

TOGETHER, STRIVING
TOWARDS
SUSTAINABLE
BUSINESS





TOGETHER, STRIVING TOWARDS A SUSTAINABLE BUSINESS


BRI plays a significant role in realizing a sustainable business by integrating environmental, social and governance (ESG) factors into commercial economics. This is in line with BRI's commitment to implement a sustainability strategy that is in accordance with the Financial Services Authority Regulation No. 51 / POJK.03 / 2017 concerning the Implementation of Sustainable Finance in Financial Service Institutions, Issuers and Public Companies.

In an effort to help stakeholders achieve sustainability in the midst of a pandemic, BRI puts an emphasis on helping micro, small and medium enterprises (MSMEs) off the ground. BRI seeks to accelerate economic recovery by channeling loans and loan restructuring for the MSME segment.

In line with the company's vision and mission of supporting sustainable finance, BRI carries out its operations based on ESG principles and implements Sustainable Finance Action Plan programs. BRI is committed to striving with MSMEs through innovation in the commercial markets and the digital environment.

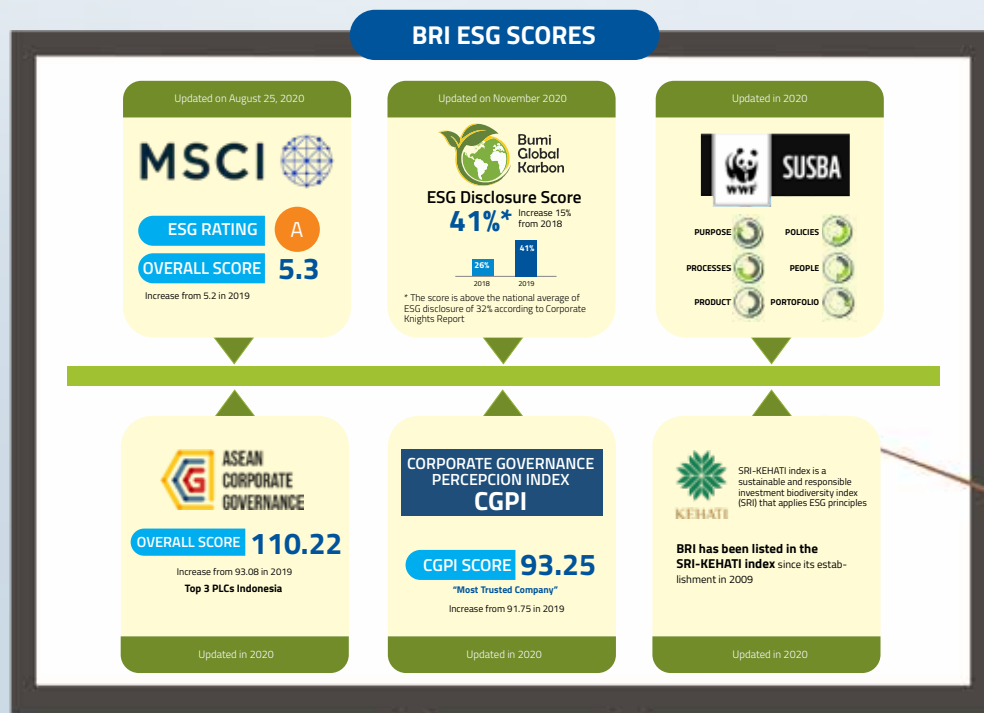
In this 2020 Sustainability Report, BRI strives with stakeholders to support the SDGs (Sustainable Development Goals) and sustainable business activities through estimating greenhouse gas (GHG) emissions and implementing climate change mitigation efforts. Through these activities, BRI seeks to improve various programs and initiatives that will contribute towards the achievement of 17 national SDGs.

BRI believes that through the collective endeavor with all its stakeholders, it will contribute to a sustainable Indonesia in the future.



SUSTAINABILITY RANKING AND INDEX

Other than financial indicators, ESG (Environment, Social, and Governance) based criteria are increasingly becoming an important factor for the investors to make investment decisions. Analyses and ratings by agencies that specialize in sustainability - such as disclosure transparency rankings like the ESG MSCI Index, CGPI, ASEAN Corporate Governance, SRI Kehati, SUSBA and ESG Bumi Global Karbon - have conveyed methodologies and assessments which show BRI's continuously improving performance. This improvement is in line with internal and external awareness in understanding Sustainable Finance as a form of responsible banking which will lead to BRI's resilience when facing climate change and transition risks issues.



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 IN SUSTAINABLE BANKING

- To formulate credit financing 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.



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BRIEF CORPORATE PROFILE

Company Profile

[GRI 102-1] [POJK51-3.b]



Company Name :
PT Bank Rakyat Indonesia (Persero) Tbk.

Date of Establishment :
16 December 1895

Activities, Brands, Products and Services

[GRI 102-2, 102-48] [POJK51-3.d]



Activities :
Banking and Financial Services

Products and Services :
Information on BRI's products and services can be accessed through the website <http://bri.co.id>, BRI Annual Report and BRI Sustainability Report.

Head Office

[GRI 102-3] [POJK51-3.b]



Head Office :
BRI I Building – Jalan Jendral Sudirman Kav. 44-46, Jakarta, 10210

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

Fax :
(62-21) 250-0077

Operational Area

[GRI 102-4, GRI 102-10] [POJK51-3.c.4]



Six countries - Indonesia, the United States (New York), Cayman Island, Hong Kong, Singapore, and Timor Leste.

Ownership and Legal Entity

[GRI 102-5] [POJK51-3.c.3]



- Limited Liability Company.
- Listed on the Indonesia Stock Exchange (IDX) on 10 November 2003
- Stock code – BBRI
- Shareholding :
 - a. Government of Indonesia – 56.75%
 - b. Public – 43.25%

Markets Served

[GRI 102-6]



Stakeholders :
General Public, Government and Corporate

Business Segment :
Micro, small and medium enterprises, Corporates

Geographical Segment :
Regions of Indonesia, Asia and the United States



Business Activities, Products and Services [POJK51-3.d] [GRI 102-2]

BRI's products consist mainly of savings, loans and financial services covering all of Indonesia.



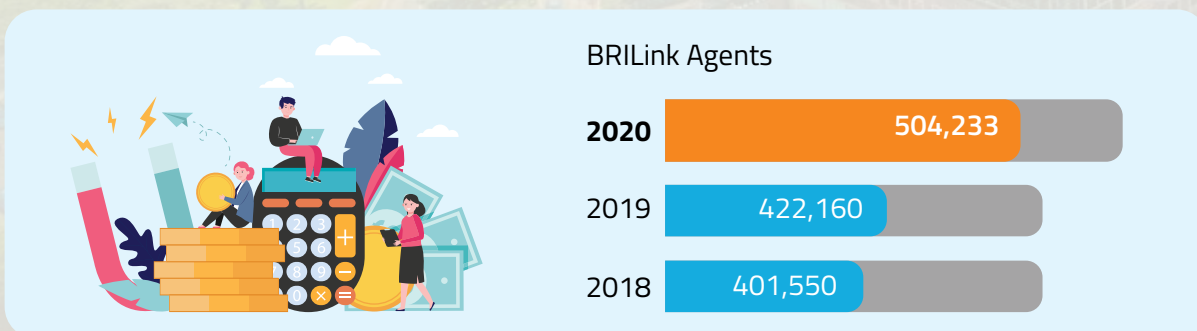
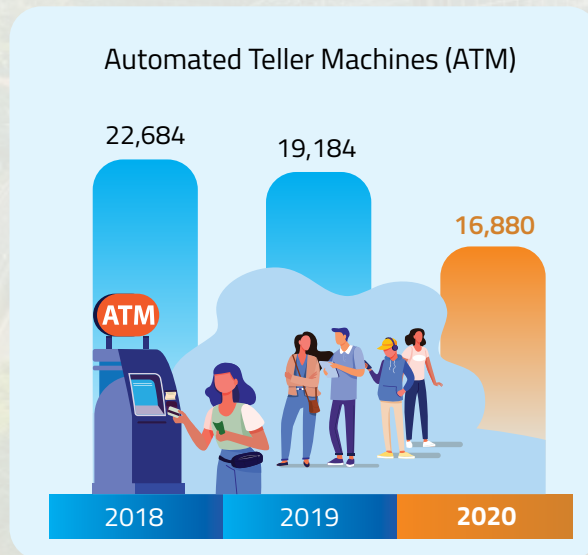
Products		Services
Savings Products	Loans Products	
<ul style="list-style-type: none"> • Tabungan BRI BritAma • Tabungan BRI Junio & Junio Rencana • Tabungan BRI Simpedes • Tabunganku • SimPel (Simpanan Pelajar) • Tabungan Haji • Deposito (Rupiah and Foreign Exchange) • Giro (Rupiah and Foreign Exchange) 	<ul style="list-style-type: none"> • Micro Loan • Kupedes • KUR Mikro • Small Loan • Medium Loan • Corporate Loan • Mortgage (KPR) • Motor Vehicle Loan (KKB) • Commercial Retail Loan • Program Loan • BRIGuna 	<ul style="list-style-type: none"> • Cash Management System • Institutional Services • Business and Finance Services • E-Banking • International Business Service • BRIfast Remittance • Treasury Services • BRI Prioritas

Complete disclosure of information on BRI's products, services and business activities up to the end of the reporting period is presented in the 2020 Annual Report which is published separately from this Report.

» BRI's Operating Units [POJK51-3.b]

Units	2018	2019	2020
Head Office	1	1	1
Regional Offices	19	19	19
Special Branch Offices	1	1	1
Branch Offices	462	461	461
Overseas Branch Offices/Representative Offices	5	5	5
Sub Branch Offices	609	608	608
BRI Units	5,381	5,382	5,382
Cash Offices	964	952	547
Teras BRI and Teras Keliling	2,202	2,182	1,999
Teras Kapal	3	4	4
Total operational units	9,647	9,615	9,027

» BRI's Services Supporting Facilities





COMPANY SIZE [GRI 102-7] [POJK51-3.c.1]

Description	Unit	2018	2019	2020
Total Employees	People	89,943	91,620	88,184
Net Profits		31,702	34,029	18,353
Revenues	Billion Rp	129,117	143,852	138,389
Total Assets		1,234,200	1,343,078	1,421,785
Total Third Party Funds		898,033	969,760	1,052,664

Description	Unit	2018	2019	2020
Total Capitalization				
Equity	Billion Rp	181,019	203,665	194,359
Non Third Party Funds		155,149	169,662	174,762
Number of Operating Units	Unit	9,647	9,615	9,027



Employees and Other Staff Information [GRI 102-8, 102-41] [POJK51-3.c.2]

BRI's workforce consists of permanent employees, contract employees and trainees. All employees are protected by the Collective Labor Agreement (PKB) for the 2019-2021 period. The number of workers as of December 31, 2020 was 88,184 people, a decrease from 91,620 in 2019. There were 61,508 workers who are members of the BRI Workers' Union by the end of 2020 or 68.27% of all employees. This report does not include the number of other staff, namely outsourced staff employed in BRI's work units. All information related to employees is based on Human Capital Business Partner Division's data.

Number of Employees by Employment Status and Gender [102-8] [POJK51-3.c.2]

Breakdown	2018		2019		2020	
	Men	Women	Men	Women	Men	Women
Permanent Employees	41,259	19,714	41,763	20,005	42,010	20,378
Contract employees	10,021	18,949	10,543	19,318	8,773	16,923
Trainees	13	14	164	108	47	53
Total	51,280	38,663	52,297	39,323	50,830	37,354
	89,943		91,620		88,184	

Number of Employees by Location and Gender [102-8]

Location	2018		2019		2020	
	Men	Women	Men	Women	Men	Women
Greater Jakarta Region	8,295	6,606	7,899	6,379	8,378	6,617
Sumatra Region	10,859	7,344	10,942	7,493	10,734	7,110
West Java Region	5,861	3,500	5,832	3,412	5,515	3,138
Central Java & DI Yogyakarta Region	8,297	6,739	8,503	6,534	8,327	6,148
East Java Region	7,035	5,633	7,206	5,837	6,976	5,543
Central & Eastern Indonesia	10,902	8,835	11,882	9,662	10,870	8,792
Other Regions	31	6	33	6	30	6
Total	51,280	38,663	52,297	39,323	50,830	37,354
	89,943		91,620		88,184	





Number of Employees by Level of Education and Gender [102-8] [POJK51-3.c.2]

Breakdown	2018		2019		2020	
	Men	Women	Men	Women	Men	Women
Primary school	72	97	55	84	21	15
Middle school	4	2	2	1	-	-
High school	1,169	834	1,055	758	862	631
Associate Degree	5,103	5,564	5,104	5,460	5,493	5,433
Graduate Degree	43,842	31,835	45,080	32,687	43,311	30,885
Postgraduate Degree	1,080	327	989	328	1,139	388
Doctoral Degree	10	4	12	5	4	2
Total	51,280	38,663	52,297	39,323	50,830	37,354
		89,943		91,620		88,184

Important Changes

Based on Shareholders' General Meeting held on February 18, 2020, it was decided that the President Commissioner and the Compliance Director were to be replaced. Complete disclosure of information about subsidiaries and BRI's share ownership in each subsidiary is presented in the 2020 Annual Report, which was prepared and issued separately. There were no significant changes relating to capital structure, supplier locations and supply chain structure in 2020. Regarding changes in company nomenclature, please refer to BRI's annual report on page 75 which is available on the company's official website. [GRI 102-10] [POJK51-3.f]

External Initiatives

BRI is committed to implementing banking best practices in order to realize sustainable financing and the Company's Vision. Information disclosure on internal initiatives and response to climate change represents BRI's commitment to responding to external initiatives, including the preparation of the Sustainable Finance Action Plan (Rencana Aksi Keuangan Berkelanjutan - RAKB) in accordance with POJK No.51 / POJK.03 / 2017 pertaining to the Implementation of Sustainable Finance for Financial Service Institutions, Issuers and Companies Public.

[GRI 102-12]

BRI has made policy adjustments to its business activities in accordance with sustainable finance practices, which have become a new performance indicator in the banking sector in Indonesia. Revisions 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 and is committed to implementing its principles, which culminated in the "First Mover on Sustainable Banking" pilot project by the Financial Services Authority (OJK). [GRI 102-12]

Association Membership

BRI's membership in a number of industry associations that are relevant to its business has strategic significance to the company, namely so that it can keep up with the latest developments in the banking world and contribute to the knowledge and expertise of the industry. Nevertheless, BRI does not contribute financially except for regular membership fees. [GRI 102-12, 102-13], [POJK51-3.e]

Association Membership Table

Name of Association / Forum	Purpose	Participation Position
Association of State-Owned Banks (HIMBARA)	To develop the Indonesian capital market's capability of stimulating the national economy.	Chair
National Banks Association (Perbanas)	To formulate banking policies.	Deputy Secretary General
Forum for Compliance Directors (FKDKP)	An information exchange forum on the central bank's regulations and international banking standards.	Treasurer
Indonesian Payment System Association (ASPI)	To improve good corporate governance standards.	Member of Supervisory Board
Indonesia Sustainable Finance Initiative (IKBI)	To support the implementation of sustainable finance in Indonesia as a form of both a mitigation against climate change risks and a form of sustainable business opportunity that can contribute towards achieving the Sustainable Development Goals (SDGs).	Chair





Vision, Mission and Core Values [GRI 102-16] [POJK51-3.a]

Vision

“Becoming The Most Valuable Bank in South East Asia and Home to the Best Talent”

Mission

To Give Its Best

To conduct the best banking practices with a priority to serve micro, small and medium enterprises to support the economy of the people.

Provide Excellent Services

To provide excellent services with a focus on customers through professional and capable human resources with a performance-driven culture, reliable and future-ready information technology, and productive work networks both traditional and digital that apply operational principles and risk management excellence.

Provide Optimal Advantages

To create optimal values and benefits for stakeholders with due observance to sustainable financial principles and Good Corporate Governance best practices.

BRI is continually reviewing and evaluating its Vision and Mission every five years or whenever necessary. In 2020, BRI invited independent stakeholders to the Board Retreat to review and evaluate the Vision and Mission as well as the progress of several key indicators together with its top management. The Company’s Vision and Mission have been deliberated and approved by the Board of Directors and the Board of Commissioners. [GRI 102-26]

The emergence of the Covid-19 pandemic in 2020 has caused drastic economic changes. On this basis, BRI strives to accelerate changes in its long-term strategy, Corporate Transformation (BRIvolution 2.0) and set BRI’s new vision for 2025 to be:

VISION 2025

Become the Most VALUABLE Banking Group in Southeast Asia & Champion of FINANCIAL INCLUSION

US\$75 Billion Market Cap

Home to the “Best Talent”

“Digital First” DNA

90% Financial Inclusion

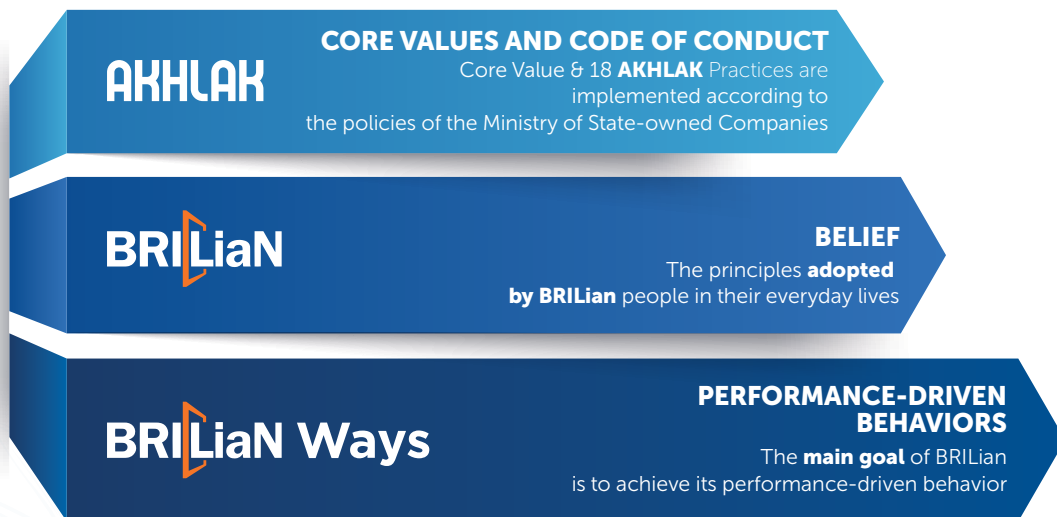
“Agile & Entrepreneurial” Mindset

Prudential Banking Principle and Environmental, Social and Governance (ESG) Risks [POJK51-3.a]

BRI continues to incorporate prudential banking principle in all its business activities. Through the prudential banking principle, the Company complies with the provisions and legal norms applicable in banking, such as through the Application of Risk Management which includes identification, measurement, mitigation, supervision and monitoring of social and environmental risks in all commercial activities it finances. The adherence to the prudential banking principle is also in response to potential environmental damage, climate change and social crises. [GRI 102-11]

Company Culture

BRI's One Culture serves as a guideline for building a strong corporate culture to achieve the company's vision. BRI One Culture consists of Core Values AKHLAK, BRILiaN BELIEF, and BRILiaN Ways.

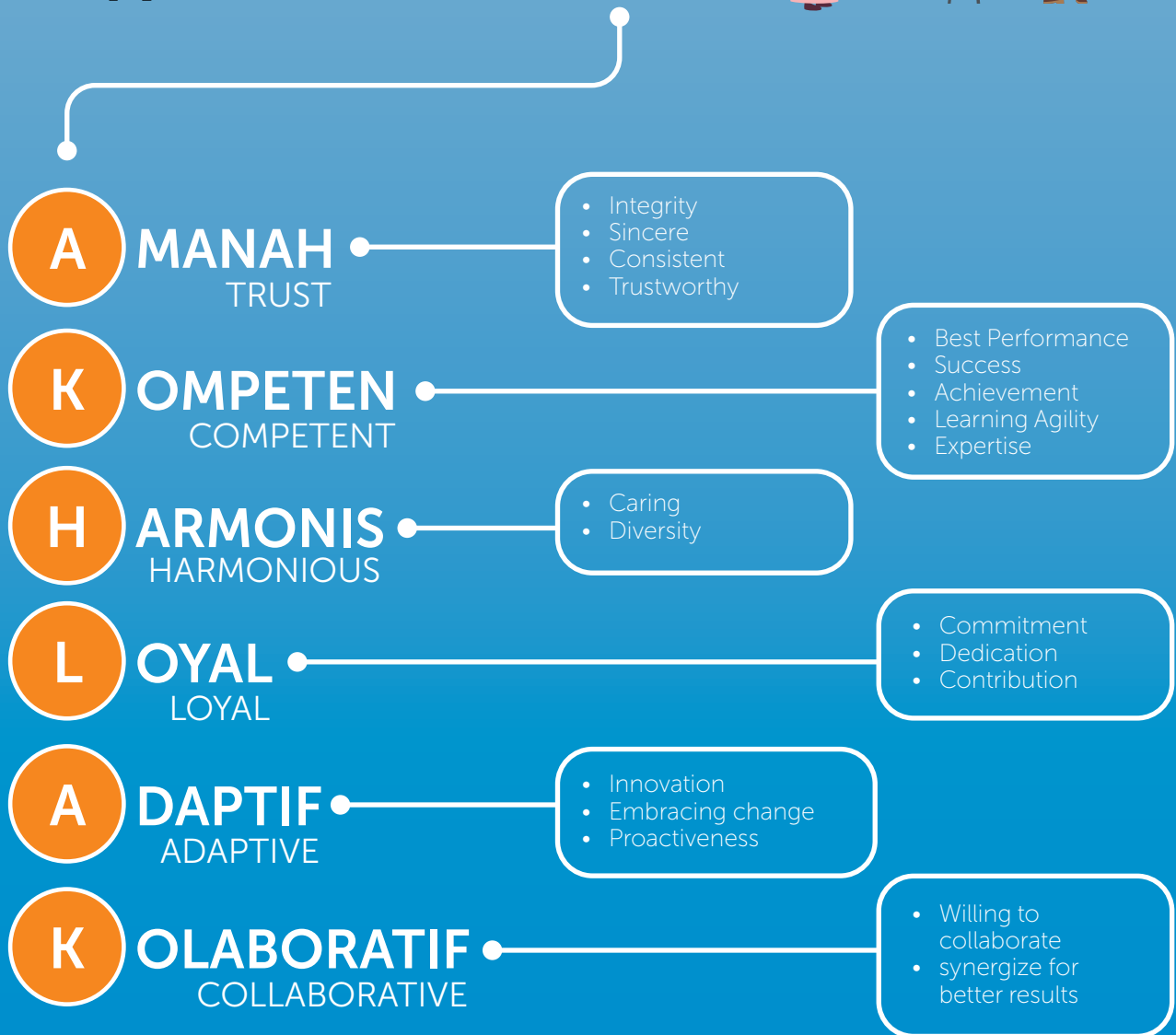


Core Values Akhlak and its behavioral guidelines BRILiaN Belief under BRILiaN Belief and BRILiaN Ways are key practices to achieve Company Performance.



State Companies' Core Values

BUMN UNTUK INDONESIA



"Based on the Circular of the Minister of SOE No: SE-7/MBU/07/2020 concerning the main values of SOE. AKHLAK are the main values of SOE employees that are assigned to all SOE human resources, starting from the Board of Directors, Board of Commissioners / Supervisory Board, management and workers in SOE, Subsidiaries and Consolidated Affiliated Companies"

BRILiaN Belief

Brilliant Belief is the principles that BRILiaN people abide by in their everyday conduct

“BRILiaN employee continually upholds integrity and professionalism in carrying out duties with mutual respect (Trust) to deliver innovative services founded upon Customer Centric that provides added value for the customer, the public, and stakeholders”

BRILiaN Ways

1. BRILiaN is honest, sincere and compliant with regulations
2. BRILiaN is competent and reliable, never ceases to learn and develop themselves and others (continuous learner)
3. BRILiaN is committed to complete a task responsibly and delivering the best results
4. BRILiaN builds productive collaborations
5. BRILiaN respect and open to diversity
6. BRILiaN is proactive, adaptive, innovative and oriented towards sustainable growth
7. BRILiaN has the empathy to understand the needs of customers and provide services beyond expectation
8. BRILiaN cares for society and the environment

BRILiaN Ways can be added by subsidiaries / affiliates according to the type of industry and company strategy.

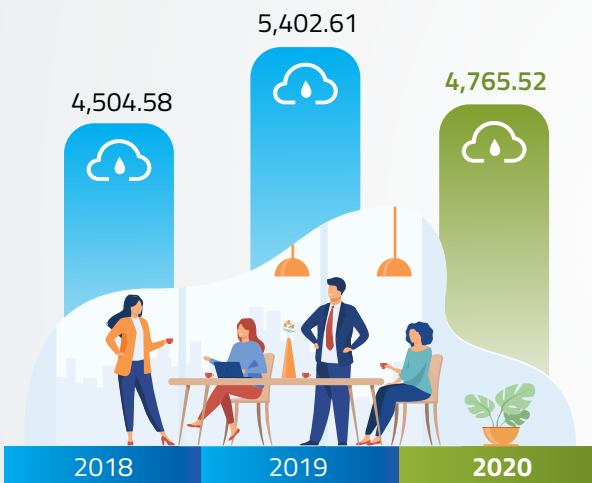


SUSTAINABILITY PERFORMANCE HIGHLIGHTS [POJK51-2]

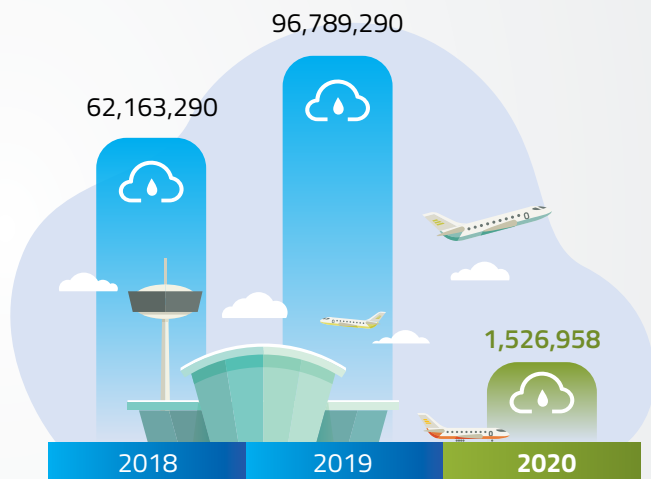
ENVIRONMENT [POJK51-2.B]

» ACHIEVEMENT GREENHOUSE GAS REDUCTION

Emission amount per employee (Kg CO₂eq/employee)

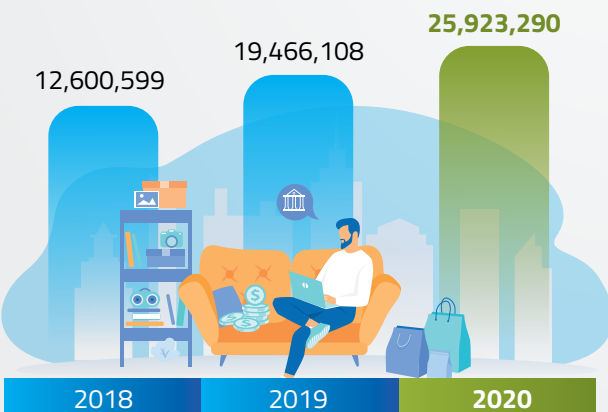


Scope 3 Emissions from Business Air Travels (Kg CO₂eq)

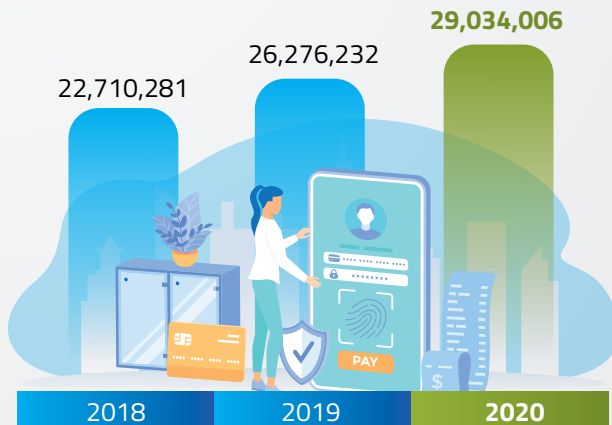


» ELECTRONIC TRANSACTIONS TO SUPPORT GHG EMISSION REDUCTION

Internet Banking (Number of Users)



Mobile Banking (Number of Users)

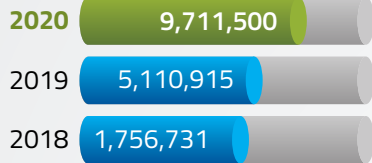




BRIZZI (E-money)



TransJakarta



Commuter Line



MRT



ECONOMICS

» **FINANCIAL PERFORMANCE**
(Billion Rp) [POJK51-2.a]



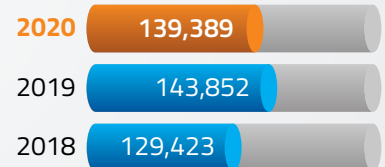
Profit Before Tax



Bank's Net Profit



Operating Income



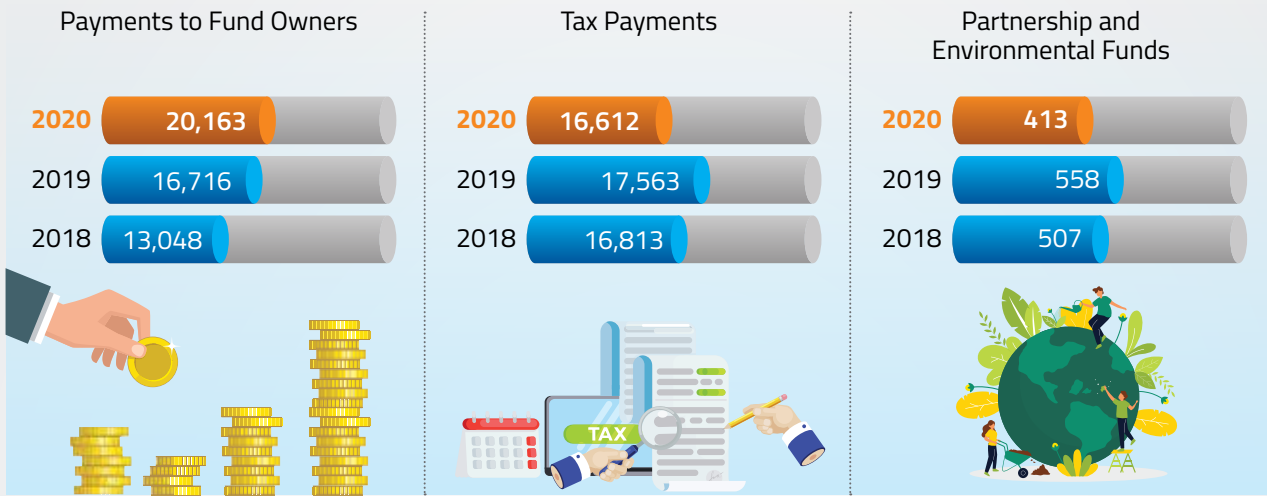
Quantity of Products & Services Sold



Environmentally Friendly Products

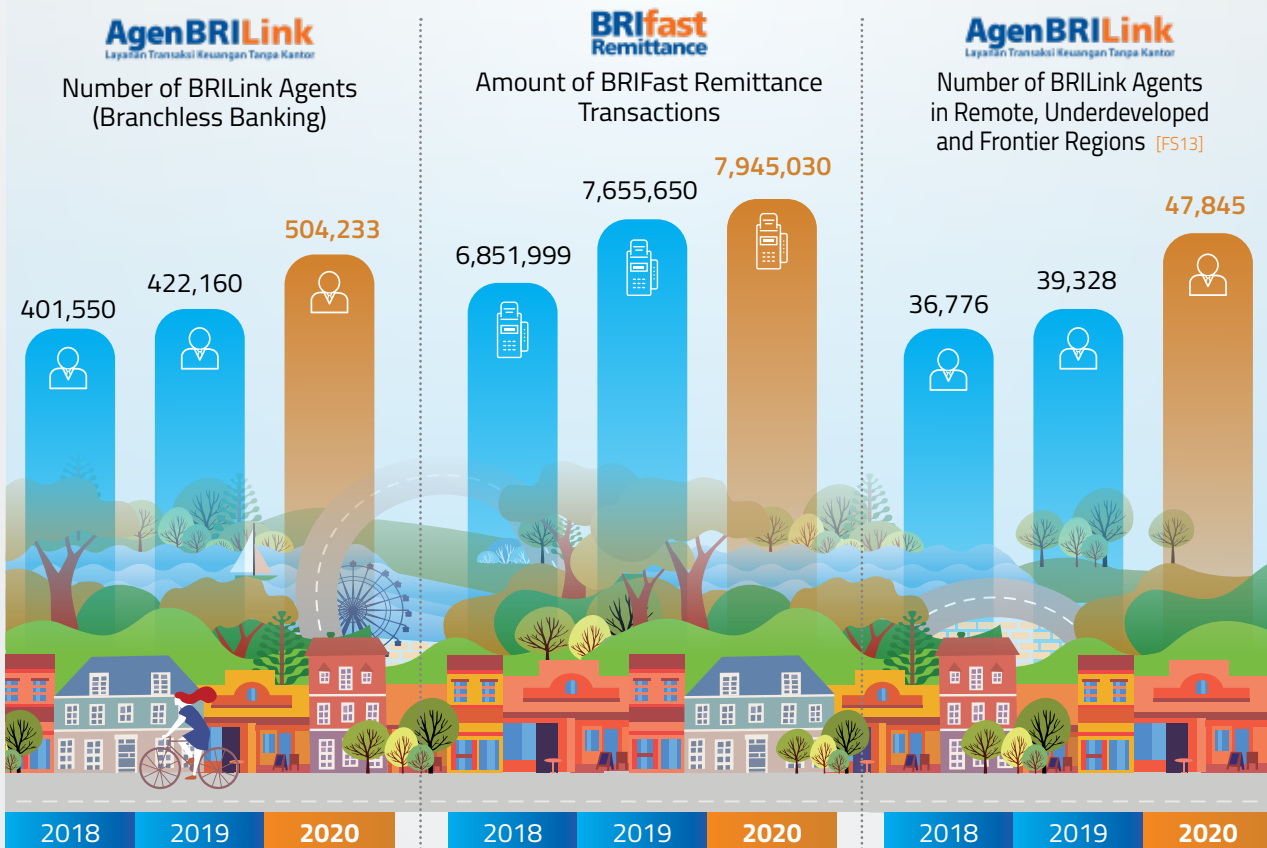


» DISTRIBUTION OF BENEFITS (Billion Rp)



SUSTAINABLE SOCIAL DEVELOPMENT [POJK51-2.c]

» SERVING THE COMMUNITY

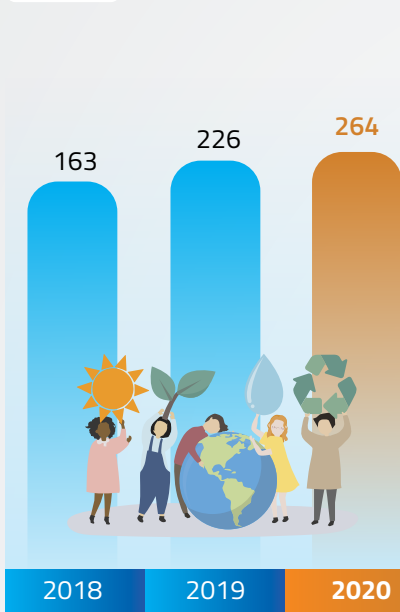




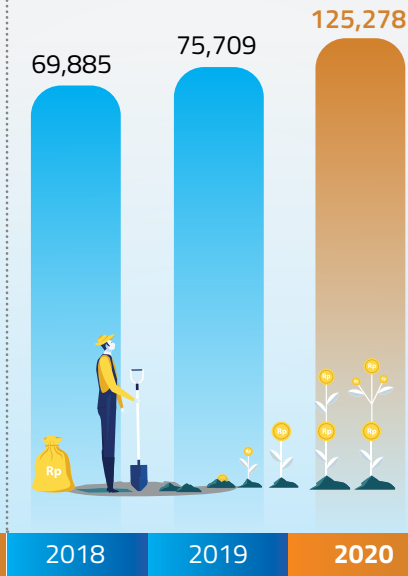
» INVESTMENTS IN THE COMMUNITY



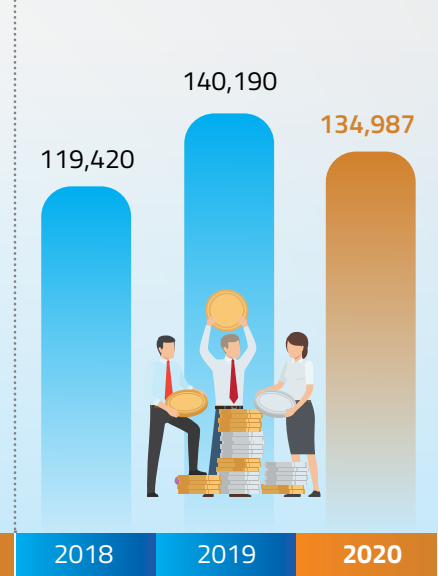
BRI Peduli (BRI Cares) Program Funds (Billion Rp)



Distribution of Kredit Usaha Rakyat (KUR) Microcredits (Billion Rp)



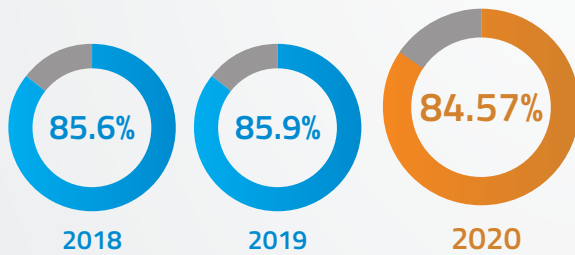
Outstanding Kupedes Amount (Billion Rp)



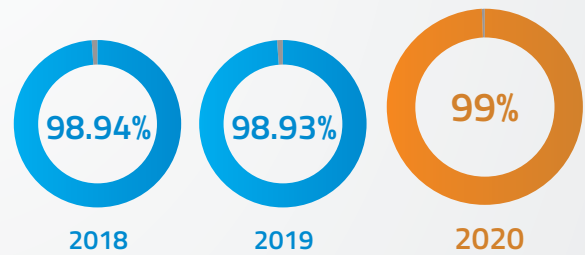
» SERVICE QUALITY INDEX ACHIEVEMENTS



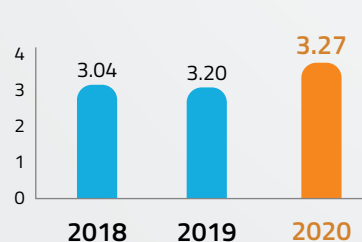
Customer Satisfaction Level



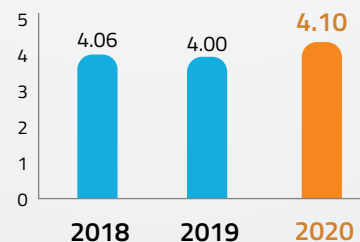
Customer Complaint Handling Rate



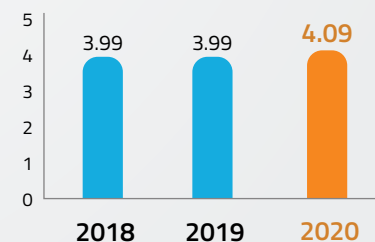
Customer Satisfaction Level (in a scale of 4)



BRI Performance Index (in a scale of 5)



Banking Index (in a scale of 5)



Sustainable Development Goals (SDGs) Mapping

BRI has launched various activities and programs in its contribution towards the global commitments and the national objectives as stipulated in the Presidential Regulation Number 59 year 2017 which regulates the Implementation of the Sustainable Development Goals.

17 PARTNERSHIPS FOR THE GOALS



BRI is the Chair of the Indonesian Sustainable Finance Initiative (IKBI) which aims to help the government's efforts to achieve the SDGs.

BRI prioritizes customers that offer environmentally friendly products / have environmental certifications.

BRI collaborates with Bank Indonesia and the Indonesian Economic and Trade Office (Kantor Dagang dan Ekonomi Indonesia - KDEI) in Taiwan to organize education sessions for Indonesian migrant workers on the importance of cashless remittance transfers.

BRI collaborates / actively participates in programs at community, national- and global- levels to enhance the development of sustainable finance. These programs including METI, CDP Pilot Project, UNDP, ADLIGHT, NPAP and CASE Programs.





ECONOMY



8 DECENT WORK AND ECONOMIC GROWTH



BRI microcredits have created jobs for micro entrepreneurs.

Simpedes products have been marketed through 5,382 BRI Units spread throughout Indonesia, including in underdeveloped areas.

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



The BRILink system has created new and sustainable business opportunities for BRI Micro Borrowers.

Rp 36.483 Billion

Infrastructure financing in 2020 includes several sub-sectors that support sustainable growth. Up to the end of 2020, the outstanding value of infrastructure financing reached Rp. 36,483 billion.

BRI provides guidance to exporters and potential exporters in collaboration with the Ministry of Trade through the "How to Start Exporting" Training event held in 6 cities: Malang, Surakarta, Makassar, Bukit Tinggi, Bandung and Mataram.

BRI created the Pasar.id site where buyers and sellers can interact in the digital market through market managers.

10 REDUCED INEQUALITIES



Subsidized Micro Credit (KUR Mikro) has created new jobs for start-up micro entrepreneurs.

Rp 47.3 Billion

The Social Assistance Program for Persons with Disabilities (Asistensi Sosial Penyandang Disabilitas - ASPD) has reached 2,300 beneficiaries with a nominal value of Rp. 47,3 billion.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION



BRI implements various digital initiatives, such as the BRISMART Digital Learning System and the BRISPOT Digital Loan System that have helped reduce GHG emissions by reducing business travel.

Review the policy of PPK Bisnis Korporasi by including environmental analyses in the borrower's due diligence review.

Identify developers and BRIGuna agencies that meet sustainable financial requirements.

SOCIAL



5 GENDER EQUALITY



BRI has distributed Subsidized Ultra Micro Credit (KUR Super Mikro) which prioritizes housewives who wish to be economically productive.

BRI implements labor rights in accordance with local labor laws and continuously monitors labor issues such as child labor, forced labor, freedom of association, discrimination and gender equality etc.

1 NO POVERTY



Rp 484.4 Trillion

Lending for Micro, Small, Medium Enterprises or 55.01% of the total credit disbursed during 2020.

573 MSMEs

BRILianpreneur MSME Export which was attended by 573 MSMEs.

Rp 15.1 Trillion

The Family Hope Program (Program Keluarga Harapan - PKH) is distributed to 3.8 million beneficiaries with a nominal value of Rp 15.1 trillion.

Rp 1.5 Trillion

The Covid-19 Cash Social Assistance (Bantuan Sosial Tunai - BST) Program was distributed to 528,000 beneficiaries with a nominal value of IDR 1.5 trillion.

4 QUALITY EDUCATION



The BRI Peduli - Indonesia Cerdas program aims to improve the quality of human resources (through scholarships, improvements in educational infrastructure, etc.)

BRI conducts various training sessions in environmental analysis and sustainable finance (BRIShine) to its employees. It also holds In House Training activities for the RM staff.

Self-learning sustainable finance training is also provided through the BRISMART application.

5,000 Scholarships

Education funding through BRIPeduli are given to 5,000 students in various regions in Indonesia: 2,500 scholarships for primary and middle school students, and 2,500 for high school students/equivalent degrees.

2 ZERO HUNGER



BRI has disbursed loan to key sectors of the economy including Agriculture, Food Processing and Manufacturing.

Rp 14.5 Trillion

The Basic Food Necessities Program was distributed to 7.1 million beneficiaries with a nominal value of IDR 14.5 trillion.

Basic food necessities donations by all regional offices under the BRILIAN Fight Covid program.

3 GOOD HEALTH AND WELL BEING



The BRI Peduli - Healthy Indonesia Program aims to improve the quality of life and the health of the community.

IDR 21.8 billion

Medical equipment assistance with a total value of Rp 21.8 billion, including Personal Protective Equipment (PPE), Medical Masks, Hand Sanitizers, Automatic Extraction Equipment with 96 Magnapure Specifications, 1,152 Samples / 24 Hours, Cyler Light Detection Equipment 480,576 Samples / 24 Hours (Can be HIV, Hepatitis A, Hepatitis B), Hepafilter and Mobile PCR.

IDR 30.73 billion

Medicines and immunity-enhancing supplements with a total value of Rp 30.73 billion.

BRI distributes non-medical facilities and equipment such as hand wash basins, transport vehicles, freezers and coolers, pallets, dispensers, water bottles, and cleaning tools.

BRI initiated a blood plasma donor program that was carried out by BRI staff who had recovered from Covid-19.



7 AFFORDABLE AND CLEAN ENERGY



BRI has disbursed loan to fund renewable energy projects.

11 SUSTAINABLE CITIES AND COMMUNITIES



BRI Sustainability Bonds have provided access to affordable housing, funded the Jakarta Light Rail Transit (LRT) and the Green Building Project.

BRI carries out community empowerment activities such as education and training activities on green businesses.

16 PEACE, JUSTICE AND STRONG INSTITUTIONS



BRI has an internal financial fraud prevention policy as well as a human rights policy. Every year, all employees need to complete e-training to prevent bribery, corruption, etc.

BRI has conducted policy and implementation audits of sustainable products / activities at BRI work units from the business and operational side. [FS 9]

● ENVIRONMENT



13 CLIMATE ACTION



BRI requires all borrowers that are CPO producers to have ISPO and / or RSPO certification.

Calculation of BRI's greenhouse gas (GHG) emissions and the emission baseline determination.

14 LIFE BELOW WATER



The BRI Peduli - Indonesia Lestari aims to support marine sustainability (such as planting mangrove seeds, etc).

6 CLEAN WATER AND SANITATION



Disbursing loans to fund sustainable water and wastewater management projects.

Provided sanitary equipment like hand washing sinks, road signposts, sanitation and other infrastructure.

To accelerate river revitalization in a number of areas. BRI's Corporate Social Responsibility (CSR) program "Clean the River" carried out in 19 rivers, at 19 BRI Regional Offices throughout Indonesia.

15 LIFE ON LAND



A social media campaign to reduce plastic consumption at office areas.

Re-engineering the credit card application process to make it paperless by moving it entirely online.

Environmental, Social and Governance Awards

As a responsible institution, BRI continues its efforts towards environment, social and governance (ESG) goals, while picking up several recognitions on ESG implementations and Sustainable Finance along the way.

<p>Best Issuer For Sustainable Finance 16 January 2020 The Asset Hongkong</p>	<p>Best Sustainability Bond 16 January 2020 The Asset Hongkong</p>	<p>Indonesia Digital Innovation Brand 2020 12 February 2020 Warta Ekonomi Jakarta</p>
<p>Innovative Company For Embracing Startup Collaboration For Digital Ecosystem 16 January 2020 Digital Innovation Award 2020 Jakarta</p>	<p>Satisfaction Loyalty Engagement Awards- The Best Pelayanan dan Keamanan Perbankan 20 February 2020 Infobank Jakarta</p>	<p>HR Excellence Award 2020 - The Best HR Technology 4 June 2020 Majalah SWA Jakarta</p>
<p>TOP CSR Awards 2020 - Best CSR 21 June 2020 TOP Business Jakarta</p>	<p>SOE with the Best Implementation of GCG 09 July 2020 BUMN TRACK Jakarta</p>	<p>Top 1000 World Banks: BRI ranked 1st in Indonesia 30 July 2020 The Banker</p>
<p>Innovation in Digital Economy Ecosystem for MSMEs 27 August 2020 Anugerah Gatra Jakarta</p>	<p>Best in Internal Category with BRI BRAIN Innovation 2 September 2020 IDX Channel Anugerah Inovasi Indonesia Jakarta</p>	<p>Best ESG Disclosure among Banking Sector Issuers 17 November 2020 Beritasatu Jakarta</p>
<p>Best Banking ESG Disclosure among Buku IV Category 17 November 2020 Beritasatu Jakarta</p>	<p>The Best SOE Bank ESG Disclosure 17 November 2020 Beritasatu Jakarta</p>	<p>Best MSME-supporting Bank (among Buku 3 & 4 Banks) 3 December 2020 Bank Indonesia Jakarta</p>
<p>Best Cash Custodian Management Bank in Frontier, Outermost, and Remote (3T) Areas 3 December 2020 Bank Indonesia Jakarta</p>	<p>Forbes Best of The Best 50 High Performing Public Listed Company 5 December 2020 Forbes Indonesia Jakarta</p>	



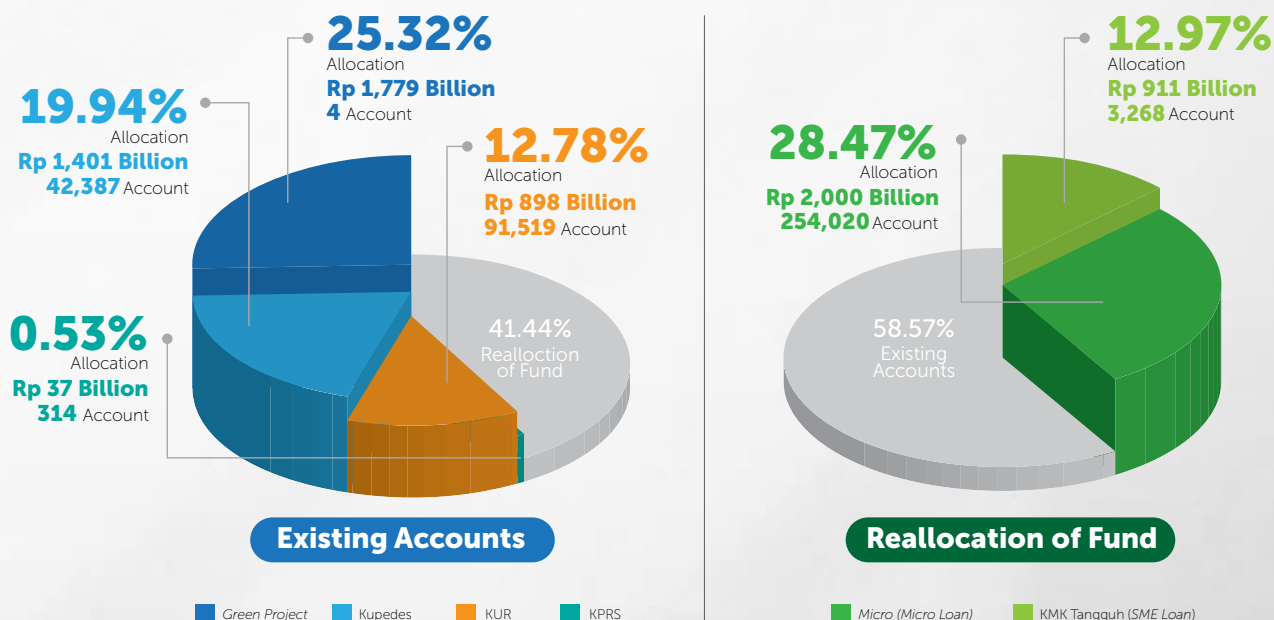
Award	Date	Awarding Body	Place
January			
BUMN Performance Excellence Award 2020	January 2020	BPEA	Jakarta
March			
Industry Leader	04 March 2020	State Owned Enterprises Performance Excellence (KPKU)	Jakarta
April			
The 5th PR Indonesia Awards (PRIA) 2020 - The Best Owned Media	2 April 2020	PR Indonesia	Semarang
The 5th PR Indonesia Awards (PRIA) 2020 - The Best Kanal Digital	2 April 2020	PR Indonesia	Semarang
The 5th PR Indonesia Awards (PRIA) 2020 - The Best Human Resource Governance	2 April 2020	PR Indonesia	Semarang
TOP Corporate Performance In Banking Industry	29 April 2020	ITECH/BPPT	Jakarta
May			
This Acknowledgement Is Proudly Presented By Iconomics For The Excellence In Corporate Public Relations	14 May 2020	Indonesia Corporate Branding PR Award 2020	Jakarta
Iconomics Corporate Branding PR Award 2020 - Corporate Branding PR Kategori Perbankan	14 May 2020	Iconomics	Jakarta
Bank with the Most Valuable Brand in Indonesia	25 May 2020	Brand Finance	Jakarta
June			
No 2 Most Valuable Indonesian Brand 2020 With A Brand Value Of US\$3,531 and AAA Rating	06 June 2020	SWA	Jakarta
Customer Journey Reimagination 2020 : Think About Unbundling The Value Chain (Ceria)	23 June 2020	Infosys Finacle	Jakarta
July			
The Best CEO Visioner	09 July 2020	BUMN TRACK	Jakarta
The Best CEO Talent Development	09 July 2020	BUMN TRACK	Jakarta
Best Development Strategy	09 July 2020	BUMN TRACK	Jakarta
SOE with the Best Organizational Transformation	09 July 2020	BUMN TRACK	Jakarta
SOE with the Best HR Development	09 July 2020	BUMN TRACK	Jakarta
The Best Overall BUMN (BUMN Terbaik)	09 July 2020	BUMN TRACK	Jakarta
Top 1000 World Banks: BRI ranked 112th in the global ranking (Highest in Indonesia)	30 July 2020	The Banker	-
August			
Best of the Best Companies 2020 (Rank: 19th)	August 2020	Forbes Magazine Indonesia	Indonesia
1st Indonesia's Largest Public Company	August 2020	Forbes Magazine	Asia
Global 2000 : The World's Largest Public Companies (Rank: 347th, Highest in Indonesia)	August 2020	Forbes Magazine	Asia
The Best Retail Banking in Indonesia	25 August 2020	The Asian Banker	Singapura
Best Bank Awards 2020: Banks With Core Capital of at least Rp 30 Trillion	25 August 2020	Investor Awards	Jakarta
Best Bank Awards 2020: National Bank With Core Capital of at least Rp 30 Trillion with the Largest Share of MSME Credit (Special Award)	25 August 2020	Investor Awards	Jakarta
Best Bank Award 2020: 50 Best Bank 2020 (Rank: 1st)	25 August 2020	Investor Awards	Jakarta
September			
Most Innovative CEO	2 September 2020	IDX Channel Anugerah Inovasi Indonesia	Jakarta
Most Popular Leader in Social Media 2020	9 September 2020	Jambore PR Indonesia	Jakarta
October			
Best Bank for SMEs	October 2020	Asiamoney Best Bank Awards	-
Best Bank for CSR	October 2020	Asiamoney Best Bank Awards	-
November			
BUMN Branding & Marketing Award 2020: Best Brand Award	5 November 2020	BUMN TRACK	Jakarta
BUMN Branding & Marketing Award 2020: Best Corporate Award	5 November 2020	BUMN TRACK	Jakarta
BUMN Branding & Marketing Award 2020: Best Overall Award	5 November 2020	BUMN TRACK	Jakarta
Indonesia Financial Awards 2020: Social Economy Contribution	12 November 2020	Iconomics	Jakarta
Environmental Disclosure (E): The Best Issuer in the Banking Sector	17 November 2020	Beritasatu	Jakarta
Social Disclosure (S): The Best Issuer in the Banking Sector	17 November 2020	Beritasatu	Jakarta
Governance Disclosure (G): The Best Issuer in the Banking Sector	17 November 2020	Beritasatu	Jakarta
Environmental Disclosure (E): The Best Buku IV Category Bank	17 November 2020	Beritasatu	Jakarta
Social Disclosure (S): The Best Buku IV Category Bank	17 November 2020	Beritasatu	Jakarta
Governance Disclosure (G): The Best Buku IV Category Bank	17 November 2020	Beritasatu	Jakarta
Governance Disclosure (G): The Best SOE	17 November 2020	Beritasatu	Jakarta
Environmental Disclosure (E): The Best State-Owned Bank	17 November 2020	Beritasatu	Jakarta
Social Disclosure (S): The Best State-Owned Bank	17 November 2020	Beritasatu	Jakarta
Governance Disclosure (G): The Best State-Owned Bank	17 November 2020	Beritasatu	Jakarta
LQ45 - ESG Issuer	17 November 2020	Beritasatu	Jakarta
People of The Year 2020: Best CEO of The Year 2020	18 November 2020	MetroTV	Jakarta
TOP BUMN 2020: Best CEO BUMN 2020	30 November 2020	Bisnis Indonesia	Jakarta



Award	Date	Awarding Body	Place
TOP BUMN 2020: The Most Resilient BUMN 2020	30 November 2020	Bisnis Indonesia	Jakarta
TOP BUMN 2020: Best CFO BUMN 2020	30 November 2020	Bisnis Indonesia	Jakarta
December			
Forbes Golden Award	5 December 2020	Forbes Indonesia	Jakarta
Indonesia Best CFO 2020 (Silver)	10 December 2020	Majalah Swa	Jakarta
Top 20 Financial Institution: Best CFO	10 December 2020	The Finance Infobank	Jakarta
CNBC Indonesia: The Best CEO in Banking Transformation	10 December 2020	CNBC Indonesia	Jakarta
Best SOE 2020	17 December 2020	Beritasatu	Jakarta
Best Indonesian Figure in Finance 2020 (Mr. Sunarso)	17 December 2020	Beritasatu	Jakarta
2nd The Best - Indonesia Operational Excellence (Platinum Award. Score A)	18 December 2020	Economic	Jakarta
Indonesia Most Amired CEO 2020 - Outstanding Leadership in Encouraging Organizational Transformation for Best Banking Services	18 December 2020	Warta Ekonomi	Jakarta

Sustainability Bond BRI

The issuance of the first Sustainability Bond in Indonesia in 2019 is an embodiment of BRI's commitment towards a sustainable business. The issuance of bonds with environmental and social aspects worth US \$ 500 million or Rp 7,025 billion is the first among state-owned companies and financial institutions not just in Indonesia, but in Southeast Asia. BRI Sustainability Bond have also satisfied the ASEAN Sustainability Bond Standard. At the time of its issuance, BRI's Sustainability Bond was also listed as the largest Sustainability Bond offering in Southeast Asia. The following are the allocations for the 2020 period:



BRI reallocated several accounts that had been reported in the previous financial period as loans that had been paid off. The funds were then reallocated to projects that could contribute to the National Economic Recovery as a result of the Covid -19 pandemic.





MESSAGE FROM THE PRESIDENT COMMISSIONER

[GRI 102-14] [GRI 102-15] [POJK51-4.b]

“ Digital transformation makes it easier to boost financial inclusion and literacy at all levels of society including those in remote areas so as to support the achievement of the Sustainable Development Goals ”

Assalamualaikum Wr. Wb.

Respected shareholders and stakeholders,

Let us express gratitude for the grace of the God Almighty because in the midst of global economic uncertainty and the Covid-19 Pandemic that has hit all parts of the world, PT Bank Rakyat Indonesia (Persero) Tbk - hereinafter referred to as “the Company or BRI” - can continue to provide the best services and digital-based solutions by adopting the principles of sustainable finance. The Company also calls for commitment and continues its efforts to support the Sustainable Development Goals (SDGs) and the Paris Agreement which have been agreed upon by the international community, Indonesia included, in order to achieve a sustainable business environment.

Global environmental risks have called upon the banking industry, including BRI, to heighten the implementation of the principles of Sustainable Finance as a form of environmental sustainability. In line with the development of technological innovations, the Company has implemented the principles of Sustainable Finance by ensuring reliable and secure technology and channeling financing with an environmental, social and governance (ESG) perspective. This commitment is in line with BRI’s support for the achievement of the Indonesian Government’s Four Pillars of Sustainable Development principles.

Overall, the four pillars of the Indonesian ESG proclaimed by the Ministry of National Development Planning or the National Development Planning Agency (Bappenas) have been implemented by the Company. This pillar is the basis for Indonesia to invite all stakeholders and the business world to work together to achieve sustainable business.

The implementation carried out by BRI includes the Social Development Pillar to improve the quality of life and health of the community, especially reaching and empowering people living in remote areas; the Economic Development Pillar by improving



welfare and financial literacy of the community; the Environmental Development Pillar by implementing business activities and financing that help environmental sustainability and reduce the impact of climate change; and the Pillar of Legal Development and Governance by implementing and auditing policies and their implementation so as to create good corporate governance in accordance with applicable regulations.

The Board of Commissioners considers that the Company's positive achievements cannot be separated from sound fundamentals and the implementation of strategic initiatives to support SDG-oriented targets continuously being implemented by the Company's Management.

RESPONDING TO SUSTAINABILITY CHALLENGES

The implementation of sustainable finance within BRI covers several fronts, such as assets, liabilities, operations and human resources which are already generally well implemented by the Company. BRI's assets in 2020 (bank only) increased by 5.9% (YoY). Micro credits constituted 40% of its total loans portfolio, thus playing an important role in

the development of small businesses. In terms of liabilities, the Company has Simpedes Products that have been marketed at more than 5,000 BRI Units spread throughout Indonesia, including in less developed areas, in order to stimulate development which is one of the focuses of the SDGs.

The impacts of climate change have affected future sustainability. BRI responds positively to the challenges of sustainability and expresses support to participate in reducing the negative impacts of climate change through ESG-based financing policies and its distribution, including financing in the renewable energy sector of Rp. 14.6 trillion, environmentally-friendly transportation of Rp. 15.5 trillion, eco-efficient products of Rp. 7.7 trillion as well as other environmentally friendly financings.

The Company realizes the importance of implementing Sustainable Finance to remain competitive in the banking industry which is already rapidly changing. In the era of the Covid-19 pandemic, the digitization carried out by the Company was the answer to customer needs to make banking and financing easier for them. The company has established a digital ecosystem platform for various services to customers and operational activities



that can be carried out by employees, such as a digital learning system that allows BRI employees to carry out e-learning, namely BRISMART, a digital credit system that reduces the need for BRISPOT paper, online wet market platform, BRISmart Billing, Mobile Banking and the BRIMO Super App which helps reduce Greenhouse Gas (GHG) emissions. The Company has estimated an achievement in reducing GHG emissions in 2020 compared to the previous year. The number of emissions per worker was 4,765.52 Kg CO₂ eq / worker or a decline of 11.8% from the previous year.

BRI continues to take new sustainable business opportunities that are in line with the financial inclusion and financial literacy programs by strengthening the ranks of the BRILink agents to 504,233 personnel who are spread throughout the archipelago. BRILink agents provide a strong contribution to the Company's fee-based income amounting to Rp 1.16 trillion in 2020, an increase of 47% (YoY).

In order to help achieve the 3rd SDG for a Healthy and Prosperous Life, the Company has created an annual blood donation program that has been running for more than 30 years. This collaborative program with PMI is implemented 4 times a year with a total of more than 3,000 donors per year. The Covid-19 pandemic has not dampened the Company's enthusiasm to continue improving the quality of public health by distributing non-medical facilities and equipment as well as implementing a blood plasma donor program donated from employees who have recovered from Covid-19 as an alternative treatment for Covid-19 sufferers.

In carrying out its role as the government's main partner, BRI helps with the successful distribution of aid to remote areas and the financial rescue of Micro, Small and Medium Enterprises (MSMEs) affected by the Covid-19 pandemic. In 2020, the Company has disbursed Micro Business Credit (KUR) to more than

7.5 million debtors with a total loan disbursement for the micro segment (Kupedes, Kupedes Rakyat and KUR Mikro) of Rp 351.3 trillion. The MSME segment is the backbone of the Indonesian economy and thus the loan disbursement carried out by the Company is in line with the Sustainable Finance Goals by empowering MSMEs in order to fight poverty and boost economic growth. In the corporate segment, the Company channels funding based on green funding criteria to sustainable business activities.

Sustainable business has an important meaning to BRI, which is inseparable from business continuity (going concern) while maintaining environmental sustainability. In implementing Sustainable Finance, the company has various challenges such as policies, mindset and habits, business-as-usual perspective, and differences in perceptions of various sustainability concepts. However, it has spurred the Company to innovate more by implementing sustainable values. With the support from stakeholders and various parties, the Company continues to align business sustainability with economic, environmental and social considerations.

In the process of greater implementation, the Company will continue to comply with regulations, apply the value of sustainability and principles of prudence and increase the awareness of Sustainable finance. In addition, BRI also conducts education and training to various stakeholders to improve their understanding of the concepts of Sustainable Finance and sustainability governance. This is a journey towards achieving a sustainable business.

The board of commissioners believes that the Company can continue to implement the SDGs in step with the company's plans in becoming "The Most Valuable Banking Group in South East Asia and Champion of Financial Inclusion" in 2025 through micro and ultra micro credit financing that can help improve the economy as well as financial literacy.



STEPS TOWARDS SUSTAINABLE BUSINESS

In the process of achieving the performance target of implementing sustainable finance, there are several main aspects in the BRI Sustainable Finance Action Plan (RAKB) that point towards the economic, environmental, social and governance pillars. The Company pursues the strategy of mapping environmental risks by green funding merchants with environmentally friendly products, and implementing credit policies and procedures that are in line with sustainable finance. In the coming year, BRI is committed to realizing ESG aspects as a Key Performance Indicator for relevant work units in order to bring along employees towards a sustainable business endeavor.

As the chairman of the Indonesian Sustainable Finance Initiative (IKBI) which aims to support the government's efforts to achieve the SDGs, BRI will continue to encourage its customers to implement sustainable practice transformation. In line with the BRI Group's goal of providing integrated financial solutions with its subsidiaries, the Company

contributes to the welfare of the community through its integrated products and services.

BRI's widespread network and the digital transformation, which well underway, makes it easier for various levels of society to gain access to finance and equitable development. The company will provide a remote area communication network (blank spot) and the distribution of social assistance and / or government programs through BRILink agents that are spread throughout Indonesia. Other BRI strategies campaign for efficient and environmentally friendly operational activities as well as boosting BRI employees' competence by providing education and training and empowering the community to create awareness about Sustainable Finance. Training adjustments to the e-learning method have been implemented to minimize the spread of the virus and support the goals of a healthier Indonesia. In line with advancing employee competency and performance, BRI will be well-placed to provide superior services for the betterment of customers and various stakeholders.

Beyond service quality, the Company is also



committed to developing sustainable products using technology, as well as improving the implementation of good corporate governance. The Company believes that the combination of actions and policies will continuously make BRI an even more sustainable bank. In the midst of a pandemic, the Company needs the support and cooperation of all stakeholders to be able to realize this commitment; it is optimistic that it can achieve it

MESSAGE OF GRATITUDE AND APPRECIATION

Dear cherished stakeholders. On behalf of the Company, we would like to thank all parties for supporting BRI's sustainability efforts. The collective hard work has been recognized by various parties and has confirmed BRI's role as a leading financial services institution in realizing sustainability. We have received various awards including "The Most Resilient SOE 2020", "The Best Bank for Micro,

Small and Medium Enterprises (MSMEs) 2020" and "2020 Best Environmental, Social and Corporate Governance for Issuers in the Banking Sector".

We appreciate the commitment of the Board of Directors and all BRILiaN personnel who are able to carry out their duties so that BRI's implementation of Sustainable Financial Action is attained according to the set targets. We also express our gratitude to all stakeholders for their faith and support for the Company. Going forward, the Company will continue to face dynamic changes in sustainable banking with ever-growing optimism.

The Board of Commissioners hopes that BRI can achieve an even better sustainability success in 2021 through all parties' support and hard work. We firmly believe that the achievement of sustainability can continue to improve with time.

Thank you.

Wassalamualaikum Wr. Wb.

Jakarta, March 2021

On behalf of the Board of Commissioners


Kartika Wirjoatmodjo
President Commissioner





MESSAGE FROM PRESIDENT DIRECTOR

[GRI 102-14] [GRI 102-15] [POJK51-4.b] [POJK51-4.c]

“Climate Change Resilience is One of BRI’s Priorities along with the Integration of Environmental, Social, Governance and Economic Aspects”

Assalamualaikum Wr. Wb.

Respected stakeholders,

We give thanks to the grace of the Almighty God that has helped BRI overcome the economic challenges of 2020. It is undeniable that 2020 is the year when almost all stakeholders face some form of hardship during the pandemic, which has affected the three pillars of sustainability, namely Planet, People and Profit (3P). The impact on humans and the environment is felt by many parties. For this reason, BRI continuously supports the commitment to sustainable performance including the implementation of sustainable finance in accordance with the Financial Services Authority (OJK) Regulation No. 51 / POJK.03 / 2017 dated 17 July 2017 pertaining to the Implementation of Sustainable Finance for Financial Service Institutions (LJK), Issuers and Public Companies.

In the near future when the economic condition is predicted to become more dynamic. In response, BRI is strengthening its performance base by implementing sustainable finance principles. As one of the “First Mover on Sustainable Finance”, BRI has begun to gradually implement a sustainability strategy that is expected to have a positive impact in accelerating the implementation of sustainable finance in Indonesia; BRI will focus on bringing integrated financial solutions to the public.

BRI’s sustainability strategy focuses on three areas: assets, liabilities as well as operations and human resources. These three fronts have shown brilliant performance throughout 2020. With the support of this sustainability strategy, BRI was able to channel loans amounting to IDR 880,675 trillion or a growth of 2.5%. The quality of productive assets was kept, as can be seen from a net Non Performing Loan (NPL) of 0.8% and a gross NPL of 2.94%.

BRI'S CONTRIBUTION TOWARDS SUSTAINABLE DEVELOPMENT OBJECTIVES

The pandemic has hit most sectors in the economy including the Micro, Small and Medium Enterprises (MSMEs). People's Business Credit (KUR), especially KUR Super Micro, is one solution to maintain MSMEs' business viability and encourage economic conditions amid a pandemic. In 2020, BRI has distributed KUR Super Micro with a maximum credit limit of Rp. 10 million and a government subsidy scheme, thus helping customers, especially ultra-micro entrepreneurs, to run their business in the midst of a pandemic. The distribution of KUR is in line with BRI's sustainability strategy which is oriented towards achieving the Sustainable Development Goals (SDGs), particularly the first goal of reducing poverty levels through empowering MSMEs to stimulate economic growth.

Since the beginning of the crisis caused by the Covid-19 Pandemic, BRI has focused on saving MSME businesses by restructuring through various schemes that adjust to the condition of each MSME customer. MSMEs are one of the sectors most affected by the pandemic, and the revival of MSMEs, which are one of BRI's biggest stakeholders, is our concern and focus going forward.

In line with the Government's efforts to maintain and increase people's purchasing power through stimulus, BRI has responded by promoting the effectiveness and efficiency of stimulus distribution (business follows stimulus). The government also supports banks to continue channeling credit in the midst of a pandemic with the government guarantee scheme, which BRI distributes in the form of KMK Tangguh. It is hoped that the recovery in people's purchasing power, supported by government stimuli, will revive the wheels of the economy.

BRI also strives to nurture MSMEs through the

BRILLIAN PRENEUR MSME EXPO(RT) event. This event was held to encourage MSMEs to target the international market. The MSME coaching clinic, workshops, business matching, talk shows and the 2020 MSME Awards are a series of activities that are expected to awaken Indonesian MSME sector through direct connection with potential customers in various countries.

In line with the transformation trends, BRI continues to digitize products and services to respond to customer needs in banking and non-banking transactions. Financial products and services are integrated with various financial ecosystems that support people's basic needs and according to their lifestyle. BRI also invites start-up companies from various industries to work together in bringing integrated financial service products through an annual event with the theme "Business Collaboration in Achieve Financial Integration".

This year, BRI has also enhanced its strategy to achieve the Sustainable Development Goals by calculating greenhouse gas emissions annually and implementing various efforts to reduce emissions.

TAKING FORWARD STEPS TOWARD SUSTAINABILITY

Entering the era of banking digitization, BRI continues to innovate through its products and services. After launching the BRIsat satellite, it is now easier for BRI to provide banking services to all levels of society, including those in remote areas such as mountainous, coastal and outermost islands. Through BRIsat, BRI is able to increase financial inclusion and literacy ("reach the unreachable").

BRI already has a digital strategy that is also customer-centric. BRI develops Big Data and Analytic capabilities to make it able to offer products and services to customers according to their profile and characteristics. In addition, BRI is also upgrading



the supporting infrastructure for digital banking. BRI is exploring opportunities to collaborate with the fintech sector and raise human resource capabilities to fully realize the digital banking era. This strategy aims to accelerate BRI's digital transformation.

BRI's main strategies for 2020 include the integration of financial solutions. BRI will focus on maintaining market share in the micro segment, increasing market share in the small and medium business segment, followed by improvements in banking operations. From the supporting side, BRI will strengthen the use of digitization and the launch of IT-based banking products and services.

BRI products and services in the digitization sector are increasingly diversified, and this has contributed positively to emission saving. In order to realize the Sustainable Finance Action Plan (RAKB), BRI also increases its role and contribution in financial literacy and inclusion in the country. BRI encourages non-cash transactions in the Cashless Society through

the development of an e-channel network so as to improve the society's understanding of non-cash transactions. Along with the development of Information Technology, BRI is targeting opportunities from the development of the internet and digital economy in Indonesia and Southeast Asia by developing financial technology (fintech) and e-commerce platforms. All of these IT-based initiatives help reduce paper usage.

In general, BRI has made internal efforts to safeguard the environment, control emissions and manage energy in line with the Indonesian Government's commitment in the Conference of Parties (COP) agreement to reduce emissions. BRI continues its efforts to reduce national greenhouse gas (GHG) emissions in accordance with Law Number 16 of 2016 concerning the Paris Agreement, namely reducing emissions by 29% through Indonesia's own efforts and 41% with international assistance by 2030. BRI's direct contribution is by providing financing to the environmentally friendly sector, comply with



environmental regulations, improve environmental performance, implement greenhouse gas calculations, and implement company greenhouse gas reduction initiatives, BRI experienced a reduction in greenhouse gas emissions by 8.7% compared to 2019.

With continuous commitment, BRI believes that the reduction of internal and national emissions will help towards climate change mitigation and the achievement of the 13th Global Development Goals (SDGs) on Addressing Climate Change.

This implemented strategy will certainly reap even better results next year. This optimism is built with a strong commitment to maintaining the integration of environmental, social and governance aspects in business activities to face the increasingly complex challenges of the banking world. Change is perpetual and BRI must always be ready to adapt. Change is the “DNA” of BRI, allowing it to “Serve

Sincerely” for more than a century. For this reason, BRI continues to transform from good to great. We call this movement “BRIvolution”.

TOGETHER TOWARDS THE INTEGRATION OF FINANCIAL SOLUTIONS

As one of the largest state-owned banks, BRI provides banking solutions through integrated products and services supported by digital technology to meet the needs of all customer segments. From the service side, BRI serves individual and institutional customers in the domestic to international markets. Integrated BRI products and services are in line with government programs to increase financial literacy and equitable development.

BRI is continuously expanding integrated financial access to meet the financial needs of the community across the country, both through conventional and



non-conventional networks. BRI is the first bank to introduce banking technology in rural areas.



BRI reaches out to the unreached and serves the unserved with its work units that have reached the remotest corners of the country. BRI has become a pioneer as a guardian of Rupiah sovereignty by serving people in the underdeveloped, frontier, and outermost areas and providing financial access to fishermen in coastal areas.

Dear stakeholders, on behalf of BRI, we would

like to thank everyone for their support for BRI's sustainability efforts. The collective hard work has been recognized by various parties and has confirmed BRI's role as a leading financial services institution in realizing sustainability. We hope that BRI will achieve even higher sustainability goals in 2021 through the support and hard work of all parties. We firmly believe that our sustainability performance can continue to rise with time. Let us work and strive together in navigating through dynamic environmental, social and governance issues to create a sustainable future.

Wassalamualaikum Wr. Wb.

Jakarta, March 2021



Sunarso

President Director

Board of Commissioners' Approval Sheet for the 2020 Sustainability Report [GRI 102-32]

We, the undersigned, declare that all information in the sustainability report of PT Bank Rakyat Indonesia (Persero) Tbk for 2020 has been presented in accordance with POJK 51 / POJK.03 / 2017 and we are responsible for the accuracy of the contents of the report.

Thus this agreement sheet was published in good faith.

BOARD OF COMMISSIONERS

Kartika Wirjoatmodjo
President Commissioner / Commissioner

Ari Kuncoro
Vice President Commissioner / Independent Commissioner

Rofikoh Rokhim
Independent Commissioner

Hendrikus Ivo
Independent Commissioner

R. Widyo Pramono
Independent Commissioner

Dwi Ria Latifa
Independent Commissioner

Zulnahr Usman
Independent Commissioner

Nicolaus Teguh Budi Harjanto
Commissioner

Hadiyanto
Commissioner

Rabin Indrajad Hattari
Commissioner



Directors' Approval Sheet for the 2020 Sustainability Report [GRI 102-32]

We, the undersigned, declare that all information in the sustainability report of PT Bank Rakyat Indonesia (Persero) Tbk for 2020 has been presented in accordance with POJK 51 / POJK.03 / 2017 and we are responsible for the accuracy of the contents of the report.

Thus this agreement sheet was published in good faith.

DIRECTORS

Sunarso
President Director

Catur Budi Harto
Vice President Director

Supari
Director of Micro Business

Agus Noorsanto
Director of Institution & SOE

Handayani
Director of Consumer

Amam Sukriyanto*
Director of Small and Medium Business

Indra Utoyo
Director of Digital and Information Technology

Agus Sudiarto
Director of Risk Management

Viviana Dyah Ayu Retno K.*
Director of Finance

Ahmad Solichin Lutfiyanto*
Director of Compliance

Arga M. Nugraha*
Director of Network and Services

Agus Winardono*
Director of Human Capital

*) They can only perform their duties after receiving the Fit & Proper Test clearance by the Financial Services Authority (OJK)

ABOUT THE SUSTAINABILITY REPORT [GRI 102-40]

The 2020 Sustainability Report was published to convey sustainable finance performance for the period 1 January - 31 December 2020 and as a form of accountability in achieving the Sustainable Finance Action Plan (RAKB) to the stakeholders. The report is published annually and the previous year's report was published on March 31, 2020 and was referred to at the 2020 Annual General Meeting of Shareholders (AGMS). In this sustainability report there is no restatement of the information provided in the previous report. Some of the photos used in the report were produced from company documentation before the time of the pandemic.

[GRI 102-48, 102-50, 102-51, 102-52]

Reporting Benchmark [GRI 102-12, 102-54]



Financial Services Authority Regulation (POJK) Number 51 / POJK.03 / 2017 pertaining to the Implementation of Sustainable Finance for Financial Service Institutions, Issuers and Public Companies



Global Reporting Initiative (GRI) Standards. This report has been prepared in accordance with the GRI Standards: Comprehensive options



Sustainability Accounting Standard Board (SASB)



Task Force on Climate-related Financial Disclosure (TCFD)



Sustainable Banking Assessment (SUSBA)

Report Enquiry [GRI 102-53]

Aestika Oryza Gunanto
Head of the Corporate Secretariat Division
BRI Gedung I

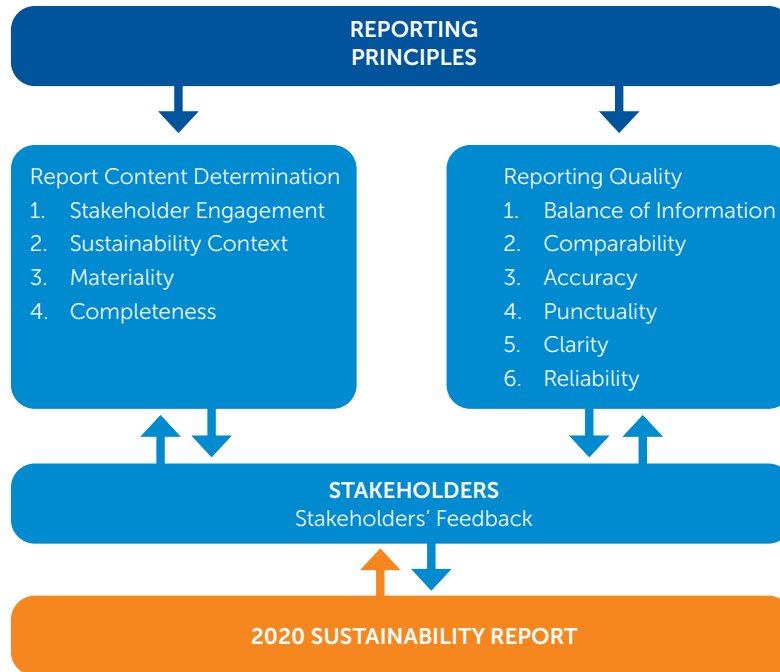
Jl. Jenderal Sudirman No. 44-46 Jakarta
10210, Indonesia
Phone : +6221 575 2452
Fax : +6221 570 0961
Email : humas@BRI.co.id



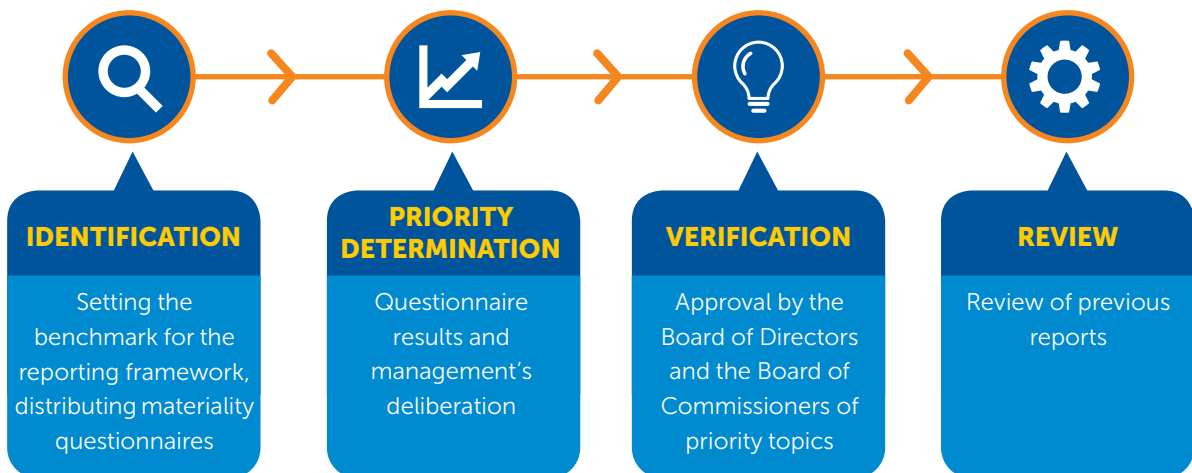


Reporting Principles

The scope of the financial statement information reporting in this report is based on information from BRI work units, including the Overseas Work Unit (Unit Kerja Luar Negeri - UKLN), but does not include subsidiaries. Below is a chart of the principles for reporting BRI's sustainability report: [GRI 102-45, 102-46]



Report Content and Boundaries Determination Process [GRI 102-46]



Determination of Material Topics

Material topics are defined as matters that have a significant impact on the stakeholders' decision-making process. The material topics in this report have several differences from those set out in the preparation of the 2019 Sustainability Report, namely on the topic of emissions and energy. This is based on the consideration of national and international commitments related to climate change which has naturally become the source of BRI's motivation and reference in fighting climate change. This condition has prompted BRI to strive to meet the considerations of a wider range of stakeholders, especially regarding the calculation and reduction of emissions as well as the company's energy use. However, we made adjustments to certain disclosed information in line with the dynamic application of sustainable finance principles. [GRI 102-47, 102-49]

Material Topics and Support to the Sustainable Development Goals





"VERY IMPORTANT" CATEGORY



Sustainable Finance Implementation

- 7 AFFORDABLE AND CLEAN ENERGY
- 10 REDUCED INEQUALITIES
- 13 CLIMATE ACTION



Customer Data Protection

- 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
- 16 PEACE, JUSTICE AND STRONG INSTITUTIONS



Economic Performance and Financial Inclusion

- 8 DECENT WORK AND ECONOMIC GROWTH
- 10 REDUCED INEQUALITIES
- 17 PARTNERSHIPS FOR THE GOALS



Digitization and Greenhouse Gas Emissions

- 6 CLEAN WATER AND SANITATION
- 7 AFFORDABLE AND CLEAN ENERGY
- 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
- 12 RESPONSIBLE CONSUMPTION AND PRODUCTION
- 13 CLIMATE ACTION
- 14 LIFE BELOW WATER
- 15 LIFE ON LAND



Limitation & Impact of Material Topics on Stakeholders



[GRI 102-46] [GRI 102-47]

Environmental Sustainability Aspects		
Material Topic	Important Information	Impacts and Limitations
<p>Greenhouse Gas Emissions</p>	<ol style="list-style-type: none"> Greenhouse Gas Emission Calculation and Comparison. Energy Consumption. Strategies and Targets in Facing Climate Change. 	<p>Within the Company:</p> <ol style="list-style-type: none"> Employees All BRI offices <p>Outside the Company:</p> <ol style="list-style-type: none"> Customers Regulators Investors
<p>Digitization</p>	<ol style="list-style-type: none"> Greenhouse Gas Emission Reduction for every digitized product. Development of Sustainable Products and Services. 	<p>Within the Company:</p> <ol style="list-style-type: none"> Shareholders Employees <p>Outside the Company:</p> <ol style="list-style-type: none"> Customers Regulators Investors

Social Sustainability Aspects		
Material Topic	Important Information	Impacts and Limitations
<p>Labor and Employment</p>	<ol style="list-style-type: none"> Number of employees and rate of turnover. Average hours of training per employee. Employee safety and work adjustments during a pandemic. Diversity and equal opportunity. Raising the level of staff competence in implementing social and environmental policies and procedures at the Company's business activities. 	<p>Within the Company:</p> <ol style="list-style-type: none"> Employees <p>Outside the Company:</p> <ol style="list-style-type: none"> Regulators
<p>Local Communities</p>	<ol style="list-style-type: none"> Improvement of community welfare. Partnership program. Indirect economic impact. 	<p>Within the Company:</p> <ol style="list-style-type: none"> Shareholders <p>Outside the Company:</p> <ol style="list-style-type: none"> Regulators Investors The community
<p>Customer Data Protection</p>	<ol style="list-style-type: none"> Transparency in maintaining customer privacy and security. Strategies in protecting customer information. 	<p>Within the Company:</p> <ol style="list-style-type: none"> Shareholders <p>Outside the Company:</p> <ol style="list-style-type: none"> Investors The community NGOs





Governance Sustainability Aspects

Material Topic	Important Information	Impacts and Limitations
 Anti-corruption	<ol style="list-style-type: none"> 1. Transparency in anti-corruption implementation. 2. Anti-corruption or anti-fraud policies and procedures. 3. Company code of ethics. 	<p>Within the Company:</p> <ol style="list-style-type: none"> 1. Shareholders 2. Employees <p>Outside the Company:</p> <ol style="list-style-type: none"> 1. Regulators 2. Investors 3. Customers 4. Suppliers
 Sustainable Governance	<ol style="list-style-type: none"> 1. Strengthening governance structures. 2. Environmental, Social and Governance (ESG) risks. 	<p>Within the Company:</p> <ol style="list-style-type: none"> 1. Shareholders 2. Employees <p>Outside the Company:</p> <ol style="list-style-type: none"> 1. Regulators 2. Investors 3. Customers 4. Suppliers



Economy Sustainability Aspects

Material Topic	Important Information	Impacts and Limitations
 Sustainable Finance Implementation	<ol style="list-style-type: none"> 1. Policies related to social and environmental components and their application in the Company's business. 	<p>Within the Company:</p> <ol style="list-style-type: none"> 1. Shareholders <p>Outside the Company:</p> <ol style="list-style-type: none"> 1. Customers 2. Regulators 3. Investors
 Economic Performance and Financial Inclusion	<ol style="list-style-type: none"> 1. Added-value Economy and Transparency. 2. Loan Channeling and Environmentally Friendly Business Activities 	<p>Within the Company:</p> <ol style="list-style-type: none"> 1. Shareholders <p>Outside the Company:</p> <ol style="list-style-type: none"> 1. Customers 2. Regulators 3. Investors 4. The community

STAKEHOLDER ENGAGEMENT

[GRI 102-40], [GRI 102-42]

BRI has a variety of stakeholders in its everyday running of the business; these stakeholders are groups or individuals who have a direct or significant impact on BRI’s business activities. BRI seeks to build cooperation and synergy with them given its important and influential role. BRI always strives to maintain intensive level of communication with stakeholders and engage them directly when discussing important BRI matters. Stakeholder engagement is identified through the proximity approach and the magnitude of influence. The determination of topics was based on the results of the management team’s assessments, regulatory compliance and a direct approach to each stakeholder through questionnaires, face-to-face interactions, communication or surveys. [GRI 102-42] [POJK51-5.d.1][POJK51-5.d.2]

Identifying Needs and Approach with Stakeholder

[GRI 102-40, 102-43, 102-44] [POJK51-5.d.1][POJK51-5.d.2]

Customer Stakeholders		
Topics	Engagement Methods and Regularity of Approach [GRI 102-21]	Company’s Response
<ul style="list-style-type: none"> • Protection of customer data and information • Anti-corruption or anti-fraud policies and procedures • Compliance, regulatory and internal control • Risk and corporate culture • Economic performance • Digitization • Product and service requirements 	<ul style="list-style-type: none"> • Socialization and handing out of sustainability report materiality questionnaires once a year. • Customer visits, to be carried out as needed. • Customer events and customer satisfaction surveys, at least once a year. 	<ul style="list-style-type: none"> • Product and service innovation according to the needs and technological developments. • Provision and delivery of information on products and services. • Storage and protection of customer data according to regulations. • Provision of customer complaint services, both manual and digital-based, and a mechanism for resolving them. • Socialization of the implementation of sustainable finance.



Employee Stakeholders

Topics	Engagement Methods and Regularity of Approach <small>[GRI 102-21]</small>	Company's Response
<ul style="list-style-type: none"> • Training, development of competency and career development. • Anti-corruption or anti-fraud policies. • Digitization. • Protection of labor relations. • Welfare and the fulfillment of normative rights. • Economic performance. • Protection of customer data and information. 	<ul style="list-style-type: none"> • Socialization and handing out of the sustainability report materiality questionnaires once a year. • Meetings between management and trade unions, at least once a year. • 'Family gathering' among employees, at least once a year on BRI's anniversary. • Performance improvement forum, at least once a year. • Celebration and observation of religious holidays. 	<ul style="list-style-type: none"> • Formulation of Collective Labor Agreement (Perjanjian Kerja Bersama - PKB). • Organizing training and developing employee capacity, as well as establishing an assessment center. • A conducive and productive work environment. • Periodic employee welfare reviews and surveys.



Investor Stakeholders

Topics	Engagement Methods and Regularity of Approach <small>[GRI 102-21]</small>	Company's Response
<ul style="list-style-type: none"> • Implementation of organizational governance. • Economic performance • Social performance. • Environmental management performance, including energy and emissions. • Performance reporting. • Product portfolio and credit quality. • Sustainable Finance Implementation. • Anti Corruption. • Investment Opportunities. 	<ul style="list-style-type: none"> • Regular meetings, at least once a year. 	<ul style="list-style-type: none"> • Periodic disclosure of BRI's performance. • Direct communication to ensure the delivery of material information. • Holding shareholder general meetings.



Governmental Stakeholders

Topics	Engagement Methods and Regularity of Approach <small>[GRI 102-21]</small>	Company's Response
<ul style="list-style-type: none"> • Compliance with the law. • Commitment to banking regulators / authorities. • Constant communication. • Report that is clear, accurate, comprehensive and timely. • Financial inclusion. • Product portfolio and credit quality. • Implementation of sustainable finance. • Indirect economic impact. • Anti Corruption. 	<ul style="list-style-type: none"> • Meetings with regulators/ authorities, as needed, especially regarding Sustainable Finance. • Involvement in local government activities, as required. 	<ul style="list-style-type: none"> • Adjustment of internal policies and regulations, according to government regulations. • Application of GCG principles in all work units. • Submission of performance reports and implementation of other activities: Sustainable Financial Action Plan Reports, Annual Reports, Sustainability Reports, PKBL Reports, and other reports.



Non-governmental Organization Stakeholders

Topics	Engagement Methods and Regularity of Approach <small>[GRI 102-21]</small>	Company's Response
<ul style="list-style-type: none"> • Commitment to Social and Environmental Responsibility (Tanggung Jawab Sosial dan Lingkungan - TJSL). • Indirect economic impact. • Environmental management performance, including energy, emissions and waste. • Understanding of ESG risks on businesses that receive financing. 	<ul style="list-style-type: none"> • Meetings with NGOs on environmental, social and other topics at least once a month. 	<ul style="list-style-type: none"> • Disclosure of information and performance reports and implementation of other activities: Annual Reports, Sustainability Reports, PKBL Reports, and other reports.



Local Community Stakeholders

Topics	Engagement Methods and Regularity of Approach <small>[GRI 102-21]</small>	Company's Response
<ul style="list-style-type: none"> • Better community welfare. • Access to information and financial education. • Empowerment and improvement of welfare. • Access to education and cultural development. • Provision of infrastructure. • Financial inclusion. 	<ul style="list-style-type: none"> • Socialization and visits to the communities according to their needs. • Implementation of corporate social responsibility (CSR) programs, through the Partnership and Community Development Program (Program Kemitraan dan Bina Lingkungan - PKBL). 	<ul style="list-style-type: none"> • Opportunities to become BRILink Agents. • Partner coaching and mentoring. • Infrastructure development assistance. • Community social assistance (BRI Peduli), covering education, culture, religion, humanity and the environment.



Supplier Stakeholders

Topics	Engagement Methods and Regularity of Approach <small>[GRI 102-21]</small>	Company's Response
<ul style="list-style-type: none"> • A code of conduct in procurement. • Environmental, social and governance risks from supply chain activities. • Anti-corruption or anti-fraud policies. 	<ul style="list-style-type: none"> • Meetings and correspondence with suppliers at least once a month. • Signing an anti-bribery statement for every cooperation agreement. 	<ul style="list-style-type: none"> • Focus group discussions with suppliers on feedback and concerns. • Sustainability reports and adjustments to various reporting frameworks related to environment, social and governance • Socialization relating to company policies such as employment, anti-corruption, environment, etc.

Constraints, Challenges and Opportunities

The main challenge faced in implementing and practicing sustainable financing during 2020 lies in the company's awareness of the importance of environmental and social risk management when providing financing or loans. On the other hand, BRI identifies great opportunities in sustainable financing for businesses and projects that are environmentally and socially sound, along with growing awareness of how to respond to climate change and support efforts to achieve the SDGs. Another opportunity is a wider demand from stakeholders like investors for greater emphasis on environmental, social and corporate governance matters. These opportunities have prompted BRI to start calculating emissions, increase initiatives and practices in dealing with climate change, improve customer service and sustainable financing. BRI will soon have environmental and social targets that will serve as a benchmark for the Company's performance. BRI also observes other challenges, namely the need to increase the understanding and competence of the company's human resources in relation to sustainable finance principles. In 2020 BRI has organized various education / training activities to change the way employees think that banking is not just about business and economics, but also about environmental and social issues. [\[POJK51-5.e\]](#)

Review and Independent Verification

BRI's 2020 Sustainability Report has undergone an assurance process, which is important to improve the credibility and quality of the report. It was carried out by a highly credible independent assurance agency, CBC Global Indonesia, with international certification AA1000AS v3 standard with license number 000-310.

The assurance process begins with verification of a sample of documentary evidence and confirmation with the source involving the Risk Management Function and other related functions. The selection of an external assesor is in accordance with

Company policy which ensures that there is no conflict of interest with any party, which is in line with the Company Service Procurement Policy Decree of the Board of Directors No. KB.01-DIR / MAT / 03/2020 concerning Policies for Fixed Assets and Logistics Management (Catalog). The results of the assurance report are presented on page 212.

[\[GRI 102-55, 102-56\]](#)

This report has been reviewed, approved and signed by the Board of Commissioners and the Board of Directors to ensure that all material topics are covered. The signature is presented on page 44.

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





Sustainability
Report 2020



SUSTAINABLE GOVERNANCE



SUSTAINABLE GOVERNANCE

Strengthening Governance Structure

In the banking world, the implementation of Good Corporate Governance (GCG) is a must in day-to-day operations, both in terms of Governance Structure, Governance Process and Governance Outcome. In addition to protecting the Company from existing risks, the implementation of good governance will also generate more public credibility for BRI.

As the first mover in the implementation of sustainable finance, BRI continues to strengthen its sustainability governance structure under the Director of Risk Management who is responsible for the implementation of sustainable finance. In line with the current changes, BRI has made some adjustments in the implementation of GCG. One of BRI's concerns in the next few years is the

development of digital infrastructure to support the transformation to digital banking and provide excellent customer service. This effort is also a strategic step to encourage BRI to become a leader in the digital banking era in Indonesia and Southeast Asia

The corporate governance structure includes:

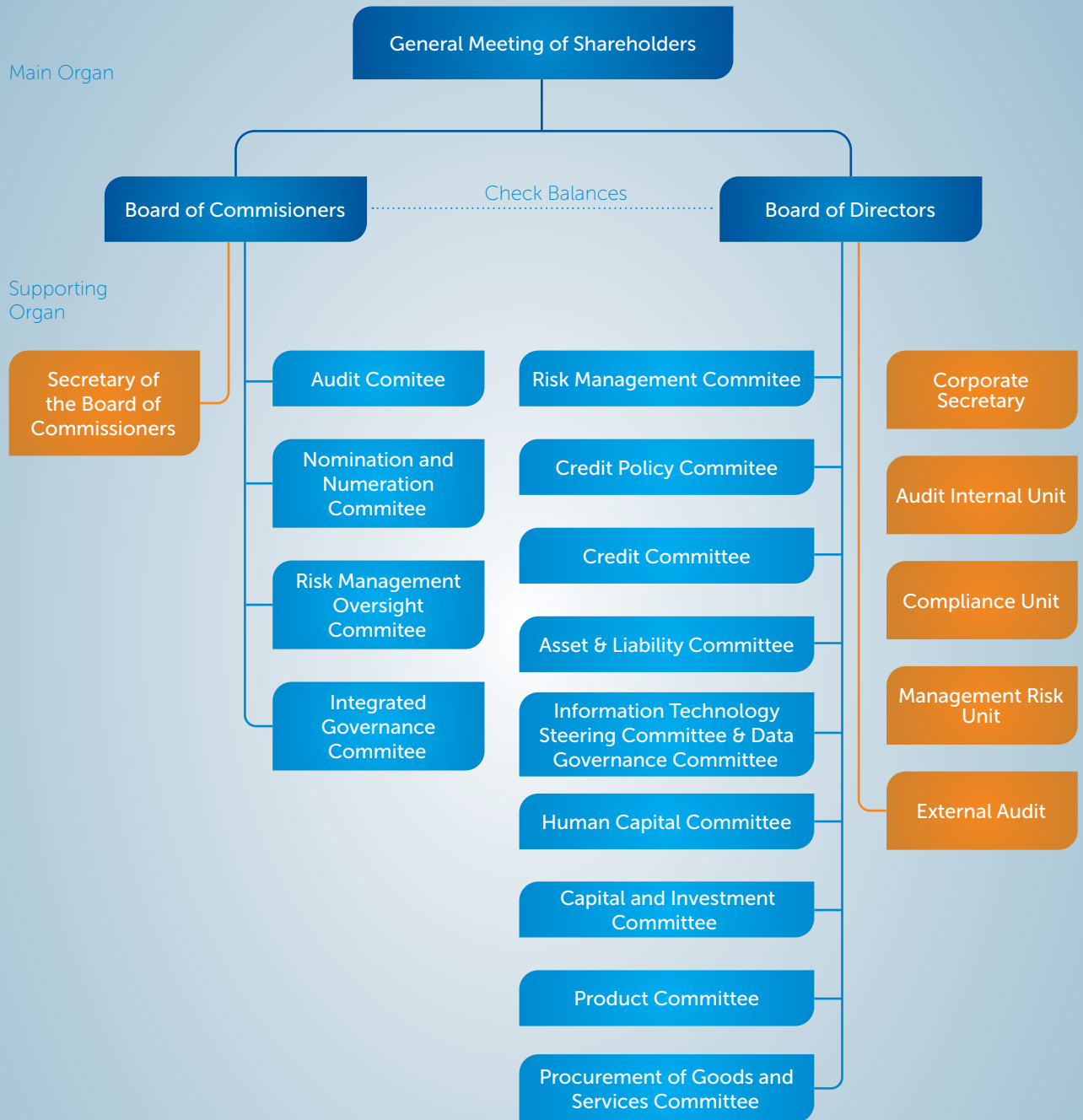
[GRI 102-18]

- a. Main Unit, consisting of the General Meeting of Shareholders (GMS), the Board of Commissioners and the Board of Directors.
- b. Supporting Units, consisting of Committees under the Board of Commissioners, Committees of the Board of Directors, and Work Units that support the implementation of GCG.





Corporate Governance Structure Chart



Delegation of Authority [GRI 102-18, 102-19, 102-20, 102-26]

BRI is committed to delivering comprehensive economic performance as well as environmental and social responsibility, namely the 3P principles (Profit, People, Planet). BRI has appointed a governance committee to discuss economic, environmental, and social matters that are generally under the remit of the Board of Directors and Commissioners and their subordinate units such as the Corporate Secretary Division, Compliance Division, and others which then report directly to the Board of Directors and Commissioners.

Responsibilities associated with economic, environmental and social matters are partially delegated to several senior executives by the respective boards of commissioners and directors in accordance with the committees under them. Furthermore, the units assigned with the responsibilities will report directly to the Board of Commissioners and Directors as well as to the highest governance body. The process of delegation of responsibility is given through a Decree of the Board of Directors.

The authorities in the highest governance structure are as follows : [POJK51-5.a]

1. Board of Commissioners

The duties, responsibilities and authorities of the Board of Commissioners regarding the active supervision of Sustainable Finance are laid out in the Articles of Association of the Bank and other laws and regulations, including the following:

- To provide approval for the sustainable finance policy, which is one of the bank's particular policies.
- To provide approval for the Sustainable Finance Action Plan (RAKB).

- To give approval to the Sustainability Report.
- To supervise the Board of Directors' responsibilities in implementing Sustainable Finance.

2. Board of Directors

The duties, responsibilities and authorities of the Board of Directors regarding the implementation of the Sustainable Finance program are laid out in the Articles of Association of the Bank 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 the RAKB to Shareholders and all levels of organization in the bank.
- To monitor the work units' implementation of sustainable finance policies and procedures which are separate from the work units that supervise their implementation.
- To form a special work unit at the Head Office which is responsible for the implementation of sustainable finance within the bank.
- To oversee the Sustainable Finance implementation compliance.
- To ensure the appointment of officials who are responsible for implementing sustainable finance at their own Business Units and Operational Work Units.
- To oversee sustainable finance policies and procedures in line with changes and development of bank products, services



and technology as well as in accordance with the development of Sustainable Finance.

- To supervise internal capacity building programs related to Sustainable Finance on a regular basis.
- To manage and periodically review the effectiveness of the risk management process, which is the duties, responsibilities and authorities of the Board of Directors to implement sustainable finance..





Stakeholder Consultation [GRI 102-21] [GRI 102-29] [FS12]

In identifying and managing the three sustainability topics, namely economic, social, and environmental, BRI conducts consultations with both internal and external stakeholders. Consultations with external parties are carried out with open discussions at least once a year, by the highest governance body authorized by the Market, Portfolio & Enterprise Risk Management Division by involving rating consultants, the media and Sustainability Report consultants who have competence in determining material topics in all three areas of sustainability. In addition, the consultation process with customers and suppliers is carried out through annual questionnaires on materiality, impact, risk, opportunity and focus of each stakeholder. For internal stakeholders, in addition to discussions between the highest governance bodies or senior management, each level of management can also channel their opinions regarding sustainability topics through questionnaires that are distributed at least once a year and collected and evaluated by the Market, Portfolio & Enterprise Risk Management Division (as authorized by the highest governance

body. Consultations with employees are also carried out through morning briefings in each division, monthly monitoring meetings and annual materiality interviews for reporting purposes. Consultations with Shareholders are carried out regularly every month through performance meetings and GMS, as well as through continuous correspondence. The final result of the consultation between stakeholders and the highest governance body on the three topics above will represent BRI's Assured Sustainability Report.

The role of governance bodies in identifying and managing economic, social and environmental impacts, risks, opportunities and due diligence has been laid out in the Sustainable Finance Action Plan. The role is in charge of the implementation of the sustainable finance program. The sustainable finance program in question is to implement environmentally friendly financial practices by prioritizing financing for environmentally friendly projects. The party in charge of this program consists of several work units:



Relevant Work Units

The work units involved in implementing the Sustainable Finance program are:

a. Risk Management Work Unit

The Sustainable Finance team is under the Risk Management Work Unit, as the main coordinator in implementing Sustainable Finance practices is and responsible for:

- Monitoring the implementation of risk management in Sustainable Finance;
- Coordinating the monitoring of sustainable financial policies.

b. Compliance Work Unit

It is tasked with and is responsible for:

- Ensuring that the policies and procedures, as well as the bank's business activities are in line with the regulatory and statutory provisions relating to Sustainable Finance;
- Ensuring that the implementation of Sustainable Finance runs smoothly at every work unit, both Business Units and Operations Work Units.

c. Internal Audit Work Unit

It is a work unit that reports directly to

the President Director and has a line of communication with the Audit Committee. Internal Audit serves as an independent and objective assurance and consultant by evaluating the adequacy and effectiveness of risk management, internal control and corporate governance processes, with the aim of boosting added value and improving the Bank's operations.

d. Corporate Secretariat

Is a supporting unit that reports to the President Director and plays a role in assisting the Board of Commissioners and Directors in carrying out their respective duties and responsibilities relating to the implementation of corporate governance and as a liaison within the company to internal and external parties including shareholders, regulators and other stakeholders.

e. Investor Relations Division

It plays an active role in managing relations and communication with investors. It also monitors the values of ESG in the eye of the stakeholders.



Composition of the Highest Governing Body and its Committees

[GRI 102-22]

The composition of the BRI governance body follows the policy of diversity. The composition of BRI's Boards of Commissioners and Directors is laid out in the recommendations of the Financial Services Authority as outlined in the Attachment to the Financial Services Authority Circular Letter Number 32 / SEOJK.04 / 2015 pertaining to Guidelines for Governance of Public Companies. It states that diversity is important in the composition of the Boards of Commissioners and Directors. The Board of Commissioners is a representation of the shareholders and has a five-year term. Meanwhile the Board of Directors also has a five-year term that can be terminated at any time based on the resolution of the EGMS. After the term of office has ended, there is no limit to the term of office.

The members of the Board of Commissioners and the Board of Directors come from various educational backgrounds, knowledge, expertise, gender, age and experience as stated in their profiles. They are banking practitioners, scholars/

academics, government officials and those with relevant experience in decision making, policy and regulations, and other corporate experience. The composition of the highest governance body and its committees is presented in the BRI Annual Report 2020 on pages 584 - 599.

All members of BRI's Board of Commissioners do not have personal ties with one another, with members of the Board of Directors, or with Controlling Shareholders as well as business relationships or other relationships that may affect their independence. Likewise, there are no concurrent positions held by each member of the Board of Commissioners and Board of Directors in any company that could lead to direct or indirect conflict of interest. The highest governance unit is the General Meeting of Shareholders. The decision to elect GMS as the highest unit of the governance body shows that the role of stakeholders is paramount in supervising corporate governance. The GMS is not an executive officer in the organization. [GRI 102-23, 102-24, 102-25]





Nominating the Highest Governance Body [GRI 102-24]

The Nomination and Election Process of the Board of Commissioners

Membership in the Board of Commissioners is appointed and terminated at the GMS. Candidates for members of the Board of Commissioners are first selected by the Nomination and Remuneration Committee based on the requirements of the members of the Board of Commissioners in accordance with the Articles of Association and other applicable regulations. Only Series A Shareholders can nominate member candidates of the Board of Commissioners at the GMS. The GMS may appoint the Board of Commissioners and declare it effective after passing the fit and proper test from the OJK in accordance with the applicable regulations. In the event that a candidate for a member of the Board of Commissioners has been appointed by the GMS but has not passed the OJK fit and proper test, that person does not yet have the rights and obligations as a member of the Board of Commissioners.

Diversity, independence and expertise are naturally considered in this nomination process. The Board of Commissioners must not have family relations with members of the Board of Directors and / or one another up to the third degree of association, either directly or indirectly (including ties through marriage). Other qualifications include integrity, dedication, the understanding of the Company's management matters, having adequate knowledge in the banking businesses, and sufficient time resources to carry out their duties. [GRI 102-25]

The criteria and the procedures for appointment and dismissal of the members of the BRI Board of Commissioners are laid out in POJK No. 34 / POJK.04 / 2015 on the Nomination and Remuneration Committee, POJK No. 55 / POJK.03 / 2016 concerning the Implementation of Governance for Commercial Banks, POJK No. 27 / 03.POJK / 2016 concerning Capability and Compliance by Entities to the Financial Services Institutions as well as internal provisions of the BRI Board of Commissioners Decree No.: 07-KOM / BRI / 07/2015 concerning the Nomination Policy for Members of the Boards of Commissioners and Directors. Details on company nomination policies are presented in the BRI 2020 annual report on pages 543-553.

The Nomination and Selection Process of the Board of Directors

The Board of Directors must meet the criteria required by the prevailing laws and regulations of Bank Indonesia, pass the fit and proper test and be domiciled in Indonesia. Members of the Board of Directors are appointed based on the approval deed of the Annual General Meeting of Shareholders on February 18, 2020, and in accordance with the Financial Services Authority Regulation Number 27 / POJK.03 / 2016 concerning the Fit and Proper Test for Main Authority of Financial Services Institutions. Members of the BRI Board of Directors who have passed the fit and proper test and have received approval from Bank Indonesia or OJK means that they have adequate integrity, competence and financial reputation. Details on the company nomination policies can be found in the BRI 2020 annual report on pages 570-574.

Sustainability Training and Competency Development Program for the Boards of Commissioners and Directors [GRI 102-27]

The Board of Commissioners and the Board of Directors must constantly improve their competency in accordance with the changes in operational needs as stipulated in the Board Manual. In 2020, competency development and training programs for the Board of Commissioners and Directors related to governance, environment and economic topics are as follows:

Training and Development Programs Table for the Boards of Commissioners and Directors 2020

Training Topic	Name of Participant	Training Date		Training Location
		Start	End	
Executive Coaching Program	Listiarini Dewajanti	1-Dec-19	31-May-20	JAKARTA
Additional BSMR Education	Ahmad Solichin Lutfiyanto	9-Apr-20	9-Apr-20	ONLINE
Online Training "Outstanding Mentality"	Retno W. Wijayanti	2020	2020	ONLINE
Series 1 - Strategies for Preparing RBB Revisions	Rofikoh Rokhim	20-May-20	20-May-20	ONLINE
LPPI Online Seminar "Asset and Liability Management Strategy"	Rofikoh Rokhim	4-Jun-20	4-Jun-20	ONLINE
LPPI Webinar "Restructuring Strategy"	Rofikoh Rokhim	18-Jun-20	18-Jun-20	ONLINE
Webinar "Managing the Legal Risk of Restructuring"	Rofikoh Rokhim	25-Jun-20	25-Jun-20	ONLINE
Online Training "Transformational Leadership"	Herdy Harman	27-Jul-20	28-Jul-20	ONLINE
Online Training "Transformational Leadership"	Retno W. Wijayanti	27-Jul-20	28-Jul-20	ONLINE
Online Seminar "Maintaining Financial System Stability in the PEN Era"	Rofikoh Rokhim	5-Aug-20	5-Aug-20	ONLINE
Seminar "2020 - Reinventing Digital Transformation & Organization Agility"	Herdy Harman	10-Nov-20	11-Nov-20	ONLINE

Members of BRI's Board of Directors are also involved in the training to improve their competency, both in implementing sustainable finance and sustainability performance covering economic, social and environmental matters. They undergo training and participate in the IKBI CEO Dialogue on Sustainable Finance. BRI also encourages its officials at various levels to improve their respective competencies in the implementation of sustainable finance and sustainability performance in 2020. [POJK51-5.b]



Performance Evaluation on the Highest Governance Body

[GRI 102-28] [GRI 103-3]

The process for evaluating the performance of the highest governance body with respect to governance of economic, environmental and social topics is by means of self-assessment. It is conducted at least once a year without the involvement of a third party. The self-assessment process on BRI's governance involves the entire Board of Commissioners, Board of Directors and work units related to the relevant governance assessment factors. The assessment is based on 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 Governance for Commercial Banks, Financial Services Authority Regulation No. 21 / POJK.04 / 2015 concerning the Implementation of Governance Guidelines for Public Companies, OJK Circular No. 32 / SEOJK.04 / 2015 concerning Governance Guidelines for Public Companies and OJK Regulation No. 4 / POJK.03 / 2016 concerning Commercial Bank Soundness Level Assessment, which is one of the assessment points on the principles of Good Corporate Governance (GCG) in a bank. Criteria, assessment scores, as well as recommendations are laid out in the BRI Annual Report 2020 on pages 600 - 604..

Effectiveness of the Risk Management Process [GRI 102-30, 102-31, 102-33, 102-34]

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

BRI implements a Risk Management process in every level of business operation, thus making it a sound bank with sustainable growth.

BRI's highest governance body is represented by the Risk Management Committee under the Board of Directors for the review on the environment, social and governance risk management effectiveness. Risk management is carried out at all bank operations in adherence to the management standard stipulated by the regulator. The process of implementing risk management which includes identification, measurement, monitoring and risk control is carried

out on an ongoing basis by three lines of defense: risk-taking units are the first line, compliance and risk management work units are the second line, and internal audit units are the third line. In the fourth quarter of 2020, 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 changes in the business and competition in Indonesia. BRI's risk profile reviews are carried out every quarter. Specifically for environmental, social and governance, risk assessments are carried out at least twice a year. [GRI 102-31]

During the reporting period, several important issues were raised to the highest governance body. First, BRI realizes that ESG-related data is very important for stakeholders, especially shareholders. Therefore, BRI considers the need to improve the quality of information disclosure in its sustainability reports by using applicable global standards such as the

TCFD Framework and SASB Standard. Second, BRI also views the importance of improving the quality of information disclosure related to data privacy and cyber security policies and systems. The third important issue pertained to the implementation of BRI ESG which had not been integrated with the performance appraisal system. These important issues have been brought up by divisions that collected the stakeholder inputs to the highest governance body in a special forum.

[GRI 102-33] [GRI 102-34]

The first issue was resolved by evaluating various policies that had been implemented and formulating a disclosure strategy in a more comprehensive sustainability report to be more in line with the TCFD and SASB frameworks. The second issue was resolved with comprehensive disclosure of data security and data privacy in the sustainability report after consultation with data security work units. Finally, the third issue was resolved with the formulation of a company policy plan in 2021 that would include ESG aspects in the Key Performance Indicators (KPI). This plan aims to motivate employees at work units with direct links to ESG matters to further improve ESG performance.

[GRI 102-34]

BRI's ability to manage risk is inextricable from its Risk Management Monitoring Committee's together and its Risk Management Directorate's collective success in carrying out its duties and responsibilities in reviewing and monitoring the implementation of risk management. Its risk profile rating which is at the Low to Moderate level, the good quality of the loan portfolio and the percentage of non-performing loans that were maintained in 2020 are tangible results of good risk management synergy.

The Risk Management Monitoring Committee also provides various inputs and analyses to the Board of Commissioners in accordance with the provisions of the Articles of Association of the Company. The Board of Commissioners assesses that all Work Plans and Budget of the Risk Management Monitoring Committee have been implemented according to the set targets.

The performance of the Board of Commissioners' implementation of Good Corporate Governance can be assessed externally by The Indonesian Institute for Corporate Governance (IICG) through a research program on GCG implementation:

- Procedures & Criteria for Implementing Performance Assessment of the Board of Commissioners through the Corporate Governance Perception Index (CGPI). The implementation of the Corporate Governance Perception Index (CGPI) assessment is carried out through four stages of assessment: 1) Self-assessment, 2) Documentary Assessment, 3) Paper Assessment, and 4) Interview Observations on aspects of BRI's Governance Structure, Governance Process and Governance Outcome.
- The party that assesses the Board of Commissioners' performance based on the Corporate Governance Perception Index (CGPI) is The Indonesian Institute for Corporate Governance (IICG).
- The Board of Commissioners' Performance Assessment Results are published through the Assessment of the Corporate Governance Perception Index (CGPI).





Environmental, Social and Governance (ESG) Risk [GRI 201-2] [GRI 102-15] [FS1] [FS2]

Environmental issues are discussed in the Board of Directors and Risk Management Committee meetings which are attended by the Board of Directors, Business Division, Risk Management, Internal Audit, and other divisions that are relevant to the meeting discussions. These discussions are done to achieve a mutual agreement. BRI has not used a voting system based on share ownership in making decisions related to environmental and social issues. Matters discussed at the meeting included environmental issues such as forestry and climate change, which may have an impact on BRI debtors. [FS9] [FS12]

These are examples of some of the topics discussed at the meetings:

 1  Sustainable Finance Updates	 2  Revision of requirements for borrowers with Indonesian Sustainable Palm Oil (ISPO) and Roundtable on Sustainable Palm Oil (RSPO) certifications	 3  Implementing the Sustainability Reporting Framework
 4  ESG Ranking	 5  Room for Improvement for ESG	 6  Sustainable Financial Action Plan

BRI classifies several types of risks in relation to climate change as follows: [GRI 201-2] [FS10]

 Applicable Regulatory Risks	<p>The Board of Commissioners and the Board of Directors actively supervise Risk Management processes in order to formulate, analyze and implement various policies both at BRI and the Government / regulators.</p> <p>When analyzing and formulating policies related to financing and banking products, BRI adheres to applicable regulations such as POJK 51 / POJK.03 / 2017 and POJK 60 / POJK.04 / 2017 concerning sustainable finance, regulations that apply to borrowers (risks related to potential borrowers are considered in the due diligence process).</p>
 Technology Risks	<p>IT development is one of BRI's main priorities. Developing an information technology system to allow for digital banking for all its products and activities will boost the Company's competitiveness especially when facing increasingly complex demands and changes in the environment. BRI is the first institution to provide self-service banking in Indonesia through BRI Hybrid Banking. BRI has also brought technology-based banking services to remote areas of the country through CRM and BRlink agents. BRI is committed to increasing operational efficiency through reducing paper usage.</p>

<p>Legal Risks</p>	<p>BRI defines Legal Risk as being caused by weaknesses in the rule of law due to the absence of supporting laws and regulations or not meeting the legal requirements of a contract or contracts with ambiguous terms. BRI has a Legal Division that acts as the Legal Risk Coordinator. Guidance is given to all employees in order to improve the ability to control legal risks. Risks that can arise are demands relating to climate change regulations Law number 16 of 2016 pertaining to the Ratification of the Paris Agreement at the United Nations Framework Convention on Climate Change. This regulation pertains to the reduction of national emissions.</p>
<p>Market Risks</p>	<p>Market Risk comprises financial risks to the balance sheet and the administrative accounts that are caused by changes in overall market conditions. Market variables controlled by BRI consist of interest rates, exchange rates including derivative transactions and changes in options prices. In carrying out the market risk management process, the Board of Directors routinely evaluates Net Open Positions, the Asset & Liability Committee (ALCO) forum, the Risk Management Committee (RMC) and reports on market risk exposure through the market risk profile dashboard.</p>
<p>Reputational Risks</p>	<p>Reputation risks are caused by negative publicity relating to the Bank's business activities or negative perception of the Bank, among others. In an effort to control reputation risk, a Corporate Secretary has been appointed to handle adverse information. The reputation risk management process is part of the Corporate Secretary Division's Job Description and Operation Manual.</p>
<p>Chronic and Acute Physical Risks</p>	<p>When reviewing and analyzing acute and chronic physical risks, BRI views that both risks can affect the Bank's operational activities with financial and non-financial impacts. In assessing customers, BRI looks at how these customers are exposed to acute and chronic physical risks.</p>

All of the above types of risk can have an impact on the company's financial situation in the form of its revenues, expenses or significant changes to its operations. Going forward, BRI is committed to measuring and formulating risk management strategies and opportunities, actions to be taken and costs arising from managing these risks and opportunities.

Climate Change Response Strategies ^[FS1]

BRI is the pioneer in applying sustainable financial principles which are in line with the implementation of the Regulation of the Financial Services Authority (OJK) of the Republic of Indonesia and the Decree (SK) of the Directors of BRI Nokep: S.05-DIR / EMP / 07/2018 concerning General Sustainability Policy of PT Bank Rakyat Indonesia (Persero) Tbk. The party in charge of the sustainable finance program is the Risk Management Director, and is managed by the Market, Portfolio and Enterprise Risk Management Division and supported by all directorates and BRI's Internal Audit Work Unit. A special unit called the

Sustainable Finance Team was formed to assist with the implementation of sustainable finance. The person in charge at each work unit regularly reports to the Board of Directors. Sustainability policies are reviewed periodically at least every two years.

Environmental and social risk audits have not been performed during the reporting period. BRI believes that its environmental and social risk assessment needs to be complemented by a specific audit; this will be part of the company's plan in the coming period. ^[FS9]



Action Plan of a Systemic Bank

BRI has conducted materiality and ranking analysis to determine the ratings of its business lines, branch network and subsidiaries. The analysis was performed using a materiality scorecard based on defined quantitative and qualitative indicators. The rating is based on business lines, rating of subsidiaries and branch network. In terms of external business links, BRI conducts analysis based on (1) financial system assets, (2) intra-financial system liabilities, and (3) outstanding securities and ten significant counterparties (Borrowers, Depositors, Treasury Counterparties) in accordance with existing common practice.

On the impact of systemic change scenario analysis, BRI conducts Stress Testing activities which are divided into two scenarios: the Idiosyncratic scenario and the Market-wide scenario. On the Idiosyncratic scenario, BRI develops scenarios of borrowers concentration and existing industries. On the Market-wide scenario, BRI uses the Financial Stress Assessment Program (FSAP) Regulatory Stress Testing based on the scenario determined by FSAP to depict a potential crisis. [SASB FN-CB-550a.1] [SASB FN-CB-550a.2]

In accordance with Law Number 9 of 2016 on Financial System Crisis Prevention and Management, POJK Number 2 / POJK.03 / 2018 on Systemic Bank and Capital Surcharge, and POJK Number 14 / PONK.03 / 2017 on Recovery Plan For Systemic Banks, BRI as a Systemic Bank has prepared an Action Plan Document (Recovery Plan). The action plan will be carried out if a Systemic Bank experiences financial stress conditions that can endanger business continuity. Therefore, BRI's Action Plan contains scenarios that aim to prevent, restore and/or improve conditions that endanger BRI's business continuity.

BRI's Recovery Plan contains the topics stipulated in the POJK. The Action Plan includes scenarios and recovery options to be implemented by BRI based on indicators covering capital, liquidity, profitability, and asset quality.

In 2020, BRI has evaluated and updated the Recovery Plan to comply with the POJK Action Plan (Recovery Plan). There are no changes in the trigger level in the update. The updated Recovery Plan document has been approved by the Board of Commissioners and OJK as stipulated in the POJK. [SASB FN-CB-550a.1]

Remuneration Policy for the Boards of Commissioners and Directors

[GRI 102-35] [GRI 102-37]

BRI has a remuneration governance policy that is overseen by the regulators as a corporate stakeholder, in accordance with the Financial Services Authority Regulation No: 45 / POJK.03 / 2015 dated 23 December 2015. BRI's remuneration governance policy is regulated in a Joint Decree of the Board of Commissioners and Directors No. 09-KOM / BRI / 11/2017 and Nokep: S.1023- DIR / KPS / 11/2017 dated 30 November 2017 regarding

BRI's Remuneration Governance Policy. A review of the variable Premium Allowance is necessary to account for the costs of living in each region and the capabilities of the Company. A Subsidiary has a separate Remuneration Policy and is prepared by the Subsidiary itself. Information regarding remuneration is disclosed in the BRI Annual Report 2020 on pages 605-618.

Remuneration Policy for Commissioners * [GRI 102-35]

Type of Remuneration/Benefits	Notes
Salaries and Bonuses	<p>President Commissioner's salary is equal to 50% of the President Director's salary</p> <p>Vice President Commissioner's salary is equal to 95% of President Commissioner's salary</p> <p>Commissioner's salary is equal to 90% of President Commissioner's salary</p>
Transport Allowances	Transport allowances are given monthly at 20% of the monthly salary of each member of the Board of Commissioners
Holiday Bonus	Once per year
Pension Insurance	Includes participation in the Pension Insurance Program. Maximum premium is 25% of salary per year.

Remuneration Policy for Directors* [GRI 102-35]

Type of Remuneration/Benefits	Notes
Salaries and Bonuses	The amount of the salary and bonuses for the Board of Directors is set proportional to the salary and bonuses entitled to the President Director: the Deputy President Director receives 95% of the President Director's salary, the Human Resources Director receives 90%, and the other Directors receive 85%.
Holiday Bonus	Once per year
Pension Insurance	Includes participation in the Pension Insurance Program. Maximum premium is 25% of salary per year

*More detailed information regarding remuneration is laid out in the BRI 2020 annual report on pages 605-618.



Remuneration Determination Procedure [GRI 102-36]

In accordance with Article 113 of Law Number 40 of 2007 on Limited Liability Companies, the salaries and allowances for the Board of Commissioners are determined during the GMS. Furthermore, based on Article 96 of the Law, the amount of salaries and allowances for members of the Board of Directors are determined during the GMS and the authority of the said GMS can be assigned to the Board of Commissioners.

Based on the Regulation of the SOE Minister No. PER-01 / MBU / 06/2017 on the Second Amendment to the Regulation of the SOE Minister No. PER-04 / MBU / 2014 on Guidelines for Determining the Remuneration of Directors, the Board of Commissioners, and Supervisory Board of State Owned Enterprises, the Board of Commissioners' remunerations consist of: salaries, allowances, benefits and bonuses.

Based on the Regulation of the Financial Services Authority (POJK) No. 45 / POJK.03 / 2015 dated 23 December 2015 on the Implementation of Governance in Providing Remuneration for Commercial Banks, the Nomination and Remuneration Committee must evaluate remuneration policies based on performance, risk, comparison with peer groups, targets and long-term strategies, amount of cash reserves as stipulated in laws and regulations and the potential future income of the Bank. The Committee must then submit its report and recommendations to the Board of Commissioners.

With reference to the aforementioned provisions and by taking into account the recommendations of the Nomination and Remuneration Committee, the Board of Commissioners at each Annual GMS proposes the salaries, allowances, benefits



and bonuses for members of the Board of Commissioners and Directors to the GMS. The Nomination and Remuneration Committee provides recommendations after evaluating the company’s performance, business size, and remuneration survey results in the banking industry.

Procedural Step	Activity
Drafting	The Nomination and Remuneration Committee evaluates the structure and the amount of remuneration for the Board of Commissioners and the Board of Directors by considering the performance, risk, comparison with peer groups, long-term goals and strategies of the Bank, fulfillment of cash reserves as stipulated in laws and regulations, and potential future income of the Bank. The Nomination and Remuneration Committee then recommends the structure and amount of the remuneration at the Board of Commissioners meeting.
Proposal	The Board of Commissioners proposes the amounts of the salaries, allowances, benefits, and bonuses for members of the Board of Commissioners and Directors at the General Meeting of Shareholders.
Determination	The GMS may approve and set the composition and amount of the remuneration provided that the level of shareholder attendance is more than 50% and the approval is given by more than 50% of the present shareholders. In the event that the GMS does not approve the proposal, the Board of Commissioners and Board of Directors will receive the same remuneration composition and amount as the previous financial year. [GRI 102-37]

The company has implemented a remuneration system policy based on employee performance, both in terms of adjustments to the annual salary and in the determination of bonuses. The remuneration strategy still takes into account best practices in the banking industry and comparisons within the industry. The Company has routinely participated in the annual banking industry Total Reward Survey that currently includes the majority of banks in Indonesia. The survey becomes a benchmark for BRI for remuneration adjustments. One of the principles is to offer remunerations that are competitive in the Indonesian banking industry. In this regard, BRI collaborates with Willis Towers Watson, which is tasked with the benchmarking and/or salary surveys. BRI has no other partnership with a remuneration consultant. The Company also ensures that it has complied with all applicable regulations relating to remuneration systems. [GRI 102-36]



Annual Compensation Ratio [GRI 102-38] [GRI 102-39]

Description	Ratio
Highest and lowest employee salaries	31.13
Highest and lowest Board of Directors salaries	1.18
Highest and lowest Commissioners' salaries	1.11
The Board of Directors' and employees' highest salaries	2.88

The ratio of the percentage increase in the total annual compensation for the highest paid individual in the organization compared to the average increase in annual compensation for all employees is 41% compared to -10% or 4: (-1). A negative number indicates a decrease in the mean annual compensation in 2020.

[GRI 102-39]

Product Governance Framework

External / Government Regulations		
Product Development	Sales & Marketing	After Sales
<ul style="list-style-type: none"> Product Committee Policies on Product Development Plan (PAB) Risk Assessment on Product Development Plan 	<ul style="list-style-type: none"> Responsible Sales & Marketing policy complies with Regulatory Policies Trainings & Capacity Buildings on Sales & Marketing Practices for Customer Service, Account Officer, Funding Officer, Priority Banking Officers, and other sales workforces Fulfil the required certifications (such as WAPERD for Priority Banking Officers/Managers) Well-governed data privacy & cybersecurity management 	<ul style="list-style-type: none"> Policies on Complaint Handling Policies on Debt Collection

SUSTAINABLE FINANCIAL INITIATIVES AND PLAN OF ACTION



As a manifestation of BRI's commitment to sustainable finance in line with the sustainable development goals, BRI has a Sustainable Finance Action Plan (RAKB), as a guideline for implementing sustainable finance (SF). The preparation of the RAKB is directly supervised by the Director of Risk Management, with members of the Steering Committee comprising of the Director of Finance, Director of Corporate Business, Director of Small, Retail & Medium Businesses, Director of Compliance, assisted by the sustainable finance team from the EMP, CDS, SKP, BUMN 1 and 2 Divisions, Agribusiness, Retail and Medium Businesses, Compliance Division, ARK Division, and KRD Division as well as BRI's internal audit work unit.



Throughout 2020, BRI has successfully implemented all programs that had been planned and has maximized the implementation of the RAKB as follows: [\[GRI 102-12\]](#) [\[POJK51-5.d.2\]](#)

Description of Activities	Follow-up
Enrolling the Business and Business Support Division employees to take part in Environmental Analyst Training/ other training related to sustainable finance	BRI has conducted training about renewable energy on 1-4 December 2020 through online media and other materials. There were 25 participants.
Socialization to Corporate and Medium-sized customers regarding the Principles of Sustainability	BRI has conducted a sustainable finance webinar on November 11, 2020 which featured 4 speakers from IESR, Asian Agri, Sinarmas, Sumber Segara Primadaya. There were 158 participants.
A "less plastic" campaign to reduce plastic consumption among BRI employees in order to support the transformation of consumer behavior	The plastic campaign has been carried out via Instagram @duniabrilian
Implementing education/outreach to Prospective Indonesian Workers regarding financial services	BRI has conducted outreach to CTKI in Bandung, Surabaya, and Malang
Implementation of education programs for BRI employees using the self-learning method through the BRI BRISMART application on sustainable finance in order to improve employees' knowledge	Self Learning through BRISMART has been carried out by all BRI employees between a period of 19 October - 19 December 2020
Seminar for BRI employees on sustainable finance (BRISHine) with environmental / social / governance / sustainable economy themes	BRISHINE webinar with speakers from IESR and Brainware on sustainability awareness was held on December 8, 2020
Adoption of sustainability content / material in work culture activities (Teamwork Building Forum which is carried out regularly (Performance Improvement Forum) and / or ToT Change Agent)	Issuance of policies from the CTR regarding B.601.e-CTR / 10/2020 dated 19 October 2020 on the confirmation of the implementation of the 2020 FGD

Description of Activities	Follow-up
Implementation of Community Empowerment activities, namely education and training conducted in 5 BUMN houses on green business themes	Rumah BUMN was held from January to May 2020. A total of 476 RKB trainings were held in various cities: Malang, Jakarta, Jogja, Bandung, Solo, etc. and some were held online. This achievement has exceeded the RAKB target, which was the minimum of 5 socialization RKB.
Mapping the fulfillment of environmental certification by corporate borrowers. The target is in the form of a mapping report	There were 65 Corporate Business Division Borrowers that have gone through the environmental certification mapping process including ISPO, RSPO, AMDAL, etc.
Adjustments / reviews of credit policies that lead to sustainable finance	A review of PPK Corporate Business policies has been carried out by including environmental analysis aspects in the borrower due diligence review.
Creating criteria for industrial sectors to be included in the "Green Sector" category	The Green Sector Policy has been made by adopting OJK's regulatory provisions.
Identification of Developers and Briguna Cooperation Agencies that Meet the Requirements for Sustainable finance	Environmentally friendly developers have been recognized. One developer Sinarmas Land has certifications from the Green Building Council Indonesia and BCA Greenmark International Singapore.
Collaboration with merchants on environmentally friendly/with environmentally friendly certification products for priority customers.	Collaboration with merchants related to environmentally friendly products has been carried out (in the form of eco-friendly product sales promotions, merchants selling through digital platforms). Based on the report recap data, there were 7 environmentally friendly merchants who have collaborated with BRI in 2020.
Audit of policies and implementation of sustainable products or activities in BRI work units from the business and operational sides	Audits have been conducted on sustainable products (including E-Channel, Brilink, and MSME lending products), audits are ongoing, and have been included in the 2020 Annual Audit Planning. Div. PSKA has made manual controls as guidance in the audit process, as well as adding thematic audit activities in the MR field. [FS 9]
Handing Sustainable Finance Award to BRI Head Office Work Units that have carried out sustainable activities	Activities have been carried out, and winners have been announced: 3 Divisions were named as the champions and 3 Divisions as the runners-ups.

Portfolio of Criteria for Sustainable Business Activities

Description	2019		2020	
	Total	(Rp Billion)	Total	(Rp Billion)
Number of products with criteria for sustainable business activities				
a. Fund Raising	3	10,530	3	8,866
b. Fund Distribution	1	492,874	1	562,532

BRI is a financial service provider, and so the provision of BRI products and services can have a direct or indirect impact on sustainability issues, such as water-related risks (floods, water scarcity, pollution, marine environment), risks related to human rights and local communities, the risk of labor rights and Occupational Health and Safety (K3), biodiversity and deforestation in the activities of its customers. BRI is committed to paying attention to the distribution of financing and strives to provide sustainable financial products and services. [POJK51-6.c.1] [FS6]







Sustainability
Report 2020

STRENGTHENING CLIMATE CHANGE RESILIENCY





BRI is committed to continuously contribute towards the achievement of the Sustainable Development Goals (SDGs) in accordance with the government's mandate and to improve the transparency of information in the Environment pillar by conducting a comprehensive assessment of its internal performance in 2020 and disclosing its compliance with environmental requirements and policies to customers so that BRI can always maintain accountability in its culture and to make it resilient towards climate change and transition. [\[GRI 103-1\]](#)



RESPONSIBILITY IN SUSTAINABLE PRODUCTS AND SERVICES [GRI 103-2]



Trust, reliability and responsibility in its relationship with the society, the economy and the environment have always been the fundamental principles for BRI. There is a rise in customers' demand for sustainable products and services, one of which is a digitized service that improves customer reach and is also environmentally-friendly at the same time.

BRI is committed to Service Excellence that strives to exceed customers' expectations about the quality of service. This is also reflected in BRI's sustainability mission: [\[POJK51-6.b\]](#)

1. To render the best banking services by prioritizing the micro, small and medium segments to boost local economies and community welfare.
2. Provide excellent service with a focus on the customers through:
 - a. Professional human resources with performance-driven culture.
 - b. Reliable and future ready information technology.
 - c. Productive work networks both traditional and digital that apply operational principles and risk management excellence..
3. To create optimal value and benefits to stakeholders by focusing on the principles of Sustainable Finance and Good Corporate Governance best practices.



Customer Service



BRI has a mandate to provide the most comprehensive customer service that is tailored towards each customer's financial needs and circumstances. As a part of this mandate, BRI strives to identify and mitigate environmental impacts on society. When formulating its recommendations, BRI ensures that all relevant aspects and risk factors have been considered by the customers.

BRI serves millions of customers throughout Indonesia, with 504,233 Laku Pandai (branchless banking) agents (agents that provide financial services digitally) serving more than 54,000 villages, companies and small enterprises as well as more than 55 million customers, providing a variety of products (such as banking account packages, clearing, payment and settlement, consumer financing, mortgage financing and investment products). Customer behavior is becoming more fluid and dynamic in this current era of the pandemic, demanding better digital services that fit into their

specific needs. BRI's consumer banking is focusing more on online and digital banking capabilities in anticipation of this trend.

BRI's customers are already enjoying sophisticated, app-based online banking including API technology that allows entrepreneurs to integrate digital payments with their BRI banking platform. This is to speed up digital adoption, usage of device-based mobile banking: revenue from fee-based income has increased by 47% in 2020 compared to 2019, internet banking transactions have increased by 132.2%, while transactions through BRI Mobile (BRImo) rose 660.5%.

BRI's ultimate goal is to harness new technologies and analytics data to provide a secure banking experience to its customers at a time when they need to carry on with their daily lives while still observing the COVID-19 social distancing measures.

[POJK51-6.f.3]



Corporate Banking

BRI's corporate banking services cater to institutions and companies throughout Indonesia (including medium-sized businesses, large local companies, international companies, and local institutions). Armed with the expertise to understand local and regional businesses. Supported by analytical expertise in understanding local and regional businesses, BRI aims to build long-term business partnerships and to give customers the right financial services to meet their needs by providing comprehensive and candid assessment of products and services. This is stated in the 2020-2024 Mission and Vision statement about Environmental, Social and Governance (ESG) assessment for customers applying for loans. [\[POJK51-6.f.3\]](#)

As part of its information technology strategic development, BRI has created cross-border solutions to clients throughout Indonesia by enhancing corporate customers' experience through the reinvention of crucial services (such as KYC, account opening, and online banking) and the expansion of digital product and service offering.

[\[POJK 51-4.a\]](#)

By providing innovative and reliable solutions, BRI has the long-term ambition to become the go-to institution for corporate customers in Indonesia. Corporate Banking One (CBO) is one of the divisions at the Headquarters that participated in BRI's Sustainable Finance (SF) initiatives. The CBO Division corresponds directly with borrowers in palm oil, forestry, sugar, cattle, chicken and other industries. In line with BRI's mission to provide optimal value to stakeholders through sustainable finance and Good Corporate Governance best practices, CBO provides corporate financing in the aforementioned industries by championing potential borrowers with credibility, good social and environmental track records, and ISPO or RSPO certifications (for those in the palm oil industry), or other certifications like PROPER and BONSUCRO (for the sugar industry), SVLK for forestry, or ISO14001 for other downstream industries. BRI ensures that an annual third-party assurance supervision process is applied to all borrowers for their environmental and social track records.

Through CBO, BRI also reinforces national energy resiliency through renewable sources like certified palm oil biodiesel and bioethanol derived from cassava, sweet potato, and corn.



Institutional Banking

On institutional customers such as microcredit institutions, insurance firms, asset management, and governmental bodies, BRI focuses on the development of digital products geared towards their specific needs.

Given BRI's important role in maintaining the regional and national economic cycle, its management focuses on the sustainability of products and services in order to support the attainment of the Sustainable Development Goals (SDGs) as part of BRI's effort to maintain banking resilience amidst disruptive events like climate change and the pandemic. BRI has the financial resources as leverage to heavily contribute towards the long-term sustainable national development.

Mission & Vision 2021-2024 [GRI 103-2]

BRI has set its goal to become The Most Valuable Bank in Southeast Asia and Home to the Best Talent sustainable innovations and ease of banking. BRI aims to contribute to positive social development and to build long-term relationships through helping its customers achieve their own financial and commercial goals. On the other hand, the focus on the customers has to be augmented by taking into account environmental and social considerations. Although what is good for an individual customer and what is good for the society may not always go hand-in-hand, the current trend encourages more individual customers to place more value on ecological and social compatibility in the products and services they use. In the long-term this will lead to sustained customer satisfaction, positive banking experience while also contributing positively to the environment and society.

With these factors in mind, BRI is focusing on the systematic improvement of its products and services that feature Environmental, Social and Governance (ESG) components. Many BRI customers who are concerned with their investors' increasing requirement for ESG risk transparency are seeking BRI's expert assistance in addressing these demands. For this reason, BRI is formulating a sustainable finance concept through industry mapping for sectors with environmental certifications, and the creation of 'green sector' credit criteria. Internal and external panels of experts will be consulted so that investors and other stakeholders can rely on the information when gauging the progress towards Sustainable Finance Action Plan (Rencana Aksi Keuangan Berkelanjutan - RAKB) 2021. [POJK51-6.f.3] [SASB FN-CB-410a.2] [SASB FN-CB-550a.2]



DIGITIZATION AND INNOVATION

[GRI305-3] [GRI 305-4]



Sustainable products and services are a prerequisite towards a positive customer experience which will translate to customer satisfaction and loyalty. All products undergo a formal approval process to ensure that all related risks are properly disclosed. BRI offers products and services that enhance its competencies in the small and medium and entrepreneur segments as well as ensuring that all products and services maintain proper data protection measures and abide by sustainability requirements.

As one of the most advanced banking institutions in Indonesia, BRI actively contributes towards the realization of the Indonesia Payment System (SPI)

2025 blueprint through the introduction of BRI API open banking system.

Transactions become more complex as a business grows. This can be simplified by integrating the business' dashboard with BRI's API to create synergy in its cash management system (CMS). [POJK51-2.a.4]

CMS itself is a banking service that assists a business to conduct daily transactions and manage accounts accurately, quickly and easily. With CMS, BRI customers can obtain account information, manage liquidity, and carry out transactions in real-time beyond the boundaries of time and space. This service is excellent for businesses that need instant,



modern and secure financial management tools. This platform provides features to help customers manage their businesses, they are: Balance Information API to check company balances, the API conversion information to view balance sheet numbers such as cash, receivables, and transactions, and the bank and inter-bank transfer API to conduct fund transfers from businesses to other parties. [POJK 51-6.f.1]

All API and BRIAPI services have obtained international certifications such as ISO 27001 and PADSS (Payment Application Data Security Standard) which ensure data security. [FN-CB-230a.2]

One of BRI's further efforts to develop open banking is in the launching of open API service, BRIAPI. Open API is a system that gives customers access to their financial data through third-party Application Programming Interface (API) that has obtained authorization by the customer. With the authorization, their customers can easily conduct transactions through the application.

This concrete step was demonstrated by the achievement of an international standard security certification, namely ISO 27001 for BRIAPI services in 2019. This ISO 27001 certification shows that BRIAPI has: [POJK 51-5.c]

1. Clarity in its system operational flow.
2. Agile integrated process.
3. Secure data protection.
4. Shown compliance to system security requirements.
5. Risk management to anticipate all eventualities.
6. Minimized the risk of fraud that could harm BRI's reputation. [IASB FN-CB-230a.2]

Payments through manual bank transfers are cumbersome to most customers both retail and corporate. Customers must conduct verification after completing the payment by sending a physical transfer receipt or a screenshot of their mobile banking. Similarly, business owners also have to manually match transactions in order to verify them.

In addition to the lengthy process, manual bank transfers can also cause data safety issues as businesses' accounts are openly displayed on the internet, making them prone to be misused. Manual transfers can also increase the chances of human error because customers have to perform manual transactions.

To simplify the process and mitigate these issues, customers can apply for BRI Virtual Account or BRIVA. This virtual account is opened by the Bank at the request of a company in order to facilitate easy transactions with the company's customers. The Virtual Account has several advantages over manual transfers: for example, a Virtual Account can receive and detect every payment that comes in through a Virtual Account in real time without the need to manually confirm it. In addition, Virtual Accounts will also make the entire transaction process simpler, as payments can be made with just a few clicks. [POJK 51-4.a]

In financial investments, digital financial solutions have also been developed for customers who wish to invest through BRI's online SBN (Government Securities). The available products are Retail Government Bonds and Retail Saving Bonds (SBR), which are suitable financial instruments for customers new to investing who are looking to branch out from savings, current and time deposit accounts. This SBR product is issued and guaranteed by the Government, so customers do



not have to worry about default. Before investing in SBR, customers are required to have sufficient savings, considering that SBR investments cannot be sold before maturity, which is different from ORI.

[POJK51-6.f.3]

At the center of the advancement of financial digitization is the digitization of mobile and internet banking. Amidst New Normal which limits face-to-face interactions, BRI has made significant strides in ramping up its back-end infrastructure to anticipate

increased traffic to ensure that the quality of digital transaction services can be maintained.

On the environmental front, BRI's digitized services have contributed to a reduction in customer emissions by 412,400,385.28 kg CO₂eq. This is included in BRI's scope 3*. With a total of 79,967,498 processed transactions, the amount of emission reduction per transaction is 5.16 kg CO₂eq/transaction or 58.88 MJ / transaction if converted into the amount of energy saved.

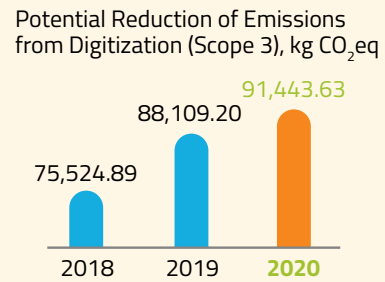
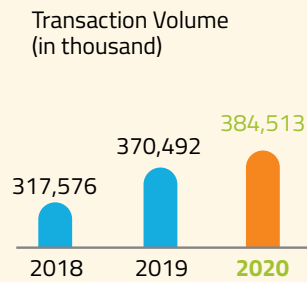
[GRI 302-5] [GRI 305-2] [POJK51-6.f.1]

* Scope 3 in this calculation is the reduction in emissions outside of BRI's operational control as they are independently carried out by customers.

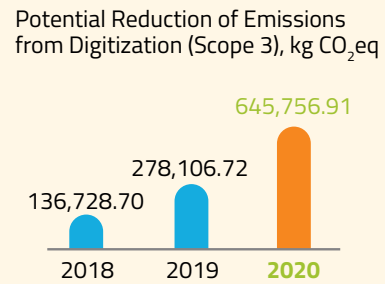
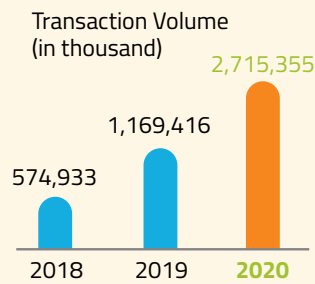




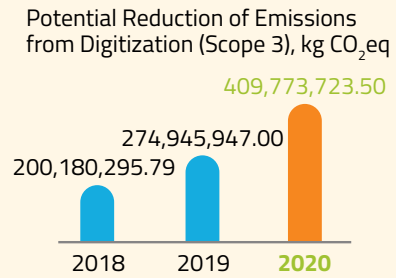
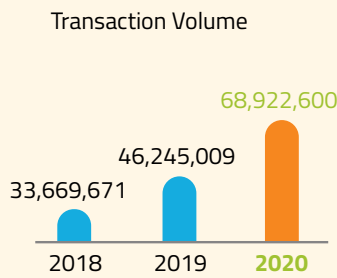
MOBILE BANKING



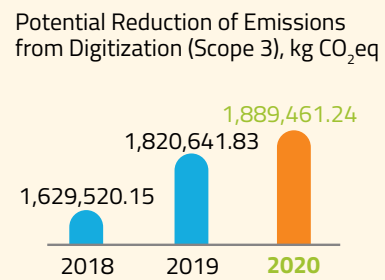
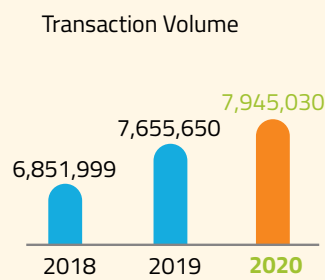
INTERNET BANKING



BRILINK IN REMOTE AREA



REMITTANCE



TOTAL

Total Potential Reduction of Emissions from Digitization (Scope 3), kg CO₂eq

Year	Potential Reduction (kg CO ₂ eq)
2020	412,400,385.28
2019	277,132,804.81
2018	202,022,069.54



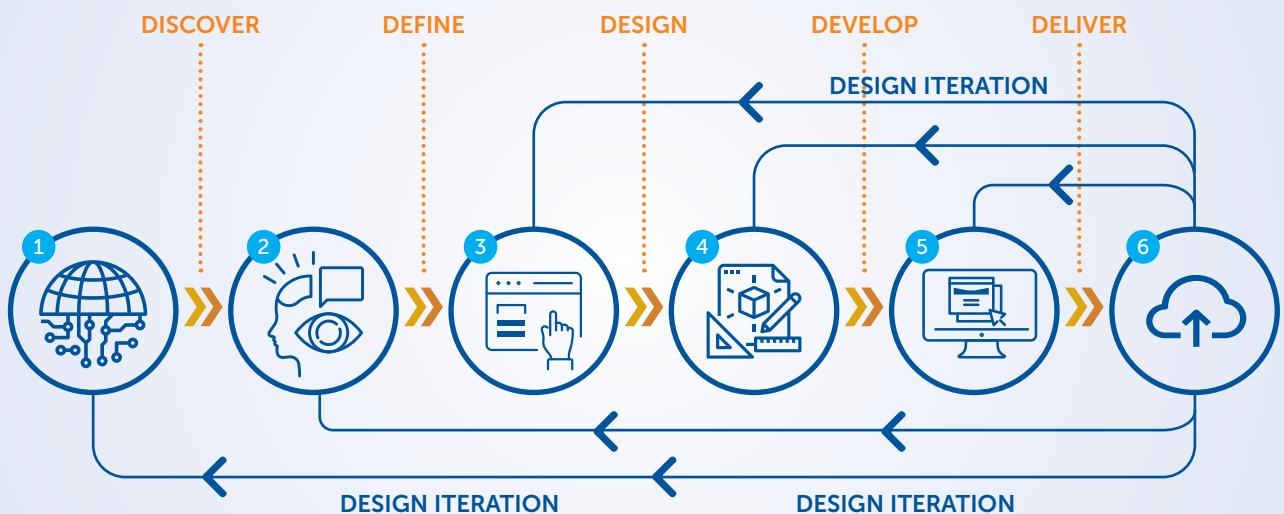
This customer emission calculation methodology is carried out by comparing a scenario where a customer makes a transaction online to another scenario where a customer makes a transaction in person at a branch office (estimation is in accordance with the ISO14064 GHG Footprint Standard methodology). Customer information data, such as location and other information related to greenhouse gas inventory calculations are calculated using a questionnaire approach to capture BRI's types of customers in 2020. This questionnaire will look at the average distance between customers and the nearest ATM and BRI office, the type of vehicle used, the fuel efficiency level of the majority of the vehicles used, and the average transaction made on devices. [GRI305-3] [POJK51-2.b.2]

Development of Digital Product Design and Innovation [GRI 102-11] [FS15]

BRI continues to innovate its financial products and services according to new digital and environment-conscious lifestyle trends. This innovation is geared towards strengthening BRI as a financial institution that has whole-heartedly invested into digital banking in Indonesia, while still championing its sustainable finance principles.

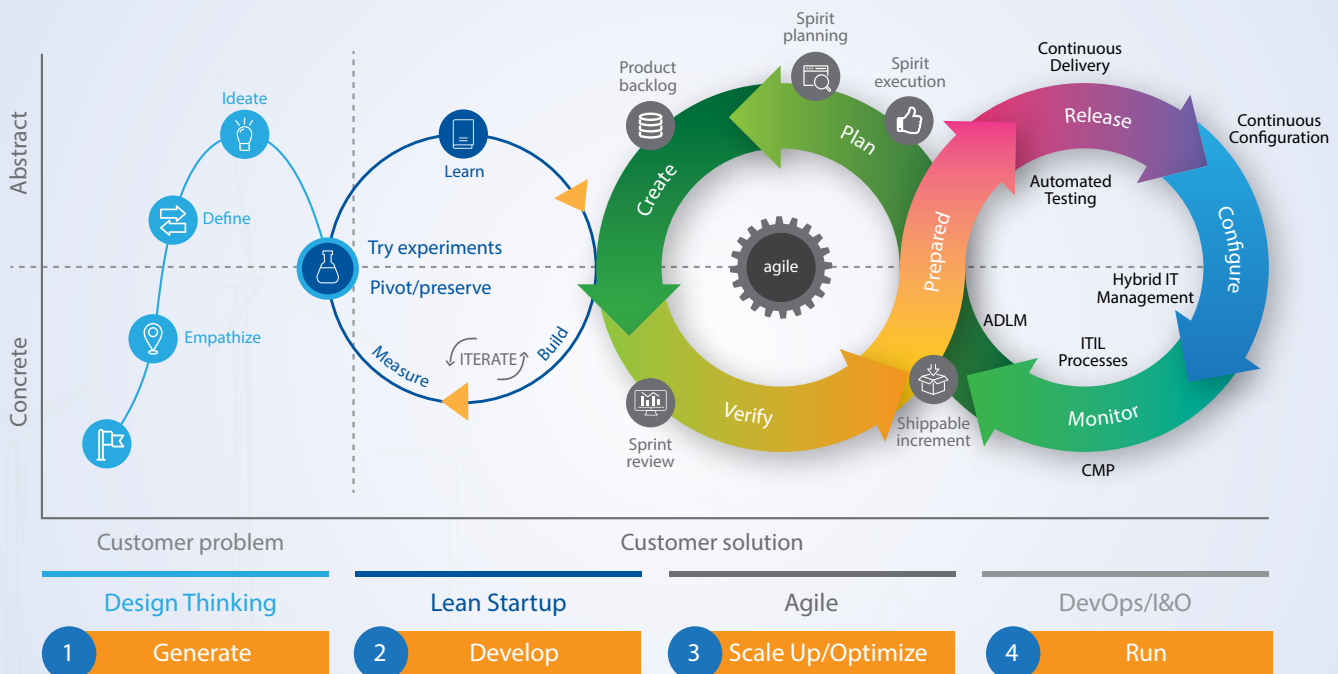
In fulfilling market needs, BRI has conducted comprehensive research involving data providers

such as Bloomberg and insights from domestic and foreign consultants as well as BRI's own internal demands. BRI has applied the concept of design thinking to create innovative solutions to problems and pain points encountered during the research. The design thinking concept is also supported by the application of UI / UX designs that pay attention to customer needs and the use of design standards used at BRI. This is done to reduce the risk of poor customer experience





On development and innovation, BRI implements a concept with advantages such as faster application development that reduces the risk of software implementation failure from a non-technical perspective so that financial losses due to failure are kept manageable. In addition, the use of the concept of Agile Development rather than Waterfall can address dynamic market needs, including the need for sustainable development. This is also supported by using Application Development Life Cycle Management tools such as JIRA and Confluence to keep the development process governable and trackable.

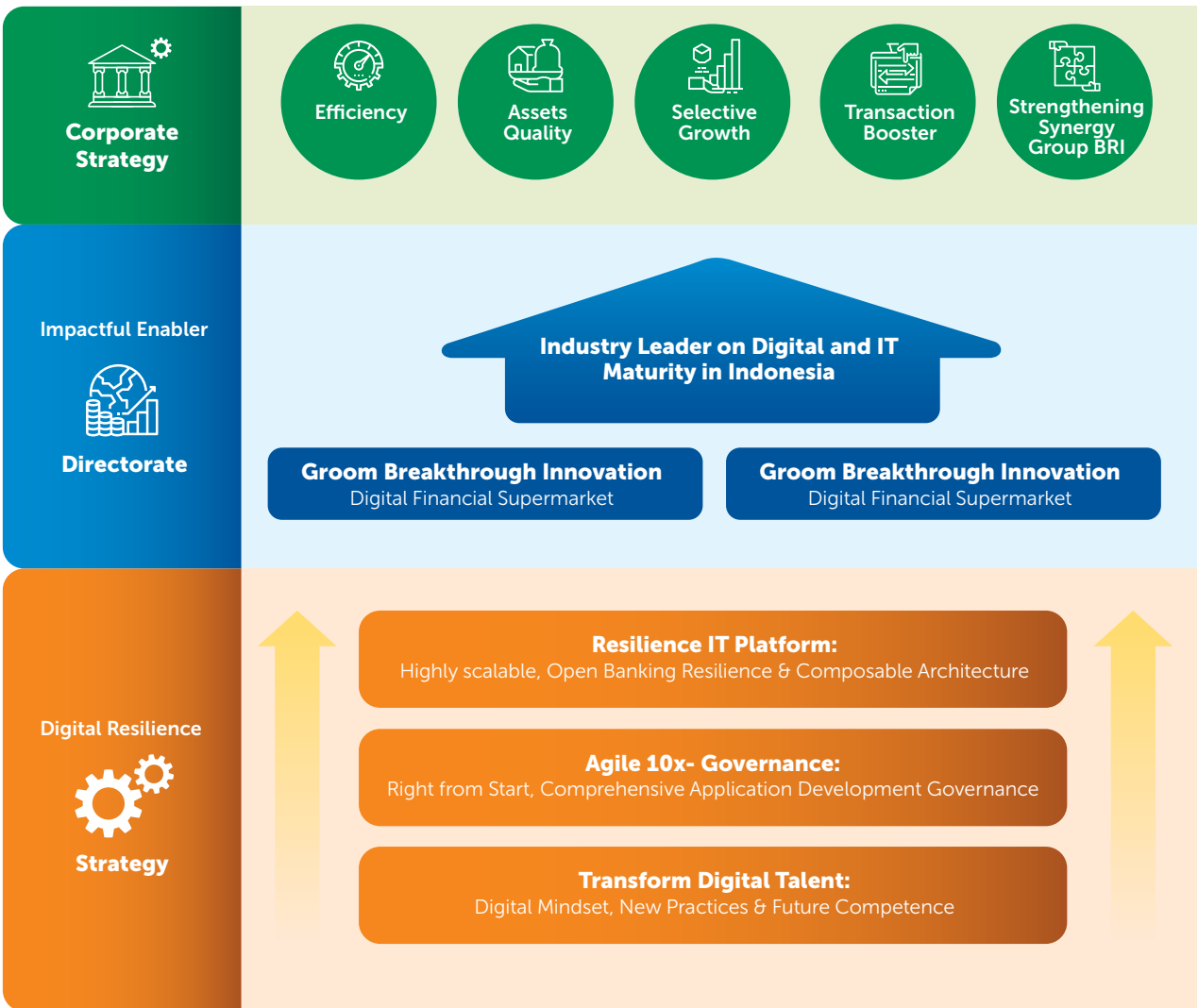




BRI's IT ROADMAP

IT Grand Strategy for 2021

The Most Valuable Banking Group in Indonesia

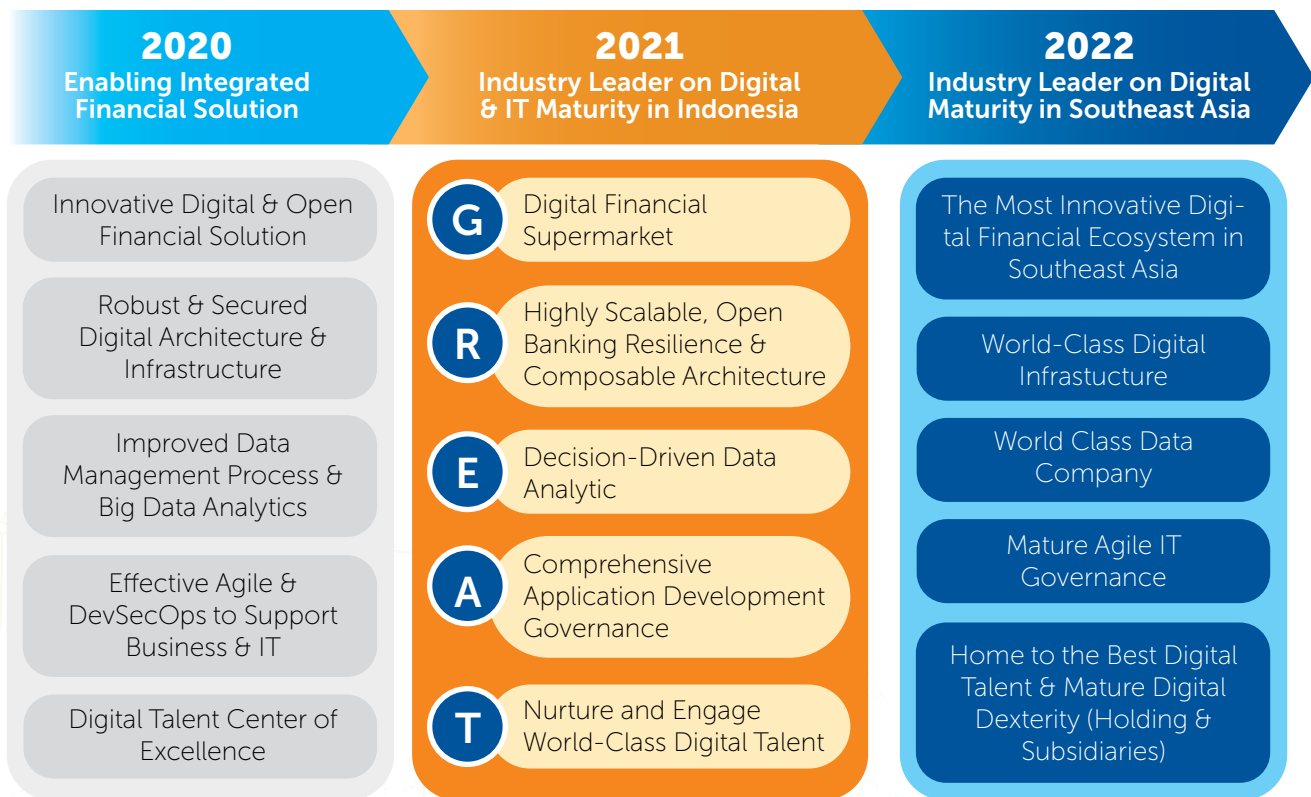




In order to support BRI's 2021 Corporate Strategy, which is to become The Most Valuable Banking Group in Indonesia, BRI is aspiring to become an Industry Leader on Digital and IT Maturity in Indonesia in 2021. To achieve this, the DTO Directorate has stipulated the roadmap for the IT Strategic Directions for 2021 based on 5 (five) pillars of the functional strategy (Grand Strategy)::

1. Groom breakthrough innovation embodies BRI's platform capabilities as a "Digital Financial Supermarket".
2. To have an IT Platform that is resilient with highly scalable & composable architecture in the Open Banking era.
3. Excel data-driven organization that is capable of providing decision-driven data analytic with a high level of accuracy.
4. Agile 10x-Governance through comprehensive application development governance.
5. Transform digital talent through nurturing and involving world-class digital talent.

Roadmap IT 2021





1. Groom Breakthrough Innovation

“Digital Financial Supermarket”

Grand Strategy: Groom Breakthrough Innovation is expected to be able to drive the achievement of Corporate Goals with Omni-Channel Digitization, Digital Banking, and Micro Payment, and to support Digital Ecosystem Innovation to meet customer needs and expectations (customer-centric), achieve efficiency and find new business models in order to create more value. BRI's IT supports the realization of a Digital Financial Supermarket by launching 3 BRI applications, namely BRIimo, BRIlink, and BRIspot as “Super Apps” that can provide integrated services to all BRI customers.

2. Resilience IT Platform

“Highly Scalable, Open Banking Resilience & Composable Architecture”

BRI realizes that the business of banking always faces operational risks that may occur due to residual risk which needs to be constantly managed and mitigated. This risk can be managed more effectively through optimization of Information Technology to provide an Integrated Cyber Threat Detection System that is able to provide capabilities such as a Fraud Detection System and an Early Warning System that can proactively anticipate fraudulent behavior and then take preventive measures. In addition, transformations in terms of IT architecture are always carried out by modernizing the back-end, shifting from monolithic architectures to microservices, and various front-end solutions based on mobile and API-centric solutions.

Grand Strategy: Resilience IT Platform is launched to support BRI in enhancing its capabilities to be more Scalable, Reliable & Secured, especially the resilience of Critical Applications in order to support BRI's business growth. To increase this resilience, acceleration is carried out for the implementation of the Next Gen Infrastructure. In addition to enhancing resilience, it is also necessary to improve security, such as through integrating Identity & Access Management and Cyber Threat Detection System. The IT Platform Resilience is further strengthened by the continuous testing of the Disaster Recovery Plan periodically.

3. Excel Data-driven Organization

“Decision-Driven Data Analytic”

Grand Strategy: Excel Data-driven Organization at BRI uses several of the latest technologies to support decision-making processes in business and service operations. Several challenges related to data management have become the basis for implementing data capability developments such as Master Data Management, BRIBRAIN, BRIOne Data, Change Data Capture, Unified Data Platform, and Self Service & Business Intelligence that support 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.



In the future, BRI realizes the need to increase BRI's IT capability in the field of Artificial Intelligence. BRI began to adopt this capability with BRIBRAIN, which is a clear indication of BRI's innovation in digital transformation. Based on Big Data and Artificial Intelligence, BRIBRAIN can become the "mind" for BRI to make the right and precise decisions so that the company can create products and services according to customer needs and profiles. BRIBRAIN is used as an application for analytics scoring.

4. Agile 10x-Governance *"Comprehensive Application Development Governance"*

The main focus of today's era is speed. In response to this, BRI needs to be able to deliver a product or service using the Lean IT Service Management mechanism. The bimodal system development has been running the daily IT activities using the DevSecOps method, so it is hoped that BRI will be able to deliver products quickly, with quality and security simultaneously. In achieving the Grand Strategy: Agile 10x-Governance, the development process is increasingly being carried out with a product-centric approach consisting of tribes and product squads whose development is carried out in an agile manner and is assisted by collaboration tools and automation according to good governance.

BRI One IT Shared Service Governance was established to make it easier to provide IT services to all relevant stakeholders, such as IT services to subsidiaries and affiliated companies.

To continue to improve quality and ensure BRI's IT position in the industry compared to its peers, BRI's IT conducts Digital & IT Maturity assessments based on several frameworks such as COBIT, DQ, INDI, and carries out various International Certifications such as ISO 27001, ISO 9001: 2015, ISO20000: 2018, PCIDSS, and so on

5. Transform Digital Talent *"Nurture and Engage World-Class Digital Talent"*

BRI's IT realizes that the main assets that the company needs are superior IT & Digital Talents, especially those with core expertise and future competencies, such as current core technologies and future technologies, like Data Scientists, Product Managers, Digital Leaders, IT Architect, etc. through several globally recognized certifications. In addition to expertise, it is necessary to improve a digital culture that ensures that customer experience is 'mission critical' to all IT platform developments at BRI.



Environmental Responsibility



BRI emphasizes environmental factors and their consequences in every product and service offered. For example, BRI analyzes any existing risks and potential harm to the environment in every project before BRI considers financing it. It analyzes a borrower's environmental impact assessment (AMDAL) and environmental certifications that are relevant in the oil palm world such as ISPO, RSPO, ISCC or PROPER. This assessment is crucial as projects that harm the environment do not align with BRI's business policies. BRI is compliant with all environmental regulations in business operations and all services rendered to customers and also ensures that its borrowers continue to meet the principles of Sustainable Finance, which is a Banking agreement that is part of the Indonesian Sustainable Finance Initiative (IKBI). [\[POJK51-2.b\]](#)

BRI implements an evaluation and selection process in managing environmental and social risks; it does not apply a voting process. The evaluation and selection process is as follows: [\[FN-CB-410a.2\]](#)

1. Ensuring compliance with all the relevant regulations.

2. Providing documents to guide industries with mandatory AMDAL or Environment Impact Assessment (EIA) requirements. Environmental licensing and certification such as PROPER and ISPO; voluntary certification such as RSPO in the palm oil-based industries; SVLK-based certification in the forestry industry; or other environmental certifications such as ISO14001 will add more value to this assessment.
3. Results of the Social Impact Analysis (SIA).
4. Environmental planning & monitoring documents such as (RKL / RPL and or UKL / UPL).
5. Regular monitoring through reporting based on national and global standards reporting.

When making financing decisions, the Sustainability Finance (SF) committee and the relevant teams must consider the potential risks, especially the negative environmental impact. The committee must discuss the variety of risks that may harm the environment, financial risks, and risks to the company's reputation. In addition, for each project financing and approval, the committee must ensure that the target of financing has complied with



environmental regulations and related international agreements that have been ratified by Indonesia, such as Law No. 16 of 2016 on Nationally Determined Contribution (NDC) and the efforts towards the Sustainable Development Goals (SDGs), which was ratified as Presidential Decree no 59 of 2017.

BRI has complied with the government Moratorium on Land Clearing since 2015. Thus, BRI requires borrowers in the plantation and forestry sectors to not use the loans for new land clearing; BRI continuously monitors their activities and reaches out if non-compliance is detected. In 2019-2020, loans in the forestry and pulp and paper industries were intended for trade financing and not for clearing for new lands. Trade financing in the pulp and paper industry is especially important given the relatively less fluid cash flow in the industry's supply chain (where payments may take up to six months to be made).

At the end of 2020, the BRI Sustainable Finance Team has issued a Policy for Environmental Social

and Governance (ESG) analysis in the provision of credits. This is a part of BRI's commitment to providing credits to customers in high-risk criteria and its effort to conserve the environment, especially forests, one of Indonesia's most valuable assets. The BRI Sustainable Finance Team continues to prepare policies for sectors like forestry, and criteria for environmental certification to complement the Palm Oil Sub-Sector Policy that was issued in 2017. Likewise, in PROPER-related policies for companies that have downgraded from Blue to Red or Black, BRI conducts special monitoring and correspondence to monitor customers' efforts to return to Blue, Green, or Gold grade. These efforts are crucial maintaining BRI's reputation as the leading bank in Southeast Asia that is committed to Environment, Social and Governance, which is an important part of fulfilling BRI's commitment to Sustainable Finance and international platforms such as TCFD, SASB, and GRI, which are the benchmarks for BRI Sustainable Finance Team's performance. [\[SASB FN-CB-410a.2\]](#) [\[SASB FN-CB-550a.2\]](#)



BRI Borrowers' PROPER Rating [FN-CB-410a.2] [FS10] [FS11]

Description	2018	2019	2020
Gold	4	4	5
Green	6	17	3
Blue	17	55	42
TOTAL	27	104	50

Amount of Loan to Borrowers with PROPER Rating [FN-CB-410a.2]

Description	2018 (Trillion Rp)	2019 (Trillion Rp)	2020 (Trillion Rp)
Gold	15	61	16,2
Green	8	61	0,4
Blue	7	78	17,9
TOTAL	30	200	34,5

Borrowers Receiving ISPO/RSPO Certification [FN-CB-410a.2] [FS8] [FS10]

Description	2018	2019	2020
ISPO	14	24	23
ISPO Certification Ongoing	26	11	7
RSPO	12	12	9
RSPO Certification Ongoing	0	0	0

Amount of Financing to Borrowers with ISPO / RSPO Certification

[FN-CB-410a.2] [FS8] [FS11]

Description	2018 (Trillion Rp)	2019 (Trillion Rp)	2020 (Trillion Rp)
ISPO	4	9	7
ISPO Certification Ongoing	9	6	2
RSPO	12	15	5
RSPO Certification Ongoing	0	0	0



Sustainable Finance Policy

BRI has created a Sustainable Finance Action Plan as guidance towards achieving Sustainable Finance. The preparation of the RAKB was supervised by the Director of Risk Management and a Committee consisting of the Director of Finance, Director of Corporate Business, Director of Retail & SMB, and Director of Compliance, who were assisted by the Sustainable Finance Team which consists of Market, Portfolio & Enterprise Risk Management, Corporate Development & Strategy, Corporate Secretary, SOE Business, Corporate Banking, Retail and Medium Business, Compliance, Credit Risk Analyst, Credit Policy Division, and Internal Audit Work Unit. The Market, Portfolio, & Enterprise Risk Management division acts as the coordinator within the SF team.

[GRI102-18] [TCFD Gov.a]

The fight against climate change, based on the Paris Agreement on Climate Change in 2015, has fueled BRI's ambition to support activities that are in line with its Sustainable Finance Commitments. BRI sees this as an opportunity for new businesses, such as those in the fields of renewable energy, electric transportation, energy efficiency and resource management. A climate change agreement that the Government of Indonesia has ratified can encourage investment in the areas mentioned above and provide a new impetus for innovation. BRI's commitment to promoting environmentally friendly technology is shown in the financing of LRT development which significantly reduces traffic congestion in the capital city of Jakarta by encouraging people not to use private vehicles.

[GRI 203-1, 203-2]

The emission reduction by BRI's borrowers is a form of BRI's commitment to supporting efforts to reduce emissions and support the development of national transportation. These emissions will be calculated when the project is operational and will be included in BRI's scope 3 emission footprint (which is outside BRI's operational control according to the ISO14064 standard). [GRI305-3]

In implementing Sustainable Finance, BRI is also committed to not directly or indirectly finance transactions, projects, or entities suspected of violating human rights, particularly those who use forced or child labor or are in contravention of applicable regulations.. On the environment, BRI is committed to not participate in projects that cause environmental damage, such as destruction of rainforests, soil, air and water which violate the monitoring points of RKL / RPL and UKL / The UPL submitted by the borrowers. [POJK 51-5.c]

Thus BRI continues to liaise with all borrowers on the topic of Sustainable Finance so that they can continue to collaborate with BRI and abide by the ESG points that have been agreed upon.



Responsibility for Environmental Internal Performance



Climate change risk management is an increasingly important task for the economy. It is not without reason that the World Economic Forum (WEF) classifies climate change as one of the top five risks in the 2020 Global Risks Report. Companies that do not set climate protection targets or do so only at an insufficient level or rather do not include any climate-related aspects into their corporate strategy should predict that their profitability will decline in the medium to long term. Effective climate protection has long been a competitive factor in the capital market and this is what the Sustainable Finance Team translated into the Sustainable Finance Action Plan (RAKB). . [TCFD Stratg.b]

The BRI Sustainable Finance team views environmental protection as part of the corporate responsibility to society. The direct environmental impact of operational activities will continue to be taken into account in the sustainability reports and direct activities financed by BRI as stipulated in the second OJK Roadmap commitment (2021-2025),

such as Green Taxonomy and the 2020 Sustainable Finance Action Plan (RAKB). These medium-term plans (2020 to 2024) are continuously reported to the OJK. Although this report has not been drafted with a targeted emission value metric analysis, the achievement of this RAKB is always monitored by the Sustainable Finance Team to achieve 100% optimal results. [TCFD Gov.b] [TCFD Metric.c]

BRI is committed to minimizing its environmental impact as much as possible. Therefore, the Company continues to improve its environmental parameters, especially in the most relevant areas, namely in scope 1 and 2 of BRI operations throughout Indonesia, and continues to measure the potential for emission reduction in scope 3 related to the digitization of products. In addition, BRI continues to support the financial inclusion plans 3T areas (Underdeveloped, Remote, Outermost) of Indonesia. All these efforts amounted to an emissions reduction of 5.16 Kg CO₂e / transaction. [TCFD Metric.b] [POJK51-6.e.1]



Impacts, Risks and Opportunities [\[GRI102-29\]](#) [\[GRI102-30\]](#) [\[GRI103-3\]](#)

The ecological impact of internal activities on the environment and society will be assessed annually. The most important indicator is the Company’s carbon footprint as part of information transparency to reduce emissions. This effort is to contribute towards Indonesia’s Nationally Determined Contribution (NDC), which is to reduce emissions by 29% on its own efforts and 41% with international assistance by 2030. [\[POJK 51-6.e.4\]](#)

The next goal is to reduce emissions compared to the previous year. Global climate change has far-reaching consequences that extend beyond

national borders. The business opportunity to use renewable energy or improve energy efficiency will be both ecologically and socially beneficial through the creation of jobs. The construction of LRT, development of clean energy such as PLT Bayu (Wind Power Plant), or Microhydro, and the construction of biodiesel plants originating from certified palm oil all contribute significantly towards the ongoing emission reduction effort. As a result, Rp 192.09 billion in expenses were saved as part of the Climate Change and the New Normal adjustment efforts by the Management and the BRI Sustainability Finance Team in the ESG implementation. [\[TCFD Risk.a\]](#)

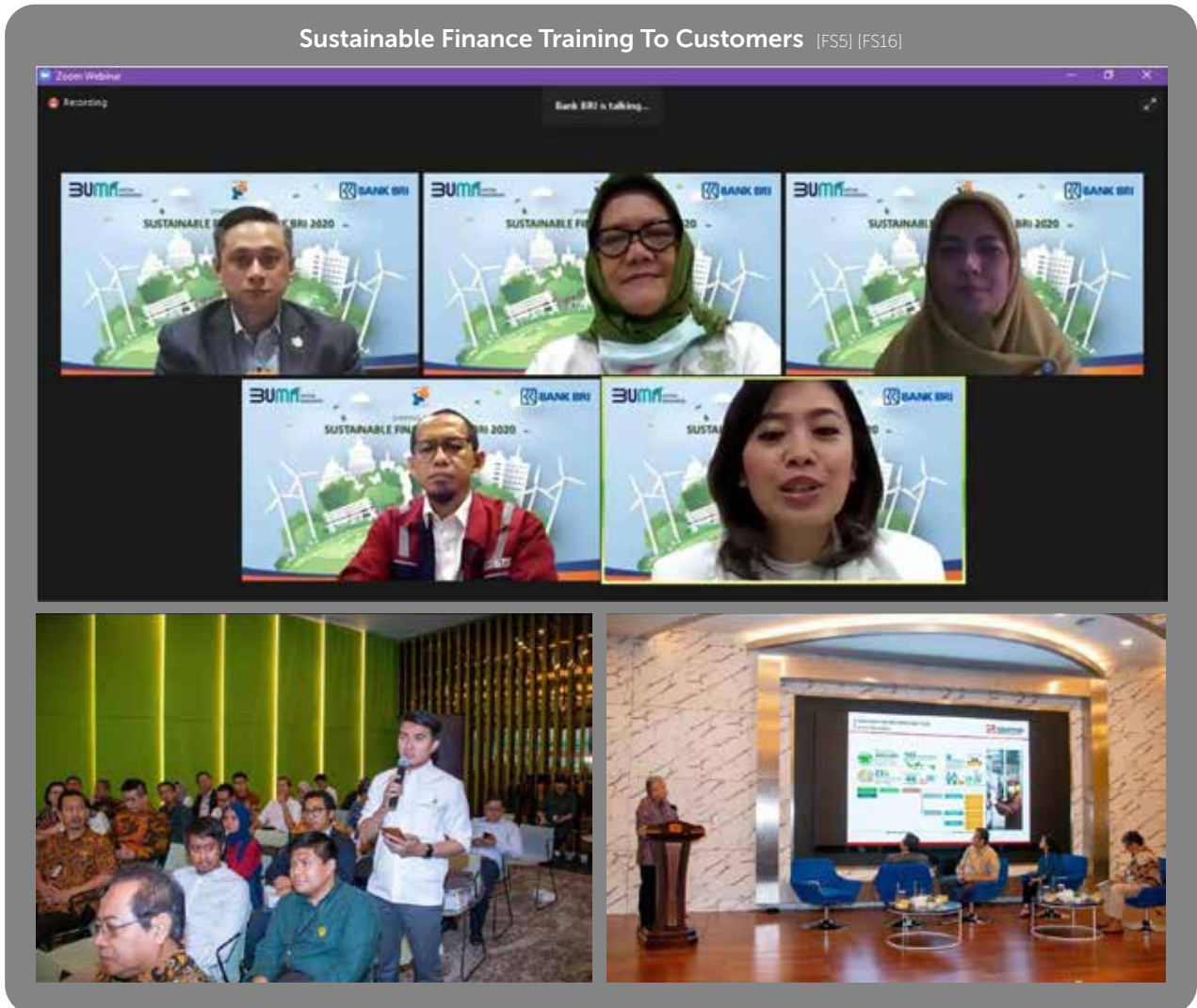
[\[TCFD Stratg.a\]](#)

Budget Savings from New Normal Adjustments (in Million)

Description	2018	2019	2020
1. Business Travel Expenses	204,480	235,105	101,852
2. Overseas Travel Expenses	11,017	10,801	4,163
3. Tickets	20,742	32,646	7,742
4. Accommodations	52,785	70,170	42,875
Total	288,997	348,722	156,633
Savings		-59,725	192,089

If big corporations do not pull their weight in fighting climate change and global warming, negative changes such as the rise in sea level, increased frequencies of storms and extreme weather disasters, severe disruptions to the balance of the world ecosystem, and unpredictable seasons such as prolonged droughts and unseasonal heavy rains will be felt even more. These rapid changes will especially impact agriculture and the people who are dependent on it. [\[TCFD Risk.a\]](#)

Therefore, BRI imposes environmental performance indicators for all its offices with metrics and targets towards the betterment of Indonesia. BRI also communicates intensively with borrowers and supply chain through training and FGDs on Sustainable Finance and Environmental, Social and Governance (ESG) criteria. BRI hopes that its customers and partners can work together towards the objectives of Sustainable Finance and the RAKB set by BRI’s management. [\[TCFD Risk.b\]](#)



BRI also collaborates with the CDP transparency platform to prepare the latest CDP questionnaire for banking, a project funded by Norway's International Climate & Forest (NICFI). This questionnaire discusses BRI's commitment to climate change, forests and freshwater supply in relation to investment loans. BRI works with KPMG in responding to the questionnaire to ensure proper disclosure of BRI's ESG performance.

The challenges for BRI in realizing environmental performance transparency are additional costs from new initiatives such as baseline emission analysis, energy savings procurements, and engagements with experts on climate change analysis, as well as product availability and a more limited choice of suppliers. [\[TCFD Risk.c\]](#)



Sustainable Development Goals

Two of the 17 Sustainable Development Goals (SDGs) are classified as highly relevant to BRI. These include SDG 13 “Climate Protection Action” and SDG 7 “Affordable and Clean Energy”. BRI’s choice to have a direct impact on the environment lies largely in the areas of energy consumption (electricity and air conditioning), transportation, and water consumption. All of these areas can be found in the Sustainable Development Goals, for example SDG 6 (water), SDG 7 (energy efficiency), SDG 12 (consumption and production/waste) and SDG 13 (climate protection).





ENVIRONMENTAL ACHIEVEMENTS

[GRI302-1] [GRI302-2] [GRI302-3] [GRI302-4] [GRI305-1] [GRI305-2] [GRI305-3] [GRI305-4] [GRI305-5] [GRI305-6] [GRI305-7] [POJK 51-2.b.1] [POJK 51-2.b.2] [POJK51-6.d.3.a] [POJK 51-6.d.3.b] [POJK51-6.e.4] [POJK51-6.e.1]



In accordance with GHG reporting standards, BRI has started to calculate GHG emissions based on the operational control approach by ISO14064. However, the determination of the emission baseline will only be assessed more in-depth and will be reported in future reports, using international conversion methods like IPCC, Ecoinvent, WRI, and Biograce. These international methods will especially be relevant to BRI's overseas stakeholders. In this report, BRI has calculated the overall emissions in all branch offices in Indonesia with the following results : [TCFD Metric.a]

Description	2018	2019	2020
1. Use of Diesel for Transportation (liter)	37,269,374	39,731,957	39,181,042
2. Use of Pertamina Fuel for Transportation	250,494.63	342,612.3	148,981.55
3. Electricity Consumption (Kwh)	501,747,576	507,656,438	514,700,061
4. Water Consumption (meter cube)	2,528,421	2,809,471	3,112,340
5. Paper Usage (Kg)	8,629,062.50	8,847,062.50	9,715,562.50
6. Energy usage from fuel and electricity (MJ)	2,022,034,579.01	2,160,699,726.17	2,120,585,835.57
7. Energy usage reduction compared to previous year	-	-6%	2%
8. Emissions from Scopes 1 and 2 (Positive Emissions)* (Kg CO ₂ eq)	558,343,613.58	678,845,763.61	587,962,608.88
9. Tree Planting Activities (Negative Emissions)** (Kg CO ₂ eq)	266,700	266,700	266,700
10. Scope 3 Emissions from Business Air Travel	62,163,290	96,789,290	1,526,958
11. Scope 3 Emissions from Land Trips (Domestic)***	-	-	-
12. Net Emission (Kg CO ₂ eq)	558,076,913.58	678,579,063.61	587,695,908.88
13. Emission intensity performance at every branch office (Kg CO ₂ eq/office)	57,849.79	70,575.05	65,097.02
14. Emission intensity per employee (Kg CO ₂ eq/worker)	4,504.58	5,402.61	4,777.94



Description	2018	2019	2020
15. Performance in Emission Reduction at every branch	-	-18.03% (increase)	8.42% (decrease)
16. Performance in Emission Reduction per employee	-	-16.62% (increase)	13.07% (decrease)
17. Energy efficiency performance at every branch office (MJ/office/year)	209,706.08	224,721.76	234,889.88
18. Energy efficiency performance per employee (MJ/worker/year)	16,329.15	17,202.75	17,240.25
19. Paper Usage (kg at every branch office)	223.62	230.03	269.04
20. Paper usage performance	-	-3% (increase)	-14% (increase)
21. Paper Usage (kg per worker)	17.41	17.61	19.75
22. Paper usage performance	-	-1% (increase)	-11% (increase)
23. Water consumption per worker (m ³ /worker)	20.41	22.37	25.30
24. Water usage performance		-9% (increase)	-12% (increase)

* Positive Emissions are emissions resulting from scope 1 banking operational activities that are generated by fuel consumption. Scope 2 originates from electricity consumption in all BRI offices in Indonesia, where the use of these two energy sources is still under BRI's control.
 ** Negative Emissions are emissions resulting from activities that absorb carbon emissions produced by BRI. The resulting negative emissions are not certified emissions; rather, they are the result of the KLHK carbon accounting standard method.
 *** Local Official Travel Calculation (land) is still being compiled and will be disclosed more accurately in future reports.

In terms of energy use, the New Normal of 2020 has contributed to a reduction in the Company's use of fuel for transportation but an increase in electricity use. Overall, there was a 2% decrease in energy use compared to 2019.

The emissions produced in 2020 compared to 2019 can be seen from two sides: the number of branch offices and the number of employees. The amount of emissions generated in 2019 and 2020 was strongly influenced by the number of official business travels which are included in scope 3. The significant reduction in official travel in 2020 reduces emissions very significantly by 13.37%. At the same time, travel expenses also decreased to Rp. 192 Billion.

Overall, the reduction of emissions achieved by BRI per employee is in line with the world community, which was at 4.8 tons of CO₂e per person per year (www.ourworldindata.org/CO2-emissions). In fact, at 4.76 tonnes of CO₂e per worker per year, BRI still comes below the average emission per person globally. The Company has more emission reduction initiatives digitization process.

Ozone-depleting gases: NO_x, SO_x, VOC (gas of volatile organic compounds), PM (Particulate Matter) and other significant air emissions are not taken into account in this calculation as BRI is still in the initial stages of classifying data. It will increase data collection on emissions in the 2021 RAKB as part of the OJK's 'Green Taxonomy' initiative in the second Roadmap of Sustainable Finance so that data on internal emissions can be easily managed, sorted and analyzed to generate performance indicators.

[GRI 305-6, 305-7]



Use of Raw Materials and Water [POJK 51-2.b.1]



Paper has been a crucial material in customer service because transactions and other banking information are recorded in various documents used internally at BRI and in communications with customers. The paper used is afterwards destroyed to protect the confidentiality of the information. Thus, BRI still has not recycled any paper thus far.

In order to maintain customer confidentiality, BRI strives to ensure that valuable information can only be accessed either digitally or physically by

customers. During the New Normal, paper was further used in new documents such as paper proof of Covid-19 tests and bank statements needed for overseas travels or credit applications.

BRI has made various efforts to reduce paper usage in internal correspondence, which require synergistic efforts by all branch offices in Indonesia. BRI is also encouraging its customers to use less physical documents. In terms of paper usage performance, there has been a significant increase



in 2020 of up to 11% in paper usage per employee per year and an increase of 14% in the use of paper per branch office per year.

BRI's multi-storey buildings use surface water managed by third parties which do not draw from rivers or groundwater so that it does not impact water supply. Water usage data is calculated from data from third-party suppliers such as PDAM or PAM JAYA, and then used to determine water usage per BRI employees.

Regarding the quality of processed clean water, PDAM and PAM JAYA have met SNI clean water standards which certify that water from PAM JAYA is safe for use in buildings. Regarding the use of bottled drinking water, BRI has also put in place a number of drinking water dispensers to encourage employees away from using plastic bottles. The Sustainable Finance team has also issued a policy to limit the use of plastic bottles in 2020. This year, the use of plastic bottles has not been calculated and

it is hoped that after the issuance of this policy, BRI can convey the performance of plastic use in future reports.

[POJK51-6.e.5.a]

From the analysis, it was found that there was an increase in water use throughout 2020 by 12% or 25.3 m³ per year per employee.

On wastewater management, BRI collaborates with PAM JAYA to comply with the DKI Regional Regulation No.7 of 2014 to manage wastewater from the BRI 1 and BRI 2 buildings. Wastewater from BRI offices is regularly monitored by PAM JAYA and information on waste management is communicated to BRI building managers if it comes below the wastewater standards. There were no complaints from third parties regarding BRI's wastewater management in 2020. Wastewater is sent to PAM JAYA's water treatment unit which is then reused at BRI to minimize withdrawal from groundwater. [POJK 51-2.b.3][POJK51-6.e.5.a] [POJK 51- 6.e.5.b]

[POJK51-6.e.6]





Hope from the East [GRI 203-1]

The island of Sumba, with an area of approximately 10,000 km², is located in East Nusa Tenggara, in the eastern part of Indonesia. Sumba is known for its hilly terrains and a dry climate with only 1-10 rainy days per month throughout the year, making it very difficult for this area to get clean water. Apart from the challenge of getting clean water, the people of Sumba also face the problem of energy availability, with an electrification rate of around 37.97%. According to PLN's data, only 184 out of a total of 426 villages have electricity. To meet the electricity needs on Sumba, PLN relies on a Diesel Power Plant (PLTD) which uses up to 50 tons of fuel per day or 1500 tons per month for the East Sumba and West Sumba electricity grids. The cost is substantial and there is a need to find cheap energy alternatives to reduce the reliance on PLTD.

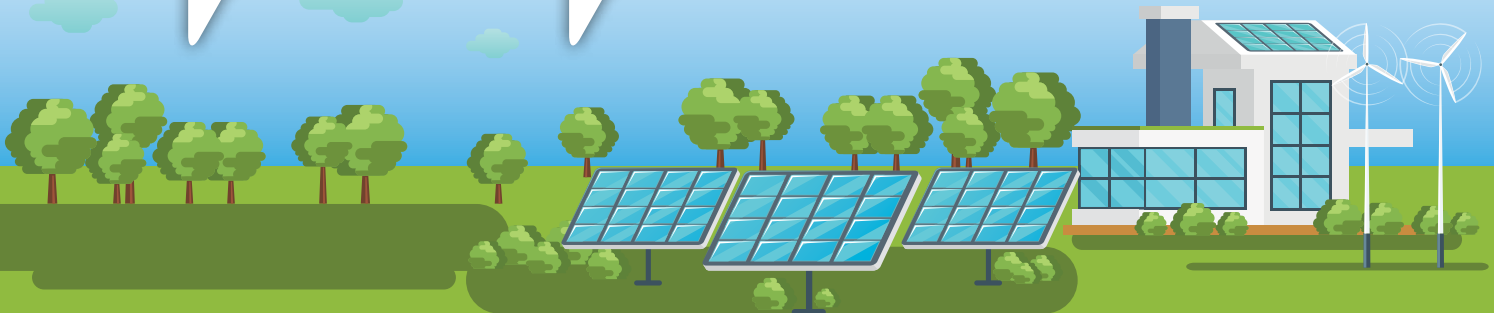
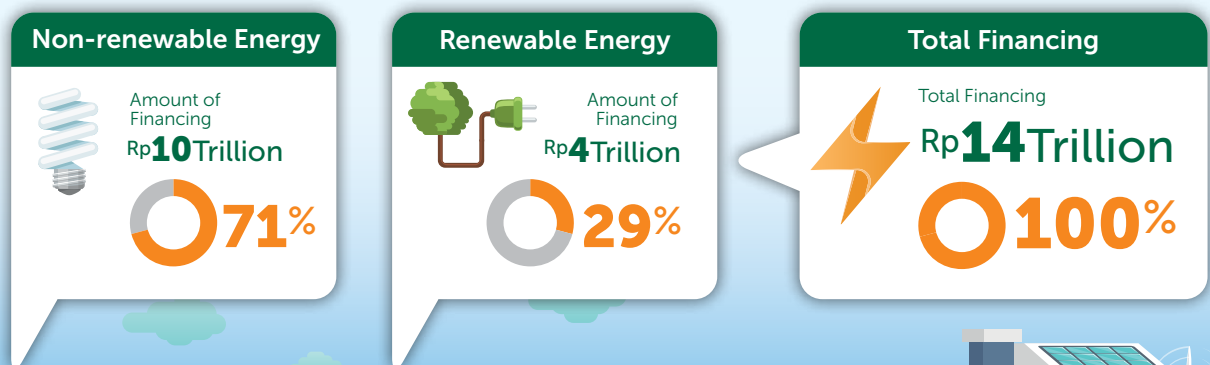
Solar Power Plants (PLTS) are being built. They are operated by PT. Buana Energi Surya Persada (PLTS Sumba Timur) with an installed capacity of 1x1MW and PT Indo Solusi Utama (PLTS Maumere & Ende) with an installed capacity of 2x1MW. Two PLTS managed by PT Indo Solusi Utama and PT Buana Energi Surya Persada are BRI customers who get SME loans for the development of renewable energy supply on Sumba where 3,951.74 tons of CO₂e in emissions were reduced and 45,090.6 TJ of energy was saved per year. [302-5]

The partnership between the two companies is expected to expand into the development and construction of renewable energy electricity facilities, improving the standard of living of Sumba residents.

This is where the role of renewable energy sources comes in to fill the gap. Sumba can exploit its hilly and sunny geography for solar and wind power.

Electricity Sub-sector Financing Allocation in 2020 [GRI 203-1]

The total financing in the electricity sub-sector in 2020 reached Rp 14 trillion or 39% of the total infrastructure construction financing.







Sustainability Report 2020

TOGETHER, STRIVING TOWARDS ECONOMIC AND TRANSPARENCY VALUE CREATION





UMKM EXPO(RT) BRILIANPRENEUR 2020

UMKM EXPO(RT) BRILIANPRENEUR is a creative industry exhibition that displays the works of Indonesia’s best Micro, Small and Medium Enterprises (MSMEs) through amazing art installations. This year, 1,488 MSMEs from 32 Provinces and 219 Regencies/ Cities throughout Indonesia had signed up for BRILIANPRENEUR 2020 UMKM EXPO(RT).

For the first time, the 2020 BRILIANPRENEUR UMKM EXPO(RT) adopted the concept of a hybrid exhibition, which showcased hundreds of MSME products at the Jakarta Convention Center and through a 3D Virtual Expo that can be enjoyed by the public around the world.

The MSME selection stage began with curating product samples in Jakarta. From these stages, BRI and the curating team selected 573 MSMEs as participants of the 2020 BRILIANPRENEUR UMKM EXPO(RT). Curation criteria covered several aspects, ranging from product design, product innovation, social and environmental sustainability, and export potential.

The products showcased at the 2020 BRILIANPRENEUR UMKM EXPO(RT) specifically had distinctive Indonesian characteristics which took advantage of the use of natural materials, with designs that were both functional and aesthetically pleasing, put emphasis on the richness of Indonesian culture,



adhere to safe packaging standards, and had positive social and environmental impacts.

The virtual exhibition, which was held between 1-13 December 2020, attracted 116,628 virtual visitors from Indonesia, the United States, China, Australia, United Kingdom, Singapore,



United Arab Emirates, India, and Japan.

2020 BRILIANPRENEUR UMKM EXPO(RT) also welcomed 555 physical visitors at the Jakarta Convention Center. For the convenience and safety of visitors, health and safety protocols were in place to prevent the spread of Covid-19. At the entrance, body temperatures were taken, hand washing facilities and hand sanitizers were provided, and the mandatory wearing of masks

and safe distance during the visit were enforced. The total number of visitors were limited to 200 per day.

Business Matching

The Business Matching Program brought together MSMEs with potential buyers based domestically globally. Thanks to the virtual concept, the opportunities for MSME players to "meet" buyers from around the world became infinitely wider. At the 3D virtual expo, buyers could search through MSMEs and make virtual appointments. A total of 99 buyers consisting of 66 international buyers and 30 domestic buyers made Business Matching appointments with participating MSMEs. Out of a total of 101 meetings, 74 contracts were signed worth US\$ 57.46 million.

Online Bazaar

2020 BRILIANPRENEUR UMKM EXPO(RT) featured an Online Bazaar with 573 MSME participants on the official Indonesia Mall store, which was available in 5 online marketplaces: Tokopedia, Bukalapak, Blibli, Lazada, and Shopee. Both the Online Bazaar and the physical shops generated a total sales of Rp 3.5 billion.

UMKM Awards

At the end of the 2020 BRILIANPRENEUR UMKM EXPO(RT), awards were given to MSME participants in the categories of Best UMKM EXPO, Best Business Matching, and Brilliant Young Entrepreneurs.

ECONOMIC VALUE ADDED AND TRANSPARENCY

Economic Performance Achievement

Achievement in the economic performance significantly impacts BRI’s business sustainability and is the basis for stakeholders, especially investors, to make decisions. In 2020, profits reached 137.2% of the predetermined target. Economic performance is also monitored by the internal and external audit teams. Meanwhile the Director of Finance is responsible for financial supervision and management.

[GRI 103-1]

Disclosure of economic performance during 2020 is done according to POJK guidelines in the form of a comparison between targets and actual performance in production, portfolios, financing or investment targets, income and profit and loss, and financing or investment targets in sustainable financial instruments or projects.

[POJK51-6.b.2] [GRI 103-2]

Comparison between target and actual performance in Production, Portfolios, Financing or Investment Targets, Income and Profit and Loss in 2020 (Rp billion).

[POJK51-2.a]



Description	Target	Actual Amount	Percentage (%)
Total Assets	1,413,304	1,421,785	100.60%
Productive Assets	1,348,177	1,343,563	100.34%
Bank Loans/Financing	902,689	880,685	97.56%
Funds from Third Party	1,023,113	1,052,664	102.89%
Operational Revenue	133,434	139,565	103.71%
Operational Overhead	114,968	112,181	97.58%
Net Profits	13,377	18,353	137.20%



Comparison between Targets and Performance in Production, Portfolios, Financing or Investment Targets, Income and Profit and Loss in 2020 (%). [POJK51-6.b.1]

Description	Target	Actual Amount	Percentage (%)
Performance Ratio			
Minimum Capital Adequacy Ratio (KPMM)	18.37%	20.61%	112.20%
Distressed Productive and Distressed Non-performing Assets to Total Productive Assets and Total Non-performing Assets	N/A	1.82%	N/A
Non-performing Productive Assets to Total Productive Assets	N/A	1.81%	N/A
Allowance for Asset Impairment Losses (CKPN) on Financial Assets to Productive Assets	5.22%	5.42%	96.40%
Gross Non-performing Loans	3.30%	2.94%	112.27%
Net Non-performing Loans	1.53%	0.80%	189.69%
Return on Asset (ROA)	1.43%	1.98%	138.22%
Return on Equity (ROE)	8.34%	11.05%	132.53%
Net Interest Margin (NIM)	5.56%	6.00%	107.87%
Efficiency Ration (BOPO)	86.16%	81.22%	106.08%
Liquidity Coverage Ratio (LCR)			
a. Individual LCR	85%	256.21%	301.42%
b. Consolidated LCR	85%	241.02%	283.55%

Direct Economic Value Generated and Distributed

BRI's entire transparent financial reporting is presented in the BRI 2020 annual report. A portion of the revenue earned is distributed to stakeholders, including dividend payments to shareholders, payment of bonuses to employees, tax payments to the Government, and investment payments to the public. In this sustainability report, BRI presents the direct economic value generated and distributed which is shown in the table below. All revenue in 2020 was generated by banking services. No income was derived from the opportunities and/or financial implications of climate change. BRI also did not receive financial assistance from the Government.

[GRI 201-2, 201-4]

Direct Economic Value Generated and Distributed (Rp Million) [GRI 201-1]		
Direct Economic Value Generated		
Description	2019	2020
Interest Income	115,638,719	109,958,749
Non-interest Income	28,229,071	28,430,131
Non-operating Income	(85,443)	(46,726)
Total Direct Economic Value Generated	143,852,347	138,342,154

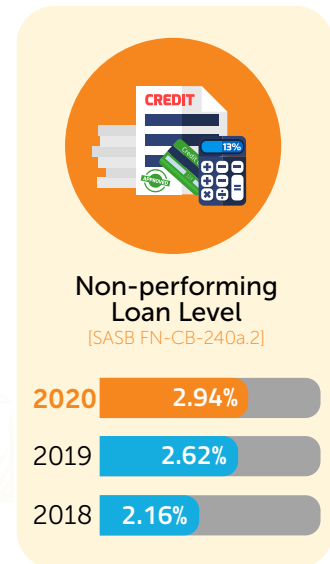
Direct Economic Value Distributed		
Description	2019	2020
Non-interest Operating Costs Excluding Employees	21,109,801	25,104,271
Labor Costs (Excluding Outsourcing)	22,279,011	24,980,447
Dividend Payments	16,175,567	20,623,565
Loan and Bank Interests	37,078,417	34,811,751
Payments to the Government (Taxes)	17,562,873	16,611,670
Investment Expenditures to the Public	180,186	264,137
Total Direct Economic Value Distributed	114,385,855	122,395,841
Direct Economic Value Kept	29,466,492	15,946,313

BRI transparently discloses its financial and non-financial information and reports to the regulators in accordance with applicable regulations. Financial and non-financial information is disclosed through print media or the company’s website (www.bri.co.id/laporan).

Lending Proportion

BRI strives to realize the development of product portfolios and credit quality in order to serve customer needs and support government programs. It has also expanded partnerships to widen financial inclusion through the application of environmentally friendly investment principles and sustainable finance. Product performance review is the responsibility of the Product Committee, which is also in charge of providing recommendations to the Board of Directors on BRI’s product development strategy which is reviewed every month. [\[GRI 103-3\]](#)

Broadly speaking, BRI’s business portfolio includes loans and savings. Up until the end of the reporting period, loan extension per segment and total deposits showed significant growth. Lending is carried out with the adherence to the prudential banking principle by maintaining the ratio of non-performing loans (NPL). The NPL level at the end of 2020 reached 2.94%, which was higher than in 2019 at 2.62%. The NPL value is still below the threshold set by Bank Indonesia of 5%.





Credit Composition by Segment (Rp Trillion) [SASB FN-CB-410a.1] [FS6]



Segment	2018	2019	2020
Micro	274.28	307.72	351.34
Consumer	130.86	140.50	143.68
Commercial Retail	105.93	114.69	108.08
Program & Small	77.05	83.96	89.15
Medium	18.40	21.55	19.99
Corporate	197.85	191.14	168.43
Total	804.36	859.56	880.67

Percentage of Credit by Segment [SASB FN-CB-410a.1] [FS6]



Segment	2018	2019	2020
Micro	34%	35%	40%
Consumer	16%	16%	16%
Commercial Retail	13%	13%	12%
Program & Small	9%	10%	10%
Medium	2%	2%	2%
Corporate	25%	23%	19%
Total	100%	100%	100

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

Region	2018	%	2019	%	2020	%
Greater Jakarta	256.58	31.90	251.61	29.27	211.82	24%
Sumatra	132.02	16.41	142.33	16.56	137.18	16%
West Java	60.63	7.54	67.51	7.85	100.81	11%
Central Java & Yogyakarta	84.09	10.45	95.13	11.07	105.27	12%
East Java	83.65	10.40	92.07	10.71	103.70	12%
Central & Eastern Indonesia	176.07	21.89	199.24	23.18	214.12	26%
Others	11.30	1.40	11.64	1.35	7.76	1%
Total	804.36	100.00	859.56	100.00	880.67	100%

Credit Composition Based on Regions Outside Indonesia (Rp Million) [SASB FN-CB-410a.1] [FS6]

Region	2018	%	2019	%	2020	%
New York	7,707,918	85.55	7,902,370	65.29	6,947,216	61%
Singapore	736,688	8.18	3,352,577	27.70	3,656,022	32%
Timor Leste	565,483	6.28	848,979	7.01	817,768	7%
Total	9,010,483	100.00	12,103,926	100.00	11,421,006	100%

Credit Composition Based on Economic Sector (IDR Trillion) [F56]

Economic Sector	2018	%	2019	%	2020	%
Government Administration, Defense and Mandatory Social Security	5.39	0.67%	5.31	0.62%	1.33	0.2%
Processing Industry	65.90	8.14%	68.13	7.92%	82.25	9.3%
Community Service, Socio-Cultural, Entertainment, and Other Individuals	26.34	3.25%	28.88	3.36%	34.93	4.0%
Health Services and Social Activities	3.64	0.45%	7.15	0.83%	3.11	0.4%
Education Services	1.24	0.15%	1.49	0.17%	0.78	0.1%
Individual Services Serving Households	1.84	0.23%	1.64	0.19%	1.42	0.2%
Undefined Activities	6.84	0.84%	8.48	0.99%	9.67	1.1%
Construction	32.44	4.01%	38.14	4.43%	36.48	4.1%
Electricity, Gas and Water	35.88	4.43%	39.7	4.61%	35.81	4.1%
Non Industrial Loan Recipients	198.91	24.57%	211.38	24.56%	221.17	25.1%
Accommodation and food & beverage sectors	7.67	0.95%	9.72	1.13%	14.30	1.6%
Financial Intermediary	3.48	0.43%	8.8	1.02%	7.18	0.8%
Wholesale and Retail	280.80	34.69%	283.17	32.90%	283.19	32.2%
Fishery	4.09	0.51%	5.25	0.61%	6.78	0.8%
Mining and Excavation	6.37	0.79%	15.71	1.83%	7.87	0.9%
Agriculture, Hunting and Forestry	90.32	11.16%	96.98	11.27%	104.76	11.9%
Real Estate, Rental Business and Corporate Services	10.68	1.32%	11.53	1.34%	10.30	1.2%
Transportation, Warehousing and Communication	22.50	2.78%	19.12	2.22%	19.31	2.2%
Others	5.18	0.64%	0	0		
Total	804.34	100%	859.56	100%	880.67	100%





Lending to Environmentally Friendly Businesses

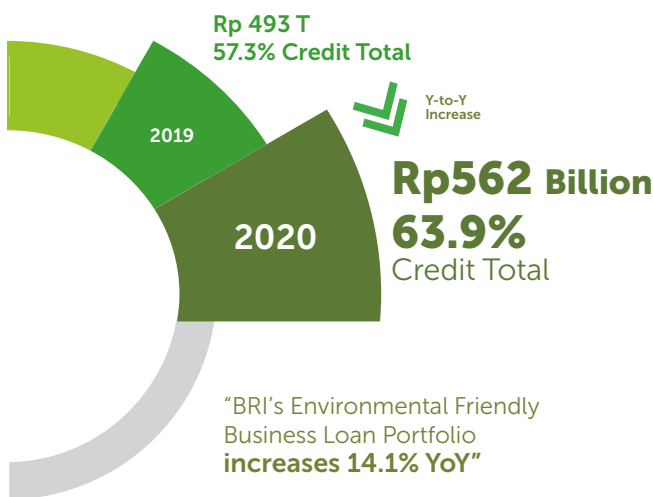
In 2020, BRI succeeded in realizing its targets and plans. It has also evaluated higher targets for 2021. As of December 2020, BRI extended 63.9% of its total loans to environmentally sound businesses. Overall, there are 10 types of sustainable business activities that are targeted for lending: micro, small and medium enterprises (MSMEs), renewable energy, pollution management, and management of natural resources and sustainable land use. In addition, there are also businesses that are engaged in land and water biodiversity conservation, environmentally friendly transportation, sustainable water and wastewater treatment, environmentally friendly buildings, and other environmentally friendly business activities.

Environmentally Friendly Business Activities [FS11]

Credit Portfolio

As of 31 December 2020

In accordance with OJK Regulation No. 51 / POJK.03 / 2017 regarding the Implementation of Sustainable Finance for Financial Service Institutions, Issuers and Public Companies



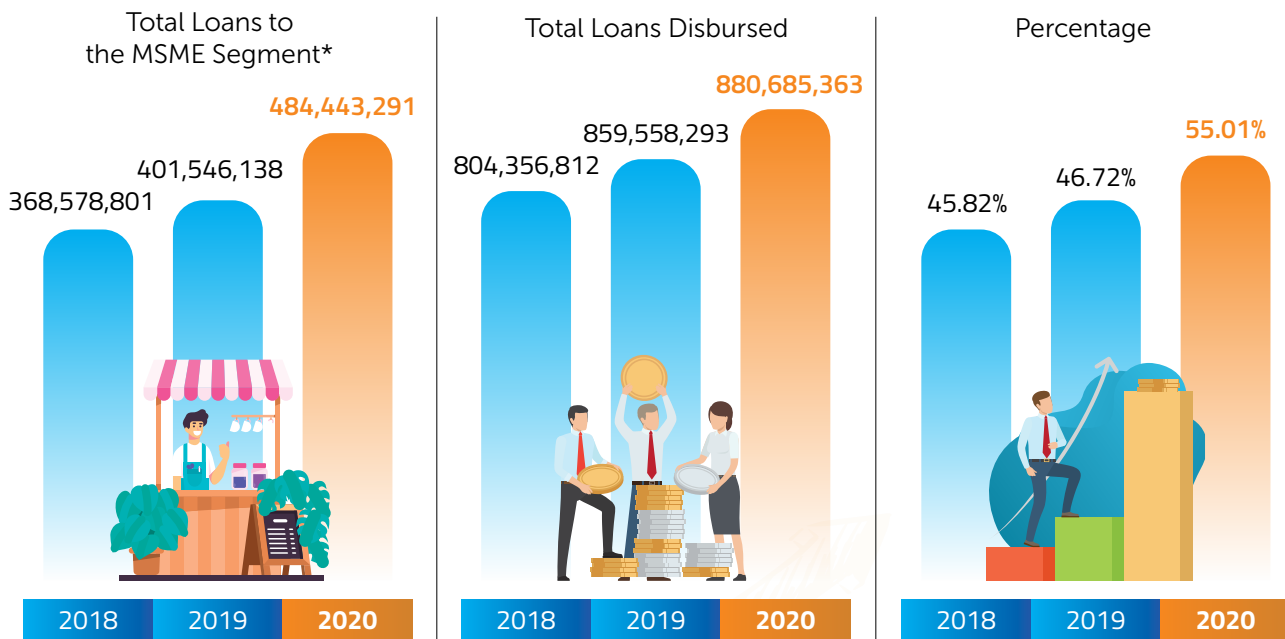
- MSMEs
Rp 484.4 T
- Management of Natural Resources & Sustainable Land Use
Rp 33.1 T
- Renewable Energy
Rp 14.6 T
- Land and Water Biodiversity Conservation
Rp 702 B
- Pollution Management & Control
Rp 2.3 T
- Sustainable Water & Wastewater Treatment
Rp 685 B
- Environmentally Friendly Transportation
Rp 15.5 T
- Eco-efficient Products
Rp 7.7 T
- Environmentally Friendly Buildings
Rp 2.9 T
- Other Environmentally Friendly Businesses
Rp 541 B

MSME Loans Distribution

BRI's commitment to serving MSMEs contributes towards the achievement of the SDGs. Up until the end of the reporting period, BRI lending to the MSME segment reached Rp 484,443 billion or 55.01% of the total loan disbursed at Rp 880,685 billion.

The strategy that was carried out until the end of 2020 was to distribute loans to MSMEs and at the same time conduct continuous training, including in financial literacy. This strategy is expected to empower MSME players so that they can expand to become medium and large business actors. BRI as an agent of development provides financing to MSMEs through People's Business Credit (KUR) and KUPEDES. [SASB FN-CB-240a.1]

» Proportion of Loans in the BRI MSME Segment (Rp Million) [FS6]



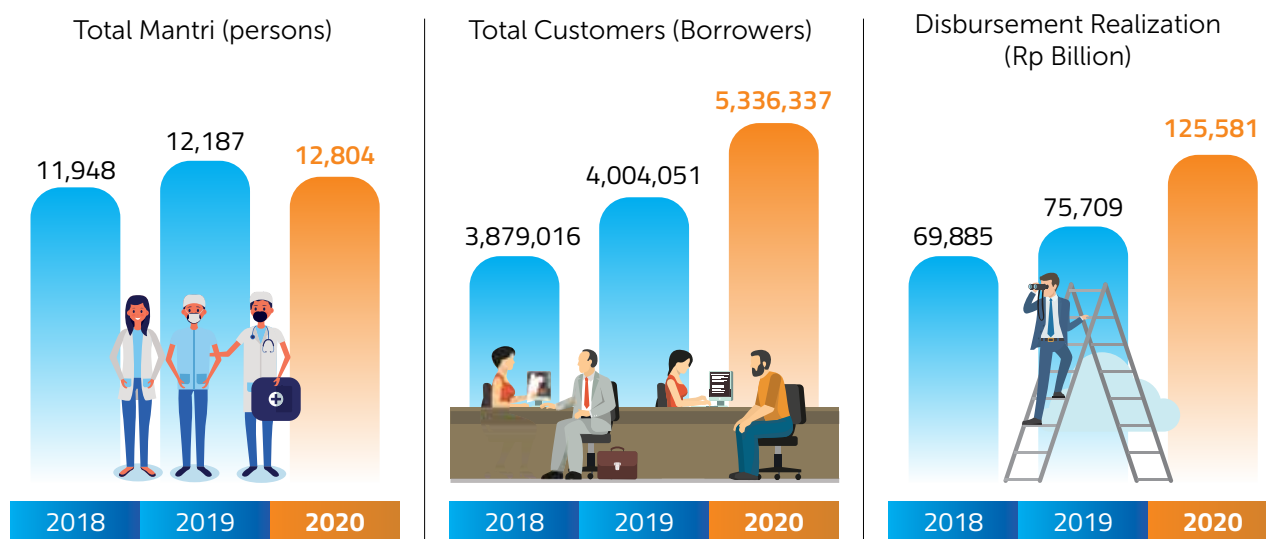
Note: *Loans to the MSME segment do not include consumer and corporate loans

» Proportion of BRI MSME Loans (IDR Billion) [GRI 203-2]

Types of Credit Limit for MSME	Amount	Total MSME Loans	Percentage
Kredit Usaha Rakyat Loan (KUR)	125.278	484.443	25,86%
Kupedes	134.987		27,86%
Total	260.265		53,72%



» KUR Micro Performance [GRI 203-2]



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

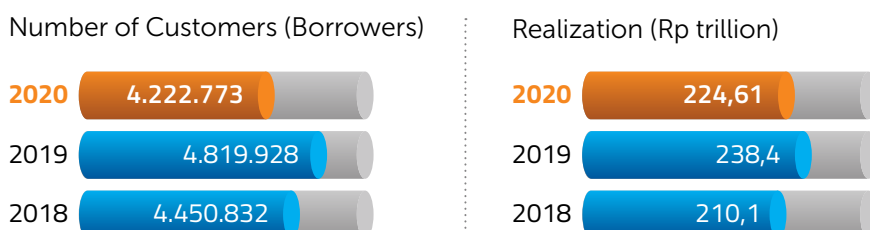
Sector	2018	2019	2020
Production	30.683	40.019	75.105
Non-production	39.202	35.690	50.475
Total	69.885	75.709	125.581

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

Sector	2018	2019	2020
Production	1.716.582	2.126.776	3.194.608
Non-production	2.162.996	1.877.290	2.141.729
Total	3.878.588	4.004.066	5.336.337

BRI has a KUPEDES product that offers wide access to rural communities to obtain loans that can be used to support their various needs. Since October 1, 2020, all Mantri including Mantri KUPEDES can initiate KUR Micro and Super KUR Micro loans.

» KUPEDES Performance



Tangguh Working Capital Loans for Rising Indonesia



BRI has a strategic role in implementing the national economic recovery program (pemulihan ekonomi nasional - PEN) throughout 2020. One of the ways to achieve this is through Tangguh Working Capital Credit (Kredit Modal Kerja - KMK). KMK Tangguh has a mission to extend loans to help businesses recover from the impact of the Covid-19 pandemic.

This business recovery and development effort focus on saving MSMEs. And since saving MSMEs is equal to saving BRI, saving BRI is the same as saving the sustainability of the national economy. For this reason, BRI will remain focused on encouraging MSMEs to prosper, which will improve BRI's performance and ultimately restore the national economy.

Based on PMK 71/2020 (Government Guarantee Procedures through the Designated Guarantee Business Entity in the Context of Implementing the

PEN Program), BRI as a Participating Bank plays a role in distributing the Government's stimulus program to MSME players affected by the Covid-19 pandemic in the form of a Government Guarantee which aims to protect, maintain and improve the economic capacity of the MSMEs. This program is provided to MSME players in the form of Working Capital Loans with a limit of up to Rp 10 billion (total exposure) and a guarantee premium that is paid by the Government. The PEN program is implemented by BRI optimally, transparently and rapidly, supported by the strength of the company's data, systems and human resources.

BRI will always grow along with MSMEs. That way, MSMEs will remain empowered and contribute to increase level of employment. The efforts made by BRI are in line with the strategy of the Ministry of SOEs which strives to revive the MSME segment that had been eroded by the COVID-19 pandemic.



The total amount of KMK Tangguh disbursement is Rp 8,731.77 billion which was distributed to 14,396 debtors.

BRI always endeavors to help borrowers affected by the Covid-19 pandemic immediately while they still have the resilience to revive business conditions in this recovery period. This program has disbursed loans to various economic sectors: wholesale and retail trade amounting to 6,913.54 billion or 78.97%, agriculture and forestry amounting to 493.64 billion or 5.64%, and processing industry amounting to 446.48 billion or 5.10% of the total disbursed amount.

MSMEs have become the main pillar of Indonesia's economic growth, and so the economic stimulus to this segment must be provided in adequate quantities, are affordable, transparent, and the distribution must be fast and easy to reach. BRI is committed to continuing the distribution of various assistance and incentives for MSMEs in an effective and efficient manner. The PEN program is also distributed in various provinces in Indonesia, so that all MSME business actors affected by Covid-19 can all receive assistance. There are 15 provinces in Indonesia that have received this assistance

Provinces	Total (Rp Billion)	%
East Java	1,363.52	15.62%
Central Java	1,160.16	13.29%
West Java	903.45	10.35%
South Sulawesi	498.15	5.71%
Special Territory of Jakarta	487.89	5.59%
Banten	278.29	3.19%
Riau	272.57	3.12%
Bali	263.05	3.01%
Papua	201.15	2.30%
North Sumatra	345.50	3.96%
South Kalimantan	196.46	2.25%
Central Kalimantan	191.22	2.19%
West Kalimantan	188.60	2.16%
East Kalimantan	323.63	3.71%
Jambi	121.37	1.39%
Others	1,934.96	22.16%





Sustainability
Report 2020

RESPONSIBILITY IN CREATING SUSTAINABLE SOCIAL ENVIRONMENT



TRANSPARENCY IN MAINTAINING CUSTOMER DATA PRIVACY AND SECURITY



Customer data privacy and security is one of BRI's top priorities; it has been a mainstay topic in its sustainability reports all the way back to 2013. This topic is also one of the main concerns of BRI's customers, who are in turn one of the Company's most important stakeholders.

With the proliferation of "smart" and "connected" technology in the Industry 4.0 era, data is increasingly exposed and available everywhere. Internet connectivity is rapidly increasing and businesses are evolving with the use of mobile and connected devices, accompanied by an increase in the amount of data that can be shared and accessed online. Personal data carrying customer profiles and

habit patterns may help improve services that focus on customer experience, but it is also prone to cyber threats. More and more cases of personal data breaches are being reported in the media, making customers increasingly worried about the data they give away and how the data is being used. [\[GRI 103-1\]](#)

To meet the customer needs while also respond to the challenges and anticipate the risks mentioned above, BRI pairs rapid development of information technology with reliable data security so that customers can feel comfortable and safe using the available products and services. In the long run this can foster more loyalty and digital trust.

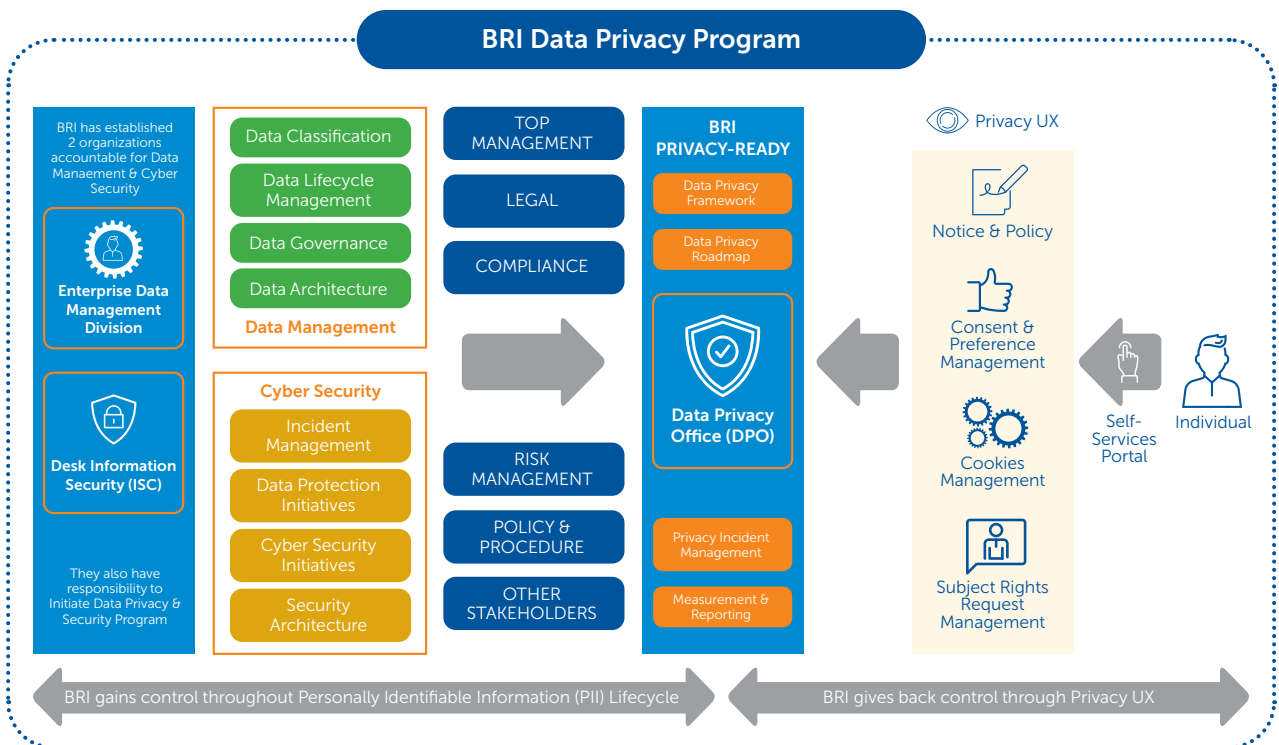


In 2020, several strategic were steps taken to strengthen customer protection system as follows [GRI 103-2] [GRI 418-1] [SASB FN-CB-230a.2]

Data Privacy Program

BRI has implemented various customer data security programs. It is currently preparing a special integrated Data Privacy Management blueprint program, including long-term sustainable execution planning. This is carried out in line with the plan to ratify the Draft Law on Personal Data Protection (RUU PDP) of the Republic of Indonesia and the European Union General Data Protection Regulation (EU GDPR). The PDP Bill is the legal basis in Indonesia to safeguard state sovereignty, state security, and protection of personal data belonging

to Indonesian citizens wherever such personal data is located. EU GDPR, as a benchmark law for many countries, is also an important reference point for BRI building up its capability standards in order to meet international standards. BRI aims to be privacy-ready within two years after the enactment of Indonesia's PDP Bill, by prioritizing the principle of privacy-by-design in every process that involves data with the Personally Identifiable Information (PII) category.



BRI has set up a division that specifically handles Data Management (Enterprise Data Management or EDM Division) with the task of handling Cyber Security (Desk Information Security or ISC). At the commencement of the Data Privacy Program, BRI needs to build fundamental capabilities to exercise control over personal data (Personally Identifiable Information or PII categories) throughout the data life cycle at BRI, starting from the time the data is obtained or created, until the data is deleted. The commencement stage requires close collaboration between EDM and ISC to build the technical capabilities, with authority from Top Management and supported by other stakeholders to complement capabilities in related fields such as Legal, Compliance, Digital and Operational Risk Management and the Policy & Procedures Division.

On the implementation of the Data Privacy Management governance structure, it is necessary

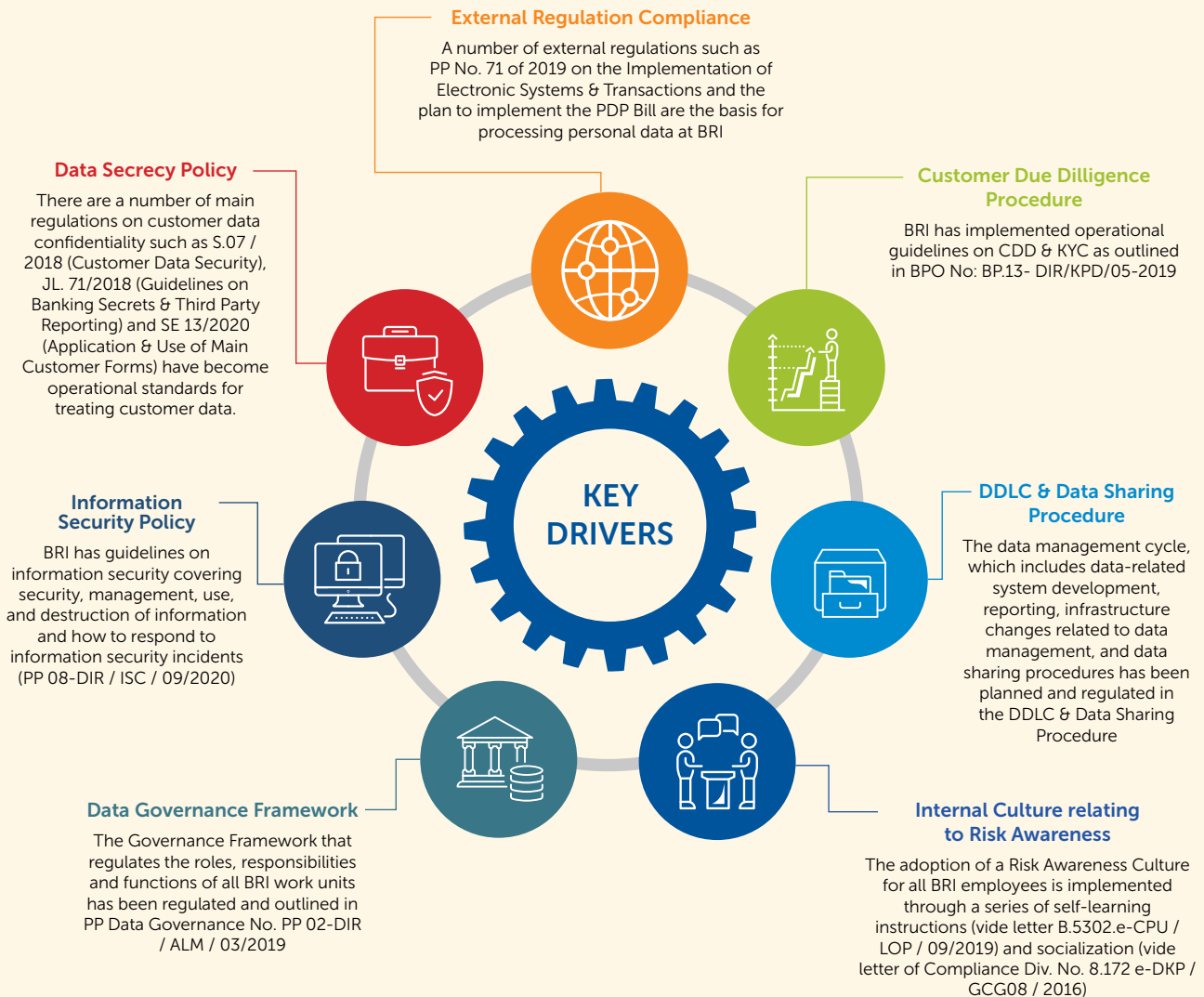
to appoint a special division or work unit which is referred to as the Data Privacy Office (DPO) in the relevant regulations. This DPO unit will also carry out periodic privacy risk assessments or audits of the use of technology and practices that affect the owners of personal data. This work unit will carry out regular training or outreach on to Data Privacy Management. Before this work unit is formed, its functions are being carried out by existing work units at BRI. Incident Management related to Data Privacy is carried out by ISC under the Cyber Security Incident Response Team (CSIRT). While the socialization of Data Privacy Management is EDM's responsibility. With the rules that require BRI to give the personal data owner control on consent and preferences for processing certain data, the Company will provide the self-service portal Privacy UX, where the owner of the personal data can access all data privacy services.





Implementation of the Data Security and Privacy Policy

BRI is very committed to improving the security of managed data and information. The following are the principles for safeguarding 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 on banking, PP No. 71 of 2019 on the Implementation of Electronic Systems and Transactions, Regulation of the Financial Services Authority No.38 / POJK.03 / 2016 on

the Implementation of Risk Management In the Use of Information Technology by Commercial Banks and SE OJK No. 14 / SEOJK.07 / 2014 on the Confidentiality and Security of Data and/or Consumer Personal Information is the basis for processing personal data at BRI.

2. **Data Secrecy Policy:** At BRI, we translate a number of external regulations from the aforementioned authorities through a number of main internal regulations on customer data confidentiality, including the Internal Procedure for Securing Customer Data (Protection of customer data at all stages of the data collection cycle starting from acquisition/ collection, processing & analyzing, storing, transferring/sending, to data destruction). These internal regulations include the procedure for encryption, the implementation of banking secrets, transaction delays, third party reporting and as internal procedures regarding the application & use of customer main forms. Several internal policies have become operational standards for BRI work units in managing customer data.
 3. **Information Security Policy:** BRI has information security guidelines based on procedures or industry best practice standards that comply with POJK Number 38 / POJK.03 / 2016 Implementation of Risk Management in the Use of Information Technology by Commercial Banks and ISO / IEC 27001: 2013, and PCI DSS Version 3.2 2016 Requirement 12.1 Establish, Publish, Maintain, Disseminate Security policy. This is outlined in the Main Guidelines for the implementation of information security covering security, management, use, destruction of information and how to respond to 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 as regulated and outlined in the Internal Procedure on Guidelines for the Implementation of Data Governance.
 5. **Customer Due Diligence Procedure:** BRI prioritizes the principle of prudence towards all of our existing and prospective customers. Hence, BRI has implemented operational guidelines on Customer Due Diligence Procedure (CDD) & Know Your Customer (KYC) for customers as outlined in the Operational Manual which has become the standard for all BRI work units.
 6. **Data Development Life Cycle (DDLC) & Data Sharing Procedure:** a data management cycle that includes data-related system development, reporting, infrastructure changes related to data management, and data sharing procedures has been planned and regulated in the DDLC & Data Sharing Procedure.
 7. **Internal Culture relating to Risk Awareness:** We understand that the above set of procedures must be followed with the adoption of the work culture among all BRI management and employees. Therefore, the adoption of a Risk Awareness Culture among all BRI employees has been implemented through a series of regular self-learning, instructions and continuous outreach.
- Additionally, BRI is also committed to protecting customer information/data to comply with several external regulations. The following is a reference to external regulations and an explanation of BRI's internal regulations on the protection of customer information or data : [\[GRI 418-1\] \[POJK51-6.f.2\]](#)
1. Law No.10 of 1998 on the Amendments to Law No.7 of 1992 on Banking.
 2. Financial Services Authority (OJK) Regulation No.1 / POJK.07 / 2013 on Consumer Protection in the Financial Services Sector
 3. OJK Circular Letter No. 14 / SEOJK.07 / 2014 on Confidentiality and Security of Consumer's Data and/or Personal Information.



4. Financial Services Authority (OJK) Regulation No.1 / POJK.07 / 2013 on Consumer Protection in the Financial Services Sector
5. OJK Circular Letter No.14 / SEOJK.07 / 2014 on Confidentiality and Security of Consumer's Data and/or Personal Information.
6. And various other related regulations

BRI has adopted the above regulations through the issuance of internal processes regarding customer complaints, namely a Decree on Policies and Procedures for the Resolution of Customer Complaints. Through this procedure, any complaints related to breaches of customer confidentiality will be followed up immediately. In addition, there are also provisions that confirm the protection of customer data and/or information in a Circular on Customer Data Security. This Circular also specifically regulates the following :

1. Customer data is information that must be protected in accordance with statutory regulations.
2. Customer data may not be disclosed or given to third parties without the written consent of the customer

3. Customer data stored in the system must be secured with an access control mechanism that is formally regulated with risk management considerations
4. Files or documents containing sensitive information are not placed on the file sharing server/folder.
5. Customer data is a customer's privacy right that must be protected in its existence and confidentiality.
6. Work Environment Control to protect data security
7. Handling of Hardware and software

During the process of opening an account, BRI has requested consent from the prospective customer regarding the permit to use their data for the purposes of offering banking products and services by either BRI or the BRI Group. In line with the course of the data privacy program at BRI, this consent will be expanded in accordance with the subject data under the data privacy management framework established by BRI.

BRI also has Guidelines for Implementing Banking Secrets, Delayed Transactions and Reporting to Third Parties, which basically contain the following:

1. Provisions regarding banking secrets in general as well as procedures for strict measures that must be taken for account opening, postponing transactions, temporary suspension, confiscation, blocking and reporting relating to customer data which contain definitions and provisions, powers and responsibilities, work flow and description and flowchart.
2. This procedure also regulates the disclosure of banking secrets in terms of:
 - i. Taxation Purposes
 - ii. The affidavit by the judiciary in civil cases between banks and their customers
 - iii. Exchange of Banking information
 - iv. Request, approval or power of attorney by the customer in writing

- v. Banking inspection by Bank Indonesia
- vi. etc.

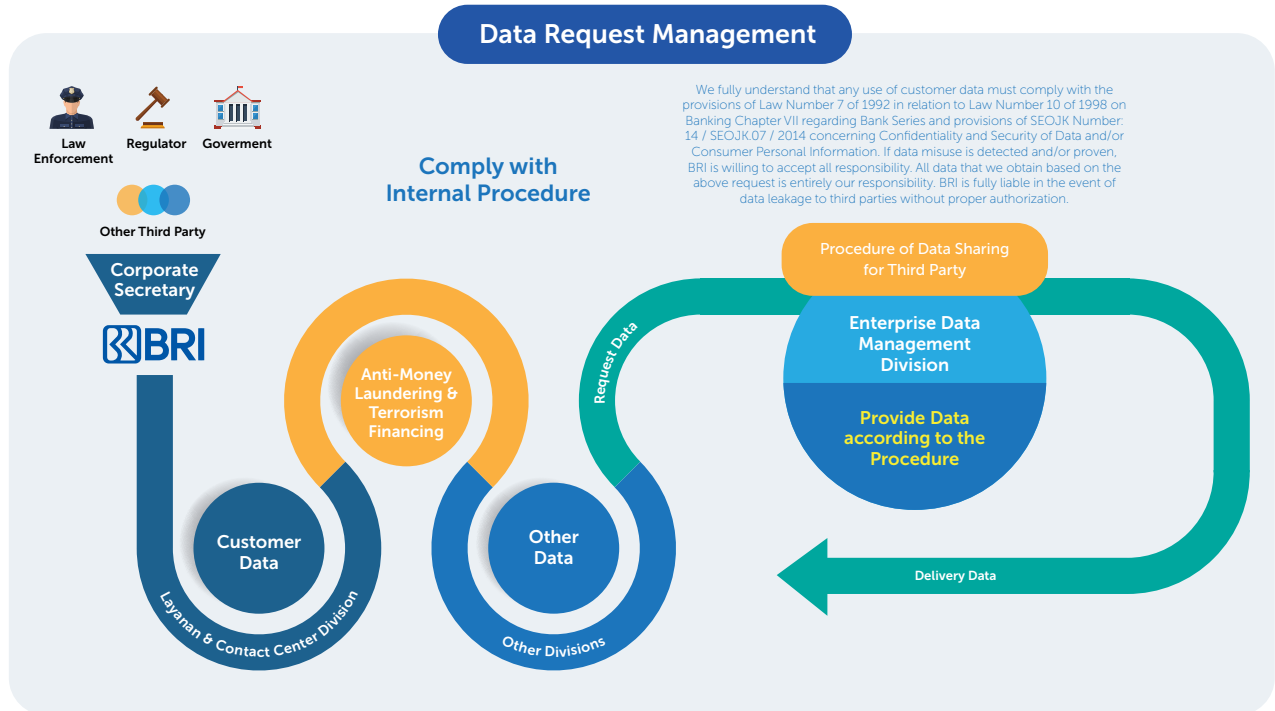
BRI has also implemented internal procedure for Sharing Data for Third Party Needs. This procedure stipulates what documents must be submitted in the case of a data request. This is of course while still adhering to the principle of banking secrecy. In addition, this procedure also regulates the level of data classification owned by BRI so that the compliance mechanism is clear for each data classification level. Data requests are also required to obtain authorization according to the level of data classification.

BRI also applies the principle of prudence in terms of submitting or receiving data from third parties to protect data. Before exchanging data with third parties, BRI will always ask the third parties to sign a Non-Disclosure Agreement





BRI Data Request Management

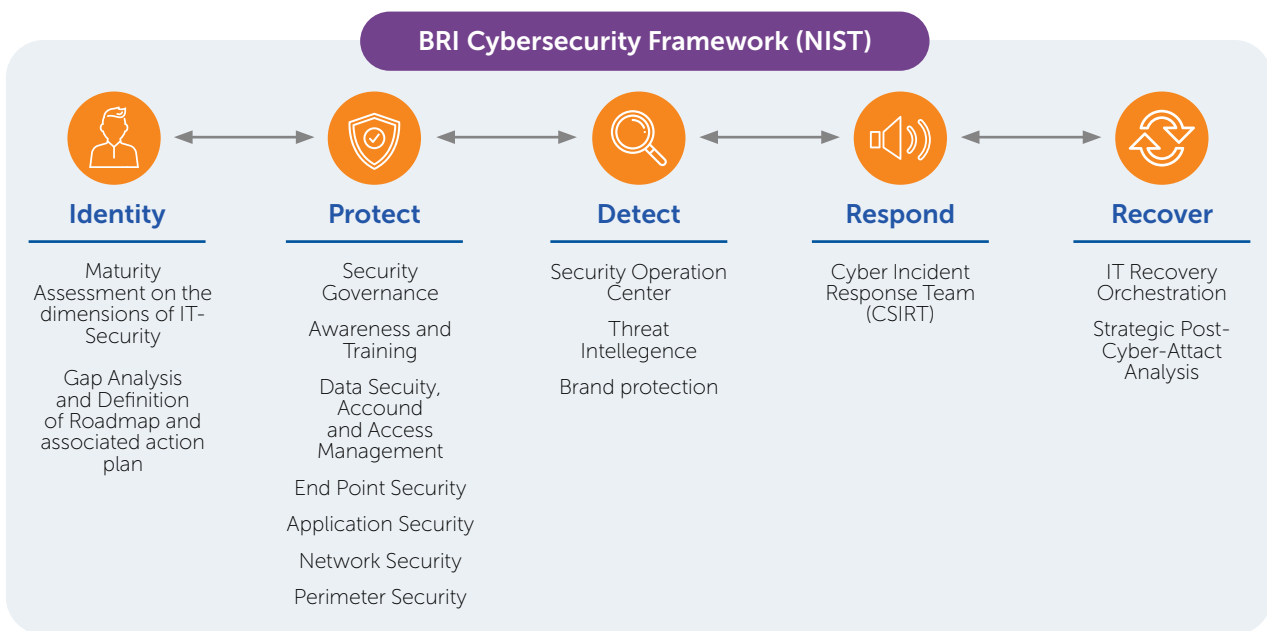


BRI has implemented governance procedure on incoming data requests. Requests for data from regulators and the government go through BRI's Corporate Secretary Division which will then forward it to the relevant division, hereinafter referred to as the Data Applicant Division. Then the Data Applicant Division follows up on the data request to the Enterprise Data Management (EDM) Division. The EDM processes the request according to the data criticality level and then responds to the Data Applicant Division. This is explicitly stated in our guidelines regarding the Procedure for Data Sharing with Third Parties. This data sharing management is carried out by upholding the principle of prudential banking and the principle of confidentiality of any data managed by BRI.

The request for data originating from BRI internally is also secured with a series of procedures in which the data requesting division will clearly state the purpose of the data request and sign a letter declaring full awareness to comply with data privacy regulations such as Law No.10 of 1998 on Banking & OJK Circular 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 applicant division is recorded in BRI's Digital Office application, including the follow-up response to the data requests which are recorded in BRI's Task Management named Jira. This reflects BRI's strong commitment to apply the data privacy principle on all data managed by BRI.

Cyber Security Program [SASB FN-CB-230a.2]

BRI has prepared an Enterprise Security Architecture (ESA) using the NIST Cyber Security framework based on risk analysis and the latest cyber threat environment. ESA covers the pillars Identify, Protect, Detect, Respond, and Recover for information security. ESA is used as a point of reference in the development of cyber security at BRI. ESA itself is a product of the Identify pillar, which consists of gap analysis, maturity assessment, and the preparation of the BRI security roadmap.



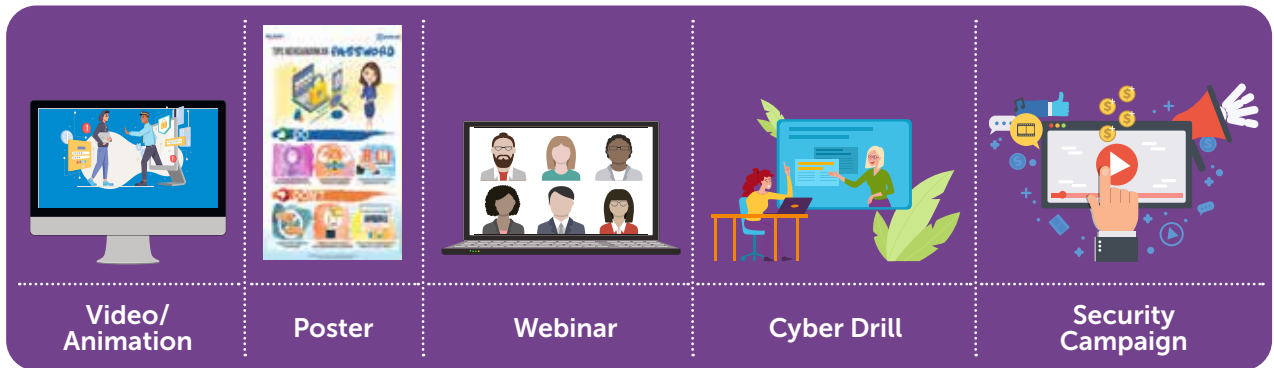
In the Protect pillar, BRI implements various information security technologies and security governance. BRI has policies on information security in accordance with the OJK Regulation Number 38 / POJK.03 / 2016 on the Implementation of Risk Management in the Use of Information Technology by Commercial Banks, ISO27001: 2013, PCI-DSS, and NIST. BRI also has provisions regarding customer data security which have been prepared based on SE OJK Number 14 / SEOJK.07 / 2014 concerning the confidentiality and security of data and/or Consumer Personal Information.

In order to ensure governance of information security to international standards in BRI's processes, the Company obtained ISO27001:2013 certification which covers the scope of Big Data, Open API,

Managing Event & Cyber Threat Monitoring, Card Production, Spacecraft Operations and Data Center Facilities. BRI has also carried out PADSS (Payment Application-Data Security Standard) certification for API Direct Debit in 2020.

In order to raise BRI employees' awareness for information security, BRI regularly conducts information programs through various forms and media, including:

1. BRI's internal posters and publications,
2. e-learning for all BRI employees,
3. Webinars for all BRI employees, and
4. Anti-email phishing campaign.



In the Detect pillar, BRI has a special division relating to the Security Operation Center (SOC) which monitors cyber threats continuously (24 hours, every week, for 365 days). BRI uses threat intelligence service from international providers in monitoring cyber security. Additionally, in order to monitor and mitigate the threat of brand abuse, BRI has a brand protection program that is tasked with monitoring social media for any potential brand abuse.

BRI also collaborates with third parties to independently identify system vulnerabilities and review BRI's information security in the form of vulnerability assessments, penetration tests and cyber attack simulations (red team).

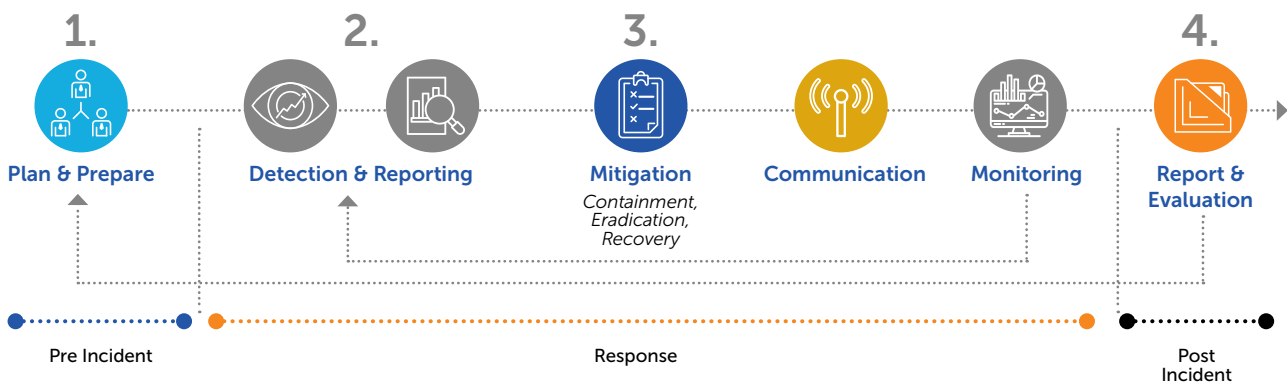


Cyber Incidents are one or a series of events committed either directly or indirectly by an intentional party which result in the breach of security mechanisms or the failure of controls. These result in the loss or disruption of operations, services, functions of the Bank's organization, as well as potential material and non-material

losses, which, if not anticipated, responded to and mitigated, could escalate into a disaster. BRI determines that an incident be called a cyber incident based on its impact, including regulatory sanctions, data classification, publication in the media, and interrupted services as a result of the incident.

In the Respond and Recover Pillar, BRI has a CSIRT (Cyber Security Incident Response Team) that will respond in the event of an information security incident. BRI has developed governance for information security incident response that is in line with BRI's Disaster Recovery Plan (DRP)

and Business Continuity Plan (BCP). BRI also has a protocol to convey to the public in the event of an incident. BRI collaborates with international security experts who have global experience in incident response to assist BRI in conducting forensics and cyber incident investigations.



Payment Application Data Security Standard Certification

In 2020, BRI has initiated the Payment Application Data Security Standard certification for the BRI Direct Debit feature on BRIAPI or PA-DSS certification. This certification is for software developers and integrators of payment applications who store, process or transmit cardholder data as part of an authorization when the application is sold, distributed or licensed to a third party. By complying with the PCI DSS compliance standards, BRI can help merchants, service providers and issuers protect against data security breaches, while raising consumer confidence and protecting the integrity of the entire payment system. In this case, BRIAPI is the first in Southeast Asia to have a PA-DSS certification which is projected to be completed in the first quarter of 2021.





Customer satisfaction services are part of the duties and responsibilities of the Service Division and Contact Center, which in the organizational structure are responsible to the Network and Service Director of BRI. As of the end of 2020, BRI has provided platforms for customers to submit complaints 24 hours a day, such as through Call Centers, E-mails, and BRI's official social media. [POJK51-6.c.3.b]



Customer Service
All BRI work units



Contact Center BRI

140017
1500-017
021 57987400
Premium Call 021 575 8899
dan 08001017017



Email BRI
callbri@bri.co.id



Internet Banking
<https://ib.bri.co.id>



Facebook
Bank BRI



Twitter
@kontakbri



Instagram
@bankbri_id



Telegram & SMS
081 2121 4017

Alternative Solutions in Customer Service

BRI customers can access BRI contacts via WhatsApp as an alternative communication channel. Customers will be connected with a virtual assistant to provide the required information.

Contacting BRI via WhatsApp is quite easy. Customers only need to save the WhatsApp contact number BRI 0812-1214-017 in the cellphone contact list. When starting a conversation, customers can open the WhatsApp BRI application, then submit the required information. Customers can also use this feature to track the progress of submitted complaint tickets.



Transparency in Customer Complaints Resolution

In 2020, robust implementation of BRI complaint and resolution procedure reported directly to the Director of Network and Services had resulted in a resolution rate of 99%. BRI realizes that data security and customer privacy are material issues for the sustainability of the bank’s business and it thus has made this a KPI for the Service and Contact Center Division. BRI is committed to safeguarding customer privacy from various incidents that can occur such as data breaches. According to BRI, a data leak is an incident involving the real or suspected loss of sensitive information. During the reporting period, there were no incidents of a customer data breach or leakage related to customer personal information in which such incident could be classified as a cyber or security incident. BRI had successfully maintained this achievement since 2019 when there were no cyber-related incidents and customer data security breaches. [SASB FN-CB-230a.1]

The following are the types and number of other complaints and their resolutions during 2020.

[GRI 418-1] [GRI 103-3]

No	Product and/or Service	Source of Complaint (Customers, Regulators, etc)	Total	Percentage	Resolved	Percentage	Unresolved	Percentage	In Progress	Percentage
1	Banking	Customer	1,433,750	30%	1,415,792	99%	0	0%	17,958	98.9%
2	Availability of Information	Customer	1,826,436	39%	1,826,436	100%	0	0%	-	-
3	Non-banking	Customer	1,453,250	0%	1,453,250	100%	0	0%	-	-
4	Service Quality	Customer	2,952	31%	7,243	93%	0	0%	202	1.1%
Total			4,716,388	100%	4,698,228	99.61%	0	0%	18,160	100%

Number of Complaints and Percentage of Completion

Tahun	Number of Transactions	Number of Complaints	Percentage	Complaints Resolved	Percentage
2018	6,486,238,346	3,544,225	0.0546%	3,488,797	98.44%
2019	8,072,908,908	4,284,801	0.0531%	4,239,155	98.94%
2020	9,858,840,739	4,716,338	0.0478%	4,698,228	99.62%

Compared historically, the period 2018-2020 saw the number of complaints increasing, which is in line with the increase in the number of services, business complexity, and customer transactions. However, the percentage of complaints against the increase in the number of transactions is declining every year. On the other hand, the level of complaint resolution shows good performance, where every year the number of resolved complaints increases, as seen in the percentage of complaints handling. This shows that BRI’s commitment to service its customers in the midst of a pandemic has translated into better performance.



CUSTOMER SATISFACTION SURVEY [POJK51-6.f.5]

In customer service, BRI is committed to resolving each customer complaint properly and on time in accordance with the applicable terms and/or service level agreement. BRI has taken several strategic steps to improve service quality through the transformation of a Customer Centric Service Culture as a BRI Service strategy to achieve Service Excellence by creating a Wow Customer Experience that exceeds customer expectations. The transformation of the Service Culture Value is "SMART" or Quick (Sigap), Easy (Mudah), Accurate (Akurat), Friendly (Ramah), Skilled (Terampil). The SMART Service Culture does not replace any existing quality standards but instead builds upon Service Quality by emphasizing friendliness, speed,

and ease of transaction (which is also supported by the use of digital technology). The SMART Service Culture aims to define BRI's service quality.

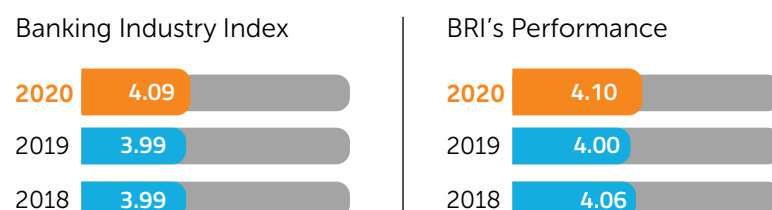
The implementation of the SMART Service Culture Values will raise employee morale and happiness that will translate into further improvement in service quality. This is measured annually using the Service Quality Index and the Customer Satisfaction Survey. Measurement of the Service Quality Index in 2020 was carried out by CARRE which rated BRI at 4.10 - higher than the national banking industry index. This shows that various innovations and breakthroughs made by BRI during 2020 have translated into service improvements.

Customer Satisfaction Survey Results [POJK51-6.f.5]

Description	2018	2019	2020
Customer Satisfaction Level	85.6%	85.9%	84.57%
Level of Customer Complaint Resolution	98.94%	98.93%	99%

BRI strives to prevent the spread of COVID-19 through the people first principle, which might not always be in line with customer convenience at the beginning of its implementation. BRI works with all customers in facing the challenges of the pandemic and is committed to improving the best service quality by continuing to implement health protocols.

Achievement of Service Quality Index [POJK51-6.f.5]



ANTI FRAUD POLICIES AND PROCEDURES

BRI's main activities are closely related to the flow of money, and hence anti-fraud/anti-corruption commitments and controls have a significant impact on the Company's sustainability. BRI's anti-fraud commitment is realized by implementing the four pillars of the anti-fraud strategy and is regulated by the anti-fraud strategy policy. Internally, BRI requires Directors, Commissioners, management and all employees to sign an anti-fraud commitment. Externally, BRI continues to improve information technology to prevent fraudulent practices. BRI provides legal assistance for employees who face legal problems from third parties relating to suspected fraud and the performance of their duties, responsibilities and obligations. Legal assistance and protection does not apply if the employee is reported by the Company and/or has been found guilty by the Company. Supervision for fraud within BRI comes under the responsibility of the Compliance Division which is under the Compliance Director. BRI also includes the Directorate of Digital Banking and Information Technology to prevent fraud by parties outside BRI. [\[GRI 103-1\]](#)

BRI is committed to implementing zero tolerance in every business practice and preventing fraud and corruption as the goal of the 16 SDGs. BRI encourages all employees to participate in the prevention of all forms of fraud through prevention outreach. During 2020, BRI held outreach and training on anti-fraud or anti-corruption policies to all of its employees and governance bodies. This policy has been communicated to all of the Company's business partners. [\[GRI 205-2\]](#)

Each employee has been equipped with various information on gratuities. Control of gratuities at BRI lies in 3 gratification criteria, namely not compulsory reporting, mandatory reporting and official gratuity. If employees are offered gifts by other parties, they are encouraged to report to the Compliance Division, particularly the Gratification Control Unit regardless of whether the gift was accepted or declined. Gratuity reporting can be done using the Good Corporate Governance Online System which is linked to BRISTAR. Through this system, technical governance can be accessed by all employees, for example, for signing a code of conduct statement or annual disclosure. The Company is yet to conduct a survey of operations that may be deemed at risk to gratification because every employee has a degree of risk of giving or receiving gratuities. As a form of employee support for the company's anti-gratification program, there were 195 reports of gratification complaints submitted by BRI employees to the Compliance Division during 2020. [\[GRI 205-1\]](#), [\[GRI 103-2\]](#), [\[GRI 103-3\]](#)

One form of BRI's commitment to implementing clean business practices is by implementing prevention measures against all forms of corruption and gratification within the Company. The embodiment of BRI's commitment to the values of integrity is stipulated in Circular Letter Number: SE.63-DIR / KEP / 12/2020 concerning Circular on Anti-Bribery and Gratuity Control Provisions of PT Bank Rakyat Indonesia (Persero) Tbk. dated December 8, 2020. BRI gratification control is managed by the Gratification Control Unit (UPG) which is within the



Compliance Division. There is an increasing trend in the annual number of Gratuity Reports thanks to the increase in employee awareness of gratification in the corporate environment. [GRI 205-3]

The gratuity reporting process to UPG is done digitally through the GCG Online System and electronic mail with the address upg.bri@corp.bri.co.id. It is then forwarded to the Corruption Eradication Commission (KPK) through the Online

Gratification (GOL) application. As a form of comprehensive gratification control, BRI has also obtained ISO 37001:2016 Certification in Anti-Bribery Management System in the Division responsible for the Procurement of Goods and Services and Fixed Asset Management. This is followed by reporting of the State Administrators Assets Report (Laporan Harta Kekayaan Penyelenggara Negara - LHKPN) of all members of the Board of Commissioners and Commissioners and senior officials to the KPK.

Level of Compliance with LHKPN Obligations

No	Position	Mandatory LHKJP	Mandatory LKHPN who have reported		Mandatory LKHPN who have not reported	
			Total	%	Total	%
1	Board of Commissioners	8	8	100%	0	0%
2	Directors	12	12	100%	0	0%
3	BRI employees	299	283	94.65%	16	5.35%
Total		319	303	94.98%	16	5.02%



Gratification Control Unit (UPG) Award

BRI is committed to implementing a sustainable gratification control program. In 2020, BRI received some recognition by the Corruption Eradication Commission as an institution with one of the best Gratification Control Units.

Top 3 PLCs Indonesia

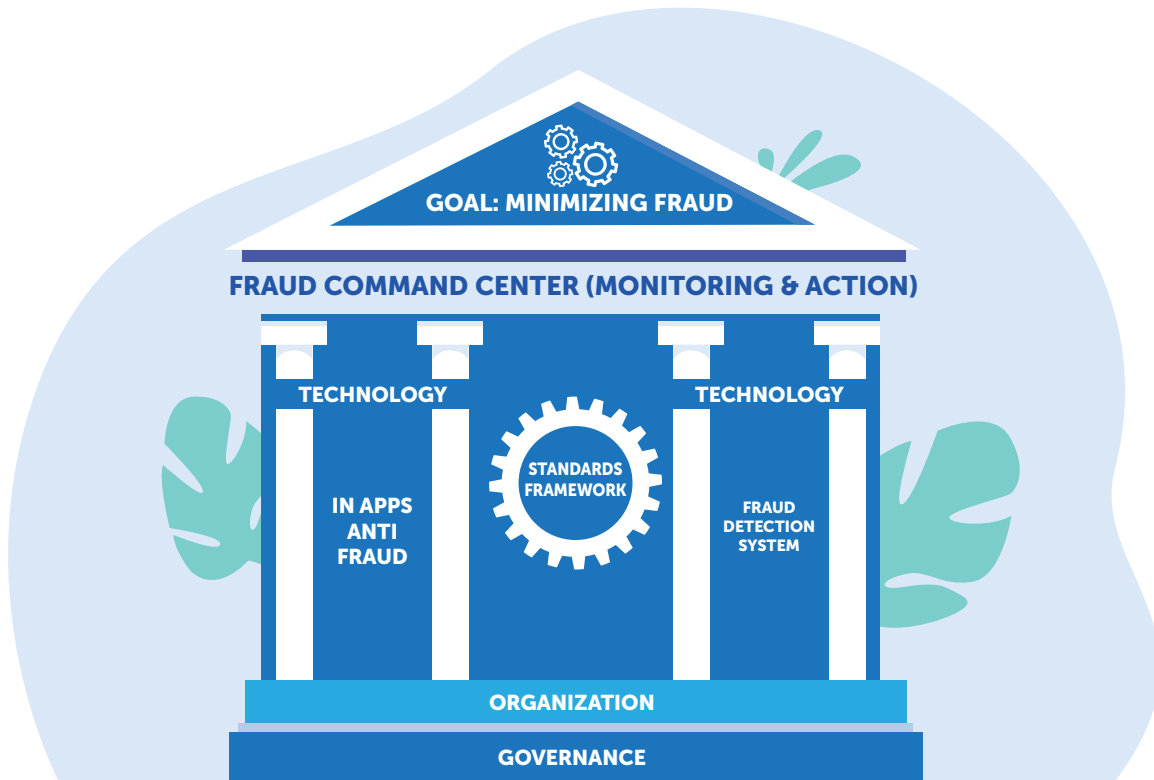
In the Asean Corporate Governance Scorecard (ACGS) ranking by the Asean Capital Market Forum (ACMF)

In order to prevent fraud, BRI implemented an anti-fraud strategy as part of a strategic policy. Implementing an anti-fraud strategy is the responsibility of all levels within the Bank. The anti-fraud strategy includes four interrelated pillars, namely: [GRI 103-2], [GRI 103-3]

1. Prevention

Potential risks of fraud which include, among others, anti-fraud awareness, identification of vulnerabilities and know your employee practices.

2. Detection



Consists of steps to detect and identify fraud in the Bank’s business activities, which include, among others, whistleblowing policies and mechanisms, surprise audits and surveillance systems. Below is the data from the BRI whistleblowing system in 2020 : [GRI 205-3]

Classification of Sub Complaints Indicating Violations in 2020

Description	Number of Violations	In Progress	Resolved
Acts of Fraud	57	11	46
Violations of the Law	0	0	0
SOP violations	108	9	99
Code of Ethics and GCG violations	59	6	53
Ethics Violation	11	0	11
Accounting process violations	1	1	0
Total	236	27	209



3. Investigation, Reporting and Sanctions

It consists of steps to obtain information (investigation), reporting systems and imposition of sanctions for fraud in the Bank's business activities. According to the whistleblowing system report data, sanctions were handed to 11 employees: a total of 5 employees were dismissed and 6 were given disciplinary actions. There were no reports filed by the public, no reports that were resolved through legal means, and no contracts terminated with business partners. [GRI 205-3]

Description		2018	2019	2020
Number of Reports		180	297	236
Follow-up	Proven	98	110	91*
	Not proven	82	187	118
	Cannot be Followed Up	0	0	0

*Note : 27 were still in progress

4. Monitoring, Evaluation and Follow Up

Monitoring, Evaluation and Follow-Up consists of steps to monitor and evaluate fraud and follow-up mechanisms. Monetary losses resulting from detected violations during 2020 amounted to around Rp 3 billion. These losses were caused by legal expenses to settle cases relating to 279 customer accounts in which fraudsters used a duplicated customer's ATM card to purchase Bitcoin. BRI reported this the authorities in December 2020, and the authorities named one suspect in Trenggalek Regency who is currently under investigation. BRI strongly condemns all acts of fraud and is always committed to resolving these violations in accordance with applicable laws. [SASB FN-CB-510a.1] [GRI 103-3]

Number of Follow-Up on Alleged Fraud Cases by BRI Employees

Description	2018		2019		2020	
	Full-time Employees	Part-time Employees	Full-time Employees	Part-time Employees	Full-time Employees	Part-time Employees
Resolved	171	97	116	2	51	35
In Progress	41	26	30	5	97	13
Not yet Handled	212	123	123	0	148	48

Non Performing Loans Collection and Restructuring Policy

BRI manages risk proactively and prudently in every business pillar, including loan management. The implementation of the four eyes principle is carried out in the credit process in order to provide excellent service to customers by upholding the principle of prudence. However, there is a risk in credit disbursement in order to fulfilling the obligations. Therefore, in dealing with these risks, banks need policies and governance for non-performing loans and restructuring.

Each credit segment has a debt collection or non-performing loan policy. These policies include: Decree Number PP.07-DIR / KR D / 07/2020 concerning the Implementation Guidelines for Medium Business Loans, Decree Number PP.12-DIR / KR D / 12/2018 concerning Guidelines for Retail Credit Implementation, Decree Number PP.07-DIR / KR D / 07/2020 concerning Implementation Guidelines for Medium Business Loans, Decree Number PP.11-DIR / KR D / 12/2018 concerning Guidelines for Implementing Loans and Circular Number: SE.71-DIR / KK D / 11/2019 concerning BRI Credit Cards.

The policy regulates strategies and follow-up actions in dealing with non-performing loans. Follow-up actions taken in handling non-performing loans include monitoring and collection, credit restructuring and credit settlement. BRI has several steps in the collecting procedure from debtors. The first step is contact with the debtor either by telephone, SMS blast or sending a Collection / Recovery Letter. Furthermore, the debtor will be contacted directly either through BRI internal field billing or through a special third party. The final step is settlement through an insurance claim or guarantee company. The collection process is not only intended to protect BRI's internal interests, but also to protect customer rights and privacy.

In managing non-performing loans, it is specifically managed by the Credit Restructuring and Recovery Division, which functions in the restructuring and / or settlement of non-performing loans. This division also plays a role in efforts to improve the quality of workers that are directly related to collection with several training sessions. The training provided includes BSDP (Brilliant Specialist Development Program) for NPL Relationship Manager, BBOP (Brilian Banking Officer Program) for NPL Relationship Manager, and Enhancement Special Request for Special Branch Office Consumer Workers, ADK (Credit Administration) and NPL Relationship Manager.

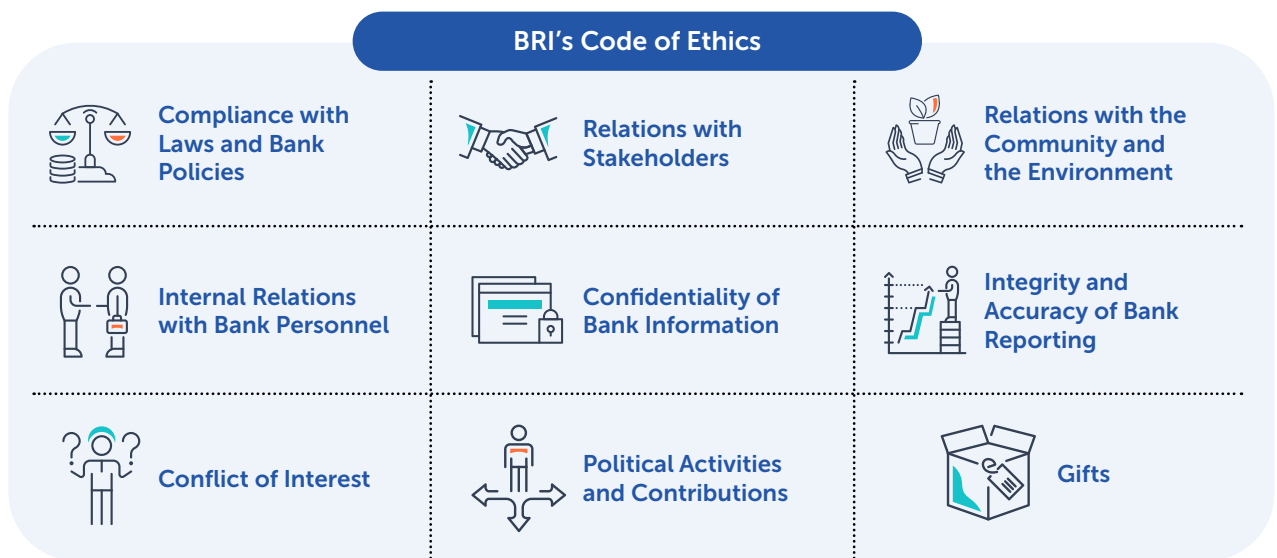




COMPANY CODE OF ETHICS

[GRI 102-16]

The BRI's Code of Ethics Policy is stipulated in the form of a Joint Decree by the Board of Commissioners and the Board of Directors of BRI, Number: B.06-KOM / BRI / 12/2013 / S.65-DIR / DKP / 12/2013 dated 16 December 2013 regarding the Policy Concerning the Code of Ethics (Code of Conduct) PT Bank Rakyat Indonesia (Tbk). BRI does not tolerate any violation of the Code of Ethics. All violations will be subject to sanctions in accordance with the Directors Circular Letter No. SE.48-DIR / HCS / 09/2020 dated 28 September 2020 concerning Disciplinary Regulations.



A more detailed explanation regarding the 9 elements of BRI's code of ethics can be seen in the BRI Annual Report on pages 850-851

The code of ethics is communicated through activities and educational and training sessions that are conducted by the Compliance Unit. Efforts to measure and apply the code of ethics are carried out regularly and continuously in the form of attitudes, actions, commitments and provisions to support the Company culture.



Types of Sanctions for Code of Ethics Violations

These employee sanctions are laid out in the Employee Disciplinary:

1. Payment of Damages
2. Administrative Sanctions Level and Types :
 - a. Minor administrative sanctions in the form of feedback and warning.
 - b. Medium administrative sanctions in the form of Warning I, Warning II, and Warning III.
 - c. Heavy administrative sanctions in the form of Dissatisfaction Statement and Termination of Employment..



Whistleblowing System [GRI 102-17] [SASB FN-CB-510a.2]

The implementation of the whistleblowing system is based on the Decree of the Board of Directors SE.32- DIR / KEP / 07/2020 concerning the Whistleblowing System of PT Bank Rakyat Indonesia Tbk. Complaints of violations through the whistleblowing system must be based in good faith and not constitute personal complaints or in the form of bad intentions/slander. The whistleblowing system is supervised by the President Director and is monitored by the Board of Commissioners through the Audit Committee. Complaints through the whistleblowing system can be made in the following ways: [FS 8]

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



BRI Marketing Communication Policy

In order to standardize the implementation of marketing communications, BRI regulates the policy in Circular Letter No: SE.25-DIR / MCM / 05/2020 concerning BRI Marketing Communication Activities which refers to the Financial Services Authority Regulation (POJK) Number 1 / POJK.07 / 2013 concerning Consumer Protection in the Financial Services Sector, POJK Number 18 / POJK.07 / 2018 concerning Consumer Complaint Services in the Financial Services Sector as well as Financial Services Advertising Guidelines issued by the OJK. Marketing of BRI financial products and / or services is communicated through several means, both verbally by BRI's salesforces and frontliners and the mass media through print media, TV, radio, posters, banners, banners, leaflets, fillers, and other marketing documents for products and services.

In order to support the implementation of appropriate marketing communications so that BRI's customers will have sufficient information as a basis for decision making to purchase financial products and services, BRI applies the Principles of Marketing Communication and Consumer Protection, namely:

- a. transparency;
- b. fair treatment;
- c. reliability;
- d. confidentiality and security of consumer data / information; and
- e. handling complaints and resolving consumer disputes at a simple, fast, and affordable cost.

Apart from the aforementioned principles, BRI is also responsible for providing information about BRI banking products and services that are accurate, honest, clear, and not misleading.

BRI also continues to provide education related to marketing communications for employees. BRI provides basic education in marketing communications and product knowledge to all BRI salesforces and frontliners. In 2020 BRI held training with the theme Digital & Social Media Marketing Skills for BRI employees. The "Marketing Communication Guidelines and Techniques for Maximizing Social Media" training was held on October 19, 2020.

The implementation of communication and marketing to customers has been monitored both internally and externally. Internal monitoring of the implementation of marketing policies is carried out by the Compliance Division and the Internal Audit Unit, while the Financial Services Authority carries out external supervision.

In 2020, there were several inputs from the OJK regarding corporate financial service advertisements on social media. BRI has followed up the inputs from the OJK in a more compliant manner on the Financial Services Advertising Guidelines issued by the OJK as well as internal policies. BRI will review and complement the company's internal policies through standardization of social media communication materials that apply to all BRI social media accounts.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) IN OPERATIONS

BRI is committed to strengthening the implementation of sustainable finance and contributing more to the Sustainable Development Goals (SDGs), through the management of environmental, social and governance (ESG) issues in economic performance.

BRI provides significant support for the achievement of sustainable development goals, especially in improving the welfare of the Indonesian people. As a leader, BRI continues to strive to align economic, social and environmental performance, and provide financing that considers environmental, social and governance factors. The sustainable development goals that are BRI's priorities are in line with the Bank's business strategy that supports the efforts of the Government of Indonesia. BRI provides support for all SDG objectives in accordance with the company's impact and strategy.

various parties, both internally and externally have always used teleconference meetings such as zoom meetings, google meet, and microsoft teams.

BRI manages issues related to ESG through four main aspects, namely conducting green funding-based activities, conducting portfolio mapping, managing company operations in an efficient and environmentally friendly manner, and implementing education and training for employees, customers and the community to create sustainable financial awareness. [\[FS4\]](#) [\[FS11\]](#)

ESG issues must be considered so that it is able to support the implementation of sustainability and sustainable finance. [\[FS11\]](#)

since the Covid-19 pandemic, all meetings with

Activities	Positive Environmental and Social Impact
Environment	Greenhouse gas (GHG) emissions and climate change Renewable energy development
Social	Product and business development Empowerment of MSMEs
Governance	Anti Corruption Information technology and banking digitization Protection of customer information



ESG CONSIDERATIONS IN LOANS

[SASB FN-CB-410a.2] [FS1] [FS2]



As one of the leading state-owned banks in Indonesia, BRI not only focuses on transactions but also on providing loans and financial solutions. At the same time, BRI adapts to the changes in the business environment and global issues, including environmental and social issues. BRI actively participates in supporting the Sustainable Development Goals (SDGs) and the implementation of Sustainable Finance in Indonesia.

In line with the preparation of the Sustainable Finance Action Plan (RAKB) that has been carried out since 2019, BRI has begun to adjust its lending policy, especially on financing with environmental, social and governance (ESG) considerations. Thus credit requirements by BRI include a checklist related to ESG aspects. Furthermore, BRI continues to develop financial products and services to the Environmentally Friendly Business Category.

The loans approval procedure is carried out by taking into account ESG risks through the following mechanisms: [SASB FN-CB-410a.2] [FS15]



BRI has a Risk & Credit Management Committee that gives considerations to environmental risks including climate change. BRI has conducted a selection and evaluation process involving environmental and social risk mitigation through: [SASB FN-CB-410a.2] [FS2]

BRI specifically formulates a palm oil ESG risk management policy with the following points:

[FS1] [FS5] [FS11]

- Protection of priority areas: land that is used maintains primary forest or High Conservation Value (HCV) of primary forest. Utilized land has not been converted from primary forest or HCV since November 2005.
- Greenhouse gas emissions: the land used is not a high carbon potential area and the borrower is expected to demonstrate that efforts are being made to increase carbon sequestration, companies are expected to have procedures to remove oil palm from peatlands, eliminate burning practices, measure and manage emissions, minimize inorganic fertilizers and capturing methane from palm oil waste to increase the mill's use of renewable energy.
- Production terms: products comply with local, national and international regulations. The company holds the legal rights to carry out business activities in the area.
- Chemicals used: in accordance with the recommendations of the relevant agencies and in accordance with the Standard Operation Procedures (SOP).
- Pest control: developed with environmental aspects in mind



- Nutritional management: 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 level, carbon sequestration etc.
- Water management: the company carries out a complete assessment of water resource requirements and the impact of water discharge taking into account groundwater requirements for crops, hydrological conditions etc.
- Local and indigenous people: the company respects the rights of local communities, health and clean water, distribution of resources and scarcity, etc.
- Labor rights: companies exercise labor rights in accordance with local labor laws and actively monitor for labor issues such as child labor, forced labor, freedom of association, discrimination and gender equality, etc.
- Health and safety operations: the company has a health and safety SOP, adequate training, accident management etc.

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]

SUPPLY CHAIN AND SUSTAINABLE PROCUREMENT PRACTICE [GRI 102-9, 203-2]

In conducting its business, BRI does not fully use internal resources. BRI collaborates with third party suppliers to provide goods and services to support the company’s operations (procurement of information technology devices, transportation, catering) and businesses (consultants, appraisal services, public accounting firms, notaries, application system developers). All third parties must meet BRI’s prerequisites that are in line with the Fixed Asset Management and Procurement Policy and the Registration Conditions for BRI Goods and Service Provider Partners before becoming its suppliers. [GRI 103-1]

The management of BRI’s partners includes the process of registering and selecting potential partners, as well as monitoring and evaluating the performance of partners. BRI plans to develop a database of capable and reliable goods/services suppliers.

Fixed Asset Management and Procurement Policy is a guideline in carrying out the process of procuring goods and services to support the Bank’s operational activities according to the quality, quantity and time set at the best price while still observing the principles of GCG (Good Corporate Governance). [FS3]

KBRI’s Fixed Asset Management and Procurement Policy is based on the Decree of the Board of Directors Number KB.01-DIR / MAT / 03/2020 dated March 31, 2020 concerning PT. Bank Rakyat Indonesia (Persero), Tbk, which will take effect starting March 2020. BRI’s Fixed Asset and Logistics

Management Policy is guided by the Regulation of the Minister of BUMN No. PER-08 / MBU / 12/2019 dated 12 December 2019 concerning General Guidelines for the Procurement of Goods and Services for State-Owned Enterprises.

The purpose of the formulation of BRI’s Fixed Asset and Logistics Management Policy is to provide guidance in managing fixed assets and quality logistics services to all BRI work units and as a guide in the procurement process for goods and services at BRI.

BRI’s Fixed Asset and Logistics Management Policy has been continuously refined by taking into account the company’s control mechanisms and 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’s Procurement Principles [GRI 103-2]





As of the end of 2020, there were 864 business entities that were part of the BRI supply chain under the Goods & Services Procurement Division, Procurement Division, Logistic Policy and Fixed Asset Management. The disclosure of information related to this supply chain includes suppliers for all BRI office units spread across 17 regions of 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.

BRI's Supplier Data by Region ^[102-9]

No.	Work unit	Business Sectors										Total Number of Vendors
		Properties	Vehicles	Office Equipment	Furniture	Inventory	IT	Printing	Advertising	Other Goods	Other Service Consultants	
1	Aceh	5	0	0	0	0	0	0	0	0	0	5
2	Lampung	3	0	0	0	0	0	0	0	0	0	3
3	Bandung	27	0	0	0	1	6	2	0	1	1	38
4	Banjarmasin	0	0	0	0	0	0	0	0	0	0	0
5	Pekanbaru	6	0	0	0	0	0	0	1	0	1	8
6	Yogyakarta	17	0	1	0	3	1	0	0	0	0	22
7	Malang	9	0	0	1	0	0	0	0	0	0	10
8	Denpasar	8	0	0	0	1	0	1	0	0	0	10
9	Manado	15	0	0	0	0	0	0	0	0	0	15
10	Surabaya	20	0	1	2	0	0	0	1	0	0	24
11	Semarang	16	0	0	0	2	0	2	0	0	0	20
12	Head Office (Jabodetabek)	162	25	12	14	34	237	53	29	11	74	651
13	Medan	17	0	0	0	0	2	5	0	1	1	26
14	Jayapura	2	0	1	0	0	0	0	0	0	0	3
15	Makassar	10	0	0	0	0	0	0	1	0	0	11
16	Padang	6	0	0	0	2	0	0	0	0	0	8
17	Palembang	7	0	1	0	1	0	1	0	0	0	10
Total		330	25	16	17	44	246	64	32	13	77	864








The table above includes suppliers that already have BRI's Registered Certificate (Surat Keterangan Terdaftar - SKT). The SKT is an integrated part of the BRI Partner Management application and is in accordance with BRI's Fixed Asset and Logistics Management Policy. SKT issuance is carried out selectively to prospective partners that are considered viable and meet the stipulated requirements. The SKT also does not limit the suppliers with only certain types of goods and services; any goods and services needed by BRI can be supplied by suppliers with SKT.

Percentage of Goods and Services Procurement Transaction Value for BRI Suppliers ^[GRI 204-1]

Segment	2018	2019	2020
Domestic Suppliers	93.38%	94.47%	99.76%
Overseas Suppliers	6.62%	5.53%	0.24%
Total	100%	100%	100%

Note : The data above is a recapitulation of the head office.

The selection of new suppliers must cover the criteria applied at BRI to minimize the risk of negative social impacts. To realize this, BRI implements the following: [GRI 414-1] [FS3] [FS5]

 <p>1 Transparency and independence in the process of goods and services procurement</p>	 <p>4 Implement risk management principles which include identification, measurement, monitoring and risk control.</p>
 <p>2 Always comply with internal and external regulations</p>	 <p>5 Protect workers' safety in accordance with the provisions of workers' safety and health, for example the provision of BPJS for Health and Employment.</p>
 <p>3 Always abide by the corporate culture that is based on the following values:</p> <ol style="list-style-type: none"> Integrity, Professionalism, Trust, Innovation, Customer-focused. Good Corporate Governance. The Company's Code of Ethics and implementing the precautionary principle. 	 <p>6 Monitor and maintain all equipment used by workers in carrying out their work in order to minimize the risk of work accidents.</p>  <p>7 Pay attention to the welfare of workers by providing compensation to workers in accordance with applicable regulations.</p>

BRI realizes that all banking and customer activities are related to environmental issues, particularly forestry, which directly or indirectly have an impact on BRI's business performance. In responding to this problem, BRI considers it necessary to carry out more friendly operational activities, for example by supporting energy efficiency: BRI already has ATMs that use solar power.

BRI carries out a selection and review process that involves environmental risk mitigation through : [FS2] [FS5] [GRI 103-3]

1. Full licensing in accordance with applicable regulations.
2. Environmental management documents according to industry, including Environmental Management Efforts, Environmental Monitoring Efforts (UKL-UPL), Environmental Impact Analysis (EIA or AMDAL), management permits/ certifications including PROPER, RSPO and ISPO for oil palm plantation companies.
3. Results of studies/social impact analysis.
4. Routine monitoring through reporting based on national and global reporting standards.



Stakeholder involvement is recognized through the approach of proximity and power to influence and be influenced by the Company. BRI's stakeholders consist of investors, customers, employees, local communities, government and non-governmental organizations. BRI approaches stakeholders according to the issues and needs of each stakeholder, the management's assessment, compliance with regulations and approaches to each stakeholder through face-to-face communication or surveys.

Throughout 2020, BRI had 159 new suppliers and yet there were zero negative impacts on the environment in the supply chain. BRI always strives to ensure the fulfillment of the required criteria when selecting suppliers. Signing an anti-bribery statement is also one of the selection requirements. Going forward, BRI will continue to consistently implement supplier selection using environmental requirements as added value for suppliers and evaluate the satisfaction to these environmental and social requirements. [FS1] [FS5] [GRI 205-2]

BRI Smile functions optimally for all users at the Head Office, Regional Offices, Branch Offices and BRI Units throughout Indonesia, so the module refinement and versioning are carried out to continuously improve the management of BRI's Fixed Assets as follows:

1. BRI work units can monitor the accounting of fixed assets in their work units online so that the potential discrepancy can be managed.
2. BRI work units can manage fixed assets in a decentralized manner.
3. BRI work units can monitor the progress of insurance claims on fixed assets losses online.
4. BRI work units can independently carry out the process of writing off fixed assets.
5. BRI work units can monitor the progress of each write-off proposal that has been submitted.
6. BRI work units can prepare system requirements and budgeting and the implementation can be monitored optimally.
7. BRI work units can make proposals to lease/purchase property in the system.

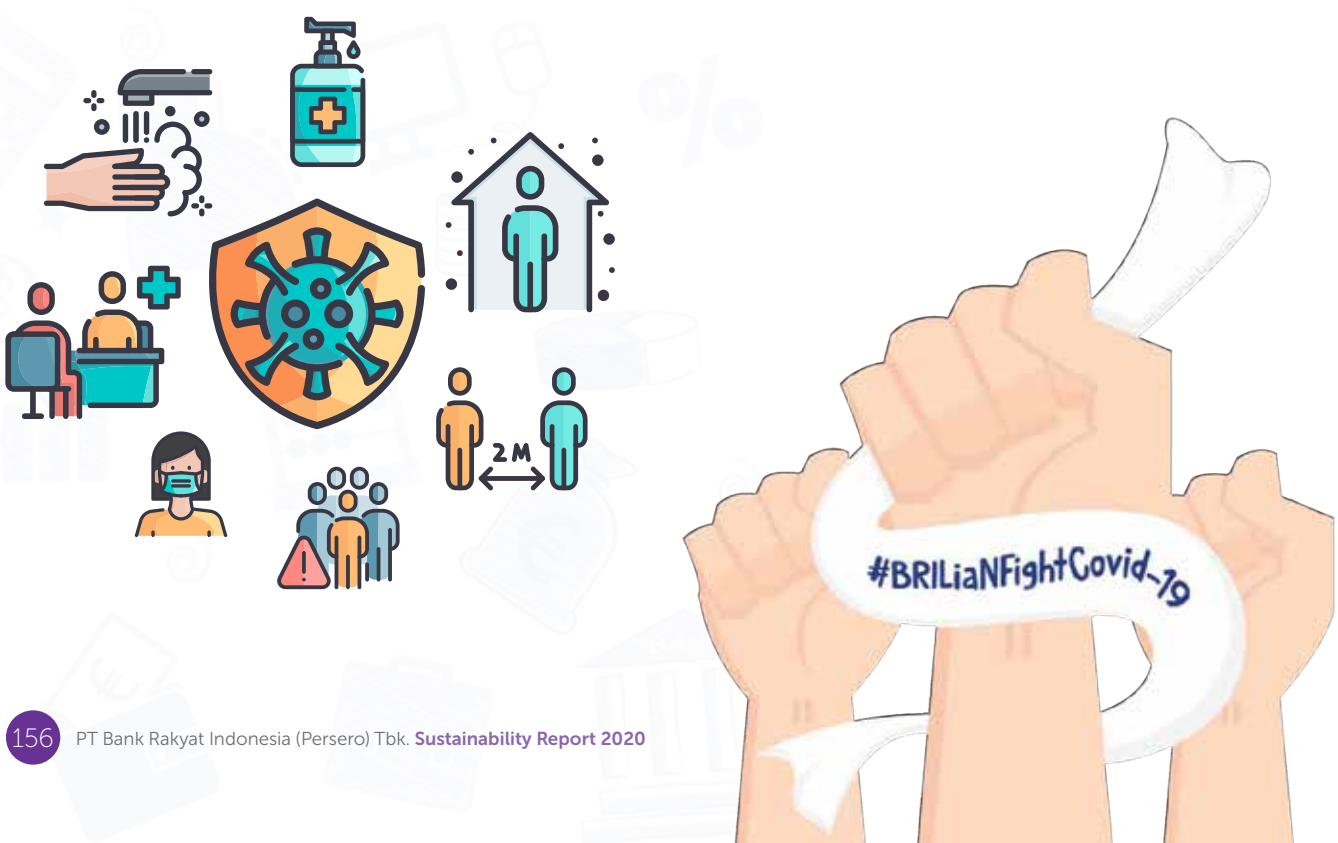
Responsibilities to Suppliers

1. Goods and Services Procurement Audit, to ensure that the goods and services procurement process has been carried out in accordance with applicable regulations and procedures. Periodic audits are conducted by BRI's internal and external auditors. [FS9]
2. Vendor Gathering.
3. Internal and External Customer Satisfaction Index, to improve quality standards in the procurement process for goods and services at BRI. BRI has conducted a survey of suppliers.
4. Regular socialization related to ISO 37001:2016.

BRI'S STRATEGY IN HANDLING COVID-19 PANDEMIC

[GRI 103-2]

People First	Sustainable Business Growth	Good Corporate Governance
<p>Health and safety protocols</p> <ul style="list-style-type: none"> Disinfection and sterilization of storage areas Vaccines for workers Healthcare products for workers (masks, hand sanitizer and vitamins) 	<p>Credit Portfolio</p> <ul style="list-style-type: none"> Selective growth Credit restructuring program Credit relaxation program 	<ul style="list-style-type: none"> Implementation of GCG The principles of good corporate governance
<p>Work from home</p> <ul style="list-style-type: none"> Shortened banking operating hours Work From Home arrangement Flexible office space 	<p>Liquidity and Market Activities, Reserve Maintenance requirement, SR, LDR, RIM</p> <ul style="list-style-type: none"> Maintain reserve requirements, SR, LDR, RIM Maintain long position on Net Foreign Position Maintain Cash Ratio 	
<p>Digital Initiative Optimization</p> <ul style="list-style-type: none"> BRISStars: Digital office applications BRISpot: Digital credit processing BRISIM: Daily monitoring dashboard 		

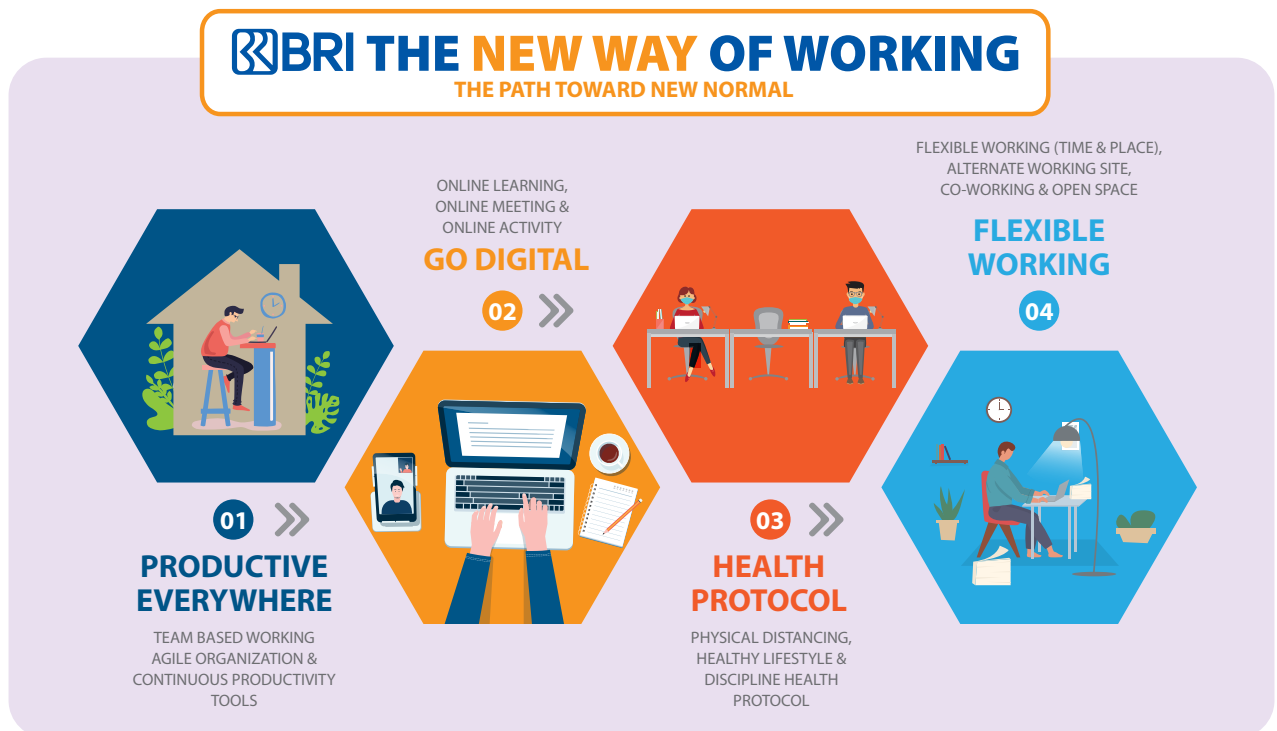




BRI'S THE NEW WAY OF WORKING [103-1]

It is important for everyone to make work adjustments in the midst of the Covid-19 pandemic. BRI established a different method of delivering policies compared to the previous year, especially in the field of human capital. Through various communication channels, including formal means such as official letters, or non-formal forms such as infographics, e-flyers, videos, SMS blasts, WhatsApp blasts, and articles published through internal platforms such as Bristars. The communication strategy is also supported by the availability of a special call center team for the HC area dedicated to responding to answers to questions raised by employees on human capital management.

BRI has a program that can be run by all work units in order to improve performance and team building with the aim of maintaining employee morale in the midst of a pandemic. The Performance Improvement Forum (Forum Peningkatan Kinerja - FPK) is an annual event held to improve the quality of teamwork at each work unit and to boost employee morale. FPK activities generally begin with a focus group discussion (FGD), where each work unit explores issues that need to be improved based on the input/results of the satisfaction survey filled out by all of the work unit's stakeholders. During this pandemic, FPK activities could not be implemented optimally, however, FGD activities were still carried out via teleconference.



The Covid-19 pandemic has affected almost all countries, bringing home the importance of the sustainability principles in that humans cannot return to the conventional way of life without taking sustainability into consideration.

Adaptation then becomes the main key to survive and thrive in a pandemic. One form of adaptation done by BRI, especially in the work units of big cities is to apply remote working schemes such as work from home / work from everywhere (WFH / WFE). It is hoped that this new form of work (BRI's new way of working) will improve the quality of work and life (work-life integration) of employees.

The concept of the new way of working adopted within BRI's organization has been well received by BRILiaN personnel. The majority of the BRILiaN personnel can adapt well to new forms of work environment. The level of mastery of communication technology shows positive progress, because this is the main requirement to

coordinate and work online. On the other hand, the usage volume of cloud-based folder sharing is increasing. The majority of BRILiaN employees are accustomed to managing time allocations for office work and housework, attending online scheduled meetings on time, having strategies to overcome boredom, and maintaining constant contact with colleagues and superiors.

In terms of organization, the adaptation of new ways of working can be seen from the company's efforts to prepare technology/application facilities and infrastructure to support remote working (BRILiaN Apps), recreational initiatives and adjustments to SOPs in WFH, and what is no less important is the implementation of performance monitoring or individual targets which can be updated in real-time online (Performance monitoring: Happy 5 app). The details of implementing new ways of working while maintaining work productivity safely and in accordance with the new normal health protocol are as follows:

1. Implementation of Flexible Working: Work more flexibly in terms of place & time of work depending on the job category. BRI has:
 - a. Constructed an alternate working site in the form of a co-working space near the workers' homebase area, e.g. BSD, Bintaro, Bogor, Bekasi, BRI Corpu / Campus, etc.
 - b. Redesigned the working space in the form of standardization of workplaces according to the new normal health protocol (paying attention to physical distancing aspects, providing health kits, warning signs, etc.) with an open space design & no dedicated desk.
 - c. Made Continuous Productivity Tools: It is possible for workers to complete their work away from office. Through this tool, monitoring of employees' daily targets can be done more reliably & accountably. In addition, with this tool, it is possible to apply a more collaborative, flexible, and adaptive Team Based Working / Agile Organization.



2. Go Digital Productive Campaign: Use of various digital platforms to increase productivity such as online learning (Zoom Webinar, New BRIsSmart), online meetings (Zoom, Microsoft Teams), and online activities (Digital Office, virtual marketing, online presence, BRISStars Mobile , etc.)

BRI has carried out an assessment on the risk of the spreading of Covid-19 within the BRI office environment. To minimize this, BRI implements controls on the allocation of time for office work and work from home, dividing employees who come to the office and those who work from home for certain units, maximizing the implementation of distancing and health protocols in the work environment as well as various new ways of working that have been described above. BRI has socialized a new work culture in dealing with Covid-19 to ensure that all BRI employees have the right understanding about the prevention and handling of Covid-19.

If any employees suffer some Covid-19 symptoms, they are strongly advised to immediately do PCR tests and self-isolate while waiting for the and then report to the head of the relevant work unit and the Human Capital division. If they test positive for Covid-19, the Company will give time off to recuperate; the Human Capital division will monitor the employee's condition every day. BRI also provides Safe Houses for workers exposed to Covid-19. BRI Safe House is a specific location that has been designated at each BRI Regional Office to accommodate workers have tested positive for Covid-19. BRI is aware of the risks associated with the disease and has formulated a strategy to reduce the spread and improve the quality of employees' health by providing this Safe House. There are 27 Safe House locations spread across 19 BRI Regional Offices.



Human Resources Training and Development during the Pandemic

The Covid-19 pandemic has profoundly impacted all industry segments. On the other hand, it also brings opportunities in human resource management, such as the acceleration of employees' adjustments to changing work environments (which initially followed a relatively rigid schedule) in flexible working hours and remote working. In addition, the pandemic also accelerates the employees' readiness in the implementation of education and development programs using remote learning methods. This pandemic has also prompted the Company to change its business strategy and accelerate its ongoing digital transformation. Indirectly, this condition provides valuable experience for the development of employee competencies, especially in terms of decision

making in critical conditions, as well as problem solving.

In the day-to-day operations of the company, employees' knowledge and expertise are needed for the Company to stay ahead in this competitive banking industry. Therefore, the company must develop employees with mastery in new skills in accordance with the needs of their divisions so that the company is able to thrive in the midst of changes in the financial sector. Training is provided to employees internally and in collaboration with partners. In 2020, 100% of employees have received training and have been regularly reviewed for their performance and career development. [GRI 404-1], [GRI 404-3] [POJK51- 6.c.2.d], [FS4] [FS15]

Total Education / Training Hours and In-Class & E-Learning Participants [404-1]



Breakdown	2018	2019	2020
Total Participants	2.967.516	4.054.872	5.274.114
Total Education / Training Hours	10.754.379	14.639.065	6.393.448
Total	76	116	62*

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

Recapitulation of participants based on gender is still in the adaptation stage to be implemented. In the future, BRI will start conducting training by including gender during the participant registration process to facilitate data recapitulation.





Number of Education / Training Hours by Position Level [404-1] [FS4]

Position Level	2018			2019			2020		
	Number of Participants	Total Number of Training Hours	Average hours of training	Number of Participants	Total Number of Training Hours	Average hours of training	Number of Participants	Total Number of Training Hours	Average hours of training
Top Management (VP – SEVP)	977	17,024	17.4	1,357	30,664	22.6	1,144	21,913	19.2
Middle Management (AM-AVP)	18,877	357,104	18.9	22,189	486,926	21.9	24,039	475,094	19.8
Operation (Assistant – Officer)	111,260	2,205,071	19.8	105,726	2,711,993	25.7	143,243	3,394,278	23.7
Average	14,568	286,578	78	14,364	358,843	23.40	18,714	432,365	20.9

BRI is committed to continuously improving the competencies of all employees through education and training. This policy aims to develop employees to become more proficient in carrying out their main duties and functions in order to achieve the targets set by BRI.

Through competency and talent, BRI and its employees hope to strive together towards achieving BRI's vision of "Home to The Best Talent" and towards Excellent Human Resources for Advanced Indonesia, through the Decree of the Directors of BRI No. B.723-DIR / CDS / 10/2019 dated 29 October 2019, which formed the BRI Professional Certification Institute (LSP) with the aim to conduct Competency Tests for all BRI Group employees. LSP BRI as LSP P2 is an extension of the National Professional Certification Agency (Badan Nasional Sertifikasi Profesi - BNSP) so that the competency certificate issued by the BRI LSP is certificate by the State.

In addition, BRI Corporate University and BRI Corporate University Campuses throughout Indonesia have been registered with the Manpower and Transmigration Office to become a Corporate Work Training Institute (Lembaga Pelatihan Kerja - LPK), so that BRI Corporate University can issue a 'Training Certificate' and BRI Employee Education and Training programs registered at the Ministry of Manpower. [FS4]

To improve employees' welfare, the company also provides training programs according to the needs of each work unit. It aims to not only improve employees' skills in operational work but to also assist employee career development. [GRI 404-2]

Training by external parties are mainly conducted by partners with the National Professional Certification Agency (BNSP) license to ensure higher training quality and credibility. The following is a table of standard training listed by BNSP for bank employees for 2020 : [FS4] [GRI 404-2]

No.	Training Type	Name of Partner/ Vendor	Number of Participants
1	Bank Internal Audits	LSP BRI	41
2	Wealth Management	MCI	281
3	Treasury Dealer	LSP BRI	2
4	General Banking	LSP BRI	420
5	Risk Management	BSMR & LSPP	704
6	Compliance	LSP BRI	103
7	Credit	LSP BRI	60
8	Human Capital	LSP BRI	1
9	IT	LSP BRI	4
10	Funding & Service	LSP BRI	23

A series of educational programs was implemented in 2020 by the BRILiaN Development Center, which is the Human Capital Development Division. The pandemic requires companies to be able to adapt and innovate on employee training and education without sacrificing the quality of the education. Therefore, during the pandemic, these educational programs are still in place and are running well through online/video conferences at each work units. The Human Capital Directorate implements

Human Capital education programs as part of developing the quality of human resources in the midst of a pandemic.

Through the concept of development, BRILiaN employees will go through a series of education to develop their potential to become a Great Talent & Great Leader in accordance with the BRILiaN Development Journey, namely:

- 1. BRILiaN Banking Officer Program (BBOP)**
Education Program to prepare new employees at the Corporate Title Assistant level in order to show maximum performance in accordance with operational standards and values at BRI.
- 2. BRILiaN Future Leader Program (BFLP)**
An educational program to prepare prospective leaders at the Corporate Title Officer level to show maximum performance in accordance with operational standards and values at the BRI Group.
- 3. BRILiaN Next Leader Program (BNLP)**
An educational program to prepare prospective leaders at the Corporate Title Officer level in order to show maximum performance in accordance with operational standards and values at BRI.
- 4. BRILiaN Leader Development Program (BLDP)**
Educational programs to prepare employees to become Great Leaders through sustainable and comprehensive leadership development that emphasizes strengthening character and national, global, business / banking, and technological insights.
- 5. BRILiaN Specialist Development Program (BSDP)**
A continuous and comprehensive technical competency development education program with an emphasis on specific knowledge and skills according to the competency requirements required to become specialists in certain fields important to the company.



6. BRILiaN Global Development Program (BGLP)

A special development program to prepare Top Talents who are BRILiaN Society Members (BSM) Band 3 (Corporate Title at the Assistant Vice President / Senior Manager level) and Band 4 (Corporate Title at Manager level) as prospective Global Leaders with competency and global business insight.

7. BRILiaN Society Elite Program (BSEP)

A special development program to prepare Top Talents who are BRILiaN Society Members (BSM) Band 2 (Corporate Title at the Vice President level) and Band 1 (Corporate Title at Executive Vice President / Senior Vice President level) in preparing themselves to act in the more complex Leadership roles.

8. BRILiaN Bright Scholarship Program (BBSP)

Education program for Permanent BRI Employees to pursue Masters Education abroad, financed by the Company.

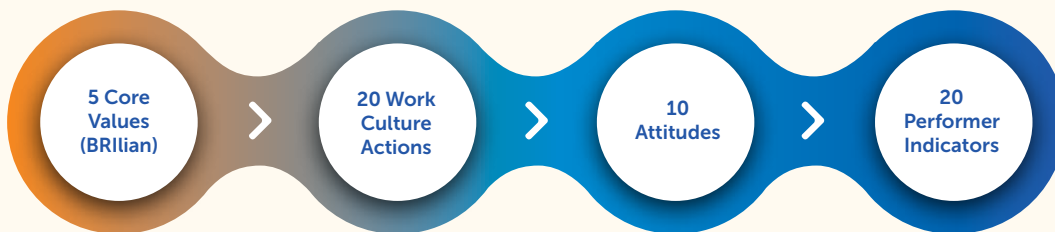
9. BRILiaN Leader Retirement Program (BLRP)

Educational programs to prepare employees with knowledge, insight, and skills needed for retirement.

Diversity and Equal Opportunity

The diversity present at BRI not only creates a culture that supports women in the workplace, but also supports employees with diverse experiences, age groups, abilities, insights and perspectives. In order to provide diverse thinking, it is very important to maintain diversity and equal opportunities for all employees which in turn creates more value for stakeholders, now and in the future. [GRI 405-1]

BRI positions its employees as human capital and continues to raise their value through training and developing employee skills to become the best talents to support the implementation of sustainable finance. In the pursuit of BRI's Aspiration for 2022 to become home to the best talent and build a good work environment, BRI implements a BRI work sustainability culture that contains 5 values, 10 behavioral attitudes, 20 behavioral indicators and 20 work culture actions. [POJK51-6.a]



BRI is committed to become a company that treats all employees equally, which is done by providing equal opportunities for all employees. Thus, employees with diverse backgrounds have the same opportunity to progress and develop. BRI also provides equality in matters of salary and remuneration, which does not differentiate male and female employees. [GRI 103-3], [GRI 405-2]

Talent management at BRI, known as BRILiaN, is a main focus of the company's initiative strategy to answer BRI's aspirations to become The Most Valuable Bank in South East Asia & Home to The Best Talent. In particular, BRI formed the Human Capital Development Division to oversee the system preparation and process digitization for BRILiaN Individuals, so that they can develop optimally and become Great Talent & Great Leaders from the time they apply until their retirement.

Starting with identifying the best candidates for the best sons and daughters of Indonesia, BRI has Talent Attraction which is implemented through various attractive programs through a multi-source recruitment programs such as

1. BRILiaN Scholarship Program (BSP)
2. BRILiaN Creativity Contest Program (BCCP)
3. BRILiaN Get Talent Program (BGTP)
4. BRILiaN Internship Program (BIP)
5. BRILiaN Excellent Internship Program (BEIP)

All of the best sources of talent above can join BRI through multi recruitment channels, namely :

1. BRILiaN Future Leader Program (BFLP)
2. BRILiaN Next Leader Program (BNLP)
3. BRILiaN Banking Officer Program (BBOP)



In 2020, BRI has commenced the recruitment of BRILiaN Future Leader Program with a total of 231 employees officially joining the BRILiaN program. 45 employees were admitted to the BRILiaN Next Leader Program, a recruitment program for existing employees. Through these programs BRI looks for talents with great characters and competencies who are ready for future leadership. In addition to the recruitment of BRILiaN Next Leader Program, BRI organizes the recruitment of BRILiaN Banking Officer Program for BRI's existing employees with a total of 747 employees who qualified.

In addition, BRI has also conducted the commencement of the BRILiaN Scholarship Program to nurture potential talents from college before eventually inviting them to join BRI's ranks with attractive remunerations and benefits. Through this program, BRI has awarded BRILiaN Scholarships to 48 of the best students from various Indonesian universities. As an SOE, BRI is also actively involved in joint recruitment programs run by the Ministry of SOEs, one of which is the Joint Recruitment Program for SOE Sons and Daughters of Papua and West Papua. Thanks to this program, 26 Papuan and West Papuan have joined BRI.

In 2020, in addition to investing in the recruitment programs for the best talents, BRI also participated in developing the ability and quality of its work through a series of educational programs. The BRILiaN Leader Development Program (BLDP) education has been running since January 2020. This education program has been attended by 874 BRILiaNs. While 74,623 have participated in the BRILiaN Specialist Development Program (BSDP). The BRILiaN Society Elite Program (BSEP) and the BRILiaN Global Leader Program (BSEP) programs include professional development and leadership competency as well as global business insights.

BRI also supports BRILiaN Individuals who wish to add insight and knowledge through Masters degree education by providing Scholarships abroad; 22 employees were eligible to receive these. It is hoped that BRILIAN individuals who receive this scholarship will be able to contribute more to BRI for the insights and knowledge they gain during their Masters degree education abroad.

BRILiaN employee candidates who pass through all stages of recruitment and meet the selection criteria including intellectual capital, psychological capital, and social capital assessments will continue to be equipped with a Systematic Development Program that has been prepared by the Human Capital Development & Corporate University Division as BRI's Center of Professional Excellence to hone BRILIAN individuals to become the future leaders. The Systematic Development Program is designed with a "three-prong" development concept :

1. Development of technical or practical competencies which are relevant specific tasks in each position according to the line of work.
2. Development of professional competencies, which must be possessed and developed to ensure that the BRILiaN personnel can successfully carry out their duties in their respective fields and organizational levels.
3. Development of leadership competencies, which hone the role of BRILiaN Individuals as leaders with managerial responsibilities.

The overall development builds Character Shaping through instilling the values of corporate culture.

The recruitment process takes place publicly, starting with publication via the site <http://erecruitment.bri.co.id>, and followed by the selection process carried out by the Head Office, Regional Offices

and BRI Branch Offices, imposing a minimum age requirement for prospective employees at 20 years old (so as not to employ minors). The Collective Labor Agreement also regulates all aspects of the employment relationship including working hours to ensure that no employee faces forced labor. This is in line with Law Number 19 Year 1999 on the Ratification of the ILO Convention No. 105 Concerning the Abolition of Forced Labor. The Bank is aware of the risk of workers' rights violation such as discrimination, child labor, forced labor, etc. In 2020, there were no reports of incidents of discrimination within the Company. There was no instance of child labor employment, or employee exposure to hazardous work or forced labor at BRI operations or suppliers.

[GRI 406-1], [GRI 408-1], [GRI 409-1] [POJK51-6.c.2.a]

Apart from being based on the "three prongs" development concept, all Systematic Development Programs also refer to the Set of Competencies that has been prepared by the Human Capital Development Division, which consists of :

1. Competency Dictionary (BRI Directors Decree No.S.303-D IR / HCD / 04/2020 dated 27 April 2020): A document on a set of competencies containing the Name, Definition, and Behavior Indicators for each Competency required by the Company.
2. Family Position and Position Function (BRI Board of Directors Decree No. S.398-DIR / HCD / 06/20 2020 dated 17 June 2020):
 - a. Position Family: a group of positions that carry out business processes or work activities in the same field of work so that it requires a certain set of Soft Competencies.
 - b. Position Function: a group of positions that carry out a series of business processes or work activities in the same sub-field of work so that it requires a similar set of knowledge and Hard Competencies in a

certain scientific sub-field, and a certain set of Soft Competencies, where the similarity of Soft Competency still refers to the characteristics of the activity/business processes in the same line of work.

3. Position Competency Profile (BRI Board of Directors Decree No. 489-DIR / HCD / 07/2020 dated July 20, 2020): A set of Competencies (Soft Competency) required by a Position.
4. Requirements for Position Knowledge and Skills (Directors Decree No.582- DIR / HCD / 09/2020 Date 01 September 2020): Minimum knowledge and skills assigned to each Position, so that the position holder can perform his/her job in accordance with the set performance standards.

In addition to the investment in the development program, BRI also conducts assessments on all employees to explore and measure employee competencies and assess their suitability with the competency requirements of the current and the intended positions. In addition, it is hoped that the implementation of employee assessment can be used as a tool to identify the competency development needs required by BRILiaN. Therefore, the assessment and development programs for BRI employees are inseparable, so that after the employee competency profiling is obtained through an appraisal, the employee will be given the opportunity to a series of development programs.

A series of Systematic Development Programs has been prepared by BRI so that BRILiaN Individuals can plan their own careers through the BRILiaN Development Plan (BDP), namely BRILIAN's individual plans to achieve their career goals by preparing personal development to improve individual and company performance. With the BRILiaN Development Plan (BDP) which is supported through the BRILLiance application, BRILiaN employees can convey their aspirations



for career development and competency, discuss with their coaches & mentors, use Learning Wallet to select development and training programs to be more competent in their current role and prepare for the next position. Everything is always evaluated on an ongoing basis for BRILiaN employees at BRI.

[GRI 103-3]

In the BRILiaN Development Plan (BDP), coaching and mentoring sessions shepherd employees through a series of development programs that have a real and sustainable impact. This session will help BRILiaN employees to be able to maximize their potential to achieve their career goals. Through the Professional Coach Certification Program organized by the Human Capital Development Division in collaboration with BRI Corporate University, there are 204 Professional Coach candidates, 108 of whom have completed certification, and 96 are still in progress.

In 2020 BRI recruited 6,098 new employees, consisting of 3,045 male and 3,053 female fresh graduates, as well as 12 male and 37 female experienced professionals. The number of new employees recruited in 2020 was more than in 2019 by 6,560 people. This is in line with the 2020 recruitment strategy and planning, considering that in 2019 many employees were retiring.

BRI creates a safe and comfortable work environment so that the total rate of employee absence in 2020 only reached 1.01%. This percentage consisted of 1.2% of male employees and 0.8% of female employees.

In an effort to realize equal opportunities, remunerations are formulated gender-blind. This can be seen from the lack of a significant difference between the average salary of male and female employees in the table below:

Average Employee Salaries by Position

Position	Average Salary (Rp)	
	Male	Female
SEVP	67,607,000	76,066,331
EVP	46,694,760	46,188,068
SVP/VP	29,460,635	27,415,433
SM/AVP	17,356,572	17,764,386
Manager	10,891,702	11,002,442
Assistant Manager	9,536,170	8,755,449
Officer	6,918,663	7,129,785
Assistant	3,217,660	2,960,546

New Employees Admission Pathways Based on Gender [GRI 401-1]

Admission Path	2019			2020		
	Men	Women	Total	Men	Women	Total
Number of BFLP*	132	88	220	138	93	231
Number of Marketers, Administrators and Frontliners	2,868	3,455	6,323	2,907	2,960	5,867
Others	1	0	1	0	0	0
Number of New Graduates		6,544		3,045	3,053	6,098
Number of Experienced		16		12	37	49
Total		6,560		3,057	3,090	6,147

*PPS : BRILiaN Future Leader Program

Composition of New Employees by Region [GRI 401-1]

Region	2019			2020		
	Men	Women	Total	Men	Women	Total
Jakarta	519	721	1,240	699	716	1,415
Sumatera	558	811	1,369	545	584	1,129
West Java	348	338	686	300	231	531
Central Java and Yogyakarta	511	283	794	628	294	922
East Java	357	440	797	308	344	652
Eastern Indonesia and Middle Indonesia	723	951	1,674	655	843	1,498
Total		6,560		3,135	3,012	6,147

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

Age Group	2019			2020		
	Men	Women	Total	Men	Women	Total
< 31	2,973	3,519	6,429	2,913	2,774	5,687
31-40	39	25	64	212	234	446
41-50	3	0	3	5	2	7
>50	1	0	1	5	2	7
Total		6,560		3,135	3,012	6,147



BRI provides equal opportunity to develop careers without discriminating between gender, age, ethnicity, religion, race or other categories. Overall, 2,183 employees were promoted in 2020, or 2.4% of the total BRI employees. In 2020 BRI did not receive any complaints regarding discrimination in employment. [GRI 406-1] [POJK51-6.c.2.a]

In accordance with the policies stated 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 anti-discrimination policies in every function of human capital management. One form of the application of the principle of equality in the Company is the availability of employment opportunities for people with disabilities, with types of work adapted to the level of expertise and skills of each disabled employee. [GRI 103-2], [POJK 51-6.c.2.a]

Management Composition in 2020 by Gender and Age Group [GRI 401-1]

Position Group	Gender		Age Group			
	Men	Women	< 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 Management	2,295	668	46	1,568	772	577
Total	2,295	668	46	1,568	772	577

Non-Management Composition in 2020 Based on Gender and Age [GRI 401-1]

Position Group	Gender		Age Group			
	Men	Women	< 30	31-40	41-50	>50
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 Non Management	39,040	19,505	13,077	33,117	8,330	4,021
Total	39,040	19,505	13,077	33,117	8,330	4,021

BRI Marketers Based on Gender

Marketing Employee Category	Gender	
	Men	Women
MANTRI	19,972	7,279
Priority Banking Officer	65	141
RM Briguna	506	370
RM Dana (Funding)	826	1,426
RM Kecil (Small)	3,443	722
RM Konsumer (Consumer)	339	176
RM Menengah (Medium)	83	11
RM Penugasan (Special Assignment)	7	1
RM Program	938	219
RM Ritel (Retail)	78	11
Total	26,257	10,356

* MANTRI = Marketing and Micro Analysis
RM = Relationship Manager

In 2020, the number of BRI employees with disabilities was 67 people with the following details:



Work Unit	2019		2020	
	Men	Women	Men	Women
Head Office	15	12	16	10
Regional Office	18	21	21	20
Total	66		67	

One of the goals of recruiting new employees is to replace employees who have left and ceased employment. The satisfaction of BRI employees with BRI Human Capital management is measured by the turnover rate. In 2020, the turnover rate was 1.73%, lower than 2019's 2.29% and lower than the industry turnover rate of 15%. The turnover figure shows that BRI's efforts to retain employee have shown positive results. Efforts that have been carried out by BRI to keep the turnover rate low include providing compensation at a competitive level compared to the industry, benefits that provide a sense of security and comfort at work, a motivating career path and a conducive work environment. [\[GRI 401-1\]](#)

Employee Turnover Rate [\[GRI 401-1\]](#)



Breakdown	2019	2020
New Employees Hired	6,560	6,147
Employee Departures	2,668	2,437
Number of Employees at the End of the Year	61,496	61,508

Turnover Rate by Region [\[GRI 401-1\]](#)

Region	Number of Employees	Number of Turnovers	Percentage
Jakarta	1,415	564	40%
Sumatra	1,129	416	37%
Jawa Barat	531	336	63%
Jawa Tengah & DI Yogyakarta	922	393	43%
Jawa Timur	652	296	45%
Indonesia Timur dan Indonesia Tengah	1,498	435	29%
Lainnya	-	-	-
	6,147	2,437	40%



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

Age Group	Men	Percentage	Women	Percentage
<30	167	10.23%	83	10.31%
31-40	577	35.35%	276	34.28%
41-50	141	8.63%	94	11.67%
>51	747	45.77%	352	43.72%
Total	1,632	100%	805	100%

BRI's commitment to employee welfare is manifested, among others, by providing remuneration and benefits in accordance with statutory provisions. BRI does not differentiate between male and female employees. This policy is recorded in Letter Number S.21-DIR / SDM / 05/2004 dated May 24, 2004 regarding the Health Care Guarantee Regulations for Employees. [POJK51-6.C.2.B]

Principles of diversity apply to all permanent and non-permanent employees in all BRI operational areas. The following shows a table of the types of remuneration given to BRI employees: [GRI 401-2]

Type of Remuneration	Name of Program	Non-fixed Shift Employees	Fixed Shift Employees
Life Insurance	"BPJS Ketenagakerjaan, BPJS Kesehatan Santunan Duka"	Yes	According to Contract
Health Insurance	BPJS Kesehatan	Yes	According to Contract
Disability Insurance	BPJS Kesehatan	Yes	According to Contract
Maternity Leave	Maternity Leave	Yes	According to Contract
Pension	Pre-retirement Period	Optional	According to Contract

On maternity leave, BRI gives rights to both female employees who are about to give birth and to male employees whose wives are expecting. The following table contains maternity leave data for 2019-2020 :

[GRI 401-3]

Description	2019		2020	
	Men	Women	Men	Women
Number of employees entitled to maternity leave	41,501	19,795	41,335	20,173
The number of employees taking maternity leave	3,404	6,071	3,033	5,793
Employees returning from maternity leave	3,404	6,071	3,033	5,793

Note : All employees who have taken maternity leave return to work and retained by the Company.

Employees' Contribution to the SDGs during a Pandemic

One of the HCBP Division's work programs on one of the SDG goals namely creating "Good Health & Wellbeing" is an annual blood donation program that BRI employees participate in; it has been running for more than 30 years. This collaborative program with PMI is implemented 4 times a year with a total of more than 3,000 donors per year. In

addition, during the Covid-19 pandemic, BRI also initiated a blood plasma donor program carried out by BRI employees who had recovered from Covid-19 as an alternative treatment to Covid-19 sufferers. The number of participants from activities in blood donors and plasma donors is as follows:



Year	Blood Donors	Plasma Donors
2020	858 people (number restricted due to the pandemic)	36 people
2019	3.112 people	-
2018	2.974 people	-





The Company continues to instill SDG commitments in environmental, social and governance (ESG) matters to its employees through:

1. Sustainable Finance Award

Awarded to employees who have displayed innovation and capability in conducting activities related to sustainable finance.

2. Governance, Risk and compliance culture carnival

Part of BRI's ongoing cultural transformation.

3. ESG e-learning through BRISMART ^[FS4]

In order to increase awareness of ESG problems and risks among employees, BRI provides e-learning through the BRISMART learning system which includes the following materials:

- a. Anti-Fraud Awareness
- b. Anti-Bribery
- c. Anti-Money Laundering and Fight against Terrorism Funding
- d. Information Technology Governance, Data Privacy and Security



Omnibus Law Socialization

Through its Legal Division, BRI has played an active role in conducting legal studies and reviewing provisions ever since the Draft for the Job Creation Omnibus Law was issued. The review was submitted to all Heads of the BRI Head Office Division through the Legal Division Service Note No. B. 90.e-LGL / PKJ / 10/2020 dated 20 October 2020 regarding Submission of the Results of the Review of the Draft Job Creation Act.

After the enactment of Law Number 11 of 2020 on Job Creation, the Legal Division submitted the results of the analysis of the Law to the Work Units / Divisions at the BRI Head Office. The analysis of the Job Creation Law is broken into several clusters:

- a. Employment Cluster through Letter No B. 102.eLGL / PKJ / 11/2020 dated 1 November 2020
- b. Investment & MSME Cluster through Letter No B. 102.eLGL / PKJ / 11/2020 dated November 1, 2020
- c. Wholesale Banking Cluster through Letter No. B.106.eLGL / PKJ / 11/2020 dated 3 November 2020

For those three letters, workshops were held at BRI Divisions to provide suggestions, opinions, input, both for BRI internal and external regulations. The workshop was conducted through an official note as follows:



Cluster	Service Note No.	Date of Workshop	Participants
Employment Cluster	B. 127.e-LGL/PKJ/11/2020 dated 10 November 2020	11 November 2020	<ul style="list-style-type: none"> • Human Capital Business Partner Division • Human Capital Strategy & Policy Division • Human Capital Development Division • Human Capital Partnership Management Division • Corporate University
MSME Cluster	B. 129.e-LGL/PKJ/11/2020 dated 11 November 2020	12 November 2020	<ul style="list-style-type: none"> • Micro Business Policy Division • Social Entrepreneurship & Incubation Division • Small Sales Management Division • Medium Retail Credit Risk Policy & Methodology Division • Mass Funding Division • Loan Policy Division • Policy & Procedure Division • Small, Retail & Medium Business Policy Division • Corporate Development & Strategy Division
Investment Cluster	B. 134.e-LGL/PKJ/11/2020 dated 12 November 2020	13 November 2020	<ul style="list-style-type: none"> • Corporate Development & Strategy Division • Management & Financial Accounting Division • Compliance Division • Credit Operation Division • Institutional Division • SOE Business 1 Division • Marketing Communication Division • SOE Business 2 Division • Asset & Management Division • Micro Business Policy Division • SRM Business Policy Division • ARK Division • Operational & Market Risk Management Division • Enterprise Risk & Portfolio Management Division • Loan Policy Division
Wholesale Banking Cluster	B. 133.e-LGL/PKJ/11/2020 dated 12 November 2020	16 November 2020	<ul style="list-style-type: none"> • Corporate Development & Strategy Division • Compliance Division • Treasury Division • SOE 1 Division • SOE 2 Division • ARK Division • Institutional Division • Corporate Banking 1 Division • Corporate Banking 2 Division • Loan Policy Division • Retail Payment Division • Procurement, Logistic Policy & Fixed Assets Management Division • Operational & Market Risk Management Division • Enterprise Risk & Portfolio Management Division • Compliance Division

Based on the results of the Job Creation Law workshops, the BRI Legal Division, serving as HIMBARA Secretary, along with the BRI Work Unit / KP Division coordinated with other HIMBARA members (BNI, BTN, Mandiri) to request feedback on the Job Creation Law. The results of HIMBARA's response were then formulated by BRI's Legal Division as an industry input to the Implementation Draft for the Job Creation Law.

Preparation for Retirement [GRI 404-2] [GRI 201-3]



BRI does not only focus on development programs for current employees, it also assists employees who are about to retire. BRI equips them with the knowledge, insight and skills needed during the pre-retirement period. BRI has organized the BRILiaN Leader Retirement Program (BLRP), which was attended by 359 people during 2020.

BRI maintains reserve funds for post-employment benefits and other long-term employee benefits

such as service awards, leave, pension plans, BPJS post-employment health programs and other benefits programs, to employees who meet the requirements. Employee benefits are determined based on BRI regulations and the minimum requirements of the Manpower Act No. 13/2003. Post-employment benefits and other long-term employee benefits are actuarially determined using the Projected Unit Credit method. Remeasurement of the net defined benefit liability (asset), which is recognized as other comprehensive income, consists of:

- i. Actuarial gains and losses.
- ii. Return on program assets, excluding amounts included in net interest on the liability (asset)
- iii. Any changes on the asset limit, excluding the amount included in net interest on the liability (asset). Remeasurement of the net defined benefit liability (asset), which is recognized as other comprehensive income, is not reclassified to profit or loss in the next period. The participation of permanent employees in the pension program is compulsory, whereby the pension fund contributions come from the company and employees with a share of 50% each. [GRI 201-3]

Total liability for employee benefits as of 31 December 2020 was Rp 10,397 billion which consists of several components. One is the remeasurement value of defined benefit pension liabilities of Rp 1,976 billion and the re-measurement value of old-age benefits liabilities of Rp 278 billion. The calculation to define benefit pension plans and other pension plans uses the valuation by an independent actuary. [GRI 201-3]



Competitive advantage

In setting KPIs in the Performance Management System (SMK) process, BRI always integrates its targets with all of its employees, so that Individual KPIs and Company KPIs can be aligned. Therefore, competency-based performance appraisal is expected to give objective and fair results.

The employee remuneration structure is based on several factors, such as performance appraisals, competencies, and the living costs in each geographic Work Unit to ensure a fair, competitive system according to the needs and capabilities of the Company.

Compensation and benefits for BRI employees consist of:

- a. Compensation that is permanent in nature, consisting of basic wages and allowances.
- b. Variable compensation given to employees based on performance.
- c. BRI provides benefits to employees to provide security and comfort at work. These benefits are enjoyed during the working period, such as the health care program or after the end of the work relationship, such as the pension program, as well as other benefits commonly provided by similar companies in the banking industry.
- d. To increase employee engagement and a sense of belonging to the Company and to provide long-term motivation / incentives for employees to achieve the set performance targets of the company.

BRI implements a 'merit increase' strategy in the application of employee compensation in which better performance merits higher compensation. Or in other words, the increase in wages is directly proportional to employee performance. In 2020, BRI also made adjustments to the wage compensation and performance bonus formulas which are more ambitious than that in previous years, especially for marketers who are the Company's revenue vanguard.



PROVIDING A SAFE WORKING ENVIRONMENT



Every employee has the right to Occupational Safety and Health (K3) in the workplace. Healthy and efficient employees are the foundation of success for any company. BRI offers provision and support in the form of various initiatives and facilities beyond the legally prescribed measures. Legal standards for occupational health and safety are adhered to in all countries, and appropriate committees and officials are formed and appointed by BRI to always prioritize the Office Occupational Safety and Health Management System (SMK3) for BRI employees as stated in the Regulation of the

Minister of Health of the Republic of Indonesia No 48 of 2016 where the scope applies to all of its employees, at all locations and for all work activities related to BRI. The requirements for Office OSHMS include the establishment of Office K3 policies, Office K3 planning, implementation of Office K3 plans, monitoring and evaluation of Office K3 and reviewing and improving Office SMK3 performance. In the K3 Management System, the risk control process aims to build a safe, efficient and effective workplace. It is the result of risk management identification and analysis.



BRI always strives to create a good and safe work environment to ensure work safety and health (K3) of its employees. At the BRI Head Office in Jakarta, K3 aspects are implemented in collaboration with the managers of the BRI I and BRI II buildings. BRI has a team that is responsible for carrying out evacuations when faced with dangerous situations and regularly conducts training with building managers. [POJK51-6.c.2.c]

BRI is fully committed to fulfilling the rights of its workers, managing and developing their competencies in accordance with the prevailing laws and regulations in the fields of manpower, occupational health and safety. As a form of commitment to continuously improve the quality of human capital management, BRI regularly conducts employee engagement surveys (EES) to obtain feedback on improving management.

The basic policies implemented include the provision of equal opportunities and anti-discrimination both in gender, ethnicity and religion. All employees have the freedom to develop themselves, get the best careers and positions and receive compensation according to their performance. Meanwhile, the strategy for implementing the fulfillment of responsibilities related to manpower, health and safety refers to the implementation of a work agreement between the Bank and employees' representatives in the Workers' Union as outlined in the Collective Labor Agreement.

BRI routinely conducts discussions with the Workers' Union to prepare and agree on a Collective Labor Agreement (Perjanjian Kerja Bersama - PKB) which is valid for 2 years with a maximum extension of

one year. The PKB that is currently in effect is for the period 2019-2021 which all employees have signed. BRI's PKB has been approved by the Ministry of Manpower and Transmigration of the Republic of Indonesia, which is the agency authorized to ensure compliance with applicable laws and regulations.

[GRI 102-41]

In addition to the implementation of the PKB, the Bank prepares and enforces internal policies to carrying out its responsibilities in the manpower sector, including:

- a. Career development;
- b. Compensation and Benefits;
- c. Performance management;
- d. Industrial relations.

In ensuring that the points of agreement in the PKB and the internal policy are implemented appropriately and optimally, human capital management is carried out in a Human Capital Management Framework which unites three main elements in HC management, namely:

1. Human Capital
2. Work Culture Development
3. Organization

Furthermore, the Bank determines the management and development of HC under the Human Capital Director including the Human Capital Development Division, Human Capital Business Partners, Human Capital Strategy & Policy, Culture Transformation & BRI Corporate University.

Corporate Social Responsibility

The scope of the implementation of Corporate Social Responsibility related to employment, occupational health and safety consists of:

1. Implementation of employment programs (implementation of gender equality in employment opportunities, use of local labor, equality in participating in education and training programs as well as in obtaining fair remuneration, freedom of association, complaint mechanisms and pension programs).
2. Health facility provision program (Club Fitness, Sports Club and BPJS Insurance).
3. Work safety program (inspection/periodic inspection of fire extinguishers and emergency training).

Occupational Health and Safety (K3) is one of the operational risks that is important for the Company to manage. The safety of BRI employees and stakeholders are paramount to BRI, both in normal and extraordinary situations. This strategy is stated in several provisions, including:

1. Business Continuity Management Policy.
2. Emergency Response Plan Guidelines.
3. Occupational Health and Safety Management System Policy.

The efforts that have been made to maintain the safety and wellbeing of BRI employees and stakeholders include:

1. Adoption of an Emergency Response Culture for employees.
2. Communicating emergency response procedures to stakeholders within BRI.
3. Provide equipment for emergency response.



4. Provide medical equipment in the workplace environment.
5. Perform regular emergency response simulations.
6. Identify disaster risks in BRI's work environment.

Identification of potential hazards, K3 risk assessment and controls are carried out in conjunction with Disaster Threat Risk Assessment (PRAB). PRAB is the identification of threats that may occur based on categories of causes, for example natural disasters, human intentions, technology, infrastructure and the impact of these threats on resources such as people, assets, information, customers and so on.

PRAB is used to identify, analyze, and list the level of threats that could potentially occur in the work unit, so that the rescue procedures and mitigation



measures can be drawn up. PRAB results are specific based on the geographical location and condition of the work unit building and are used in resource planning needed to minimize the potential and/or impact of a disaster in accordance with the highest potential threat in the work unit. PRAB is carried out at least once a year in each work unit.

In times of danger or disaster, the Crisis Management Team will function as an Emergency Response Team which performs the following :

- Coordinating all evacuation and rescue procedures for employees in the event of a disaster.

- Coordinating the process of evacuating employees to the gathering point safely, safely and quickly.
- Carrying out first aid measures for employees who are injured or need help.
- Reporting to the head of the emergency response team if there are victims who need medical attention.

BRI always ensures the members of occupational safety and health management's competency. There are 42 BRI employees who have been certified K3 and during 2020 the following certifications have been carried out :

Certificate	Participant's Name	Effective Date	Expiration Date
Ministry of Manpower's P3K at Workplace	Fajar I	16-11-20	16-11-25
Ministry of Manpower's P3K at Workplace	Morrys A	16-11-20	16-11-25
Fire Safety Certificate (SKK)	BRI 2 Building	09-06-20	09-06-21
Gondola Operator	Fadil	01-04-20	01-04-25

Management of Work Accident Risk at BRI's Business Area

At Business Area	Outside Business Area
Multi-storey buildings, office houses (rukan), shop houses (ruko), and e-channel-based mobile work units	Reviews on project development locations and customer visit activities
The implementation of K3 is facilitated by building management policies	The implementation of K3 is facilitated by the project manager
Training and providing information on evacuation from multi-storey buildings on a regular basis	Rules for every employee to follow safety induction
Basic training in using fire extinguishers [FS4]	Provision of a work accident insurance policy for all employees that includes personal accidents and a work accident insurance program
Training to rescue victims from inside a building which is attended by building security workers	-
Equipping premises with adequate and relevant basic safety equipment, including Oxygen (O ₂), supplies, first aid kits, emergency slides on exit windows	-
First aid training in accidents attended by employees, security and building managers	-
Provision of two ambulances at the head office and in collaboration with BRI Medika (BRI's Dapen subsidiary)	-

BRI's Covid-19 Handling Protocol

Handling of Covid-19 for Workers is regulated under various situations as follows :

Condition 1 : Workers Confirmed Positive For Covid-19

1. An employee is tested positive for Covid-19 based on the results of laboratory tests using the PCR / Swab Test method.
2. The employee must immediately contact the local Covid-19 emergency number or a hospital designated for Covid-19 for immediate follow-up. Based on the doctor's recommendation, the Covid-19 handling process must consider the following matters :
 - a. Covid-19 positive employees who do not experience symptoms but cannot self-isolate at home can self-isolate in a safe house provided by the Company. The work unit leader can provide a location for self-isolation (safe house) in Company-owned locations, lodging, homes or other locations. Costs incurred will be borne by the Head Office.
 - b. For Covid-19 positive employees who experience symptoms of fever (body temperature > 37,5°C), cough, runny nose or sore throat, both detected during the examination and during the quarantine period, further treatment is required at the Covid-19 designated hospital.
3. Employees report their health condition to their manager/work unit supervisor. Furthermore, the manager/work unit supervisor should do the following :
 - a. Employees who test positive for Covid-19 should be reported to the Banking Comand Center (021-5758777) and via the link <https://bit.ly/SiagaCovid-19>.
 - b. Work Unit to carry out Temporary Closure.
 1. Coordinate with the Head Office or the Logistic Function of the Work Unit for disinfectant spraying.
 2. Coordinate with the Regional Office, if there is a plan to close the Work Unit for a certain period of time or to transfer the Work Unit operations to an alternate site.
 3. Employees who are in close contact with employees who tested positive for Covid-19 to carry out self-quarantine and Work From Home procedure.
 - c. Identify other employees.
 1. Other employees who are in the same office space and in close contact (direct contact within the radius of 1 meter) with employees who tested positive for Covid-19 within the previous 14 days, so that a mass Rapid Test can be carried out.
 2. Rapid Test Process to be coordinated with the Human Capital Business Partner Division and the Hospital Medical Team.
 3. Implementation of Rapid Testing so that tracing is carried out in stages and localized, starting from work teams, local work units, and other employees (both in the same work unit and other work units) who have had close contact with employees who tested positive for Covid-19 for 14 days prior.





4. If the Rapid Test results are positive, then a Swab Test must be performed on the employees.
 - Employees who test positive for Covid-19 should follow doctor's recommendation while still paying attention to point 1 above.
 - Employees who test negative for Covid-19 can work again in the office.
 - While waiting for the results of the Swab Test, employees should self-isolate and observe physical distancing.
 5. If the Rapid Test results are negative, the employee should do the following:
 - Self-quarantine and WFH for 14 days.
 - When the self-quarantine period is over, the employee should undergo another Rapid Test.
 - If the Rapid Test results are positive, then the next step follows the protocol in point 3.d) above.
 - If the Rapid Test results are negative, the employee can return to work in the office.
 - In the event that there is urgent work that needs to be completed by the employee, the head of the work unit may assign the work to several employees who can come to the office after a Swab Test and a negative Covid-19 result. If the swab test results are positive, then action should be taken according to the doctor's recommendation while still paying attention to point 1 of this provision.
 6. The costs of these mass Rapid Tests are fully borne by the Company's.
 - d. Superiors should actively monitor the health conditions of their subordinates and communicate with the work unit's HC function to monitor the employee's recovery and provide any necessary support.
 - e. The function of the HC work unit is to report the conditions of the employees who have tested positive for Covid-19 and to provide supporting infrastructure such as Rapid tests, Swab tests, safe houses and others to the Regional HCBP, which can then report at the first opportunity to the Executive Vice President of the HCBP Division; this Division acts as the coordinator in the Human Capital Banking Command Center (BCC) on handling Covid-19.
4. Employees who have tested positive for Covid-19 can start working again after recovery is confirmed (testing negative for Covid-19) and after being given clearance by the doctor / hospital.

Condition 2: Employees Have Not been Confirmed Positive for Covid-19 but Experiencing Symptoms of Covid-19 with or without a History of Directly Interacting with Covid-19 Patients.

1. Employees must contact their Supervisor / Head of Work Unit to do the above procedures;
2. The employees' cases should be forwarded to the Banking Command Center (021-5758777).
3. Superiors actively monitor the conditions of these employees.
4. Employees are required to consult with the doctor in accordance with the health care insurance provisions for BRI employees.





Indonesia's Fight against Covid-19



The Corporate Social Responsibility (CSR) programs BRI Cares and BRILian Fight Covid-19 have distributed various assistance in managing Covid-19 in Indonesia with a total value of Rp 106.9 billion. Assistance is distributed to the community, especially to assist health facilities and services in hospitals as well as assistance for communities affected economically due to Covid-19.

The assistance that has been distributed includes assistance with medical equipment with a total value of Rp 21.8 Billion, including Personal Protective Equipment (PPE), Medical Masks, Hand Sanitizers, Automatic Extraction Equipment with 96 Magnapure Specifications, 1,152 Samples / 24 Hours, 480 Light Cycler Detection Devices, 576 Samples / 24 Hours (for HIV, Hepatitis A, Hepatitis B), Hepafilter and Mobile PCR. Medicines and immunity-enhancing supplements with a total value of Rp 30.73 billion were also provided. In addition, BRI also distributed non-medical equipment such as hand wash basins, transport vehicles,

freezers, drinking water dispensers, and cleaning equipment.

We hope that the distribution of medical and healthcare equipment will be able to boost the availability of health support systems for patients at the hospitals.

In addition to medical equipment assistance, BRI also plays an active role in distributing aid to the economically affected communities, including the distribution of free basic necessities for the general public with a total value of Rp 34.48 billion and the distribution of basic necessities to orphanages with a total value of Rp 6 billion.

BRI is also collaborating with other State-Owned Enterprises (SOEs) in providing accommodation and transportation assistance for health workers handling Covid-19 which is coordinated by the Hotel Indonesia Group (HIG) with an assistance value of Rp 5 billion. The provision of this assistance is a form of appreciation to health workers from various lines

such as Puskesmas and hospitals in Jakarta who have helped in handling Covid-19. The assistance is expected to be able to assist health workers with a comfortable place to rest in order to maintain their morale and optimal level of service.

In 2020, assistance was distributed amounting to Rp 18.5 billion, of which Rp 7.2 billion included basic foodstuffs for all regional offices, Rp 5 billion for SOE Foundation, Rp 1.4 billion for hospitals in several cities, Rp 3.8 billion in the form of mobile PCR cars for the Surabaya City Government and Rp 1 billion in assistance distributed to orphanages and nursing homes.



Mitigation of adverse social impacts on employees is done by implementing proper employment, health and safety protocols. To obtain feedback on this mitigation effort, BRI conducts regular employee engagement surveys. The Bank is also committed to creating conducive and comfortable working conditions, which allows all employees to perform to the best of their abilities. No work accidents occurred throughout 2020. To minimize human errors or work accidents, BRI implements BRI working hours to comply with regulations, namely 8 working hours per day or 40 working hours per week. The main types of work accidents that can occur are fire-related. For this reason, training on handling incidents relating to fire and earthquake is routinely conducted at least once a year. Fire drills were not conducted to prevent the spread of Covid-19 and due to the fact that activities in the offices were reduced.

However, the socialization of occupational health and safety is still carried out through webinars with

the theme of socializing health protocols or the dangers of Covid-19 to employees at each BRI Work Unit.

It is undeniable that the ravages of Covid-19 is felt by the entire community. In 2020, there were 5,898 employees who tested positive for Covid-19, of which 4,167 had recovered and received negative test results. For employees who were still needing treatment, BRI made various efforts: 1,698 were under some form of treatment, 968 were self-isolating at home, 578 self-isolated at BRI Safe House and 152 were hospitalized. BRI Safe House is a specific location at each BRI Regional Office designated to accommodate employees who tested positive for Covid-19. There are 27 Safe House locations spread across 19 of BRI's Regional Offices. BRI expresses its deepest condolences to the families of its 33 employees who fell victim to this pandemic. In their memory, BRI strives to play an even more crucial role in fighting this pandemic.

[GRI 103-3]

IMPROVING COMMUNITY WELFARE

[GRI 201-1] [POJK51-2.c] [POJK51-6.d.1]



Through its work units which are spread across Indonesia, BRI deploys its Peduli Program and Community Development Program to stimulate social development. These programs are collectively referred to internally as the BRI Peduli program. This Community Development Program works under the Regulation of the Minister of SOEs concerning the Implementation of the Partnership and Community Development Program (PKBL) No. Per-09 / MBU / 07/2015 dated July 3, 2015, along with

the latest amendments, namely the Regulation of the Minister of BUMN No. Per-02 / MBU / 04/2020 dated 02 April 2020. Internally, the provisions of the Community Development Programs are regulated through a Circular Letter of the Board of Directors of NOSE. S. 36 - DIR / SKP / 07/2020, dated 24 July 2020, regarding the Implementation of the BRI Cares for Environmental Development Program of PT Bank Rakyat Indonesia (Persero) Tbk. [GRI 103-1]



The scope of implementation of the Community Development Program at BRI is in accordance with the SOE Ministerial Regulation that is translated by BRI into the seven BRI Peduli elements : [GRI 103-2]

1. Assistance for victims of natural non-natural disasters, including those caused by epidemics. These are communicated under the name INDONESIA PEDULI (Indonesia Cares).
2. Educational assistance in the form of training, educational infrastructure and facilities, which is communicated under the name INDONESIA CERDAS (Intelligent Indonesia)
3. Health improvement, which is communicated under the name INDONESIA SEHAT (Healthy Indonesia)
4. Development of public infrastructure and facilities, which is communicated under the name INDONESIA MEMBANGUN (Indonesia Builds)
5. Places of worship, communicated under the name INDONESIA TAKWA (Devout Indonesia)
6. Nature conservation, which is communicated under the name INDONESIA LESTARI (Green Indonesia)
7. Community social assistance for poverty alleviation, which is communicated under the name INDONESIA SEJAHTERA (Prosperous Indonesia)

In implementing the BRI Cares Program, BRI uses the 3P concept, namely Pro People, Pro Planet and Pro Profit. Pro People is BRI's concern in improving the welfare of the community, while Pro Planet is BRI's concern for the environment. The Pro Profit is financial and/or non-financial gains that is expected to be obtained by the beneficiaries which will in the long-run impact the company's business in a sustainable manner.

The following is a table of budget realization for Community Development or BRI Peduli:



BRI Cares Budget Realization (Rp Million) [GRI 201-1] [POJK51-6.d.1]

Program	2018		2019		2020	
	Total	%	Total	%	Total	%
Indonesia Peduli	6,845	4.18	6,336	2.80	69,709	26.39
Indonesia Cerdas	53,088	32.44	70,192	30.98	52,607	19.92
Indonesia Sehat	22,385	13.68	44,760	19.75	45,907	17.38
Indonesia Membangun	22,895	13.99	29,303	12.93	32,165	12.18
Indonesia Takwa	27,404	16.75	43,785	19.32	34,948	13.23
Indonesia Lestari	723	0.44	866	0.38	4,432	1.68
Indonesia Sejahtera	30,294	18.51	31,342	13.83	24,369	9.23
Jumlah Total	163,635	100	226,584	100	264,137	100

Indonesia Peduli

The Indonesia Peduli Program is BRI's assistance program for communities affected by natural and non-natural disasters, including those caused by epidemics. The program is in accordance with the 1st SDG. In 2020 and BRI has distributed assistance for the Indonesia Cares Program amounting to Rp 69.71 billion. BRI's funds are, among other things, distribute to :

1. Assistance related to the response to the covid-19 outbreak including the provision of masks, PPE, hand sanitizers, medical equipment and devices, accommodation & lodging for medical personnel, washing sinks and foodstuffs which are distributed through 19 BRI Regional Offices throughout Indonesia.
2. Assistance for people affected by natural disasters caused by floods, droughts, earthquakes, volcanic eruptions and landslides. The assistance provided is in the form of basic necessities, ready-to-eat food, blankets, medicines and others.



Indonesia Cerdas

The Indonesia Cerdas Program is a BRI Peduli program aimed at improving educational infrastructure in order to help the government educate its sons and daughters. Some of the activities in this program include providing scholarships, construction and renovation of educational facilities, assistance for educational support and other educational facilities/ infrastructure. This program is in accordance with SDG 1, 4, 10. The total value of assistance that has been distributed for the Indonesia Cerdas Program throughout 2020 reached IDR 52.61 billion. [\[GRI 413-1\]](#)





Indonesia Sehat

BRI plays a role in improving the quality of public health by distributing aid through the Indonesia Sehat Program. Assistance in this program is in the forms of Ambulances, Blood Donation Cars, Construction / Renovation of Health Facilities, Health Support Equipment, Free Health Checks, Blood Donation, Eyesight checkup and the provision of spectacles, and others. The program corresponds to the 1st and 10th SDGs. The value of assistance that has been distributed through the Indonesia Sehat Program in 2020 reaches IDR 45.91 billion.



Indonesia Membangun

This is a BRI assistance program on the development of public infrastructure and facilities. In 2020, several activities were carried out for this program including construction/repair of Drainage, Landscape, Multipurpose Hall, Gates, Shelters, Bridges, Parking Spaces, Security Posts, Walls, Sidewalks, Wells, WWTP, Roads, Clean Water Facility, Garbage Processing Facilities, Disaster Warning Signs, Village Infrastructure, Funerary Services and Other Public Facilities. This program is also in line with SDG 9, 10. Throughout 2020, realization of BRI assistance for this program reached Rp. 32.16 billion. [\[GRI 203-1, 413-1\]](#)



Indonesia Takwa

This is an assistance program to construct or repair houses of worship and their auxiliary facilities. The program corresponds to the 9th and 10th SDG. In 2020, BRI distributed assistance worth Rp 34.95 billion for this program. [GRI 203-1]



Indonesia Lestari

This program shows BRI's concern for the preservation of nature and the environment. Some of the activities carried out in this program include the River Cleaning Program and tree planting. The program is in line with the 13th SDG. The realization of assistance from the Indonesia Lestari Program in 2020 reached IDR.4.43 billion.





Indonesia Sejahtera



This is a community social assistance program in the context of poverty alleviation. The amount of realized assistance for the Indonesia Sejahtera program in 2020 reached Rp 24.37 billion. Some of the assistance provided through this program includes construction/renovation of uninhabitable houses, assistance for basic necessities, and training for MSMEs. The program also supports SDG 1, 8, 10.. [GRI 413-1]



BRI PEDULI EXCEPTIONAL PROGRAMS [GRI 413-1]



To Preserve a River is to Preserve Life Itself BRI Restores the Source of Life in the Community



BRI Peduli CSR Program continues to encourage changes in the way people perceive the function and role of rivers in their lives and the future.

To encourage the acceleration of river revitalization in a number of areas, the BRI Peduli Program "Clean the River" which is packaged under the theme "Preserve a River, Preserve Life Itself" held at 19 rivers in 19 BRI Regional Offices throughout Indonesia. BRI aims to restore the original function of the river as a source of community life.

BRI wants rivers in this country to return to become the spirit of life for the people living around them. The river can be the source of the health, economy, social and culture of the existing community. We have learned that many advanced civilizations in history rose around rivers. For this reason, BRI is here to return the spirit of the river as it is always meant to be.

BRI has initiated the cleaning program since November 2019. This program targets 19 rivers in Banda Aceh,



Medan, Pekanbaru, Padang, Palembang, Lampung, Jakarta, Bandung, Semarang, Yogyakarta, Surabaya, Malang, Denpasar, Banjarmasin, Makassar, Manado and Jayapura.

Carrying the Pro Planet and Pro People spirit, BRI not only carries out revitalization, cleaning, and river dredging, but also builds a number of facilities and infrastructure such as parks, green open spaces, and child-friendly areas, as well as educating the public about maintaining healthy and river for their own welfare.



The program will have a good economic impact on the people living around the river. Waste collected during the river revitalization effort is sorted, separated by organic and inorganic/plastic waste. The sorted organic waste can be used for community needs, such as for compost, additional animal feed, urban farming, and even for processing into biogas. Meanwhile, the inorganic waste will be broken down using the trash compactor that BRI provides to the public. The byproduct is then sold to garbage collectors for money for the community.

Gradually after Pro Planet and Pro People targets are realized, the benefits of river cleaning and proper waste

management will provide economic benefits to the surrounding community; Pro Profit can thus now be realized. Money generated from the sale of waste in the future will be saved through BRI accounts and can be withdrawn via AgenBRILink, BRI Work Units, and other BRI e-channel networks.

Through this CSR activity, BRI will continue to encourage changes in people's perspective on the function and role of rivers in their lives and the future.

A clean river does not only reduce the potential for flooding when it rains, it will also have a positive economic impact to the community's economy.

So far, the role of rivers has often been reduced to a channel that carries water from upstream to downstream; many people still throw garbage into the river. In reality, the essence of the river is a crucial part of the hydrological cycle that needs to be preserved.



Scholarships for 5,000 Students



Education funding assistance through BRI Peduli was given to 5,000 students in various regions in Indonesia: 2,500 scholarships for Primary School/MI/equivalent degree students, 1,250 scholarships for Middle School/MTs/equivalent degree students, and 1,250 scholarships for High School/MA/equivalent students.

Of the 5,000, 75 scholarships were given specifically to Primary School / Middle School / High School / equivalent degree students who are children of medical support personnel

at the Covid-19 Designated Hospitals. BRI established requirements to grant such scholarships to students who excelled academically and / or were less well off. They were also recommended by local schools.

This activity also supports the achievement of the 4th Sustainable Development Goal (SDGs), namely quality education. With education that is getting better for the younger generation, it is hoped that it will advance Indonesian even further.



Infrastructure Assistance to 1,000 Markets



Assistance to the market infrastructure throughout Indonesia reached Rp 25 billion, which has been symbolically given directly by BRI's President Director Sunarso to the Indonesian Minister of Cooperatives and SMEs Teten Masduki. The handover was held at the culmination of the BRI UMKM EXPO(RT) BRILIANPRENEUR 2020 in Jakarta on December 10, 2020.

The infrastructure assistance provided is in the form of hand washing basins, road signposts, sanitation and other infrastructure facilities that support activities in the market area. It is hoped that this will help the economic activities amid the Covid-19 pandemic. The market is one of the drivers of the economy

of the community, and BRI will continue to support market economic activities while observing health protocols.

In its implementation, the distribution of this assistance was carried out by BRI through its Regional Offices throughout Indonesia. Symbolically, the assistance for market facilities and infrastructure was also given simultaneously with the launch of Pasar.id in Jakarta. Pasar.id is one of BRI's breakthroughs in digitizing market trade in Indonesia through online trading activities. This



digitization was carried out by BRI in 4,547 market points throughout Indonesia; this number will continue to rise in the near future.



PARTNERSHIP PROGRAM [GRI 413-1] [FS14]



As an Agent of Development, BRI always strives to make a real contribution to society through various programs that directly impact various groups. One of the programs being implemented is to actively participate in the development of micro, small and medium enterprises (MSMEs) using Partnership Program (Program Kemitraan - PK) funds. This is a manifestation of the implementation of the SOE Ministerial Regulation PER-02-MBU / 7/2017 dated July 20, 2017 on the Partnership Program and the Community Development Program for State-Owned Enterprises.

In its implementation, BRI disbursed PK Funds through two schemes:

- a. Soft credit
- b. Coaching grant assistance

Loans disbursed are used to finance working capital and/or acquisition of fixed assets in order to increase

production and sales. Lending is carried out by marketers at BRI's operational work units. The goal is to help develop the economic potential of the community so that they have the economic capacity to improve their standard of living through their own productive businesses. The business sectors that are the targets of PK funds disbursement are very diverse, such as agricultural, fishery, livestock, trade, industrial and service sectors. General requirements to become a candidate for BRI fostered partners include:

- a. Business owned by Indonesian citizens.
- b. Has the potential and business prospects to be developed.
- c. Have a net worth of at most Rp 500 million, excluding land and buildings for business premises, or have annual sales of at most Rp 2.5 billion.
- d. Has not met the lending requirements of banks

or other financial institutions.

- e. At least 6 months of business experience.

Another scheme for distributing PK funds is coaching grant assistance, which is to help fostered partners improve entrepreneurial competence, through the provision of entrepreneurship special education and the marketing of foster partner's products, one of which is through exhibition events.

Therefore, the distribution of PK funds carried out through these two schemes is expected to help the growth of the businesses of the Foster Partners to eventually be able to transform into small and medium enterprises, even to a size that can enjoy large economies of scale, and become BRI commercial customers who are loyal with stellar track records since their early years.

To improve MSME business development, especially in the market area, as well as to provide wider banking access to market traders through the use of technology, BRI launched a digital-based credit product called KECE, which has been distributed to around 37,685 market traders, with a ceiling amount of Rp 114 billion. In connection with this, KECE 2.0 credit is currently being developed which will make it easier to apply and disburse loans through the BRILink Agent digitally without having to physically come to a BRI branch office. [\[FS6\]](#) [\[FS13\]](#) [\[FS14\]](#)

In implementing branch business activities in the regions, BRI prioritizes the empowerment of local communities to be its regional employees. BRI realizes that the empowerment and progress of each region is our collective responsibility in line with the 11th Global Development Goal, namely Sustainable Cities and Communities. One of BRI's work units, the Mojokerto Branch Office, has local community empowerment of 84% of the total employees. BRI has not conducted a specific social and environmental impact assessment of local community involvement, and does not yet have a consultation committee, work council, occupational safety and health committee that involves local communities. If there are complaints from the local community over the course of operational activities, formal complaints can be made through the nearest BRI work unit or the contact center. From the Company's operational location, there are no significant actual and negative impacts on local communities. [\[GRI 413-1, 413-2\]](#)

Rumah BUMN (SOE House)

The main objective of Rumah BUMN is to increase the capacity and capability of SMEs so that quality Indonesian SMEs can be fostered. 'Go Modern' is a training program to prepare and foster SMEs in improving product quality, branding and packaging; 'Go Digital' is an advanced training from the 'Go Modern' Module, containing materials related to the use of digital applications and automation in business and marketing processes; 'Go Online' is a training program on expanding market access online through the marketplace that is provided via PaDiumkm, or other e-commerce sites. This year, the number of Rumah BUMN members was 348,862 people with a total of 5,992 training programs. BRI has 56 Rumah BUMNs throughout Indonesia.



Kartu Tani (Farmers Card)

Kartu Tani is a co-branded debit card between the Association of State-Owned Banks (HIMBARA) and the Ministry of Agriculture (Kementan). This card functions as an identity document for farmers which also contains information such as subsidized fertilizer quotas, payments for subsidized fertilizers at Fertilizer Kiosks (Kios Pupuk Lengkap - KPL) and banking transactions through electronic channels.

BRI's Kartu Tani was first launched in the Central Java province on March 4, 2015. Then on February 20, 2017, the Minister of Agriculture together with the Minister of SOEs instructed Bank HIMBARA to carry out a trial of Kartu Tani program on Java Island. As of December 31, 2020, the BRI Tani Card covers 19 Provinces.

Based on the Regulation of the Minister of Agriculture of the Republic of Indonesia No. 1 of 2020 on the Allocation and Highest Retail Price of Subsidized Fertilizer in the Agricultural Sector for Fiscal Year 2020, as well as its amendments, Regulation of the Minister of Agriculture Number 10 of 2020 on the Allocation and Highest Retail Price of Subsidized Fertilizer for the Agricultural Sector for Fiscal Year 2018, Kartu Tani is given to farmers who are members of the farmers' unions whose farmland has a maximum area of 2 hectares for crop cultivation, horticulture, plantations, animal husbandry, and a maximum of 1 hectare for aquaculture.



Farmers' unions are required to make RDKK (Definitive Plan for the Demand for Subsidized Fertilizer Groups) which will be uploaded in the E-RDKK system of the Ministry of Agriculture through Agricultural Extension Officers at the District level. Furthermore, the Bank will open an account and issue Kartu Tani for farmers who have registered with the Ministry of Agriculture's E-RDKK.

Every transaction for purchasing subsidized fertilizers using Karu Tani can be monitored by the government in real-time online through dashboard monitoring provided by BRI. In this way, the government can ensure that the distribution of subsidized fertilizers is right on target to every farmer. In addition, the dashboard assists fertilizer producers to obtain subsidized fertilizer distribution and fertilizer production cost redemption subsidy data from the government. BRI also uses data on Kartu Tani as a credit pipeline to increase the scale of farmers' cultivations.

The use of Kartu Tani as a means of payment for subsidized fertilizer at the Kios Pupuk Lengkap which also acts as a Laku Pandai (Branchless Banking) agent increases financial literacy and inclusion for Indonesia's agricultural ecosystem. With Kartu Tani, farmers can get certainty about the availability of subsidized fertilizers so that cultivation activities are not disrupted. In addition, farmers whose data are registered in the system have the opportunity to receive additional benefits such as assistance for other agricultural production facilities, absorption of crops from off-taker companies, registration of agricultural insurance, and financing from banks.

BRI supports and collaborates with local governments on programs launched by the Ministry of Agriculture, by issuing and distributing Kartu Tani to farmers in a number of areas. BRI's aim to issue Kartu Tani was based on the desire to help improve farmers' welfare through easy and simple feature integration. BRI focuses on developing the Kartu Tani database so that all farmer data are recorded, and that the distribution of subsidized fertilizers can be right on target. Farmers must have a Kartu Tani to conduct subsidized fertilizer transactions at the EDC Kios Pupuk Lengkap. They can also use the card for other general banking transactions. As of the end of 2020, BRI has distributed 3,703,521 Kartu Tani to farmers in a number of regions in Indonesia.

NO.	PROVINCE	DISTRIBUTED CARDS
1	BANTEN	217,318
2	DIY	304,672
3	DKI JAKARTA	171
4	JAWA BARAT	144,944
5	JAWA TENGAH	2,642,064
6	KALIMANTAN BARAT	-
7	KALIMANTAN TENGAH	73,272
8	KALIMANTAN TIMUR	58,318
9	KALIMANTAN UTARA	6,642
10	KEPULAUAN RIAU	-
11	MALUKU	-
12	MALUKU UTARA	-
13	NTB	38,281
14	NTT	-
15	PAPUA	29
16	PAPUA BARAT	-
17	SULAWESI BARAT	14,148
18	SULAWESI SELATAN	157,406
19	SULAWESI TENGAH	46,256
TOTAL		3,703,521



KUSUKA Card

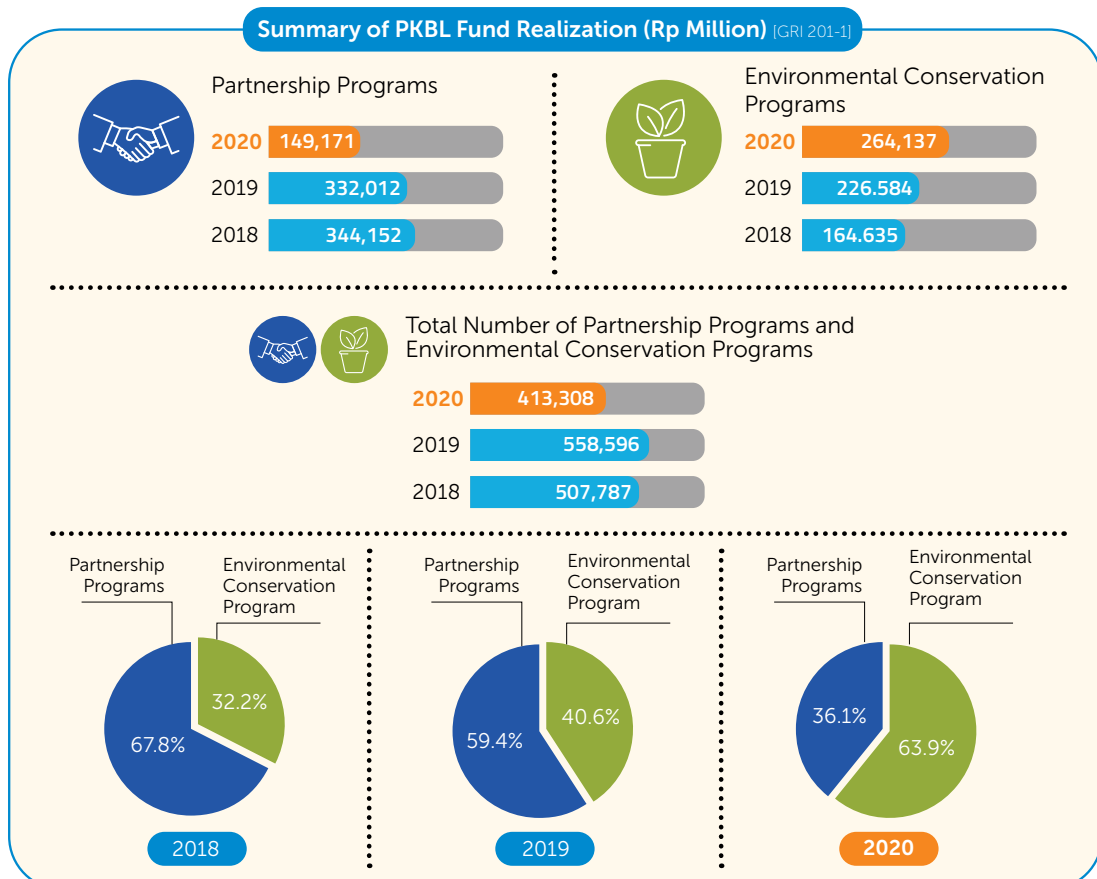
KUSUKA is a co-branding debit card in collaboration with the Ministry of Marine Affairs and Fisheries of the Republic of Indonesia which is given to those who manage part or all of marine and fishery business activities from upstream to downstream, including fishermen, fish cultivators, salt farmers, fish processors and fisheries marketers. The KUSUKA card functions as:

1. Evidence of the Fishery Business profession
2. Database for sectoral data collection for Fishery business actors
3. Database to facilitate protection and/or empowerment for Fishery business actors.

The signing of the KUSUKA Card Printing Cooperation between the BRI Micro Director and the Secretariat General of the Ministry of Maritime Affairs and Fisheries of the Republic of Indonesia was witnessed by the Minister of Maritime Affairs and Fisheries of the Republic of Indonesia on October 10, 2019 in the Muara Baru Fishery Area, Jakarta.

As of December 2020, a total of 51,580 KUSUKA Cards had been printed for 35 Cities/Regencies in Central Java. [FS14]

The following is a summary of the realization of PKBL funds disbursement. The decline in the distribution of Partnership funds occurred because of MSMEs that had moved up from the MSME category:





Infrastructure Sector

As a leading state-owned company, BRI is well positioned to contribute optimally in dealing with complex environmental and social issues. We believe that by identifying existing challenges, the Company can find better opportunities for a sustainable future. In the struggle in the face of a pandemic, the expected impact is not only economic, but also environmental and societal. Apart from providing direct economic impacts, BRI believes that indirect economic impacts are important issues that should be addressed for the sake of the community. [\[GRI 103-1\]](#)

Infrastructure financing in 2020 included several sub-sectors that support sustainable growth. As of the end of 2020, the outstanding value of construction financing reached Rp 36,483 billion. This includes financing the construction of LRT, toll roads, airports, ports and so on. From this development, it is hoped that the economy can grow and the welfare and the mobility of the surrounding community can improve. Review of financing activity is carried out at the end of each financing period to see the effectiveness and efficiency of development and the impact on the community. [\[GRI 203-1\]](#) [\[GRI 103-2\]](#) [\[GRI 103-3\]](#)



To be an Agent of Development through Community Economy

For 125 years, BRI has been an active Agent of Development in the lives of the Indonesian people. BRI works to build a community-based economy through banking and financial services with a sincere heart by presenting BUMDes (Village-Owned Enterprises), Social Forestry Program, Distribution of People's Business Credit (KUR), family programs (Program Keluarga Harapan - PKH), Non-Cash Food Assistance (Bantuan Pangan Non Tunai - BPNT).

In addition, BRI loyally and wholeheartedly serves its customers and never stops providing financial access and financing for MSME players that can affect the Indonesian economy. BRI is financing the following :

1. Empowerment of MSMEs
2. Rumah BUMN
3. BRI Microfinance Center (BMC)
4. Indonesia Mall
5. BRIncubator
6. BRILianpreneur UMKM Export

BRI is active and committed to increase financial inclusion and literacy to reduce inaccessibility to banking and financial services in the community. Here are examples of BRI's efforts :

- a. BRILink agents are scattered throughout rural and small-town Indonesia.
- b. Micro Insurance, Accident, Health and Death (AM-KKM) Micro Insurance provides protection from financial difficulties for low-income people
- c. Teman Simpedes is BRI's effort to encourage the public to use banking products. It is offered along with BRI Simpedes Savings account which comes in the form of a safety box which can only be opened using a Universal Key held by a BRILink Agent. The money collected at Teman Simpedes is then deposited regularly (monthly) to the customer's BRI Simpedes Savings account via the BRILink Agent



The implementation of sustainable finance also includes higher financial literacy and inclusion, thus opening up wider access to financial services for the public. BRI has the BRILink service, which is an extension of BRI services where it collaborates with its customers as agents that can perform banking transactions for the public in real time online. With more and more people having access to financial services, this will directly increase in the number of customers and their savings, which can be channelled for loans to sustainable sectors and

businesses. As of the end of 2020, BRI's services have reached all regions of Indonesia. This is thanks to the tremendous support from the and development of information technology at BRI. This not only improves BRI services but also helps in the implementation of financial literacy and inclusion, including in the frontier, outermost and underdeveloped (3T) areas. There was an increase in the number of BRILink agents by 82,073 or a rise by 19.4% from 2019. 47,845 BRILink agents or 9.5% were in the 3T area. [FS13] [FS14]

Number and Percentage of BRILink Agent Distribution

AgenBRILink
Layanan Transaksi Keuangan Tanpa Kantor



Breakdown	2019		2020	
	Number of Agents	Percentage	Number of Agents	Percentage
Sumatera	89,536	21.21	108,586	21.53
Jawa	228,791	54.20	272,785	54.10
Kalimantan	26,754	6.34	34,168	6.78
Sulawesi	43,781	10.37	50,387	9.99
Bali and Nusa Tenggara	25,136	5.95	28,736	5.70
Maluku and Maluku Utara	4,642	1.10	5,478	1.09
Papua	3,520	0.83	4,093	0.81
Jumlah	422,160	100	504,233	100

The growth in the number of transactions via BRILink agents has been enthusiastically welcomed by the community; this is also in line with BRILink's goal of realizing sustainable development. The distribution of BRILink agents has increased the number of bank offices and BRI ATM services, brought the public closer to BRI as a financial service provider, and thus contributing to the achievement of SDG 8. Through the BRILink agent services, the community can also access social protection membership for both health and employment, which is an indicator of achieving SDG 10. [POJK51-6.c.3.c]

Transaction Growth via BRILink Agents

AgenBRILink
Layanan Transaksi Keuangan Tanpa Kantor



Breakdown	Unit	2018	2019	2020
Number of BRILink Agents	Agents	401,550	422,160	504,233
Number of Transactions	Million	378.72	521.32	727.61



BRI also distributes funds for social assistance under the government program of distributing non-cash social assistance through the banking system. The distribution of aid through the banking system is expected to improve the effectiveness and efficiency in the distribution of social assistance and in realizing the 6 R Principles (Right on Target, Right on Time, Right on Price, Right on Number, Right on Quality and Right on Administration) to encourage financial inclusion. funds are submitted by the Ministry of Social Affairs to the BRI Head Office. There are several social assistance programs provided by BRI: the family program Program Keluarga Harapan (PKH), the Basic Food Program, Covid-19 Cash Social Assistance (BST) and other programs targeting poor families.

- a. PKH was distributed to 3.8 million beneficiaries with a nominal value of Rp 15.1 trillion.
- b. The Sembako (Basic Food) Program was distributed to 7.1 million beneficiaries with a nominal value of Rp 14.5 trillion.
- c. The Covid-19 Cash Social Assistance (BST) Program was distributed to 528,000 beneficiaries with a nominal value of Rp 1.5 trillion.
- d. The Non-PKH Cash Social Assistance Program (BST) was distributed to 3.09 million beneficiaries with a nominal value of Rp 1.5 trillion.
- e. The Social Assistance Program for Persons with Disabilities (ASPD) was distributed to 2.3 thousand beneficiaries with a nominal value of Rp 47.3 billion.

BRI Agents Serving at the 2020 Jayapura Basic Food Program with Devotion and Joy [GRI 203-2] [FS13]



Ayu Kios - Sentani Region



Ambaer Dares Kios - Biak Region



Alia Kios - Wondama Region



Agen Tiara - Wondama Region



Rizky Kios - Wondama Region



Anggi Jaya Kios - Manokwari Region



BRILink Agents' Success Stories [GRI 203-2]



Warti'ah and her husband run a grocery store in Putussibau, West Kalimantan. In a simple building that stands on the wetlands, Warti'ah, born in 1967, is selling basic necessities and household needs.

As transmigrants there, Warti'ah and her husband carried with them a tenacious and diligent attitude in their business. It's bearing good results. Over time, their grocery store grew bigger, more and more goods were being sold.

In 2018, Warti'ah, who is known locally as Bude, is exploring new business opportunities. She registered as a BRILink agent serving various financial transactions for the community. The services provided are money

transfers, savings and cash withdrawals. Warti'ah noted that she received intensive assistance from BRI in running BRILink. Now, Warti'ah and her husband are very comfortable in their role as a BRILink agent.

"The BRI office has been very helpful and supportive by patiently guiding us. Praise be to God, now I understand the internet problems because in the past I was really clueless about technology," said Warti'ah. She processed 100 BRILink transactions on average every day. Oftentimes on Mondays the number of transactions can double to 200. "Because Saturdays and Sundays are usually holidays, the transactions are postponed until Monday. That's why Monday is always

busy," explained Warti'ah.

Being a BRILink agent turned out to be a big advantage for Warti'ah. Within a month, she could reap tens of millions of rupiah in profits from BRILink, on top of her grocery store revenues. "The monthly profit could be up to Rp 15 million," said Warti'ah.

Warti'ah also took advantage of BRI's People's Business Credit (KUR) facility. The funds are used to increase merchandise sold at the grocery store.

"Now the credit has been running for 2 years, if there is more money we pay more (installments), so it can be paid off more quickly. If it's already paid off, I want to apply again," said Warti'ah.

On its 125th anniversary this year, BRI is present on the frontier under the BRILian theme to make it easier for the public to conduct banking transactions, including for the people of Badau District, Kapuas Hulu Regency. BRI also provides KUR and distributes BPUM to help local MSMEs.

These positive impacts contribute towards the 1st Global Development Goal (Zero Poverty and Decent Work) and the 8th (Economic Growth).

FINANCIAL LITERACY AND INCLUSION [FS13] [FS14] [FS16]

Financial Literacy and Building a Culture of Managing Money

The Indonesian government strives to improve public accessibility to banking services and/or financial institutions. Bank Indonesia and the Financial Services Authority (OJK) invite all parties to be actively involved in financial literacy and inclusion programs. BRI actively participates in supporting government programs through Simpedes and Student Savings by educating the culture of financial management from early childhood until adulthood. The implementation of sustainable finance through financial literacy and inclusion will open up access to financial services that reach a wider audience nationally.

Financial Literacy Media [FS16]

1. Remittance Education

BRI collaborates with Bank Indonesia and the Indonesian Economic and Trade Office (IETO) in Taiwan to organize remittance education for Indonesian Migrant Workers (Pekerja Migran Indonesia - PMI) into the importance of cashless money transfers into the country. To facilitate services for PMIs, BRI is supported by 9,821 outlets from 82 BRI counterparts in various countries. [POJK51-6.c.3.a] [FS7]

2. BRI Trade Financing for MSMEs

BRI continues to develop export services for MSME customers as an export-oriented economic driver. In 2020 BRI has provided guidance to exporters and potential exporters in collaboration with the Ministry of Trade through a Training on How to Start Exporting which was held in 6 cities: Malang, Surakarta, Makassar, Bukit Tinggi, Bandung and Mataram.

3. BRIncubator

In 2020, BRIncubator will be implemented with the theme 'Go Global'. The activity was held virtually involving 289 MSMEs and the 25 best MSMEs were selected. This series of activities consists of workshops and mentoring programs that will focus on improving the capabilities of MSMEs to Go Modern, Go Digital, Go Online, and Go Global in order to create significant added value. [SASB FN-CB-240a.4]





Strategy to Boost Financial Inclusion

BRI is one of the leading state-owned banks, therefore it strives to accelerate the digitization of financial services while supporting the government in the national economy recovery. This was demonstrated by participating in the Indonesia Fintech Summit (IFS) and the 2020 National Fintech Week (PFN) organized by the Financial Services Authority (OJK), Bank Indonesia (BI), the Indonesian Fintech Association (AFTECH), and the Indonesian Sharia Fintech Association (AFSI) in Jakarta for a full week from 11-25 November 2020.

BRI collaborates with Fintech because financial technology companies are not competitors in the digital business, but can become partners in collaborating with the banking business in increasing financial literacy among the public and MSMEs.

IFS and PFN focus on steps in accelerating the digitization of Indonesian financial services to accelerate national economic recovery in 2020. This can also be achieved by contributing to the collaborative role of banks and fintech companies.

Simultaneously, BRI collaborates with OVO in distributing DigiKu digital loans to OVO merchants and users. DigiKu is a program run with the government, HIMBARA, and digital ecosystem players as part of the Proud Indonesian Movement (Bangga Buatan Indonesia - BBI), to provide digital loans to MSMEs.

The collaboration between BRI and OVO aims to make it easier for merchants and users affected by Covid-19 to continue their activities by distributing digital DigiKu credit facilities from BRI.

This digital loans facility via a smartphone application provides convenience for financing transactions through e-commerce, with a limit of up to Rp 20 million. The process from application to credit disbursement takes only 10 minutes, with an installment facility with low interest.

BRI continues to provide easy credit through several digital service initiatives, including DigiKu digital loans. The entire submission process takes place digitally through an application, using digital verification, credit scoring, and digital signature. [FS15]

BRI's initiative is shown with the development of the company's digital ecosystem in serving customers quickly and effectively, where the majority of BRI customers are MSME players. The digital approach has also allowed BRI to reach customers and MSME players across the archipelago by utilizing open API (Application Programming Interface). This is to support digital and non-digital businesses so that they can enjoy BRI's banking services quickly, cheaply, and easily with the aim of increasing financial inclusion throughout Indonesia. [FS15]

Currently BRI-API is the first Open API platform in Indonesia that has received ISO: 27001 and PADSS certification (Payment Application Data Security Standard) to ensure the security of customer data. Customers and prospective customers can also get to know BRI-API by accessing BRI-API services through bri.co.id.

Digital companies such as Ovo, Gopay, Shopee, Tokopedia, LinkAja, Travelola and Investree are connected to BRI-API to support digitized banking transactions.

Financial Inclusion Programs

1. Simpedes

BRI Simpedes savings can reach underdeveloped areas and provide access to finance for people in underdeveloped regions. This has become one of the focuses of the SDGs (Sustainable Development Goals) and commitment to sustainable finance. It is crucial to provide widest possible access to financial literacy in order to support the regional economy. This is in line with BRI's micro business strategic framework, namely the Double Bottom Line which illustrates that success in the micro business will translate to positive financial and social impacts on the stakeholders. BRI Micro Business through its Simpedes product has been marketed through 5,382 BRI Units spread across Indonesia, including in underdeveloped areas. [SASB FN-CB-240a.4] [FS6] [FS14]



Teman Simpedes is an additional feature/facility of the BRI Simpedes Savings account in the form of an electronic pocket for the community (especially the micro community) to save money at BRI. The device is securely locked and can only be opened by the BRILink Agent using a universal key which is then deposited into the customer's BRI Simpedes Savings account. BRI initiated the Teman Simpedes product with the main objective of reaching those who still face difficulty accessing banking services. Simply put, customers can use Teman Simpedes at home as a means of savings for all family members.





The creation of sustainable finance needs to be supported by dynamic product development and adjustments to market demand, while still considering the characteristics of the micro community so that the products provide the best possible experience and benefits for them. One of the challenges of today's micro community is the relatively low adoption of technology, as well as the lack of literacy in investment and insurance, so that a Simpedes rejuvenation concept is needed.

Simpedes Rejuvenation through Simpedes 3 Functions is intended to pave access for Simpedes customers to Micro and Investment Insurance (Asuransi Mikro dan Investasi - DPLK) products through the BRIMO application. Additional financial investment in the form of investment and protection can be an option for Simpedes customers in meeting their financial needs. Simpedes 3 Functions also introduces and supports financial planning education, where customers are educated to plan their finances flexibly according to their needs.

The customer can determine the nominal amount of targets to be achieved within a certain period of time, and the savings to be set aside. Simpedes 3 Functions plays a strategic role in the creation of a 'closed financial system' by providing features through on-boarding systems that are designed to be more accessible to customers. With the advantages and concepts offered, Simpedes 3 Functions is also intended to reach the young customer segment, thereby emphasizing that Simpedes is a multi-segment savings product with comprehensive features for both the young and the old.

The pandemic has limited the economic activities of MSMEs. But with innovation, Simpedes continues to affirm its role in helping MSMEs businesses through ongoing campaigns like MSME Talkshows, Virtual PRS, and MSME training. Through these activities, BRI is there to accompany and fully support MSME businesses to thrive.

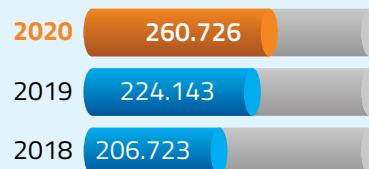
[POJK51-6.f.1] [FS15]

BRI Simpedes Overview [FS7] [FS14]

Number of Customers



Savings Amounts (Rp Billion)



2. Junio Smart

BRI launched the Junio Smart Platform as an integrated school management system. It is provided free of charge to all schools in Indonesia that are BRI customers.



The Junio Smart school management system features :

1. Academic Calendar
2. Teacher, student and parent data management
3. The tuition bill feature
4. Online tasks feature
5. Syllabus
6. Attendance features and information
7. Online Exam Features

Junio Smart acts as the point of connection in the school ecosystem. The Digital Junio Smart service is one of the solutions during the Covid 19 pandemic-related social distancing where people were forced to study at home. Junio Smart will also save a significant amount of paper and plastic that is usually used for classroom attendance, for school information sheets, school administration activities and others. Junio Smart’s payment and administration system uses the BRIVA / BRI Virtual Account, so that users can conveniently make transactions without having to move places.

By the end of 2020 there were 1,511 schools with more than 139,000 users who had collaborated with BRI by using the Junio Smart application. [FS7]

#BUMNUntukIndonesia

BANK BRI

PANTAU ANAK DI SEKOLAH DENGAN JUNIO SMART

Cara baru pantau kegiatan anak di sekolah dengan sebuah aplikasi berbasis web dan mobile, Junio Smart. Satu aplikasi untuk semua; dari pihak sekolah, anak hingga orang tua.

Tersedia di dan

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3. Simpanan Pelajar

BRI also brings students in financial literacy and inclusion activities to educate them on finance at an early age, starting with savings products (Simpel). BRI collaborates with schools to present BRILink services, through the "Menabung Ya Simpel Aja" (Saving Money is Easy) program. With this program, students only need to bring their savings book to school to make transactions instantly via BRILink agents. Admin and other additional fees are waived in these savings.



Proportion of BRI Account Ownership in 2020 [SASB FN-CB-240a.3] [FS7]

Total Savings Customers	Total No. of Accounts	Simpel Accounts	
		Total No. of Accounts	Percentage of total BRI accounts
289,128	86,163,745	21,733,505	2.52%

4. Teras BRI

Teras BRI provides information and banking services in the micro sector. Teras BRI services are carried out by a teller and customer service representative inside a vehicle. In 2020 there were 1,867 Teras BRI services including 132 Mobile Teras BRI and 4 Teras BRI on ships.

[SASB FN-CB-240a.4]





In 2020, BRI launched a new Teras BRI unit on the Bahtera Seva Ship which will be operated in the Anambas Islands region in the Riau Islands Province. The operation of the Bahtera Seva Ship aims to help increase literacy and financial inclusion of people on the islands that have not been reached by banking services. Each Teras BRI Ship unit is equipped with satellite-based digital banking services (BRISat) and operates at sea. As of the end of 2020, BRI has operated four Ship Teras units. The number of Teras BRI in 2020 decreased when compared to 2019, which was 2,049. [FS13] [FS14]

Distribution of Teras BRI Units in 2020 [SASB FN-CB-240a.4] [FS13]

Territory	Teras BRI	Mobile Teras BRI	Teras Kapal
BANDA ACEH	2	0	0
BANDAR LAMPUNG	57	0	0
BANDUNG	216	26	0
BANJARMASIN	117	7	0
DENPASAR	150	4	1
JAKARTA	224	21	1
JAYAPURA	27	1	0
SPECIAL BRANCH OFFICES	0	0	0
MAKASSAR	127	0	0
MALANG	205	5	0
MANADO	51	43	1
MEDAN	97	15	0
PADANG	54	0	0
PALEMBANG	79	0	0
PEKANBARU	100	1	1
SEMARANG	97	0	0
SURABAYA	120	8	0
YOGYAKARTA	144	1	0
Total	1,867	132	4

Teras Kapal BRI Performance in 2020 [FS7]

Teras	Total Accounts		Total Loans	
	Accounts	Balance	Borrowers	Rupiah
Teras BRI Kapal Bahtera Seva I	3,018	11,044,235,639	636	12,734,765,323
Teras BRI Kapal Bahtera Seva II	840	4,739,515,589	265	9,826,239,391
Teras BRI Kapal Bahtera Seva III	5,911	13,989,632,654	544	16,640,868,715
Teras BRI Kapal Bahtera Seva IV	2,208	12,618,305,774	318	4,326,538,527



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

Amid the Covid 19 pandemic in 2020, BRI supports business continuity in the form of an online shopping application. As an integral part of the market community, BRI has a significant stake in getting the economy healthy again. The pasar.id web was designed for Market Managers by creating a sense of belonging in the online platform. BRI shepherded its rapid implementation at pasar.id buyers can interact with sellers via Market Managers without having to physically go to a market. Both parties can communicate and make orders on Whatsapp and pay using e-channels like EDC, Brimo and Brilink via market manager accounts. In 2020 the number of transactions through the online market reached Rp 52 billion with a total of 936,218 transactions. The number of traditional market traders who have joined has reached 20,501 traders. The purpose of establishing this online market is known as 3M : [FS13] [FS14]

- Menghubungkan (to Connect). Market participants can 'meet' while still observing physical distancing.
- Memperbaiki (to Recover). Restoring the lost revenues that had been eroded by the Covid-19 pandemic.
- Memberikan (to Provide). Providing new job opportunities for those who have lost their jobs during the pandemic.



Value Proposition – the Social Value of Online Market

- Digitization of traditional markets to drive the market economy in an effort to increase market participants' revenues.
- Opening new jobs for motorcycle taxis around the market to become market couriers
- Market Business School
Improve the capabilities of Traders and Market Managers in business management
- Digital Assistancy
Assistance to Market Managers and market participants in the new normal era and to support the cashless society movement

6. Integrated Credit Card Services [FS8]

The Covid-19 pandemic requires everyone to avoid as much as possible meeting face-to-face, further making BRI's digitization efforts more crucial to reach the needs of the community. In today's digital era, many companies view Big Data sources and artificial intelligence technology as new business opportunities. Data in recent times has become a hot and controversial topic.

Data are collected not only by government agencies but also by the business sector. Some companies have even started to derive more value from data by applying Big Data technology to analyze the data and take new business opportunities. In the increasingly rapid digital era, financial technology (fintech) and new customer behaviors have prompted the banking industry to continue to innovate in its product and service development. Therefore, BRI has developed an Application Program Interface (API) to make it easier for fintech players and customers to carry out their business transactions. With the BRI API Connection, it allows Fintech or e-commerce players to integrate their sites and applications with the BRI banking transaction system. The BRI API link will make the transaction system easier and more comfortable because everything is integrated with the BRI banking system. In fact, it is possible to provide new experiences for customers because banking services can be accessed without having to go through the Bank's platform. [POJK51-6.f.1] [FS15]



BRI and its Partners collaborate in filtering potential customers on the Partner Platform with certain criteria such as transaction history, types of payments that are frequently used, regions, consumption patterns and customer transactions and other criteria. The customers who pass the screening will be offered a Paylater Card, which is a product issued by BRI with the Partner's Brand.

Paylater Card offers these selected Partner customers a unique experience. The application submission and verification process is easy. Customers do not need to input a lot of data during application because the data that is already available to the Partner can be shared with BRI. The underwriting process is carried out based on Credit Scoring and Limit Formula in accordance with the applicable regulations at BRI. Official decisions according to PDWK (delegation of loan approval limit authority) and signatures are needed in order to comply with applicable regulations.



7. Re-engineering the Online Credit Card Application Process [POJK51-6.f.1]

BRI supports the paperless culture in the digital banking era. Through the development in technology and information systems, BRI continues to innovate to respond to the demands of the society's increasingly high level of financial literacy. Financial services, including banking, must adjust quickly to these conditions and still apply principles of prudence and consumer protection, one of which is by remaking the credit card application process. The mediums deemed suitable for the re-engineering process in applying for a credit card are websites and online acquisition. BRI has two online acquisition tools :



1. Using the BRI microsite <https://kartukredit.bri.co.id/apply>
2. Using a merchant aggregator: Cekaja and Cermati

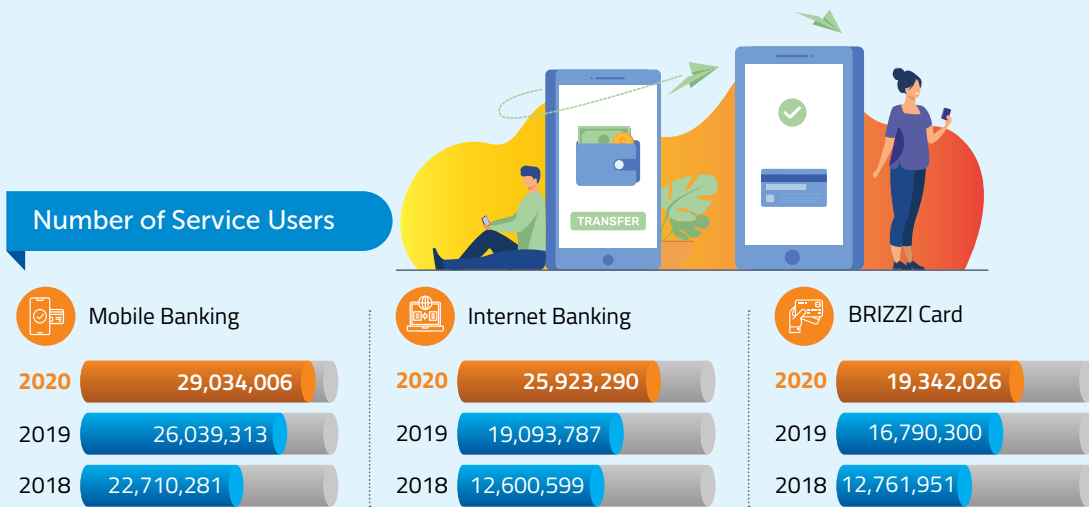
Re-engineering the credit card application process can simplify and speed up the process of online credit card acquisition because the data inputted on the website can be directly connected via API to LOS BRI, thus supporting a paperless culture and obtaining customer behavior such as their locations to simplify the delivery of the physical card as well as customer billing.



8. Non-Cash Transactions and E-Banking

BRI continues to promote the use of non-cash transactions to the public through the development of e-banking features which are in line with BRI's goal of becoming the leading digital-based banking. As of the end of 2020, BRI has developed several e-banking features in the e-channel network, including BRIZZI, e-Pay, mobile banking and internet banking. Of the total existing customers, 39% of customers have used mobile banking services and 35% of customers use internet banking services on the e-channel network or use a smartphone application connected to the internet. This number reaches 27% of Indonesia's population of 271 million people as of December 2020.

In 2020 there is a decrease in the number of Operational Work Units and Automated Teller Machines. BRI does not focus on adding Operational Work Units as its focus is on Branchless Banking and banking digitization services. This decline was also influenced by the shift in several operational work units in Aceh Province to BRI Syariah. BRI no longer adds ATMs whose main function is cash withdrawal, but instead adds CRMs (Cash Recycle Machines) which are used for cash withdrawals and making cash deposits to facilitate customer service without having to see a teller.



Types of Services	Number of E-Banking Users	Number of Mobile Banking Users	Percentage
Mobile Banking	74,299,322	29,034,006	39%
Internet Banking		25,923,290	35%
Kartu BRIZZI		19,342,026	26%



Number of E-Banking Transactions (In thousands)			
Type	2018	2019	2020
Mobile Banking	317,576	370,492	384,513
Internet Banking	574,933	1,169,416	2,715,355
BRIZZI Card	621,799	932,858	426,012
ATM	2,322,043	3,723,537	3,745,595
EDC	1,843,352	2,147,451	2,867,279
MOCASH (Mobile Cash)	10,276	10,497	3,735
Total Amount of Transactions via E-Banking (IDR Billion)			
Type	2018	2019	2020
Mobile Banking	154,189	167,209	195,580
Internet Banking	664,601	957,653	1,445,902
BRIZZI Card	5,814	12,611	8,829
ATM	1,836,808	2,848,560	2,930,930
EDC	1,536,267	1,925,415	2,134,672
MOCASH (Mobile Cash)	8,593	11,029	4,747

Positive and Negative Impacts of Financial Literacy and Inclusion

For people who live far from urban areas, branch offices, and ATMs, the presence of products such as Junio Smart and Simpedes can facilitate access to banking and financial transactions. The development of office-free banking services assisted by BRILink agents and non-cash transactions using mobile phones have a positive impact on widening financial access for people who have not been exposed to financial services. On the other hand, Banks also need to improve professionalism and ensure agent integrity. This is an important consideration because it has the potential to open up opportunities for fraud, thus eroding customer trust in the Bank. [POJK51.6.c.3.a] [FS13] [FS14]



INDEPENDENT ASSURANCE REPORT [POJK51-7] [GRI 102-56]



INDEPENDENT ASSURANCE STATEMENT

PT. Bank Rakyat Indonesia (Persero) Tbk.

Sustainability Report 2020

Statement No : 002/IAS/CBC/III/2021

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 2020 Sustainability Report (the “Report”) in relation with accordance to GRI Sustainability Reporting Standards (GRI Standards) 2016 & 2018 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 2020. **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
- Emission & Digitalization
- Energy
- Employment
- Local Communities
- Customer Privacy
- Anti-corruption & Sustainable Governance
- Sustainable Finance
- Economic Impact

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.

We have not performed any work, and do not express any conclusions, on any other information outside of the Subject Matter that may be published in the Report or on Bank BRI’s website for the current reporting period or for previous periods and assumed that the financial data and figures provided by Bank BRI has been audited by independent parties therefore, presentation of financial data and figures in the report NOT within the scope of assurance.

Responsibilities of the Management of Bank BRI

The Management of Bank BRI has sole responsibility for preparing and presenting the Subject Matter in accordance with GRI Standard and preparing the Report in adherence to the AA1000 Principles (2018). Bank BRI’s responsibilities also include maintaining effective internal controls over the information and data, resulting in the preparation of the Subject Matter in a way that is free from material misstatements.



Responsibilities, Competencies and Independency of CBC Global Indonesia

Our responsibility is to plan and perform our work to obtain assurance over whether the Subject Matter has been prepared in accordance with the GRI Standard and to report to Bank BRI in the form of an independent assurance conclusion, based on the work performed and the review progress. We must also express a conclusion over whether the Report adheres to the AA1000 Principles (2018) and comment on the nature and extent of each Principle individually. All this engagement was carried out by an independent team of sustainability assurance professionals whose already obtained the **Certified Sustainability Report Assurer (CSRA) and any relevant certifications.**

CBC Global Indonesia is bounded by rules of conduct and professional practice relating to independence and quality overseen by AccountAbility (www.accountability.org/standards/licensing/aa1000aslicensed-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:

- 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 2020
- 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, SUSBA, SASB and TCFD.**
- Adopt ISO50001 for calculation methodology of energy used and ISO14064 for calculation methodology of emission
- Interview with staff involved in sustainability report preparation and division representative

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 2016 and 2018, POJK51, SUSBA, SASB and TCFD is set out below:

Inclusivity

An assessment was made to investigate the engagement of all key stakeholders within the company. The management of Bank BRI included all key stakeholders in developing and achieving an accountable and strategic response to sustainability topics through the strong commitment from their high level management. Bank BRI has an effective system for the engagement with stakeholders to easily participate in contributing opinions regarding sustainability topics. In our professional opinion, the presentation of stakeholders inclusivity in the report is fairly identified and covers Bank BRI's inclusivity issues.



Materiality

An assessment was made to investigate the material information disclosed by the company. This report shows the updated materiality matrix through internal and external stakeholders engagement. The high level management are aware about all the material sustainability topics and all the content in the report provide a sufficient and balance information about Bank BRI which enables its stakeholders to make informed judgments about Bank BRI's performance and management. In our professional opinion the report fairly covers the organization's material issues by using materiality matrix and boundary mapping.

Responsiveness

An assessment was made to investigate the transparency act of the company on material sustainability topics and their related impacts. This report has included appropriate information regarding the responses from Bank BRI to it's stakeholders transparently. It includes the response to the customer services call, whistle blowing system, customer's survey, help desk, stakeholders meeting and any other feedback mechanisms to external and internal stakeholders. The initiative is supported by the commitment of the Bank BRI's management publishing their Sustainability Report from core option to comprehensive option. Besides, also increasing the credibility of the data and information by performing an assurance program type 2 to the report. In our professional opinion the report covers Bank BRI's responsiveness issues.

Impact

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. Bank BRI has implemented all the practices on all three important aspects including Environmental, Economic and Social aspect. In our professional opinion the report covers Bank BRI's impact issues. However, Bank BRI still needs to perform an impact assessment and integrate the results into key management processes.

GRI Standards Principles

The report has followed the **comprehensive option** of GRI Standards where all disclosure of each material topic are 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.

POJK51, SUSBA, SASB and TCFD.

The report has followed or complied to all the references of reporting guidelines and also has increased the transparency of the information presented compare to last year's report especially on POJK51 and SASB guidelines. However, in terms of the compliance against SUSBA and TCFD, the company is advised to improve their risk and impact analysis on sustainability and also improve the assessment on high risk lending besides palm oil sector such as mining or any other sectors. Besides, the company should also present the sustainability matrix and target more comprehensively.



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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 2016 & 2018. From the review and interview progress, we conclude that the Bank BRI's Sustainability Report 2020 provides a fair view of the all the Bank BRI's programmes and performances during 2020. 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. We conclude that the data in 2020 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. Improve the social and environment criteria on the supplier survey or selection process;
2. Mapping the matrix and target of sustainability commitment such as the commitment on the determination of emission baseline and emissions reductions commitment;
3. Management is recommended to establish a designated sustainability committee on BOD level, which specifically responsible in assessing the potential impacts of ESG issues on the company's overall strategy and formulating corresponding action plan, as these issues could have a material impact on the company's ability to generate returns.

For and on behalf of:
Jakarta, March 5, 2021

Novi Ratnasari
Managing Director
PT. CBC Global Indonesia

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POJK, GRI, SASB, SUSBA AND TCFD INDEX

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FEEDBACK FORM

The Sustainability Report 2020 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 Government Other

Please send this feedback form to :

Aestika Oryza Gunanto

Head of Corporate Secretariat Division

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TOGETHER, STRIVING TOWARDS ECONOMIC
AND TRANSPARENCY VALUE CREATION



RESPONSIBILITY IN CREATING
SUSTAINABLE SOCIAL ENVIRONMENT



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