



Shaping **the Dreams** for **Indonesia**

2021 Sustainability
Report



Sustainability Report Theme



Shaping **the Dreams** for **Indonesia**

Amid the ongoing COVID-19 pandemic, PT Bank Negara Indonesia Tbk (BNI) has consistently strived to assist the impacted sectors. We continue to promote national economic recovery while implementing sustainability initiatives. BNI does not simply endeavor to be a financial intermediary, but aspires to implement sustainable finance, manage environmental, social and governance (ESG) aspects, and support the achievement of the Sustainable Development Goals (SDGs). Accomplishment of these objectives will surely require cooperation and strong determination. To that end, BNI is forging synergies with its stakeholders in shaping the dreams to provide shared value for Indonesia, now and in the future.



2020

UNITING ENERGY FOR SUSTAINABILITY

BNI's commitment to sustainability is manifested by implementing sustainable finance as a patronage for values, attitudes and work culture, corporate strategy, operational policies, as well as the Company's operational systems and procedures. Not to mention, we also continue to look for opportunities for cooperation with various parties; together with BNI, uniting energy for the sustainability of the earth and everything in it.



2019

DIGITALIZATION EMBRACING NATION

BNI is reinventing itself and transforming into a digital banking entity. Through digitalization, BNI embraces the nation and provides leading services to SMEs. BNI's concrete steps to form a digital-based financial ecosystem are aimed at MSMEs engaged in the manufacturing, fisheries, agriculture and trade sectors.



2018

OPTIMIZING POTENTIALS, ADAPTING TO CHANGE

As one of the 'First Movers of Sustainable Banking', BNI is increasingly committed to its implementation through the Sustainable Finance Action Plan (RAKB). In this regard, BNI is maximizing potential through increasing financing for environmentally-sound projects, enhancing competencies on sustainable finance, and implementing risk management on financing by giving due regard to social, environmental and governance factors.



2017

TOWARDS SUSTAINABLE FINANCE

BNI has been selected to become one of First Mover on Sustainable Banking (First Mover), as BNI's leadership commitment to begin the implementation of sustainable finance concept. The selection of BNI by the Financial Services Authority (OJK) as First Mover enabled the Company to start implementing the sustainable banking strategy currently prepared through Sustainable Finance Action Plan (RAKB).



2016



ACCELERATING SUSTAINABILITY PERFORMANCE

BNI also boost our contribution to sustainable development in Indonesia. On the one hand, one of the focuses of the Company is to support government's programs to improve the welfare and prosperity of the nation. It is mainly implemented in the form of financing infrastructure and development projects that are immensely needed by the people of Indonesia. Furthermore, BNI also strongly supports programs to improve social welfare. On the other hand, we continuously improve BNI GO Green Program, as an icon of the environmental management of the company.

2014



ENRICHING PEOPLE, ADVANCING SUSTAINABILITY

Since its inception to serve customers and the Indonesian people, BNI has had one main goal, that is to help every customer and all the people of this country to prosper. It does not stop there, however, as all operations and activities must be based on trust, integrity, professionalism and wider responsibility for the environment and community.

2013



SUSTAINABLE ENRICHMENT

As part of BNI's business, we have always considered environmental factors and community investment. We too have encouraged customers to think about environmental and social issues, because their success in the long term is also important to BNI's success. To that end, we have formed a separate organization to focus on environmental and social sustainability along with sustainable development.

2012



VALUING SUSTAINABILITY

As a national banking institution, we achieve sustainability through the provision of professional banking services, as well as shaping an added value for all stakeholders. Sustainability for BNI is the level where of our success as a business entity is no longer measured only by generating profits, but also includes our role in the social, community, and environmental protection.

2015



STRENGTHENING SUSTAINABILITY PRACTICES

Sustainability is a process. It is a journey full of challenges. As one of the first largest banks in Indonesia, PT Bank Negara Indonesia Persero Tbk (BNI) wants to be at the forefront to assist Indonesia in this journey of implementing sustainable finance principles.

2011



ATTUNED TO HARMONY

As an Indonesian bank with a long history, BNI has a special role to play in helping to lead within the Indonesian banking industry. Its historical role as promoter of sustainable development is continuing just as BNI is expanding its sights to lead in corporate governance and sustainability. In moving forward in the direction of investing in green and sustainable businesses, and in following a course of responsible investment, the Bank is in touch with the changing times. In other words, BNI is attuned to harmony.

2010



PROGRESS IN ALL DIRECTIONS

This theme captures BNI's growing attention to address sustainability issues wherever they may be found - in the environment, in reducing wastage, in supporting worthy social action and in communicating the importance of these issues. BNI continues to ensure the sustainability of its business through prudent banking and strong governance systems, and with the help of partners throughout Indonesia and throughout the world, together we can continue to build strong businesses and strong communities.

2009



GROWING TOWARDS SUSTAINABILITY

BNI shall create values for its customers and other stakeholders based on internal values which it believes. Not only generating profits, but the creation of sustainable values must be based on noble values that grow and thrive in BNI.



Creating Sustainability Impact



IDR **10.9** trillion
Year-to-Date Profit



IDR **172.4** trillion
KKUB financing
29.6% of total credit



IDR **55.9** trillion
Operating Income



USD **54** million
Investment in sustainable and
green bonds



Average employee training
hours per year
77.50 hours



2,042
Total fostered
partners



IDR **52** billion
Aid distribution for
COVID-19 mitigation



IDR **93** billion
CSR Spending



8.5%
Reduction in
electricity usage



27,177 BNI
employees of whom
51.97% are women



7,834 persons
Financial literacy
program attendees



Enduring COVID-19

BNI has teamed up with various partners in running health related activities to combat the spread of COVID-19. In this regard, relief assistance has been distributed to affected communities that is expected to help them endure and carry out day-to-day activities while adapting to the new normal.

BNI distributed relief assistance worth **IDR33.4** billion in the form of food packages to +/- **235,157** Communities

Distribution of medical support facilities such as ambulances, blood transfusion vehicles, blood donation facilities, funeral car, medical robots, patient beds, and antigens.

Joining up with Srikandi BNI to provide **1,500** food packets to ambulance drivers and funeral workers.

Teaming up with Srikandi BNI and BNI Life, BNI provided medical equipment support of masks, PPE, and medical gloves to 25 government and private hospitals including Pasar Minggu Hospital, Dr. National Hospital. Cipto Mangunkusumo, St. Carolus, Primaya Evasari Hospital, Persahabatan General Hospital, Kebayoran Baru Hospital, Harapan Kita CVD Hospital, Premier Jatinegara Hospital, and Jakarta Hajj Hospital.

Setting up hand wash stations at **40 locations** in partnership with the COVID-19 Task Force for Medical Waste Handling and YP Unila High School Bandar Lampung. Further, BNI actively provided counseling on the handling of used mask waste to prevent from becoming an epicenter of disease transmission.

Vaccination drives were organized in various parts of Indonesia such as Greater Jakarta, West Java, East Kalimantan, and East Nusa Tenggara, and covering

32,121 individuals for vaccination doses 1 and 2.

Working together with various partners such as Cita Buana School, Humanitas Insani Indonesia Foundation, Christian University of Indonesia, University of Indonesia Hospital, University of Indonesia Alumni Association, Task Force for the National Movement to Accelerate COVID-19 Vaccination, Interfaith Youth Organizations, and the Trisakti Alumni Association, BNI assisted towards fair and equitable distribution of vaccines.



Awards

Gold Rank, Asia Sustainability Report Rating 2021

by National Center for Sustainability Reporting (NCSR)

BNI is included in the list of SRI-KEHATI index companies for the period December 2021 - May 2022.

This signifies the company is committed to sustainability management and is concerned about ESG issues

BNI received a CCC Commitment rating at the 2021 ESG Disclosure Awards

by Investasi Magazine and Bumi Global Karbon Foundation/ BGKF

BNI is listed as a Constituent of the **ESG Sector Leaders IDX KEHATI Index** for the period 20 December 2021 to 31 May 2022

The MSCI index compares ESG performance to industry peers in the Indonesian capital markets. **BNI received an A rating** in the **MSCI ESG Ratings** for November 2021

ESG Risk Rating by Sustainalytics
26.8 Medium Risk

91.6
BNI CGPI Score in 2021



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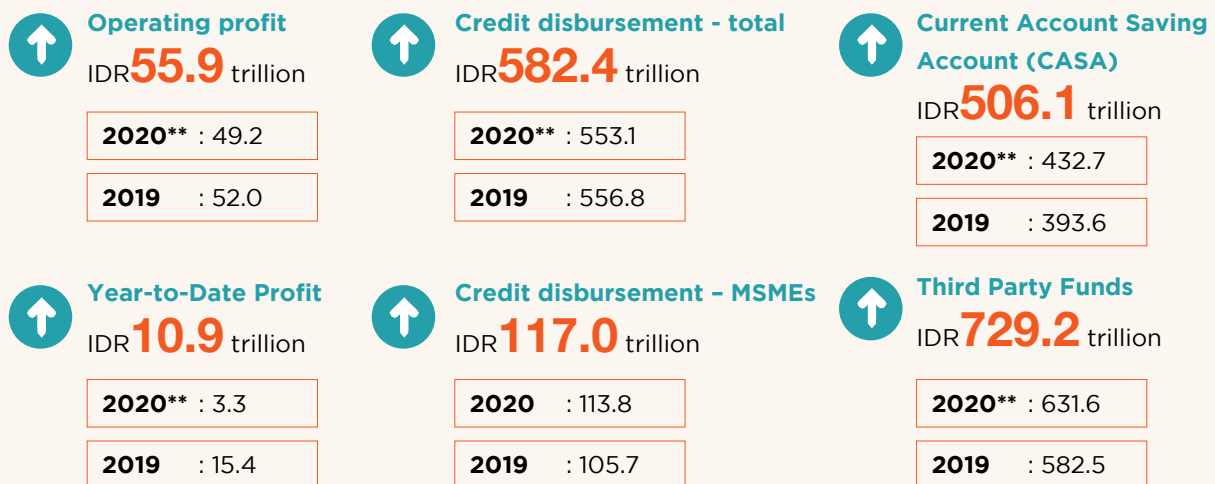
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Sustainability Performance Overview

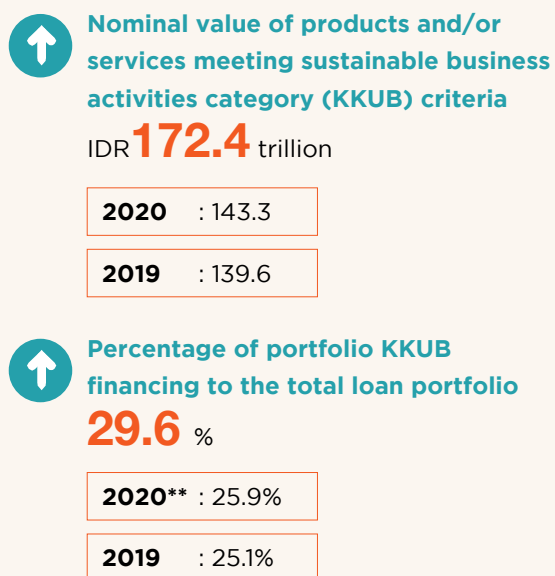
>> ECONOMIC

2021 Data

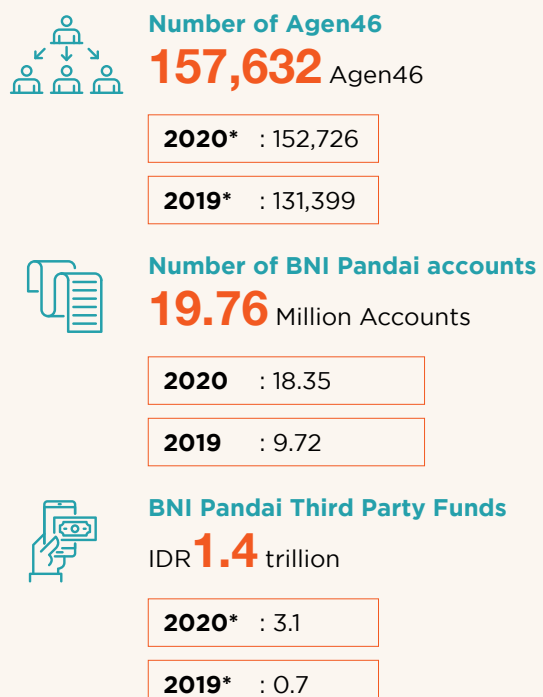
INTERNAL PERFORMANCE



SUSTAINABILITY RELATED ECONOMIC PERFORMANCE



INCLUSIVE FINANCIAL PERFORMANCE



*) Restatement of 2019 & 2020 data

**) Restatement of financial performance in 2020 considering the impacts from exclusion of BNI Syariah performance.



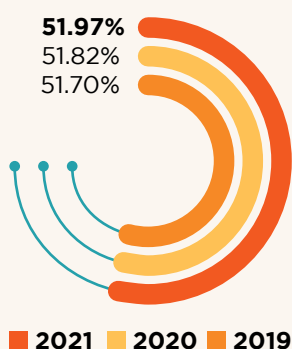
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2021 Data

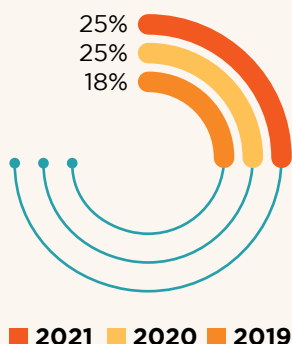
INTERNAL PERFORMANCE



Female employees vs. total employees



Women occupying Director positions



Average training hours

77.50 Hours

2020 : 73.67

2019 : 75.30



Employee education and training costs**

IDR **180.69** Billion

2020 : 200.55

2019 : 326.42



Employee engagement level

96 %

2020 : 95

2019 : 90



Customer satisfaction index

4.16 Scale of 1-5

2020 : 4.09

2019 : 4.05



Customer complaint resolution rate

99.68 %

2020 : 98.69

2019 : 98.47



Total attendees of financial literacy education

7,834 Persons

2020 : 2,726

2019 : 8,450

SOCIAL RESPONSIBILITY ACTIVITIES



Total financing for social responsibility activities

IDR **93** Billion

2020* : 175

2019* : 143



Rumah BUMN program beneficiaries

1,368 SMEs

2020 : 2,232

2019 : 2,244



Fostered partners

2,042 Partners

2020 : 1,155

2019 : 1,619

*) Restatement of 2019 & 2020 data

**) Reduction in employee training costs due to online training.

>> ENVIRONMENTAL

2021 Data

INTERNAL PERFORMANCE



Power consumption in BNI buildings at the head office

38,243,699 kWh

2020 : 41,806,992

2019 : 37,674,580



Fuel consumption of operational vehicles at the Head Office

97,526 Liters

2020 : 114,855

2019 : 222,858



Intensity of building emissions (yearly average)

0.12 Ton CO₂eq/m²

2020 : 0.13

2019 : 0.08



Paper usage

138.53 Tons

2020 : 135.95

2019 : 163.14



Water usage

185,115 m³

2020 : 193,833

2019 : 180,047

ENVIRONMENTAL RESPONSIBILITY ACTIVITIES



Realized environmental costs

IDR **28** Billion

2020* : 4

2019* : 6



Rhino conservation program

75 Animals

2020 : 74

2019 : 72



Total trees planted

10,000 Seedlings

2020 : 10,000

2019 : 1,000



'Ayo Menabung dengan Sampah' Program

288,756 Accounts

2020 : 273,626

2019 : 116,328

*) Restatement of 2019 & 2020 data



Sustainability Commitment and Strategy

In fulfilling its sustainability commitment, BNI applies integrated sustainability strategy to attain business goals without compromising on environmental, social and governance (ESG) achievements. In addition, this strategy is geared towards delivering positive outcomes for stakeholders and the environment.



To monitor the effectiveness of sustainable finance execution and sustainability performance, the Risk Management & Anti-Fraud Committee has been restructured following the establishment of the Environmental, Social & Governance (ESG) Sub-Committee. This Sub-Committee is headed by the Vice President Director as Chairman, with the Risk Management Director as Deputy Chairman and Head of Risk Management Division as Secretary and involves related divisions/units.



BNI is committed to being a financial institution that provides superior performance and service to all customers; increase investment value for investors; create the best working environment for employees; enhance awareness of the environment and communities; and enforce corporate governance in the context of sustainable finance. This dedication to sustainability is enshrined in the Bank's vision and mission statements, specifically in Mission 4 and 5. Further, the sustainability strategy is bolstered through operational impacts management in keeping with BNI's five sustainability pillars.



BNI for Employees

Providing the best conditions for employees as a place of pride for work and accomplishment.



BNI FOR INDONESIA

Executing the company's business by integrating economic, social, environmental and governance interests.



BNI FOR CUSTOMERS

Providing excellent services, digital solutions, security, and privacy protection to all customers.



BNI FOR THE COMMUNITY

Increasing awareness and responsibility to all levels of society in line with business development.



BNI FOR THE ENVIRONMENT

Improving environmental quality in line with business development.



Board of Director's Message



Royke Tumilaar
Direktur Utama



BNI's presence in the community is beyond being a financial intermediary, as we are also devoted to openness and transparency on how to manage environmental, social, and governance (ESG) aspects. This pledge is grounded on the BNI Sustainability Pillars as one of the guidelines for implementing sustainability initiatives to create shared value for all that includes BNI, stakeholders, and the environment.



Respected stakeholders,

The COVID-19 pandemic has had a significant impact on life as we know it, bringing about changes that range from people's habits and behaviors to ways of studying and working, along with the conduct of business. Such changes in people's behaviors and attitudes have fostered a shift in transaction methods and led to dependence on digital technologies. However, this also represents an opportunity, and we believe that digitalization will continue to change the future face of banking and boost sustainable finance implementation. In the long term, it is our hope that BNI's digitalization will go towards reducing greenhouse gas (GHG) emissions by embracing environmentally friendly lifestyles, enhancing the reach of financial inclusion, and financing environmentally sound industries.

Strategy to Manage Sustainability Challenges

We recognize that the journey to sustainability requires commitment and the right strategy. In 2021, we conducted a review of various challenges faced in implementing sustainable finance and managing environmental, social, and governance (ESG) aspects. While there has been encouraging progress with regards to implementation, understanding on sustainable finance continues to be uneven among stakeholders, which can be an obstacle. BNI is of the belief that sustainable finance implementation will be maximized if the Bank and stakeholders all have a common understanding and able to work together to make it happen. To that end, information dissemination and competency development initiatives on sustainable finance

are continuously organized to accelerate implementation at the operational level.

The next challenge we face is of climate-related risks. In the present context, climate change resilience is increasingly coming into the radar of investors and the government. As a bank that finances many business sectors, we are aware that climate-related risks will affect our ESG performance, which in the long term will impact on the ESG aspects of the community. By preparing the Sustainable Finance Action Plan (RAKB), BNI manages a green portfolio as part of mitigating climate-related risks from the financing side. In addition, we continue to increase green investment and join up with international financial organizations that support sustainable development, such as the United Nations Environment Program Finance Initiative (UNEP FI). We are also one of the founders of the Indonesian Sustainable Finance Initiative (IKBI).

It is our belief that the cooperation and support of stakeholders will assist us in managing challenges to create shared value. For BNI, sustainability is part of the bank's commitment to realizing its vision and mission and to create a better future for all stakeholders. Consequently, BNI strives to consistently implement sustainable finance and increase support for the achievement of the Sustainable Development Goals (SDGs).



The ESG agenda is inseparable from what we do every day. With concrete steps guided by the BNI Sustainability Pillars, it is hoped that sustainability initiatives will be a culture in banking operations and have a real impact in serving clients, customers, and the wider community.



Solid Foundation toward the Sustainability Journey

The outbreak of the COVID-19 pandemic is testimony that the challenges and dynamics of business are replete with uncertainties, complexities, and ambiguities. Consequently, it is imperative that the Bank become more resilient, agile, and ready to face challenges to ensure sustainability and continuity.

For BNI, sustainability means becoming a financial institution that provides superior performance and services to customers, increases investment value for investors, creates the best working environment for employees, enhances awareness of the environment and communities, and enforces corporate governance in the context of sustainable finance. This commitment to sustainability is enshrined in the Bank's vision and mission statements. With the BNI Sustainability Pillars as our foundation, we believe in being able to realize sustainability for a better future. The five sustainability pillars are BNI for Indonesia, BNI for Customers, BNI for the Environment, BNI for the Community, and BNI for Employees.

Supporting Low-Carbon Economic and Climate-Related Risk Resilience

The issue of environment and climate change is now at the forefront of global attention. The amelioration of environmental risks at the global level will require a concerted effort and the active involvement of the banking industry including BNI, i.e., to fully embrace sustainable finance principles in support of environmental sustainability. In this regard, BNI encourages its clients to engage in responsible credit processes and make investments in environmentally friendly sectors. To that end, BNI is undergoing internal consolidation by enhancing risk management processes, creating business opportunities from climate change initiatives, and providing support for the transition to a low-carbon society and economy.

On this, BNI has adjusted its ESG-oriented credit policy, mapped out banking activities for mitigating climate-related risks, and adapted to climate change schemes. It is with this spirit that in 2021 ESG aspects were included as part of the Performance Assessment (KPI) on ESG management of the Board of Directors and related divisions.



BNI has established the Environmental, Social, and Governance (ESG) Sub Committee to support sustainable finance implementation and ESG management whose execution is a shared responsibility, namely the BNI Hi-Movers, and under the supervision of the Board of Commissioners and Board of Directors.



Sustainability Performance and Contribution to the Sustainable Development Goals

Amid the various challenges posed by the COVID-19 pandemic, BNI has consistently demonstrated its commitment and contribution to sustainable finance and ESG management. In terms of performance, in 2021 the bank recorded a net profit of 232.2% compared to 2020. This outcome has been propelled by a surge in income, including interest income, premium income and operating income as the drivers of operational activities. Meanwhile, fee-based income was recorded at IDR16.2 trillion or an increase of 18.9% compared to the preceding year. In keeping with the growth in banking operations, our contribution also involves financing that deliver positive outcomes for increasing economic, social and environmental welfare.

In the endeavor towards increased investment and financing on environmental issues, BNI conducts due diligence by credit screening and identity verification checks in the Sustainable Business Activities Category (KKUB), which includes the palm oil industry, renewable energy companies, and the social forest sector. In 2021, BNI disbursed KKUB loans worth 29.6% of total credit. Of this figure, the largest

share was constituted by MSMEs at IDR117.0 trillion, followed by energy efficiency loans of IDR17.7 trillion, biological natural resources and sustainable land use sector at IDR14.0 trillion, renewable energy sector at IDR9.5 trillion and finally the eco-efficient products sector at IDR0.3 trillion.

We support the National Economic Recovery Program (PEN) and continue to create synergies with Government to boost the microeconomic sector by channeling People's Business Credit (KUR) loans. In 2021, BNI disbursed IDR30.6 trillion worth of KUR loans, bringing the total KUR portfolio to IDR44 trillion. Further, the paid out loans were 99.1% of the Government's KUR disbursement target for the year.

BNI continues to support financial inclusion programs for rural and urban communities through its Agen46 network. At present, we have 157,632 Agen46 agents throughout Indonesia who assist in performing branchless transactions. Agen46 transactions have increased by 11.8% at a total of IDR92.31 trillion. To encourage more people to save, BNI runs the "Ayo Menabung dengan Sampah" program which integrates financial literacy with environmental concerns in the supply chain.



Our BNI Hi-Movers are at the forefront of implementing sustainable finance and achieving performance targets. The BNI Hi-Movers are people of integrity who consistently apply the State-Owned Enterprises (SOE) core value of “AKHLAK” and the corporate culture of “PRINSIP 46”. For its part, BNI provides commensurate benefits as realized through occupational safety and health, suitable work-life balance, welfare initiatives, respect for human rights, and opportunities for continuous professional development.

Furthermore, our dedication to creating social value is realized through the BNI Berbagi (Sharing) Program. We have run empowerment programs and distributed philanthropic assistance to local communities, especially with a view to assist in recovering from the detrimental impacts of the COVID-19 outbreak.

Then again, BNI's efforts to go green are not merely through the channeling of eco-friendly loans, but also realized through the internal BNI GoGreen initiative by paper savings, reduced energy consumption towards emissions control, waste management, and water savings. Our BNI GoGreen scheme has allowed us to work closely with external parties on reforestation and biodiversity conservation programs.



BNI's efforts in implementing sustainable finance and ESG management has received widespread appreciation, including an uplift in ESG Rating from BBB to A by MSCI and a Medium ESG Risk Rating from Sustainalytics. BNI is one of the constituents of the ESG Sector Leaders IDX KEHATI Index and is consistently listed in the SRI-KEHATI Index.



Growing Together with Digital-Community

In keeping with BNI's mission of 'Providing excellent services and digital solutions to all customers, and as the primary partner of choice', we are committed to offering digital banking solutions to meet customer needs. To that end, BNI is progressing to develop its digital services as part of the business strategy to enhance efficiency, productivity, and provide easy, convenient, and speedy services for customers. This commitment is accompanied by efforts to increase financial literacy and inclusion. Currently, BNI has dozens of digital banking services for the convenience of customers in the digital age.

BNI's digital services are now accessible to fishermen living in coastal areas to support their business activities and transactions. It is hoped that BNI's digital services will also be available to people in the 3T (frontier, outermost and least developed) areas, many of whom do not have internet access. Responding to this challenge and to help students in online

learning, the BNI Berbagi Program provides free satellite internet access for two years, especially for people in “blankspot” areas.

Digital services also provide added value with respect to environmental concerns by reducing the carbon footprint, as customers are no longer required to commute to BNI offices. Additionally, no waste is generated from digital transactions.

However, technological advances and developments in digital banking are faced with new challenges, specifically on cyber threats, data security and customer privacy. In response to these challenges and improve cybersecurity, BNI has established an Information Security Unit that is specifically tasked with maintaining information security and handling cybercrime incidents.

The Next Step in Sustainability

The Bank has an objective to support Government programs and the achievement of the Sustainable Development Goals. On this, we intend to boost the achievements of the Sustainable Finance Action Plan (RAKB), build its digital capabilities, and create opportunities to support business growth and shared values.

From our perspective, there remain wide opportunities for green financing. Consequently, BNI has good relations and is in close communications with the government, connects with potential foreign investors, and takes advantage of partnerships with domestic and international institutions to promote growth in sustainable finance.

For the future, more and more businesses actors will undoubtedly pay greater attention to ESG aspects in the conduct of business, and therefore collaborations and synergies will be the alternative to achieving sustainability. The knock-on effect is that this will drive creativity and innovation on developing sustainable finance products and services. Moreover, we can integrate socially and environmentally conscious activities to increase our portfolio of such projects.

Closing

We wish to express our heartfelt appreciation and thanks to shareholders, BNI Hi-Movers, customers, work partners, and others for their trust and support to BNI, thus allowing the Bank to create more value for the common good. Our appreciation also goes to regulators and the Government for their responsive policies during the ongoing pandemic. We strive to deliver an impact through our presence and aspirations, which is in line with our business strategy of contributing to Indonesia's economic growth, supporting financial inclusion, maintaining environmental balance, and realizing sustainability in the future. We hope that BNI's sustainability performance for the coming year will be even better through our mutual support and hard work.

On behalf of the BNI Board of Directors, I wish to express a big thank you to everyone. Let's keep working and together face the dynamics of environmental, social and governance (ESG) issues to create a sustainable future.

Jakarta, February 2022

Royke Tumilaar
President Director

About BNI

Vision, Mission, and Corporate Culture

BNI Vision

Becoming prime financial institution that excel in services and sustainable performance.

BNI Mission

- Providing excellent services and digital solutions to all customers and as the primary partner of choice.
- Strengthen international services to support the needs from our global business partner.
- Increasing the prime investment value for investors.
- Creating the best conditions for employees as a place of pride for work and accomplishment.
- Increasing awareness and responsibility to the environment and society.
- Becoming a reference for the implementation of compliance and good corporate governance for industry.

Amanah

Uphold the trust given

Collaborative

Build synergistic collaboration

Adaptive

Continue to innovate and be enthusiastic in driving or facing change

Corporate Culture AKHLAK

Loyal

Dedicated and prioritizing the interests of the Nation and the State

Competent

Continue to learn and develop capabilities

Harmonious

Mutual care and respect for differences

Company Profile



Company Name
PT Bank Negara Indonesia
(Persero) Tbk



Business Activities, Products and Services

Engaged in the banking business in accordance with Articles of Association No. 23 dated April 20, 2021.

- Corporate, Medium and Small Business Banking
- Consumer Banking
- International Banking and Treasury Services



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Markets Served

Geographic markets served: Indonesia, New York, London, Hong Kong, Singapore, Tokyo, Osaka, and Seoul.

Sectors and types of customers served:
Corporate, medium, and small business banking, consumer banking, international banking, and treasury services.

Share Ownership

General Public

40%



Government of Indonesia

60%



Operational Locations

Operating in 7 countries, namely: Indonesia, Singapore, Hong Kong, Japan, England, United States, and South Korea.

Data Office Network

- 1 head office
- 17 regional offices
- 195 branch offices
- 4 subsidiaries
- 1,971 cash offices
- 16,385 ATM/CRM (included 10 ATM/CRM in overseas representative offices)
- 130 DigiCS
- 9 overseas office network



Significant Changes in BNI

To strengthen the performance of the national Islamic banking industry, BNI Syariah has merged with BRI Syariah and Bank Syariah Mandiri to become Bank Syariah Indonesia (BSI).



Company Scale

2021 Data



Total Employees
27,177 Persons

2020 : 27,202

2019 : 27,211



Operating income
IDR **55.9** Trillion

2020** : 49.2

2019 : 52.0



Total office network
2.166 Outlets

2020* : 2.219

2019* : 2.245



Total capitalization:

• **Debt (Liabilities)**

IDR **838.3** Trillion

2020** : 729.2

2019 : 688.5

• **Capital (Equity)**

IDR **126.5** trillion

2020** : 110.7

2019 : 125.0



Total ATMs
18,311 ATM

2020* : 18,230

2019* : 18,659



Total assets
IDR **964.8** Trillion

2020 : 839.1

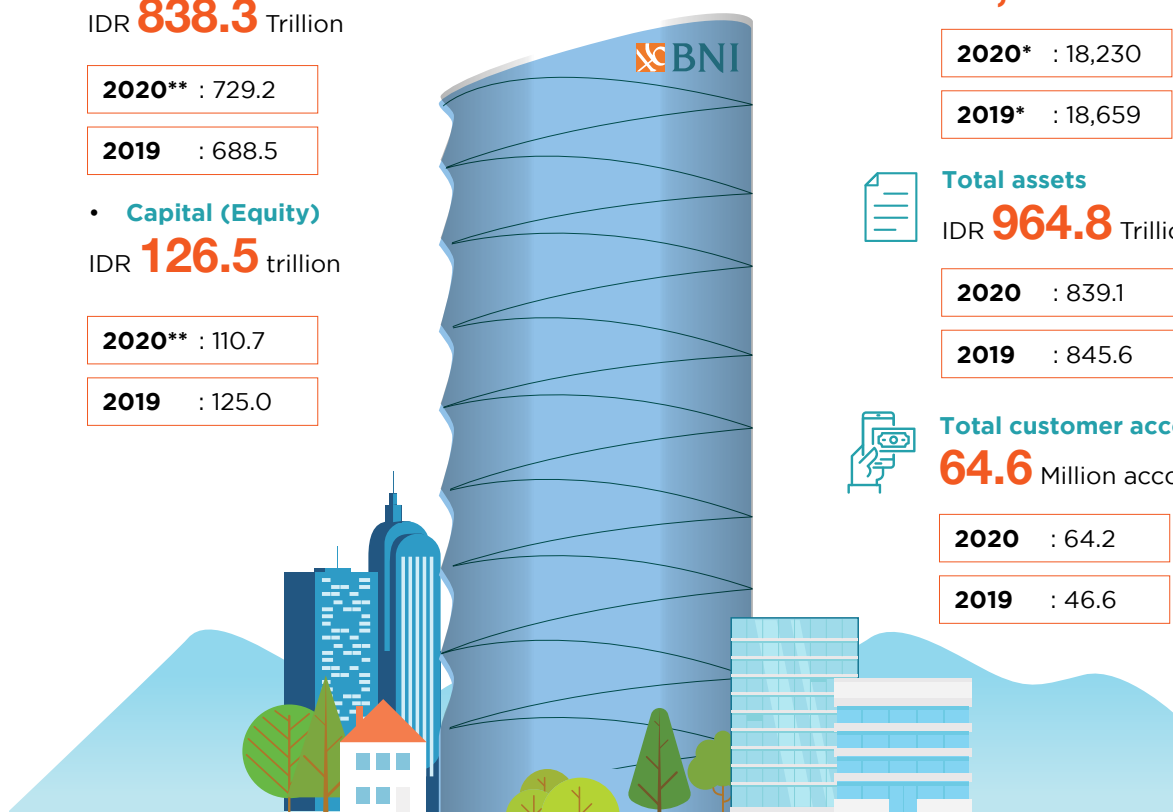
2019 : 845.6



Total customer accounts
64.6 Million accounts

2020 : 64.2

2019 : 46.6



Current Account

IDR **281.4** Trillion

2020** : 221.1

2019 : 202.2

Savings Account

IDR **224.7** Trillion

2020** : 211.3

2019 : 191.4

**Products
and
Services**

Fixed Deposit

IDR **223.1** Trillion

2020** : 199.2

2019 : 188.9

Gross Loans

IDR **582.4** Trillion

2020** : 553.1

2019 : 556.8

*) Restatement of 2019 & 2020 data

**) Restatement of financial performance in 2020 considering the impacts from exclusion of BNI Syariah performance.

Support For Sustainable Development Goals (SDGs)

Sustainable Development Goals (SDGs) Achievements



- Student Savings amount to IDR1,846.40 billion with a total of 10,491,139 accounts
- Disbursements through the SMEs Financing Program totaled IDR64.34 billion for 2,042 fostered partners.
- Financing for the small segment marine and fisheries sector totaled IDR460 billion.
- Assistance for pandemic mitigation totaled IDR52 billion.



Provision of Social Forestry KUR for 8,251 farmers totaling IDR146,598 million.



Provision of assistance of 57 ambulances.



- Financial literacy for migrant workers, totaling 3,450 persons.
- Educating on good waste management practices to students and the community through 'Ayo Menabung dengan Sampah'.



- 51.97%, percentage of female employees to all workers.
- Equal pay for men and women.



Wastewater management system in BNI building, Plaza BNI of 125 m³ per day.



- Use of 2,200-watt solar cells for lighting at Plaza BNI.
- KKUB financing related to Energy: (a) Renewable Energy IDR9.5 trillion, (b) Energy Efficiency IDR17.7 trillion



Sustainable Development Goals (SDGs) Achievements



- Total BNI employees in 2021 was 27,177.
- Provision of job opportunities for people with disabilities, totaling 31 persons.



- BNI Tower has received Gold Certification and designated as a bicycle-friendly building by the Jakarta Governor, while Plaza BNI will receive Platinum Certification for building design from the Green Building Council Indonesia (GBCI) in 2022.
- Provision of 3,184 handicap-accessible ATMs throughout Indonesia.
- Appointment of 157,632 Agen46 agents to provide banking services in economically weak and sparsely populated areas.



- Provided clean energy financing (solar energy, water, biogas, and mini hydro) totaling IDR9.5 trillion.
- Provided financing for 21 palm oil industry companies, i.e 15 companies with Blue PROPER rating and 6 companies with Green PROPER rating.
- Provided financing to 29 companies possessing ISPO and/or RSPO certificates, along with 29 companies that are on progress of obtaining ISPO and/or RSPO certificates.



- BNI, FishOn, and Aruna have brought fishermen closer to the Bank through financial inclusion and literacy.
- BNI disbursed IDR460 billion in financing to coastal communities, which are included in the small segment marine and fisheries sub-sector.



- Conservation of 75 Javan rhinos in Ujung Kulon together with WWF and other SOEs.
- Rehabilitation of 10 hectares of critical and degraded land in the Organic Forest area in Cijeruk Village, Bogor by planting 10,000 trees of different types.



- Teaming up with WWF to launch the environmental credit card, at present totaling 38,086 BNI-WWF Affinity Credit Card with IDR1,478.5 million total sharing fee.

External Initiatives and Association Memberships

To incorporate sustainable finance and sustainability principles in its operations, BNI adopts ESG principles and/or standards which include the following::



List of ISO Certifications:

No.	Certification	Validity
1	ISO 9001:2015 The provision of trade processing services	23 December 2020 – 10 January 2024
2	ISO 9001/2015: Quality Management System on IT Operating Services	8 January 2020 – 26 September 2022
3	ISO 9001:2015 Information Technology (IT) Security Management	8 January 2020 – 26 September 2022
4	ISO 9001:2015 Provision of in House Learning and in Learning/ Digital Learning for BNI Employees	8 June 2020 – 9 March 2023
5	ISO 9001/2015: Banking Operations for Guarantee Letter, RTGS, Remittance Services, Credit and Debit Clearing, Credit Administration, Card Production & Distribution, State Financial Transaction, Custodian Services, Jabodetabek Central Cash Services, Treasury Transaction Services, Trustee Services and Central Foreign Banknotes Services	18 November 2021 – 5 November 2024
6	ISO 9001:2015 BNI Contact Center Services in BSD, Surabaya & Semarang Site	6 August 2020 – 13 March 2023
7	ISO 9001/2015: Quality Management for HPS Unit	12 November 2020 – 11 November 2023
8	ISO 9001/2015: Quality Management for Vendor Management Unit	27 November 2020 – 26 November 2023
9	ISO 9001:2015 Provision of BNI Credit Cards Business	30 June 2021 – 26 June 2024
10	ISO 37001:2016 Anti-Bribery Management System	11 August 2020 – 10 August 2023
11	ISO 30301/2019: Management systems for records for Archives Unit	26 October 2020 – 21 October 2023
12	New Building GreenShip Certificate V.1.2	11 December 2020 – 11 December 2023
13	Accreditation of Bank BNI Training Center by the Training Provider Accreditation Agency - Securities Administration - Cash Management	11 November 2021 – 11 November 2026



Association Memberships

No.	Association	Role	Scope
1	United Nations Environment Programme Finance Initiatives (UNEP FI)	Member	International
2	Global CCU (Council of Corporate Universities)	Member	International
3	European Foundation of Management (EFMD)	Member	International
4	International Chamber of Commerce (ICC)	Member	International
5	SWIFT	Member	International
6	Inisiatif Keuangan Berkelanjutan Indonesia (IKBI)	Member/Founder	National
7	Indonesia Business Council for Sustainable Development (IBCSD)	Member/Founder	National
8	Ikatan Ahli Bangunan Hijau Indonesia (IABHI)	Member	National
9	Forum Human Capital Indonesia (FHCI)	Member	National
10	Forum Human Capital Perbankan Indonesia (FHCPI)	Member	National
11	Asosiasi Kartu Kredit Indonesia (AKKI)	Chair	National
12	Asosiasi Sistem Pembayaran Indonesia (ASPI)	Chair	National
13	Asosiasi Bank Kustodian Indonesia (ABKI)	Chair	National
14	Forum Komunikasi Direktur Kepatuhan Perbankan (FKDKP)	Head of Training Division	National
15	Banker Association for Risk Management (BARA)	Coordinator	National
16	Forum Manajemen Risiko BUMN	Member	National
17	Perhimpunan Bank Nasional (PERBANAS)	Member	National
18	Forum Komunikasi Kearsipan Perbankan (FKKP)	Member	National
19	Forum Komunikasi Kearsipan BUMN	Member	National
20	Indonesia Contact Center Association (ICCA)	Member	National
21	Forum Contact Center Industri Jasa Keuangan (FCCIJK)	Member	National
22	Asosiasi Pengelola Reksadana Indonesia (APRDI)	Member	National
23	Asosiasi Emiten Indonesia (AEI)	Member	National
24	Forum Humas BUMN	Member	National
25	Perhimpunan Hubungan Masyarakat (Perhumas)	Member	National
26	Asosiasi Fintech Indonesia (AFTECH)	Member	National
27	Indonesia Finance Research Institute (IFRI)	Coordinator	National
28	Indonesia Finance Learning Institute (IFLI)	Coordinator	National
29	Indonesia Council for Small Business (ICSB)	Administrator	National
30	Lembaga Alternatif Penyelesaian Sengketa Sektor Jasa Keuangan	Supervisory Board	National
31	Ikatan Sarjana Ekonomi Indonesia (ISEI)	Member	National
32	Change Community Leader Indonesia Change Management Forum	Chair	National
33	Ikatan Bankir Indonesia (IBI)	Member	National
34	Forum Komunikasi Direktur Operasional Perbankan	Member	National
35	Indonesian Employers Association (APINDO)	Member	National

About the Sustainability Report

The sustainability report describes how BNI achieves its mission statement through its business pursuits, which cover economic performance and environmental, social, and governance (ESG) considerations for the year 2021 (1 January – 31 December). Further, developments on sustainable finance implementation have been disclosed. This report, which is prepared annually, makes references to standards and regulations for report presentation, i.e Financial Services Authority Regulation (POJK) No. 51/POJK.03/2017, GRI Standards with the Comprehensive option, GRI - Financial Services Sector Disclosure, and the SUSBA-WWF criteria. The preceding year's report was published on February 23, 2021. We have included information on supporting achievement of the Sustainable Development Goals (SDGs) in the relevant sections, which describe BNI's direct role with respect to certain goals. In addition, we include an index indicating where a report content is specifically aligned with the standards and regulations for report writing.

The information disclosed covers BNI's performance, along with various sustainability activities carried out by subsidiaries. Financial

information contained in this report is based on consolidated financial data covering BNI and its subsidiaries, namely, PT BNI Life Insurance, PT BNI Multifinance, PT BNI Sekuritas and subsidiaries, and BNI Remittance Ltd.

This report contains significant changes from the preceding year, namely the priority of material topics and restated data (restatement) that aim to improve upon the previously presented information. Several data points from the preceding year have been restated, including Agen46 achievements, financial literacy program participants, realized environmental costs, economic value distributed, KKUB disbursements, and training hours.

The report contents have been validated by the relevant work units as data contributors. Preparation of this report has considered the principles of reliability, clarity, comparability, completeness, sustainability context, timeliness, and verifiability. The report preparation process was coordinated by the Corporate Secretary and supervised by the Steering Committee, consisting of the Board of Directors and SEVP. Moreover, the report contents have been verified by an independent entity.

More information on BNI can be found on our website. For further information, inputs, and suggestions towards improving this report, please contact:

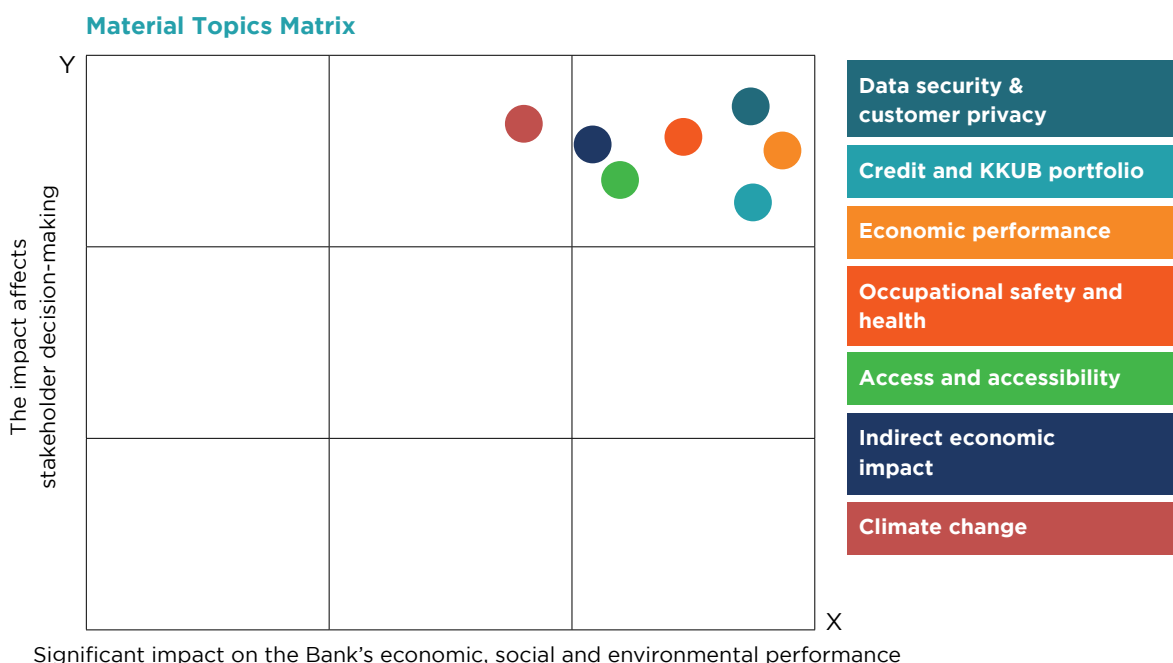
Mucharom
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Material Topics Managed by BNI

In determining material topics and topic boundaries, BNI involves management, independent observers, and academics. The identification of material topics was accomplished via focus group discussions (FGD) in line with banking industry standards and takes into account the context of BNI's sustainability and stakeholder expectations. Through the KMP Division, BNI management has reviewed the FGD outcomes to determine the priority of material topics. Prioritization of material topics also considers its impact on the Bank and stakeholders. The matrix below shows the priority of BNI's material topics.



Material Topic Boundaries

	Impact on Stakeholders	Managing Impacts
Data Security and Customer Privacy	<ul style="list-style-type: none"> Employees Customers Regulator 	<p>As a bank, trust is a fundamental principle that must be managed. BNI is committed to managing the impacts of data security and customer privacy. The positive impact of managing this topic is the trust of customers to use BNI products and services, thus we need to improve the data security system. On the other hand, the negative impacts that need to be managed are cyber threats and data theft from external parties.</p>
Credit and KKUB portfolio	<ul style="list-style-type: none"> Employees Customers Investors/Shareholders 	<p>The credit portfolio, especially Sustainable Activities Business Category (KKUB) loans, is part of sustainable finance implementation which aims to support the transition towards more environmentally friendly business practices. On this topic, the impacts managed are the social and environmental risks of BNI debtors. Higher percentages of KKUB financing are indicative of the magnitude of BNI's role in supporting eco-friendly financing, which will help in attracting investors.</p>

	Impact on Stakeholders	Managing Impacts
 Economic performance	<ul style="list-style-type: none"> • Employees • Customers • General Public • Business partners/ suppliers/ vendors • Regulator • Investors/ Shareholders 	<p>BNI's business performance is based on the Bank Business Plan (RBB). In terms of impact, positive economic performance will provide value for all stakeholders. Financial and economic management is constantly monitored to enable performance to always deliver a positive impact.</p>
 Occupational safety and health	<ul style="list-style-type: none"> • Employees • Business partners/ Suppliers/ Vendors 	<p>Awareness of occupational safety and health is very important to be managed and put into practice as it has a direct bearing on the Bank's operations. BNI implements health protocols to keep the Bank's operations running smoothly, while protecting employees and stakeholders during the COVID-19 pandemic.</p>
 Access and accessibility	<ul style="list-style-type: none"> • Customers • General Public • Regulator 	<p>Access and accessibility of financial products and services for customers affects the smoothness and convenience of their transactions. For this reason, BNI needs to manage banking access in the digital and non-digital spheres along with the coverage areas. The impacts we manage include broad access to financial products and services, particularly in the context of certain underserved markets and/or population groups.</p>
 Indirect economic impact	<ul style="list-style-type: none"> • Customers • Business partners/ Suppliers/ Vendors • General Public 	<p>BNI's presence in the community is expected to have the broadest positive impact on all stakeholders and support national economic recovery through indirect economic impacts.</p>
 Climate change	<ul style="list-style-type: none"> • Employees • Regulator • Investors/ Shareholders 	<p>The impact of climate change can be managed internally by carrying out energy saving and emission reduction initiatives. On the external side, impact management is conducted through environmentally sound financing and analyses of environment-related credit risk.</p>

Management Response to Feedback from Previous Report

BNI received various reviews and feedback from stakeholders and ESG rating agencies on its Sustainability Report 2020, particularly concerning green financing policies and initiatives to support climate change mitigation. Based on this feedback, management has conducted a re-evaluation against the information presented in the report. On this aspect, the BNI management remains committed to improve upon the report content in a phased manner in this and subsequent year reports.



1

BNI FOR INDONESIA

“BNI is present in every joint of Indonesian people’s lives from Sabang to Merauke to serve the nation and contribute to the achievement of the Sustainable Development Goals.”

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Economic Performance

Material Topic: Economic Performance

Our Approach

The management of economic performance is a vital aspect as it directly impacts the business continuity of the Bank and its stakeholders. In 2021, BNI was required to manage various financial performance challenges, including the COVID-19 pandemic that created extraordinary and unpredictable conditions, thus significantly impacting economic activity. The year also saw severe banking challenges amidst the ongoing recovery from the pandemic. Given this context, financial performance was managed through an integrated risk management approach, particularly on credit quality and operations involving business digitization. Overall, financial and economic performance is supervised by the Director of Finance with support from the Budgeting and Financial Control Division

The policies that significantly impact BNI's economic performance include those on credit, credit restructuring, enhancing company capabilities, sustainable business expansion, synergy with subsidiaries, and building BNI's Human Resource capabilities. Oversight of economic performance involves conducting reviews of financial statement audits, KPI achievements, reports to regulators, annual reports, and analyst meeting reports to ensure transparency in ascertaining the real conditions. In 2021, BNI recorded year on year (YoY) growth in operating income of 13.7%, with YoY growth in Year-to-Date Profit of 232.2% of the target. This achievement has been supported by growth in Net Interest Income and Fee Based Income.



Direct Economic Value Generated and Distributed (IDR billion)

Item	2021	2020**	2019
• Economic value generated			
Interest income - Net	38,247	34,041	36,602*
Premium income - Net	1,399	1,471	1,697
Other operating income	16,219	13,640	13,713
Total	55,865	49,152	52,012
• Economic value distributed			
Operating costs (besides employee salaries)	31,903	35,605	22,339
Employee salaries and benefits	11,195	8,521	10,186
Dividends	820	3,846	3,754
Tax payments to Government	1,574	1,610	3,861
Community Investment	93	175	143
Total	45,585	49,757	40,283
• Economic Value Retained (A-B)	10,280	(605)	11,729

*) Restatement of 2019 & 2020 data

**) Restatement of financial performance in 2020 considering the impacts from exclusion of BNI Syariah performance

In 2021, while Indonesia's economic recovery was gradually felt by business actors, it was still overshadowed by the continuing COVID-19 pandemic. As can be expected, the situation posed a challenge for BNI in achieving its financial and economic performance targets. During the year, BNI had to manage its finances independently with no financial assistance from the government. Nevertheless, BNI's operations continued to run smoothly and generated profits, thereby delivering a positive outcome for stakeholders and even the Indonesian economy. Besides managing its own affairs, BNI distributed economic value to stakeholders through remuneration and benefits to

employees, dividend payouts to shareholders, taxes to the government, expenditures for local and non-local suppliers, and through various empowerment activities and donations to local communities.

The various policies that had a significant impact on BNI's economic performance were related to credit, credit restructuring, enhancement of company capabilities, sustainable business expansion, synergy with subsidiaries, and enhancement of the organization's human resource capabilities.



Achievements in Implementing Sustainable Finance

Material Topic: Credit and KKUB Portfolio

Our Approach

One of the ways of measuring sustainable finance achievements is through overall credit management and reporting on the Sustainable Business Activities Category (KKUB) portfolio. KKUB portfolio management involved assessments against the ESG aspects of debtors and prospective debtors, along with analyses of the KKUB portfolio achievements. In this regard, the Risk Management and Budgeting and Financial Control divisions are both responsible for managing the credit and KKUB portfolio.

An existing policy is in place to control ESG risk arising from disbursed loans, and BNI consistently strives to improve its policies to be in line with rules and regulations on sustainable finance. The ESG-related policies are contained in the Sustainable Finance Action Plan (RAKB) 2022 as approved by the Board of Commissioners (BOC) through BOC Approval No. DK/113/R dated November 29, 2021. Furthermore, BNI conducted preliminary screenings of ESG risks under existing policies before disbursing loans to debtors. The established processes and procedures were consistently adhered to by Corporate Banking 1 Division, Corporate Banking 2 Division, and Corporate Banking 3 Division, Commercial Business 1 Division and Commercial Business 2 Division, Institutional Relation 1 Division and Institutional Relation 2 Division, Syndication Corporate Solution Division, International Division, SME Business Division and Small Business & Programme Division as BNI's credit disbursing units.

As of end-2021, the total KKUB loans disbursed amounted to IDR172.4 trillion, representing an increase of 20% YoY. In this regard, the KKUB portfolio was dominated by the categories of MSMEs, energy efficiency, natural resource management, and sustainable land use.

For its part, BNI disbursed loans to various business groups and sectors of the economy with the expectation that such lending will support national economic recovery from the pandemic's drastic impacts along with sustainable economic growth in the long term. Our contribution to Indonesia's economy is expressed through disbursements of productive loans to corporates and multi-sector SMEs and the KKUB. In this context, loan provision is constantly balanced with a strategy that prioritizes the principle of prudence and portfolio monitoring on a periodic basis.

Furthermore, BNI applies a monitoring policy, which includes the monitoring of non-performing and restructured loans. In this regard, monitoring covers debtors' current situation and credit collection. Each credit segment has its own debt collection policy and non-performing loan management, as follows:

- Company Guidelines (PP) for Commercial, Corporate, and Small Business Banking Credit.
- PP for Organic Consumer Credit.

Credit Portfolio by Category (IDR billion)

Category	2021		2020*		2019	
	Total	%	Total	%	Total	%
Corporate	229,139	39.3	256,752	46.4	246,629	44.3
Medium	98,474	16.9	67,192	12.1	72,691	13.1
Small	95,752	16.4	84,800	15.3	75,461	13.6
Consumer	99,028	17.0	89,928	16.3	85,925	15.4
International	59,105	10.1	53,114	9.6	41,750	7.5
Subsidiary	939	0.2	1,320	0.2	34,316	6.2
Total	582,436	100.0	553,106	100.0	556,771	100.0

*) Restatement of financial performance in 2020 considering the impacts from exclusion of BNI Syariah performance

Credit Portfolio by Business Sectors (IDR billion)

Business Sector	2021	Composition (%)	2020*	Composition (%)	2019	Composition (%)
Industry	121,977	20.9	108,753	19.7	107,125	19.2
Trade, restaurants, and hotels	101,676	17.5	95,032	17.2	97,649	17.5
Agriculture	59,430	10.2	61,540	11.1	56,942	10.2
Business services	42,595	7.4	47,612	8.6	55,216	9.9
Transportation, warehousing, and communications	43,010	7.4	39,761	7.2	28,985	5.2
Construction	55,210	9.5	51,923	8.9	41,177	7.4
Electricity, gas, and power	20,301	3.5	21,788	3.9	31,020	0.6
Mining	15,685	2.7	15,060	2.7	12,391	2.2
Social services	20,925	3.6	21,311	3.9	20,027	3.6
Others	101,243	17.4	92,654	16.8	106,238	19.1
Total	582,436	100.0	553,106	100.0	556,771	100.0

*) Restatement of financial performance in 2020 considering the impacts from exclusion of BNI Syariah performance

The COVID-19 pandemic has indirectly caused debtors to experience cash flow disruptions, causing difficulties in repayments to banks, consequently affecting the quality of bank credit. To maintain credit quality during the COVID-19 pandemic, BNI has established the LaR Management Optimization Team. More information on improving BNI's credit quality can be accessed in the Annual Report on page 216. Besides maintaining credit quality internally, BNI has complied with government policies to assist COVID-19-affected debtors

through debt restructuring. In this context, several borrowers whose businesses were identified as being affected by COVID-19 have had their loans restructured. As of end-2021, total restructured loans amounted to IDR72,128 billion for 55,234 debtors as beneficiaries of the debt restructuring policy. Through credit restructuring, BNI has also contributed to the national economic recovery (PEN) program.



BNI has gradually built up its KKUB portfolio on a sustainable basis. On this aspect, we identify and analyze prospective borrowers as well as existing debtors to determine their KKUB eligibility. In 2021, KKUB loans rose by 20.3% over the preceding year. This was due to an increase in the categories of energy efficiency and sustainable management of natural resources and land use. In this context, from BNI's total KKUB portfolio of IDR172.4 trillion, 67.9% represent loans to MSMEs.

Sustainable Business Activities Category Credit Portfolio (IDR billion)

Description	2021		2020*		2019	
	Total	%	Total	%	Total	%
Total Projects Financed under the Sustainable Business Activities Category (KKUB)	172,386	100.0	143,266	100.0	139,586	100.0
• Renewable energy	9,528	5.5	4,920	3.4	4,143	3.0
• Energy efficiency	17,746	10.3	156	0.1	263	0.2
• Pollution prevention and control	5,098	3.0	214	0.1	208	0.1
• Natural resource management and sustainable land use	14,004	8.1	21,261	14.8	28,152	20.2
• Conservation of terrestrial and aquatic biodiversity	34	0.0	-	0.0	-	0.0
• Eco-friendly transportation	-	0.0	-	0.0	-	0.0
• Sustainable water and wastewater management	2,856	1.7	21	0.0	18	0.0
• Climate change adaptation	-	0.0	-	0.0	-	0.0
• Products using less raw materials and producing less pollution (eco-efficient)	251	0.1	1,158	0.8	-	0.0
• Eco-friendly buildings that meet national, regional, or international standards or certifications	5,278	3.1	528	0.4	-	0.0
• Business activities and/or other environmentally sound activities	579	0.3	1,219	0.9	1,115	0.8
• MSMEs	117,001	67.9	113,789	79.4	105,687	75.7

Note: *) Restatement

The non-SMEs KKUB portfolio is dominated by the 'natural resources management and sustainable land use' category, namely debtors in the oil palm plantation sector at 8.1%. In practice, BNI screens debtors in this sector by ensuring that the businesses concerned have complied with sustainability principles, among them having obtained the Roundtable Sustainable Palm Oil (RSPO) and Indonesia Sustainable Palm Oil (ISPO) certifications, as

well as having Blue, Green, and Gold PROPER ratings. Currently, 29 companies already have ISPO and/or RSPO certification while another 29 companies are on track to receive ISPO and/or RSPO certification. Similarly, 15 debtors have obtained the Blue PROPER rating while a further 6 have the Green PROPER rating.

During 2021, financing for infrastructure projects was 21.7% of total credit. In this regard, financing provided was for sectors that support the acceleration of infrastructure development in Indonesia, including transportation, oil and gas, telecommunications, and power generation.

Infrastructure Financing Portfolio

Description	2021	2020	2019
Toll roads and construction	56,296	50,539	40,986
Electricity generation	21,242	22,141	29,867
Transportation	25,685	26,920	17,623
Telecommunications	17,101	14,423	12,727
Oil and natural gas	6,251	5,963	6,078
Total	126,576	119,987	107,282

Note: Figures in the total column will differ by one digit if they are added manually as they are influenced by rounding off from the details of the numbers presented

Climate-Related Financial Risk Analysis

As climate and environmental degradation concerns are being increasingly acknowledged as sources of financial and economic risk by central banks and supervisors, Bank Indonesia as the Indonesian authority recognizes that these risks threaten financial stability in Indonesia. In this context, Bank Indonesia became a member of the Network for Greening the Financial System (NGFS) in November 2019. For its part, Bank Indonesia stated that this would provide added value towards the development of an analytical framework for climate risk assessment by integrating climate-related risks into financial system stability monitoring and measuring of climate change impacts.

As a financial services institution and SOE, BNI supports the policies of Bank Indonesia as the central bank and for paying attention to climate change and environmental risks. Proof of this support is indicated by BNI's participation in the United Nations Environment Programme Finance Initiative (UNEP FI) and World Wide Fund for Nature (WWF) schemes.

BNI has a risk appetite and risk acceptance industry that takes note of ESG issues. Further, BNI also pays due attention to the issues of deforestation, loss of biodiversity, illegal logging, flooding, drought, and pollution. While these issues do not have a direct bearing on the Bank's business, financial risk analysis on these aspects are related to the loans channeled to debtors facing the same potential risks. For this reason, BNI uses extreme care and avoids providing loans to sectors that potentially risk damaging the environment and increase global warming.

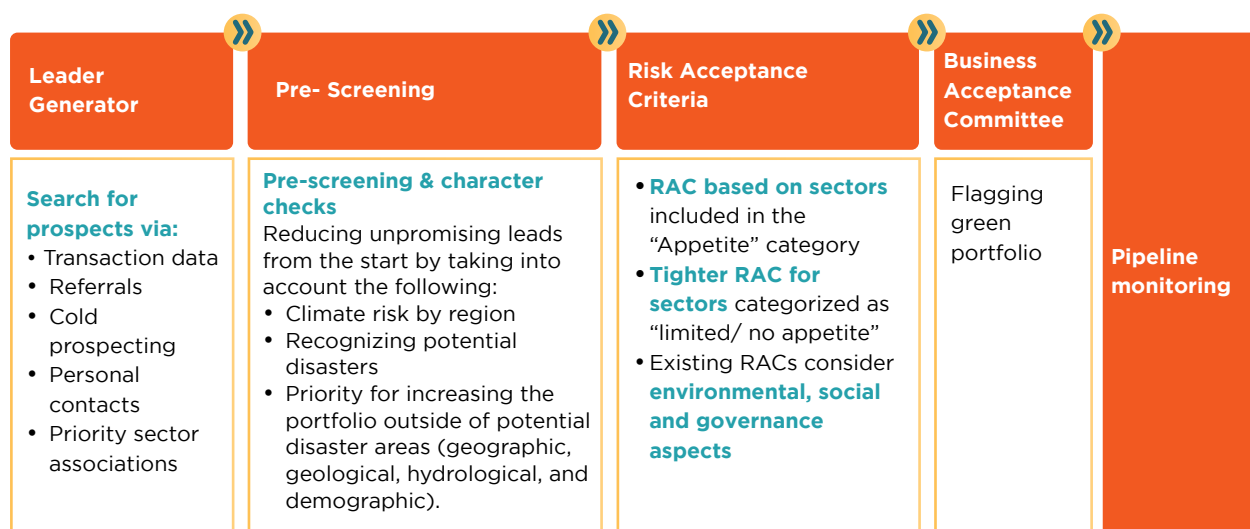
At present, BNI has not performed climate scenario analysis and credit portfolio testing on clients to understand the impacts of their business on climate change, including transition risk and physical risk. Nevertheless, BNI has implemented an ESG-oriented credit policy and mapped banking activities to begin mitigating and adapting to climate change.



Environmental, Social, and Governance Risk Management

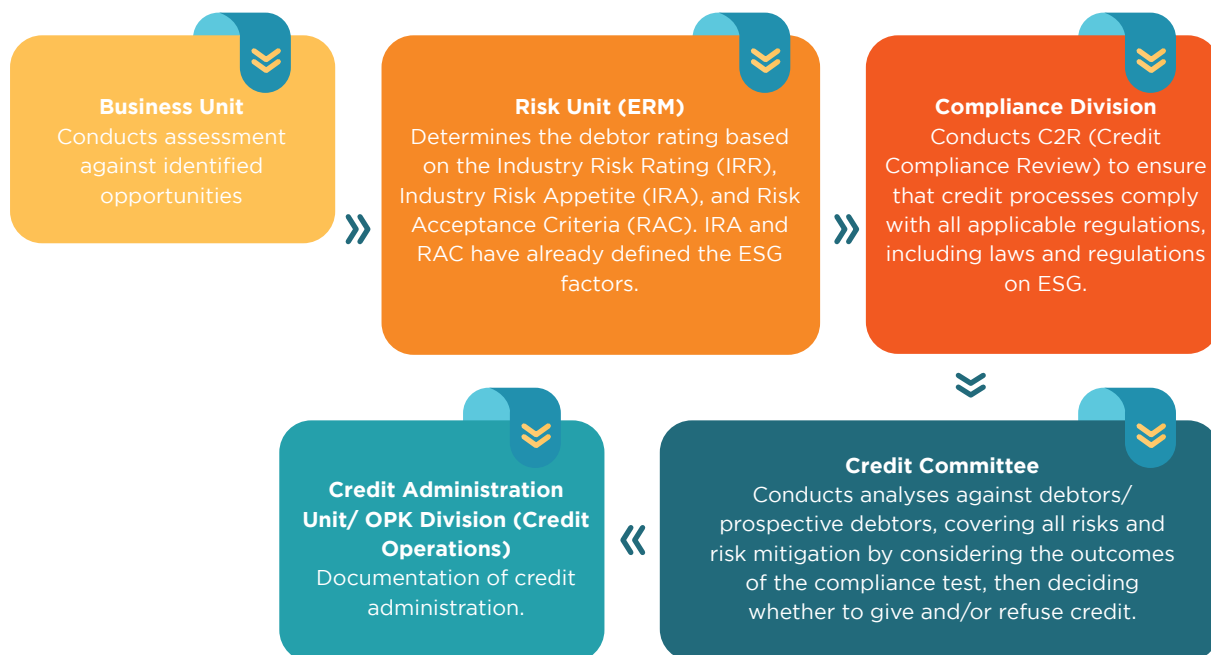
BNI management puts a high priority on prudence in managing ESG risk with respect to banking. Things to consider in improving ESG risk management are summarized as follows:

Pipeline Management Process by Considering ESG Aspects



Credit Process and Preliminary Screening

BNI identifies ESG risk in every lending proposal, and credit terms are adjusted for businesses having high ESG risk. The Internal Audit (SAI) performs internal control and audits in each branch regarding compliance with customer credit processes. ESG risk is identified when credit proposals are reviewed, which also involve employing ESG risk monitoring and management processes.



ESG Risk Management in Financing Operations

Management of ESG risk in financing involves consideration of the following criteria:

Sector	ESG Criteria
Oil Palm Plantations	<ul style="list-style-type: none"> At a minimum, having ISPO or RSPO certification. No record of social/environmental disturbances in the last 5 years that impacted on business continuity.
Mine Operator	At a minimum, having Blue PROPER rating
Construction	<ul style="list-style-type: none"> Mandatory to have Occupational Health and Safety (OHS certification). No record of social and environmental disturbances against the project. No record of social/environmental disturbances in the last 5 years that impacted on business continuity.
Power/Energy	<ul style="list-style-type: none"> Mandatory to have EIA and OHS certifications. No record of social and environmental disturbances related to the project.
Real Estate	<ul style="list-style-type: none"> Conformity with the regional spatial plan (RT & RW) Appropriate land use (land suitability with its function based on the regional/ regional master plan, Basic Building Coefficient (KDB), Building Area Coefficient (KLB). No recorded social/environmental disturbances in the last 5 years that impacted on business continuity.
Telecommunications	No recorded social/environmental disturbances in the last 3 years that impacted on business continuity.
Chemicals	No recorded social/environmental disturbances in the last 5 years that impacted on business continuity.
Cement	<ul style="list-style-type: none"> At a minimum, having Blue PROPER rating. No recorded social/environmental disturbances in the last 5 years that impacted on business continuity.
Fast Moving Consumer Goods (FMCG)	<ul style="list-style-type: none"> Mandatory to have EIA and OHS certifications No recorded social/environmental disturbances in the last 5 years that impacted on business continuity.
Hospitals	<ul style="list-style-type: none"> At a minimum, having ISO 14001 certification. No reports of malpractice that impacted on business continuity. Having a hospital waste management unit in accordance with government regulations. No record of social/environmental disturbances in the last 5 years that impacted on business continuity.
Pharmaceuticals	<ul style="list-style-type: none"> No reports of fatal side effects from manufactured drugs. No reports of social/environmental disturbances in the last 5 years that impacted on business continuity.



BNI strives to disburse and direct its loans towards productive and responsible businesses that do not cause harm to the environment. In this regard, the Banking Business Unit conducts monitoring on a periodic basis through a watchlist system and prepares ratings which are reported to the Corporate Credit Risk (BNR) Division and Middle and Small Business Credit Risk (CMR) Division every three months. Each responsible unit is also required to conduct an internal audit of a sample of debtors as part of the monitoring process. In case ESG breaches are discovered, these are verified against the related parties. If there is proof that a particular debtor is non-compliant with ESG regulations, an adjustment (downgrade) may be conducted against the concerned debtor.

ESG Compliance Audit

The Internal Audit (SAI) audits debtors whose businesses have a potential for adverse impact on the environment. During 2021, audits were conducted against 25 debtors in the corporate segment, some of whom are engaged in the processing industries including the man-made fiber industry, finished textiles and rugs, plastic & artificial rubber, pulp & paper, oil & gas mining, fisheries, oil palm, and chemicals.

In addition, to support environmentally friendly programs such as reducing paper use, SAI has digitized the audit process through the Audit Management System (FAST Application) which covers the entire audit process from planning to monitoring audit results and includes a database of reports stored in computer files.

Responsibility for Financial Products and/or Services

Products/Services Evaluated as being Safe for Customers

With respect to financial products and services, one of BNI's responsibilities is to conduct a comprehensive security evaluation before a product is launched in the market. Several related divisions are involved in evaluating financial products/services, i.e., Compliance Division that ensures compliance with Indonesian regulations; Risk Management Division that analyzes risk mitigation strategies for financial products/services; and the IT Team unit that examines operational procedures and technology of financial products and services and conducts a Post Implementation Review (PIR). The PIR outcomes determine the next process, in that if certain deficiencies are found the PIR will be repeated. The products and services that have met the operational, technological and risk requirements based on PIR outcomes are forwarded to Bank Indonesia and the Financial Services Authority for obtaining the requisite permits before being offered to the public.

All (100%) financial products/services and features launched by BNI have been evaluated as being safe for customers. Further, customers are also made aware of the risk profiles of the various products. In 2021, no complaints were received against BNI's financial products/services that led to their withdrawal from the market. Then again, BNI consistently strives to improve its products/services to remain competitive with competitors.

Positive and Negative Impacts of Sustainable Finance Products

In planning and launching financial products and services, we constantly analyze the impacts and risks arising from them. Wherever possible, BNI will create financial products and services that pose minimum ESG and adverse risk but provide maximum benefits.

We constantly manage adverse risk related to digital banking services, such as data security, customer privacy and cybercrime. In terms of lending products, ESG and climate-related risks in the portfolio are an area of concern for which monitoring will continue to be improved. Further, KKUB loans are also at risk of becoming

non-performing loans (NPL) should there be developments that affect the ability of debtors to make repayments, as is also the case with non-KKUB loans. For this reason, BNI consistently applies risk management processes in each loan provision and disbursement, including KKUB.

Besides monitoring and evaluation, BNI strives to enhance the positive impacts of its financial products and services. In keeping with the implementation of sustainable finance, BNI pays due regard for the potential to increase ESG-focused loans that are aimed towards environmental conservation and improving community welfare. Meanwhile, we have strengthened the data security system through a fit-for-purpose IT infrastructure.

Fair Operating Practices

BNI is dedicated to carrying out fair operating practices, i.e by complying with laws, regulations, social norms, and code of conduct. Fair operating practices are realized through effective management of intellectual assets, building fair relationships with stakeholders, and eliminating conflicts of interest with suppliers, competitors, or other related parties. We also encourage fair competition by complying with antitrust laws. Internally, BNI exhorts employees in all work units to behave ethically and to apply fair operating principles.

The various forms of fair operating practices implemented within BNI are as follows:

- Upholding anti-corruption, anti-bribery, and anti-fraud commitment in the workplace.
- Respecting and supporting the protection of intellectual property.
- Implementing fair trade practices and avoiding monopolies, as conducted by maintaining a trusting and fair relationship with work partners/suppliers/vendors in accordance with the code of conduct and integrity pact.
- Complying with regulations and paying taxes to the Government in accordance with appropriate calculations.
- Maintaining value chain sustainability in various aspects, such as HR management, product and service development, information technology development etc. while paying due regard to regulations and policies on human rights, customer privacy, and environmental conservation.
- Avoiding political contributions and not being involved in politics or government policies.
- Implementing the BNI work culture of AKHLAK, as a behavioral guide for BNI Hi-Movers.



2

BNI FOR CUSTOMERS

“BNI strives to provide excellent service and establish harmonious business relationships with all stakeholders, including customers, to create togetherness and provide sustainable added value.”

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Protection of Customer Data and Privacy

Material Topic: Data Security and Customer Privacy

Our Approach

Data security and customer privacy represent important topics that must be managed as they have a significant bearing on customer trust and loyalty. Further, the government has paid more attention to data security in keeping with increasing digitalization stemming from the COVID-19 pandemic. On this topic, the challenges managed by us include data theft, cybercrime, and fraud.

BNI's data security system is propped up by a sophisticated information technology architecture that implements Data Loss Prevention (DLP). There is strict prohibition for employees to misuse customer data in accordance with banking ethics. Data security management is the responsibility of the Information Security Division and is supervised by the Director of Information Technology & Operations. We are constantly improving the data security management system, therefore no cases of data leaks, misuse of personal data or unauthorised customer transactions were recorded during 2021.

The increasing developments in information technology and digitalization will inevitably encourage customers to interact more using digital banking applications. However, such convenience is accompanied by an increased risk of data misuse and cybercrimes. In this context, BNI is committed to providing premier services while protecting customer interests as per OJK Regulation No. 1/POJK.07/2013 concerning Consumer Protection in the Financial Services Sector, and Law no. 7 of 1992 and its amendment, i.e Law No. 10 of 1998.

We respect human rights and recognize that maintaining privacy is a part of human rights. Another endeavor to safeguard personal information is by ensuring that all employees implement the Code of Conduct and business ethics, including standards on how they must protect the confidential information of customers. The Code of Conduct contains a clause that prohibits employees from trading in customer data, and changes to data also requires the permission of customers. BNI has a policy on customer rights to access, revise,

and submit requests for deleting or updating data. All abuses related to customer data confidentiality are processed by the Internal Audit which is monitored by the Employee Disciplinary Violations Unit. Given our high commitment to data security, no meaningful complaints related to customer privacy and data loss were registered.

We have an Information Security Division that is specifically tasked with maintaining information security and improving cyber security. BNI's efforts to safeguard data security include the following:

- Implementing a Data Loss Prevention (DLP) mechanism;
- Providing continuous education to customers/ banking partners including bank employees to raise awareness in carrying out banking activities and upholding data security, e.g by not sharing data credentials such as passwords, PINs, names of biological mothers etc.
- Educating customers via the bni.co.id website which includes a link to the security awareness module.

Prevention of Cybercrime

The COVID-19 pandemic has driven the use of information technology; however, digitization has increased the risk of cybercrime. Therefore, BNI needs to improve the Bank's IT security system, especially related to cyber security. Moreover, digital technologies will be highly integrated into the Bank's business including data storage and management. This also has the potential to increase opportunities for hackers and cyberattacks.

BNI has proactively adopted the NIST Cybersecurity framework to ensure business continuity from cybercrime threats. In this regard, proactive monitoring against potential threats is carried out 24 hours a day and 7 days a week. In addition, BNI strives to educate its employees and customers to enhance their cybercrime awareness.

Cybersecurity is managed and reviewed by the Information Security Division (ISU) which is supervised by the Director of Information Technology and Operations. Periodically, an assessment of the information security management system is carried out by a third party in collaboration with BNI (BSSN). BNI also cooperates with official state agencies (BI, OJK, and BSSN), security device principals, and other cybersecurity activist communities to obtain information related to threats and weaknesses, latest technology and products, and support when incidents occur. In addition, BNI also cooperates with international consultants for cybersecurity. Currently, BNI continues to

improve its Information Security Management System in accordance with ISO 27001 standards and ensures that IT software development practices comply with international standards.

The Bank seeks to increase the pace of service digitization (customer to system, employee to system), thereby negating the need for hard copies of documents (human to human) and mitigating risks that arise from physical data leaks. The new normal era and Work from Home (WFH) patterns will only speed up the transition from traditional to digital transactions. In response to this, BNI will consistently serve all customers, improve digital services and security systems by taking security measures to minimize risks in banking operations. BNI has conducted hardening against all endpoints by joining domains, installing antivirus, and installing desktop monitoring application (systemscan), which is useful for increasing security of BNI customer information assets.



To protect internal as well as customer data, we have invested in developing and using advanced technologies, as follows:

1. **Migration from magnetic stripes to chip-based debit cards**

Card transactions using chip-based cards at ATM/CRM machines supporting such cards have a higher level of security compared to magnetic stripe-based cards, thereby reducing the risk of ATM/CRM skimming.

2. **Forced PIN for Customers**

Forced PIN is a feature issued by BNI that requires customers to change their PIN before proceeding with transactions. This feature is intended for customers to change their PIN regularly and to prevent transactions from counterfeit cards (skimmed and duplicated cards).

3. **Fraud Detection System**

BNI has initiated the use of systems or tools with the latest technology (machine learning & artificial intelligence) which can find abnormal transactions that are inconsistent with unique activity patterns. The expectation from these advancements is that fraud can be detected at a much earlier stage.

IT HR Development

Given the continuing changes in digital technologies and the need to be adapt to such changes, the IT Work Unit provides employees with various kinds of training to develop both soft and hard skills. Soft skills are imparted through digital leadership training, technology presentation training, and communication & negotiation skills. On the other hand, hard skills are taught via project management, IT architecture, programming, CI/CD, secure coding, cloud security training and so on.

During 2021, BNI involved its IT employees in various education and training initiatives, be it independent training such as LinkedIn Learning, Google, and AWS training, or through other training media. Another initiative is the development of the Digital Mindset Assessment where employees must acquire a digital attitude and orientation to be able to take full advantage of digital technology in their activities. The digital skills that are sought to be inculcated include Internet of Things, Data Science, Cyber Security, Cloud, Product Management, and UI/UX.

IT Certification

To respond to future challenges, a systematic IT HR education and training program is needed to build IT HR capabilities. In addition, IT personnel are required to obtain IT certification to gain national and international recognition, increase individual credibility, and have new insights that are not available through conventional education and training.

Information Security Audit

Throughout 2021, Information Security audits were conducted internally by the BNI Internal Audit (SAI), while Cybersecurity Maturity Level (CSM) assessment was performed by the National Cyber and Crypto Agency (BSSN). The audit outcomes indicate that BNI is at the mature level.

Digitization and Innovation

Positive Impacts of Digital Banking

Among the strategies to expand access to products and services for individuals is through digital banking. Increasing access to digital services is also important to increase the inclusiveness of financial channels, where currently a significant gap exists in the use of digital banking. Furthermore, digital services assist in enhancing efficiency, supporting productivity, and providing easy, convenient, and fast services for customers. The positive impacts of digital services include the following:



Paper savings.



Reduction in accumulated waste, and this also helps in data security as it precludes customer data from being disclosed on paper as when happens if a customer ends up carelessly throwing away the printed transaction notification.



Reduction of carbon footprint as customers are no longer required to commute to BNI offices.



Customer experience in transacting independently is more satisfying and efficient because it does not require queuing at branch offices.



Support towards social distancing to reduce the potential for the spread and transmission of COVID-19.



Reduction in power usage at outlets or branch offices to carry out transactions.

BNI Digital Hub

In 2021, BNI initiated the establishment of a BNI Digital Hub in Malang which was aimed at building a digital sourcing and talent community for the development of BNI digital solutions. Besides building a digital sourcing and talent community as stated above, the hub was also meant towards building a digital business ecosystem, i.e incorporating developments by local startups/fintech or innovations by BNI Hi-movers in areas where BNI-Digital Hub are located. The basis for developing this digital business and innovation ecosystem is to integrate BNI's current digital channels & services with the open banking and omni platforms. For the future, BNI plans to develop the BNI Digital Hub in several other areas.

Innovation and Development of Financial Products/Services

To strengthen market expansion, BNI continues to develop innovations to improve and create financial products/services. Such innovations and developments are intended to increase the ease of customer transactions in the digital era and support environmentally friendly practices, along with sustainable finance.



API Development Roadmap



1

Customized Product

Developing and re-engineering digital products and services, such as the development of digital loan platforms, trade finance platforms, and etc.

2

Digital Channel Capability

Developing channel capabilities for digital banking products and services, especially the development of digital platform, digital customer onboarding by utilizing biometrics.

3

Banking-Based Digital Ecosystem

Developing open banking/open API capabilities and continue to embed to all potential digital business ecosystems such as e-commerce, fintech (P2P lending), startups, and etc.

1. Wholesale Solutions

- BNI continues its path towards transformation through the development of digital business solutions, focusing not only on cash management, but overall digital solutions with a customer centric approach for the entire ecosystem. BNI leverages the strength of its corporate customer value chain which will generate derivative businesses for the medium, small, and retail segments. For over 10 years, BNI's wholesale solutions (WHS) has succeeded in helping customers create more efficient business processes to increase customer productivity, such as BNIDirect as a cash management system that has three basic functions: 1. collection management, payment management and liquidity management; 2. BNI bank guarantees, financial supply chain management; 3. an open banking ecosystem; all of which can be accessed via both mobile and web-based channels.
- In 2021, WHS performed economic and digital finance integration through interlinks between banks, fintech, and e-commerce using standard open APIs such as KYC API, BNIDirect, Account Opening, Sharing Biller, One Gate Payment (Corporate API). and Autopay. With more than 300 API services, both Corporate and Retail, BNI API services have now been used by more than 4,000 partners (ministries, institutions, and multinational companies).

- By leveraging the strength of BNI's corporate customers of SOEs, government agencies, local and multinational companies, we have developed a champion product, i.e BNI Smart Commerce Pay. This represents a digital solution to bring together all buyers and suppliers to be able to transact under various payment modes.
- Further, BNI has developed BNI Trade Online for the business needs of customers engaged in exports and imports. BNI Trade Online is a digital platform for integrated trade finance processes with BNIDirect. Through this platform, trade transaction requests can be submitted online without having to visit BNI outlets.

2. Information Technology

- Use of QR Codes
As a Payment System Service Provider (PJSP) registered with Bank Indonesia, BNI has the capability to conduct transactions using QR codes. QR payment transactions using QRIS have been implemented in BNI Mobile Banking through the QRIS CPM feature. BNI customers can make purchases at all PJSP participating merchants having QRIS marking. The use of QR codes adds to the customer experience in making transactions faster and simpler.



- Development of Digital Opening Account to improve digital services for existing customers and the wider community as potential service users, BNI has developed a product for opening bank accounts without face-to-face interactions. This product uses e-KYC which is connected and verified with data from the civil registration office (dukcapil). This product will make it easier for people to become BNI customers.
- Development of Mobile Cash To improve services to customers and provide access for non-customers to take advantage of financial services from the banking system, the mobile cash feature has been developed for cardless cash withdrawals at ATMs. Account holders as senders can request mobile cash through BNI mobile banking. The mobile cash feature is of course equipped with security elements (SMS transaction code, OTP, restrictions on transaction code requests).

Implementation of Human Rights Principles and Response To Customers

Excellent Service

BNI is committed to serving the country by providing excellent service and value-added solutions to all customers. This also covers how BNI provides support when customers have questions or resolve business problems with us. We continuously strive to improve service quality by implementing the following strategies:

- To provide complete, integrated, high quality and reliable financial products/services.
- To provide “one stop solution” services for business and individual customers.
- To provide best-in-class products and services.
- To improve customer experience in processes that are considered critical by customers.
- To proactively adjust and improve in keeping with changes in customer needs and demands with respect to the quality of BNI products and services.
- To provide convenience for customers in conducting transactions.
- To enhance human resources competence and capabilities, especially of frontliners.
- To provide equality of service to all customers and inculcate a “beyond services” culture
- To improve system security in all network and digital applications.

We apply “beyond services” and human rights principles in order that BNI services provide excellence that goes beyond customer expectations, be above the industry average, and be able to serve people in big cities as well as those in frontier, outermost and least developed regions (3T) of Indonesia. In addition, we deliver inclusive services that also cover persons with disabilities.



Banking Services for Persons with Disabilities

In line with human rights principles, BNI strives to deliver equal services for all customers, which includes providing banking access for persons with disabilities. We have made available ATMs that are accessible to people with disabilities, i.e special ATMs to assist vision impaired and physically disabled people. These machines are equipped with voice features and braille keypads. Currently, BNI has 3,184 handicap-accessible ATMs with an estimated 16,675,097 transactions conducted on these machines. These ATMs are spread across 248 cities and districts within Indonesia. The presence of handicap-accessible ATMS is expected to provide more convenience for the disabled in conducting financial transactions, thereby increasing their participation in economic activities and accordingly, their welfare.

Response to the COVID-19 Pandemic

The COVID-19 pandemic has forced us all to adapt to new conditions in our daily lives. BNI is no exception as we are also required to implement appropriate service standards during the COVID-19 period. In this context, employees are encouraged to always take preventative measures to prevent the spread of COVID-19, i.e 5M (Wearing Masks, Social Distancing, Washing Hands, Staying Away from Crowds, Reducing Mobility). BNI is committed to always provide the best service through its programs, promos, and other offers even amid the continuing pandemic.



1. Branch Operations during COVID-19

BNI has sustained its operations during Covid-19 to provide high-quality services while still implementing strict health protocols. Our BNI frontliners who are at the forefront have worked professionally, are ready to serve, and have provided solutions to customers of varying backgrounds during this period. BNI encourages its frontliners to prioritize emitting positive vibes and excellent service while still adhering to professional values at work. Frontliners must also be able to be service accelerators who can contribute to business enhancement by meeting customer needs (Service as Business Accelerator) at branch offices. BNI strives to deliver excellent service amid the COVID-19 pandemic to maintain customer satisfaction which breeds trust and loyalty, because loyal customers are strategic assets that generate added value in the long term.

2. Implementation of Health Protocols

The SQU Division is responsible for policy making on service standards at branch offices/outlets with respect to health protocols during COVID-19. This represents the organization's compliance with government regulations at the central and local levels, as well as BNI's social care for the community in mitigating COVID-19 transmission. BNI management continues to oversee employees activities at the frontend and backend through a series of health protocols including the following:

- a. Checking Vaccination Status by scanning QR Code in the PeduliLindungi app.i.
As a control measure against COVID-19 transmission, BNI requires employees and visitors to scan a QR Code at all entry and exit points of banking halls. In this regard, all individuals are required to scan a QR Code through the PeduliLindungi app to ascertain their vaccination status.
- b. Protocol for using Personal Protective Equipment (PPE) at branch offices and outlets
 - Use of masks, gloves, hand sanitizers, non-contact thermometers by frontliners is mandatory during operational hours.
 - Disinfectant spraying in banking halls and all work areas.
 - Installation of acrylic anti-droplet panels at branch offices and outlets for the convenience of customers in communicating and transacting with bank staff.
 - Provision of tissues and hand sanitizers for customers transacting in ATMs.
 - Marketing officers are directed to use online communication platforms in conducting marketing or advisory activities to customers (adjusted to customer conditions). Officers arranging appointments (schedule and meeting location) pay due regard to local social distancing (PPKM) provisions if customers prefer to have face-to-face meetings.

- Applying Social/Physical Distancing Norms
BNI has enforced limitations to the banking hall capacity and applies queuing management in the endeavor to prevent customer congestion and ensure adherence with COVID-19 protocols. This provides the reference for branch offices to manage visiting customers so that operations run in an orderly manner as per existing health protocols.
 - Putting Limits on Banking Hall Capacity
Another strategy on preventing COVID-19 spread is by putting limits on the number of customers queuing in the banking hall. The banking hall may only be filled up to a maximum of 50% of normal capacity. If the queue exceeds the maximum capacity, branch offices are allowed to add chairs and tents outside the banking hall. The number of seats provided in the waiting room is adjusted to the actual conditions of the concerned outlet with due consideration of physical distancing norms of at least 1 meter separation.
- c. Queue Management Operations
- Two types of queues are available for customer management, namely arrival queue and transaction queue.
 - The arrival queue is for customers who will be served in accordance with their order of arrival at a particular branch office.
 - Security officers may only hand out arrival queue numbers to customers thirty minutes before commencement of a branch office's operating hours. Security guards are not allowed to give out the numbers before the required hour.
- Arrival queue numbers are only given out before the start of operating hours. Once a branch office is open and begun operations, the arrival queue numbers are no longer used and newly arriving customers are provided with transaction queue numbers.
 - Security officers give out the transaction queue numbers to customers during operating hours and in accordance with the type of transaction required, i.e either directed to CS or tellers.
- d. Enhancing the Role of Security Officers
- As one of the customer touchpoints, security officers in all BNI offices are required to inform customers that the bank provides security and convenience for transactions at its offices because BNI applies strict COVID-19 protocols.
 - Security guards are responsible for directing customers to wear masks if they want to transact in BNI areas, either at banking halls or ATMs.
 - Security officers check the body temperature of customers before entering the banking hall (maximum 37.5°C).
 - Security officers ensure physical distancing rules to maintain a minimum separation of 1 m.
 - Security officers apply customer queue management.
 - Security officers also educate customers to use e-channels as alternative platforms for conducting transactions.



e. Enhancing the Role of BNI Digital Assistant (BDA) Officers

To allow customers to transact should there be crowding at branch offices, every BDA officer is required to provide instruction to customers on how to use BNI e-channels as alternative transaction platforms. Consequently, customers can comfortably transact without having to come to the branch offices.

- E-channel education to customers.
- Directing customers to switch to conducting transactions using e-channels.
- Inviting and assisting customers to experience the use of BNI's e-channels.

3. Raising Awareness and Educating on Branch Operational Services During COVID-19

In the endeavor to educate and provide information on the implementation of health protocols within BNI to ensure customer convenience in transactions and compliance

with regulations as well as BNI's concern for the community's financial activities during the COVID-19 pandemic, BNI through the Service Quality Unit ensures that all branch offices and outlets are enablers of educating the COVID-19 protocols to customers. This process is accomplished through various prepared content at branch offices and outlets through available communication facilities or media, such as posters, banners, and screen monitors in banking halls.

Some of the prepared content are listed as follows:

- E-booklet of Branch Operational Services during the COVID-19 period.
- Video of New Normal Operating Procedures at Branch Offices.
- Video of Health Protocol Implementation at Branch Offices.
- Video of social assistance provision during COVID-19.
- Video of transition to transacting on e-channels, etc.

Access and Accessibility

Material Topic: Access and Accessibility

Our Approach

In line with our tagline of 'Serving the Nation', BNI seeks to maximize access and accessibility of financial products and services for all customers. Among our strategies to provide banking access to customers anywhere and anytime, even overseas or in 3T (frontier, outermost and least develop) areas in Indonesia, is through developments in digital banking.

The scope of access and accessibility includes information on financial products and services, the availability of banking facilities and branch offices, and the network system. During the reporting period, BNI's reach has covered 7 countries including Indonesia.





Access Towards Product and Service Information

With respect to information on financial products and services, BNI has a policy that prioritizes transparency. This policy is disseminated to all employees, and we have appointed BNI Corporate University as the responsible unit in charge.

Customers can also access information on financial products and services through the BNI website at www.bni.co.id, published annual reports, BNI offices, and the Agen46 network. We provide complete and concise information on products and services with respect to product name, type, benefits, requirements, costs attached, calculation of interest or profit sharing, and validity period. Additionally, the risk profiles are presented to give a complete picture of the various products. BNI Hi-Movers and especially front-liners and BNI Call are always ready to be consulted by customers seeking specific information on products and services.

Access to Branch Offices and Banking Facilities

To be able to serve the country and become the bank of choice of the people, BNI continually strives to provide ease of access to its products and services. We have branch and representative offices and ATMs spread across the big cities as well as rural areas.

BNI's network of offices is spread across 34 provinces and 455 cities/districts (89%) in Indonesia, while Agen46 agents cover upto 499 cities/districts (97%) throughout the country. In addition, we have overseas Representative Offices, i.e 6 Branch Offices in Singapore, Hong Kong, Tokyo, New York, London, and Seoul.

17
Regional
Offices

195
Branch
Offices

1,971
Sub-Branch
Offices

564
Cash
Offices



12 Consumer Credit
Processing Centers

130
DigiCS

112
Payment Point

198 O-Branch Vehicles
(Mobile Cash Service)

157,632
BNI Agen46

18,311
ATM

27
SME
Business
Centers

23
Commercial
Business
Centers

41
Small Credit
Units

10
Digital
Branch
(D-Branch)
services

Marketing Communication Access And Policy

BNI puts out marketing communications in a transparent manner as guided by SEOJK No. 12/SEOJK07/2014 of 2014 concerning Conveying Information in the context of Marketing of Financial Services Products and/or Services, OJK's Financial Services Advertising Guidelines, and in line with internal policies such as Company Guidelines (PP) on Work Procedures of the Marketing Communication Division; PP on Integrated Marketing Communications; and PP on Advertising. Prior to publication, great care is taken to ensure that marketing and promotional materials contain information that is accurate, honest, clear, unambiguous, and does not contain divisive elements or being non-compliant with the code of conduct for marketing communications.

BNI's marketing communications presents information on products and services as published in various media, including print, electronic, and other media formats. In the process, care is taken to protecting the interests of consumers and the public, thus precluding the potential for future disputes due to incorrect info on products and services.

In this regard, all inputs from the Financial Services Authority (OJK) regarding BNI's advertisements on social media are consistently followed up in an orderly manner to enable BNI to always be in step with OJK in communicating its products and services to the public.

Handling Customer Complaints

We welcome all complaints, criticisms, and suggestions from customers. Each complaint submitted is followed up in accordance with the Service Level Agreement (SLA). The resolution of customer complaints is handled through synergistic collaboration of various divisions to obtain the most appropriate and best solution. Evaluation of the follow-ups to both financial and non-financial complaints is the responsibility of the BNI Contact Center Division.



ORAL



Customer Contacts BNI Call
In country: 1500046
Overseas: +62-21-30500046



Customer visits the
Nearest BNI Branch Office



WRITTEN

Customer sends
Email: bnicall@bni.co.id
Twitter: @bni
Facebook: BNI
IG: @bni46

Customer visits
the Nearest BNI
Branch Office

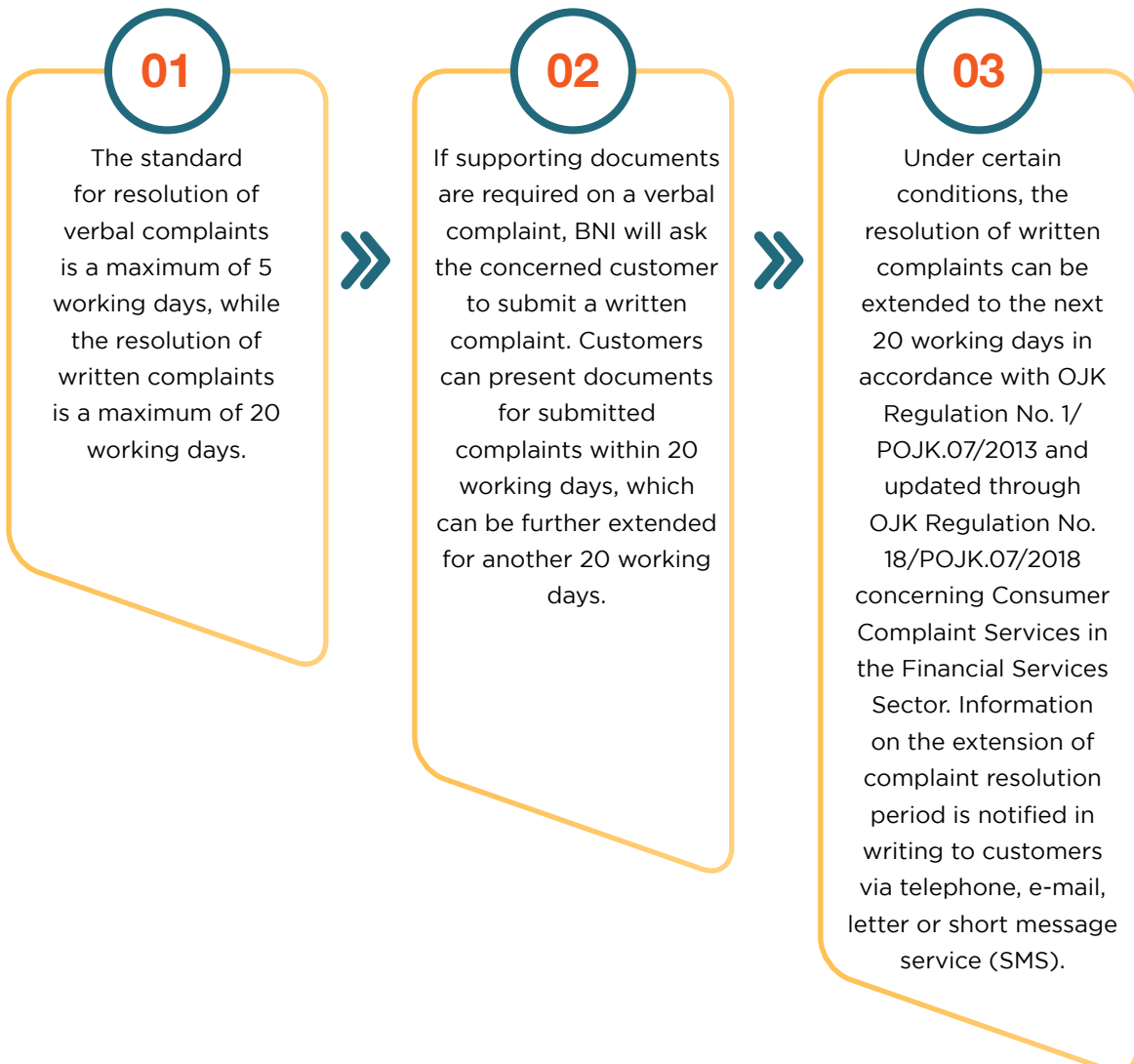
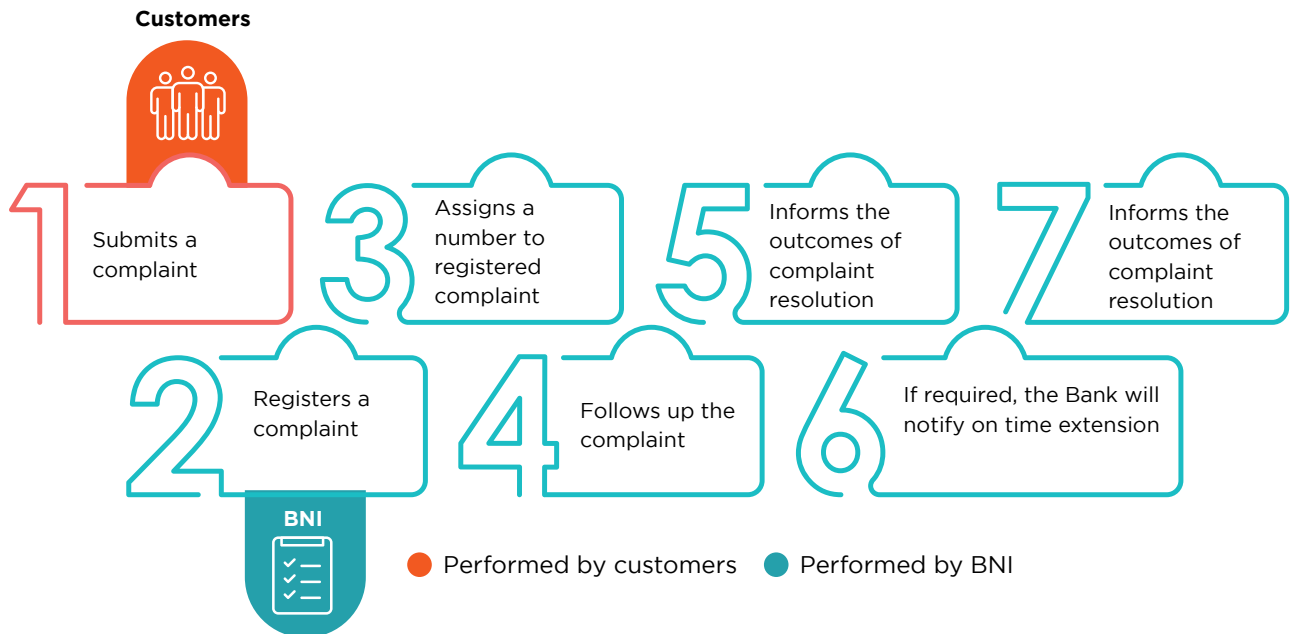
Customer visits
website: www.bni.co.id
under the menu Chat
With Us

Customer may also use the
app that can be downloaded
through AppStore/PlayStore
BNI Call Virtual Assistant

BNI Call has received the ISO 9001:2015 certification for service quality standardization. All service channels as customer communications platforms are managed by the BNI Contact Center, thereby ensuring that customers get the same experience at all BNI touchpoints. To improve customer service, we use an Online Request Management (ORM) application that is integrated with all touchpoints, making it easier to monitor and maintain SLAs for resolving complaints. The standard for resolving verbal complaints is a maximum of 5 working days, while written complaints are resolved within a maximum of 20 working days.



Customer Complaint Mechanism and Resolution



Number of Complaints and Resolution Percentage

Year	Total Complaints	Resolved Cases as per SLA	Resolution Percentage (%)
2021	612,713	610,752	99.68%
2020	687,375	678,370	98.69%
2019	803,489	783,884	97.56%

In line with the increasing need of consumers for digital banking channels, the BNI Contact Center has continued to optimize its digital services. During 2021, the BNI Contact Center served 9,589,524 clients over the telephone and 1,748,632 others via digital services. Incoming queries were dominated with enquiries on banking products and services at 60.52%, requests at 26.82%, complaints at 8.64%, and transactions at 4.02%. The submitted complaints were mostly related to transaction issues at ATM machines, problems with BNI Mobile Banking, BNI TapCash top up, and Internet Banking.

leaks, we consistently educate customers to always safeguard data confidentiality, which includes updating, revising, accessing and requesting data changes through BNI Call and Customer Service.

Customer Satisfaction Survey

Since 2011, BNI has conducted the Customer Satisfaction Survey (CSS) against external and internal customers, which is aimed at continuous improvement of service quality performance at all touchpoints including divisions and units at the Head Office.

The CSS consists of the following:

1. Business Satisfaction Survey (BSS), which is a survey conducted to BNI customers consisting of the Business Banking segment (Corporate, Medium, and Small) and Consumers (Emerald and Non-Emerald), whose evaluation is assessed based on the 7P perspective, namely Product; Price; Place; Promotion; Process; People; Physical Environment.
2. User Satisfaction Survey (USS), which is a satisfaction survey for internal employees that aims to measure the level of satisfaction with the performance of division/unit services at the Head Office, whose evaluation is assessed based on 6 Touchpoints, namely Coordination, Communication & Cooperation; Work Outcomes; Work Process; Commitments/SLAs; People; Data & Information.

The CSS is conducted every two years. The last CSS was done in 2021 which produced a score of 4.16 on a scale of 1-5.



3

BNI FOR THE ENVIRONMENT

“The environment sustains the life of all living creatures, and it is our responsibility to take care of it. In running its operations, internally BNI manages environmental aspects in the workplace and contributes to environmental sustainability through sustainable finance.”

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Environmental Management Within The Organization

Policies and Initiatives

The endeavor to employ the 'BNI for the Environment' pillar covers two aspects, i.e internal and external. Internally, our operational interests are adjusted to better support conservation efforts through various initiatives, while externally our approach is to manage ESG risks in financing and various green activities.

The internal environmental conservation initiatives include the following:

- Saving on energy, water and paper; waste management and emissions reductions.
- Enhancing employee awareness and knowledge through employees green behavior campaigns (green attitude).
- Internalizing green working patterns as regulated in the Company Guidelines (PP) concerning Environmentally Friendly Working Patterns through dissemination to all work units.
- Organizing training on environmental and social risks in creditworthiness analysis.
- Creating products and services that encourage green lifestyles, such as Green KPR, BNI-WWF credit cards, virtual card number credit cards with features for adopting orangutans and planting trees, and paperless banking services (e-billing, formless transfers).

Externally, BNI's policy is to focus on eco-friendly and environmental conservation financing. Under this scheme, financing for eco-friendly and renewable energy projects is prioritized, e.g: geothermal power plants, biomass, biogas, hydro, and waste management. Similarly, environmental conservation projects include rehabilitation of critical land and protection of flora and fauna.

Identification of BNI's Operational Impact on the Environment

BNI's operations are located far from biodiversity conservation or protected areas. Hence, our operations do not result in adverse consequences. However, we are aware of the potential for indirect negative impacts from the business activities of our debtors that may directly affect the environment. In this regard, BNI ensures that all approved loans have complied with environmental and social regulations.



Our total expenditure on eco-friendly activities was IDR28 billion. In carrying out such initiatives with the support of employees and stakeholders, no complaints were received by BNI related to environmental issues or of non-compliance with environmental regulations.





Paper Saving

Our operations continue to require the use of paper-based materials; however, usage is balanced with the endeavor to generate paper savings. Efforts to reduce paper usage include the following:

- Digital Banking
 - Maximizing usage of BNI e-Office, a document management app based on the paperless concept.
 - Reducing use of printed documents for leave applications, absence permissions, late arrivals, and attendance reports via e-absensi.
 - Active use of email for information sharing
 - Reducing printed documents and correspondence through BNI e-PP and e-billing.
 - Optimizing e-channel and digital banking.
- Conventional Initiatives
 - Paper saving through reuse of wastepaper and increasing digitization.
 - Reducing hard copy printouts of the Annual Report and Sustainability Report.

Paper Usage

2021

138,526.20 Kg

2020

135,946.20 Kg

2019

163,135.00 Kg





Impact of E-Office on Paper Reduction (in number of paper sheets)

2021 Data

Electronic SOP/BNI e-PP

25,310,560

2020 : 26,894,440 *)

2019 : 27,564,240 *)

Lettering Digitalization/
BNI e-Office

160,889

2020 : 2,138,751

2019 : 183,654

BNI e-Billing

12,598,163

2020 : 13,386,237

2019 : 3,492,809

E-billing Envelopes

106,874

2020 : 151,376

2019 : 322,821

Total

38,176,486

2020 : 42,570,804

2019 : 31,563,524

*) Restatement

This value is a restatement from before which only counted paper reduction from the Policy Governance Division as the owner. We re-calculated by adding SOP/BNI e-PP paper reduction data from all divisions/units and Regional Offices.



Documents Circulated through the App

2021 Data

Memos

55,297

2020 : 89,123

2019 : 108,389

Internal Notes

9,768

2020 : 9,470

2019 : 12,288

External Mail

41,896

2020 : 54,096

2019 : 62,977

Total Documents

106,961

2020 : 152,689

2019 : 183,654

Disposition Sheets

345,683

2020 : 487,479

2019 : 626,141

Furthermore, wastepaper waste is collected and turned into recycled or upcycled products. BNI collaborates with Universal Eco in running this initiative.

Energy Management and Emissions Control

Material Topic: Climate Change

Our Approach

Bank operations rely heavily on the use of electronic equipment. Consequently, energy management, especially the use of electrical power, is a main concern for BNI. Energy management has a bearing on the emissions produced, therefore our efforts to save on energy use will contribute to emissions control and climate change mitigation.

BNI's internal policies clearly support energy savings, emissions reductions in the operating environment, and management of climate-related risks in financing. The energy management and emissions reductions initiatives are overseen by the Procurement and Fixed Assets (PFA) Division and the Channel Management (JAL) Division. Meanwhile, the Enterprise Risk Management (ERM) Division oversees lending to environmentally friendly sectors. Climate change mitigation is evaluated through two aspects, i.e internally through energy saving and emissions control initiatives, and externally through climate-related risk analysis of against loans whose borrowers' activities produce a lot of emissions.





Energy Management

BNI consistently adopts energy saving initiatives to minimize environmental impacts and provide support towards climate change mitigation. These initiatives are backed by guidelines such as Implementation of Efficiencies No. JAL/2.2/1799 dated 8 June 2018 and Efficiencies from Lighting and Air Conditioning No. JAL/3/3564 dated 6 December 2019. This policy applies to all divisions at the BNI Head Office, regional offices, and BNI outlets. The Procurement and Fixed Assets (PFA) Division and the Channel Management (JAL) Division are responsible for coordinating implementation, and the PFA Division reports the outcomes of energy saving performance to the Finance Director for evaluation.

In 2021, BNI lowered its electricity usage by 8.5% from the preceding year. However, this decrease was a consequence of the working from home (WFH) policy amidst the pandemic. Furthermore, we also record the energy usage from fuel consumption for official transportation. Overall, fuel usage has decreased by 15% over the preceding year and can be linked to the policy of collaborating with online taxi service providers as a strategy to save on vehicle management costs.

Energy Consumption Inside and Outside the Company

Description	Energy Source	2021	2020	2019
Inside the Company				
Electricity consumption in all BNI buildings and at the Head Office (kWh) *)	Office operations	38,243,699	41,806,992	37,674,580
Outside the Company				
Fuel consumption of operational vehicles at the Head Office (Liters) **)	Official transportation	97,526	114,855	222,858

Notes:

*) Calculation of electricity consumption is based on the total bill at per kWh price of IDR1,115 for the B-3 category and IDR1,645 for the special service customer category. The results are then converted to GJ, with the formula of 1 kWh = 0.0036 GJ and 1m³ = 0.038 GJ.

**) Calculation of fuel consumption is based on direct purchases.

Energy Intensity

Description	Unit	2021	2020	2019
Total electrical energy and fuel converted into Giga Joules (GJ)	GJ	137,677	150,505	96,429
Total operating hours	Hours	2,112	2,112	2,112
Energy intensity per total operating hours	GJ/Hours	65.2	71.3	45.7

Energy and Emission Reduction Efforts

BNI consistently makes efforts to reduce energy consumption to support emission reductions, as follows:

- Switching off workspace lights during break hours (12:00–13:00).
- Saving power by reducing lighting at Grha BNI, Plaza BNI, BNI Building, and BNI Tower.
- Setting the AC temperature in the range of 23°C–25°C at BNI Tower, Grha BNI, Gedoeng BNI and Plaza BNI.
- Reducing the use of chillers on Saturdays and Sundays.
- Using magnetic bearing technology at the Plaza BNI coolers for frictionless working of moving parts.
- Installing 2,200-Watt solar panels for garden lighting at Plaza BNI.
- Limiting business travel and switching to using teleconference facilities.
- Using energy-saving lamps.
- Using online taxis for operational requirements, which has produced fuel savings of around 15%.

From these various initiatives, BNI was able to lower its electricity use by 3,563,293 kWh and reduce fuel consumption by 17,328 liters in 2021. As a result, the decrease in electricity and fuel consumption has contributed to reducing GHG emissions.



Maintaining Green Performance in the Green Building

BNI is the owner of Plaza BNI, which is a green building designed to be eco-friendly and energy efficient. In 2022, this building will receive Platinum certification in building design from the Green Building Council Indonesia (GBCI). In a similar vein, Menara BNI has received Gold certification and designated as 'Bicycle Friendly Building' by the Governor of Jakarta. Furthermore, BNI assigned several of its employees to join the Green Building Expert Certification organized by GBCI for both the Greenship Associate (GA) and Greenship Professional (GP) programs.

This is representative of the Bank's endeavor to realize certified green buildings, and each building's green performance is assessed every 3 years in partnership with GBCI. Developing green buildings and maintaining their green performance from year to year is among the ways to contribute to climate change mitigation.



Emissions Reduction

BNI has adopted a phased approach to identify and analyze climate-related risks. We have begun to calculate our GHG emissions from electrical and fuel consumption. In this regard, the calculation of resulting emissions and presentation of information is overseen by the Procurement and Fixed Assets (PFA) Division.

Greenhouse Gas Emissions Produced

Emissions Source	2021	2020	2019
Scope 1			
Emissions stationary (Ton CO ₂ eq/year)	366.42	347.51	388.71
Emissions from mobile combustion ((Ton CO ₂ eq/year)	804.67	947.65	1,838.76
Scope 2			
Emissions from electricity use (Ton CO ₂ eq/year)	28,338.58	30,978.98	19,848.24
Total GHG emissions produced	29,509.67	32,274.14	22,075.70
Annual average building emission intensity (Ton CO ₂ eq/m ² /year)	0.12	0.13	0.08

Besides the efforts on GHG emissions control, BNI pays attention to ozone-depleting discharges. We have decreased the use of tools and appliances that potentially produce ozone-depleting emissions, such as equipment containing Chlorofluorocarbons (CFCs). However, in case this is unavoidable we use equipment containing environmentally friendly materials that will have no impact whatsoever on the ozone layer. Apart from GHG emissions, BNI does not report other emissions such as Nitrogen Oxide (NOx), Sulfur Oxide (SOx) and other conventional gases as they are not generated in our operations.

Earth Hour

Earth Hour is a global initiative of the World Wide Fund for Nature (WWF) with supporting partners and is a movement showing concern for climate change mitigation. Since 2009, Indonesia has participated in Earth Hour, where lights and electronic equipment are switched off for 60 minutes. BNI has supported this initiative since 2010, and electricity savings data across all work units for the last three years has been disclosed in this report. It is hoped that this initiative will also receive positive response and sympathy from the wider community to enable them to be more aware of the importance of an energy-saving culture.



Earth Hour Movement

10,923.88 hours

2020 : -*)

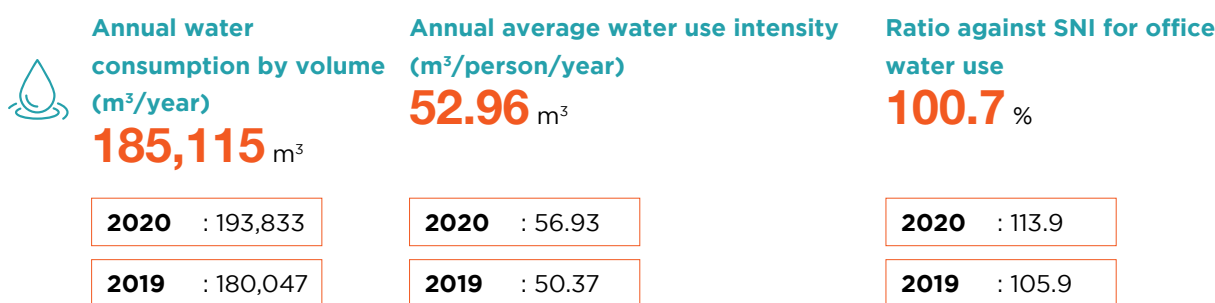
2019 : 11,392.64

*) Did not participate during the onset of the COVID-19 pandemic.

In 2020, BNI did not participate in Earth Hour due to the COVID-19 pandemic. The Bank took part again in 2021, but this time a decrease in energy savings was recorded. This drop was a consequence of several branch and cash offices not operating during COVID-19.

Water Management

BNI's water supply is provided by the Regional Drinking Water Company (PDAM). We also use ground water based on the office locations. BNI has instituted wastewater management which is consistent with the building management system. Various water saving measures were undertaken in 2021, for instance through installation of water management technology at Plaza BNI, launching water saving campaigns, minimizing water use, reporting faucet leaks and using treated wastewater to water plants and flush toilets.



Note: *) Water consumption is calculated in m3 using PDAM data

Waste Management

BNI's operations do not generate hazardous and toxic waste (B3) or effluents. Most of the waste produced is in the form of paper, organic waste from food scraps, and plastic. Trash cans are installed at various points to sort between recyclable and non-recyclable waste. Paper waste is managed by BNI Record Center (BRC) Cikupa for recycling into value-added products (upcycle). On the other hand, non-recyclable waste is handed over to the cleaning staff and disposed off in the Final Disposal Site (TPA).



Paper Recycling

14.59 Ton

2020 : 37.95

With the support of all work units, we have consistently undertaken eco-friendly initiatives to reduce waste in the workplace. We strive to cut down plastic use to lower the accumulation of organic waste. Staff are advised not to use bottled drinking water, plastic straws, plastic shopping bags, etc. They are also directed to bring their own personal tumblers and consume refilled drinking water during meetings.

Furthermore, strict attention is paid to the management of electronic waste such as used computers, used printers, damaged office equipment and supplies. Such waste is handed over to a third party (Universal Eco) that has obtained a toxic and hazardous waste landfill permit.



Biodiversity And Environmental Conservation

Javan Rhino Conservation

BNI's concern for fauna conservation is exemplified by its efforts on Javan rhino conservation. The Javan rhino (*Rhinoceros sondaicus*) is listed as Critically Endangered (CE) in the International Union for Conservation of Nature (IUCN) Red List. This animal is threatened with extinction, and currently only 75 rhinos remain in Indonesia.



In cooperation with seven other SOEs, WWF and the Ujung Kulon National Park, BNI has undertaken conservation activities to ensure the protection and survival of this species, which include the following efforts:

- Controlling the Langkap plant that cause food shortages for rhinos.
- Developing and empowering 5 villages that support Ujung Kulon National Park by introducing sustainable agriculture and educating locals on environmental issues.
- Mapping rhino DNA to build a healthy rhino offspring system with good reproductive capacity.
- Donating vehicles for conducting patrols.

The impact of the Javan rhino conservation program is the survival from extinction of one of Indonesia's original biodiversity species. Moreover, the impact to the environment is as follows:

- Rhinos can serve to open pathways, allowing sunlight to reach the forest floor for new seed growth.
- Rhinos can also disperse plant seeds through their dung or bodies. Meanwhile, the outcomes for the community are: 1) Obtaining information and understanding about Javan rhinos to prevent poaching while preserving the environment. 2) Gaining empowerment, including training in making handicrafts.

Reforestation through Degraded Land Rehabilitation

The existence of degraded land signifies a decline in soil quality, which is feared to progressively worsen and reduce soil productivity. One of the methods to enhance land quality is through reforestation or agroforestry. Based on data from Statistics Indonesia Agency (BPS), the acreage of degraded land in Indonesia is on the decrease as many groups have been carrying out rehabilitation programs (2011: 27,294,842 Ha; 2013: 24,303,294 Ha; 2018: 14,006,450 Ha).

Since 2018, BNI through the BNI GoGreen Program and working with the Organic Forest Group has endeavored to improve environmental quality by rehabilitating 10 hectares of degraded land in Block S Cipendawa, Megamendung Village, Bogor-West Java Regency. Activities under this program include nurseries and construction of infrastructure (maintenance and watering equipment, tagging and geotagging, and irrigation system facilities). Natural conservation efforts have also been conducted in water catchment areas in the upstream of the river. The recovery of degraded land can be expected to increase the carrying capacity of the surrounding ecosystem.

In total, 10,000 seedlings of trees have been planted in varying varieties such as African wood, white teak, cinnamon, resin, mahogany, nutmeg, and other productive species. Intercropping continues to be used in planting practices, which is aided by fertilization using environmentally friendly organic fertilizers and making irrigation channels to restore land fertility.

In 2021, BNI collaborated with the Organic Forest Group in renovating infrastructure and facilities in the Organic Forest, Megamendung, Bogor Regency, West Java. Existing infrastructure includes a multifunctional building for various uses, including educational activities for the local community or accommodation for visitors who want to conduct research in the Organic Forest area.

Integrated Waste Management

BNI supports and implements an integrated waste management system, which consists of waste control and management. In 2021, BNI aided various waste control measures, including the cleanup of accumulated garbage in 10 Indonesian provinces, including Bangka Belitung, South Sulawesi, Bali, South Sumatra, South Kalimantan, Jakarta, Banten, Central Sulawesi, West Sumatra and West Sulawesi. Assistance provided involved the endowment of motorcycles, garbage bins and trucks. In addition, BNI was active in processing organic and inorganic waste. Organic waste management involves turning it into organic fertilizer and compost. For inorganic waste, BNI provided support in the form of environmentally friendly incinerators.

An Incinerator is a machine for burning waste that cannot be processed into alternative forms to reduce landfill waste. Use of specific incinerators has the following advantages: (1) Through self-burn combustion technology, it does not require fuel which means waste is used as fuel. The composition of 75% dry and 25% wet waste has the characteristics of residual waste that ends up in landfills, (2) No electricity requirement through its natural airflow technology. In this context, the Sankyo incinerator does not use blowers and hence no electricity is required. This also means no maintenance is needed on the blowers as with other incinerators in general, (3) It meets the emission standard of being smokeless, and has also been emissions tested as per the Indonesian Ministry of Environment regulations, (4) This specific model is verified by the Environment Ministry as a domestic waste incinerator with environmentally friendly technology under registration number: 110/TRL/Reg-1 /KLHK, (5) Ability to handle large volumes of waste and short processing times. Residue from the incinerator can also be used for making bricks, concrete, and other construction materials.



4

BNI FOR THE COMMUNITY

“BNI is committed to delivering a positive impact on society and sharing social values for a better life”.

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Material Topic: Indirect Economic Impact

Our Approach

BNI does not merely exist to run a business and generate profits, but also to provide value to stakeholders, and especially produce indirect economic impact to society. Through literacy, financial inclusion, fostering MSMEs and community empowerment, we wish to contribute towards achievement of the SDG Goal 8 in Indonesia. BNI's efforts to make an impact are also realized through the Corporate Social and Environmental Responsibility Program for State-Owned Enterprises (TJSL BUMN).

BNI seeks to deliver indirect economic and social impacts to the community through loan disbursements to Micro and Small Enterprises (MSEs), which also include mentoring and empowerment activities by the Small Business & Programme (BSP) Division. Execution of the Corporate Social and Environmental Responsibility (CSR) Program is the responsibility of the Corporate Secretary & Communication (KMP) Division.

Besides the CSR program, in 2021 BNI implemented various empowerment programs to support the local economy, such as BNI Xpora, KUR disbursements (e.g for fishermen and coastal communities), MSEs financing, *Rumah BUMN*, *Balkondes*, and BNI Agen46.



Support to MSMEs

One of the drivers of Indonesia's economic recovery is the endeavors of the very significant number of Micro, Small and Medium Enterprises (MSMEs). Furthermore, MSMEs also play a role in the creation of a sustainable supply chain in the country. During the COVID-19 pandemic, MSMEs were in dire need of support and attention to get back up on their feet. In this regard, BNI's contribution to national economic recovery involved the channeling of funds to MSMEs. During 2021, MSME loans amounted to IDR117.01 Trillion, with 37.6% in the form of the People's Business Credit (KUR).

BNI's Measures and Strategy to Support MSMEs

Financing through the Micro and Small Business Funding Program

- MSMEs funded - **2,042** fostered partners
- Total loans - IDR **64.34** billion
- Sectors served: (Processing Industries; Business Services; Community Social Services; Construction; Electricity, Gas & Water; Transportation, Warehousing, Communications; Trade, Restaurant, Hotels; Mining; Agriculture, Hunting, & Agricultural Facilities; Industry Processing; Business Services; Community Social Services; Construction; Electricity, Gas & Water; Transportation, Warehousing, Communications; Trade, Restaurant, & Hotel)



BNI Mobile Innovation for SME Ecosystem (MOVE) App

- App to simplify the KUR and BNI Wirausaha (BWU) loan applications
- For its part, BNIMove is a mobile platform that integrates all small segment digital credit processes, knowledge management, Employee Profile, Dashboard Monitoring, MSME Assessment & Advisory, e-Commerce Tools, to enable management of MSME business potential through a digital ecosystem solution.

Synergy with SOEs and Business Partners

- Financial literacy education
- Business development for MSMEs and TKI
- Pertashop (Cooperation with BNI, Pertamina and GP Ansor)
- Collaboration with SOEs (PTPN VII, X, XI)
- Collaboration with Business Partners (Sarinah, Crowde, Dompot Kilat, Majoo, Chatat, Shopee, Bhinneka)

e-Lo BCM and SmartCA Apps

- Targeted towards speeding up the credit process for MSMEs through digital apps
- Maximum e-Lo BCM loan: IDR **3** billion
- Maximum SmartCA loan: IDR **15** billion

BNI Wirausaha (BWU)

- Financing for MSMEs up to IDR1 billion
- During 2021, BNI Wirausaha financing amounted to IDR **2.26** trillion towards **3,602** MSMEs

Optimizing MSME potential to support increased exports

- Offer of competitive prices and fast and efficient export-import transaction services
- Offer of BNI Trade Online (BTO) features
- Presence of 6 overseas branch offices that can be tapped to open market access for MSME products through strengthening cooperation with the diaspora, the Indonesian Embassy and global market players.
- Offer of service to MSMEs with an export orientation through 7 one stop shopping hubs in Jakarta, Bandung, Medan & Makassar as well as the integrated Xpora digital portal.



On the provision of credit to MSMEs, the labor-intensive sector is prioritized to give a multiplier effect towards the national economy. On the other hand, KUR provision aims to provide access to capital and business development assistance to small-scale entrepreneurs and Indonesian Migrant Workers (TKI). Total KUR disbursements in 2021 amounted to IDR30.6 trillion, and BNI's share was 99.1% of the government target.

KUR Disbursement by Business Segment

Business Segment	Number of Debtors	Actual Disbursement (IDR Billion)	Target (IDR Billion)	Achievement against Government Target
Supermicro	6,679	49	100	49.0%
Micro	195,817	5,357	7,000	76.5%
Retail	103,911	25,214	23,750	106.2%
TKI	300	23	100	23.0%
Total	306,707	30,643	30,950	99.1%

Furthermore, KUR disbursements were also directed towards food security during the COVID-19 pandemic, i.e via the *KUR Tani* scheme that is also meant for enhancing farmer welfare. During 2021, in total 6.3 million *Kartu Tani* (Farmer Card) were activated, where farmers receiving credit were issued the *Kartu Tani* for use as a debit card and to receive subsidies and social assistance from the government.

KUR Tani Disbursements

Region	Number of Debtors	Actual Disbursement (IDR Million)
Region office 01	6,696	343.80
Region office 02	5,299	801.70
Region office 03	18,479	1,124.57
Region office 04	7,789	355.20
Region office 05	1,188	195.81
Region office 06	45,582	1,189.65
Region office 07	983	170.27
Region office 08	16,455	612.55
Region office 09	2,952	377.27
Region office 10	23	4.15
Region office 11	654	89.58
Region office 12	67	1.77
Region office 14	838	47.92
Region office 15	478	107.44
Region office 16	140	12.29
Region office 17	1,521	239.04
Region office 18	97,808	3,370.58
Total	206,953	9,043.61

BNI Xpora

To make BNI into a leading wholesale bank focusing on trade & transaction, international banking, and building innovative platforms, the management has developed policies and strategic initiatives as follows:

- Establishment of BNI Xpora as a One Stop Shopping Solution for MSMEs by providing export-oriented solutions, easy & integrated financing, and speedy & high-quality services.
- Featured Product Showcase, which is a digital showcase of ready to export SME flagship products for foreign buyers.
- Ease of transactions for MSMEs due to BNI's network of 6 overseas branches, 1 sub-branch and more than 1,500 correspondent banks.
- BNI Xpora Trading House & National SME Service Center, which is a MSME export service center that provides information on export training, export documentation, export management and market insights.
- Business Matching in cooperation with BNI strategic partners to encourage national and international exports.



Export support is also strengthened through overseas branch offices in 6 world financial centers, i.e Singapore, Seoul, Tokyo, Hong Kong, London, and New York. These overseas offices help exporting SMEs to reach potential buyers, either through domestic exhibitions, overseas exhibitions, or through business matching. Some export-oriented MSMEs may also optimize business matching through the overseas offices. In this regard, BNI has built synergizes with Bank Indonesia, ITPC, Ministry of Foreign Affairs, Trade Attachés, and Customs and Excise to realize superior services for MSMEs in reaching the global market.



BNI Xpora has also instituted a Lending Program to facilitate financing access for export-oriented MSMEs through the Export Transaction Facility (FAST TREX) and BWU FAST TREX schemes that were introduced in August 2021. In the 4 months following the launch of the BNI Xpora Lending Program, 7 BNI Xpora locations had disbursed loans worth IDR 2,485 billion to more than 590 debtors who are direct and indirect exporters. This is indicative of the high enthusiasm of export-oriented MSMEs as well as the available potential for development.

At present, Xpora is working with the Ministry of Cooperatives and SMEs, in this case SMESCO, where Xpora will establish a Trading House to display BNI's superior MSME products and provide a national SME service center. This service center will provide information on export training, export documentation, export management and market insights from export destination countries. In addition, Xpora and SMESCO have joined forces with the Ministry of Foreign Affairs and Indonesian Chambers of Commerce and Industry (KADIN) to significantly boost export value by inviting a network of overseas buyers. Other collaborations between Xpora and SMESCO include overseas digital marketing training and MSME onboarding on Amazon and Shopify, which are the largest business matching support platforms in the world.

Collaboration between BNI and GP Anshor

The Anshor Youth Movement (GP Anshor) is a social, national, and religious organization with a populist character, which represents an autonomous body under the Nahdlatul Ulama (NU). GP Anshor's main objective is being a caring and versatile organization for the wellbeing of the community. With the potential inherent in the network of GP Anshor members spread across Indonesia, BNI has initiated a collaboration from upstream to downstream for the development of GP Anshor MSMEs, as follows:

1. Access to Capital for GP Anshor members and business partners who are members of the Anshor Retail ecosystem.
2. Provision for GP Anshor members to become Agen46 agents as a side business towards realizing financial inclusion for the community.
3. Mentoring Program through webinars/ trainings to increase the insight of MSMEs in developing their business.
4. Digitizing MSMEs through BNI's digital ecosystem in terms of financing, transactions, and marketing in collaboration with third party partners.

Cooperation on banking services as provided to partners through the support of closed loop transactions.

Collaboration between BNI and GP Anshor through the Pertashop Program

PERTASHOP (PERTAMINA SHOP) is a small-scale Pertamina distribution agency that was set up to serve consumer needs of non-subsidized fuel, non-subsidized LPG and other Pertamina Ritel products that are not or have not been served by other Pertamina distribution agencies. Pertamina targets to establish 10,000 Pertashop locations to reach all sub-districts in Indonesia, which currently continue to be dominated by unofficial sellers with higher prices and of uncertain quality. For this market, establishing Pertashop is an easier proposition than establishing large-scale Pertamina distribution points such as petrol stations.

Pertashop is expected to fulfil the requirement for petrol, LPG and other Pertamina Ritel products, besides being closer to final consumers and empowering MSMEs to drive the economy. In 2021, BNI disbursed financing worth IDR45 billion to more than 50 Pertashop partners.

The collaboration between BNI, Pertamina and the MSMEs community is expected to add value to all parties and form a closed loop of Pertashop's business ecosystem by utilizing the business community network and support for banking services in a cluster and end-to-end approach.

1. Banking

- On the banking side, BNI provides end-to-end banking services to Pertashop partners;
- Formation of a cluster ecosystem through the use of digital technologies;
- BNI can provide easier cluster-based assistance to Pertashop partners.

2. Pertamina

- This collaboration makes it easier for Pertamina to reach MSMEs having links with banks to become Pertashop partners;
- Provide focused and cluster-based business assistance;
- Accelerate the distribution of high-quality fuel at a single price point to the wider community in all districts/villages through Pertashop.

3. MSME Association

- Provides new business opportunities for MSMEs through development of already existing businesses;
- Through the Pertashop Program, MSMEs can generate jobs and empower the community in the surrounding environs;
- The Pertashop Program can help stimulate the economy of the surrounding village/community in support of the National Economic Recovery program.

4. Cooperation with e-Commerce Partners

BNI provides support to MSMEs that offer products and/or services on digital platforms. In this regard, BNI is working with digital platforms such as Shopee, Tokopedia, Bukalapak, Gojek, Bhinneka, and Majoo by providing working capital financing for e-commerce partners. In addition, BNI is collaborating with Chatat.id to support MSMEs by offering services and credit products to users who actively access and conduct transactions on the Chatat platform. Additionally, BNI provides working capital financing through KUR of up to IDR50 million.



Risk Management in MSME Segment

BNI performs assessment and risk management in implementing sustainable finance in the MSME segment for both KKUB and non-KKUB. Identified risks include completeness of documents and especially environmental permits, human resources management for risks on social and human rights aspects, and completeness of business establishment documents that make it difficult to apply for credit. BNI conducts screening against credit application documents and the enterprise of prospective MSME debtors, and pays visits to the physical business premises to mitigate ESG-related credit risk.

MSMEs Go Online

The COVID-19 pandemic as we know it has caused a shift in behavioral patterns, including in running a business. To advance industry and improve business relations, MSME partners are encouraged to operate digital-based businesses. During 2021, BNI encouraged the shift to digital transactions through PADI UMKM for online B2B e-Procurement transactions. As of December 20, 2021, BNI's contribution to these transactions was worth IDR10.23 billion. This also represents BNI's participation in procurement from partner MSMEs through the PADI UMKM platform developed by the Ministry of SOEs.

BNI seeks to increase the business capacity and capability of fostered partners, namely micro, small, and medium enterprises (MSMEs) by means of the Go Modern, Go Digital, and Go Online platforms. With BNI support, fostered partners can expand their marketing network through various e-commerce platforms, including participating at the INACRAFT GO DIGITAL event held on 10-12 November 2021.

BNI is promoting superior MSME products by launching the *BUNGA NUSANTARA* or BNI UMKM Unggulan Nusantara. The launch of Volume 1 was carried out in conjunction with BNI's 75th Anniversary celebrations. Further, the Bunga Nusantara Volume 1 Catalog containing 75 leading MSMEs was launched with the following objectives:

- As a window for BNI MSMEs to the outside world that MSMEs can produce high-quality products;
- As an access point for other MSMEs to be more motivated to become select BNI MSMEs;
- Used as a curation or selection program for exhibitions, both national and international;
- Become an information center for BNI's superior products.

Besides being printed in hard copies, the *Bunga Nusantara* Catalog can be accessed online at www.e-katalogbunganusantara.com. The availability of e-catalogs has helped promote MSME products to remote corners of the country and abroad and opened opportunities for buyers to directly connect with BNI's flagship MSMEs.

Support for Marine and Fisheries Enterprises

BNI works together with the Coordinating Ministry for Maritime Affairs and Investment and *Perum Perikanan Indonesia* (Perindo) to support MSMEs in the marine and fisheries sector. The various forms of support include financial literacy; account opening; assistance for fishermen, fish traders; and credit disbursements as working capital for MSMEs.

Furthermore, support to Perum Perindo and its assisted fishing partners is through credit for capital requirements, thus allowing businesses to continue and keep supplying fish to the community. Besides capital support, we are also improving digitalization facilities, such as providing easy access to financing. The benefit experienced by fishermen is that they don't need to fear from failure to catch fish, able to fulfill all their fishing needs, and after returning from fishing there are buyers who are ready to take their catch.

To expedite marketing and support the continuity of the fisherman's trade, BNI helps them to connect with buyers. Connecting fishermen with potential buyers is achieved by providing capital and assistance to MSMEs interested in opening digital fish selling outlets across Indonesia. This has the aim of further promoting fishery products to the community and providing support to the *Gemarikan and Pasar Laut Indonesia* programs.

Empowering and Enhancing the Welfare of Fishermen/KUR Fisheries

Among BNI's strategies of building partnerships and empowering communities is by fostering synergies in coastal community empowerment and financial inclusion and literacy programs. This is achieved through business assistance of financing, mentoring, and training to improve the business of the beneficiaries. Most coastal communities are engaged in aquaculture and fishing. Those who are considered to have the capacity but have not yet received a loan from another bank have the potential to join BNI's program.

Credit disbursement to the small segment fisheries processing industry sub-sector can have a significant impact on business continuity and the economy. In 2021, BNI disbursed IDR460 billion of financing for general debtors and coastal communities who are included in the marine and small segment fisheries sub-sector.



Portfolio of Small Segment Fisheries Processing Industry

6,484

Number of Debtors

6,007

Number of KUR Debtors

477

Number of Non-KUR Debtors

IDR **1,963** billion
Total Loans

Disbursements under Aquaculture and Fishing Sub-Sector

1,031

Number of Debtors

IDR **182** billion
Total Loans

Disbursements under Caputre Fisheries Trading Sub-Sector

1,627

Number of Debtors

IDR **278** billion
Total Loans



BNI works closely with FishOn and Aruna to create an efficient and productive small-scale fishery business value chain. This involved developing a digital-based application for facilitating fishermen in finding fish and provide a marketplace to sell fish products or fishing needs. In addition to application development, this collaboration also provides mentoring to fishermen.



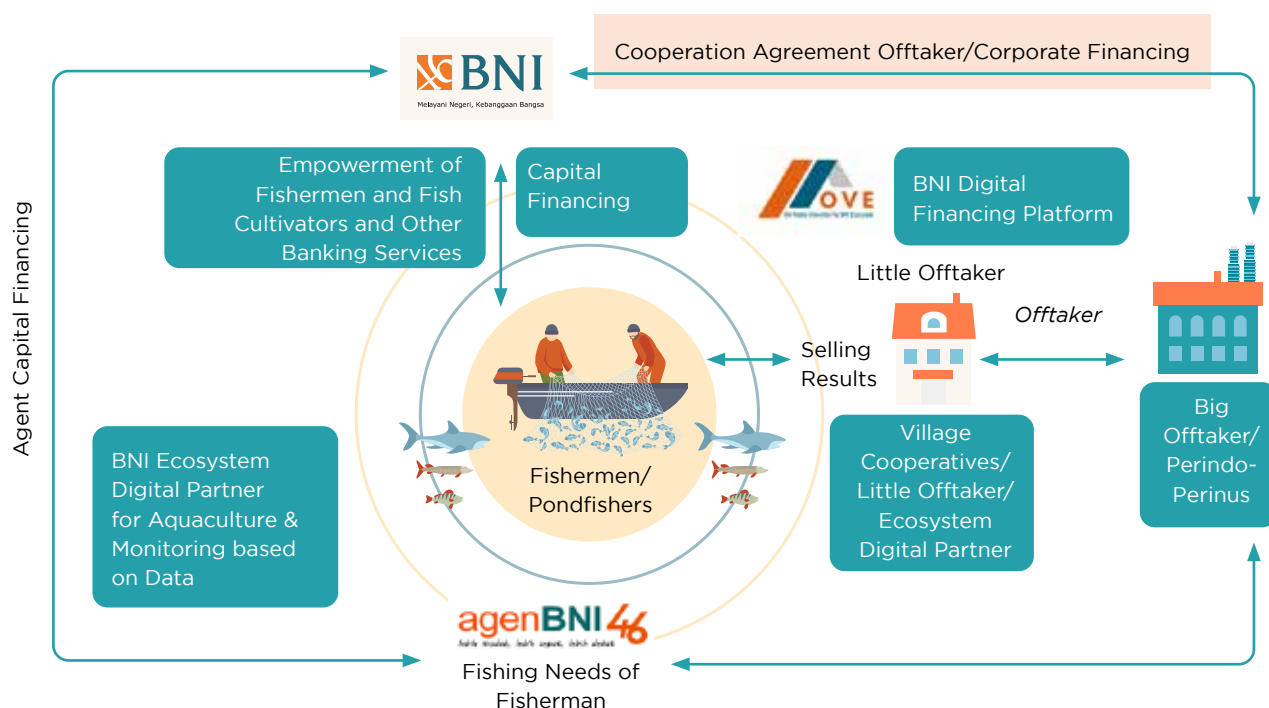
Fishermen Value Chain Mentoring Program

This mentoring program involves the joining of forces between BNI, FishOn, and Aruna to create a value chain to enhance the fisheries industry. The program's benefits for fishermen include business assistance, working capital, financial literacy, and data digitization that will ultimately aid them to access various programs and assistance from the Government and from banks.

FishOn's support is delivered through its app that has various features (Fish finder, FishMart, Market place, and others). Fishermen are given instruction on the use of the app, which also

facilitates them in finding and selling fish. On the other hand, Aruna's role is to mentor and educate fishermen on the Indonesian Fishermen Village concept, and to provide support on the use of the fishing app.

Additionally, Aruna has made available a Mini Processing Plant to process the catch and allow for longer term storage, along with a warehouse as temporary storage before the fish are sold. For its part, BNI through its Agen46 agents provides access to capital along with other banking products and services suitable for fishermen. BNI also delivers financial literacy coaching to enhance fishermen knowledge, competence, and confidence against financial management and financial service institutions.



Cooperation Flowchart

1

BNI brings Fishermen closer to Banks through Financial Inclusion and Literacy.

2

Platform partners build synergies with BNI Corporate and Medium Segment Customers/Debtors:

- Provide apps;
- Provide mentoring and instruction to fishermen/pondfishers on the ecosystem being developed;
- Provide a Mini Processing Plant for processing the catch to deliver added value;
- Provide fishing/pondfishing needs and equipment through vendors who have been appointed as BNI Partners or Medium Customers/ Debtors or Corporates;
- Provide a marketplace for selling the catch or to connect with BNI corporate customers/debtors;
- Role as a BNI Collection Agent.

3

Fishing Supplies Provider
Provide facilities and needs of fishermen and pondfishers such as diesel, probiotics, hooks, fishing rods, nets, fish feed, fish storage boxes, and other equipment.

4

Buyers
Buyers of fish, either as individuals or groups/ organizations



BNI's mentoring program delivered with partners has a value chain that directly impacts fishermen. Through this program, fishermen can find fish more efficiently, have access to suppliers providing fishing needs, avail storage facilities so that fish remain fresh for longer periods, and have direct access to customers both online and offline. However, the remaining challenges that need to be managed include the following:

- Unfamiliarity of fishermen with respect to banking support (e.g capital), therefore BNI needs to spread financial literacy education in a more vigorous manner.
- Lack of information dissemination on the Indonesia Fishermen Home (RNI) to branch offices that are required to have this information.
- Presently, the data owned by fishermen is not up to banking standards for accessing credit facilities. On this, BNI will need to standardize data for fishermen who wish to join and data will updated based on the standards of fostered partners.
- Fishermen transactions who are not yet active in RNI, therefore the RNI app needs further development.
- Currently, no vendor is available to provide fishermen's needs. This can be followed up by mapping for vendors.
- The market for fish catch presently is less than ideal, thus it is necessary to seek information on potential buyers and commodities that the market is interested in.

Financial Literacy and Inclusion for the Community

BNI is obligated to support government programs on financial inclusion and financial literacy. Through these programs, the government hopes to redress inequality, improve the welfare of society's weaker sections, and alleviate poverty. In this context, BNI is committed to providing access to financial products and services for various groups and sections of society that normally have no access to such services.

Financial Inclusion and Access in Remote Areas

As a bank with the widest coverage in Indonesia, BNI has established access points in areas with low population or economically weaker areas through BNI Agen46, Laku Pandai (Officeless Financial Services for Inclusive Finance) and e-Payment to reach the most remote areas of the country. Through the Agen46 network, BNI offers facilities such as savings, cash withdrawals, electricity payments, PDAM services, and various other banking services. As of 2021, there were 157,632 BNI Agen46 agents throughout Indonesia, representing an increase of 3.2% over the preceding year. In terms of service coverage, Agen46 agents have spread to cover over 6,000 sub-districts and 31,000 villages.

Agen46 Achievement

Item	Unit	2021		2020 *)	2019 *)
		YoY	Achievement		
Agen46 Network	Agents	3.2 %	157,632	152,726	131,399
Transactions	Million	0.5 %	146.38	145.67	96.54
Nominal Value	IDR trillion	11.8 %	92.31	82.54	49.65
Operational Third-Party Funds	IDR trillion	83.3 %	3.54	1.93	1.39
BNI Pandai Accounts	Million accounts	7.6 %	19.76	18.35	9.72
BNI Pandai Third-Party Funds	IDR billion	-55.3 %	1,387	3,105.75	770.98

*) Restatement of 2019 & 2020 data due to adjustments in the recording of Agen46 performance.

Financial Inclusion Supporting Products

Social assistance has proven to be effective in reducing poverty and increasing the human development index. In this regard, various types of government aid cards have been issued for circulation in underprivileged communities. BNI is a government partner in distributing the cards and channeling the funds. The types of cards include Social Assistance Card (*Bansos*), Farmer Card (*Kartu Tani*), Smart Indonesia Card (*Kartu Indonesia Pintar*), and Kusuka Fisherman Card.

Ayo Menabung dengan Sampah Program

Financial inclusion is also built through the 'Ayo Menabung dengan Sampah' program which integrates financial inclusion and literacy with environmental concerns. School students and community members are encouraged to sort waste at their homes, and deposit it in a waste bank to exchange with savings. This initiative involves Agen46 members who team up with waste banks, schools, and local governments. The 'Ayo Menabung dengan Sampah' program was initially launched in the Jakarta area and has now expanded to the Thousand Islands.

During 2021, the 'Ayo Menabung dengan Sampah' program was implemented in several cities, namely Kapuas, Banjarmasin, Palu, Medan, West Lombok, Mataram, Surakarta, and Polewali. Specifically for West Lombok, BNI had a role in the success of OJK's 'Pursuing Achievement for Indonesian Children' program with the theme "One Account for One Student, Realize the Dreams of Indonesian Children", and the MURI record-breaking moment of simultaneously opening 11,046 SimPel accounts.



Fundraising related to the 'Ayo Menabung dengan Sampah' Program
December 31, 2021

IDR **1.09** billion



Account openings related to the 'Bank Sampah' Program

288,756



Positive/Negative Impact of Financial Inclusion

The positive impact of financial inclusion is gaining access to banking products and services that can help the community's economic pursuits, especially those who require financial assistance, such as low-income people. For SMEs, opening of access to financial services has the potential to increase productivity to achieve maximum results. On the flip side, people who have availed financial services have the potential for social engineering which can lead to financial losses if not balanced with financial literacy. To that end, BNI consistently runs financial literacy and inclusion programs to increase public understanding in financial management.

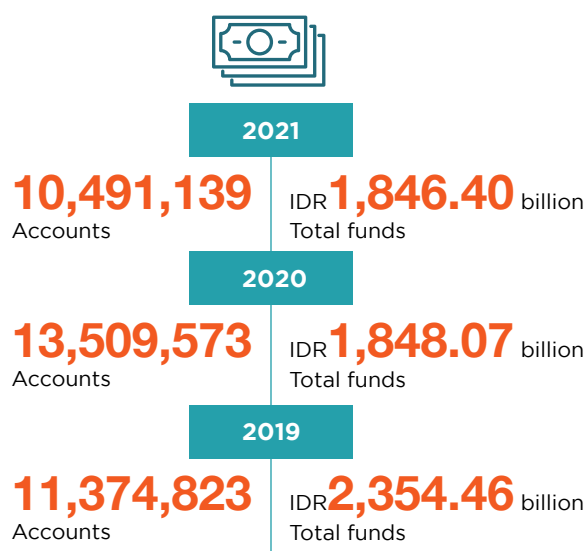
Financial Literacy

As a government-owned national bank, BNI realizes that it plays an important role to actively educate the public on financial literacy and inclusion. Financial literacy aims to increase the knowledge, skills, and confidence of community members to enable them to properly manage their finances. On this, BNI has teamed up with various parties to provide financial literacy education, such as introduction to financial services, financial products and services, benefits and risks of financial products and services, and rights and obligations of financial services users. Besides enhancing knowledge and ability on financial management, another intended impact is to

boost community productivity, which in the long term can maintain sustainable economic growth and create conditions for distributive justice and income equality. Conversely, the negative impact that needs to be mitigated is uncontrolled consumptive behavior due to a lack of proper understanding of financial literacy.

BNI *Simpanan Pelajar*

The BNI *Simpanan Pelajar* (Student Savings) scheme is part of financial literacy for students. This scheme involves opening student savings accounts and is applied nationally by Indonesian banks, with easy and simple requirements and attractive features, aimed at financial literacy and inclusion to encourage a savings culture early on in life. The accounts can be opened directly by customers or can also be a means of receiving social assistance from the government.



Financial Literacy for Migrant Worker Families

BNI's financial literacy program is now accessible to the families of migrant workers. BNI and *Keluarga Migran Indonesia* (KAMI) has continuously given such training to Indonesian migrant workers abroad. Two types of training programs are available, i.e Financial Education and Entrepreneurship Education. This initiative is expected to enable Indonesian migrant workers to manage their finances better. In 2021, this initiative was implemented across five countries with a total of 3,450 participants.

Cooperation with the Indonesian Diaspora

In keeping with the vision of becoming a global bank, BNI has embraced the Indonesian diaspora community through its network of Overseas Branch Offices (KCLN). BNI recognizes the need for national banks being present abroad to provide banking services to the diaspora who have also contributed to the country. This collaboration was marked by the signing of a memorandum of understanding (MoU) between BNI and several diaspora communities, including the Indonesia Small and Medium Enterprises (ISME) United Kingdom, Korean Importer Association (KOIMA), Nahdlatul Ulama branch managers overseas and the various Indonesian Students Union (PPI) abroad.





Community Empowerment Activities

Rumah BUMN

There are presently around 64 million MSMEs in Indonesia, most of whom are micro scale businesses. This is an indication of MSME potential as one of the drivers of the Indonesian economy. SOEs as agents of development have introduced several initiatives to improve the quality of MSMEs, namely through the 'Rumah BUMN' (RB) scheme. This scheme is expected to encourage the growth of national and global markets and maximize the role of MSMEs that play an important role in the country's prosperity, be it through creating job opportunities, encouraging people's welfare, and creating new innovations.

In the effort to empower the people's economy, especially for micro, small and medium enterprises (MSMEs), BNI has also contributed to the scheme by establishing 35 *Rumah BUMN* across Indonesia. The *Rumah BUMN* or 'SOE House' are places to gather, learn and mentor SMEs to enhance their quality. *Rumah BUMN* actively assists and encourages SMEs to respond to the main challenge of developing their businesses in terms of increasing competence, enhancing marketing opportunities, and facilitating access to capital.

BNI has fostered more than 10,000 MSMEs throughout Indonesia, from South Nias, Bantaeng, Pangandaran, Ngawi, Pontianak, Southeast Maluku to Jayapura. Besides mentoring, *Rumah BUMN* has provided support to MSMEs as per the following:

1. Support in obtaining 5,464 permits, including:
 - PIRT (Home Industry Licensing);
 - NIB (Business Registration Number);
 - Halal certificate from MUI;
 - BPOM permit;
 - Others.
2. BNI *Rumah BUMN* provides MSME data to the Government with respect to the Presidential Grant to Productive Micro Businesses (BPUM), therefore RB is one of the data sources in each region for the grant's distribution.
3. Opening the way for MSMEs to enter national retail outlets in their respective regions such as Alfamart, Indomaret, and other retailers.

Mentoring of SMEs at Rumah BUMN

Item	Activities	Total Participants
Workshops/trainings	281	5,750
Visits to SME sites	407	978
Exhibitions/Events	90	2,568

10,520

Total MSMEs Go Modern

7,364

Total MSMEs Go Digital

31,560

Total Products (including derivative variants)

1,368

Total MSMEs Go Online



IDR **17.78** billion
Online Transaction Value

Further, in cooperation with local branch offices *Rumah BUMN* also assisted in KUR disbursements totaling IDR7.47 billion.

Among the tangible schemes to promote BNI MSME product sales is the launch of the Reseller program for selling *Rumah BUMN* products in 10 locations, namely Bekasi, Tegal, Tanjung Balai Karimun, Wonogiri, Ngawi, Ternate, Southwest Sumba, Bantaeng and Padang. The various initiatives under this program include the following:

- *Aku Saudagar Muda* (I am a Young Merchant), to recruit local students and youth to become resellers of MSME products.
- *Sahabat Ibupreneur* (Friends of Women Entrepreneurs), a community of women-owned MSMEs and resellers and comprising housewives and women who wish to earn additional income by selling BNI MSME products.

In support of the MSME Go Global program, BNI has assisted in overseas promotion of frontline MSME products of BNI *Rumah BUMN*, including the following:

- **Tokyo Expo**
Japan is one of the countries that really appreciates handicraft or craftsmanship products. At the request of Tokyo residents against the demand for Indonesian MSME products, in July 2021 BNI participated in the month-long Indonesia Bazaar at the Indonesian Embassy in Tokyo. This event featured Kriya and Wastra from *Rumah BUMN* Katingan & *Rumah BUMN* Manggarai Barat.

- **Dubai Expo:**
BNI is featuring top notch MSME products from the *Rumah BUMN* scheme (*Rumah BUMN* Sleman, *Rumah BUMN* Katingan, *Rumah BUMN* Wonogiri, *Rumah BUMN* Banjarbaru and *Rumah BUMN* Bekasi) at the Dubai Expo 2021, an international level event held in Dubai City, UAE from October 2021 – March 2022. The Dubai Expo is organized every 5 years for a duration of 6 months and is attended by tourists from all over the globe. Consequently, this event represents the most prestigious exhibition for countries around the world to showcase their rich and diverse creations to an international audience.
- **UK Expo**
On November 28, 2021, the Indonesian Merchant & Trade Expo (ISME UK EXPO) or an exhibition of frontline Indonesian products was organized in collaboration with BI and the Indonesian diaspora, which featured products from *Rumah BUMN* Banjarbaru, *Rumah BUMN* Sleman, *Rumah BUMN* Katingan, and products from other KUR recipients as well. This exhibition's objective was to offer Indonesian products to UK retailers and the Indonesian diaspora in the UK.
- **Coffee**
Indonesian coffee is very popular abroad. For Indonesian coffees to be increasingly known to the world, BNI curates or selects superior coffees produced by MSMEs. Furthermore, BNI has joined up with the Ministry of Foreign Affairs to endeavor for fostered MSMEs coffee to penetrate the German, Dutch, and Australian markets.



Tourism Economics

To support the tourism industry, BNI helps by developing the tourism economy, especially villages as potential tourist destinations. Tourism based on local community management represents one of the solutions towards equitable distribution and higher income, thus requiring continued development.

Through its CSR Program, BNI has supported economic development in tourist areas, namely the construction of 11 culinary points as the basis to organize a culinary area around Pantai Kampung Nelayan in Palu City, Central Sulawesi. Besides organizing the culinary area, another objective is the beautification of Kampung

Nelayan beach as one of the tourist attractions of Palu City. BNI's support has benefited 60 traders on the banks of Palu River and Kampung Nelayan beach.

BNI has also played a role in managing tourist attractions to enhance the tourism economy through assistance in clean ups and beautification tools, including the Pandawa Tourism Area in Bali, Padang Beach Tourism Area, and Mount Kendeng Lebak Tourism Area. Moreover, BNI has provided financing for tourism economics totaling IDR3,190 billion to 14,049 debtors. Tourism based on local community management represents one of the solutions towards equitable distribution and higher income, thus requiring continued development.

Village Economy Center (*Balkondes*)

The *Balkondes* initiative was developed based on a concerted effort between the Ministry of SOEs and several SOEs, including BNI, to help the village economy through tourism-based empowerment and human resource development programs. In 2017, BNI inaugurated *Balkondes* Wanurejo located in the vicinity of Borobudur Temple. Currently, Wanurejo has 20 homestay rooms designed under a charming rural concept and has space for economic and cultural activities such as gamelan performances, music recitals, and dances.

Balkondes Wanurejo has brought positive benefits for the surrounding community through an increase in tourist flows. While the COVID-19 pandemic has affected Wanurejo's operations, BNI and local managers have taken advantage of the available time to improve amenities by delivering service excellence training aimed at instructing community members to provide the best service to visitors, which consequently can be expected to bring a positive knock-on effect on the local economy.

In 2021, BNI provided training for Cleanliness, Health, Safety, & Environment Sustainability (CHSE) certification for the *Balkondes*. Through CHSE certification, tourists are expected to experience a heightened sense of security and comfort during the COVID-19 pandemic, thereby supporting the growth of tourism potential and raising confidence on being able to visit Wanurejo. The certification process involved various stages of CHSE criteria application, namely: Cleanliness Procedures; Health Procedures; Safety Procedures; and Environmental Sustainability Procedures.

BNI appreciates the importance of social responsibility and the success of the Social and Environmental Responsibility/CSR/social investment program cannot be gauged merely from the various programs successfully created, but more than that it also requires evaluating the programs' effectiveness and the delivered impacts. Among the tools to measure program impacts is the Social Return on Investment (SROI). In this context, *Balkondes*' SROI was calculated to measure the project's impact on the community from 2017 (development) to 2021.



Kampung Wisata Anak Negeri (KAWAN)

Through the *Kampung Wisata Anak Negeri (KAWAN)* program, BNI seeks to generate added value for local communities surrounding tourist destinations by enhancing community-based tourism services. The emphasis for enhancing tourism services is not merely by improving homestay quality but upgrading other attractions as well such as culinary delights, souvenirs, and tour packages. With its consistent dedication to helping local communities, BNI through the KAWAN program provided quick solutions for the recovery of the tourism-based local economy through provision of various trade equipment. Examples include the provision of weaving and brick printing machines in the Mandalika Tourism Area, Mataram, NTB.

The KAWAN program is currently being piloted in three priority tourist destinations, i.e Mandalika, Likupang, and Labuan Bajo. BNI plans to build infrastructure and Human Resources (HR) facilities in these locations. Among the plans is to provide HR training, to increase the potential for local wisdom, and to build MSME centers with complete facilities and infrastructure. Such support is expected to enhance the local economy and become an added attraction for local and foreign tourists, along with becoming a tourism ecosystem that incorporates the concept of interaction between nature, culture, and local communities with good governance.

In 2021, BNI aided the Sembalun Tourism Area, Lombok, West Nusa Tenggara by providing hand tractors to facilitate the working of the land, which is expected to empower the community surrounding the tourist area. Prior to the provision of such equipment, tillage was done manually by cows.



Millennial Smartfarming

The Millennial Smartfarming program represents a continuation of the 'Ushering in Agriculture 4.0 Movement' initiated by BNI, Ministry of Agriculture, Ministry of Communications and Information Technology, PT Telekomunikasi Indonesia (Persero) Tbk, PT Pupuk Indonesia (Persero), Financial Services Authority, and the startup Mitra Sejahtera Membangun Bangsa. The series of activities organized discussed various ways of implementing the Internet of Things (IoT). As of December 31, 2021, a total of 459 farmers had taken part in this initiative. The program's overall objective is to empower millennials through fostering & developing a digital agricultural ecosystem (IoT) from upstream to downstream, along with enhancing financial inclusion at the village level. In 2021, BNI provided support for 4 Millennial Smartfarming activities.

No	Location	Assistance Type
1	Cicalengka, Bandung Regency	Weather Sensor and Soil pH
2	Klaten Regency	Weather Sensor and Soil pH
3	Gobleg Village, Buleleng Regency	Water Dripping
4	Ngantang Village, Malang Regency	Water Dripping

The essence of Millennial Smartfarming is to involve young farmers as key players in the agricultural ecosystem. The hope is that in the hands of young farmers, national food security can be secured and the President of Indonesia's aspiration for the country to be the world's food storage can be achieved in 2045.





Perhutanan Sosial Assistance

BNI is investment in Green and Sustainable Bond amounted to USD54 million and the distribution of funds through *Perhutanan Sosial* Program is part of the agrarian reform (TORA) program which aims to bring about economic equality and enhance the people's welfare. People living around or inside forests are given access rights in the form of management rights, use permits and forestry partnerships for a period of up to 35 years. As a HIMBARA member, BNI is involved in making the program success by distributing IDR147 billion. The parties involved in this program include ministries and state institutions, and other SOEs as Sinergi BUMN members. In addition, synergies have been built with members of the Forest Village Community Institute (LMDH).

For BNI, the success of management and administration of *Perhutanan Sosial* is not only measured by the business generated and financing disbursed, but rather an actual increase in the welfare of forest farmers. To that end, in managing *Perhutanan Sosial* BNI has provided mentoring support to strengthen village institutions, along with other assistance such as agricultural equipment for cultivation and improving road and irrigation canal infrastructure in the forest villages.

Perhutanan Sosial Activities

Province	Regency	Region	Branch	Area	Farmers	Scheme	31 December 2021		Champion Product
							Total Farmers	Accumulated KUR Disbursement (IDR million)	
East Java	Probolinggo	WMA	KC Probolinggo	1,275	686	IPHPS	620	5,673	Silk tree
	Jember		KC Jember	612	125	KULINKK	131	382	Corn
	Lumajang		KC Lumajang	940	305	KULINKK	165	3,728	Dairy cows
	Madiun		KC Madiun	2,149.4	587	KULINKK	2,933	86,007	Stink lily
	Tulungagung		KC Tulungagung	663.5	928	KULINKK	843	1,344	Corn
	Malang (Brawijaya)		KC Brawijaya	6,112	6,517	KULINKK &IPHPS	703	1,282	Stink lily
	Blitar		KC Blitar	1,389.6	1,284	KULINKK	-	-	-
	Tuban	WSY	KC Tuban	77.3	147	KULINKK	76	869	Corn
	Bojonegoro		KC Bojonegoro	1,494.2	1,342	KULINKK &IPHPS	452	4,442	Corn, beef cattle
	Mojokerto		KC Mojokerto				141	1,800	Sugarcane
West Java	Garut	WBN	KC Garut	2,294.7	1,988	KULINKK &IPHPS	1,561	27,585	Coffee, Horticulture
	Cianjur		KC Cianjur	2,472.3	1,725	KULINKK	44	363	Coffee
	Indramayu		KC Indramayu	1,607	1,279	KULINKK &IPHPS	22	1,100	Milkfish, Corn

Province	Regency	Region	Branch	Area	Farmers	Scheme	31 December 2021		Champion Product
							Total Farmers	Accumulated KUR Disbursement (IDR million)	
South Sumatra	Musi Banyuasin	WPL	KC Palembang	26,886	3,646	KULIN KK, HTR, HKm	542	11,756	Cassava
Jambi	Tanjung Jabung Barat	WPL	KC Kuala Tungkal	2,294	523	HKm	2	50	Palm
	Muaro Jambi		KC Jambi	3,790	1,015	HKm	1	25	Rubber, Palm
	Merangin		KC Bangko	10,332	136	HPHD, HTR	1	25	Rubber
Banten	Lebak	WJB	KC Serang	366	183	KULIN KK	11	78	Corn
Riau	Rokan Hulu	WPD	KC Pekanbaru	2,126	2,907	HD, HKm	1	49	
	Kampar		KC Pekanbaru	12,233	6,782	HD, HKm, Hutan Adat	1	20	
	Indragiri Hilir		KC Tembilahan	7,664	3,503	HD	1	20	
TOTAL				86,778	35,608		8,251	146,598	

COVID-19 Mitigation Support

Amid the COVID-19 pandemic, many sections of society have required support to speed up COVID-19 mitigation, be it light touch or even at a more substantive level. BNI has a hand in this aspect by providing a blood transfusion vehicle to Raja Ahmad Tabib Hospital, Tanjungpinang, Riau Island Province, to aid COVID-19 patients requiring blood plasma transfusions. The blood transfusion vehicles are custom made to exact specifications, such as vehicle temperature and body, and can also carry blood bags and collect blood from hospitals or other health facilities.

Likewise, BNI provided blood donation facilities to assist Red Crescent Indonesia (PMI) Tasikmalaya City. This assistance was useful for blood storage and for separating blood plasma before further examination in the laboratory.



During 2021, BNI handed over no less than **57** ambulances to support the acceleration of COVID-19 mitigation.



COVID-19 Vaccinations

BNI has assisted the Government in accelerating vaccination programs across Indonesia. By joining forces with various organizations, BNI supported administering vaccines of 32,121 Indonesians for doses 1 and 2. In this regard, the assistance package totaled IDR1.8 billion throughout Indonesia. BNI's vaccine drives covered the areas of Jabodetabek (Greater Jakarta), West Java, East Kalimantan, and East Nusa Tenggara.

Furthermore, BNI teamed up with other SOEs to support implementation of the *Sentra Vaksin Bersama* (SVB BUMN) or SOE Joint Vaccine Center at several locations such as GBK, Tennis Indoor Senayan, PPRP Semarang, Grandcity Surabaya, El Dorado Bandung, Tangerang, Purwokerto, and Medan. This scheme targeted the administering of 2.49 million vaccine shots to priority recipients such as health workers, elderly people, community service workers and other vulnerable groups.

Disability Assistance

Together with the Social Services Office of South Sumatra Province and the Indonesian Physically Disabled Persons Association (PPDFI), BNI supplied assistance through adult wheelchairs, child wheelchairs, walking sticks, and hearing aids. Such assistance was to facilitate people with disabilities to better carry out their activities.

Free Internet Provision

In the present circumstances, internet access has become a vital necessity to support working, teaching, and learning activities. Some areas in Indonesia are still "blankspots" where no internet access is available, which of course represents an obstacle. There are various issues surrounding blankspots, including the absence of installed transmitters by internet providers as they feel that it is unfeasible to build transmitter infrastructure in such areas, and therefore internet access is only possible through satellite technologies.

Based on this background, BNI through the BNI Berbagi program provides free satellite internet support for two years to "blankspot" communities. This scheme was initiated in collaboration with the Center for Innovation and Independence for a Greater Indonesia (PIKIR). In this context, free internet access is now available in the Nagari Malalak Barat area, Agam Regency, West Sumatra.

In 2021, BNI expanded its free internet coverage to Koto Kampar, Riau for students at Satu Atap XIII elementary and junior high schools. BNI provided equipment, installation, and internet services, along with training on usage and operation. Going forward, BNI remains dedicated to support other blankspot areas, especially to facilitate students undergoing distance learning during the pandemic.

Caring About Education

The COVID-19 pandemic has seriously hampered teaching and learning activities across the globe. This is especially true for those who live in remote areas and conflict-prone areas, which severely limits access to education. Educational facilities are often inadequate and damaged, causing learning activities to stop. In 2021, BNI provided educational facilities and infrastructure to several schools in Indonesia.

Infrastructure/Facilities	Total
Construction/Renovaton	162 locations
Scholarship Recipients	1,030 persons
Library	4 locations
PC/ Laptop	118 units

Provision of Clean Water and Sanitation Facilities

All living things require water to survive. The provision of clean water and sanitation facilities has a significant impact on human life, especially in improving the welfare and health of the community. BNI has assisted in providing clean water facilities in several drought-prone areas, including Way Kanan, Boyolali, Sampang, Pamekasan, East Flores, and Ciamis. The total expenditure for this assistance was IDR1.14 billion. The assistance package involved included construction of boreholes, water reservoirs, rehabilitation of drinking water networks, and construction of water towers.

On the other hand, provision of sanitation facilities included the construction of toilets and final sewers, towards speeding up the 100% Open Defecation Free (or Stop Open Defecation) program. This initiative has been realized in various cities and regencies across

almost all parts of Indonesia, such as the regencies of Malang, Tapanuli, East Flores, Alor, Kudus, Mentawai Islands, Lebak, Nias and the metro cities of Jakarta and Bandung. Such assistance has been provided pro bono and the funds expended on community sanitation improvement has totaled IDR760 million.

Clean Energy for Society

One of the tourist villages fostered by BNI has the potential to become an ecotourism village. In this context, Sanankerto Village has ecotourism and natural conservation potential through its bamboo forests and reservoirs as the basis for tourism management, which is called Boon Pring Ecotourism. The region-owned entity Kertoharjo BUMDes manages Boon Pring Ecotourism. To maintain the sustainability of tourist villages and electricity access for rural communities, BNI assisted in the construction of a 14 KW Mini Hydro Power Plant. Currently, the power plant is supplying electricity to 66 street vendors and 25 streetlamps at the Andaman Boonpring tourism area.

Government Program Distributions Through BNI

During 2021, BNI became an extension of the government in channeling various kinds of social assistance, such as the Family Hope Program and staple food items from the Ministry of Social Affairs; School Operational Assistance and Smart Indonesia Program from the Ministry of Religious Affairs; Smart Indonesia Program from the Ministry of Education, Culture, Research and Technology; Wage Subsidy Assistance from the Ministry of Manpower; Productive Assistance for Micro Enterprises from the Ministry of Cooperatives and SMEs; and the Pre-Employment Card. In this context, total fund disbursements amounted to IDR59.29 trillion.



Community Development Fund

BNI's Social and Environmental Responsibility program is executed with reference to Minister of SOE Regulation No. PER-05/MBU/04/2021 dated April 8, 2021. This also represents the company's commitment to sustainable development by providing economic, social, and environmental benefits, along with legal and governance certainties using more integrated, directed, and measurable principles. In 2021, BNI's CSR allocation amounted to IDR100 billion, with expenditures totaling IDR93 billion as of December 31, 2021.

Community Grievance Mechanism

BNI prioritizes transparency and is open to complaints from the public concerning its operational impacts. In 2021, no significant complaints were received from beneficiaries of BNI's empowerment programs.

Impact Assessment of Operations for Local Communities

All programs launched by BNI are expected to be able to meet the needs of beneficiaries and bring value to their lives. Accordingly, in preparing its CSR activities, BNI conducts social mapping to ascertain the current conditions existing in the community. From the outcomes of this process, plans are made for community empowerment programs and other social activities that aim to increase positive impacts and mitigate negative impacts as outlined in the activity objectives.

The Corporate Communications and Secretariat Division monitors the process to assess the suitability of plans and interventions, which is followed by an evaluation of the program suitability against the achievement of targets. Evaluation involves an assessment of the programs' social and environmental impacts, the outcomes of which are reported in this Sustainability Report.

BNI manages the positive and negative impacts of its CSR activities. Positive impacts include welfare enhancement, behavioral changes, and a rise in income. On the other hand, the negative impacts that require handling include inequality in mentoring and assistance for beneficiaries, limited access to information, and 'social jealousy' that can potentially cause conflict between communities.

CSR activities are executed in its entirety with the involvement of local governments, institutions/agencies, implementing partners, etc. This is done to ensure optimal achievement of program objectives and for impacts to be viewed from a third-party perspective. The ultimate objective of CSR activities is of course to increase the welfare of the community.

Supply Chain and Procurement Practices

BNI involves local and international parties (especially business partners from Indonesian principals) in the supply chain to support the Indonesian economy. BNI's suppliers/partners cover the scope of construction services, construction planning services, non-construction chartering services, non-construction consulting services, construction supervisory services, goods and other supplier services, and others.

With respect to vendor management (new/existing), BNI uses the e-Procurement app ([link://e-proc.bni.co.id](https://e-proc.bni.co.id)) which covers registration, renewal, sanctions, and vendor performance assessment. In this aspect, vendor management is with reference to Company Guidelines (PP) on Management of Procurement Partners for Goods and/or Services, which is available online (BNI-e-PP). The Vendor Management Policy also contains clauses on Integrity, Anti-Bribery Management System (SMAP), prohibition of discrimination against vendors, and compliance with the code of conduct.

Procurement of Goods and Services 2021

Supplier/Partner Type	Procurement of Goods and Services	
	Number of Suppliers/Partners	Procurement Value (IDR trillion)
Local	477	3,33
Overseas	-	-
Total	477	3,33

Notes: in 2021, there is no procurement from overseas vendors.

In 2021, BNI involved 477 vendors (locals/business partners/principals) in its procurement processes with a total value of IDR3.33 trillion.

General Policy on Vendor Management:

- Vendor Management is consistent with Good Corporate Governance (GCG) implementation at BNI.
- To enhance transparency, fair and competitive business practices by managing vendors.
- Simplifying Vendor Management procedures to increase professionalism.
- Vendor Management requires the creation of guidelines as a reference point within BNI.
- All vendors and internal units involved in Vendor Management activities must follow the applicable guidelines.

BNI's e-Procurement system was created to speed up procurement processes and making them more efficient, transparent, and integrated, thereby providing added value and increasing company competitiveness.



5

BNI FOR EMPLOYEES

“For BNI, high-quality human resources (HR) are the part of significant stakeholders that need to be managed. No discrimination is allowed at BNI and we uphold Human Rights principles in HR management”

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BNI Employee Profile

The presence of BNI Hi-Movers has had a significant impact on the company's business sustainability. BNI welcomes the involvement of all employees in building synergies towards service and implementing good governance, sustainable finance, and corporate social responsibility. As of end-2021, BNI had 27,177 employees with diverse backgrounds in terms of education, age group, work experience, gender, race, ethnicity, and religion. We always ensure that there is no discrimination or harassment in social aspects in building relationships with employees.

Employee Composition by Contract Type and Gender

Contract Type	2021		2020		2019	
	Male	Female	Male	Female	Male	Female
Permanent	12,211	12,960	12,241	12,860	12,127	12,758
Under Contract	581	942	693	1,021	651	887
Trainee	261	222	171	216	364	424
Totals by gender	13,053	14,124	13,105	14,097	13,142	14,069
Grand total	27,177		27,202		27,211	

Employee Composition by Operational Region and Gender

Operational Region	2021		2020		2019	
	Male	Female	Male	Female	Male	Female
Head Office	2,754	2,252	2,573	2,139	2,639	2,213
Regional office 01	573	597	733	737	724	699
Regional office 02	749	744	768	756	750	727
Regional office 03	714	780	676	729	688	764
Regional office 04	851	812	836	812	863	829
Regional office 05	516	571	504	561	511	550
Regional office 06	786	1,082	805	1,076	813	1,051
Regional office 07	663	701	640	639	649	646
Regional office 08	707	704	718	732	706	717
Regional office 09	799	843	818	837	826	849
Regional office 10	411	634	434	664	454	690
Regional office 11	376	505	409	525	403	531
Regional office 12	537	621	530	635	539	653
Regional office 14	496	829	505	835	504	808
Regional office 15	588	791	594	776	591	791
Regional office 16	239	240	253	244	225	247
Regional office 17	618	741	604	713	592	672
Regional office 18	652	671	676	684	637	630
Overseas Branch Office	24	6	29	3	28	2
Total	13,053	14,124	13,105	14,097	13,142	14,069
Grand Total	27,177		27,202		27,211	

Judging from the distribution of employees in the operational regions, the majority are assigned to Java Island. This is obviously influenced by the Head Office location in Jakarta, which draws a lot of human resources, along with the spread of many branch offices across the island. However, this does not limit BNI in serving other areas and contributing to improve the quality of life of communities and economies outside of Java.

Employee Composition by Age Group and Gender

Age Group	2021		2020		2019	
	Male	Female	Male	Female	Male	Female
> 50 years	1,531	877	1,711	946	965	442
> 45-50 years	1,277	1,084	1,322	1,118	1,673	1,281
> 40-45 years	2,203	1,955	2,306	2,025	2,246	1,641
> 35-40 years	1,186	1,090	1,198	1,098	1,216	1,325
> 30-35 years	3,334	4,270	3,458	4,529	2,994	3,599
> 25-30 years	2,734	3,671	2,615	3,570	2,981	4,127
≤ 25 years	788	1,177	495	811	1,067	1,654
Total	27,177		27,202		27,211	

Employee Composition by Job Level and Gender

Job Level	2021		2020		2019	
	Male	Female	Male	Female	Male	Female
≥ Senior Vice President *)	65	25	58	16	47	13
VP	168	47	165	43	159	36
Assistant Vice President	878	395	813	356	784	337
Manager	1,962	1,347	1,929	1,289	1,838	1,239
Assistant Manager	5,270	5,521	5,122	5,354	5,010	5,097
Assistant	4,681	6,789	4,971	7,039	5,218	7,347
Employee	29	-	47	-	86	-
Total	27,177		27,202		27,211	

*) Consists of: Senior Vice President, Executive Vice President, and Senior Executive Vice President

Employee Composition by Education Level and Gender

Education Level	2021		2020		2019	
	Male	Female	Male	Female	Male	Female
Ph.D	6	4	7	4	6	4
Masters	1,598	1,104	1,581	1,076	1,581	1,042
Bachelors	10,384	11,674	10,297	11,549	10,166	11,546
Diploma	635	1,335	717	1,463	788	1,468
High School or lower	430	7	503	5	601	9
Total	27,177		27,202		27,211	



Employee Recruitment and Turnover

BNI's existence has positively impacted society through the employment of local workers. In 2021, BNI recruited 1,196 new employees, or 4.3% of the total employees. Conversely, 436 persons with various backgrounds decided to leave the company, affecting the employee turnover rate. For 2021, we have recorded a turnover rate of 1.60%.



Employee Turnover Rate

1.60%

2020 : 1.96%

2019 : 4.57%

New Employee Composition by Age Group and Gender

Age Group	2021		2020		2019	
	Male	Female	Male	Female	Male	Female
< 30 Years	539	618	477	651	737	1,009
30-50 Years	18	17	27	16	24	7
> 50 Years	2	2	2	0	2	0
Total	1,196		1,173		1,779	

New Employee Composition by Operational Region and Gender

Operational Region	2021		2020		2019	
	Male	Female	Male	Female	Male	Female
Head Office	260	232	218	245	438	491
Regional office 01	19	9	43	59	5	11
Regional office 02	14	15	29	55	31	37
Regional office 03	54	59	7	5	32	55
Regional office 04	16	11	4	4	34	44
Regional office 05	31	44	2	9	14	8
Regional office 06	21	31	26	52	58	97
Regional office 07	20	28	10	24	14	20
Regional office 08	8	1	23	21	8	16
Regional office 09	13	23	8	2	46	91
Regional office 10	5	9	7	8	6	15
Regional office 11	4	6	10	14	5	4
Regional office 12	24	34	9	8	4	8
Regional office 14	9	27	14	33	17	43
Regional office 15	21	39	12	15	3	2
Regional office 16	7	9	11	8	10	23
Regional office 17	24	46	24	49	19	38
Regional office 18	9	14	49	56	19	13
Total	1,196		1,173		1,779	

Composition of Outgoing Employees by Age Group and Gender

Age Group	2021		2020		2019	
	Male	Female	Male	Female	Male	Female
< 30 Years	53	106	51	138	144	290
30-50 Years	97	170	124	201	269	490
> 50 Years	6	4	8	11	25	25
Total	436		533		1.243	

Composition of Outgoing Employees by Operational Region and Gender

Operational Region	2021		2020		2019	
	Male	Female	Male	Female	Male	Female
Head Office	37	31	42	46	95	116
Regional office 01	4	13	4	17	30	56
Regional office 02	9	16	11	17	34	35
Regional office 03	9	19	13	29	17	39
Regional office 04	8	21	13	29	25	67
Regional office 05	9	12	6	9	11	28
Regional office 06	10	31	13	31	26	47
Regional office 07	6	14	8	21	16	28
Regional office 08	(-)	11	7	9	10	26
Regional office 09	15	24	16	27	23	45
Regional office 10	8	8	6	19	13	53
Regional office 11	8	9	4	10	10	13
Regional office 12	1	17	10	18	26	50
Regional office 14	8	14	9	16	20	59
Regional office 15	6	11	4	22	26	62
Regional office 16	5	4	3	6	12	11
Regional office 17	3	15	7	11	24	38
Regional office 18	10	10	7	13	19	32
Overseas Branch Office	-	-	-	-	1	-
Total	436		533		1.243	

Prohibition of Child and Forced Labor

Under the recruitment policy, at a minimum new applicants must be 18 years of age. In this context, we strive to ensure that no child labor exists within BNI. Work and rest hours are regulated in the Collective Labor Agreement (CLA) Chapter VI Article 20. This provision is also evidence that no forced labor practices exist at BNI, in fact forced labor is prohibited. Employees are allowed to work overtime if they are willing, without coercion, and with the knowledge of superiors.



Fair Employment Practices and Respect for Human Rights

Collective Labor Agreement (CLA)

The CLA is drawn up by agreement between the management and employee representatives who are members of the Labor Union. The CLA contents are updated every 2 years and is binding on all (100%) permanent and contract employees. The CLA regulates such matters as employee rights and obligations including competency and career development, employee welfare, performance appraisal, and industrial relations.

Application of Human Rights Principles in HR Management



BNI prioritizes the principles of diversity, equal opportunity to work, and upholds the principle of non-discrimination.



Collecting inputs from employees through HC and/or Labor Union intermediaries.



31 persons empowering employees with physical disabilities



Paying due attention to the health and safety of employees by providing access to health facilities.



Providing opportunities for association and assembly.



Providing remuneration that is above the regional minimum wage



Providing right of paid leave for all employees, including 3 calendar months of maternity leave for women, and no rights are reduced upon returning to work.



Providing opportunities to practice religious obligations.



Providing the right to be absent from work while still receiving wages/salaries without a reduction in leave balance, in accordance with the right to leave as mandated by law and by submitting a written application to the direct supervisor with valid evidence.

Employee Competency Development

Human resource management (HR) is supervised by the Human Capital Management Division (HCT) and HR assessment reports are submitted periodically to the Board of Directors and Board of Commissioners. HR management involves making efforts to improve the quality and competence of employees as a significant aspect to be undertaken. BNI provides opportunities for all BNI Hi-Movers to receive training, continue their education, get promotions, develop careers, and avail other listed rights in the CLA in accordance with applicable laws and regulations.



Realized of Employee Competency Development Fund

IDR **180.68** billion.



Male

Average Training Hours by Gender

80.30

2020* : 76.06

2019 : 76.53



Female

Average Hours of Training by Gender

74.92

2020* : 71.45

2019 : 74.17

* Restatement of 2020 data to equate the perception of training hours in 2020 with 2019 and 2021.

Average Hours of Training by Job Level and Gender

Job Level	Employees Attending Training		Annual Training Hours		Average Training Hours	
	Male	Female	Male	Female	Male	Female
≥ Senior Vice President **)	69	22	5,082	1,196	73.67	54.36
Vice President	169	48	8,125	1,677	48.08	34.94
Assistant Vice President	895	404	70,005	40,144	78.22	99.37
Manager	1,970	1,369	171,444	111,924	87.03	81.76
Assistant Manager	5,318	5,578	691,028	731,458	129.94	131.13
Assistant	4,755	6,953	114,985	190,541	24.18	27.40
Employee	33	-	33	-	0.98	-
Total	13,209	14,374	1,060,703	1,076,940	80.30	74.92
	27,583		2,137,642		77.50	

*) The number of employees includes employees who terminated dhi, resign and mainly retired employees.

**) Consists of: Senior Vice President, Executive Vice President, and Senior Executive Vice President.



Learning Participation by Academy

Academy	2021			2020			2019		
	Courses	Classes	Participants	Courses	Classes	Participants	Courses	Classes	Participants
Leadership Academy and Corporate Core Functions									
Leadership	25	143	4,263	32	148	16,177	35	68	29,244
Governance, Risk, and Compliance	25	76	239,268	18	38	189,360	20	57	164,118
New Entry	3	29	665	3	27	748	6	26	634
Corporate Core Function	42	109	148,360	32	96	58,060	72	119	32,504
Strategic Initiative	7	21	561	31	48	164,241	N/A	N/A	N/A
Total	102	378	393,117	116	357	428,586	133	270	226,500
Business Academy									
Banking Operation	26	83	59,208	24	104	76,068	17	61	7,008
Credit and Business	71	252	64,397	67	183	61,766	77	319	20,545
Marketing, Sales, and Service	54	231	160,170	44	125	69,184	63	271	100,852
Transactional Banking	6	15	1,595	9	23	108,170 *)	5	35	3,785
Treasury and Global Banking	17	108	95,727	10	62	29,554	10	32	5,967
Professional Certification	18	111	3,707	19	97	3,131	19	202	5,729
Total	192	800	384,804	173	594	347,873 *)	191	920	143,886
Grand Total	294	1.178	777.921	289	951	776.459 *)	324	1.190	370.386

Note: *) Restatement of 2020 data to equalize the scope of the learning methods measured. The data included 620 terminated employee.

BNI has taken advantage of digitalization to upskill employees using a digital approach through in-class virtual/ online learning, e-learning, and the Daily Exercise Employee Program (DEEP46). While several lessons are delivered using face-to-face in-class learning, compliance with health protocols is strictly enforced. It is mandatory for all employees to take the e-learning modules, where employee participation is monitored by BNI Corporate University and can be viewed via the BNI Smarter platform. The Daily Exercise Employee Program (DEEP46) involves learning where BNI employees receive questions corresponding to their daily work areas. In 2021, a total of 542,762 participants had used DEEP46. Employee participation in all learning programs is monitored by BNI Corporate University, and/or training providers and recorded on the Human Capital Management System (HCMS).



24,611

Employees accessing DEEP46



26,333

Employees accessing e-learning modules

Types and Scope of Competency Development Programs

The upskilling of employees involves various types of programs with their respective objectives and scopes. These programs are useful for employees in their daily work and will also be beneficial when they are about to make the transition to a higher career level, or when they are approaching retirement. The available learning programs include the following:

- **Leadership, Productivity, and Accelerating Development**
This represents a leadership program for employees which is oriented towards preparing future BNI leaders. This program also aims to improve competencies on interpersonal relations, leadership, and business acumen. The development method uses a systematic and directed trajectory.
- **Leader Succession**
This is a management development program to prepare for leadership succession and implemented via the 70:20:10 concept, i.e 70% experiential learning, 20% social learning, and 10% formal learning.
- **Talent development system**
The talent development system is initiated by considering the outcomes of assessment, performance appraisal, and talent mobility plans. The teaching method includes mentoring, cross mentoring, and coaching of fellow employees to improve hard skills and soft skills, especially with respect to leadership skills.
- **Career Acceleration: Skip and Speed Track**
This program is intended to improve employee leadership skills and provide managerial competence to the next career level. The career acceleration program is divided into two, namely Skip Track speeds up employee mobility to the level and grade of the target position by skipping over the immediate higher position/level, while Speed Track speeds up employee mobility to the level and grade of the target position with a faster mobility duration than normal.
- **Global Postgraduate Program**
BNI is firm on adapting to increasingly competitive business developments that require expert HR who can compete, not only domestically but also globally. Through this program, we provide opportunities for qualified employees to continue their education abroad at well-known universities.
- **Developing Data Analytics Capabilities**
The continuous changes in business dynamics makes it imperative for BNI to be ready to face change. For a company, employing the latest technologies represents a strategic step in building a competitive advantage. In this regard, data analytics skills are one area of expertise which BNI has developed through its various development programs.



- **Pre-Retirement Program**

BNI provides special training for employees who are about to go into retirement, i.e those who are over 50 years old. The “Road to Golden Age Series” is a knowledge sharing program to build mental readiness in facing retirement, which will also enable retirees to remain productive and enjoy their retirement period. Some of the topics presented include the following:

- Self-empowerment strategies and tips for overcoming post power syndrome;
- Healthy lifestyle;
- Financial planning for retirement;
- Opening a business in retirement, etc.

Executive Management Program (EMP)

The preparation of successors for Board of Director positions represents a daunting challenge that must be planned for. BNI’s EMP program develops leadership skills for executive level positions (C-1 and C-2) and is oriented towards imparting leadership capabilities in preparing the talent pool of select employees for filling the positions of BNI and SOE Board of Directors. This program is attended by 20 participants at the C-1 and C-2 levels who have passed the selection process, i.e talent class, interview with directors, and behavior assessment.

Through this program, participants can learn various aspects on leadership and organization through theory, gains insights through professional coaches from global organizations, and experience best practices in implementing theory through the immersion program. The organizations that have become the benchmark for immersion activities are Lazada, Godrej, Workday, CDSG and MBC.

Development of Training Modules on ESG and Sustainable Finance

As as one of the banks that has driven sustainable finance implementation (first mover on sustainable banking), BNI is committed to enhancing employee competence and knowledge on the concept of sustainable finance, thereby encouraging sustainable economic growth and BNI’s continued business development.

As ESG issues and sustainable finance has now come to the fore, BNI has teamed up with PT Bumi Global Karbon to develop internal training modules on ESG topics and risks, sustainable finance, and/or sustainability principles. This training provides employees with an understanding of sustainability and ESG concepts, ability to analyze corporate sustainability reporting and the capacity to comprehend environmental, social risk management and sustainable finance governance.

Additionally, there are mandatory e-learning lessons on ESG and sustainable finance, namely the Sustainability Finance module that must be studied by all employees, with the expectation that they will attain the capacities to support sustainable finance implementation at BNI. In 2021, 25,707 employees enrolled in the mandatory sustainability finance e-learning module.

Sustainability-Related Training

In keeping with the restructuring of sustainability governance within BNI, sustainable finance training has been consistently provided to employees in the various divisions responsible for its implementation. Further, in 2021 the Board of Directors and Board of Commissioners also received training on sustainability. For the the year, 295 employees attended various trainings related to sustainability.

Sustainability-related training in 2021

Training Title	Facilitator	Total Participants
Construction Sector Analysis	Waskita Karya, PT Bina Daya Mulia	59
Chemicals and Other Chemical Goods Industry	Prima Kelola IPB Consulting	55
Nickel Industry	Special staff of the ESDM Ministry	13
Coal Trading and Export Industry	PT Faba Konsultan Indonesia	42
Manufacturing Industry Study	PT Faba Konsultan Indonesia	93
Sustainable Finance (SF) - Environmental, Social and Governance (ESG) aspects	PT Bumi Global Karbon	33

Moreover, BNI has organized online training on sustainability through live streaming of 'Knowledge Supplements' that could be attended by all employees.

Sustainability-related Webinars in 2021

Training Title	Facilitator	Total Participants
Fraud Awareness Series IT Fraud	BNI	1,460
Fraud Awareness Series - Risk Management and International Business Development	BNI	905
Fraud Awareness Series - SOE Governance	Ministry of SOEs	6,338
Good Corporate Governance Anti-Bribery Management System (SMAP)	Robere & Associates	22,319
Refresher on Risk Management Certification Series 1 - Risk in the Digital Environment	BNI	2,855
Refresher on Risk Management Certification Series 2 - Fraud Awareness in Digital Environment	BNI	2,242
Refresher on Risk Management Certification Series 3 - Complaint Handling in the Digital Environment	BNI	1,243
Information Dissemination on Prevention of Corruption in the Banking Sector	Corruption Eradication Commission	7,541
Efforts to Achieve the Renewable Energy Mix	Reconsult	1,919



Welfare and Rewards for Employees

Remuneration and Benefits

BNI pays great attention to employee remuneration in the form of salaries, allowances, incentives, and other benefits. We provide competitive remuneration at all levels, including the entry level, while still complying with applicable regulations and being above the regional minimum wage in the respective region. Other facilities include health and old age benefits. All employees are enrolled in the BPJS Health and BPJS Employment schemes. Moreover, BNI has a pension program for permanent employees managed by the BNI Pension Fund and the PT Bank Negara Indonesia (Persero) Tbk Financial Institution Pension Fund.

Remuneration and Benefits by Employment Status

Item	Provided to Employees
Basic Salary	√
Health Facilities	√
Retirement Health Fund	√
Paid Leave	√
Maternity Leave	√
Pre-Retirement	√
Pension Program	√

Note: All employees work full-time (BNI does not have part-time employees)

BNI provides maternity leave rights to female employees for 3 calendar months. This also applies to female employees who experience accidental miscarriages or abortion provocatus for medical reasons, as stated in Article 29 of the CLA. Maternity leave does not reduce the annual leave entitlement of female employees. Similarly, male workers are granted paternity leave on the birth of a child from a legal wife, and permission to accompany a wife experiencing a miscarriage for two working days as stated in Article 33 of the CLA.

Performance Appraisal

To ensure that all work units have attained performance targets in furtherance of achieving the Bank's Key Performance Indicators (KPI), it is necessary to evaluate the performance of all employees. Every year, BNI conducts reviews, assessments, and performance appraisals against all (100%) employees, both quarterly and annually. Performance appraisal involves filling out a self-assessment form by employees, one-on-one discussions with line managers, and the final score is submitted through the Digi-HC/ Integrated Human Capital System (IHCS) system. The performance appraisal outcomes can be used to adjust remuneration & bonuses and determine career paths such as promotions and rotations. Similarly, employees can also identify things for improvement and receive feedback and recommendations to improve their performance.

Succession Planning and Promotions

All employees have the opportunity to develop and build a career in line with their growth in performance and competencies within a position. BNI has designed a promotion program for those meeting the established criteria, which follows an objective assessment. Succession planning and promotions are tailored to company needs, competency assessment and work experience.

Retirement Program

The CLA regulates a pension program for all employees. In this context, BNI implements several programs to enable employees to live well following their retirement. The Defined Benefit Pension Program (PPMP) is available for individuals appointed as permanent employees prior to September 1, 2005. Here employees contribute of 7.5% of Basic Pension Salary while the Company's contribution is based on actuarial calculations. The Defined Contribution Pension Program (PPIP) is for individuals appointed as permanent employees from September 1, 2005 onwards where employees contribute 3.5% of total cash and the Company contributes 11.5% of total cash. Furthermore, the Retirement Period Health Fund Program (DKMP) is a defined contribution program to provide health benefits to pre-retirement employees and their spouses which is prepared while the employees are still active.

In 2021, 319 persons retired from the organization, comprising 162 men and 157 women. With the existence of the pension program, the funds can be expected to be better managed to deliver positive outcomes and maintain the welfare of employees in their advanced age.

Employee Engagement and Satisfaction

BNI strives to create a conducive work climate and build good industrial relations with employees to enable BNI Hi-Movers to have job satisfaction and positive engagement. In this regard, employee engagement is measured on an annual basis. In 2021, employee engagement was recorded at 96%, meaning that 9.6 out of 10 employees feel proud to work at BNI. Meanwhile, the employee satisfaction survey indicated a score of 90%, which means that 9 out of 10 employees feel that their needs are being fulfilled.



Decent, Healthy, and Safe Workplace

Material Topic: Occupational Health and Safety (OHS)

Our Approach

Compliance with health protocols at the workplace delivers a positive impact on the health and safety of employees, customers, and business partners/ suppliers/ vendors within BNI. Since the outbreak of the COVID-19 pandemic, BNI has continued to improve its occupational safety and health management system.

OHS supervision at the head office is performed by the Asset Management and Procurement (PFA) Division through Building Management, while oversight at branch offices is the responsibility of the Branch Manager. With the support of all BNI Hi-Movers, throughout 2021 no cases of occupational diseases or fatal accidents were recorded while continuous efforts were made to prevent Covid-19 transmission.

Access to Health and Safety Facilities

BNI's work environment is designed to meet a conducive, livable, and comfortable work climate. The feasibility and safety of the work environment includes clean toilets, dining rooms, nursing rooms, smoke detection devices and light fire extinguishers (APAR), places of worship, and bicycle parking lots. Further, Face Recognition equipment is installed at all entry points of BNI buildings, and QR scans for the Peduli Lindungi app is used to mitigate the spread of COVID-19.

Health/Medical Clinics are available at Grha BNI, Menara BNI, Plaza BNI, and Gedoeng BNI which can be accessed by all employees. A doctor is always on duty for employees to consult with, while ambulances are available on standby. In case of the need for referrals, BNI has built collaborations with hospitals in the Jakarta area. As for operational areas outside Jakarta, we have been working with hospitals in the nearest city as referral points for employees.

In the buildings and offices managed by us, light fire extinguishers (APAR) and other safety tools such as cabinets and personal protective equipment (PPE) are available. We have also placed first aid kits at various points in office buildings. For certain buildings such as Grha BNI, Menara BNI, Plaza BNI, and Gedoeng BNI, fire and earthquake simulations are performed at least twice a year in collaboration with building managers and the local Fire Department. Currently, BNI does not have an OHS committee, however, BNI buildings have the Building Operations Technical Manual as a guide for emergencies.

Hazard Identification and Incident Reporting Mechanisms

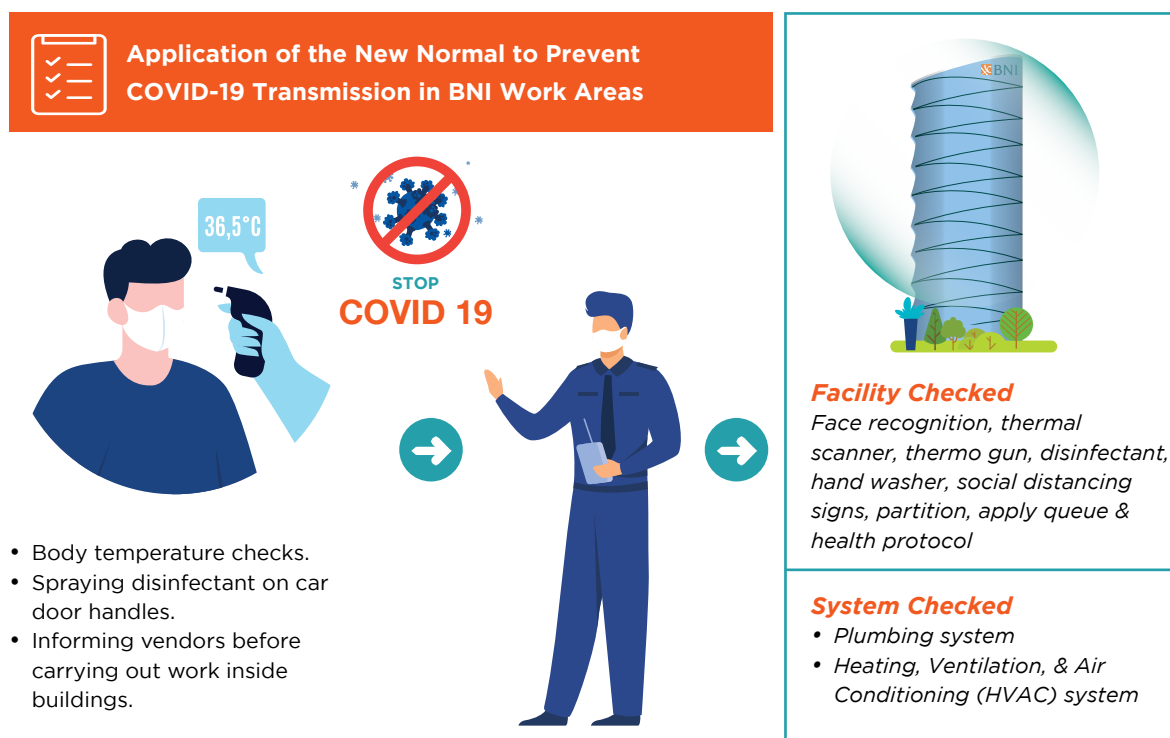
All BNI Hi-Movers are encouraged to pay attention to each other and report any potential hazards via DigiHC and the CLUE app along with the follow-up. For incidents involving health and/or safety issues, employees are expected to apply for permission to their superiors to take a break and leave the office.

Responding to COVID-19

While the intensity of the COVID-19 pandemic has subsided compared to the preceding year, BNI continues to mitigate and strengthen health protocols in all operational areas. We carry out preventive actions and manage employee working time while still implementing Work From Home (WFH) processes. For employees who work at BNI offices, we provide healthy, clean, and nutritious lunches which are supplemented with vitamins. Employees also receive transportation allowances in the form of taxi vouchers or operational vehicles. Other forms of support are given to employees performing critical functions. Employees who directly interact with customers are regularly antigen tested which is meant to consistently provide a sense of security at work for employees and for BNI customers.

BNI pays attention and supports employees who have been exposed to COVID-19. To ensure the safety and comfort of employees at work, BNI has implemented various strategies that have been appreciated by employees, such as WFH, providing lunch and immune boosters for employees working at the office, administering periodic COVID-19 tests to employees in direct contact with customers, administering vaccines for employees and their families, and ensuring that the health of employees is being properly monitored via the DigiHC app.

Moreover, employees who have tested positive for COVID-19 have their treatment costs covered until they return a negative test. This involves a well-coordinated process between work units and the HCT Division and the active role of the Emergency Task Force (ETF) in each unit. In addition, BNI is working with other parties to provide a place for self-isolation and direct pick-up for employees who are confirmed as COVID-19 positive.





6 GOVERNANCE AND STAKEHOLDER ENGAGEMENT

“Sustainability governance is BNI’s foundation in supervising sustainability performance. Activities that are measured and monitored are expected to deliver sustainable impacts.”

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BNI's Approach to Drive Positive Impact

Building a Culture of Sustainability

With respect to governance, all personnel from staff to management are called upon to support the implementation of sustainable finance and other sustainability principles. Various initiatives have been implemented to internally build a culture of sustainability. One of these includes the establishment of the Environmental, Social & Governance (ESG) Sub-Committee under the Risk Management & Anti-Fraud Committee as per Board of Directors Decree No. KP/484/DIR/R dated October 26, 2021. Other initiatives include preparation of a credit policy by considering ESG factors; incorporating sustainability principles in the Code of Conduct, policies, and Standard Operating Procedures (SOP); training to enhance employee insights on sustainability; and mapping of credit portfolios with high environmental impacts.

Similarly, BNI internally disseminates information on sustainability programs, including the creation of credit policies that support sustainability principles, mandatory e-learning of the Sustainable Finance Module for all employees, and enhancing ESG awareness of all employees through various communication channels such as the internal magazine "Sinergi BNI", and BNI digital channels of Youtube, Corporate University, email blasts, and e-Sinergi46.



Implementing Sustainable Finance and RAKB Preparation

From the point of view of implementation, BNI is committed to achieving its Vision and Mission on Sustainable Finance. BNI wants to be a financial institution that excels in service and performance by providing services that pay attention to environmental and social risk aspects to provide superior performance. BNI believes that by consistently applying sustainable finance principles, we can deliver a positive impact on the Indonesian economy and business environment in a more responsible and environmentally friendly manner.

The Board of Directors fully supports OJK's policy of implementing sustainable finance. Following up on the KMP Division Memo No. KMP/4/2602 dated June 21, 2019 concerning Implementation of Sustainable Finance at BNI, the President Director supports sustainable finance implementation and establishment of the Environmental, Social & Governance (ESG) Sub-Committee.

The objective of preparing the BNI Sustainable Finance Action Plan (RAKB) is to develop a more systematic and specific approach to the gradual implementation of sustainable finance in business practices. Further, this represents BNI's compliance with applicable regulations and supports OJK's Sustainable Finance Roadmap along with achievement of the Sustainable Development Goals in Indonesia.

The objectives of implementing sustainable finance are as follows:

Providing adequate financing to achieve sustainable development goals and climate change related activities;

Improving the resilience and competitiveness of FSIs, issuers and public companies through better environmental and social risk management by developing financial products and/or services that apply sustainable finance principles, thereby able to positively contribute to financial system stability;

Lowering social inequality, reducing and preventing environmental damage, maintaining biodiversity, and encouraging efficient use of energy and natural resources; and

Developing financial products and/or services that apply sustainable finance principles.



Sustainability Governance Structure

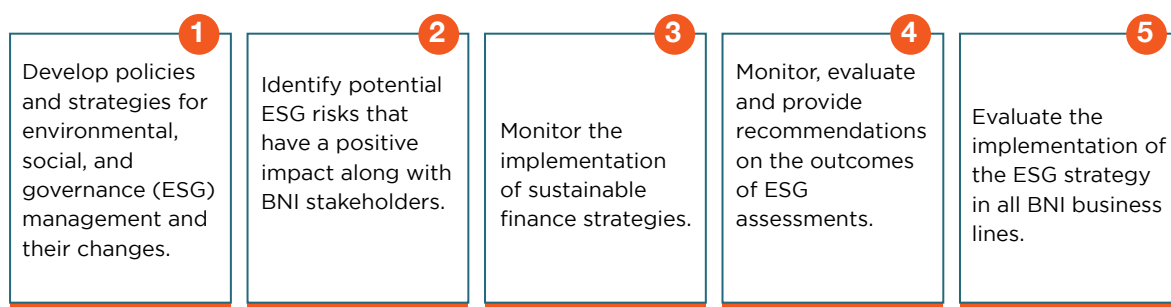
With respect to sustainability governance, BNI's leadership of the Board of Commissioners and Board of Directors provide support in planning and direct supervision of sustainable finance. Currently, BNI has an ESG Sub-Committee under the Risk Management & Anti-fraud Committee which was established under Board of Directors Decree No. KP/484/DIR/R dated October 26, 2021. The composition of the ESG Sub-Committee is as follows:



Chairman	:	Vice President Director
Vice Chairman	:	Risk Management Director
Secretary	:	Head of Enterprise Risk Management Division
Permanent Member of Board of Directors and SEVP level (Voting Member)	:	<ul style="list-style-type: none"> • Managing Director Finance (CFO) • Managing Director Corporate Banking • Managing Director Institutional Relation • Managing Director MSME • Managing Director Treasury & International Banking • Managing Director Consumer Banking • Managing Director Service & Network • SEVP Treasury
Permanent Member of Board of Directors level (Non-Voting Member)	:	<ul style="list-style-type: none"> • Managing Director Human Capital & Compliance
Permanent Member of Division or Unit level (Non-Voting Member)	:	<ul style="list-style-type: none"> • Head of Enterprise Risk Management Division • Head of Corporate Secretary & Communication Division • Head of Policy Governance Division • Head of Investor Relations Division • Head of Data Management & Analytics Division • Head of Financial Budgeting & Control Division • Head of Strategic Planning Division • Head of International Division • Head of Subsidiaries Development Division • Head of Treasury Division • Head of Compliance Division • Head of Human Capital Strategy Division • Head of Corporate Banking 1 Division • Head of Corporate Banking 2 Division • Head of Corporate Banking 3 Division • Head of Commercial Business 1 Division • Head of Commercial Business 2 Division • Head of Corporate Credit Risk Division • Head of Commercial & SME Credit Risk Division • Head of Consumer Product Management Division • Head of Channel Management Division • Head of SME Business Division • Head of Small Business & Programme Division

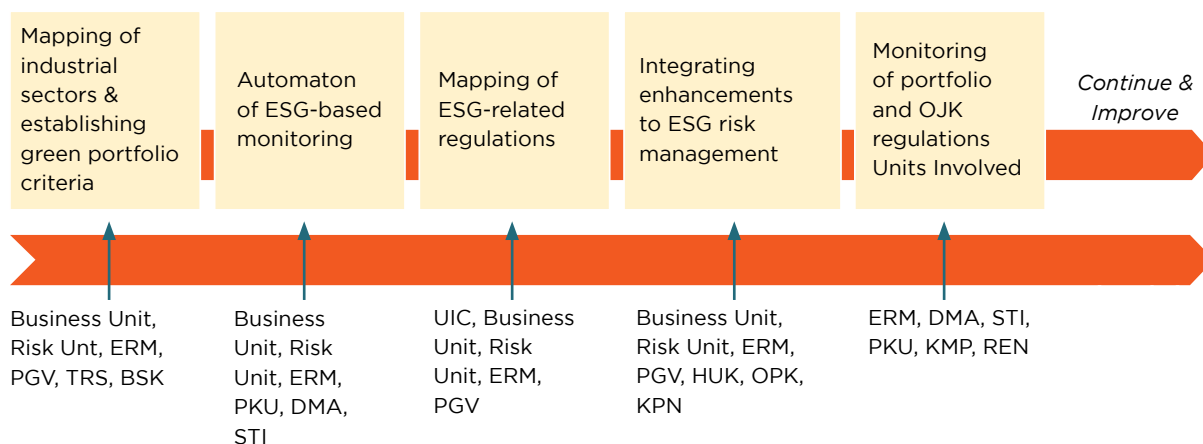
Delegation of Responsibility for ESG Implementation

Following the establishment of the Environmental, Social & Governance (ESG) Sub-Committee, BNI has a body to manage ESG implementation. The main tasks of the ESG Sub Committee are as follows:



Monitoring and Evaluation of ESG Implementation

In general, the series of activities on ESG risk management are summarized in the following chart:



ESG Risk Management Policy

Good governance is a basic principle at BNI and we strive to ensure that its implementation is in accordance with best practices. We make every effort to maintain the highest standards of ethical conduct for operations and reporting that are accountable, accurate and transparent, and compliant with applicable laws and regulations.

The governance structure, policies, and operational processes are directed towards identifying and managing ESG risks in the entire BNI value chain. Top management plays a role in providing oversight of our efforts in coordination with all work units to ensure responsibility for business practices, as well as encouraging the principle of prudence in managing risk.



BNI already has a policy in place to control ESG risk arising from disbursed loans and will consistently continue to make improvements to be in line with rules and regulations related to sustainable finance. The ESG policy is contained in the 2022 Sustainable Finance Action Plan (RAKB) which has been approved by the Board of Commissioners, i.e. Board of Commissioners' Approval No. DK/113/R dated November 29, 2021. Moreover, as per existing policy BNI conducts preliminary screening of ESG risk before granting loans to debtors. This process is consistently adhered to by the Corporate Business Division 1, 2 and 3, Commercial Division 1 and 2, Institutional Relations Division 1 and 2, Corporate Syndication and Solutions Division, International Division, SME Business Division and Small Business & Program Business Division as loan disbursing units at BNI.

Risk Identification Procedure on Sustainable Finance Implementation and Its Management

The procedures for identifying, measuring, monitoring, and controlling sustainable finance risk are applied at BNI with reference to the four pillars of risk management, namely:

1. Active Supervision by the Board of Commissioners and Board of Directors.
2. Adequacy of Policies, Procedures, and Determination of Limits.
3. Internal Control System.
4. Adequacy of Risk Identification, Measurement, Monitoring, and Controlling Processes, as well as Risk Management Information Systems.

We have identified the risks that arise from sustainable finance implementation, as follows:

ESG risk in banking operationst

Risk

The launch of new innovations in products/services does not necessarily reach all sections of society

Risk Mitigation

BNI has developed the 'Digital Opening Account' to enable people to open a bank account without having to come to a branch office. BNI is the only bank appointed as a payment partner for the Pre-Employment Card meant for competence development and entrepreneurship, which also includes financial assistance for job seekers, laid-off workers, or workers requiring capacity building, including micro and small business actors. In addition, BNI has also developed a cardless cash withdrawal feature that can be used to withdraw money from BNI ATMs by both customers and non-customers. Product innovations have taken place to provide equality in services and reach remote areas, such as BNI Agen46, BNI Layanan Gerak.

New innovations in products/services are mostly digital-based, therefore we need to manage the risk of their reach to areas that are not yet connected to the internet. In this regard, BNI runs a free internet procurement program in several regions. Internet assistance is intended for people in rural areas to access BNI products/services as well as students in conducting online learning during the COVID-19 pandemic.

Risk

Digital financial products/services increase the risk of cybercrimes and endanger customer privacy

Risk Mitigation

BNI already has rules that comply with international standards in the securing of assets and infrastructure, and audits are constantly performed internally as well as externally by independent parties on assets, policies, and security SOPs. Moreover, every app development involves IT Security and Enterprise Risk Management to see risks from all sides and to continuously conduct penetration tests by independent parties against all BNI apps released to the public.

Social risks in carrying out financial literacy and inclusion initiatives

Risk

Uneven spread of financial literacy and inclusion beneficiaries

Risk Mitigation

BNI is committed to providing equal service to all which is realized through our financial inclusion products/services that can reach remote areas, such as BNI Agen46 and ATM machines. In addition, the financial literacy program that we run also reaches 3T (Frontier, Outermost, Least-developed) areas.

Risk

Lost of customer confidence in the Bank

Risk Mitigation

BNI needs to improve professionalism and ensure the integrity of BNI Agen46 agents. This is an important consideration as it has the potential to open up opportunities for fraud, thus causing a negative impact on the loss of customer trust in the Bank.

ESG risk in credit disbursements

Risk

Prospective borrowers whose businesses aren't socially friendly or classified as KKUB

Risk Mitigation

BNI has a policy of not providing credit to businesses that are not prohibited by external regulations and do not pose a reputational risk. BNI conducts screening for ESG risk, compliance tests on credit proposals, and sets requirements related to ESG integration.

The determination of general policies for corporate, commercial, small, and consumer loans is performed by the Credit and Business Policy Committee, while environmental and social risk analysis is carried out by the Risk and Capital Management Committee. Evaluation is performed by the Audit Committee.

BNI's credit policy regulates the credit terms for industries related to agriculture; biodiversity; energy use; forestry; mine; oil and gas; transportation; and use of materials. This policy is continuously reviewed to mitigate ESG risks.

BNI also has an exclusion list, i.e., a list of industries and business activities that will not be given credit, which include illegal logging, production and trade of narcotics, forced labor, child labor, human rights violations, community rights violations, gambling & money laundering, vandalism of world heritage sites, and trade in protected animals.

Risk

Existing debtors whose businesses entail ESG risk

Risk Mitigation

BNI conducts regular assessments and monitoring of existing debtors whose sectors involve potential negative impact on the environment. In this regard, assessments are performed against debtors who run mining operations, palm oil mills, metal processing and other businesses related to environmental permits.



Achievements, Opportunities, and Challenges Of ESG Application

BNI's achievements on sustainable finance implementation that make us proud include the following:

- Taking part in the establishment of the Indonesian Sustainable Finance Initiative (IKBI).
- Playing an active role in the preparation of the OJK Sustainable Finance Task Force Team.
- Participating in the preparation of the OJK Green Taxonomy.
- Receiving appreciation in the Asia Sustainability Reporting Rating (ASRRAT) 2021 event.
- BNI being consistently included in the SRI-KEHATI Index.
- Receiving appreciation for being included as a constituent of the IDX KEHATI Senior Leaders ESG Index.
- Being assessed as a Medium Risk ESG exposure company from Sustainalytics.
- Receiving an 'A' ESG Rating from MSCI.

The opportunities that we can develop along with the implementation of sustainable finance include the following:

- Looking for green financing opportunities in Indonesia by communicating with the government, contacting potential overseas investors, and utilizing partnerships with domestic and international institutions to promote sustainable finance.
- More and more businesses are starting to pay attention to environmental, social and governance aspects in conducting their business.
- There is increasing attention from the government, regulators, and investors regarding the implementation of a sustainable business which is expected to create products that are environmentally and socially sound.
- Carrying out Environmental and Social Responsibility (CSR) activities to support an environmental and socially aware portfolio.
- The sizable number of MSMEs that can be fostered and financed.
- Development of digital-based financial product/service innovations to reduce the need for customers to commute to branch offices.
- Collaboration with various parties who are familiar with sustainability issues to develop programs that support sustainability and SDGs.

The challenges that need to be managed to maximize the achievements of sustainable finance implementation are as follows:

- In implementing the Criteria for Sustainable Business Activities (KKUB), BNI faces challenges in the form of understanding the different criteria among BNI personnel, so that more detailed guidelines are needed regarding the implementation of these criteria.
- Another challenge is related to supporting activities for sustainable finance implementation where the understanding of ESG integration is still not evenly spread. Going forward, internal capacity building will be carried out through training or e-learning on sustainable finance, either by BNI or related (external) parties.
- Fostering cross-agency synergies at the central and regional levels are another challenge. In this regard, formulating memorandum of understanding will be pursued to become the legal basis for national implementation.
- The development of digital monitoring of the performance of waste banks and their customers in each area is expected to encourage a higher level of participation, as performance can be directly monitored and viewed easily, quickly, and transparently. Such monitoring can also be used as a database for waste reduction as carried out by the community in their respective environments.

Good Corporate Governance

BNI has implemented good corporate governance (GCG) principles in the running of the organization. Along with global changes related to sustainability, we have also directed the governance organs to manage sustainable finance implementation and take advantage of available business opportunities amidst the intensification of sustainability issues.

Structurally, operations are controlled by the Board of Directors, whose performance is supervised by the Board of Commissioners. Each Directorate is led by a Director, who oversees the divisions managing ESG aspects in accordance with the line of authority established in the organizational structure. Collectively, the Board of Directors is responsible for internal ESG performance. The complete corporate governance structure can be accessed in the Annual Report 2021 on page 561.

Composition of Board of Directors and the Board of Commissioners

Information on the highest governance organs and their committees is contained in the Annual Report 2021, which can be accessed at:

- Chapter on Board of Directors, pages 602-634;
- Chapter on Board of Commissioners, pages 582-601;
- Chapter on Board of Commissioners' Supporting Organs, pages 596-597.

Nomination and Selection of Directors

For the nomination and selection of Director candidates, BNI is bound by Minister of SOEs Regulation No. PER-03/MBU/02/2015 concerning Requirements, Procedures for Appointment and Dismissal of Members of the Board of Directors of State-Owned Enterprises. In this regard, the Nomination and Remuneration Committee proposes Director candidates to the Board of Commissioners. The complete criteria and requirements related to the nomination and succession of the Board of Directors are contained in the Annual Report 2021 Corporate Governance Chapter on page 732.

Remuneration Policy

Disclosures related to remuneration policies and processes, stakeholder involvement in remuneration, as well as remuneration ratios and percentages are presented in the Annual Report 2021 Corporate Governance Chapter on page 646.

Independence of the Board of Directors

Each member of the Board of Directors is required to maintain his/her independence and is prohibited from holding other concurrent executive positions as regulated by law. Information regarding the independence of Board of Directors has been explained in full in Annual Report 2021 Corporate Governance Chapter on page 614.

Conflict of Interest

At BNI, officials at the level of Board of Directors, Board of Commissioners, Division Head and managers are selected with professional considerations and integrity to avoid conflicts of interest. We have endeavored to ensure that Board of Directors' members do not have affiliation with fellow members, members of the Board of Commissioners,



or controlling shareholders. More complete information regarding conflicts of interest can be accessed at:

- Chapter on Affiliate Relations of Members of the Board of Directors, Board of Commissioners, and Controlling Shareholders, pages 699-700;
- Chapter on Management of Conflicts of Interest of the Board of Directors, page 612.

Consultation on Management of ESG Issues

The Board of Directors uses various approaches in consulting with stakeholders on sustainability governance including environmental, social and governance (ESG) issues, either directly or indirectly. Direct consultation is carried out by the Board of Directors, while indirect consultation is carried out through delegation of authority to appointed company officials according to the topics for discussion.

Enhancing Knowledge on Economic, Social, and Environmental Topics

In facing uncertain challenges, the Board of Directors needs to continue to develop its knowledge and competencies, including on sustainability issues. Information on competency development for BNI Board of Directors can be found on this report on page 186.

Board of Directors' Performance Assessment

Evaluation and assessment of the Board of Directors performance is conducted through several procedures, including assessment by the GMS, fulfillment of the Company's performance targets and evaluation using the GCG assessment method. Complete information on this matter can be found in the Annual Report 2021 Corporate Governance Chapter on page 620.

Code of Conduct

The Code of Conduct forms the basis for the behaviors and attitudes of every employee. The Code provides basic principles that accord with the vision, mission, values, and regulations within BNI. BNI has a Code of Conduct which includes acting professionally, being a role model and reminding each other, maintaining good relations between BNI personnel, maintaining confidentiality, recording data and compiling reports, being committed to the environment, maintaining work security, and preventing conflicts of interest. This Code of Conduct is used as an ethical guideline as the basic principle that underpins the relationships of all BNI personnel in conducting business.

The Code of Conduct applies to all BNI Hi-Movers, from the Board of Commissioners, Board of Directors, to all employees. The code is disseminated through various sharing sessions, internal media, seminars, coaching and distribution of the BNI Code of Conduct pocketbook. Implementation of the Code of Conduct is an important part of good corporate governance, as well as the implementation of sustainability principles within BNI.

Violations Reporting System

In the endeavor to enhance the effectiveness of GCG implementation, management is committed to running the company in a professional manner where corporate behaviors are in line with the code of conduct and work culture. In this regard, the Company has created a Whistleblowing System (WBS).

The Whistleblowing System (WBS) with the name of “WBS to CEO” is one of the early detection mechanisms at BNI against violations that can cause financial losses, as well as do damage to BNI’s image. WBS management is carried out in collaboration with an external party, i.e Deloitte. As a result, the WBS represents a commitment to create a clean work environment where BNI Hi-Movers actively play a role in reporting all potential violations.

The effectiveness of WBS implementation is complemented with various complaint channels, which includes a special e-mail address: bni-transparan@tipoffs.com.sg, via SMS/WA to 081-1970-1946, or letters to BNI Transparan PO Box 2646/JKP 10026, or even through the Anti-Fraud Unit as the special unit that handles such complaints.

Anti-Corruption, Anti-Bribery and Anti-Fraud Practices

Anti-Corruption, Anti-Bribery and Anti-Fraud Policy

As a financial services institution, trust is a fundamental aspect that must be upheld by BNI at all costs. Moreover, corruption, bribery and acts of fraud will produce negative impacts on the Bank because of the damage to sound business practices. Internal policies to enforce anti-corruption, anti-bribe, and anti-fraud include the following:

- Management has established an Anti-Fraud Unit based on the Board of Directors Decree No. KP/291/DIR/R dated 28 June 2021 concerning Establishment of an Anti Fraud Unit Organization with the objective of enhancing implementation of the BNI Anti-Fraud Strategy through prevention, detection, investigation, reporting and punishing, monitoring and evaluation;
- Code of Conduct;
- Integrity pact;
- Document on Commitment to Control Corruption;
- Company Guidelines on Corruption Control;
- Company Guidelines on Anti-Bribery Management System.

These policies and guidelines apply to all BNI employees, including members of the Board of Directors and the Board of Commissioners. To increase the effectiveness of corruption control at BNI, the President Director signed a Corruption Control Commitment, and established a Corruption Control Unit under the Compliance Division. Employee involvement in corruption control is realized by signing the Employee Integrity Pact at the beginning of the year, Anti-Corruption & Anti-Bribery Declaration and case reporting through the Compliance Information Management System (CIMS) portal.



Dissemination and Enforcement

To improve corruption control and anti-bribery activities, the following activities have been carried out:

1. Adherence to POJK No. 39/POJK.03/2019 dated December 19, 2019 concerning Implementation of Anti-Fraud Strategy for Commercial Banks, represents a commitment to enhance the effectiveness of the Anti-Fraud Strategy. In this regard, BNI has formed an Anti-Fraud Committee to foster Anti-Fraud culture and awareness at all levels of the organization.
2. Work Guidelines for the Risk Management & Anti-Fraud Capital Committee have been approved by the Board of Directors through the Board of Directors' Decree No. KP/484/DIR/DIR/R dated October 26, 2021 concerning Structure of the Risk Management and Anti-Fraud Committee.
3. Compliance Guidelines on Anti-Fraud Strategy has been stated in the Online Company Guidelines (e-PP) No. IN/283/KPN/003 dated 18 May 2020.
4. Finance, Risk Culture and Work Culture
 - The "Employee with Integrity" award is given to the whistleblower, which is signed by the Director of Human Capital & Compliance.
- Disseminate information and raise awareness through other activities, such as broadcasting the AKHLAK video series on the website; showing video & digital banners at BNI offices and websites related to SMAP and HAKORDIA; playing video showing a ban on receiving gifts on New Year's Day, national days, and religious holidays; sharing sessions and webinars on corruption control and SMAP for BNI Hi-Movers and BNI business partners/vendors; Operational Risk Control training for Regional Leaders; information dissemination and webinars on corruption prevention for the Board of Commissioners, Board of Directors, Senior Leaders, and BNI Hi-Movers by the KPK.
- Filling in the Declaration of Anti-Corruption in the BNI Digi-HC app.
- Reporting on Receipt and Rejection of Gifts during Quarter I 2021 to Quarter IV 2021.
- Submission of materials and questions on anti-corruption and anti-bribery control as DEEP46 which must be accessed every day by all BNI Hi-Movers through the BNI SMARTER & Digi-HC app.

The application of anti-bribery at BNI is in line with the anti-bribery management system and has obtained ISO 37001:2016 certification on the Anti-Bribery Management System (SMAP)/Anti Bribery Management System (ABMS).

Monitoring and Evaluation

BNI consistently advocates the principle of 'no fraud for our bank' as supervised by the Anti-Fraud Unit. In collaboration with the Risk Management & Anti-Fraud Committee, the Anti-Fraud Unit is tasked to reduce fraud cases and prevent corruption through corrective actions. The corrective actions include the Whistleblowing System (WBS) and strengthening the implementation of anti-fraud strategies.

These two organs conduct active communications with relevant Divisions/Units to ensure that corrective actions have been implemented. The two organs also periodically perform supervision through meetings/ inspections/ activities, including: Review of Anti-Money Laundering and Counter-Terrorism Financing and the Anti-Fraud Strategy. All violations related to corruption and bribery are submitted in a Compliance Report to the Compliance Director every quarter and further transmitted to OJK every semester.

Stiff Penalties

Stiff penalties can be imposed against anyone, be it employees, vendors, work partners, and stakeholders who are proven to have been involved in corruption, bribery, or fraud. Employees who violate regulations are subject to sanctions based on severity in the form of warning letters, demotions, to termination of employment and demand for recompensation. On the other hand, employees committing fraud are subject to termination of employment.

Detected Fraud Cases

Internal Fraud within 1 year	Number of Cases as committed by					
	Member of Board of Directors and Board of Commissioners		Permanent Employees		Non-Permanent Employees and Outsourced Personnel	
	2021	2020	2021	2020	2021	2020
Number of Cases	0	0	9	6	3	2
Resolved Cases	0	0	9	6	3	2
Under process of resolution within BNI	0	0	0	0	0	0
No attempt at resolution	0	0	0	0	0	0
Followed up through the legal process	0	0	4	3	1	1



Stakeholder Engagement

BNI maintains good relations with stakeholders and strives to meet their needs. Attention from key stakeholders can influence BNI's decision making. The main stakeholder groups have been mapped by considering the principles of dependency, responsibility, tension, influence, diversity, perspectives, and proximity. From this BNI identifies the significant issues and stakeholder needs.

Engagement Method	Significant Topic/Issue and Needs	BNI Response
Customer: Economic relationship		
<ul style="list-style-type: none"> • Call center services, branch offices, telephone, website, social media (Facebook, Instagram, and Twitter) • Customer satisfaction survey • Information from website & frontliners • Gathering of Agen46 agents 	<ul style="list-style-type: none"> • Security of banking transactions • SME loans • Banking facilities and easy access • Clear and transparent information on banking products and services 	<ul style="list-style-type: none"> • Innovation of products and services according to needs and technological developments • Financial education related to banking products • Storage and protection of customer data as per regulations • Strengthening the data security system and strive for ISO 27001 certification • Reaching and nurturing SMEs, to helping provide financing
Frequency		
<ul style="list-style-type: none"> • At all times • Once in two years • At all times • At least once a year 		
Investors/Shareholders: Economic, Ownership & Legal relations		
<ul style="list-style-type: none"> • Quarterly Performance Report • Analyst Meeting • Reporting to the Indonesia Stock Exchange (IDX) • Holding Annual GMS (once a year) and Extraordinary GMS when needed 	<ul style="list-style-type: none"> • Financial and non-financial performance • Environmental, Social and Governance (ESG) Performance • Rise in Share Price • Investment in eco-friendly companies 	<ul style="list-style-type: none"> • Provision of periodic information on BNI's performance • Direct communications or through analysts, to ensure the delivery of material information. • Executing strategies to achieve business targets • Disclosing more comprehensive information on ESG performance in the Sustainability Report • Enhancing competencies, skills and expertise of employees. • Following up on recommendations for ESG aspects from Rating Agencies • Conducting audits on financial statements • Preparation of Annual Report and Sustainability Report
Employees: Legal relationship and a stakeholder involved in achieving company goals		
<ul style="list-style-type: none"> • Internal Media • (eSinergi digital magazine, HCMS, Sinergi magazine, BNI Forum) • Annual Employee Satisfaction Survey 	<ul style="list-style-type: none"> • Employee rights • Training and development • Equality of opportunity • Career development • Valuable and enjoyable work experience • Work life balance 	<ul style="list-style-type: none"> • In-class training and e-learning • Performance appraisal and promotions • Availability of communication facilities such as HCT info, internal communication (eSinergi, SMS Blast) • Existence of whistleblowing system • Existence of a labor union • Availability of Facilities and Infrastructure to carry out activities • Welfare provson for work and post-employment periods

Engagement Method	Significant Topic/Issue and Needs	BNI Response
Labor Union: Legal relationship		
<ul style="list-style-type: none"> Meetings and Discussions Discussion of Collective Labor Agreement (CLA) every two years 	<ul style="list-style-type: none"> Employee rights, remuneration and benefits 	<ul style="list-style-type: none"> Accommodating and identifying proposals and inputs from the Labor Union Opening communications in case of industrial relations disputes Holding regular meetings in bipartite forums between BNI and labor union Ensuring the safety and rights of workers through the Collective Labor Agreement (CLA)
Government/OJK: Legal/Interest as a Financial Services Institution		
<ul style="list-style-type: none"> Submission of the Bank's Business Plan and its execution to Bank Indonesia and the Financial Services Authority (OJK) Submission of the Sustainable Finance Action Plan to OJK Other reports in accordance with applicable regulations to regulators At least once a year 	<ul style="list-style-type: none"> Compliance with laws and regulations Environmental & social risk analysis in lending Anti Bribery and Corruption (ABC), Anti-Money Laundering (AML) and Anti Terrorism Green banking Inclusive banking Sustainable finance 	<ul style="list-style-type: none"> Compliance with applicable regulations Paying taxes, levies and Non-Tax State Revenue (PNBP) in accordance with statutory regulations Developing a Sustainable Finance Action Plan (RAKB) Establishing an ESG Sub Committee to monitor RAKB implementation Adjusting internal policies and regulations with government policies Implementing GCG principles in all work units. Submitting reports on performance and other activities: Sustainable Finance Action Plan Report, Annual Report, Sustainability Report and other report
Suppliers: Economic and Legal relationship		
Seminars and information dissemination as needed	Mutually beneficial relationship with suppliers, fair and transparent procurement process for goods and services	<ul style="list-style-type: none"> Building collaborations with partners in the provision of goods and services for the Bank Fair and compliant partner selection process Payment system based on work contract Dissemination of procurement procedures
Community: Social relations, social license & social responsibility and closeness to the company		
<ul style="list-style-type: none"> Strategic cooperation in BNI's social care through the CSR program 	<ul style="list-style-type: none"> Environmental impact and performance Planning and execution of CSR program Opportunity to collaborate in CSR programs Information on company activities Understanding of Sustainable finance 	<ul style="list-style-type: none"> Implementing financial inclusion and literacy initiatives Organizing community development schemes through the BNI Berbagi, Kampong BNI and BNI GoGreen programs Organizing internship or contract programs for fresh graduates through the BNI BINA Program Provision of job opportunities as needed
Media: Social relations, social license		
Press releases when needed and media gatherings every three months	<ul style="list-style-type: none"> Financial and non-financial performance Environmental impact and performance Implemented and planned CSR programs Opportunity to collaborate on CSR programs 	<ul style="list-style-type: none"> Updating information related to banking solutions or company performance submitted on the website www.bni.co.id Development of communication facilities such as press conferences Provide press release material on the website at www.bni.co.id



Statement of Members of the Board of Commissioners and Members of the Board of Directors regarding Responsibility for the 2021 Sustainability Report of PT Bank Negara Indonesia (Persero) Tbk

We, the undersigned, state that all information contained in the 2021 Sustainability Report of PT Bank Negara Indonesia (Persero) Tbk is presented in its entirety, and we take full responsibility for the correctness of the contents in this Sustainability Report.

This statement is hereby made in all truthfulness.

Jakarta, February 21st, 2022

Board of Commissioners

Agus Dermawan Wintarto Martowardojo
President Commissioner/Independent Commissioner

Pradjoto
Vice President Commissioner/
Independent Commissioner

Sigit Widyawan
Independent Commissioner

Asmawi Syam
Independent Commissioner

Kham Sugema
Independent Commissioner

Septian Hario Seto
Independent Commissioner

Erwin Rijanto Slamet
Independent Commissioner

Askolani
Commissioner

Ratih Nurdianti
Commissioner

Susyanto
Commissioner

We, the undersigned, state that all information contained in the 2021 Sustainability Report of PT Bank Negara Indonesia (Persero) Tbk is presented in its entirety, and we take full responsibility for the correctness of the contents in this Sustainability Report.

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Jakarta, February 21st, 2022

Board of Directors



Royke Tumilaar
President Director



Adi Sulistyowati
Vice President Director



Corina Leyla Karnalies
Managing Director – Consumer
Banking



Novita Widya Anggraini
Managing Director – Finance



Y.B. Hariantono
Managing Director – Information
Technology and Operation



Bob Tyasika Ananta
Managing Director – Human
Capital and Compliance



Silvano Winston Rumanthir
Managing Director – Corporate
Banking



David Pirzada
Managing Director – Risk
Management



Sis Apik Wijayanto
Managing Director – Institutional
Relation



Ronny Venir
Managing Director – Service and
Network



Muhammad Iqbal
Managing Director – Micro, Small,
and Medium Enterprise



Henry Panjaitan
Managing Director – Treasury and
International Banking



Independent Assurance Statement



Independent Assurance Statement

The 2021 Sustainability Report of PT Bank Negara Indonesia (Persero) Tbk

Number : 02/000-174/II/2022/SR-Asia/Indonesia

Assurance Type : Type 1 assurance

Assurance Level : Moderate

Reporting Standards : GRI Standard 2020 Consolidated, GRI G4 FS (FSSS), SASB Commercial Bank, SUSBA

Reporting Regulation : Sustainable Finance Regulation POJK No.51/2017 (Indonesia)

Dear stakeholders,

Social Responsibility Asia ("SR Asia") has been engaged by **PT Bank Negara Indonesia (Persero) Tbk** ("the Bank" or the "Reporting Organization") to assess its **2020 Sustainability Report** ("the Report") for the reporting period of **January 1st, 2021 to December 31st, 2021**. The Reporting Organization is a state-owned company and one of the largest commercial banks in Indonesia. It is listed on the Indonesia Stock Exchange. This is the Independent Assurance Statement ("the Statement"), which reflects the outcomes of assurance work performed in accordance with the specific methods and approaches agreed upon by "Management."

Intended User and Purpose

The purpose of this Independent Assurance Statement ("the Statement") is to present our opinion, including the findings and recommendations to the Bank's stakeholders, based on assurance work on the Report. The Assurance Team conducted the assessment and developed the Statement in accordance with specific procedures and a specific scope of work. As a result, except for the areas covered in the scope of the assignment, the Statement shall NOT be used as a basis for interpreting the Bank's overall performance or sustainability.

Responsibilities

As agreed with Management, SR Asia is responsible for conducting an assessment, NOT an audit, of the Report content and developing recommendations and the Statement as described in the scope of assurance. The Management is exclusively responsible for presenting data, figures, and information in the Report content. SR Asia is only responsible for presenting assurance results to Management in accordance with the terms of the Non-Disclosure Agreement and the Engagement Agreement documents. We accept NO responsibility for any other reason or to any other person or organization. Any reliance placed on the Report by a third party is entirely at their own risk.

Independence, Impartiality, and Competency

SR Asia follows a specific assurance protocol and an ethical code of conduct to ensure its independence. Before the assurance work, we also conducted a pre-engagement assessment to confirm the risks of engagement and the independence and impartiality of experts leading the assurance work. We confirmed that the assurance experts have no relationships with the Bank that could jeopardize their ability to produce unbiased and objective reviews and statements. The Assurance Team experts also have sufficient work experience and knowledge of sustainability report writing, AA1000 AccountAbility principles and standards, ISO 26000 projects, SUSBA, SASB, GRI Standards, and POJK 51/POJK.03/2017.

Type and Level of Assurance Service

1. **Type 1 assurance** on the Report content with respect to the AA1000 Assurance Standard v3 and AA1000APS (2018) AccountAbility Principles.
2. A **moderate level of assurance** to address **risks of information and conclusions of the Report being error is reduced, meaning not reduced to very low, but not zero.**

Scope and Limitation of Assurance Service

1. Data and information in the Report for the period of **January 1st, 2021 to December 31st, 2021.**
2. Material topics presented in the Report: **data security and customer privacy, credit portfolio and sustainable business sector category (KKUB), economic performance, occupational health and safety, service access and affordability, indirect economic impact, and climate change.**
3. Adherence to the following reporting principles, standards, and regulations:
 - a) Consolidated set of GRI Sustainability Reporting Standards 2020 ("GRI Standard") and GRI G4 Financial Services Sector Disclosure ("GRI-G4 FS") issued by the Global Reporting Initiative;
 - b) Sustainability Accounting Standard for Commercial Bank (FN-CB) issued by the Sustainability Accounting Standard Board (SASB);
 - c) Sustainable Banking Assessment (SUSBA) issued by World Wildlife Funds (WWF);
 - d) Regulation of Indonesia Financial Service Authority No.51/POJK.03/2017 regarding the Implementation of Sustainable Finance for Financial Service Institution, Listed, and Public Company ("POJK 51").
4. Evaluation of publicly disclosed information, system, and process of the Bank to ensure adherence of the Report content to the reporting principles.
5. SR Asia does NOT include financial data, information, and figures in the Report content. We assumed that the Bank, independent parties, or other parties associated with the Bank have verified and/or audited financial statements, data, and information.

Exclusion

1. Stakeholders' engagement, which may be involved in developing the Report.
2. Financial data and information from the Company's documents other than those mentioned in the Report.
3. Aspects of the Report other than those mentioned under the defining materiality section and discussion on defining Report content.
4. Data and information outside the reporting period
5. Data and information in the public domain not covered in the reporting period.
6. Forward-looking statements and claims describe opinion, belief, expectation, advertisement, and future planning.

Methodology and Source of Disclosure

1. Form an Assurance Team whose members are the experts in sustainability report development and assurance
2. Perform pre-engagement phase to ensure the independence and impartiality of the Assurance Team
3. Carry out initial analysis on the Report document submitted by the Company
4. Evaluate data and information against the standards, principles, and indicators of AA1000AS v3, AA1000APS (2018), GRI Standards, GRI-G4 FS, SASB, SUSBA, and POJK 51
5. Assess indicators data, including tracing back data to the sources, especially those related to material aspects
6. Review inline information relevant and significant to the sustainability context of the Company
7. Discuss online the results of the analysis with the Management and data contributors
8. Apply SR Asia Protocol on Assurance Analysis and use SR Asia Great Assurance Tool digital platform
9. Release the Independent Assurance Statement that SR Asia International has approved
10. Issue the Management Letter



SR Asia
sustainability defined



AA1000
Licensed Assurance Provider
000-174

Adherence to AA1000AP (2018) and GRI Standards

Inclusivity – The representation of key stakeholders in the Report content has shown its adherence to the inclusivity principle. The Bank has identified and comprehended the stakeholders, including their capacity to engage, their perspectives, and their expectations. The Bank's highest governing body has also formalized its commitment to being accountable to stakeholders. The Bank has demonstrated stakeholder engagement practices a more practical manner by various functions and units using different approaches and methodologies. In the future, we encouraged the Bank to develop formal strategies for ongoing engagement as well as relevant metrics for assessing engagement effectiveness, outcomes, and impact.

Materiality – It was discovered that the Report's material topics adequately describe the Bank's sustainability context. The Report has identified and fairly represented topics from each of the three aspects of sustainability: economics, social, and environmental. The Bank also has identified climate change and occupational health due to pandemic COVID-19 as materials in addition to focusing on economic performance.

Responsiveness – The Bank already has several channels for customer complaints and suggestions. The Bank has also received ISO 9001: 2015 certification in order to standardize the quality of BNI Contact Center services. Overall, the Report has indicated the Bank's adherence to responsiveness principles and has been created in a comprehensive, accurate, timely, accessible, and balanced manner, using appropriate reporting principles, frameworks, and guidelines that support comparability of information.

Impact – The Report presents quantitative and qualitative data on the economic, environmental, and societal impacts of the Bank's business operations. The Reporting Organization has already calculated its social impact using the Social Return on Investment model (SROI). However, we suggested that the Bank validate the results by a third party. The Bank has also begun to recognize, measure, and manage its climate change impacts. In general, the resources and competencies required to mitigate the identified impacts are adequate.

In "Accordance" with Comprehensive Option – The SR Asia team has concluded that the Report has been prepared and adheres to the **comprehensive option** of GRI Standards based on the assurance work and findings. The disclosure of the omission statement, as applicable, is adequate. The Report also presents specific GRI indicators of the financial services sector's (FSSS) performance disclosures in an impressive manner.

GRI Standards Principles – The Report adheres to the Principles for Determining Report Content (stakeholder inclusiveness, sustainability context, materiality, and completeness) and the Principles for Determining Report Quality (balance, timeliness, comparability, accuracy, clarity, and reliability). The Management provided excellent support during the assurance work by submitting evidence/documents as requested.

Recommendation

1. To conduct more strategic stakeholder engagement practices with appropriate metrics referring to standards and best practices.
2. To create an integrated management system across functions that covers sustainability performance data and information from various units or functions while adhering to sustainability reporting standards, approaches, and methodologies.
3. To have independent experts validate the Bank's social impact evaluation practices using globally recognized standards.

The assurance provider,

Jakarta, 14th of February 2022


Birendra Ratur
International Director
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sustainability defined **GREAT**
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Dr. Semerdanta Pusaka
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Pojk Reference, SUSBA, and GRI Standard Index

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GRI 101: Fundamentals 2016			
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	102-3	Location of headquarters	23
	102-4	Location of operations	23
	102-5	Ownership and legal form	23
	102-6	Markets served	23
	102-7	Scale of the organization	24
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Cross-Reference of GRI Standard, SASB & POJK	Disclosure		Page
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	102-38	Annual total compensation ratio	127
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	102-42	Identifying and selecting stakeholders	132-133
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	103-3	Evaluation of management approach	34
GRI 201: Economic Performance 2016	201-1	Direct economic generated and distributed	35
	201-2	Financial implications and other risks and opportunities due to climate change	39
	201-3	Defined benefit plan obligations and other retirement plans	115
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	103-3	Evaluation of management approach	116
GRI 403: Occupational Safety and Health 2018	403-1	Occupational safety and health management system	116
	403-2	Hazard identification, risk assessment, and incident investigation	116 - 117
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	403-4	Worker participation, consultation, and communication on occupational safety and health	116
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	FS4	Process(es) for improving staff competency to implement the environmental and social policies and procedures as applied to business lines	112
	FS6	Percentage of the portfolio for business lines by specific region, size (e.g. micro/SME/ large) and by sector	37, 39
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Index ESG (Environment, Social & Governance) Based on Morgan Stanley Capital International (MSCI) Standards

ENVIRONMENTAL

COMPANY PRACTICE	PAGE
Environmental Impact Financing	
Scope of management system to assess ESG risk in financing activities	
<ul style="list-style-type: none"> BNI has implemented a management system to assess ESG risk in all loan and investment banking operations. BNI has extended the integration of ESG risk in the underwriting process to other industrial sectors as one of the strategies for managing loan risk in 2022. 	<p>Sustainability Report page 124-125 Sustainability Report page 40 Annual Report page 227</p>
Environmental loan policy	
<ul style="list-style-type: none"> BNI has developed binding environmental loan/investment policies related to agriculture, including palm oil. BNI has participated in the development of sustainable agricultural ecosystems through the Millennial Smart Farming program 	<p>Sustainability Report page 18, 36 Sustainability Report page 95</p>
<p>BNI has developed an environmentally sound loan policy in the following sectors:</p> <ul style="list-style-type: none"> Palm Oil plantations Mining (Mine Operator, Smelter Refiner, Fabricator, Trader) Construction (Toll Road Contractors and Contractors) Electricity/Energy Real Estate Telecommunications Chemicals Non-Metal Minerals (Cement Industry) Fast Moving Consumer Goods (FMCG) Hospitals Pharmaceuticals 	<p>Annual Report pages 1.013- 1.014 Sustainability Report page 41</p>
<p>BNI participates in the development of social forestry programs aimed at economic equity, improving the welfare of communities living around the forests and preventing illegal logging through sustainable forest empowerment.</p>	Sustainability Report page 96
<p>BNI already has a loan policy to regulate the loan terms for industries related to agriculture; biodiversity; energy use; forestry; mining; oil and gas; transportation; and use of materials. The general loan policy is determined by the Credit and Business Policy Committee and environmental and social risk analysis is carried out by the Risk and Capital Management Committee, with evaluations carried out by the Audit Committee.</p>	<p>Sustainability Report page 38 Sustainability Report page 40</p>
ESG Risk Management Integration	
<p>To strengthen supervision in establishing the Environmental, Social & Governance (ESG) policies and management, BNI established an ESG sub-committee of the Risk Management & Anti-Fraud Committee, chaired by the Vice President Director with the Managing Director Risk Management as vice chairperson. The Bank Risk Management Division Leader is the secretary of the committee.</p>	<p>Annual Report page 804 Sustainability Report page 122-125</p>
<p>All BNI staff are trained on ESG risks and procedures, evidenced by the valid ESG training program provided.</p>	Sustainability Report page 112-113

COMPANY PRACTICE	PAGE
ESG Risk Management Supervision	
<ul style="list-style-type: none"> Active supervision by the Board of Commissioners and the Board of Directors in the application of risk management, including establishing a risk appetite and risk tolerance framework, risk control tools, as well as an integrated risk management framework and implementation. 	Annual Report page 423
<ul style="list-style-type: none"> To strengthen supervision of the Environmental, Social & Governance (ESG) policies and management, BNI established an ESG sub-committee of the Risk Management & Anti-Fraud Committee, chaired by the Vice President Director with the Managing Director Risk Management as vice chairperson. 	Annual Report page 804 Sustainability Report page 41, 42, 122, 123
Through the ESG Sub-Committee, the Board of Directors is actively involved in managing ESG risk including:	Annual Report page 804
<ul style="list-style-type: none"> Developing policies and strategies for Environmental, Social, & Governance (ESG) management and their changes; Identifying potential ESG risks that impact both BNI and BNI stakeholders; Monitoring the application of Sustainability Finance strategies; Monitoring, evaluating and providing recommendations on BNI ESG assessment results; Evaluating the application of the ESG strategy in all BNI business lines. 	Sustainability Report page 122, 123
ESG Risk Management System	
BNI has developed a strong management system to assess ESG risk in financing activities outlined in the form of:	Annual Report page 1.013
<ul style="list-style-type: none"> Industry Risk Rating Prospective Sector Industry Risk Appetite Risk Acceptance Criteria 	
Environmental Financing Opportunities	
BNI is one of the recognized sustainability leaders and has received a number of ESG awards, and is entered the IDX ESG Senior Leader and SRI Kehati Index	Sustainability Report page 9
<ul style="list-style-type: none"> Gradually, BNI has taken an approach to identify and analyze climate-related risks, as well as steps to reduce emissions BNI has a significant investment in impact and target investments 	Sustainability Report page 68
BNI's total financing portfolio in the Sustainable Business Activities (KKUB) category amounts to Rp172.4 trillion, mainly in the form of financing to the MSME segment, sustainable natural resource management, energy efficiency and renewable energy.	Sustainability Report page 36

SOCIAL

COMPANY PRACTICE	PAGE
Consumer Financial Protection	
Practice	
BNI provides annual training for all employees dealing with customers, including frontliners who serve customers directly. In 2021, 99.12% of the employees received training	Annual Report page 147
BNI strives to ensure fair operating practice policies are applied, and are in accordance with the Bank's policies and prevailing regulations. In its operational practices, BNI guarantees the following:	Annual Report page 968
<ol style="list-style-type: none"> Prevention of conflicts of interest Prohibition of giving, accepting gifts or souvenirs Provisions for prohibition of abuse of office and accepting gratification To realize good corporate governance, BNI has a Whistleblowing System (WBS). Customer protection policies and provision of Information/Data/Documents to external parties Policy on fulfillment of creditor rights Anti-corruption and anti-fraud policies 	



COMPANY PRACTICE	PAGE
BNI has an independent debt collection policy with clear procedures, with regular training for related employees. 1,032 collection employees received training in 2021	Annual Report page 149
<p>The Board of Directors is high involved in product supervision through the Product Committee, whose duties and responsibilities include:</p> <ul style="list-style-type: none"> • Determining the size and business development strategy through BNI products/activities; • Conducting comprehensive testing and deciding on the “feasibility” of new products/activities, especially related to cross-sectoral/segmental alliances and strategic alliances with subsidiaries/other companies outside BNI by inviting the relevant Sector Director; • Monitoring BNI products/activities and making decisions on the products/activities sustainability based on recommendations from the Supporting Staff Group/product owner; • Acting as an arbitration institution in cross-sectoral issues related to new products/activities. 	Annual Report page 805
BNI carries out marketing communications transparently based on OJK regulations and in accordance with company internal policies.	Sustainability Report page 59
BNI has an independent customer ombudsman & internal complaint review body with clear procedures and/or targets.	Annual Report pages 887- 889
BNI has an independent settlement system to provide protection for reporting parties and special training on internal and external protection programs	Annual Report pages 887- 889
In the Debt Collection Policy, BNI has well-defined loan modification options including income-based considerations and customer access to escalation options.	Annual Report page 400
BNI runs BNICorpu TV on its youtube channel to educate the public regarding financial literacy and the latest trends in society by presenting speakers from internal BNI and from professional institutions. Education is also carried out through social media and in collaboration with various government/private institutions	Annual Report page 383
The BNI Board-level committees supervise the complaints.	Annual Report page 887
Human Capital Development	
Practice	
<ul style="list-style-type: none"> • BNI provides training and competency development on all aspects of the Company's operations in a planned and sustainable manner and provides equal opportunities, including gender) to all levels of the organization. In 2021, BNI delivered training and development programs organized by the Bank's internal and external parties to 27,583 employees or 99.12%, or 28.60 times each employee received training. • BNI has a program that covers all employees (including part-timers and contractors). • Since 2018, BNI has a mandatory learning program for all employees through Sustainable Finance e-learning to increase awareness and capability regarding the practice of integrating environmental, social, and Governance (ESG) criteria into financial services to realize sustainable development outcomes, including mitigation and adaptation to the adverse effects of climate change. 	<p>Annual Report page 147</p> <p>Sustainability Report pages 112-113</p>
Strategy	
BNI has a Whistleblowing System (WBS) with the name “WBS to CEO”, as an early detection mechanism for any violations to at BNI that can cause financial losses, including matters that can damage BNI's image. WBS management is carried out in collaboration with an external party, namely Deloitte	<p>Annual Report page 887</p> <p>Sustainability Report page 129</p>
BNI carries out employee engagement surveys every year through a digital platform. In 2021, the employee engagement level was 96%.	Annual Report page 389
Talent path development strategy	
The workforce planning strategy is directed at ensuring the employee availability in functions in line with BNI's strategy. Recruitment is carried out through various programs including the Officer Development Program, Assistant Development Program and Experience Hire. In 2021, BNI strengthened its talent acquisition mechanism by improving the General ODP policy and opening new ODP channels, including ODP Information Technology, ODP Data Scientist, ODP Digital and the ODP Global Analyst Program.	Annual Report page 382
<p>As well as the Bina internship program, BNI also has an internship program for students. In 2021 the number of internship were given to 566 people, through the BNI Digital Talent Internship program, Ministry of SOEs Certified Student Internship Program from FHCI, Digital Apprentice Program for 2020 Kemenkominfo Graduates Digital Talent Scholarship (DTS), Ministry of Education, Culture, Research, and Technology (Kemendikbudristek) Independent Campus Internship Program, BNI Digital Bootcamp Malang Internship Program, and Individual Internship Program.</p>	Sustainability Report pages 111-112

COMPANY PRACTICE	PAGE
BNI's Bina Apprenticeship Program is organized to provide training and work guidance to the inexperienced workforce by providing the knowledge, skills, and abilities needed to compete in the world of work. The number of Bina BNI apprentices in 2021 was 4,671 participants across all BNI operational areas.	Annual Report page 384
To provide learning solutions for its employees, BNI Corporate University provides learning facilities and infrastructure in-house and in partnership with other educational institutions.	Annual Report page 383
Programs & Initiatives	
BNI has a share ownership program for the Company's employees and management after receiving approval from the shareholders at the fiscal year 2020 annual GMS held on March 29, 2021. The Company management share ownership program commenced on December 30, 2021.	Annual Report pages 346, 653
The remuneration strategy covers all employees, and is determined based on the principles of supply and demand, BNI's remuneration position compared to the market, and considers employees' talent classification. The employee remuneration consists of fixed remuneration that is calculated based on a position and person value weighting. Variable remuneration is based on performance based on the Bank's performance, unit performance, and individual employee performance.	Annual Report page 652 Sustainability Report page 115
BNI provides training and competency development at all Company levels, which are carried out in a planned and sustainable manner by upholding the provision of equal opportunities, adapted to the training and development needs at each level.	Annual Report page 148
The Education and Training Costs in 2021 amounted to Rp200.35 billion (1.60% of total personnel costs) with the total number of training participation increasing by 19.60% to 777,921 participants.	
Access to Finance	
Products and Strategies	
BNI is a direct provider or is directly involved in providing services in Micro services/Micro Insurance	Sustainability Report pages 77-81
Distribution and Reach	
To support customer convenience when conducting banking transactions, BNI offers a variety of e-Banking facilities that are constantly being refined through developments and innovations. The number of E-banking users in 2021 reached 25.2 million	Annual Report page 274
To expand its reach, BNI has more than 157,000 BNI Agen46 who are BNI partners in providing banking services to the public in the context of financial inclusion. Agen46 can facilitate many kinds of banking services to assist in the distribution of Government programs, such as distribution of social assistance and subsidies.	Annual Report page 274 Sustainability Report page 86
Advanced innovations in branchless alternative distribution channels targeting underserved demographics through Digital and Agen46 services.	Annual Report page 274
Privacy & Data Security	
Practice - Operations	
<ul style="list-style-type: none"> BNI guarantees that customers can update data, change, access and update data changes through BNI calls and customer service BNI has a data protection and information security policy that regulates all related business lines/subsidiaries. BNI's consumer data/information protection policy follows Bank Indonesia Regulation (PBI) No. 22/20/PBI/2020 dated December 22, 2020 concerning Consumer Protection, and the Bank Indonesia Board of Governors Members Regulation No. 23/17/PADG/2021 dated September 9, 2021 concerning Procedures for Implementing Bank Indonesia Consumer Protection. 	Sustainability Report page 46, 61 Annual Report page 393 Sustainability Report page 47 Annual Report page 366
BNI launched innovations for credit card and other consumer loan applications through e-forms, including opening digital accounts through mobile banking to reduce the potential misuse of customer data, as data is directly stored in the system without any physical forms.	Annual Report page 242 Annual Report page 400
BNI has established a special organization (Information Security Division) combining several units with functions related to information security to maintain independence and focus more on evaluating, running, monitoring and improving cyber security.	Annual Report page 102



COMPANY PRACTICE	PAGE
To ensure system reliability and information security, technology audits are conducted regularly by the internal audit. Assessments by external parties include the National Cyber and Crypto Agency (BSSN) through the Information Security Index (WE Index).	Annual Report page 394
The Technology Management Committee is a permanent committee at BNI authorized to provide recommendations to the Board of Directors on the formulation, determination of policies and strategies for BNI's information technology development. This committee was established to assist the Board of Commissioners and the Board of Directors in supervising Information Technology (IT) activities, including those related to cyber security.	Annual Report page 807
Practices - Employees	
BNI provides IT Work Unit employees with training to develop their soft skills and hard skills. The hard skills training includes project management, IT architecture, programming, CI/CD, secure coding, cloud security, and others, carried out in-house or through LinkedIn Learning, Google and AWS training, and other training media.	Annual Report page 394
For all employees, data security and/or privacy risks and procedures awareness is also carried out by increasing awareness through training and digital mindset development.	
Governance	
Corporate Governance	
Salary Figures	Annual Report page 646
• Executive Officer Payment Disclosure	
Ownership Structure	Annual Report page 701
• Controlling Shareholders	
• Controlling Shareholders Requiring Attention	
One Share One Vote	Annual Report page 568
• Multiple Equity Classes with Different Voting	
• Government Intervention Requiring Attention	
Board of Directors	
BOARD OF DIRECTORS' INDEPENDENCE	Annual Report pages 699 and 670
• Executive Officers on the Board of Directors	
• Transactions with Related Parties	Annual Report page 891
BOARD OF DIRECTORS EXPERTISE & DIVERSITY	Annual Report page 630
• There are 30% female directors	
Salaries	
PAYMENT FIGURES	Annual Report page 646
• Executive Officer Payment Disclosure	
PAYMENT PERFORMANCE ALIGNMENT	Annual Report page 650
• CEO's Equity Policy	Annual Report page 649
• Clawback & Malus	
• Payments Related to Sustainability	
Share Ownership & Control	
DIRECTOR SELECTION	Annual Report page 587 and page 609
• Annual Director Selection	Annual Report page 567
• Proxy Access	
ONE SHARE ONE VOTE	Annual Report page 568
• Multiple Equity Classes with Different Voting	
SHAREHOLDERS' RIGHTS	Annual Report page 646
• Right to Talk about Payment Policy	Annual Report page 649

COMPANY PRACTICE	PAGE
Accountancy	
ACCOUNTING RISK	Annual Report page 322
• Expenditure Recognition	
Business Ethics	
Business Ethics Policies and Practices	
BNI has a Board of Directors or C-suite level committee or executive committee that oversees ethical issues.	Annual Report page 793
BNI has a detailed formal policy on bribery and anti-corruption	Annual Report page 883
BNI audits all operations at least once every three years.	Annual Report page 780
BNI has a formal anonymous reporting system with legal protection for whistleblowers through the Whistle Blowing System (WBS) that is managed by an external party, Deloitte.	Annual Report Page 887-889
BNI has an ethical standard training program covering all employees (including part-time employees) and contractors	Annual Report page 880
All BNI suppliers are required to have a mandatory anti-corruption policy and program for compliance verification.	Annual Report page 879 Annual Report page 894
BNI already has an Anti-Money Laundering Policy. The policy and implementation strategy is explained	Annual Report page 876
Tax Transparency	



Halaman ini sengaja dikosongkan



FEEDBACK SHEET

Thank you for reading the Sustainability Report 2021 of PT Bank Negara Indonesia (Persero) Tbk. We look forward to receiving inputs, criticisms and suggestions from you by answering some of the questions below.

Your Profile

Name (if you may) :
Institution/Company :
Email :
Telp/Hp :

STAKEHOLDER CATEGORY

- ☐ Government/OJK ☐ Shareholder/investor ☐ Customer ☐ Employee ☐ Supplier
☐ Business organization ☐ Media ☐ Trade Union ☐ General Public ☐ Others

Please select the following answer that best fits the questions below.

- | | Yes | No |
|-----------------------------------------------------------------------------------------------------------|-----|-----|
| 1. This report is easy to understand and useful for you | () | () |
| 2. This report informs you on the practices and initiatives of sustainable finance implementation at BNI. | () | () |
| 3. Information related to environmental, social and governance (ESG) aspects is quite sufficient | () | () |

Please rate the material topics below as per their significance:
(score of 1=most significant to 7=least significant).

- | | | | |
|-------------------------------------------------|-------------------------------------------------|--------------------------------------------|------------------------------------------------------|
| <input type="radio"/> Customer Data and Privacy | <input type="radio"/> Credit and KKUB Portfolio | <input type="radio"/> Economic Performance | <input type="radio"/> Occupational Safety and Health |
| <input type="radio"/> Access and Accessibility | <input type="radio"/> Indirect Economic Impact | <input type="radio"/> Climate Change | |

Kindly provide your advice/ suggestions/ comments on this report:

We wish to thank you for sending your criticisms, suggestions, and inputs for improving this report in the coming year. The feedback sheet and other matters related to the Sustainability Report 2021 can be submitted to:

Corporate Secretary

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