KPK) in managing complaints about possible violations (WBS) which come under Corruption Criminal Act (TPK) provisions.
   b. Application of the Maximum Lending Limit System (BMPK) and Company Tree
      BRI developed a system to calculate the BMPK in real time in accordance with regulatory requirements. This is a form of BRI's compliance with regulatory provisions stipulated by POJK Number 32/POJK.03/2018 Year 2018 dated December 27, 2018 concerning the Maximum Limit for Loans and Provision of Large Funds for Commercial Banks and to support BRI's business development.
   c. GCG Online System 2.0.
      BRI has improved the monitoring and reporting processes related to governance through system digitization that can be accessed by all employees according to the levels of authority.

Whistleblowing System (WBS) is a reporting tool for BRI's personnel and the public to report any behavior or indications of a violation of the code of ethics, GCG principles and applicable internal regulations as well as of any potential violations by the Company's personnel. WBS is also a form of management's commitment to create a clean BRI work environment and personnel with integrity by actively participating to report any violations that occur within BRI.

The steps to identify and find fraud in the Bank's business activities include, among others, whistleblowing policies and mechanisms, surprise audits and surveillance systems. The following table details the data on complaints about possible violations at BRI: [GRI 205-3]

Classification of Sub-Complaints Indicative of Violation

Description	2019			2020			2021		
	Number of Violations	In Progress	Resolved	Number of Violations	In Progress	Resolved	Number of Violations	In Progress	Resolved
Acts of Fraud	107	34	73	57	11	46	25	2	23
Unlawful Acts	0	0	0	0	0	0	54	1	53
SOP violations	140	42	98	108	9	99	16	1	15
Violations of the Code of Ethics and GCG	29	13	16	59	6	53	12	1	11
Ethical Violations	21	0	21	11	0	11	6	2	4
Accounting Process Violations	0	0	0	1	1	0	3	2	1
Total	**297**	**89**	**208**	**236**	**27**	**209**	**116**	**9**	**107**

Note: There is a change in the categorization of sub-complaints indicating violations in 2021.

Based on data from the whistleblowing system report, sanctions have been given to a total of 31 employees. A total of 0 employees (none) were dismissed and 8 employees received punishments. There were no reports filed by the public, no reports were resolved through legal means and no contracts were terminated with any business partners. . [GRI 205-3]

Number of Violations and Follow-Up Actions

Description		2019	2020	2021
Number of Reports		297	236	116
Follow-up	Proven	110	104	47
	Not Proven	187	132	60
	Cannot be Followed Up	-	-	-

The monetary loss resulting from one of the violations detected in 2021 was around IDR 10 million. This loss pertained to a complaint from a customer whose savings were lost due to skimming. BRI has swiftly resolved this complaint and the lost customer's money has been returned. BRI strongly condemns all acts of fraud and is always committed to resolving these violations in accordance with applicable law. [SASB FN-CB-510a.1] [GRI 103-3].

Number of Follow-Ups on Fraud Cases

Internal Fraud Within 1 Year	Number of Frauds Committed (Internal)					
	Members of the Board of Commissioners and Members of the Board of Directors		Permanent Employee		Part time Employee	
	2020	2021	2020	2021	2020	2021
Total Employees Involved in Fraud	-	-	154	107	21	11
The Disciplinary Punishment Process Has Been Completed	-	-	153	59	21	10
In the Process of Settlement at the Bank's Internal (Disciplined Penalties)	-	-	1	48	-	1
Completion Not Yet Attempted	-	-	-	-	-	-
Have Followed Up Through Legal Process	-	-	-	-	-	-

BRI's Marketing Communication Policy [FS15]

BRI implements marketing standardization through regulation stipulated in Circular Letter No: SE.25–DIR/MCM/05/2020 concerning BRI Bank Marketing Communication Activities which refers to Financial Services Authority Regulation (POJK) Number 1/POJK.07/2013 concerning Protection of Financial Services Sector Consumers, POJK Number 18/POJK.07/2018 concerning Consumer Complaints about Services in the Financial Services Sector and Financial Services Advertising Guidelines issued by the OJK. [GRI 417–1]

Marketing of BRI financial products and services is communicated through several means, both verbally by BRI marketers and frontliners as well as through mass media via print, TV, radio, posters, banners, leaflets, fillers, and other documents marketing products and services. To support the implementation of appropriate marketing communications which equip customers with sufficient information as a basis for making decisions to purchase financial products and services, BRI applies these Principles of Marketing Communication and Consumer Protection: a. transparency; b. fair treatment; c. reliability; d. confidentiality and security of Consumer data/information; and e. handling complaints and resolving 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, and clear manner that does not mislead in any way.

BRI provides training through basic education in marketing communications and product knowledge to all marketing staff such as marketers and BRI frontliners. The implementation of communication and marketing to customers has been monitored both internally and externally. The internal supervision of the implementation of marketing policies is carried out by the Compliance Division and the Internal Audit Unit, while external supervision is carried out by the Financial Services Authority. During 2021, there were several inputs from the Financial Services Authority regarding the company's financial services advertisements on social media. BRI has followed up on input from the OJK in an appropriate manner by refocusing on 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. [GRI 417–2] [GRI 417–3].

Non-performing Debt Collection Policy and Restructuring

Asset Quality Improvement focuses on improving loan quality and monitoring the restructuring of non-performing loans to reduce the cost of Allowance for Impairment Losses as well as optimizing the recovery rate.

Proactive and prudent risk management in every business pillar including credit management by prioritizing the prudential principle through the basic implementation of the 'four eyes' principle in every process of providing excellent service to customers, even though there is a risk of default in lending to fulfill obligations to banks.

Each loan segment has a policy for debt collection and management of non-performing loans. These policies include:

- Decree Number PP.07–DIR/KRD/07/2020 concerning Guidelines for Implementation of Medium Business Loans,
- Decision Letter Number PP.12–DIR/KRD/12/2018 concerning Guidelines for Retail Loans,
- Decree Number PP.07–DIR/KRD/07/2020 concerning Guidelines for the Implementation of Medium Business Loans,
- Decree Number PP.11–DIR/KRD/12/2018 concerning Guidelines for Implementing Corporate Loans,
- Decision Letter Number PP.8–DIR/KRD/ 12/2018 concerning Guidelines for the Implementation of Micro Business Loan,
- Decree Number PP.10–DIR/KRD/12/2019 concerning Guidelines for the Implementation of Consumer Business Loan,
- Circular Number: SE.71–DIR/KKD/11/2019 concerning BRI Credit Cards,
- Circular Letter Number: SE.40–DIR/KRD/06/2021 concerning Loan Restructuring, and Circular Letter Number: SE.64–DIR/KRD/12/2020 concerning Quality of Earning Assets and Quality of Foreclosed Collateral (AYDA).

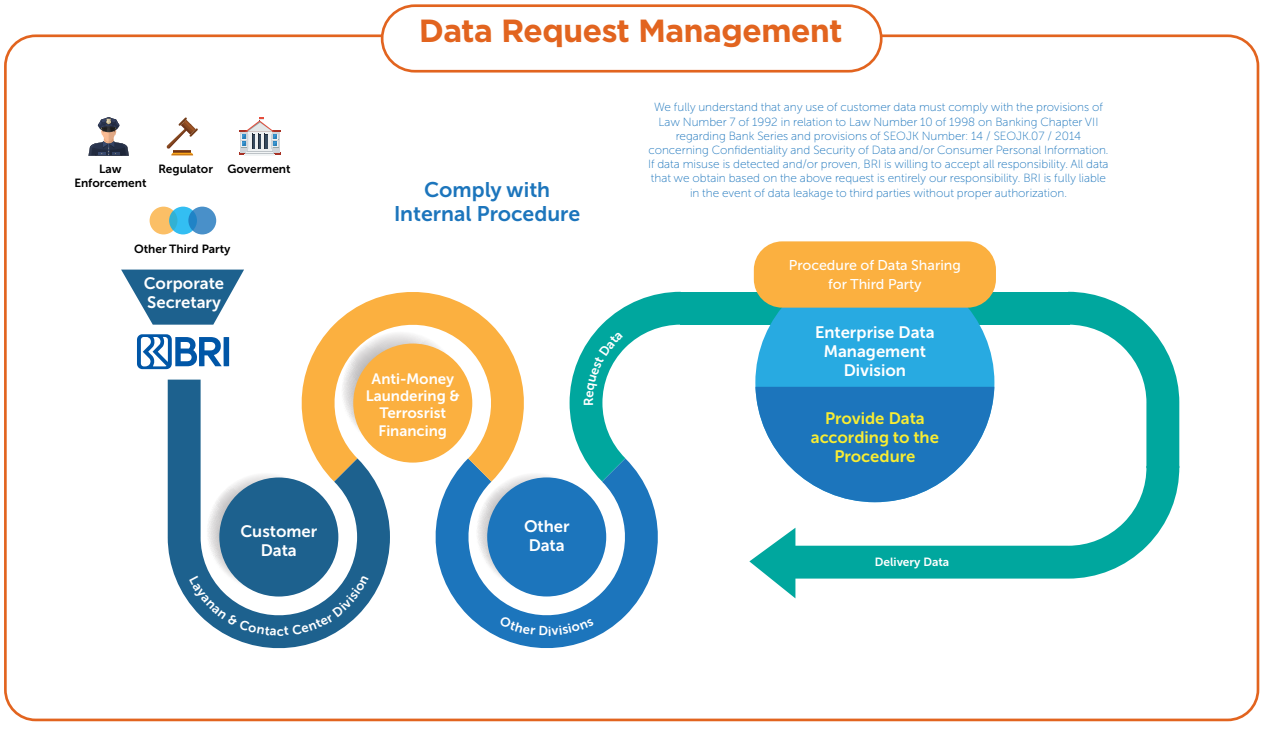
Broadly speaking, the policy regulates strategies and follow-ups in dealing with non-performing loans. Follow-up actions taken in handling non-performing loans include supervision and collection, loan restructuring and loan settlement. BRI has several steps in the billing procedure to customers. The first step is by contacting the borrowers either by phone, SMS blast or delivery of Collection / Recovery Letter. In the next step, the borrowers will be contacted directly either through field billing by BRI internally or through a special third party. The final step is settlement through an insurance claim or guarantor company. This series of collection processes is aimed not only to protect BRI's internal interests, but to also pay attention to the rights and privacy of customers.

Credit Restructuring And Recovery Division is a work unit that focuses on recovery of non-performing loans (outside the micro loan and credit card segments) and functions in restructuring and/or settlement of non-performing loans. The CRR Division has made efforts to improve the competence of the CRR Division employees at the Division, Regional and Branch levels who are directly involved in the billing process. Some of the training programs that have been provided are BSDP (BRILiaN Specialist Development Program) for NPL Relationship Managers and In House Training on Suspension of Debt Payment Obligations (PKPU) and Bankruptcy.

Data Request Management

The Corporate Secretary Division receives data requests from regulators and the government which will be forwarded through the relevant divisions or redirected to the Data Requesting Division. Then the data requesting division will follow up on the data request to the Enterprise Data Management (EDM) Division. EDM processes every incoming application according to the criticality level of the data and then communicates it back to the Data Applicant Division. This procedure is explicitly stated in our guidelines regarding Data Sharing Procedures to Third Parties. This data sharing management is carried out while still prioritizing the prudential principle and the confidentiality principle of any data managed by BRI.

Data request originating internally at BRI is secured with a series of procedures in which the data requesting division will clearly state the purpose of the data request and sign a declaration letter containing full awareness to comply with data privacy regulations such as Law No. 10 of 1998 concerning banking and other related laws as well as OJK Circular Letter No.14/SEOJK.07/2014 concerning Confidentiality and Security of Data and/or Consumer Personal Information. In addition, the list of requests from the data requesting division is recorded in BRI's Digital Office application. The follow-up to the fulfillment of data requests is recorded in BRI's Task Management called Jira. This reflects the strong commitment of BRI to apply the principle of data privacy for any data managed by BRI.



Responsibility to Suppliers

1. Audit of the Procurement of Goods and Services to ensure that the process of goods and services procurement is carried out in accordance with applicable regulations and procedures. BRI conducts periodic audits that are carried out by BRI's internal auditors and external auditors. [FS9]
2. Vendor Anti Bribery Survey is one of the educational surveys for partners/suppliers which BRI conducted with its partners and suppliers in 2021. The contents of the material from the survey activities carried out are presented as follows: [FS4]
    a. Information exchange about the vision and mission of BRI in the future
    b. Socialization of ISO 37001:2016 and evaluation of partners
    c. Communication forum to get input from partners to improve the procurement process at BRI.

Management of BRI's partners includes the process of registering and selecting prospective partners and monitoring and evaluating partners' performance. With the management of partners, BRI hopes to build a database of goods/services providers that are ready and able to support the implementation of the procurement of BRI goods and services. [FS1] [FS5] [GRI 205-2]

BRI has a procurement of goods and services policy to regulate supplier selection in order to ensure the quality of goods and services obtained. BRI's Fixed Asset Management and Procurement Policy refers to the Decree of the Board of Directors No. KB.01-DIR/MAT/03/2020 dated March 31, 2020 regarding the Fixed Asset Management and Logistics Policy of PT Bank Rakyat Indonesia (Persero) Tbk which was implemented starting from March 2020. The Bank always reviews the Company's policies for the procurement of goods and services on a regular basis and adjusts them according to the development of the company and industry.

The Fixed Asset Management and Procurement Policy is a guideline in conducting the process of procuring goods and services to support the Bank's operational activities in accordance with the quality, quantity and time set at the best prices while still paying attention to the principles of GCG (Good Corporate Governance). [FS3]

The purpose of the formulation of BRI's Fixed Assets and Logistics Management Policy is to act as a guideline in the management of fixed assets and quality logistics services to all BRI work units and as a guideline for the process of procuring goods and services at BRI.

Improvements to BRI's Fixed Asset Management and Logistics Policy are carried out continuously by taking into account the control mechanisms and company challenges. Thus, it is hoped that the procurement process for goods and services at BRI can be more in line with business needs, priority scale, budget availability, and budget efficiency.

BRI Goods Procurement Principle [GRI 103-2]

- Efficient
- Competitive
- Open
- Fair and Reasonable
- Accountable
- Transparent
- Effective

BRI has implemented a policy related to vendor management as regulated in the Circular Letter of the Board of Directors Number S.35-DIR/MAT/12/2015 regarding the Registration of Partners in Goods and Services Providers of PT. Bank Rakyat Indonesia (Persero) Tbk. BRI developed a vendor management application that is integrated with the BRISMILE application which includes the registration and selection process for prospective partners, monitoring, maintenance of partners (Vendor Maintenance) to evaluating partner performance so that BRI has a database to support the procurement of BRI goods and services. The selection of new suppliers must include the principle criteria that have been applied at BRI in order to minimize the risk of negative social impacts. In realizing this, BRI implements the following principles: [FS3] [FS5]

- Transparency and Independence of the procurement process for goods and services
- Full Compliance with internal and external regulations.
- Always be guided by the company culture that is based on these values:
  a. *Integrity, Professionalism, Trust, Innovation, Being Customer Centric.*
  b. *Good Corporate Governance.*
  c. Company Code of Ethics and the principle of prudence
- Implementing risk management principles which include identification, measurement, monitoring and risk control
- Protecting Employees in accordance with the employee Health and Safety provisions, for example the provision of BPJS Health and Employment insurance
- Monitoring and maintaining all equipment used by employees in carrying out their work in order to minimize the risk of work accidents
- Paying attention to employees' welfare by providing compensations in accordance with applicable regulations

BRI

SUSTAINABILITY
REPORT
2021

Strengthening Governance Resilience

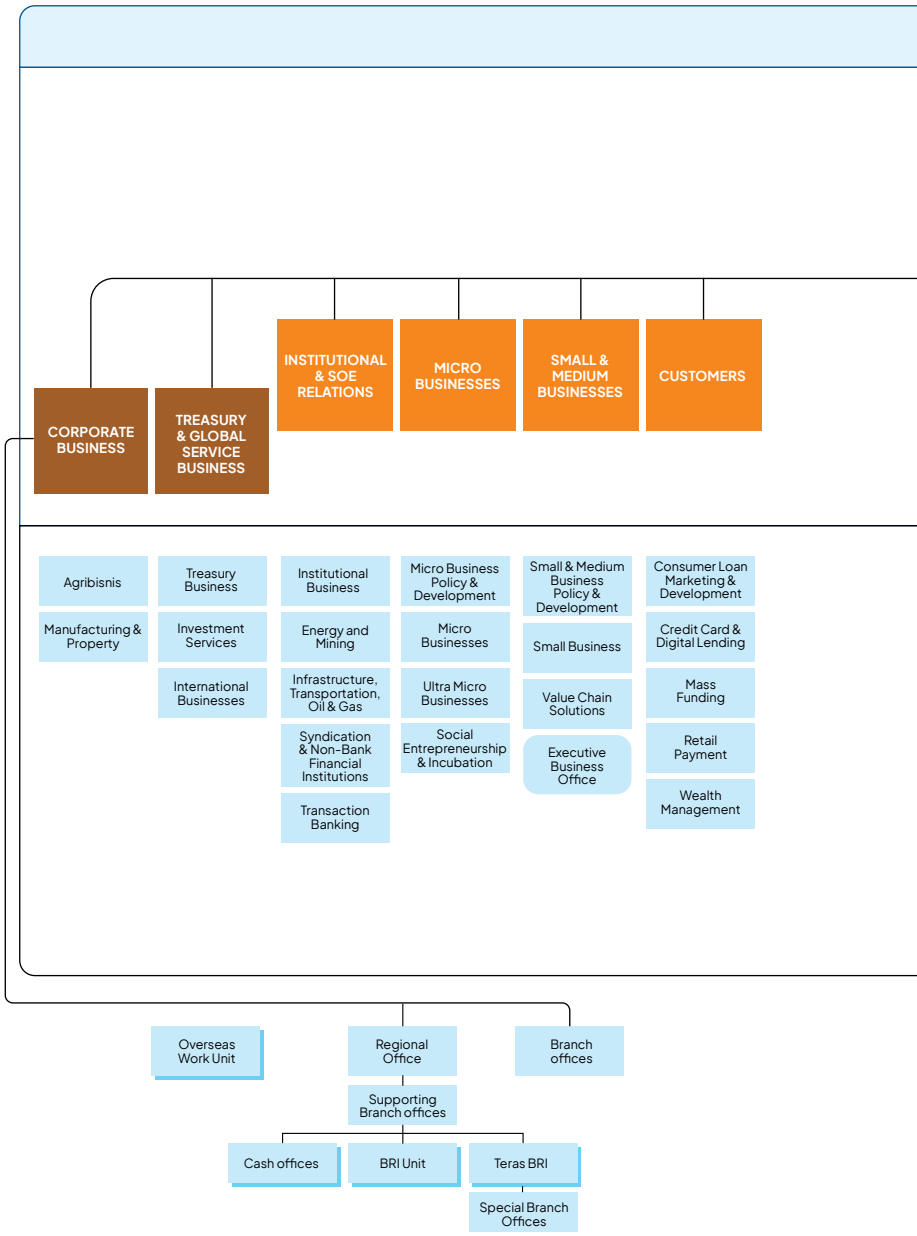
Governance Structure

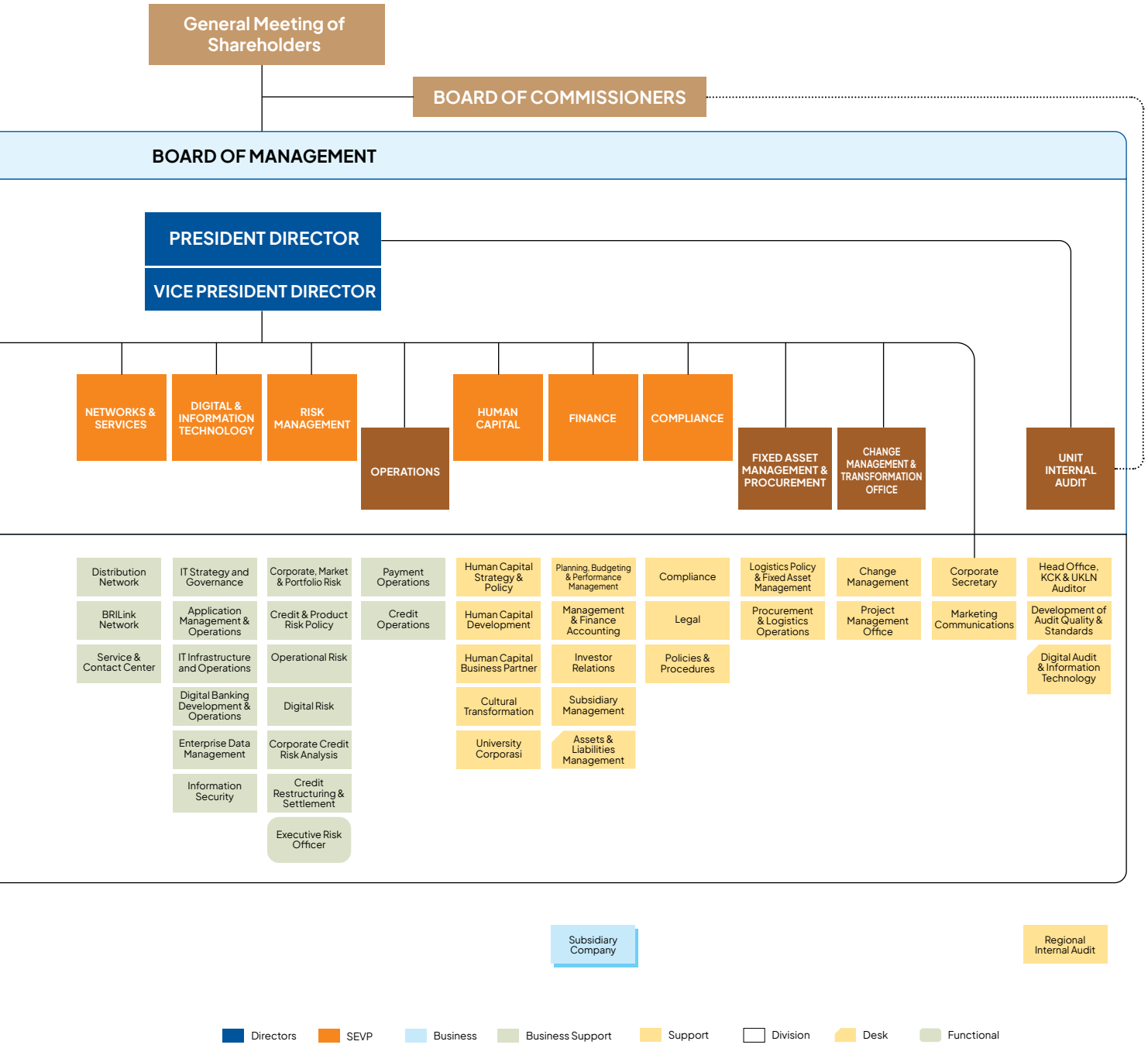
BRI has made several improvements in the scope of Good Corporate Governance, including updating the Corporate Governance Policy, implementing ISO 37001:2016 regarding the anti-bribery management system, and improving the whistleblowing system reporting application through the BRI website. The pandemic did not become an obstacle for BRI to improve employees' understanding of the implementation of Good Corporate Governance, gratuities and bribery control as well as understanding of other banking regulations using webinars and e-learning facilities. [E.2] [GRI 102-32]

The corporate governance structure includes: [GRI 102-18] [E.1]

a. The Main Body, consisting of the General Meeting of Shareholders (GMS), the Board of Commissioners, and the Board of Directors.
b. The Supporting Body, consisting of Committees under the Board of Commissioners, Board of Directors' Committees, and Work Units that support the implementation of GCG.

The organizational structure of BRI listed in the Decree No.: S.365a-DIR/CDS/08/2021 dated October 18, 2021 is as follows:





Board of Commissioners Committee	: Audit, Nomination & Remuneration, Risk Management Monitoring, Integrated Governance
Board of Directors Committee	: Risk Management, Loan Policy, Loan, ALCO, Human Capital, IT, Capital & Investment, Products, Procurement of Goods & Services

In carrying out corporate governance, BRI has a supporting organ in the form of committees under the Board of Directors consisting of:

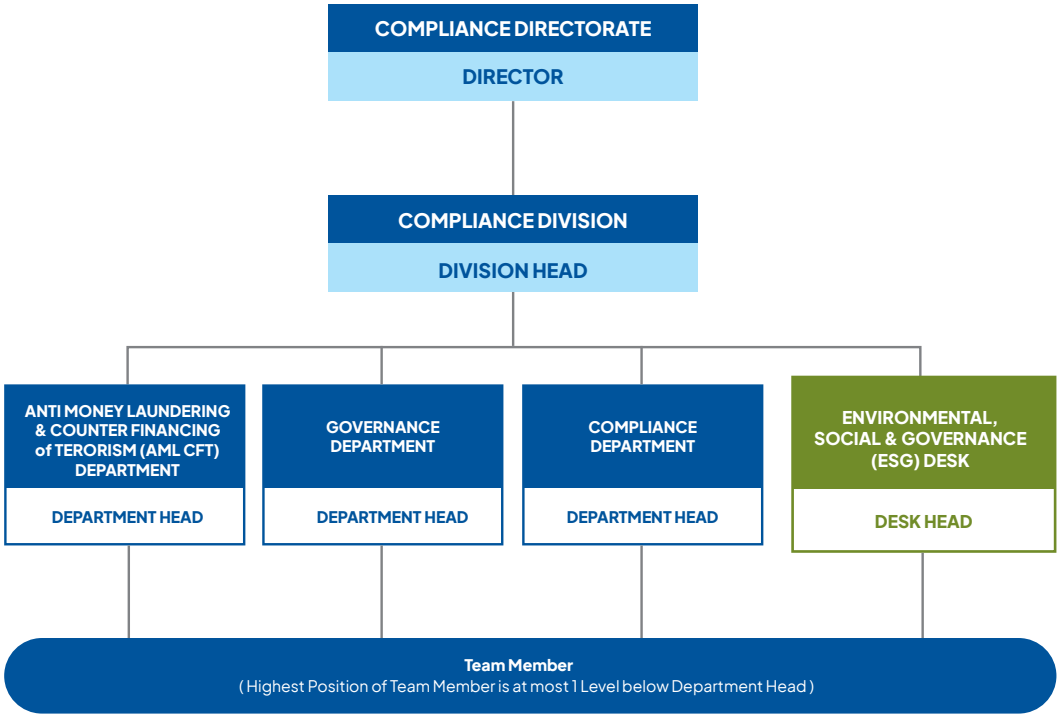
a. Capital Investment Committee
b. Information Technology Steering Committee and Data Governance Committee
c. Risk Management Committee and Environmental, Social & Governance (ESG) Committee
d. *Asset & Liability Committee* (ALCO)
e. Goods and Services Committee (PBJ)
f. Credit Policy Committee (KKP)
g. Human Capital Committee (HC)
h. Product Committee

In line with the issuance of POJK 18/POJK.03/2014 concerning Integrated Governance, BRI then formed an Integrated Compliance Unit, an Integrated Risk Management Unit, and an Integrated Internal Audit Unit. These units were formed to build strong business synergies and alliances between BRI and its Subsidiaries.

The governance organs at BRI were further augmented after POJK No. 51/POJK.03/2017 concerning the Implementation of Sustainable Finance for Financial Services Institutions, Issuers, and Public Companies, was enacted as of January 1st, 2019.

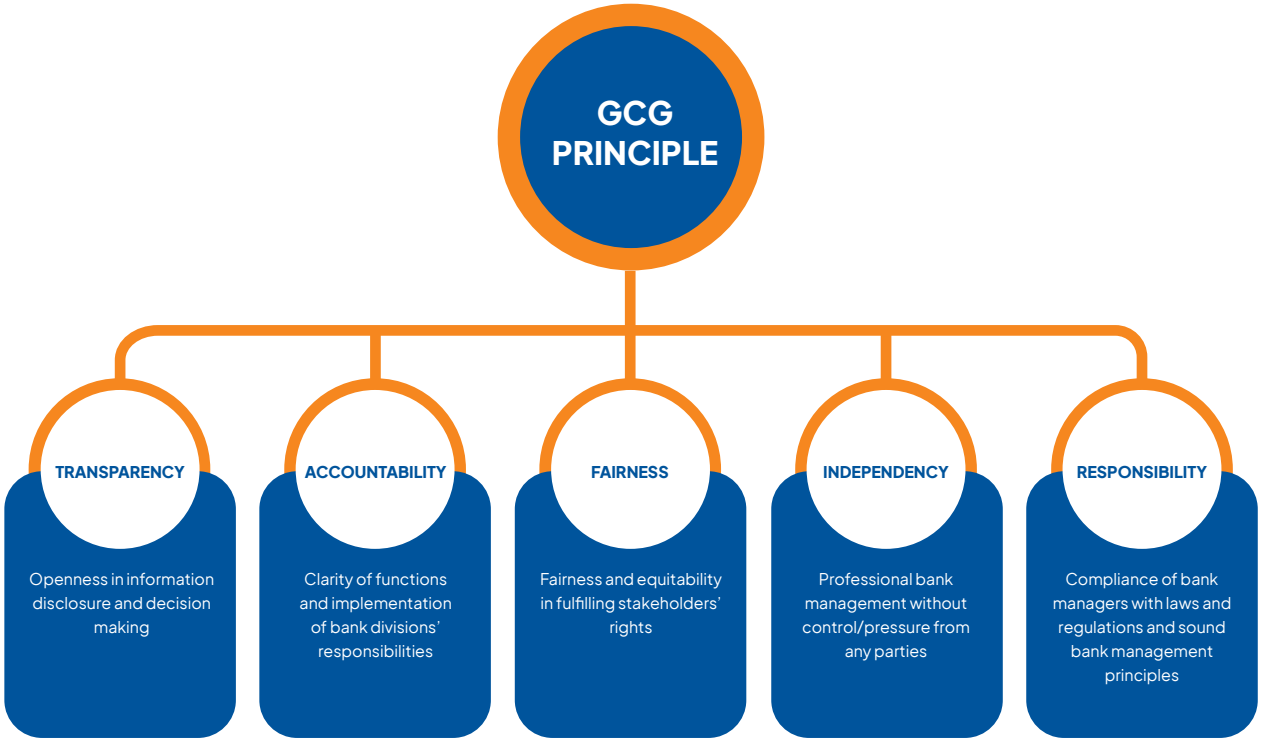
In 2021, BRI established an ESG Governance structure to directly monitor the company's ESG performance and disclosures and formed a Risk Management and Environmental, Social & Governance (ESG) Committee through Decree No.: 657–DIR/PPM dated October 29, 2021:

The organizational structure of ESG Governance in accordance with Decree No.: 618–DIR/PPM/10/2021 dated October 11, 2021 is as follows:



Principles of Implementation of Good Corporate Governance

BRI applies the principles of GCG to increase the value and performance of the company in the context of sustainable governance. These principles include:



The formulation of GCG principles to support BRI's sustainable business activities is described as follows:

Transparency

The Bank has a policy to disclose various important information needed by stakeholders in accordance with applicable regulations and laws.

Accountability

- The Bank sets long-term and short-term business targets that are accountable to shareholders and stakeholders
- The Bank submits reports to the Bank's supervisory authority and other stakeholders in accordance with applicable regulations.

- The Bank sets long-term and short-term business targets that are accountable to shareholders and stakeholders
- The Bank submits reports to the Bank's supervisory authority and other stakeholders in accordance with applicable regulations.
- The Bank assigns duties and responsibilities to each of the Board of Commissioners, Board of Directors and company organizations and their subordinates in line with the Bank's vision and mission.
- The Board of Commissioners and the Board of Directors submit annual reports and financial accountability at the GMS.
- The Bank assigns duties and responsibilities to each of the Board of Commissioners, Directors and company organs and their subordinates in line with the Bank's vision and mission.
- The Bank ensures that each of the Board of Commissioners and the Board of Directors as well as all echelons below have competence in accordance with their responsibilities and understand their role in the implementation of GCG.
- The Bank ensures that there is a structure, system and SOP that can ensure the operation of the check and balance mechanism in achieving the Bank's vision and mission.
- 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 the Bank's internal regulations.
- The Bank preserves nature through loan policies and other policies that support the preservation of natural resources.
- The Bank acts as a good corporate citizen through social and environmental responsibilities.

Independence

- The Bank avoids control by any outside party, is not influenced by certain interests, is free from conflicts of interest and any influence or pressure to act against its own interest.
- The Bank carries out its functions and duties in accordance with the Articles of Association, the Bank's internal regulations and the applicable laws and regulations.

Fairness and Equality [F.18]

- The Bank provides fair and equitable treatment to stakeholders in accordance with the benefits and contributions given to the Bank.
- The Bank provides opportunities for stakeholders to provide input and express opinions for the benefit of the Bank as well as access to information disclosure

BRI also continues to be committed to implementing GCG which has brought significant positive impact on the Company's performance and sustainability. The objectives of implementing GCG are to: [E.3]

1. Support the achievement of the Company's vision and mission through great performance.
2. Provide guidelines for all BRI personnel in carrying out their duties and responsibilities in accordance with their functions within the Company's organization.
3. Provide confidence to shareholders and stakeholders that the Company is run and supervised in a professional manner.
4. Support the establishment of policies and decisions made by management based on the principles of good corporate governance.
5. Bring about the creation of a good corporate citizen.

Delegation of Authority

[GRI 102-18] [GRI 102-19] [GRI 102-20] [GRI 102-26]

BRI is committed to providing social welfare and environmental protection through the development of a stable and inclusive sustainable financial system. BRI has put this plan into a short-term and long-term Sustainable Finance Action Plan (RAKB) based on the three sustainability topics: economic, social, and environmental aspects.

Sustainable Finance is a form of comprehensive support from the financial services industry for sustainable growth resulting from the alignment of economic, social and environmental interests. A tangible form of BRI's role in supporting sustainability by creating sustainable finance is BRI's involvement as a First Mover and a member of the Sustainable Finance Initiative in Indonesia (IKBI).

In improving economic performance, BRI is committed to being environmentally and socially responsible by implementing the 3P (Profit, People, Planet) concept comprehensively. The Company has established an ESG Desk to discuss economic, environmental, and social topics which are generally attached to the Board of Directors and Commissioners as well as to the Compliance Division. The ESG Desk reports its performance results directly to the Boards of Directors and Commissioners. [GRI 102-19, 102-20] [C.1]

The authority to implement the 3P and ESG Concepts is delegated to several senior executives by the respective boards of commissioners and directors in accordance with the committees under them. The delegation of authority from the Directors and Commissioners for economic, environmental, and social topics is included in the duties and responsibilities of the units under them. The process of delegating responsibility is provided through a Decree of the Board of Directors. [GRI 102-18] [GRI 102-19]

The authorities in the highest governance structure are as follows: [E.1]

1. **Board of Commissioners**

   The duties, responsibilities and authorities of the Board of Commissioners regarding the active supervision of Sustainable Finance refer to the Bank's Articles of Association and other laws and regulations, including the following:

   - To approve the sustainable finance policy, which is one of the bank's specific policies.
   - To approve the Sustainable Finance Action Plan (RAKB).
   - To give approval to the Sustainability Report.
   - To supervise the implementation of the Board of Directors' responsibilities towards the implementation of Sustainable Finance

2. **Board of Directors**

   The duties, responsibilities, and authorities of the Board of Directors regarding the implementation of the Sustainable Finance program refer to the Bank's Articles of Association and other laws and regulations, including the following:

   - To prepare and propose a draft sustainable finance policy and its amendments to the Board of Commissioners.
   - To prepare and propose RAKB to the Board of Commissioners.
   - To prepare and propose a Sustainability Report to the Board of Commissioners.
   - To communicate RAKB to Shareholders and all organizational levels in the bank.
   - To monitor work units that implement sustainable finance policies and procedures separately from work units that oversee their implementation.
   - To establish a special work unit at the Head Office that is responsible for the implementation of sustainable finance at the bank.
   - To supervise the compliance of work units in implementing Sustainable Finance.
   - To supervise Business Units and Operational Work Units and ensure appointment of officials who are responsible for the implementation of sustainable finance in their work units
   - To supervise sustainable finance policies and procedures to ensure that they are in line with changes and development of bank products, services and technology, and in accordance with the development of Sustainable Finance.
   - To supervise internal capacity development programs related to Sustainable Finance on a regular basis.
   - To manage, conduct periodic reviews, and review the effectiveness of the risk management process as the duties, responsibilities and authorities of the Board of Directors regarding the implementation of sustainable finance.

StakeholderConsultation

[GRI 102-21] [GRI 102-29] [FS2] [E.4] [FS12]

BRI's efforts to achieve sustainable finance are through identifying and managing the three sustainability topics – economic, social, and environmental topics – together with the Company's internal and external parties. The achievements of sustainable finance must be communicated to all stakeholders, both internal and external. These achievements in 2021 will also be disseminated in the 2021 BRI Sustainability Report. Meanwhile, the strategy and sustainability targets themselves are stated in the Company's RAKB.

Anticipating that there might be a more limited level of understanding and knowledge related to sustainability, the consultation was not only carried out with internal stakeholders but also with external stakeholders who have the background, experience or expertise in fields related to sustainability.

Consultations with external parties are carried out through open discussions at least once a year by the highest governance body which is delegated to the ESG Desk. Feedback from the consultation process will then be reported to the Board of Directors for discussion in the meeting. The results of the discussion determined material sustainability topics for BRI which are then outlined in the BRI RAKB and 2021 BRI Sustainability Report. This consultation was carried out with interested parties or parties who have competence in ESG issues with the aim of determining the appropriate materiality topics for the Company by involving, among others, ESG rating agencies, the media, CSR consultants, Non-Governmental Organizations and Sustainability Report consultants..

[GRI 102-29] [FS2]

In addition to consulting with external stakeholders, the Company also conducts consultations with internal stakeholders through discussions between the highest governance body or senior management. In addition, each level of management can also express their opinions regarding sustainability topics through questionnaires that are distributed at least once a year and are collected and evaluated by the ESG Desk as a delegate from the highest governance body. Consultation with employees is also carried out through morning briefings for each division and monthly monitoring meetings as well as direct interviews related to annual materiality topics for reporting purposes. Consultation with Shareholders is carried out regularly every month through performance meetings and GMS, as well as through coordination at any time.

The consultations that have been carried out with stakeholders and the highest governance body regarding ESG topics are aimed at producing a comprehensive and effective RAKB that can be communicated in a complete, accurate and balanced manner to all users of information and reports in the form of the BRI Assured Sustainability Report. In developing the RAKB, the role of the governance body is to identify and manage economic topics as well as impacts, risks, opportunities and due diligence. The role acts as the person in charge of implementing the sustainable finance program. The sustainable finance program in question is to implement environmentally friendly financial practices by prioritizing financial transactions for environmentally friendly business projects.

The person in charge of this program consists of several work units as follows : [FS3]

- **Risk Management Unit**
  Responsible for monitoring the implementation of each risk management function and being the coordinator of supervision of sustainable finance policies.
- **Compliance Unit**
  Responsible for ensuring the policies and procedures, as well as ensuring that the bank's business activities are in accordance with the statutory provisions related to Sustainable Finance. It further ensures that the implementation of sustainable finance continues to run well in every work unit, both business units and operational work units.
- **Internal Audit Unit**
  Responsible directly under the President Director and maintains a communication line with the Audit Committee. Internal Audit serves as an independent and objective assurance and consulting provider by evaluating the 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 Secretariat**
  Responsible under the President Director and holds the role to assist the Board of Commissioners and the Board of Directors in carrying out their respective duties and responsibilities regarding the implementation of corporate governance and as a liaison and manager of communication between the company and internal and external parties including shareholders, regulators and other interested stakeholders.
- **Investor Relations Division**
  Takes an active role in managing relationships and communication with investors as well as monitoring ESG values as one of the focuses of wider stakeholders.

Composition of the Supreme Governance Body and its Committees [GRI 102-22] [GRI 102-24]

The composition of the corporate governance body follows the diversity policy. The composition of the Board of Commissioners and Board of Directors of BRI adheres to the recommendations of the Financial Services Authority as outlined in the Attachment to the Circular Letter of the Financial Services Authority Number 32/ SEOJK.04/2015 concerning Guidelines for the Governance of Public Companies. It states that the composition of the Board of Commissioners and Directors must pay attention to the diversity of their compositions.

The diversity of the composition of the Board of Commissioners and the Board of Directors is a combination of characteristics both in terms of the Board of Commissioners and the Board of Directors as well as individual members of the Board of Commissioners and Directors in accordance with the needs of the Public Company. The Board of Commissioners is a representative of the shareholders, has a term of office of one period which is set for 5 years, whereas the term of office of the Board of Directors itself is set for 5 years but can be dismissed at any time based on the resolution of the EGMS. After the end of a term, there is no limit to the term of office. [GRI 102-24]

The composition of the members of the Board of Commissioners and the Board of Directors is based on various factors such as educational backgrounds, knowledge, expertise, gender, age, race, and experience as stated in the profile of each member of the Board of Commissioners. Their backgrounds are as banking practitioners, scholars, academics, bureaucrats and those with careers as decision/policy makers in the regulatory and corporate fields who are experienced in their respective fields. Information on the composition of the highest governance body and its committees is available in the 2021 BRI Annual Report page 719-721.

All members of BRI's Board of Commissioners do not have family relationships with fellow members of the Board of Commissioners, members of the Board of Directors, or with the Controlling Shareholders as well as business relationships or other relationships that may affect their independence. Likewise, there are no concurrent positions for each member of the Board of Commissioners and Board of Directors in any companies that may cause a direct or indirect conflict of interest. The highest governance body is the General Meeting of Shareholders. The selection of the GMS as the highest governance body is because a wider stakeholder role is needed to supervise the implementation of corporate governance. GMS is not an executive officer in the organization. [GRI 102-23] [GRI 102-24] [GRI 102-25]

Nomination of Directors and Board of Commissioners Procedures [GRI 102-24]

The criteria, procedures for appointment and dismissal of BRI Board of Directors and Board of Commissioners are determined according to POJK No. 34 / POJK.04 / 2015 concerning committee nomination and remuneration, POJK No. 55 / POJK.03 / 2016 on the Implementation of Governance for Commercial Banks, POJK No. 27/03.POJK / 2016 on Assessment of Capability and Propriety for The Major Party of Financial Services Institution, internal provisions of the BRI Commission Board of Letters Decision of the Board of Commissioners Nokep: 07-KOM/BRI/07/2015 on the Nomination Policy of Members of Commissioners and Board of Directors and other relevant regulations.

BRI has a Nomination and Remuneration Committee (KNR) that follows best practices in governance. One of the functions of the KNR is to provide recommendations or propose candidates who meet the requirements as members of the Board of Directors and / or members of the Board of Commissioners to the Board of Commissioners to be submitted to the GMS.

Candidates for the Board of Directors and/or Board of Commissioners who have fulfilled all applicable requirements and provisions are proposed to the Board of Commissioners to go through the evaluation process.

Diversity, independence, and expertise are specific considerations in this nomination process. The Board of Commissioners shall have no family relationship with members of the Board of Directors and/or members of the Bank's Board of Commissioners up to the third degree, either according to a direct line or lateral line, including relationships arising from the marriage. Another qualification is to have integrity, dedication, understand the management issues of the company related to one of the management functions, have adequate knowledge in the field of business of the Bank, and provide sufficient time to carry out its duties. [GRI 102-25]

Furthermore, the Board of Commissioners decides on prospective members of the Board of Commissioners and /or Directors in a meeting of the Board of Commissioners, which serves as the basis for the Board of Commissioners' recommendation to the Series A Dwiwarna Shareholders, which is then conveyed at the GMS. The GMS will determine the candidates for the Board of Directors and/or the elected Board of Commissioners.

Elected Candidates for the Board of Directors and/or Board of Commissioners must follow the assessment of capability and compliance (fit and proper test) by The Financial Services Authority Regulation No. 27 / POJK.03 / 2016 on Assessment of Capability and Propriety for the Major Party of Financial Services Institution.

In the case of prospective members of the Board of Commissioners who have been appointed by the GMS but have not been declared to pass the fit and proper test by the OJK, then he/she does not have the rights and obligations as a member of the Board of Commissioners.

Members of the BRI Board of Directors who have passed without any concern and have received approval from Bank Indonesia or the OJK have integrity, competence, and a good financial reputation. Disclosures related to the company's nomination policy can be found on BRI 2021 annual report page 658–663.

Capacity Building for the Supreme Governance Body

[GRI 102-27] [E.2]

The Board of Commissioners and the Board of Directors must continuously improve their competence in accordance with the development of operational needs and the development of the company as stipulated in Board of Directors Decree NOKEP S.43-DIR/SKP/01/2018 on Orientation Program Policies and Education for the Board of Directors and the Board of Commissioners. In 2021, the realization of competency development and training programs for the Board of Commissioners regarding governance, environmental, social and economic topics are as follows:

Training and Development Programs of the Board of Commissioners in 2021

Training Topic	Participant's Name	Training Date		Training Location
		Start	End	
Training of Trainers on Climate Field School (CFS 2021)	Nicolaus Teguh Budi Harjanto	23 August 2021	27 August 2021	Jakarta
Asset Liability Management in uncharted New Normal - Strategy & Optimization	Kartika Wirjoatmodjo	26 October 2021	26 October 2021	Jakarta
Leadership in Crisis	Ari Kuncoro, Nicolaus Teguh Budi Harjanto, Hadiyanto, Rabin Indrajad Hattari, Hendrikus Ivo, Dwi Ria Latifa, R. Widyo Pramono, Zulnahar Usman	25 February 2021	25 February 2021	Jakarta
Forensic Investment Training	Rofikoh Rokhim	10 March 2021	12 March 2021	Jakarta
The Effectiveness of Supervision of the Board of Commissioners in Maintaining Bank Compliance towards the Era of Principle Based Regulation	Rofikoh Rokhim, Hendrikus Ivo, Dwi Ria Latifa, R. Widyo Pramono	25 March 2021	25 March 2021	Jakarta
Business Policy and Case Studies	Rofikoh Rokhim	22 April 21	22 April 21	Jakarta
Integrated Auditing for The Public Sector	Rofikoh Rokhim	22 June 2021	22 June 2021	Jakarta
Financial Consumer Protection Linked Theories & Evindence to Policy Practice	Rofikoh Rokhim	6 August 2021	7 August 2021	Jakarta
How to Thrive Your Business During Pandemic	Rofikoh Rokhim	19 August 2021	19 August 2021	Jakarta
Preventing corporate corruption through business judgment rules	Rofikoh Rokhim	27 August 2021	27 August 2021	Jakarta
The Importance of Halal Certificate for MSMEs	Rofikoh Rokhim	14 August 2021	14 August 2021	Jakarta

Training Topic	Participant's Name	Training Date		Training Location
		Start	End	
New Credit Risk Management Techniques During a Pandemic	Rofikoh Rokhim	7 October 2021	7 October 2021	Jakarta
Prevention of Corruption as a Means of Legal Protection for Corporations and SOEs	Rofikoh Rokhim, Hendrikus Ivo, R. Widyo Pramono, Zulnahar Usman	3 November 21	3 November 21	Jakarta
Leading Digital Business Transformation Program	Rofikoh Rokhim	6 November 21	10 November 21	Lausanne - Switzerland
Leading Digital Business Transformation Program	Rofikoh Rokhim	25 February 2021	25 February 2021	Jakarta
Innovation, Collaboration and Digital Transformation, Keys to Accelerating the Implementation of Public Information Disclosure	Nicolaus Teguh Budi Harjanto	14 September 21	14 September 21	Jakarta
Knowledge Sharing Program on Enhancing the Development of Small and Medium Industry	Nicolaus Teguh Budi Harjanto	13 September 21	17 September 21	Jakarta
Webinar - InnoGram Series #2: Getting to Know the Product Development Concept	Nicolaus Teguh Budi Harjanto	3 Agustus 2021	3 Agustus 2021	Jakarta
Webinar - InnoGram Series #3: Getting to Know the Concept of UI/ UX	Nicolaus Teguh Budi Harjanto	4 Agustus 2021	4 Agustus 2021	4 Agustus 2021
Records and Archive Management: Documenting History of Nation	Nicolaus Teguh Budi Harjanto	9 September 21	9 September 21	Jakarta
Integrated Governance Risk Management Compliance	Dwi Ria Latifa	22 April 21	23 April 21	Jakarta
Latest SFAS According to IFRS Conversion	R. Widyo Pramono	15 October 2021	15 October 2021	Jakarta
Level 1 Risk Management Certification Training	Heri Sunaryadi	18 October 2021	29 October 2021	Jakarta
Level 1 Risk Management Certification Training	Heri Sunaryadi	2 November 21	12 November 21	Jakarta

BRI also includes Directors in the training and BRI's active involvement in the IKBI CEO Dialogue on Sustainable Finance activities to improve their competence, both in implementing sustainable finance and sustainability performance covering economic, social and environmental topics. The Company also encouraged Company employees at various levels of position to improve their respective competencies in implementing sustainable finance and sustainability performance in 2021. [F.22] [FS4]

Performance Evaluation of the Supreme Governance Body

[GRI 102-28] [GRI 103-3]

The process for evaluating the performance of the highest governance body regarding the governance of economic, environmental and social topics is through self-assessment (and is not carried out by a third party) with a frequency of at least once a year.

The BRI's governance self-assessment process involves the entire Board of Commissioners, Directors and work units related to the governance assessment factors in question. The assessment is in accordance with OJK Regulation No.55/ POJK.03/2016 concerning the Implementation of Governance for Commercial Banks, OJK Circular Letter No. 13/ SEOJK.03/2017 concerning the Implementation of Good Corporate Governance for Commercial Banks, Financial Services Authority Regulation No. 21/POJK.04/2015 concerning the Implementation of Public Company Governance Guidelines, OJK Circular Letter No. 32/ SEOJK.04/2015 concerning Guidelines for Public Company Governance and OJK Regulation No. 4/POJK.03/2016 concerning the Assessment of the Soundness of Commercial Banks, in which one assessment point on the soundness of the Bank is the self-assessment of the implementation of the principles of Good Corporate Governance (GCG) in banks. The BRI's governance self-assessment process involves the entire Board of Commissioners, Directors and work units related to the governance assessment factors in question. For criteria, assessment scores, as well as recommendations and follow-up, please refer to the 2021 BRI Annual Report on page 740–743.

Challenges and Opportunities in Sustainable Finance Initiatives [E.5] [GRI 102-30] [GRI 102-31] [GRI 102-34]

The implementation of Sustainable Finance cannot be separated from both internal and external challenges. Internal challenges include:

a. It takes additional effort and a lot of time to train the competencies of a very large number of employees, given the size and complexity of the organizational structure and the network of widely spread work units.

b. The integrated automation system has its limitations in monitoring and reporting on the implementation of sustainable finance.

BRI's strategy in dealing with internal challenges is to improve consistent and structured training on sustainability topics for employees at the head office, regional offices, branch offices and other work units. This training is conducted through e-learning, video, and online training sessions delivered by experts and external speakers. External challenges include:

a. Various regulations on sustainable finance that affected the market, which in turn created obstacles in the implementation of sustainable finance.

b. Advances in digitization technology which require the banking world to continue to adapt, thereby increasing the risk of disruption.

c. The lack of clear guidelines and information in each industry in the aspect of sustainable finance poses challenges in implementing sustainable finance.

d. The Covid-19 pandemic, which certainly causes economic disruption on a global scale, slows down the work process and disrupts the smooth running of BRI financing and funding.

BRI strives to anticipate challenges that arise externally through the implementation of risk management and identification of potential risks that may be faced due to these external factors.

The Small and Medium Business segment is optimistic that it will be able to create many business opportunities and support business development while maintaining the loan quality. In providing loan facilities, the Non-SOE Corporate Business also seeks to optimize opportunities in terms of value chain business and cross selling, so that the Small and Medium Business segment or BRI's Consumer Business can grow together. The agribusiness and non-agribusiness segments are the target market for the Non-SOE Corporate Business.

The development of agribusiness segment prioritizes financing on export commodities that have a competitive advantage and multiplier effect for Micro, Small and Medium Enterprises (MSMEs). Meanwhile,

the non-agribusiness segment extends credits to a number of industries such as manufacturing, infrastructure and utilities, as well as the oil and gas industry.

The growth of BRI's micro segment will depend on the government's stimulus, which is in line with BRI's function to create social and economic value. This program also opens up opportunities for BRI to penetrate the ultra-micro market in Indonesia that is able to provide competitive returns at manageable risks.

BRI creates business opportunities and avenues for cooperation and funding for green funds with both national and international institutions. BRI believes that the right strategy in responding to emerging opportunities and risks will help it maintain the business and continue to grow in a sustainable manner. In providing banking products and services, companies are required to pay attention to applicable health, safety and security protocols.

BRI has turned difficulties into opportunities for business development and has used innovation in optimizing the digital ecosystem as a means to show resilience in overcoming all business challenges.

BRI's highest governance body is represented by the ESG Desk under the Compliance Directorate in reviewing the effectiveness of the risk management process on the environmental, social and governance topics. During the reporting period, an important issue was brought to the attention of the highest governance body. BRI realizes that data related to ESG is very important to stakeholders, especially shareholders. Therefore, BRI sees the need to improve the quality of information disclosure in sustainability reports by using applicable global standards, such as the preparation of a special section related to the TCFD Report and adjustment of ESG information disclosure with the criteria of the Dow Jones Sustainability Indices. This important issue has been conveyed to the highest governance body through representatives of the relevant divisions. Division representatives receive input from various stakeholders and submit these inputs directly to the highest governance body in a special forum. [GRI 102-18] [GRI 102-33] [102-34]

BRI has held an ESG Committee Meeting for the first time in December 2021 which discussed several issues, including:

- Information update and the latest development of issues related to ESG to BRI's Board of Directors and Executive Management.
- Determination of BRI's ESG aspirations and planning for the preparation of the BRI's ESG Roadmap

BRI understands that ESG issues have become one of the considerations for stakeholders, and has shown its seriousness to contribute to the achievement of the SDGs by 2030.

Potential Impacts of Sustainable Financial Products [F.28]

BRI realizes the importance of implementing sustainable finance initiatives to support the government in achieving its 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 pays attention to the potential to increase the loan portfolio with an ESG perspective, which has a positive impact on supporting environmental conservation and improving people's welfare. BRI has had special provisions relating to loans in the palm oil sector since 2017 as stated in Circular Letter No. 24 -DIR/DMR/04/2017 concerning Environmental, Social, and Governance (LST) Palm Oil Risk Management Policies

The implementation of sustainable finance cannot be separated from risks that can have a negative impact on BRI's performance if not carefully considered. One of them is that ESG oriented loans have the risk of causing an increase in Non-Performing Loans (NPLs) if they are not practical. Therefore, BRI implements careful examinations and calculations, and uses loan procedures as a reference for applying a complete risk management process to each funding product, including ESG oriented loans. [FS13] [FS14][FS3]

Remuneration Policy

[GRI 102-35] [GRI 102-36] [GRI 102-37]

BRI has a remuneration governance policy that is regulated by the regulator as a company stakeholder, in accordance with Financial Services Authority Regulation No: 45/POJK.03/2015 dated December 23, 2015. BRI's remuneration governance policy is regulated in a Joint Decree of the Board of Commissioners and The Board of Directors R.43-KOM/06/2020 dated June 26, 2020 and the approval of the Series A Dwiwarna Shareholder based on letter Number: S-421/MBU/D5/06/2020 regarding BRI's Remuneration Governance Policy. Review of Premium Allowance on a variable basis if necessary in accordance with the development of the level of cost in each region and the ability of the Company. The Subsidiary Companies have separate Remuneration Policies that are formulated by the Subsidiary Companies themselves. Information regarding remuneration is available in the 2021 BRI Annual Report page 658-663.

Board of Commissioners' Remuneration Policy * [GRI 102-35]

Type of Remuneration/Benefit	Keterangan
Salaries and Bonuses	President Commissioner receives 50% of the Amount of the Salary of the President Director
	Deputy President Commissioner receives 95% of the Salary of the President Commissioner, Commissioners receive 90% of the Salary of the President Commissioner
Transportation Allowance	Transportation allowance is given monthly at 20% of the monthly salary for each member of the Board of Commissioners
Religious Holiday Allowance	One-time salary
Retirement Insurance	Diikutsertakan dalam Program Asuransi Purna Jabatan. Maksimum premi sebesar 25% (dua puluh lima persen) dari honorarium per Tahun
Other benefits	Club Membership and Corporate Attire

Directors' Remuneration Policy* [GRI 102-35]

Type of Remuneration/Benefit	Description
Salaries and Bonuses	The amount of salary and bonuses for the Board of Directors is determined to be proportional to the salary and bonuses of the President Director: the Deputy President Director's salary is at 95% of the President Director's, the Director in charge of human resources' at 90% and other Directors salaries at 85%.
Religious Holiday Allowance	One-time salary
Retirement Insurance	Included in the Retirement Insurance Program. Maximum premium of 25% (twenty five percent) of salary per year.
Facilities	Health, Legal Aid, and other Facilities

* More detailed information regarding remuneration is available in the 2021 BRI Annual Report page 658-663.

The Remuneration and Nomination Committee (KRN) is responsible for evaluating and providing recommendations to the Board of Commissioners regarding the remuneration policy for the Board of Commissioners and the Board of Directors. In the remuneration design process, KRN consults with an Independent Consultant that has no other relationship with the Company to provide an independent and fair remuneration recommendation. This recommendation by an independent party will be evaluated by the Board of Commissioners which will then be proposed and determined at the GMS involving the shareholders.

In accordance with Article 113 of Law Number 40 of 2007 concerning Limited Liability Companies, the salaries and allowances for the Board of Commissioners are determined by the GMS. Furthermore, based on Article 96 of the Act, the amount of salary and allowances for members of the Board of Directors is determined by the GMS and the authority of the said GMS can be delegated to the Board of Commissioners. Based on the Minister of SOE Regulation Number: PER-04/MBU/2014 dated March 10, 2014 concerning Guidelines for Determining the Income of Directors, Board of Commissioners, and Supervisory Board of State-Owned Enterprises as last amended by Minister of SOE Regulation Number: No.PER-13/MBU/09 /2021, the components of income for the Board of Commissioners consist of: salaries, allowances, benefits and bonuses.

BRI has implemented a remuneration system policy outside the Board of Commissioners and Board of Directors in accordance with BRI's internal policies as stated in the Decree of the Board of Directors NOKEP : 208-DIR/SDM/08/2011 concerning Employee Remuneration. The remuneration strategy still pays attention to effective best practices in the banking industry and comparisons to the market. The company regularly participates in a survey on the banking Total Reward Survey through independent professional consultants that has been followed by the majority of banks in Indonesia. This acts as a reference and input for remuneration adjustments at BRI.

One of the principles of the company's remuneration policy is to be externally competitive, which is to be at a competitive level to the rest of the banking industry. In this regard, BRI cooperates with Willis Towers Watson which is tasked with conducting benchmarking and/or salary surveys in accordance with company requests regarding remuneration policies. BRI has no other relationship with the remuneration consultant. In addition, the Company also always ensures that it has complied with all applicable regulations related to the implementation of the remuneration system. [GRI 102-36]

The Remuneration and Nomination Committee (KRN) is also responsible for evaluating the remuneration policy and providing recommendations to the Board of Commissioners regarding the remuneration policy for the Board of Commissioners and the Board of Directors that will be proposed at the GMS. The Remuneration and Nomination Committee is also tasked with formulating remuneration policies for executive officers and employees as a whole to be submitted to the Board of Directors.

The GMS may approve and determine the structure and amount of the remuneration provided that a quorum of shareholders' attendance is more than 50% and approval by more than 50% of shareholders who are present. In the event that the GMS does not approve the proposal, the Board of Commissioners and the Board of Directors will use the same structure and amount of remuneration as in the previous financial year. [GRI 102-37]

The standard procedure for determining the remuneration for the Board of Commissioners and the Board of Directors is as follows: [GRI 102-36]

a. The Board of Commissioners asked the Remuneration and Nomination Committee (KRN) to prepare a draft remuneration proposal.
b. KRN consults an independent party to prepare a remuneration plan.
c. KRN proposes a remuneration plan to the Board of Commissioners.
d. The Board of Commissioners proposes the remuneration plan for members of the Board of Commissioners and Board of Directors to the GMS.
e. GMS determines remuneration for members of the Board of Commissioners and Board of Directors.

Action Plan as a Systemic Bank

During the pandemic which has impacted the global economy, BRI has prepared a scenario analysis that can identify systematic changes using stress testing in order to prevent, recover and/or improve conditions that may affect the continuity of BRI's BRI's business continuity. This scenario analysis is divided into 2 scenarios: Idiosyncratic scenario and Market-wide scenario.

The action plan carried out by BRI is in accordance with Law Number 9 of 2016 concerning Prevention and Handling of Financial System Crisis, POJK Number 2/POJK.03/2018 concerning Stipulation of Systemic Banks and Capital Surcharge, and POJK Number 14/ PONK.03/ 2017 concerning the Recovery Plan for Systemic Banks. BRI is one of the Systematic Banks that has prepared an Action Plan Document (Recovery Plan) which contains items that have been approved by POJK. .[SASB FN-CB-550a.1] [SASB FN-CB-550a.2]

In 2021, there will be no significant changes to the trigger level at the evaluation and updating stages. The Action Plan (Recovery Plan) document that has been reviewed has been approved by the Board of Commissioners and the OJK in accordance with the authorities stipulated in the POJK. [SASB FN-CB-550a]

Independent Assurance Report [GRI 102-56]

AA1000 Licensed Report 000-310/V3-0D5Q3

CBC GLOBAL Indonesia

INDEPENDENT ASSURANCE STATEMENT

PT Bank Rakyat Indonesia (Persero) Tbk.

Sustainability Report 2021

Statement No: 005/IAS/CBC/II/2022

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 (Persero) Tbk. ("bank **BRI**") with the objective to provide assurance of bank **BRI**'s 2021 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 2021. **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**

- General Disclosure
- Direct & Indirect Economic
- Procurement Practice
- Anti-corruption
- Material & Energy
- Water & Effluent
- Emission
- Employment
- Training & Education
- Non-Discrimination
- Child-Labor
- Forced-or-Compulsory-Labor
- Local Communities
- Customer Privacy

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

AA1000 Licensed Report 000-310/V3-0D5Q3

CBC GLOBAL Indonesia

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 Matterin 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 formof an independent assurance conclusion, based on the work performed and the review progress. Wemust 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 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 2021.

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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.
- Asses indicators data and traced back data to the sources.
- 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.
- Discuss and analysis data and reports with management and data contributor by digital platform.

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 comprehensive 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.

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 2021 provides a fair view of the all the bank BRI's programs and performances during 2021. 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 - Comprehensive Option.

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We conclude that the data in 2021 for all material topics performance indicators are fairly represented and there is nothing has come to our attention that would cause us to believe that bank BRI has not given the reliable data.

Recommendations

There are some suggested recommendations for the management of bank **BRI**:

1. Mapping the matrix with specific and clear targets and objectives of sustainability commitment especially on environment sustainability risk measurement and assessment; and
2. Maintaining a more strategic stakeholder engagement management in order to assess materiality topic.

For and on behalf of:
Jakarta, February 3rd, 2022

Dr. Ari Purwanti, Ak., CA., CSRA
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POJK, GRI, SASB, SUSBA, AND TCFD INDEX

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FEEDBACK FORM

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)

   - Economic Performance and Financial Inclusion ( )
   - Product Portfolio & Loan Quality ( )
   - Sustainable Financial Implementation based on RAKB ( )
   - Information Technology ( )
   - Indirect Economic Impact ( )
   - Employment ( )
   - Customer Information Protection ( )
   - Anti Corruption ( )
   - Investment ( )
   - Local Community ( )

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 ☐ Goverment ☐ Other

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