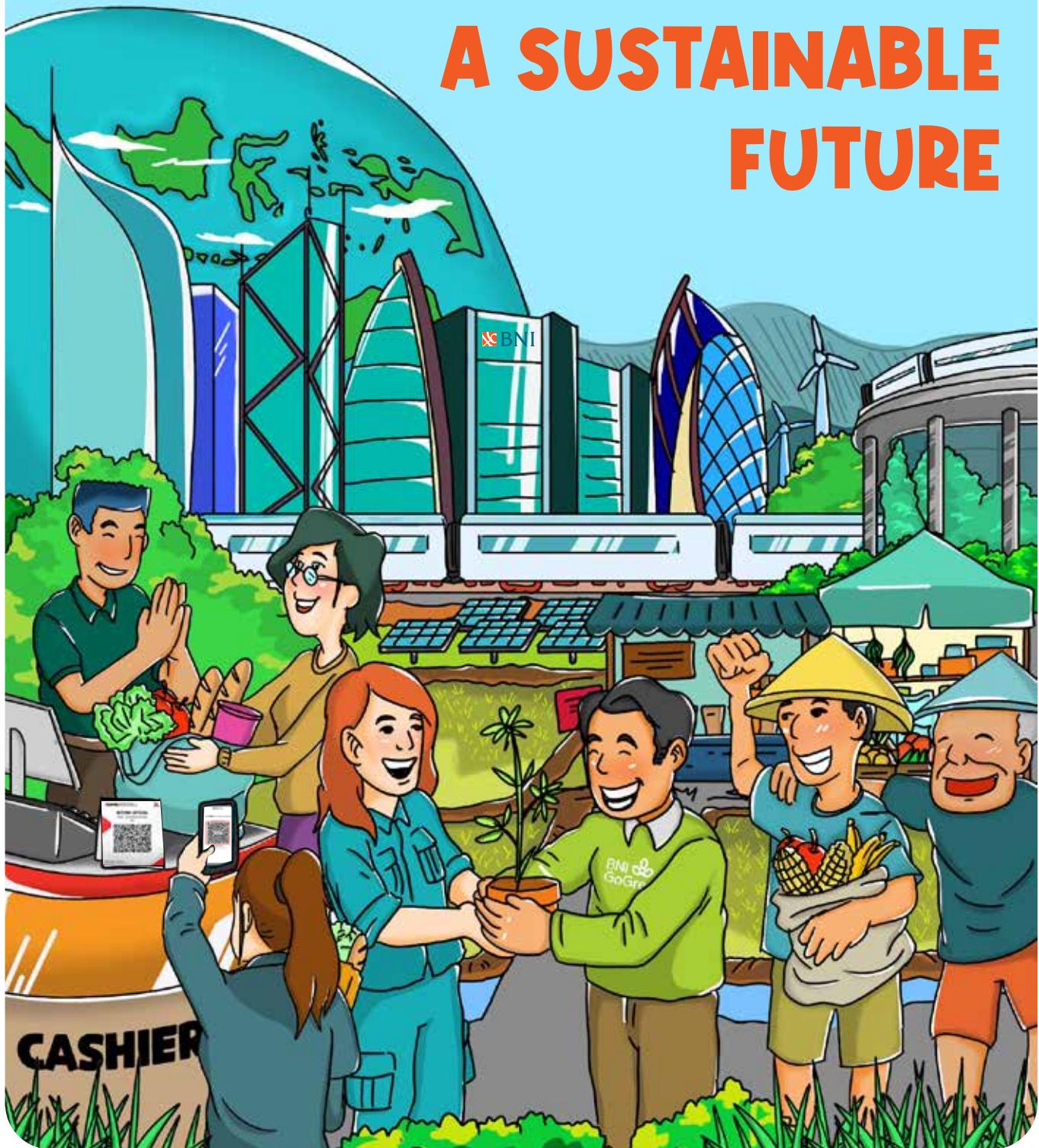


MOVING TOWARDS A SUSTAINABLE FUTURE



MOVING TOWARDS A SUSTAINABLE FUTURE

MOVING TOWARDS A SUSTAINABLE FUTURE

BNI consistently engages and synergizes with all stakeholders to collectively respond to every challenge and create a sustainable future together. Arising challenges, such as cyber crime due to digitization acceleration and issues caused by climate change, compel BNI into becoming an agent of change that must be perpetually ready to adapt and evolve in facing all occurring changes.

As one of State-owned Enterprises (SOE), BNI also makes persistent efforts to develop a better Indonesia in the future by continuing to collaborate with the community as well as providing excellent service to its customers. BNI believes that engaging stakeholders, both national and global, can create shared values in the long term. Therefore, BNI will always continue to open opportunities and cultivate synergies with stakeholders to move towards a sustainable future.

Forward-looking Statements

This document may contain certain plans, projections, strategies, and objectives of the Company that are not statements of historical facts and would be treated as forward-looking statements under applicable law. Forward-looking statements are subject to risks and uncertainties that may cause actual events, and the Company's future results, to be different than expected or indicated by such statements. No assurance can be given that the results anticipated by the Company, or indicated by such forward-looking statements, will be achieved.

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2023 Highlights



Rp62,747 billion
Operating income



Rp20,909 billion
Income for the year



Rp181,106 billion
Sustainable Business
Activities Category
(KKUB) Financing is
26.4% from total loans
(bank only)



USD298.2 million
Or equivalent to
Rp4.6 trillion
In Sustainability Linked Loan
(SLL) distributed by BNI



Rp4.8 trillion
Investment in Green and
Sustainability Bond



Rp129.8 billion
Realization of community and
environmental programs

Impacts of Green Bond Issuance



233,749 tCO₂eq
GHG emission reduction



1,568,897 GJ
Energy consumption
savings



54,355.2 MWh
Clean energy
generated



314,387 ha
Land conservation



150,410 tons/year
Waste management



Financial inclusion through
185,697 BNI Agen46 as
laku pandai (Officeless financial
services for inclusive finance)
program has reached more than
8,771 districts in Indonesia



27,570 people of BNI
employees **52.2%** are
women



143.5 hours
Average training hours
per employee per year



92%
Employee satisfaction



5,438 Partners
Total MSME fostered partners



14.8 GJ/Rp
Energy intensity to
income



0.00000045579 ton CO₂eq/Rp
Scope 1, 2, & 3 GHG emissions intensity
to income

Awards in 2023

A
MSCI Ratings

Medium Risk with a score of 21.4
ESG Risk Rating Sustainalytics

**Best Bank with ESG-Driven GCG
Commitment**
CNBC Indonesia Awards 2023

Gold Rank
Asia Sustainability Report Rating
(ASRRAT) 2023

Kawan BNI Program
Obtained B Universe
CSR Award 2023

Management BB
ESG Disclosure Transparency
Award 2023

SRI Kehati Index
(1 December 2023 –
31 May 2024)

ESG Sectors Leaders IDX KEHATI
(1 December 2023 –
31 May 2024)

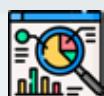
**The Best Overall in Category Big Cap
Public Listed Company,
the 14th IICD Corporate Governance
Award 2023**

**Corporate Governance Perception
Index (CGPI) Assessment scored BNI
with 92.26**

**“Leadership in Corporate Governance” or
Level 5, ASEAN Corporate Governance
Scorecard (ACGS) by the ASEAN Capital
Market Forum**

**Republika CSR Award 2023
for the Tourism Development
category**

Sustainability Performance Overview

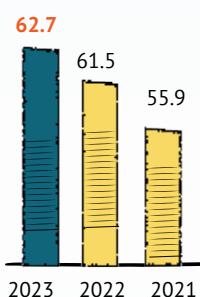


Economy

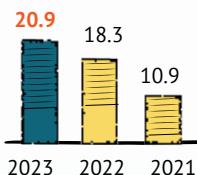
Internal Performance



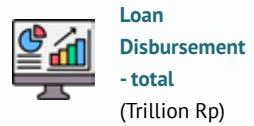
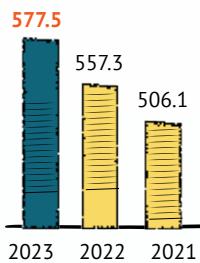
Operating income
(Trillion Rp)



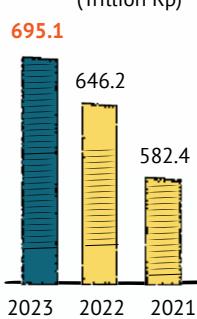
Income for the year
(Trillion Rp)



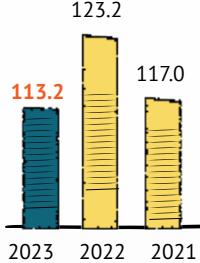
Current Account Saving Account (CASA)
(Trillion Rp)



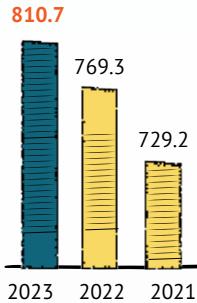
Loan Disbursement - total
(Trillion Rp)



Loan Disbursement - MSME
(Trillion Rp)

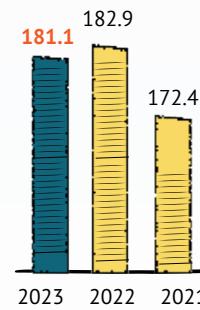


Third Party Funds
(Trillion Rp)

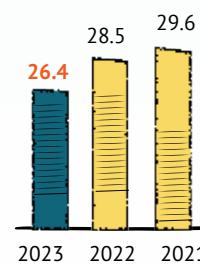


Economic Aspect Performance related to Sustainability

Nominal products and/or services meeting the sustainable business activities category (KKUB) criteria
(Trillion Rp)



Percentage of total sustainable business activities category (KKUB) financing portfolio to total loan (bank only) %



Financial Inclusion Performance

Number of BNI Agen46

2023	2022	2021
185,697	164,979	157,632



Number of BNI Pandai accounts (Million of accounts)

2023	2022	2021
20.0	20.0	19.8



Total amount of BNI Pandai funds (Trillion Rp)

2023	2022	2021
1.1	0.9	1.4

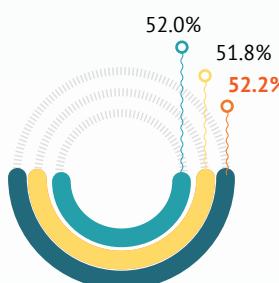




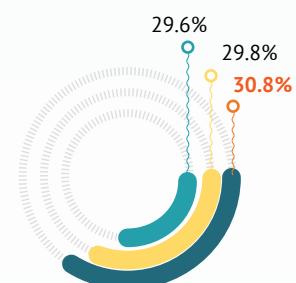
Social

Internal Performance

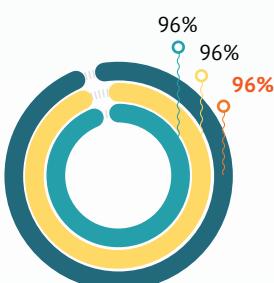
Female employees to total employees



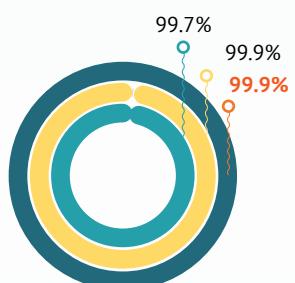
Women occupying manager upwards position



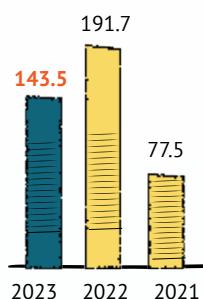
Employee engagement level



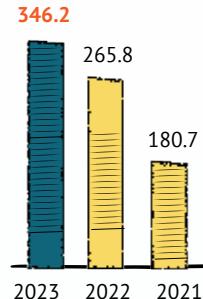
Customer complaint resolution rate



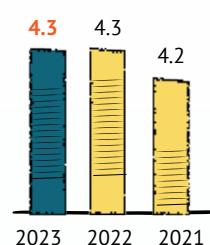
Average training hours per employee per year (Hours)



Employee education and training costs (Billion Rp)



Customer satisfaction index (scale of 1-5)



Social Responsibility Activities



Realized funds for social responsibility activities (Billion Rp)

2023	2022	2021
130	100	93



Rumah BUMN beneficiaries (MSMEs)

2023	2022	2021
8,201	7,941*	10,520*



Fostered partners (Partner)

2023	2022	2021
5,438	2,482	2,042

* Restatement regarding changes of scope as measured by Go Modern MSMEs data. Previously, 2021 and 2022 were measured using Go Online data due to COVID-19.



Environment

Internal Performance



14.8 GJ/Rp
Energy intensity
to income



0.00000045579 ton CO₂eq/Rp
Scope 1,2, & 3 GHG emissions intensity
to income

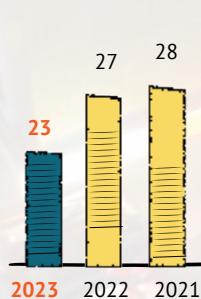


Water use*
(m³)

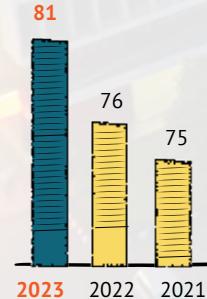
2023	2022	2021
1,758,134	1,636,874	185,115



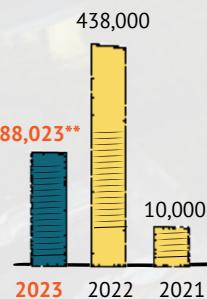
Realized environmental
costs (Billion Rp)



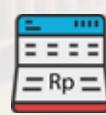
Rhinoceros conservation
program (Species)



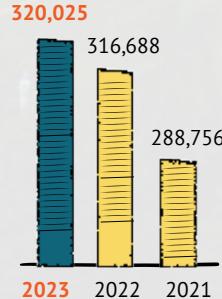
Tree planting
(Seed)



Program konservasi
orang utan (Species)



'Ayo Menabung dengan
Sampah' program (Account)

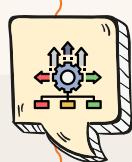


*) Data measurement coverages for 2023 and 2022 includes head office, regions, and branches, while for 2021 only head office.

**) The large number of tree planting seeds in 2023 compared to the previous year is due to the differences in conservation areas. However, BNI is committed to carrying out conservation programs every year and looking for different areas to rehabilitate.



Sustainability Commitment and Strategy [2-22, 2-23, 2-24]



BNI has implemented the strategy of integrating environmental, social, and governance (ESG) aspects to support stakeholders and the environment in achieving the commitment to sustainability.

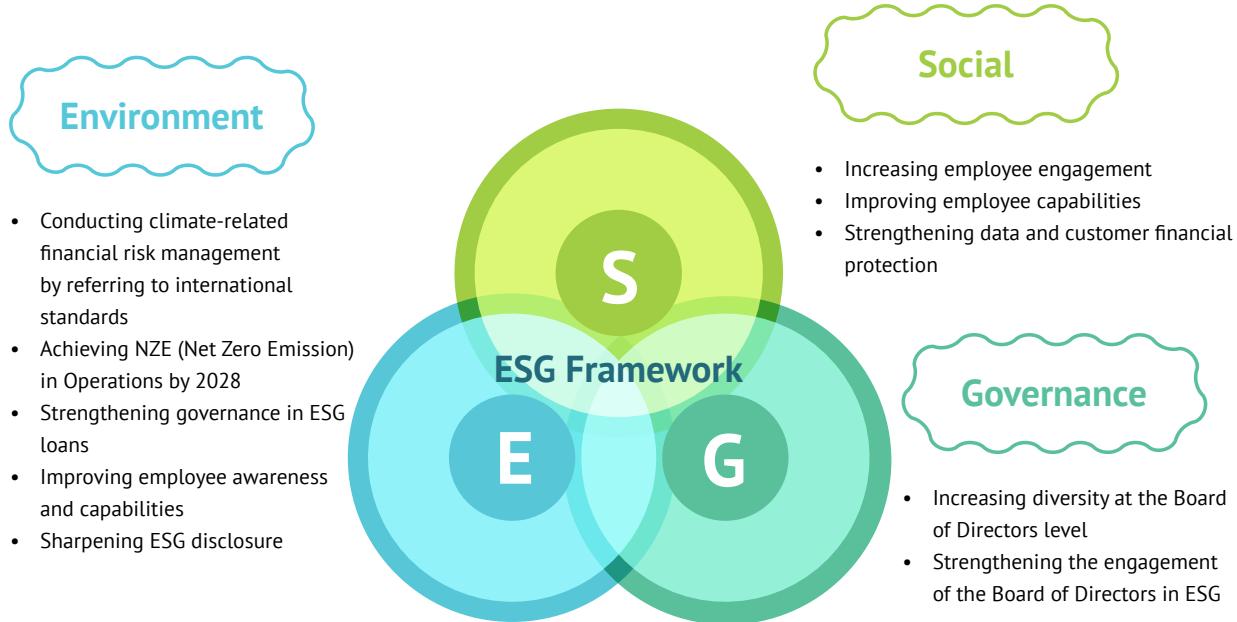
BNI also has the five pillars of sustainability to manifest the commitment in implementing sustainability practices. The foundation of these pillars is the Bank's mission to provide excellent services and digital solutions for all customers as the primary business partner of choice, strengthen international services to support the needs of global business partners, increase investment value for investors, create the best conditions for employees as a place of pride to work and create accomplishments, improve awareness and responsibility toward the environment and society, and become the reference for compliance and good corporate governance in the industry.





In 2023, BNI has implemented the framework, target, and roadmap as reference for the Bank in implementing and increasing environmental, social, and governance initiatives in the Bank's operations. BNI formulated the target and roadmap for the short-term (2023), medium-term (2024-2026), and long-term (>2027).

ESG Framework & Roadmap



<ul style="list-style-type: none">Strengthening infrastructureEstablishing NZE and Carbon Budget	<ul style="list-style-type: none">Strengthening the Risk Acceptance Criteria (RAC) of debtorsStrengthening the infrastructure of climate change risk managementStrengthening Board engagement in ESGOptimizing data loss prevention	<ul style="list-style-type: none">Implementation of climate change risk management in the Bank's operations
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Message from the Board of Directors [2-12, 2-14, 2-22]



Royke Tumilaar
President Director

Our respected stakeholders,

2023 still overwhelmed us with many challenges. Various economic, social, and environmental issues must be addressed to maintain the Bank's long term business continuity. For this reason, BNI is determined to continue making progress and new breakthroughs to allow it to compete and realize its vision to be the leading sustainable financial institution, both in service and performance.

Strategy and Policy in Responding to Sustainability Challenges

BNI considers the sustainability concept as a significant aspect inherent in the operational banking business, in which the sustainability values are incorporated into company strategies by taking the environmental, social, and governance (ESG) as well as economic aspects into account. Additionally, BNI creates a sustainability culture that is thoroughly applied to all work units for maximum implementation of green banking practices.

One of the challenges widely and globally attracting the attention of all parties is climate change. In 2022, the Government of Indonesia publicly announced their commitment to accomplishing Net Zero Emissions (NZE) by 2060 in support of climate change mitigation.

As a company in the banking industry, BNI responded to the challenge by implementing sustainable finance. The Board of Directors recognized that climate change brought significant impacts on the economic aspect, including financial assets, due to decreasing environmental quality. On this basis, in accordance with the Financial Services Authority (OJK) directives for KBMI 3 and 4, BNI initiated the Initial Phase of Climate Risk Stress Test (CRST) to evaluate the climate-related impacts of financial risks, whether short-, medium-, and long-term in June 2023.

In response to climate change issues and their impacts, BNI led with some manoeuvres, such as performing risk analysis on climate against financing activities, increasing financing for eco-friendly sectors, and running decarbonization initiatives, including data of emissions inventory. Aiming for optimal implementation, BNI is currently preparing an infrastructure of emissions data management to calculate and monitor BNI's greenhouse gas emissions (GHG), both in operations and financing. The infrastructure is expected to ease the CRST on all BNI's credit portfolio and policy tools required.

BNI's commitment to reducing GHG was also substantiated by the roadmaps of 2028 NZE Operational and 2060 NZE Financing targets. BNI strengthened the ESG aspects in the Risk Acceptance Criteria (RAC) in 18 debtors' sectors. In addition, the mapping of the high and low emissions from the economic sectors was carried out as one of the considerations in managing ESG risks from financing activities.

Other initiatives to reduce GHG emissions are taken by continuously increasing the green loan portfolio and giving incentives to green sectors. Through the Sustainability Linked Loan (SLL) program, BNI provides incentives-based financing to debtors who successfully achieved the Sustainability Performance Target (SPT). These strategies indirectly encourage debtors to start a transition process that leads to clean energy and sustainable business.

The Board of Directors monitors BNI's sustainability strategy implementation through the ESG Sub-Committee. The forum is held quarterly discussing sustainable finance, ESG trends, and ESG strategy implementation in the company. The results show that during 2023, BNI has determined green bonds disbursements, ESG framework & roadmap, and NZE roadmap. These initiatives have become part of BNI's sustainability strategy, as well as a manifestation of the seriousness of management and all BNI employees in supporting the achievement of the Sustainable Development Goals (TPB).

Several considerable challenges were identified in the endeavor to achieve ESG target. One of which was the unequal awareness among BNI's employees on the importance of ESG. Therefore, BNI continues to increase employee capacity related to sustainability in the workplace through periodic trainings, socializations, webinars, and refreshments. Furthermore, all employees must participate in a mandatory e-learning on the subject of sustainability once a year. This capacity building also aims to equip the employees with knowledge and skills, enabling them to accommodate the diverse and evolving ESG standards.

Sustainable Finance Implementation

In 2023, BNI successfully recorded a satisfactory performance in sustainability. In the economic aspect, the company documented Rp62,747 billion in operating income, or 2.1% increase from previous year. By the end of the fiscal year, the company's net profit was amounted to Rp20,909 billion, in line with market consensus projections. The increase in net profit was contributed by growth in interest income, premium income, and loan recovery, accompanied by continued improvements in asset quality which are the main drivers of BNI's performance in 2023. This positive performance is in line with the objectives of the transformation program in strengthening company fundamentals with a focus on healthy and sustainable business expansion.

BNI is committed to performing a dedicated role as a transformation agent in implementing ESG principles. Hence, the company continuously seeks to expand the portfolio with green financing and green activity. Per 31 December 2023, total green loan (Eco-friendly Business Activities/KUBL) reached Rp67.8 trillion or 9.8% of the total credit. Moreover, the SLL disbursements have reached Rp4.6 trillion.

Last year BNI issued green bonds and in 2023 the funds from the green bonds were channeled to finance environmentally friendly projects. Throughout 2023, BNI also actively provided financing to environmentally friendly sectors, especially New Renewable Energy (EBT). It is hoped that our steps in channeling financing to environmentally friendly sectors can make a significant contribution in supporting the achievement of Indonesia's NZE target.

In the environmental sector, BNI obtained a Green Building certification for two BNI buildings, "Gold" Certification for Menara BNI and "Platinum" Certification for Plaza BNI. The company also put efforts in further harnessing new and renewable energy by installing 2,200 watt solar panels for emergency stairwell lighting in Plaza BNI. Moreover, BNI became Indonesia's first bank to implement the Public Electric Vehicles Charging Station (SPKLU) Partnership Investor Own Investor Operate (IO2) from PLN.

Despite causing no direct negative impacts on biodiversity, BNI firmly supports environmental preservation by implementing programs to conserve Javan rhinoceros (*Rhinoceros sondaicus*) and Orangutans (*Pongo pygmaeus*), and planting 88,023 trees.

BNI always seeks ways to create a safe, comfortable, inclusive, and fair workplace for all employees. BNI guarantees equal rights with no discrimination for all employees who desire to develop their careers and competencies, including their insights on sustainable finance.

On the external side, BNI has taken measures to elevate the quality of community life through empowerment and partnership programs, mainly for Micro, Small, and Medium Enterprises (MSMEs). The Bank believes that MSMEs can serve as Indonesia's economic backbone and their growth will play an important factor in future economic recovery. As of the end of 2023, Rp113,224 billion of financing has been disbursed to the MSMEs.

Accomplishments in sustainability implementation garnered BNI several achievements in 2023. BNI was able to maintain its MSCI Rating at Rating A. Some improvements have been made towards the ESG commitments, including Consumer Financial Protection, Human Capital Development, Access to Finance, Privacy & Data Security, and Corporate Behavior factors. In addition, BNI was recorded as having medium risk with a score of 21.4 according to Sustainalytics' ESG Risk Rating. Further, BNI maintained its position in the SRI Kehati Index and ESG Sectors Leaders IDX KEHATI.

Other awards related to the ESG aspects included The Best Overall in Category Big Cap Public Listed Company on The 14th IICD Corporate Governance Award 2023; "Management BB" at ESG Disclosure Transparency Award 2023; Best Bank with ESG-Driven GCG Commitment at CNBC Indonesia Awards 2023; as well as "Gold Rank" at Asia Sustainability Report Rating (ASRRAT) 2023. BNI is resolute in its commitment to increasing the sustainability performance as it can create shared values for all stakeholders.

Strategies to Achieve the Targets

BNI has more opportunities to achieve the sustainability targets with the existence of risk management. Hence, there are strategies in place for managing opportunities and ESG risks in an integrated manner. BNI has performed CRST to several sectors in the Corporate, Enterprise, and Commercial segment, among which are coal mining (including power plant), oil palm plantation, and pulp & paper. Currently, BNI is preparing the CRST process for a wider scope, at least 50% of credit portfolio, including sectors required by OJK.

To protect customer data from cyber risk threats, BNI has applied data privacy and security management internally and externally, including raising security awareness of BNI's internal personnel and customers, owning data security policy, and user access management and monitoring. The Bank's applications and systems have also been equipped with secure coding, penetration testing, vulnerability assessment, and several Security Perimeter Tools with 24-hour active Security Operation Center. For external security, BNI performs a third-party risk assessment to evaluate vendors' security in terms of technological, information, and cyber aspects.

By implementing sustainable finance principles, BNI has abundant opportunities to increase its value in the financial industry. Not only focusing on profit, BNI also put concern on social and environmental impacts, supporting sustainable business programs, safeguarding environment, and contributing to the people's well-being. To benefit from the opportunities, BNI can maximize its potentials through granting more financing scheme for eco-friendly projects, increasing competencies related to sustainable finance, and implementing financing risk management by considering the ESG aspects.

Closing

We appreciate and extend our gratitude to the stakeholders who, together, have responded many challenges and contributed to optimal performance achievements throughout 2023. BNI hopes that a synergy and a positive collaboration can continuously be maintained for the establishment of green banking and a bright sustainable future.

Jakarta, February 2024

Royke Tumilaar
President Director

About BNI

Vision and Mission



Vision

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



Mission

- Providing excellent services and digital solutions to all customers, and as the primary partner of choice.
- Strengthening international services to support the needs of our global business partners.
- 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 the industry.

Culture and Values

With the end goal of aligning the values that BNI owns, BNI carries out corporate culture transformation to support and accelerate the implementation of AKHLAK in BNI. The core values of AKHLAK, as established by the Ministry of State-Owned Enterprise, are *Amanah* (Trustworthy), *Kompeten* (Competent), *Harmonis* (Harmonious), *Loyal* (Loyal), *Adaptif* (Adaptive), and *Kolaboratif* (Collaborative). These values have been internalized, with the continuing internalization process through the acceptance and reinforcement of PRINSIP 46 as BNI's Belief.

TRUSTWORTHY
Upholding the trust given

LOYAL
Dedicated and prioritizing the interests of the nation and country

COMPETENT
Continuously learning and improving capabilities

ADAPTIVE
Continuing to innovate and be enthusiastic in driving and facing changes

HARMONIUS
Mutual caring and respecting differences

COLLABORATIVE
Cultivating synergistic cooperation

AKHLAK

Company Profile [2-1]



COMPANY NAME
PT Bank Negara Indonesia (Persero) Tbk

HEAD OFFICE ADDRESS
Grha BNI
Jl. Jenderal Sudirman Kav. 1 Jakarta
10220
Phone: (62-21) 251 1946
I-Telex: 765185 BNI DLN IA
Fax: (62-21) 251 1214
Email: bni@bni.co.id
Website: www.bni.co.id
PO Box 1946 Jakarta Mampang 12700



BUSINESS ACTIVITIES, PRODUCT, AND SERVICES

Engages in the banking business as per Articles of Association No. 23 of 20 April 2021.

- Cooperative, Medium, and Small Business Banking
- Consumer Banking
- International and Treasury Banking

General
Public
40%



Government of
Indonesia
60%

OWNERSHIP PERCENTAGE



OPERATIONAL LOCATIONS [2-6]

Operating in 8 countries, namely: Indonesia, Singapore, Hong Kong, Japan, England, America, South Korea, and the Netherlands



SIGNIFICANT CHANGES IN BNI

During 2023, significant changes were made related to the organizational structure.



MARKETS SERVED [2-6]

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

Sectors and types of customers served:

- Cooperative, Medium, and Small Business Banking
- Consumer Banking
- International and Treasury Banking

Company Scale [2-1]



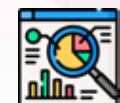
Total employees
(People)

2023	2022	2021
27,570	27,170	27,177



Total customer accounts
(Million accounts)

2023	2022	2021
69.1	67.6	64.6



Operating Income
(Trillion Rp)

2023	2022	2021
62.7	61.5	55.9



Total office network
(Outlet)

2023	2022	2021
1,781	1,808	1,855



Total ATM/CRM
(ATM)

2023	2022	2021
13,390**	16,125	16,385



Total assets
(Trillion Rp)

2023	2022	2021
1,086.7	1,029.8	964.8

Total capitalization



Debt (Liability)
(Trillion Rp)

2023	2022	2021
932.0	889.6	838.3

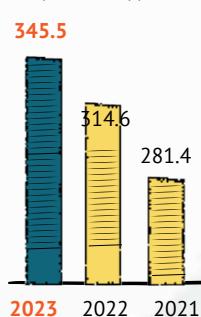


Capital (Equity)
(Trillion Rp)

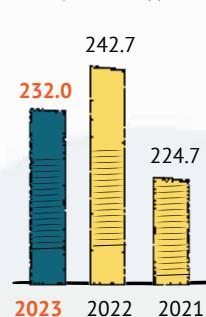
2023	2022	2021
154.7	140.2	126.5

Products and Services [FN-CB-000.A]

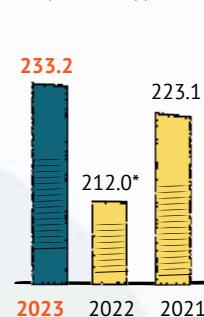
Current Account
(Trillion Rp)



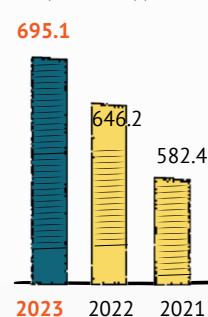
Savings Account
(Trillion Rp)



Deposits
(Trillion Rp)



Gross Loans
(Trillion Rp)



Note:

*) Restatement

**) The decline in ATMs in 2023 is due to the closure of ATMs that have obsolete operating systems. This is in accordance with regulatory provisions and aims to ensure customer security and comfort in transactions.

Support for Sustainable Development Goals (SDGs)



Support and contribution towards the achievement of SDGs are aligned with the management of economic and ESG aspects. BNI focuses on supporting SDGs within the context of banking industry business that sustainably contributes positive impacts to the community and environment, presently and future wise.

SDG Priority	
2023 AChievements	Strategy in Achieving the SDGs
BNI for Indonesia	
<ul style="list-style-type: none"> Total MSMEs loan as of the end of 2023 was Rp113.2 trillion. Subsidized Micro Loan (KUR) was realized at Rp17.8 trillion. 25,643 employees or 93.0% of total employees have received competency awareness and/or development related to the sustainable finance. Developed ESG Framework & Roadmap as well as Net Zero Emission (NZE) targets. Executed the Initial Phase of Climate Risk Stress Test (CRST) Phase 1 to several sectors, such as coal mining, oil palm plantation, and pulp & paper. Total GHG emissions reduction was 233.749 tons CO₂eq from the green bonds. The Sustainability Linked Loan (SLL) disbursement was realized at Rp4.6 trillion. 	<ul style="list-style-type: none"> Initiated the MSME Go Productive, Go Digital, and Go Global programs. Included the sustainability topic into e-learning mandatory which all employees must follow once a year. Disbursed green bonds based on the sector target of green bonds framework. Established SLL disbursement governance. Improved the scope and methodology of financing emission calculations.
BNI for Customer	
<ul style="list-style-type: none"> No complaints were filed on data breach. 2,723 ATM units were accessible for people with disabilities. 19.4% increase in BNI's Mobile Banking users. 	<ul style="list-style-type: none"> Implemented data security policy and heightened BNI's application and system security. Added more ATM units for people with disabilities in several remote municipalities/regencies. Provided Tips & Education for transaction security.
BNI for Environment	
<ul style="list-style-type: none"> 14.8 GJ/Rp of Energy Intensity. Scope 1, 2, & 3 emissions intensity of business trips amounted to 0.0000045579 tons CO₂eq/Rp. Planted 88.023 trees. Conservation program for 2 orangutans Conservation program for 81 rhinoceros in Ujung Kulon National Park (TNUK) 	<ul style="list-style-type: none"> Applied energy efficiency across all BNI's offices. Used solar panels for stairwell emergency lighting at Plaza BNI. Decided on the 2028 target for net zero emission (NZE) operational. Strengthened BNI's operational emission data infrastructure. Expanded the trees planting coverage area. Conserved critically-endangered orangutans and rhinoceros.
BNI for Community	
<ul style="list-style-type: none"> Social and environmental responsibility (TJSR) funds were realized at Rp129.8 billion. 8,201 fostered houses of Rumah BUMN were established. 778 scholarship beneficiaries accumulated as of the end of 2023. Built an infrastructure for 99 schools or educational institutions and provided facilities and infrastructures in BNI's areas. 	<ul style="list-style-type: none"> Collaborated with professional and competent partners to organize community empowerment programs. Collaborated with communities (community development) to improve program quality. Increased the capacity and capability of fostered partners through providing education, training, apprenticeships, marketing and other forms of assistance.
BNI for Employees	
<ul style="list-style-type: none"> 52.2% of total employees were female employees. 30.8% female employees occupied positions above manager level. 	<ul style="list-style-type: none"> Provided equal opportunities for men and women who entered for the same position. Used KPI-centered performance evaluation to all employees.

External Initiatives and Association Memberships [2-28]

As part of the Bank's support in implementing Sustainable Finance and sustainability principles, BNI adopts principles and/or standards related to the economic, social, and environmental aspects, which include:



- Global Reporting Initiative (GRI) Standards;
- Sustainable Development Goals (SDGs);
- European Foundation for Management Development (EFMD) Global CLIP (Corporate Learning Improvement Process); and
- International Organization for Standardization (ISO).

Details of certifications owned:

No.	Certification	Validity Period
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	23 November 2023 – 26 September 2025
3	ISO 27001:2013 Information Security Management Systems	8 January 2020 – 26 September 2022
4	ISO 9001:2015 Provision of in-House Learning and in Learning/Digital Learning for BNI Employees	26 March 2023 – 9 March 2026
5	ISO 9001:2015 Quality Management System for 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 Quality Management System for Contact Center Services in BSD, Surabaya & Semarang Site	02 August 2023 – 13 March 2026
7	ISO 9001:2015 Quality Management System for HPS Unit	11 December 2023 – 11 November 2026
8	ISO 9001:2015 Quality Management System for Vendor Management Unit	In the assessment process for extension
9	ISO 9001:2015 Provision of BNI Credit Cards Business	30 June 2021 – 26 June 2024
10	ISO 37001:2016 Anti-Bribery Management System	1 January 2024 - 31 December 2026
11	ISO 30301:2019 Management systems for records for Archiving Unit	20 December 2023 - 19 December 2024
12	New Building Greenship Certificate V.1.2 <ul style="list-style-type: none"> • Gedung Menara BNI • Plaza BNI 	In the process of renewal 26 October 2022 - 26 October 2025
13	BNI Corporate Training Institution Accreditation - Training Provider Accreditation Authority <ul style="list-style-type: none"> • <i>Penukaran Valuta Asing dan Pembawaan Uang Kertas Asing</i> • <i>Penatausahaan Surat Berharga Nasabah</i> • <i>Pengelolaan Uang Tunai</i> • <i>Pengelolaan Transfer Dana</i> • <i>Setelmen Transaksi Treasury</i> • <i>Setelmen Transaksi Trade Finance</i> 	16 November 2022 - 16 November 2027 11 November 2021 - 11 November 2026 11 November 2021 - 11 November 2026 24 November 2021 - 24 November 2026 December 2023 - December 2028 December 2023 - December 2028

Association Memberships Related to Sustainability



About the Sustainability Report [2-2, 2-3, 2-4, 2-5]

BNI's Sustainability Report is prepared annually for the interest of all stakeholders and discloses information on the implementation of sustainable finance and environmental, social, and governance (ESG) performance. The previous year's report was published on 24 February 2023. This report elaborates on information and data for the 1 January - 31 December 2023 period. Below are the regulations and standards used in developing the Sustainability Report:

1. Financial Services Authority Circular (SEOJK) No. 16/SEOJK.04/2021 concerning Form and Content of Annual Reports and OJK Regulation (POJK) no. 51/ POJK.03/2017 concerning the Implementation of Sustainable Finance for Financial Services Institutions, Issuers and Public Companies;
2. Global Reporting Initiative (GRI) Standards 2021 with the conformity: with reference to the GRI Standards;
3. The GRI-G4 Financial Services Sector supplementary indicator;
4. Sustainability Accounting Standard Board (SASB) of the Financial Services Sector;
5. Sustainable Banking Assessment (SUSBA) World Wide Fund for Nature (WWF);
6. Sustainable Development Goals (SDGs).

This report adjusts its information disclosure based on ESG-based rating agency criteria, such as Sustainalytics and Morgan Stanley Capital International (MSCI). BNI's head office and branch offices in Indonesia provide all data and information required for the report. In terms of financial information disclosure, it includes the consolidated financial data from several BNI's subsidiaries, namely PT BNI Life Insurance, PT BNI Multifinance, PT BNI Sekuritas dan its Subsidiaries, PT Bank Hibank Indonesia, and BNI Remittance Ltd.

Relevant work units are responsible for the verification of data and information used. However, data regarding the sustainable business activities category (KKUB) portfolio solely comes from BNI.

This report indicates significant changes made towards information stated in the previous year and they are related to the organizational structure, material topics priority, and several data restatement. There was data from the previous year that was presented again, due to changes in the scope of calculations and changes in the way of presenting data from previously using 2 decimal digits to 1 decimal digit.

Composition of the sustainability report has taken into account the principles of balance, comparability, accuracy, timeliness, clarity and reliability. Preparation of the sustainability report was coordinated by the Enterprise Risk Management Division, acknowledged and supervised by the Steering Committee consisting of the Board of Directors. Based on the policy Based on the Goods and/or Services Procurement policy, BNI has appointed SR Asia Indonesia as an independent party to provide assurance for this report. The basis for appointing this independent party is that the institution has been registered with AA1000 and is one of the institutions with experience in sustainability report assurance services in Indonesia. This guarantee aims to ensure that the quality of this report meets the principles of sustainability reporting and the standards used by verifying the data and confirming it from all data contributors. The standard used in this guarantee process is Standard AA1000AS moderate level type 2. The guarantee process and selection of guarantors are carried out independently so that it is ensured that there is no conflict of interest between BNI and the assurance service institution. The guarantee results report can be seen at the end of this report.



You may please visit our official website to find more information about BNI. For further information, inputs and suggestions for the improvement and progress of this report, please contact:



Rayendra Minarsa Goenawan

Enterprise Risk Management Division

PT Bank Negara Indonesia (Persero) Tbk

Grha BNI, Lt.26

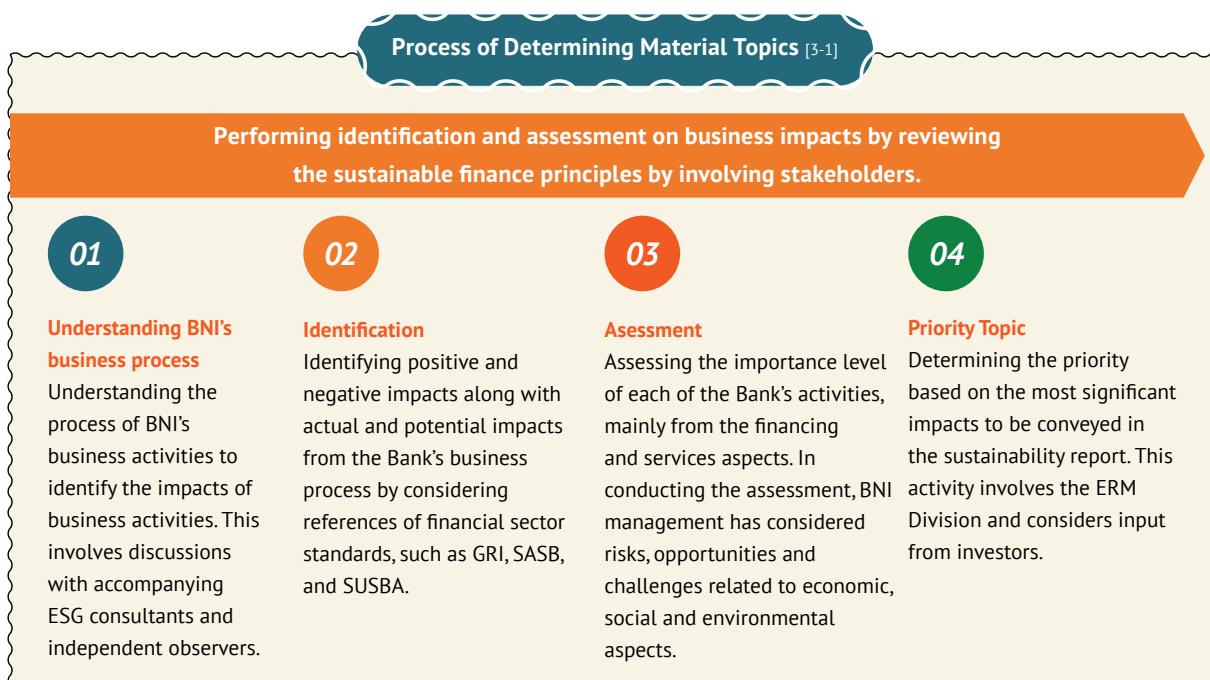
Jl. Jenderal Sudirman Kav.1 Jakarta 10220 Indonesia

Phone : (62-21) 572 8544

E-mail : esg@bni.co.id

Material Topics Managed by BNI

Material topics are arranged based on issues and information that were significant in the reporting year. There are changes to material topics from the previous year. Material topics are adjusted to activities and issues that have a significant impact occurring in 2023. We involve management and independent observers in determining topics as priorities. The principles of stakeholder management, sustainability context, materiality, and completeness were taken into account upon determining the material topics. Factors affecting the Bank and stakeholders' decision making have been identified through the material topics mapping process.



Material Topics Priority [3-2]



Management Response to Feedback to the Previous Year Report

We are grateful for the feedback provided by stakeholders and ESG rating agencies regarding the 2022 Sustainability Report. Several things need to be considered, including the delivery of publication material that is more relevant and concise, but can convey BNI's overall ESG developments, as well as complement the Report information Sustainability as a step in the initial adoption of IFRS S1 and IFRS S2. In the future, BNI will continue to strengthen its commitment and provide information to meet the stakeholders' expectations.



01

BNI
FOR INDONESIA

Digital Banking

Through technology advancements, BNI uses its potentials to increase value for the clients amidst the constantly-moving technology and digitalization. In this modern era, the Bank is committed to providing inclusive and sustainable financial services, mainly through innovative financial products and services. With digital transformation, BNI targets operational efficiency and increase in profitability.

Developments and innovations in the digital banking services are consistently implemented in accordance with policies and the needs of corporate and individual customers. Digitalization and innovation become the interest and responsibility of all stakeholders, starting from the business units, operations, policies, including information technology. Giving solutions to business partners relating to business developments and digital services guarantees added values for the customers, with the support of the information technology task force and operational process which monitor quality for a sustainable and reliable end-to-end system at BNI.



Digital Transformation to Promote the Banking Economic Performance

BNI is committed to providing excellent service for its customers through integrated digital development. For better customer experience, digital transformation is gradually implemented. A customized customer experience is built through digital-based BNI outlets by adjusting the location and characteristics of the outlet itself. With the three top digital products – BNI Mobile Banking, BNIDirect, and BNI Xpora – BNI's customers can perform transactions at ease.

Transaction Data from Digital Banking

BNI Mobile Banking



19.4%
Growth in Number of Users

74.7%
Transaction Growth

BNI Direct



46.9%
Growth in Number of Users

23.5%
Transaction Growth

BNI Xpora



Rp124
Trillion
Export Trade Volume

7.3%
Export Trade Growth

Digital Banking Transformation

Last year, BNI acquired PT Bank Mayora as a business unit whose name has changed to PT Bank Hibank Indonesia (hibank) and assumed the role of a digital bank. This acquisition embodies the vision of becoming a Leading MSME Digital Bank in Indonesia.

BNI's focusing on guiding hibank through the transformation process is for its capacity building as a Digital Bank that centers on the MSME segment, to be robust fundamentally to become Indonesia's First Digital SME Bank and to be able to optimize the business from a select ecosystem and community. Hibank is currently being prepared as a business growth engine for BNI group in long term, so that it will contribute to significant profit to BNI Group.

In 2023, hibank distributed financing to MSMEs through fintech, such as Batumbu, Dana.id, and Amartha for term loan products and supply chain financing by granting loans for suppliers or distributors from the principles (anchor). Moreover, hibank provides loans for developers participating in greening housing projects which are being developed.

Developments of Digital Innovation

The evolving technology infrastructure and digital innovation in BNI function to enhance the transactional capability, accommodate retail customers in running daily activities, such as purchasing electricity token, paying bills, mobile top-up; and increase business customers' acceptance for cashless payments, particularly on BNI Mobile Banking, BNIDirect, BNI Trade Online, Financial Supply Chain Management Platform, e-Bank Guarantee, BNI Open API, Merchant & QRIS, TapCash, BNI Merchant, and BNI Agen46. BNI is also active developing solutions for expanding partnerships through Open API platforms, H+0 Qris settlement, EDC Android 4G, AMEX principle acceptance, and China Union Pay on Acquiring BNI as well as making advancements in the latest technology, such as AI, blockchain, and metaverse to broaden the business ecosystem and elevate customer experience.

Up to date, there has been a year-on-year increase in the use of digital banking services at BNI. An example is BNIDirect, which is equipped with excellent features to provide integrated transactions and financial solutions for Business Banking customers, such as payment management (tax, electricity, water, telephone, and other bills payment), collection management, liquidity management, online trade, and foreign exchange transactions. Other features on BNIDirect, such as online account information, online account opening, giro multi-currency, overseas fund transfer, and BNIDirect Overseas Branch Office (KCLN) help buttress the transactions through this platform.

We continue promoting BNIDirect, BNI Mobile Banking, and BNI Agen46 as a digital banking platform that fully supports various segments from business banking, MSME, and individual, so as to give solutions to day-to-day-basis transactions under one integrated portal. Moving forward, BNI will release better new features, such as single sign-on, financial dashboard, online & digital onboarding, and investment management.

In developing digital banking innovation, we also consider creating positive impacts, such as time efficiency in transaction, reducing vehicle exhaust emissions, increasing the resources allocation efficiency for customers and business partners, accommodating customers upon accessing banking services, encouraging cashless transaction and promoting digital payment acceptance in the community, strengthening and refining interaction channels for a better relationship with the customer.

These developments will stimulate growth in the number of transactions and the use of products, which eventually will further generate profit and increase banking performance as well as solidify trust from investors and shareholders in BNI.

Sustainable Finance Implementation



Material Topic: Economic Performance and Green Portfolio Management

Our Approach [3-3]

A responsible banking practice includes sustainable finance implementation and a bankwide management in the environmental, social, and governance (ESG) aspects. Referring to the sustainable finance practice, BNI runs the business to achieve a balance between the economic performance targets and sustainability performance. BNI also strives for green economy in the future through its business activities. Every year, BNI sets its targets to increase the economic performance and green financing. The green portfolio target for 2023 is 5.2% with realization of 13.6%. BNI launched a Sustainability Linked Loan which aims to push debtors to start energy transition. The policy used to realize these targets is by performing an assessment on the prospective debtors relating to their ESG aspects performance and formulating incentives for debtors with green projects in the renewable energy sector, eco-friendly buildings, green vehicles as well as biological resources management and sustainable lands.

The ESG aspects assessment in the loan granting process has been carried out by screening the initial ESG risk in conjunction with BNI's existing policies. The process involves Corporate Banking 1, 2, 3, and 4, the International Division, Enterprise Banking Division, Commercial Banking Division 1 and 2, Institutional Banking Division 1 & 2, Syndication and Structured Finance Division, Retail Productive Banking Division, Small Business & Program Division, Corporate & Enterprise Credit Risk Division, and Commercial Credit Risk Division. Under the responsibility of the Enterprise Risk Management Division, Corporate Planning Management Division, and Policy Governance Division, BNI manages green portfolio and evaluates credit and loan-based policies regularly.

Economic Performance

In 2023, the economic performance recorded a 2.1% year-on-year growth (YoY) in the operating income with 14.6% YoY profit growth. This happened due to the increasing Interest Income, Premium Income, and the significant growth in Locan Recovery.



Economic Value Generated and Distributed (Billion Rp)
[201-1]

Description	2023	2022	2021
a. Economic value generated			
Interest income – nett	41,276	41,321	38,247
Premium income – nett	1,659	1,551	1,399
Other operating income	19,812	18,600	16,219
Total	62,747	61,472	55,865
b. Economic value distributed			
Operating cost (excluding employee salary)	24,140	26,117	31,903
Expenditure for employee salary and benefit	12,834	12,456	11,195
Dividend	7,325	2,725	820
Tax	4,534	4,205	1,574
Expenditure for community activities	130	100	93
Total	48,963	45,603	45,585
c. Economic value retained (A-B)	13,784	15,869	10,280

BNI's 2023 economic performance showed an increase in the operating income of Rp62,747 billion, reaching 93.1% of the target, while the net income of Rp20,909 billion or reached 101.1% of the target. In other words, the operating income and net income increased by 2.1% and 14.2% respectively from last year. A total of Rp48,963 billion has been distributed to the stakeholders through remuneration and benefits for the employees, dividend for the shareholders, community empowerment program, and other social assistance.

In accordance with Law no. 7 of 2021 concerning Harmonization of Tax Regulations, it is stipulated that domestic taxpayers can obtain a rate of 3% lower than the 22% rate that applies in the 2023 tax year. In accordance with these provisions, in the 2023 tax year BNI can fulfill the requirements to obtain a reduced rate tax is 3%, so the tax rate used in calculating Corporate Income Tax is 19%. With the tax incentives, in the 2023 tax year BNI will pay Rp4,432 billion in taxes to the government. [201-4]

BNI's approach to taxes in fulfilling tax obligations is based on compliance with all applicable tax laws and regulations issued by the tax authorities. In implementing the management of tax obligations, monitoring and controlling taxes, BNI has established a comprehensive and structured process, such as identifying, managing and monitoring tax risks through continuous monitoring and reconciliation. [207-1, 207-2]

The main stakeholder in tax matters is the government through the tax authority. For this reason, BNI always maintains good relations with the tax authorities, but without being involved in public policy advocacy related to taxation, or other efforts to influence the tax authorities. BNI implements compliance with all laws and regulations issued by the tax authorities. Complete information regarding taxation can be accessed in the Annual Report and BNI Consolidated Financial Report for the 2023 financial year which is published separately from this report. [207-1, 207-2, 207-3]

Sustainability Portfolio

One of the targets of the sustainable finance implementation is increasing the loan disbursements to the Criteria for Sustainable Business Activities (KKUB), which include disbursing them to eco-friendly sector and MSME segment. Until the end of 2023, BNI recorded total credit of Rp695,085 billion.



Credit Portfolio Based on Category (Billion Rp) [FS6][FN-CB-000,B]

Types of Business	2023		2022*		2021*	
	Total	%	Total	%	Total	%
Corporate	310,392	44.7	255,639	39.6	229,028	39.3
Medium	109,625	15.8	112,462	17.4	99,132	17.0
Small	84,927	12.2	97,210	15.0	95,752	16.4
Consumer	124,487	17.9	109,602	17.0	98,991	17.0
International	56,611	8.1	67,405	10.4	58,446	10.1
Subsidiary	9,043	1.3	3,870	0.6	1,087	0.2
Total Credit	695,085	100	646,188	100	582,436	100

*) Restatement

Credit Portfolio of KKUB (Billion Rp) [FS8,FS10,FS11]

Description	2023		2022		2021	
	Total	%	Total	%	Total	%
a. Renewable energy	10,216	5.6	10,872	5.9	9,528	5.5
b. Energy efficiency	14,460	7.9	14,033	7.7	17,746	10.3
c. Pollution prevention and control	3,855	2.1	4,003	2.2	5,098	3.0
d. Natural resources management and use of sustainable land	26,599	14.7	19,695	10.8	14,004	8.1
e. Terrestrial and aquatic biodiversity conservation	0	0	26	0.0	34	0.0
f. Eco-friendly transportation	2,317	1.3	2,020	1.1	-	0.0
g. Sustainable water and effluent management	572	0.3	314	0.2	2,856	1.7
h. Adaptation to climate change	0	0	0	0	-	0.0
i. Products that can diminish resources and generate less pollution (eco-efficient)	1,190	0.7	1,011	0.6	251	0.1
j. Green buildings that meet nationally, regionally, and internationally recognized standards or certification	5,620	3.1	7,394	4.0	5,278	3.1
k. Other eco-friendly business activities	3,053	1.7	398	0.2	579	0.3
Total Financing Portfolio for the Category of Eco-Friendly Business Activities	67,882	37.5	59,769	32.7	55,375	32.1
l. MSME Activities	113,224	62.5	123,165	67.3	117,011	67.9
Total Financing Portfolio for the Criteria of Sustainable Business Activities (KKUB)	181,106	100	182,934	100	172,386	100

Note: Data coverage is only from BNI as the parent entity that carries out banking activities.

BNI's green portfolio derives from loan disbursements in eco-friendly business activities (KUBL). In 2023, the disbursements in KUBL were targeted to reach 5.2% increase from last year. The outstanding KUBL credit as of the end of 2023 has reached Rp67.8 trillion or 107.9% from target. This amount increased compared to previous year which amounted to Rp59.7 trillion.

Increasing the Financing in the New and Renewable Energy Sector [FS10]

BNI supports the government policies pertaining to the implementation of energy transition. By financing the power plant development projects based on the renewable energy. BNI has not identified debtors performing the transition to gas-fired power plants from steam-fired power plants. Gas-fired power plants are recognized to be more eco-friendly as they generate less GHG emissions. The following are several energy transition projects financed by BNI:

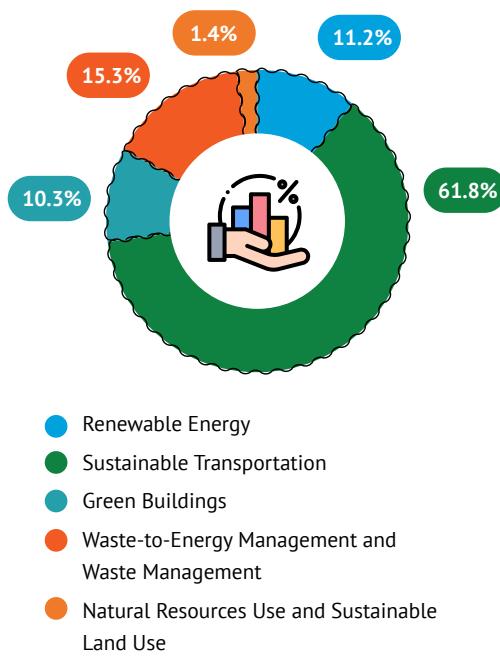
- Steam power plants to gas power plants or gas and steam transition projects;
- Gas power plants developments, including gas pipeline and infrastructure transmission or storage for energy support reserves; and as a means to reduce the use of fuel by increasing the use of gas as a cleaner energy source.
- Supporting the new and renewable energy production and optimizing biofuel (biodiesel or biohydrocarbon), including Solar power plants as a byproduct of the waste management.
- Financing on solar power plants, water power plants, and geothermal power plant sectors, and other new and renewable energy as one of the sources of the energy transition program.

On the other hand, BNI runs the cooperation scheme of Public Electric Vehicle Charging Stations (SPKLU) of Partnership Investor Own Investor Operate (IO2) from PT PLN (Persero). The presence of SPKLU exhibits BNI's real contribution to stimulating the growth of Battery-based Electric Motorized Vehicles (KBLBB) users in Indonesia, which will positively impact the environment.

Realization and Impacts of Distributing Green Bonds

BNI disburses funds from green bonds to projects that have met the prerequisites for funding and obtained second-party opinion (SPO) from Sustainalytics relating to the positive contributions made by the projects to the environment. The funds collected from selling the green bonds are channeled to support business expansion, refinancing, and reprofiling funding by considering the POJK 60/2017 (a minimum of 70% financing for eco-friendly business activities/KUBL).

BNI has allocated 77.0% of the green bonds yields to 5 sectors in accordance with the following Framework:



Meanwhile, 22.9% was allocated for other green loan in accordance with POJK 60 of 2017. BNI monitors the impact that may arise from the use of green bonds fund by the debtors and acknowledges any positive environmental impacts, such as follows:



233,749 tCO₂eq

Total GHG Emissions Reduction



54,355.2 MWh

Clean energy generated



1,568,897 GJ

Energy saving



150,410 ton/year

Waste Management



314,387 ha

Land preservation



Further information on the projects funded by Green Bonds 2022 and the impacts reported are presented in the 2023 BNI's Green Bonds Report, available on BNI's website on the Environment, Social, and Governance webpage: <https://www.bni.co.id/en-us/company/bni-esg>.

Sustainability Linked Loan (SLL)

In supporting the transformation toward sustainable business in Indonesia, BNI applies the Sustainability Linked Loan (SLL) financing. This program is designed to encourage debtors to practice the ESG aspects in their business operations. These debtors can submit their KPI and SPT over the sustainability targets set in accordance with the debtor's business strategy and have obtained a second party opinion (SPO) from an appointed environmental expert. Accomplishing said sustainability targets within the agreed timeline will be rewarded with incentives based on the agreement. The criteria of debtors who are eligible for SLL are as follows:

Having measurable commitments, policies, strategies, and/or track records of sustainability performance in the sustainability report, environmental monitoring report, and/or similar documents.

Having a SLL Framework documents that has received a Second-Party Opinion (SPO) from an Independent Consultant with an accreditation from BSN and/or KAN or other professionally-recognized accreditation institutions.

Having Key Performance Indicators (KPI) and Sustainability Performance Targets (SPT), which are stated in the SLL Framework document.

The SLL disbursements in 2023 were realized at Rp4.6 trillion to three major projects:

Companies operating in the livestock sector and food processing industry: by determining environmental main performance indicators related to the sustainability target achievements to minimize the impacts of water pollution by building water recycling facilities in business sites.

Companies operating in the cement processing industry: by implementing a sustainability framework with a sustainability target of lowering the impacts of carbon emissions.

Note: The SPT progress for these two companies is in line with the SLL framework. Progress updates will be provided after reports from third parties are released.

Companies operating in the steel processing industry: by implementing a sustainability framework with a sustainability target of a better ESG risk rating. One of the debtors had a significant change in the ESG Risk Rating, from 42.1 Severe Risk to 37.2 High Risk. We will continue to monitor efforts to improve the debtor's ESG risk rating so that debtor can achieve an increasingly better rating in the future.

Supporting Micro, Small, and Medium Enterprises [FN-CB-240a.1, FN-CB-240a.2]



Acquiring more groups of MSMEs has become one of the key driving forces in Indonesia's economic recovery process. The outstanding MSMEs credit as of end of 2023 amounted to Rp113.2 trillion, and 38.9% of this amount was the Subsidized Micro Loan (KUR). The total BNI Xpora credit portfolio in 2023 was Rp33.9 trillion, 6.4% of which was export-oriented KUR.

Aside from giving support to financing, BNI also facilitated the acceleration of MSMEs Level Up through the issuance of Business Registration Number (NIB). BNI collaborated with the Ministry of Investment/Indonesia Investment Coordinating Board (BKPM) to carry out socializations and guidance through webinars to help accelerate the NIB creation. With this, the MSMEs are expected to grow rapidly and able to level up to the export level (Go Global).

The government targeted there would be 10 million MSMEs with NIB by 2023. The MSMEs were provided with a convenience so that they could level up wherein the NIB could be obtained through an online single submission (OSS). As of the end of 2023, the acceleration of NIB issuance has been applied to 11,387 small-scale debtors, or 3% of the total small-scale debtors, which was 380,078 debtors, and the MSMEs with NIB have grown to 465% YoY.

BNI has also mapped the financing of the MSMEs segment, and it is evident that the majority financing derived from environmentally-based MSMEs debtors, namely BNI Millennial SmartFarming (Rp29.4 billion), followed by BNI Desa Digital Khatulistiwa (Rp9.5 billion), and BNI Program BNI Jejak Kopi Khatulistiwa (Rp4.5 billion). Moving forward, BNI's environmentally-based financing portfolio is expected to continually increase and bring greater contribution to green economy.

Moving Together with Stakeholders

towards Climate Resilience

Material Topic: Climate Resilience

Our Approach [3-3]

BNI is more than a corporate citizen as it also supports the achievement of net zero emissions (NZE) and climate resilience through its business activities. Such commitment is manifested through the management of environmental aspect, both internally, through the bank's financing and operational management, and externally, by improving the environmental ecosystem's carrying capacity. BNI has an ESG roadmap which contains strategies to reduce GHG emissions and support NZE.

BNI's effort to mitigate the climate change issues is by performing energy efficiency and emission reduction. Our commitment of mitigating the climate change issues is also stated in the Efficiency Implementation Stipulation No. JAL/2.2.1799, Space Lighting and Cooling Efficiency, and the Use of AC Inverter for Electricity Cost Efficiency No. JAL/3/1317. BNI consistently gives encouragement related to energy efficiency and emission management in buildings and offices managed. We also provide environmentally-based financing and perform analysis of environmental credit risk.

BNI is currently developing a policy on climate-related financial risk management and working on an initial adoption of the IFRS S2. This policy will be enforced under the Enterprise Risk Management Division which directly answers to the Risk Management Director, then to be reported to the ESG Sub-Committee, which is led by the Vice President Director. The policy for supporting NZE and climate resilience has become the concern and object of monitoring of the top management. Throughout 2023, BNI has successfully strengthened the green credit disbursements, run several initiatives to lower the GHG emissions arising from operational activities, and performed GHG emission data inventory from financing.

The banking operational activities have no direct impact on the environment and the climate change; however, if we grant financing to debtors' business activities, the Bank will contribute to the environmental impacts. As a result, BNI runs a credit portfolio management, is selective in financing sectors with high impact on the environment by assessing the ESG risks, increases the KUBL financing, performs initiatives of GHG emissions reduction, as well as gauges the GHG emissions from the financing activities. The Bank also actively supports the United Nations Environment Programm Finance Initiatives (UNEP FI).

Analysis of Climate-Related Financial Risks [201-2]

BNI has been attempting to conduct an initial adoption of the IFRS S2 to manage climate-related risks and opportunities. This year, BNI developed a climate-related framework, encompassing the governance aspect, strategy, risk management, matrix, and target. A brief description of the framework developments is as follows:



1. Governance

The ESG performance management is in the ESG Management Department, which is under the Enterprise Management Division, and it was established in June 2022 based on SK DIR No. KP/218/R of 17 June 2022. The climate-related framework has the oversight of the ESG Sub-Committee, comprising of the members of the Board of Directors and BNI's SEVP, which are also a part of the Risk Management and Anti-Fraud Committee. A Supporting Staff Group (SSG) is also in place for coordinating and implementing the climate-related framework and has the membership of leaders of relevant Divisions and Departments.

The monitoring and evaluation process of climate-related risk mitigation are conducted through a routine meeting organized by the SSG of the ESG Sub-Committee, at least once every three months or when needed for making decisions. The monitoring and evaluation results will be reported to the ESG Sub-Committee for making decisions for any arising issues that require the Board of Directors' Resolution.

2. Strategy

BNI has prepared a strategy for the climate-related framework implementation:

1. Development of sustainable products, such as:
 - a. Launching Sustainability Linked Loan to encourage debtors to implement ESG and have a green-oriented transition map.
 - b. Providing green loan incentives to stimulate green portfolio growth.
 - c. Disbursing green bonds for green projects which are currently applied in 5 sectors, namely Renewable Energy, Eco-friendly Transportation, Green Buildings, Waste-to-Energy Management and Waste Management, and Natural Resources Use and Sustainable Land Use.

- d. Developing financing scheme to support and cultivate the green-based MSMEs ecosystem, such as Jejak Kopi Khatulistiwa – Social Forestry and BNI UMKM Ramah Lingkungan (BUMI).
- e. Financing the energy transition sector to encourage transition towards clean energy.
- f. Performing an evaluation on the possibility of other sustainability-based bonds issuance.
- g. Cooperating with a strategic partner to issue a sustainability product for individual customers, such as eco-friendly credit card issuance together with WWF and recyclable credit card issuance together with AMEX.
- h. Optimizing a waste savings program to increase students' awareness of plastic waste management.

2. Energy efficiency

- a. Power-saving technology use.
- b. Setting and optimizing the use of AC and lights in the office buildings.
- c. Using renewable energy in Gedung Plaza BNI.
- d. Certified green buildings: Gedung Plaza BNI and Menara BNI.
- e. Developing a waste management program to minimize waste to landfill.
- f. Optimizing online media for meetings.

3. Program nature-based solution

As of 2023, BNI has planted trees in 281.7 ha of land. This tree planting program will continue as one of BNI's emission reduction programs.

4. Coordinating with the Subsidiaries to align the ESG Framework implementation with the Net Zero Roadmap inside the Subsidiaries.

3. Risk Management

- a. Building an infrastructure of emission data to acquire operational emission data from all BNI's offices by the end of 2023 so that a periodic monitoring on emissions can be feasible.
- b. BNI has identified sectors with high levels of emissions in the credit portfolio of Corporate, Enterprise, and Commercial segment, to which a portfolio arrangement through a Loan Exposure Limit (LEL) is applied to respective unit.
- c. Strengthening the Risk Acceptance Criteria for 18 sectors in 2023.
- d. Commencing an initial phase of Climate Risk Stress Test (CRST) in June 2023 for the Coal sector (including power plant), Oil Palm Plantation and Pulp & Paper. The CRST will be reapplied in 2024, covering a minimum of 50% of the credit portfolio, including the prerequisites sectors by OJK.
- e. Managing the impacts of physical risk in BNI's operational offices practices Business Continuity Management (BCM) in each unit, both in the country and overseas, so that the Operational Risk can be lowered during emergency conditions or natural disaster incidents. As stated in the Company Guidelines on the Procedure of BCM and Crisis Management Protocol (CMP), an organizational structure guideline of Crisis Management Team (CMT) is applicably effective should a disaster occurs. Managing disaster with an Emergency Response Plan (ERP) has become a guide for Employees and Customers when a disaster occurs in BNI's buildings/offices.
- f. Physical risk assessment on debtors' insurance is conducted through a flood risk identification based on location. The identification process is led by an independent consultant, and based on the assessment results, a mitigation risk is carried out in the form of loss insurance over the collateral assets.

4. Matrix and Target

In 2023, BNI calculated the scope 1, 2, & 3 GHG emissions including from business trips and emission financing from the Corporate segment, namely the International, Enterprise and Commercial credit portfolios. To ease the review and preparation of NZE achievement strategy, BNI divided the NZE targets into Operational and Financing.

a. NZE Financing

BNI uses scope 3 GHG emissions data from financing activities, which encompasses 90.1% debtors of the Corporate segment, including the International, Enterprise and Commercial credit portfolios by adopting a method developed by the Partnership for Carbon Accounting Financials (PCAF).



BNI has identified the emissions generated from BNI's financing for the economic sector and has categorized the debtors into two categories, which are high- and low-level emissions based on the emissions generated in said sectors compared to the financing's debit balance in relevant sectors. The results of this mapping are the basis for carrying out portfolio management and encouraging debtors to carry out the energy transition.

b. NZE Operational

In calculating the operational emission, BNI uses the data of scope 1, 2, and 3 emissions on business trips, which include the emission data of 5 Head Offices and 87.4% Regional/Branch Offices. In the scope 1 emission, BNI has calculated the operational emissions on the use of diesel fuel for generators and AC freon. In the scope 2 emission, a calculation has been made on the use of electricity in all Head Offices and Regional/Branch Offices.



Inventory of GHG Emissions from Financing Activities [FN-CB-410b.1]

To support our commitment to lowering emissions from financing activities, BNI has identified 3 GHG emissions generated from its credit portfolio. In the long run, BNI will proceed with portfolio management, especially for industry sectors with high emissions and encourage debtors in such sectors towards energy transition. Restrained financing in certain sectors, such as fossil fuel-based power plants will ultimately comply with the stipulations and roadmap set by the Government of Indonesia. There are also stipulations on ESG aspects that should be met by the debtors through Risk Acceptance Criteria (RAC) and for them to directly own and start a transition map. BNI Financing Emission Calculations cover 90.1% of the total BNI portfolio for the Corporate segment, including the International, Enterprise and Commercial credit portfolios as of December 2023.

GHG Emissions from Financing Activities based on Credit Segment [FN-CB-410b.2, FN-CB-410b.3]

Segment	Outstanding Plafond (billion Rp)	GHG Emissions (Ton CO ₂ eq)
Corporate	294,106.1	18,331,917
International	31,350.5	3,862,162
Enterprise dan Commercial	102,858.9	6,208,774
Total	428,315.5	28,402,853

EGHG Emissions from Financing Activities based on Business Sector [FN-CB-410b.2, FN-CB-410b.3]

Business Sector	Outstanding Plafond (billion Rp)	GHG Emissions (Ton CO ₂ eq)
Processing Industry	123,868.2	12,680,249
Trading	43,303.8	3,486,964
Mining	17,181.4	1,077,915
Transportation, Transport Support and Warehousing	25,966.2	1,325,002
Electricity, Gas and Water	29,421.3	3,962,670
Coal Mining and Trading	20,448.7	1,934,287
Agriculture, Forestry & Fisheries	42,489.3	2,752,573
Real Estate	19,603.8	289,825
Construction	52,381.6	126,209
Other	53,651.3	767,159
Total	428,315.5	28,402,853

The GHG emissions calculation from financing adopts a method developed by PCAF. [FN-CB-410b.4]

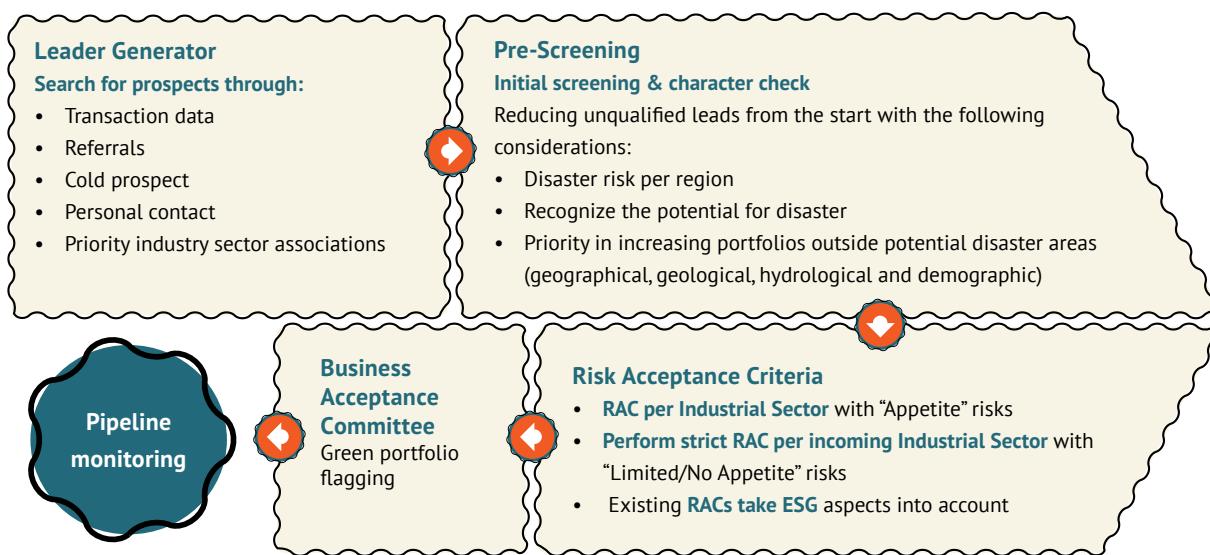
ESG Risk Management in Financing

[FS1, FS2, FS3][FN-CB-410a.2]

Risk management in banking activities is carried out prudently and by taking ESG aspects into consideration. The Risk Management Director and Credit Committee perform an assessment to the risks in financing activities. The Credit Committee has officials authorized to decide on credits in stages. For any granted financing, monitoring will follow and an approval will be requested to the credit committee during a periodic review conducted at least once a year.

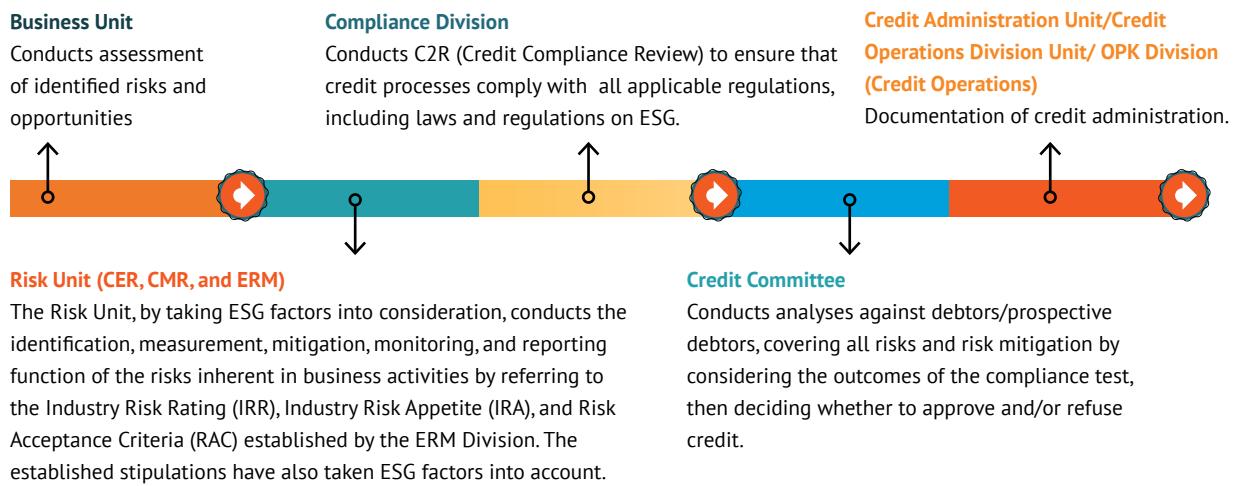


Process Flow of Pipeline Management based on ESG



Prior to granting financing to the prospective debtors, BNI exercises a series of proper tests for loan which involves cross functions. The Internal Audit (IAD) assesses the adequacy of risk management and internal control in respected unit, including in the loan process. Upon reviewing the loan proposal, we identify and monitor the ESG risks. The Bank also has a credit procedure standard that requires AMDAL for mandatory business plans/activities, or Environment Management Efforts (UKE) – Environment Monitoring Efforts (UPL) as per prevailing laws and regulations.

ESG Aspects Management in Loan Approval Process



Financing in Sectors with High Sustainability Risk

[FN-CB-410a.1, FN-CB-410a.2, FN-CB-550a.2]

The Bank follows a sector guideline that regulates minimum sustainability requirements that must be met, prohibitions, and aspects that orient towards sustainability practices. Hence, BNI has 4 sectors identified with high ESG risks, which are oil palm, mining, construction, and energy sectors. Several ESG risks assessment criteria required by BNI are as follows:

Corporate and Enterprise Segment

Sector	ESG Aspects Criteria
Oil Palm Plantation and Processing Industry	<ul style="list-style-type: none"> Having RSPO or ISPO, or undergoing a process. Having AMDAL and other environment permits. No social/environmental disturbances in the last 5 years. <p>Exclusively for the Oil Palm Processing Industry:</p> <ul style="list-style-type: none"> Having at least a Blue PROPER rating after undergoing the assessment.
Metal Ore Mining	<p>BNI embarks on the mining sector through a selection, mainly for supporting the infrastructure development and other strategic development sectors.</p> <p>Mine Operator:</p> <ul style="list-style-type: none"> At a minimum, having a Blue PROPER rating (after the assessment) from the PROPER Center or Regional PROPER. Having a dedicated team for reporting to BoD to manage corporate social responsibility issues. No bad press about violations of local and international environmental regulations. Debtors/business groups have met or acquired a program that can be monitored for Qualitative Factor Parameter of Environmental, Social, and Governance (ESG) aspects mandated by BNI in accordance with the regulations. <p>Smelter:</p> <ul style="list-style-type: none"> Have obtained the environmental impact analysis (AMDAL) approval individually or under a business zone. No bad press about violations of local and international environmental regulations. Complying with regulations on air & noise pollution, including dust dispersal. Complying with regulations on water, sediment, and wastewater treatment as well as hazardous waste management. Managing social and cultural impacts on local communities. Conservation of wildlife/local habitat ecology management. Complying with the Manpower Law, both foreign workers (TKA) and local workers.
Metal and Metal Ore Trade	<ul style="list-style-type: none"> Goods/products sold are not from illegal mining. Partners/suppliers with no bad press on violations of local and international environmental regulations.
Metal Industry (Fabricator)	<ul style="list-style-type: none"> Have obtained the environmental impact analysis (AMDAL). Raw materials are not from illegal mining. No bad press about violations of local and international environmental regulations. Complying with regulations on air & noise pollution, including dust dispersal. Complying with regulations on water, sediment, and effluent. Complying with regulations on hazardous waste management. Managing social and cultural impacts on local communities. Conserving wildlife/managing local habitats' ecology.

Sector	ESG Aspects Criteria
General Construction and Toll Road Construction	<ul style="list-style-type: none"> • No social/environmental disturbances in the last 5 years, such as no land grabbing and decent land compensation. • Complying with the Good Corporate Governance (GCG) regulations. <p>Additional requirement for General Construction:</p> <ul style="list-style-type: none"> • Meeting and complying with regulations of the construction sub-sector, which are: land use rights, employee occupational health and safety, minimizing pollution, minimizing impacts of hazardous substances, using/maintaining natural water sources. <p>Additional requirement for Toll Road Construction:</p> <ul style="list-style-type: none"> • Implementing the Toll Road Business Entities' (BUJT) stipulations that ensure contractors and subcontractors meet and comply with regulations on social environment and governance during the construction of toll roads.
Power	<ul style="list-style-type: none"> • Having obtained AMDAL or Environment Management Plan as per regulations for power sector. • Having an OHS certificate or management plan (for debtors and contractors). • No social/environmental disturbances relating to projects. • Having met or undertaken a program that can be monitored for fulfilling the Qualitative Factor Parameter on ESG aspects, regulated by BNI as per regulations.
Real Estate	<ul style="list-style-type: none"> • No social/environmental disturbances in the last 5 years that impacted the business continuity. • Conforming 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)). • Having obtained AMDAL or other environment permits.
Telecommunication	<ul style="list-style-type: none"> • No social/environmental disturbances in the last 3 years that impacted the business continuity. • Meeting the Good Corporate Governance (GCG) regulations. • Having a permit from the local government on the erection of telecommunication towers or other telecommunication infrastructures. • Having obtained Building Permit (IMB) or other permits equivalent with IMB and AMDAL and other environment permits.
Chemical Industry	<ul style="list-style-type: none"> • At a minimum, having a Blue PROPER rating (after the assessment). • No social/environmental disturbances in the last 5 years that impacted the business continuity. • Having obtained AMDAL and other environment permits. • Having an Occupational Health and Safety (OHS) management system certifications.
Cement Industry	<ul style="list-style-type: none"> • At a minimum, having a Blue PROPER rating (after the assessment). • No social/environmental disturbances in the last 5 years that significantly impacted the business continuity, or terminate the business operations. • Complying with the Good Corporate Governance (GCG) regulations.
Fast Moving Consumer Goods (FMCG)	<ul style="list-style-type: none"> • Environmental aspect: Companies to have AMDAL or other environment permits. • Social aspect: Companies to have Health, Safety, and Environmental (HSE) management system. • Governance aspect: Meeting prevalent stipulations and permits in accordance with the types of businesses. • No social/environmental disturbances in the last 5 years that impacted the business continuity.
Hospital	<ul style="list-style-type: none"> • Having ISO 14001 on environmental management system. • No record of social/environmental disturbances in the last 5 years that impacted the business continuity. • No malpractice news that impacted the business continuity. • Having a hospital waste treatment unit in accordance with government regulations.
Pharmaceutical	<ul style="list-style-type: none"> • No record of social/environmental disturbances in the last 5 years that impacted the business continuity. • No news of fatal side effects of the medications produced or sold that impacted the business continuity. • Meeting the requirements stipulated by the regulators, including AMDAL or other environment permits.

In BNI, the oil and gas sector is recognized as limited appetite industry, thus the RAC are not specifically categorized. Should there be any prospects in said sector, it will be selectively chosen, and priority is placed on key players with above average performance, exercising ESG Path policy, contributing to the national production, and regarded as one of the top 10 companies with mineral reserves in Indonesia. The majority of companies in the oil and gas sector are centered on the mid-stream and downstream industries (advanced level of raw materials processing).

Commercial Segment

Sector	ESG Aspects Crtieria
General Trade	<ul style="list-style-type: none">• No social/environmental disturbances in the last 2 years that impacted the business continuity.
General Processing Industry	
Export Import Trade	
Chemical, Rubber, and Plastic Industry	<ul style="list-style-type: none">• No social/environmental disturbances in the last 3 years that impacted the business continuity.
Accommodation Provider	
Transportation	
Oil Palm Plantation (Upstream)	<ul style="list-style-type: none">• Having RSPO/ISPO certificate or is undergoing a process of one.• No social/environmental disturbances in the last 3 years that impacted the business continuity.• No negative news/issues on land burning or land grabbing.
Rental Services	<ul style="list-style-type: none">• No social/environmental disturbances in the last 3 years that impacted the business continuity.• Specifically for real estate sub-sector that have met and complied with the regulations: land use rights, employee occupational health and safety, minimizing pollution, minimizing impacts of hazardous substances, using/maintaining natural water sources.
Healthcare Services and Social Activities	<ul style="list-style-type: none">• No social/environmental disturbances in the last 3 years that impacted the business continuity.• No news on malpractices that impacted the business continuity.
Construction	<ul style="list-style-type: none">• No social/environmental disturbances in the last 4 years that impacted the business continuity.• Meeting and complying with the construction sub-sector regulations, among which are land use rights, employee occupational health and safety, minimizing pollution, minimizing impacts of hazardous substances, using/maintaining natural water sources, etc.

Retail Productive Segment

Sector	ESG Aspects Criteria
Domestic Wholesale	
Retail Business	
Food and Beverage Processing Industry	No social/environmental disturbances in the last 2 years that impacted the business continuity.
Chemical Industry	
Export Import Trade	
Public Transportation	
Oil Palm Plantation (Upstream)	<ul style="list-style-type: none"> Planting zones are not located on peat soil and/or forest conservation. No social/environmental disturbances in the last 5 years that impacted the business continuity. No negative news or issues relating to land burning or land grabbing.
Construction	<ul style="list-style-type: none"> No social/environmental disturbances in the last 4 years that impacted the business continuity. Meeting and complying with the construction sub-sector regulations: land use rights, employee occupational health and safety, minimizing pollution, minimizing impacts of hazardous substances, using/maintaining natural water sources, etc.
Accommodation Provider	<ul style="list-style-type: none"> No social/environmental disturbances in the last 3 years that impacted the business continuity.

BNI ensures that financing is disbursed to sectors which are responsible, productive, and not damaging to the environment. Therefore, the Banking Business Unit periodically performs monitoring through the watchlist system and creates a rating. Every three months, the monitoring results are reported to Corporate & Enterprise Credit Risk (CER) Division and Commercial & SME Credit Risk (CMR) Division. Moreover, each responsible unit is obligated to perform internal audit of a sample of debtors as part of monitoring. In the event of an ESG aspect violation, BNI will verify to the relevant parties and perform adjustments (downgrading) if the debtor is proven to be non-compliant with ESG regulations. In 2023, there are no downgrading of debtors related to ESG.

Exclusion List

BNI does not grant financing to business activities involved in the following acts:

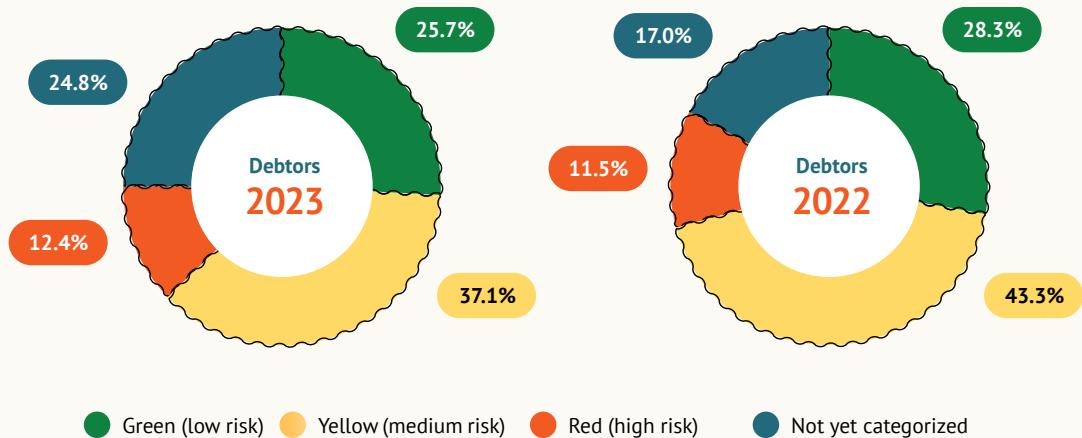
	Prohibited by the Government		Illegal logging		Forced labor, child exploitation, human rights violation		Citizens rights violation		Prohibited by the Government if it jeopardizes world heritage sites
	Politically exposed person (PEP)		Narcotic drugs sale and production		Weapons industry and sale		Gambling and money laundering		Protected animals trade

Environmental Risk Management in Credit Portfolio [FS8]

Environmental risk will have direct impacts on climate change if unmitigated. Subsequently, BNI tightens the supervision against any environmental risk arising from financing activities based on industry risk appetite and risk acceptance criteria for environmental destruction prevention, including deforestation, the loss of biodiversity, forest logging, flood, drought, and pollution.

BNI has also mapped the environmental risks of their debtors according to the Indonesia Green Taxonomy (THI). The requirements of environmental risk management in respective countries vary, some of which are owning Roundtable Sustainable Palm Oil (RSPO) and Indonesia Sustainable Palm Oil (ISPO) certificates for oil palm plantation, obtaining PROPER rating for power plant, oil and gas, manufacture, and other mining sectors, as well as other environmental management certificates, such as Forest Stewardship Council (FSC), ISO 14001, and Timber Legality Verification System (SVLK).

Classification of Indonesia Green Taxonomy (THI) Debtors Based on Debit Balance



Total Debtors Owning Environmental Aspect Management Certificate

Sustainable Principles Certificate	Total Debtors	
	2023	2022
RSPO/ISPO	49	33
Undergoing a process of obtaining RSPO/ISPO	9	36
Blue PROPER	50	52
Green PROPER	5	6
Gold PROPER	11	7
Timber Legality Verification System (SVLK)	16	5
Total Debtors	140	139

Supervising the Debtors' ESG Assessment [FS9]

The Company Guidelines (PP) for Business Banking Credit for the Corporate, Enterprise, Commercial, and Retail Productive as well as the Company Guidelines for Organic Consumer Credit elucidate credit policy applicable for each credit segment. BNI oversees payment timeliness, business prospects, and debtors' financial condition. The prudence principles include implementing debtors' credit monitoring policy, periodic audit and portfolio monitoring, non-performing loans management, and credit restructuring.

The Internal Audit (IAD) has audited debtors whose businesses have potential negative impacts against the environment. During the reporting period, audits have been conducted to 52 debtors of the Corporate segment whose businesses operate in the transportation, cement, construction, real estate, man-made fiber, oil & gas, telecommunication, power, oil palm plantation, and chemical sectors. The audit is performed annually and thematically.

Escalation of Non-Performing Loans based on the ESG Aspects

The monitoring process of debtors' credit is periodically conducted across all aspects. If a violation has been made against the Bank's stipulations during the credit period, an analysis is required to identify the cause and impacts. Temporary and low-impact violations will be handled with a relevant unit to assist and ensure the debtors meeting the Bank's stipulations, whereas permanent and high-impact violations will be managed by a relevant unit to which then suggested to the authorized credit committee in accordance with the credit limit if necessary.

As per company's guidelines and policies on credit, debtors and/or prospective debtors alleged problematic or proven to be difficult according to the ESG aspects, BNI remains compliant and performs the following initiatives:

- Business Unit and Risk Unit verify any alleged issues related to the ESG aspects involving debtors and/or prospective debtors as well as credit facilities which have been and/or will be given.
- Business Unit and Risk Unit along with other relevant BNI Divisions launch intensive communication and coordination with debtors and/or prospective debtors and relevant external parties as a follow-up to the ESG aspects-related issues allegations.
- Business Unit and Risk Unit comprehensively analyze issues concerning the ESG aspects and their impacts to debtors and/or prospective debtors (among which are financial and operational performance, solvency, and reputation) and BNI (including securing the credit of collateral assets, reputation, and potential lawsuits).

- In running its businesses, BNI can request or cooperate with external parties deemed competent and independent.

After verifying the intensive communication and coordination as well as the in-depth analysis, BNI continues with making follow-ups in accordance with the loan agreement for debtors and/or prevalent regulations, which are as follows:

- Limiting the completion time in resolving the ESG aspects-based issues if the analysis done by BNI states that debtors has the capacity to resolve said issues.
- Imposing penalties or increasing the interest rate should the ESG aspects-based issues potentially put BNI at a material loss.
- Temporarily terminating or inactivating credit facilities for debtors or delaying up to terminating the process of credit application for prospective debtors until said alleged ESG aspects-based issues are clarified or resolved.
- Requesting debtors to settle the credit facilities.
- Other measures in line with BNI's analysis results or recommendations made by the external party.

Climate Risk Stress Testing (CRST) [FN-CB-550a.2]

BNI supports the Government in exercising the resiliency test against climate change and environmental risks as part of OJK's activities in assessing the Bank's readiness for better risk management. In 2023, an initial phase of climate risk stress testing (CRST) was carried out with different scenarios for each debtor. The CRST method used was Network for Greening the Financial System (NGFS) which entailed orderly, disorderly, and hot house world scenarios with the 2025, 2030, 2040, and 2050 time horizons. The scope of risks measured was credit risk. CRST coverage focused on the Corporate, Enterprise, and Commercial segments for sectors with high impact on the environment, namely the Coal, Power Plant, Palm Oil Plantation and Pulp & Paper sectors which cover 10.4% of BNI's total portfolio.

The CSRT results showed that there are impacts arising from NGFS three scenarios in each sector:

**01**

On all three scenarios, the coal mining sector was the highest impacted sector, and that Expected Credit Loss (ECL) should be relatively high along the time horizon stress test.

02

The oil palm plantation and pulp & paper sectors highly impact the disorderly and hot house world scenarios for the 2050 time horizon.

Currently, the Bank is honing in on the data assumptions and CRST calculation methodology so that BNI can improve the quality of CRST results and perform a stress test for all industrial sectors. In 2024, the CRST implemented will include 50% of BNI's portfolio as per OJK's directives.

Initial phase – CRST BNI 2023

NGFS Scenario

Orderly, Disorderly, and Hot House World.

Stress test period

2025, 2030, 2040, 2050

Portfolio scope

- Using three economic sectors, namely coal mining, including Power Plant, oil palm plantation, and Pulp & Paper in the Corporate, Enterprise, and Commercial segment.
- The scope of the data reached 11% of BNI's credit portfolio.

Risk Factors

- Physical Risks: floods & forest fire.
- Transition Risks: change in carbon price, climate-related policies, commodity price, and fuel price.

Follow-Up – 2024 Piloting CRST

Complementing the scenario and portfolio scope:

NGFS Scenario

- Orderly: Net Zero 2050, Below 2°C
- Disorderly: Delayed Transition, Divergent Net Zero
- Hot House: Current Policy, NDC

Portfolio scope

- Consumer loan: mortgage
- Productive loan from six economic sectors, namely:
 - Agriculture, Forestry, & Fisherles
 - Mining & Excavation
 - Electricity, Gas, Steam/Hot Water, & Air Conditioned Procurement
 - Construction
 - Transportation & Warehousing
 - Manufacture
- The scope of the data covered 50% of BNI's credit portfolio.

To assess the physical risks on BNI's operational risks, as mandated by OJK, an assessment should be undertaken by BNI on floods and drought risks. BNI also analyze the 2021 Indonesian Disaster Risk Index (IRBI) data and the bank's Disaster Monitoring Data.

The IRBI data shows that 70% of BNI's offices locations are situated in regencies with a high-level Disaster Risk Index for climate change-inflicted disaster, i.e. floods. According to BNI's Disaster Monitoring Data, not many locations of BNI's buildings/offices in the aforementioned regencies were inundated by flood in the last 5 years. The floods-stricken locations were only inundated within less than three days and did not hinder the bank's operational activities. Moreover, BNI's buildings/offices are located in municipalities/regencies, hence they are not exposed to the risk of forest fire disasters.

Therefore, it can be concluded that the potential Physical Risks instigated by Floods and Forest Fire against BNI's Operational Risks are relatively low. Digitizing BNI's services and transferring services to the nearest branches are among the mitigation risks to ensure customers' transactions and banking activities run smoothly despite the ongoing disaster. There is also insurance that covers the assets loss of BNI's buildings if costs are associated with the disaster-inflicted damages on BNI's buildings/offices.

Responsibility for Financial Products and/or Services

Products/Services Evaluated as Safe for Customers [416-1, 416-2][FS15]

All (100%) of the financial products/services and features launched by BNI have been evaluated for safety for customers. BNI is responsible for ensuring the security of customer privacy in using the financial products and/or services. Several divisions involved in the evaluation are the Compliance Division that ensures compliance with regulations in Indonesia; the Legal Division that identifies and analyzes the legal aspects as an endeavor to mitigate legal risks towards the financial products and/or services; the Enterprise Risk Management Division that analyzes the mitigation of risks arising from the financial products/services; as well as the IT Unit that inspects the financial products/services, whether from the operating procedure or technological aspect, and conducts Post Implementation Review (PIR).

The PIR results will determine the subsequent process wherein if PIR results still comprises deficiencies, the PIR will be repeated. The products and services meeting the requirements of the operational, technological, and risk aspects based on the PIR results will be submitted to Bank Indonesia and the Financial Services Authority to receive further approval before they are launched for the public. In 2023, there were zero complaints made on BNI's new financial products and/or services, hence no retractions.

Positive and Negative Impacts on Sustainable Financial Products/Services

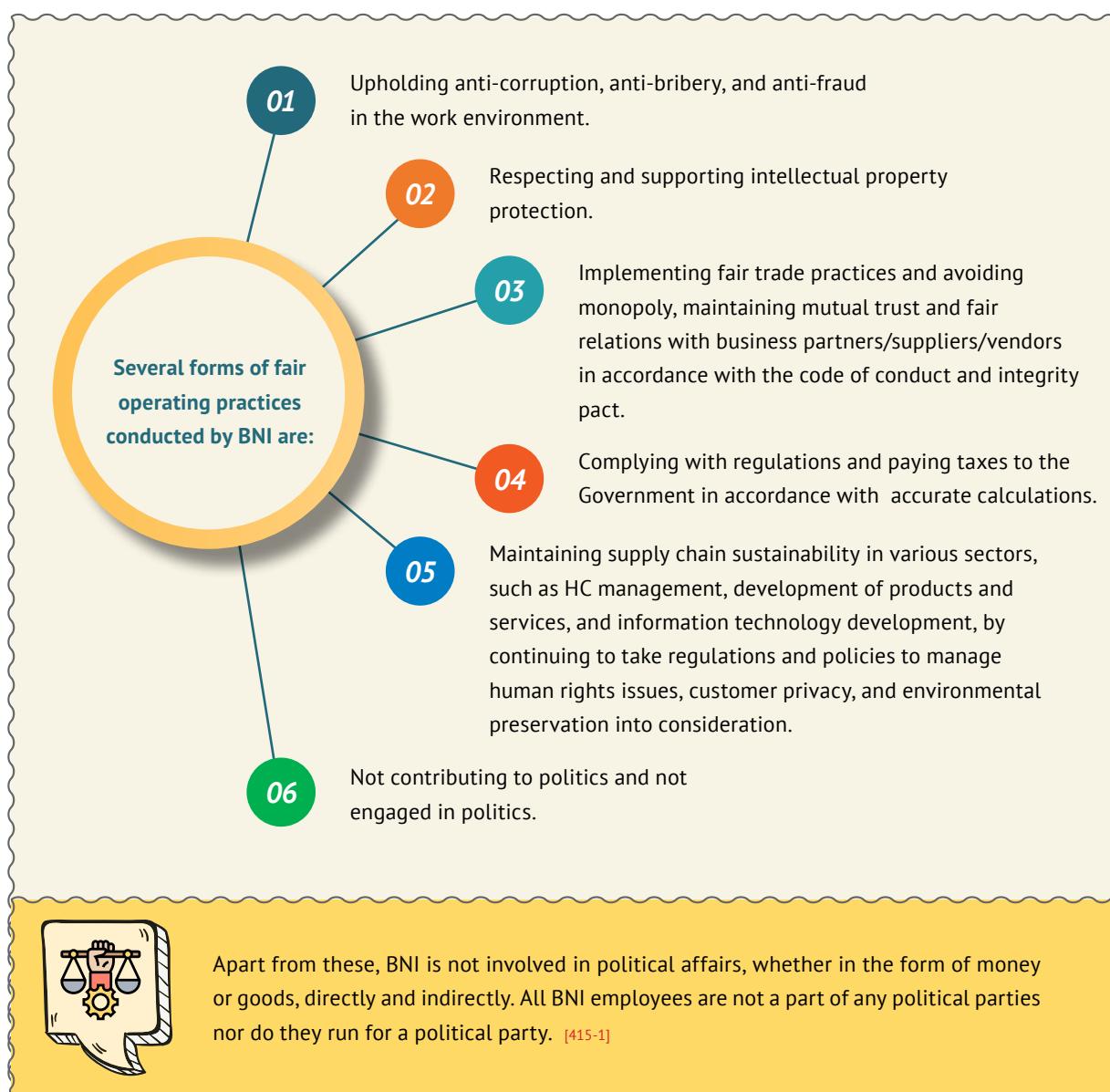
Prior to launching financial products and/or services, the Bank always considers the impacts and the risks. In developing a financial product or service, it is necessary to have a minimum ESG risk and negative impact, yet maximum positive impacts.

Financing disbursements through programs, such as green loan, BUMI program, Jejak Kopi Khatulistiwa, Sustainability Linked Loan, and financing in energy transition have brought positive impacts to environment by encouraging debtors to meet the clean energy transition and other environmental aspects. Green bonds disbursements had an impact on reducing emissions by 233,749 tCO₂eq, producing clean energy of 54,355.2 MWh, waste management of 150,410 tonnes/year, saving energy consumption of 1,568,897 GJ and preserving land covering an area of 314,387 ha.

Moreover, financial inclusion program through a waste savings program increased the environmental awareness of students and communities. The BNI Agen46 that have reached remote, foremost and outermost (3T) regions also reinforced the banking services for areas and communities with limited access to them. However, there were negative impacts and risks in using digital banking products and services, such as data security, customer privacy, and cybercrime. Thus, the Bank relied on the adequate IT infrastructure to strengthen the data security system.

Fair Operating Practices and Competition [2-27,206-1][FN-CB-510a.1]

The Bank is committed to implementing fair operating principles in accordance with laws, regulations, social norms, and Code of Conduct. Fair operating practices are conducted by effectively managing intellectual assets, cultivating fair relations with stakeholders, eliminating conflict of interest with suppliers, competitors, and other relevant parties and applicable both internally and externally. Furthermore, BNI also participates in healthy competition by complying with antimonopoly laws. In 2023, no criminal and/or civil cases filed against BNI and no sanctions or penalties imposed pertaining to alleged negligence against regulations on unfair competition practices.





02

BNI FOR CUSTOMERS

Data Security and Customer Privacy Protection System [FN-CB-230a.2]

Material Topic: Data Security and Cyber Security

Our Approach [3-3]

Alongside advancements in digital transformation, BNI develops digital banking services capable of providing convenience for customers. Correspondingly, the Bank needs to manage the risks and opportunities arising from advances in technology and digitalization relevant to data security and protection of customer privacy from cybercrime. Endeavors to manage data security and customer privacy protection are also part of BNI's commitment to respecting human rights.

The technological infrastructure development and digital innovation uses the approach based on data analytics, customer experience, and cooperation expansion balanced with strengthening the data security management system. BNI complies with regulations pertaining to customer privacy protection as per OJK Regulation No. 1/ OJK.07/2013 on Consumer Protection in the Financial Services Sector and Law No. 27 of 2022 on Personal Data Protection. BNI's target and commitment are zero data breach. Data security and customer privacy are integral parts of the data security management system, which is the responsibility of the Chief Information Security Officer (CISO) Division under the supervision of the Technology & Operations Director. Furthermore, BNI has the Technology Management Committee with the authority to give recommendations to the Board of Directors on the formulation and establishment of policies and strategies for BNI's information technology development.

As a result of monitoring and evaluation in 2023 relevant to data security and customer privacy, BNI did not face any cases of complaint regarding data breach. Additionally, there were no reports pertaining to the misuse of customer data by any third party. [FN-CB-230a.1]

To safeguard customer data security, BNI implements layered protection through the people, process, and technology approach. In the people aspect, BNI continues to improve employee knowledge and awareness on information security via the media of desktop wallpaper, newsletter, and BNI's internal platform. Moreover, BNI also implements an awareness program for customers on the subject of information security through BNI's social media, messenger, and official website. Regular reviews and assessments ensure the optimum implementation of customer data security. BNI invests in technological advancements to protect the Bank's internal and customers' information security, which include the following steps:

- A sophisticated Security System by the BNI Security Operation Center (SoC). 24/7 active monitoring by the SoC detects security threats swiftly and efficiently, covering Endpoint, Network, Application, and Server.

All mitigated incidents are filed in incident reports and results of the analysis are used for learning material and in creating future improvement plans. BNI also has a Cyber Security Incident Response Team (CSIRT), which proactively handles all internal response incidents.

- Identification of suspicious activity or cyber-attacks for quick prevention. Threat hunting and takedown of fake websites impersonating BNI. Furthermore, as a preventive action and to minimize the occurrence of fraud, the Cyber Threat Intelligence Team also managed to report 7,266 Debit Cards indicated to enter data on fraudulent websites.

- An education program on information security for employees and customers with the aim of improving comprehension on the topic of security risks. Through continuous education, BNI encourages safe practices, including not sharing security information, such as passwords and PINs. The bni.co.id website provides Tips & Education for transaction security (Internet Banking, ATM, SMS Banking, Mobile Banking, and others)
- To protect customer transaction security, BNI implements fraud detecting technology on transactions deemed to be suspicious to defend customer convenience and security in making transactions.
- Routine security audits evaluate system effectiveness and identify areas for improvement.
- BNI integrates data protection in developing products and services on offer, such as engaging the security and data privacy team in the development process to ensure compliance with prevailing standards and regulations.
- The Data Loss Prevention (DLP) system is implemented at BNI as perimeters to protect data from the threat of credential data theft and illegal access to confidential data.
- Implementation of the Endpoint Detection and Response (EDR) to monitor endpoint activities in real-time and respond to security incidents and potential threats.
- Implementing the Network Access Control (NAC) to improve control and management of network access from unauthorized access and devices non-compliant with BNI standards.
- Using encryption technology in protecting internal and customer data from potential threats to protect the security of stored and sent data and keep information safe from unauthorized parties.
- The development of new products, applications, and services undergoes the Software Development Life Cycle (SDLC) process, successive end-to-end process from the security aspect, including security and risk assessment, design security review, code, configuration, and penetration testing.
- Implementation of security assessment to identify security gaps or vulnerabilities in applications using Penetration Testing, Vulnerability Assessment, and Application Security Testing (SAST, DAST).

BNI invests into ensuring high security levels in managing internal information and protecting customer interests. The Bank maintains the reliability of the digital system by adopting the cyber security framework and other international standards, such as implementation of the 27001 ISO and NIST (Identify, Protect, Detect, Respond, Recover). In 2023, there were no complaints based on privacy violation or customer data loss. [\[418-1\]](#)



Customer knowledge must be improved in the effort to prevent data leak and cyber crime. As per OJK directions, BNI educates customers on customer data protection via various channels. The Bank also conducts security awareness (customer data confidentiality) socialization and urges customers to always protect the confidentiality of personal information, such as transaction PIN and OTP as well as immediately contact the Bank's call center in the event of the card being missing or stolen or irregularity in transaction.

Customer Personal Data Protection

Efforts to protect customer data and privacy are supported by all BNI Hi-Movers through compliance with the Code of Conduct. The Code of Conduct regulates that all employees are prohibited from buying and selling customer data and every data modification must be in accordance with the authorization given by customers. Furthermore, the Bank also has policies concerning customer rights, which include the right to access, correct, and file a request to delete data or update data. The following are data protection policies at BNI:

- **Data Security Standards Based on Classification;**
- **Procedure for Data Classification and Security;**
- **Technical Guidelines for Data Classification and Security;**
- **Procedure for Encryption Standards;**
- **Procedure for Endpoint Device Security;**
- **Application Security Standards;**
- **API Access Security Standards;**
- **Procedure for the Settings of System and Information Security in Cooperating with Third Parties.**

BNI also has the minimum policy of data deletion for customers who have closed their accounts. The policy is formulated in the Procedure for iCONS Data Retention and Company Guidelines on Archives, which regulates the deletion of unused or expired data. Data erasure is automatically done by the system periodically.

Every violation of this policy is monitored by the Employee Violation Processing Unit and will be followed up by the Internal Audit Unit (IAD), and in the event of a violation, sanction is imposed by the HCE Division. This is evidence of the Bank's commitment to protecting customer information security and giving maximum protection of customer rights. Each customer can also control their data by visiting the nearest branch office with security using the KTC process.

The Bank simultaneously conducts efforts to secure customer data by improving employee awareness in handling customer complaints concerning financial data. The Bank also gives training on consumer financial protection to permanent and contract employees as necessary in 2023 with the following topics:

- **Customer Protection Implementation to Improve Customer Experience;**
- **Implementation of Consumer and Public Protection;**
- **Responsibility of the OJK and the Bank in Consumer Protection by Improving the Anti-Awareness Knowledge of Employees;**
- **International Seminar on Customer Protection;**
- **Monitoring of Market Conduct and Consumer Protection;**
- **Implementation of Personal Data Protection: Documentation of Proof of Relationship.**

Use of Data for Third Party Interest

BNI has internal stipulations granting the right to all customers to control their personal data. On account opening, the form contains a stipulation asking the approval of prospective customers for the Bank to hand over customer data to third parties (authorized institutions). Handover of data to authorized parties or institutions includes but is not limited to serving the purpose of taxation, justice in criminal and civil cases, investigation of criminal acts in the Capital Market Sector, cases of criminal act in the Corruption Eradication Commission, cases of criminal act of terrorism and money laundering, including the heirs of customers, by referring to stipulations of regulatory laws governing the secrets of the Bank implemented through internal provisions. Currently, stipulations concerning customer data is under the provisions review process aligned with the Law of Personal Data Protection.

Data Protection of Suppliers and Business Partners

The data security management system is also implemented on the data of suppliers and other business partners. BNI has an e-procurement system equipped with an IT infrastructure supporting the data security of suppliers and business partners, including individual and corporate personal data as well as transaction activities and cooperation contract. Furthermore, if suppliers and business partners have accounts at BNI, then their personal data is automatically protected in accordance with prevailing customer data protection.



Preventing Cyber Attacks and Information Technology Crimes

BNI is committed to strengthening the data security system and continuously conducting sustainable supervision in facing cybercrime. BNI takes proactive steps in adopting the NIST Cyber Security framework to guarantee business resilience against the threat of cybercrime and maintain operational continuity. Furthermore, BNI also takes reactive steps by conducting the detection and investigation of attacks as well as system recovery. Additionally, BNI implements the ISO 27001:2013 Open Application Programming Interface (API) Services in improving the information security management system, which is audited once in every three years, and ensures that the IT software development practices meet international standards.

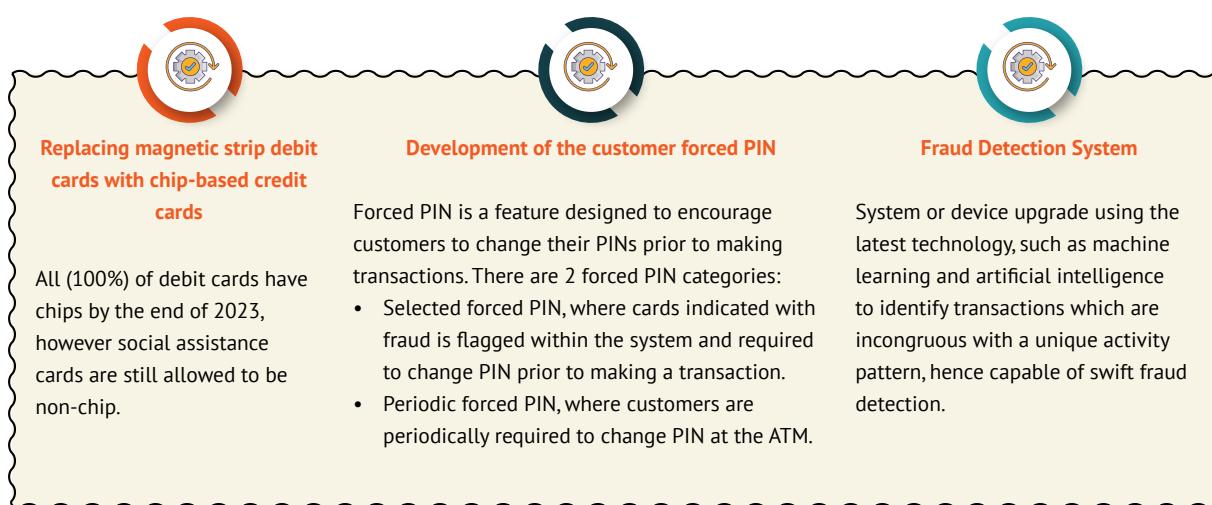
Furthermore, as part of the effort to mitigate data leak, the Bank continuously enhances the digitalization of services (customer to system, Employee to system) with the aim to eliminate the need for physical documents in human interactions. At every endpoint, the Bank performs the security improvement process (hardening) through the integration of domain, antivirus software installation, data security tools, monitoring of endpoint activities, network access management and workstation monitoring application implementation. These steps are intended to reinforce customer information security.

BNI carries out an assessment of third parties in cooperation with BNI regarding the information security aspect by coordinating with BSSN, Bank Indonesia, OJK, Himbara, Perbanas, and international cyber security consultants. Moreover, the cyber security supervision

is specifically implemented and evaluated by the Chief Information Security Officer (CISO) Division under the direct monitoring of the Technology & Operations Director.

BNI via the Internal Audit (IAD) annually conducts a routine internal audit of information security and internal self-assessment of cyber security to assess the security and effectiveness of the security system. To improve the quality of audits on cybersecurity, in 2023 Internal Audit has used external parties (co-sourcing audits) to assist in conducting audits.

BNI allocates the following investments in technological development and implementation to protect the Bank's internal information security and customer data:



Aside from strengthening the security system, the Bank also gives training to employees, particularly in the IT Division on the subjects of development of technology and data security. In 2023, 168 employees including contract employees have participated in hard skill training in project management, UI/UX design, scrum master, business intelligence, secure coding, data analytics & visualization, personal data protection law, CCISO, Security+, and other sectors. BNI also gave soft skill training such as digital leadership, technology presentation skill, as well as communication & negotiation skill. The Bank also gave certification to IT HC to improve competency and gain recognition on the national and international level.

Innovation and Product and/or Service Development

Digital Integration in All Lines of Business

Digital transformation is believed to be capable of increasing the efficiency of BNI's service operations, making them faster and simpler, with security consistently being the main priority. The Bank actively takes advantage of opportunities in the digital era to support digital transformation in all business aspects, which ultimately is expected to accelerate the growth of operations and the banking sector.

1. Open API and Fintech Collaboration

BNI officially has 280 Service API licensed at OJK. In 2022, BNI became the first mover of the Bank Indonesia National Open API Payment Standard (SNAP). 100% of channels using Open API have been ISO 27001 certified.

In 2023, the BNI API had approximately 4,000 customer users generating a total of 389 million API Hits with a total of 154 million transactions items and Rp829 trillion in transaction volume.

2. BNI Digital Hub

BNI Digital Hub was developed with the goal of forming a community of digital resources and talents to meet the needs in BNI's digital solution development as well as build a digital business ecosystem. The activities implemented by BNI Digital Hub collaborated with local startup/fintech. In 2023, BNI launched the BNI Digital Hub in Malang (East Java), Bandung (West Java), and Gedung Sarinah (Jakarta).

3. QR Indonesian Standard (QRIS)

BNI has supported the government in encouraging the participation of as many MSMEs as possible in the digital ecosystem, one of which is developing the H+O QRIS Settlement as a value added in increasing customer transactions. BNI also expanded cooperation of BNI QRIS Merchant with potential partners across Indonesia, as well as actively participated in making government programs a success in cross border QRIS implementation.

4. BNIDirect

Through BNIDirect, BNI provides comprehensive services, including payment management (payment of tax, electricity, water, telephone, and other bills), collection management, liquidity management, online trade, and foreign currency transactions. BNIDirect users grew by 47% YoY, reaching 147,110 users by the end of December 2023.

5. BNI Mobile Banking

BNI is committed to providing the best service with solutions facilitating customers in making transactions on a day-to-day basis. BNI Mobile Banking is here as a digital solution for customers to make transactions easily, securely, and quickly. The completeness of BNI Mobile Banking features supports the needs of cashless customer payment and purchase transactions as well as cash withdrawal cardless transaction at the ATM or BNI Merchant Partners.

BNI Mobile Banking can also be used by customers domestically and overseas, such as Diaspora and PMI. The number of BNI Mobile Banking users up to December 2023 increased by 19% YoY from the previous 13.6 million users to 16.3 million users, and was followed by an increase in the number of transactions by 75% YoY to reach 1,043 million transactions with a transaction value that grew 52% YoY to Rp1,216 trillion. BNI continuously conducts sustainable development, both in terms of features and business, through cooperation with the best partners in a professional manner and has a positive impact on society, especially loyal BNI customers.

6. **BNI Digital Assistant (BDA)**

BNI continues to develop services using automation and digital technology, such as DigiCS, SPRINT, Cash Recycling Machine (CRM), E-Banking application, TapCash, as well as chip-based Debit and Credit Cards. To accelerate the adoption of digital services, BNI placed 245 BNI Digital Assistant (BDA) officers at various branches/outlets. BDA aims to impart education and advice to customers, creating a positive experience as well as providing fast, secure, and solutive service. BDA implementation successfully increased the intercept ratio from 36.3% to 49.5% between December 2022 and December 2023, showing positive progress in urging customers to switch to digital transaction.

7. **Hibank**

Hibank is BNI's subsidiary, which was established as a digital banking service provider focusing on the MSME segment. Through the vision of "Becoming the Leading MSME Digital Bank in Indonesia", hibank has committed to transformation in developing its capabilities as a Digital Bank focusing on the MSME segment. Hibank developed a new business model in MSME financing through the empowerment of principle ecosystem and selected communities, among which through the Supply Chain (Value Chain) approach of various business sectors, such as traditional market associations. This business model is effective in increasing disbursement to MSMEs with a maintained credit quality.

In 2023, hibank cultivated cooperation with a number of fintechs and principles (supply chains) in expanding the distribution channels for disbursing financing to MSMEs.

8. **TapCash**

BNI TapCash continues to innovate, diversify co-branding cooperation with partners and customers as well as integrate TapCash top-up with Financial Institutions and E-commerce. Furthermore, BNI also strives to improve the TapCash business with the strategy of improving acceptance, increasing revenue, internal collaboration, and marketing awareness.

9. **BI-FAST**

BI-FAST is a part of the Bank Indonesia payment system architecture to facilitate retail payment accessible at any time and online in realtime. BNI is a part of the working group for the development of BI-FAST with Bank Indonesia. BNI took part as a participant bank in the BI-FAST Phase 1 Stage 1 since its initial launch in 2021. Currently, BNI is involved in development of the BI-FAST Phase 1 Stage 2 with Bulk Credit, Request for Payment, and Direct Debit Services.

10. **Autopay/Direct Debit SNAP**

BNI provides autopay/direct debit SNAP to facilitate direct transaction payments on merchant sites and/or applications with an adjustable daily limit as well as OTP for registration validation and transaction security. Presently, the cooperation that has been established regarding direct debit is with My Pertamina and LinkAja.

11. **BNI Merchant**

The BNI Merchant application is a facility given by BNI to facilitate merchants in making transactions using the BNI QRIS on day-to-day basis. Through this application, merchants can do online onboarding, print QR code, add cashiers as necessary at merchant outlets, as well as obtain transaction report, transaction notification on the application and by email, and realtime monitoring of merchant outlet transaction report.



12. Partnership Cardless Withdrawal

Cash withdrawal transaction can be completed without a physical card via cooperating partner outlets (debit and credit). BNI has conducted Cardless Withdrawal cooperation with retail partners and BNI Agen46 spread across the country, among which are Alfa Group and Indomaret Partners.

13. Financial Supply Chain Management (FSCM)

Supply Chain Financing is a business solution in a chain from upstream to downstream that is customized to the needs of Corporate Customers. Through the BNI Financial Supply Chain Management (BNI FSCM) platform, the customers get transparency in monitoring document flow and money flow from all three parties (BNI, Corporation, and Corporate Partner), realtime information, easier and more flexible disbursement and implementation, as well as making it easier for customers to reconcile invoice documents in a paperless and secure manner.

The growth of SCF items and distribution volume through the FSCM platform increased by 9% and 16% respectively to 148,532 distributions and Rp26.9 trillion from the previous year which amounted to 136,564 distributions and Rp23.2 trillion. This is in line with BNI's strategy to optimize the strategy of increasing customer transactions through the BNI customer value chain ecosystem.

14. E-Bank Guarantee

Along with technological advances, BNI presents Online Bank Guarantee (BNI e-Bank Guarantee and m-BG Checking) as a solution that provides convenience for customers in applying, monitoring and checking bank guarantees online.

The volume growth of Online Bank Guarantee increased by 20% to Rp10.1 trillion from the previous year of Rp8.4 trillion.

15. BNI Trade Online

To support digitalization in the trade process, BNI developed BNI Trade Online, which is an application development for the Trade Finance process that has been integrated with BNIDirect. BNI Trade Online is a feature in BNIDirect provided for customers to conduct trade activities such as Import LC, Export LC, Collection and Financing. Through BNI Trade Online, the submission of trade transaction requests no longer needs to be done through BNI branches, but can be carried out by accessing BNIDirect. BNI Trade Online is also a branchless and paperless service solution.

Positive Impacts of Digital Banking

The development of digital banking products brought positive impacts in 2023 by supporting the efficiency, accessibility, productivity, and innovation in financial services. Other positive impacts include:



Impacts on the operations of banking and customers are:

- Implementation of digital banking services reduces dependency on physical documents and paper use.
- Digital banking reduces GHG emissions from the decrease in customer mobility to make transactions.
- Customer experience in making independent transactions is more efficient and time saving because there is no need to queue at the branch office.
- Reducing landfill after customers eventually discard the no longer needed transaction receipt as well as preventing the spread of customer data on the paper or transaction receipt.
- Supporting the increase of circulation and financial transactions in the market.

- Reducing the risk of cash loss for business with considerable transaction value.
- Convenience in personal finance management, allowing customers to easily manage their personal finances via the digital banking application, track spending, create budget, and monitor investment performance.
- Decrease in physical operations and administrative cost from traditional transactions.
- Increasing the trust of stakeholders and customers to BNI through ceaseless innovation and improvement to improve banking performance.
- Increasing market share due to the ease of customers in accessing banking services for daily needs on a day-to-day basis.
- Digital banking improves transaction time efficiency and lowers operating cost.

Response to Customers and Respect for Human Rights

Providing Excellence Service

Superior service is actualized in two forms, which are the service provided by bank employees for customers and the performance of BNI's digital banking services. BNI is committed to continuously maximizing service to customers with the support of excellent digital solutions as well as constantly expanding synergy to give the best service to customers. BNI's strategies in providing superior service include:

- Presenting complete, integrated, quality, trusted, and reliable financial products/services.
- Providing a "one stop solution" service for business and individual customers.
- Providing best in class product and service quality.
- Improving customer experience in processes considered critical by customers.
- Increasing Human Capital competencies and capabilities, especially frontliners.

- Implementing equal service to all customers and the "beyond services" culture.
- Providing convenience for customers in making transactions.

- BNI improves HC quality through continuous training and development, increasing employee capabilities in providing excellent and satisfactory service for customers.
- Proactively performing adjustments and improvements in line with the growth of customer needs and demands for the quality of products and services offered by BNI.
- Improving the security system in all networks and digital features.
- Providing the option for service personalization according to the demography and requirements of individual and business customers.

Additionally, BNI also implements more expansive services and prioritizes Human Rights principles by reaching out to customers in the frontier, outermost, and least developed (3T) regions in Indonesia. [\[FS15\]](#)

Banking Services for People with Disabilities [\[FS14, FS15\]](#)

BNI is dedicated to consistently increasing the value of the company by delivering the best experience in order for customers to receive convenient service and the best solutions, especially those with disabilities. BNI provides disability friendly ATMs with headphones and braille keypads, which until presently have served thousands of transactions. Access to the Banking Hall or ATM Gallery has also been prepared for wheelchair users. There are 2,723 ATM units with this feature spread across 388 cities/regencies across Indonesia, Hong Kong, and Singapore.



Access and Affordability

Access and affordability of financial products and services carry significant impact on the smooth experience and satisfaction of customers in making transactions. Therefore, BNI needs to manage and improve the accessibility of banking services, whether digital or conventional, as well as expand the geographical reach extending to overseas. In the reporting period, BNI managed to engage all regions in Indonesia, including 3T areas, as well as seven other countries.

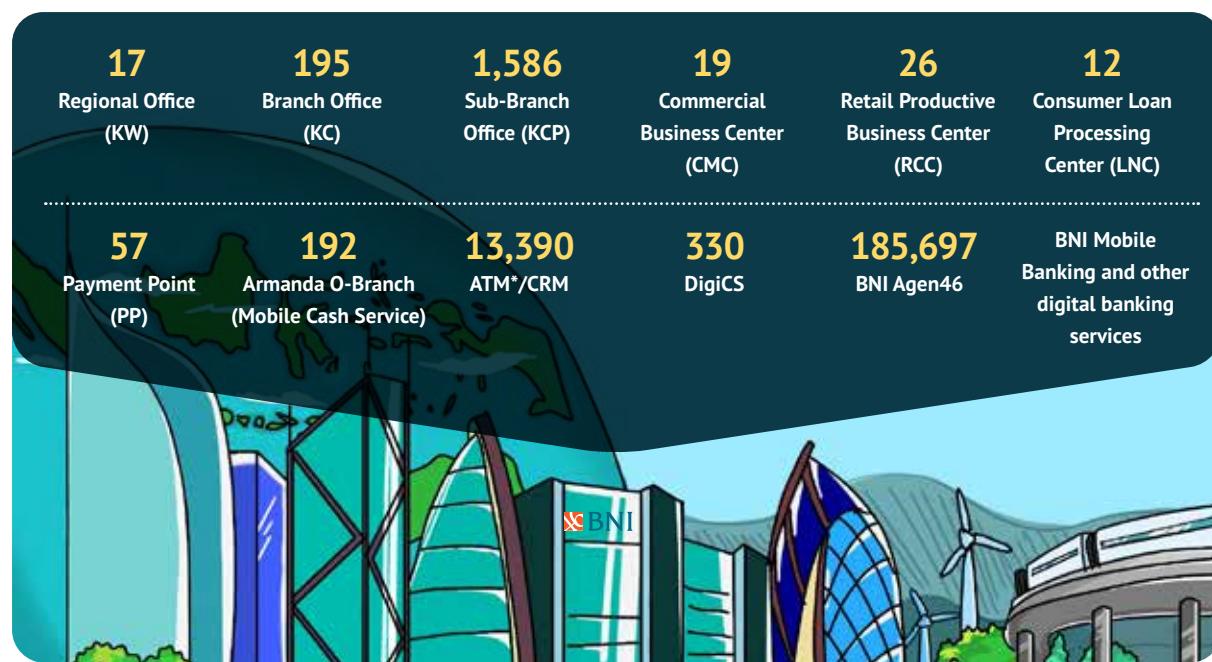
Access to Information on Products and Services [417-1]

BNI is committed to continually developing products and services to meet the needs of customers and advancements in technology. Therefore, BNI plays an active role in formulating and conveying information on products and services as part of the marketing efforts with the purpose of educating customers and increasing information transparency as regulated by POJK No. 1/POJK.07/2013 on Consumer Protection in the Financial Services Sector. BNI ensures that each product and service launched has received approval from regulators and undergone risk management assessment, compliance test, and other supporting reviews.

Information on products and services are presented in a clear and easy to understand manner and published through BNI offices, BNI Agen46, and print media, electronic media, social media, BNI mobile banking, and website. If customers need consulting or additional information, BNI has prepared the BNI call service and digital channels, such as BNI WhatsApp Business and BNI Virtual Assistant/Chatbot by internet access.

Access to the Presence of Branch Offices and Means of Banking Services

BNI products and services can be accessed beyond large cities, reaching village areas and even 3T regions.



*ATM includes ATM cash withdrawals and cash deposits

With advancements in digital technology, banking services have evolved past physical channels toward various digital channels accessible from anywhere and at any time. Accessibility is one of the advantages of BNI's digital channels, enabling customers to use the services via Android/iOS smartphone, short message service (SMS), or using a PC/Laptop with a browser.

Access and Marketing Communication Policy [417-2, 417-3]

Information on BNI products and services is verbally dispersed by frontliners officers in the branch offices as well as various marketing media, such as print and electronic media. BNI continues to prioritize the protection and interest of customers and communities to minimize the risk of future disputes due to inaccurate introduction relevant to the financial products and services. Access and marketing communications refer to several internal policies, which are Work Procedures of Marketing Management & Retail Consumer Portfolio Division Company Guidelines (PP); Integrated Marketing Communication PP; Event Management PP; Sponsorship PP; and Advertising PP. Additionally, BNI also refers to SEOJK No. 12/SEOJK.07/2014 of 2014 on the Submission of Information in the framework of Product Marketing and/or Financial Services as well as complies with Guidelines for Advertising Financial Services issued by OJK.

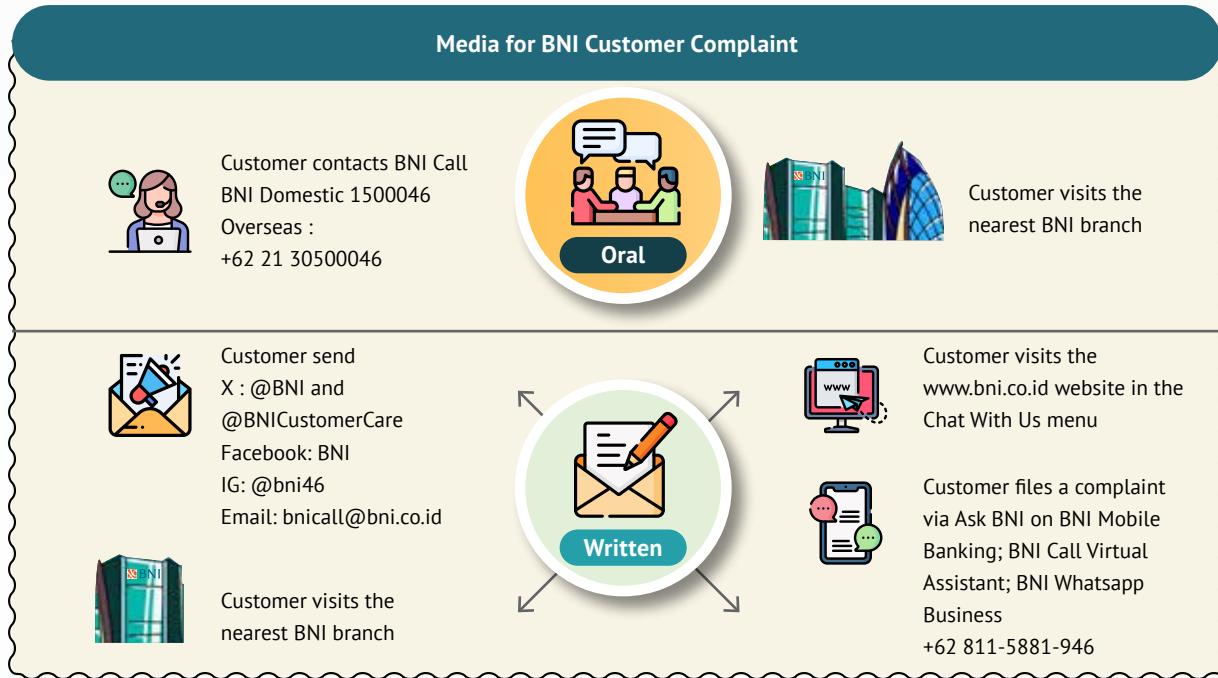
BNI consistently ensures that prior to the launching of products and services, all presented information must be accurate, honest, and transparent without elements of deception or contents involving issues of ethnicity, religion, race, and inter-group relations (SARA) or non-compliance with the marketing communication code of conduct. In 2023, BNI did not face cases of advertising code of conduct violation or complaints relevant to marketing communication alluding to issues of SARA or Human Rights. Furthermore, BNI gives capability improvement (in communication and marketing) to employees, specifically the Marketing Communications Division (MCM) to continue enhancing their competency relevant to communication, such as the Media Day seminar.

Handling Customer Complaints [2-25]

To maintain transparency and improve service quality, BNI sincerely welcomes all complaints, critiques, and suggestions from customers. The follow-up on customer complaints is conducted and resolved in accordance with the service level agreement (SLA), with the verbal complaint resolution standard of a maximum of 5 working days, while written complaints have a maximum resolution time of 20 working days. In certain conditions, the resolution of a written complaint can be extended to the next 20 working days. Starting 22 December 2023, BNI will implement written complaint resolution for a maximum of 10 working days and can be extended within

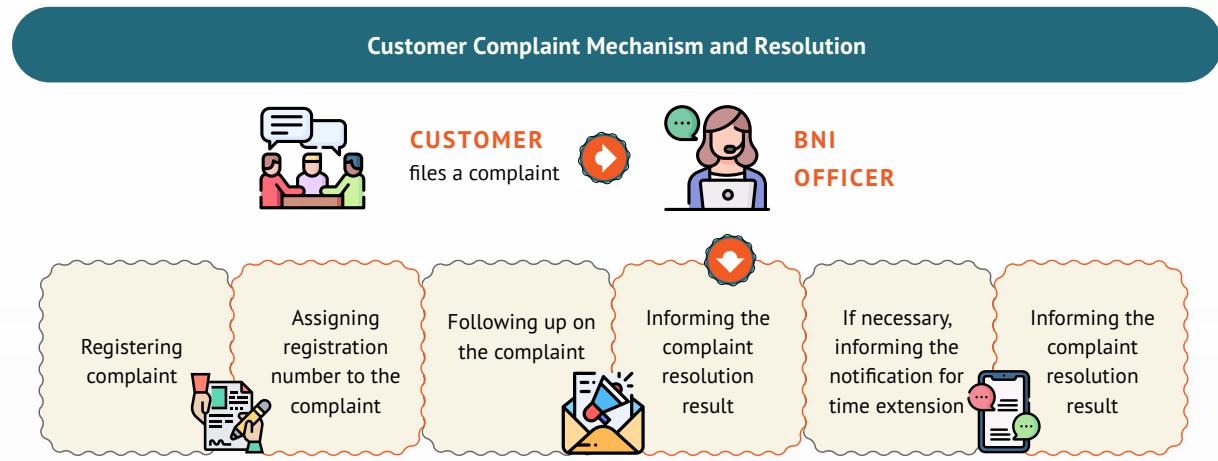
a period of 10 working days in accordance with POJK No. 22 of 2023. This regulation also states that customers can complete documents regarding complaints submitted within 10 working days and can be extended within 10 working days.

The Bank also evaluates the steps of complaint resolution, whether financial or non-financial, through the Customer Experience Center Division under the supervision of the Network & Services Director.



In the case that BNI's customer complaint service does not reach an agreement, the consumer may pursue dispute resolution out of court or in court. Dispute resolution in the financial services sector out of court is conducted through the Alternative Dispute Resolution Institution for the Financial Services Sector (LAPS SJK).

For easy monitoring of customer complaint handling and improve customer experience, BNI uses the customer journey platform application integrated with all touch points for the data of customers contacting BNI through any media can be viewed in one application.



Total Complaints and Percentage of Resolution

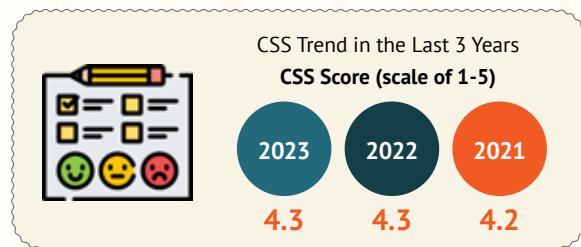
Year	Total Complaints	Complaints Resolved	Percentage of Resolution (%)
2023	743,044	743,004	99.9
2022	542,637	542,298	99.9
2021	612,713	610,752	99.7

The Customer Experience Center, as one of BNI's touch points, has received many questions from customers throughout 2023 which include product and service information (69.2%), data requests/changes (20.1%), complaints (8.8%), as well as transactions (1.9%). Customer complaints were dominated by transaction problems at ATM machines at 56.7%, followed by BNI Mobile Banking problems at 24.8%, and BNI TapCash top-up problems at 12.8%.

Customer Satisfaction Survey

BNI always maintains customer satisfaction with first rate service. In 2023, BNI obtained the best Bank KBMI IV in giving positive experience in the Regular Banking category. The award was given by the Excellent Service Experience Award (ESEA).

In line with BNI's Vision of becoming the prime Financial Institution that excels in services and with sustainable performance, BNI constantly improves and monitors the service performance at all touch points.



BNI periodically conducts the Customer Satisfaction Survey (CSS), consisting of two evaluation aspects:

Business Satisfaction Survey (BSS). A survey with BNI external customers as respondents with the assessment covering the 7P aspects of product, price, place, promotion, people, process, and physical environment.

User Satisfaction Survey (USS). A survey with BNI internal customers (BNI employees) as respondents with the assessment covering the aspects of: Coordination, Communication, and Cooperation; Output; Work Process; Commitment/SLA; Employees; and Data & Information.





03

**BNI FOR
THE ENVIRONMENT**

Green Banking

Internal Policies and Initiatives

BNI realizes concern for the environment through green banking practices as the manifestation of BNI's support to the Sustainable Development Goals (SDGs). Green banking implementation involves a number of internal and external initiatives.

BNI has 3 credit card products relevant to green banking initiatives, which are the BNI WWF credit card product with the aim of encouraging green living behavior with the main missions of preserving, restoring, and managing Indonesia's ecosystems and biodiversity. The second product is the BNI Bike to Work Credit Card, which encourages the cycling movement to reduce emissions from motor vehicles, as well as third, the BNI American Express Vibe credit card, where the physical credit card is made using recycled plastic material.



Environmentally Responsible Credit Cards

Card Type	New CIF			Sales Volume (Rp Billion)		
	Target FY 23	Realization 2023	Achievement (%)	Target FY 23	Realization 2023	Achievement (%)
WWF	12,681	15,293	121%	437.6	450.7	103%
Bike to Work	251	261	104%	12.5	11.2	89%
Amex Vibes	11,000	12,477	113%	38.0	39.3	103%
Total	23,932	28,031	117%	488.1	501.2	103%



Whereas, from the external aspect, the Bank is committed to providing credit financing for activities/business with an orientation toward the environment and environmental preservation, such as eco-friendly projects, renewable energy, as well as biodiversity conservation. In 2023, the Bank expended Rp22.6 billion in environmental costs for activities supporting environmental preservation.

Identification of BNI's Operations on the Environment

BNI's operational activities do not directly carry negative impacts on the environment. Nevertheless, the potential negative impacts on the environment may arise from the business activities of the Bank's debtors. Therefore, the Bank ensures that the granting of financing to debtors complies with regulatory laws in the environmental and social sectors, with the aim of preventing the negative impacts of the debtors' operations. In 2023, no complaints were made on environment as BNI's scope of activities were solely in banking sector.

Paper Saving [301-1, 306-1, 306-2]

We are aware that paper use may not be completely avoidable. However, we persistently put our best effort into minimizing paper use by converting to digital banking and conventional initiatives.



 Digital Banking	<ul style="list-style-type: none"> ✓ Maximizing the BNI e-office function, which is the portal for document processing application with the paperless concept. ✓ Print document efficiency for the application for leave, absence, tardiness, and employee attendance report via e-attendance. ✓ Optimizing the use of the automation system in the procurement process of goods/services by using the BNI and e-Archive e-Procurement applications. ✓ Reducing print document and correspondence via BNI e-PP. ✓ Optimizing the use of digital banking in serving customers through the digital acquisition of credit cards and e-billing statement. ✓ Efficiency of paper use by simplifying marketing collateral through the optimization of information use on the BNI website. ✓ Using the electric loan – Integrated Credit Documents Management (eLO PDKT), which is currently implemented on credit documents for consumer loans from the review to verification process.
 Conventional Initiatives	<ul style="list-style-type: none"> ✓ Conventional paper saving is conducted through the utilization of used paper and improving digitalization. ✓ Reducing hardcopy printing of the Annual Report and Sustainability Report.

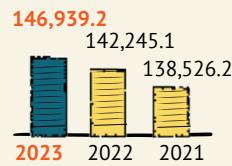
Impact of E-Office on Paper Reduction (Unit of Sheet of Paper) [306-4]

Description	2023	2022	2021
Electronic SOP/BNI e-PP	46,503,360	39,882,240	27,564,240
Electronic Billing Statement/BNI E-Billing	13,583,123	12,674,073	12,598,163
Billing/BNI E-Billing Envelope Efficiency	70,142	84,615	106,874
Total	60,156,625	52,640,928	40,269,277

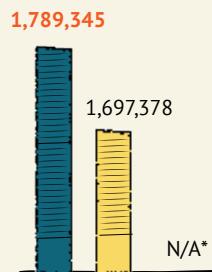
Paper Use at BNI

(Kg) [301-1]

Head Office



Regional and Branch Offices



2023 2022 2021

Note:

*) In 2023, BNI regional and branch offices have just calculated paper usage for 2023 and 2022.



Impacts of eLO PDKT on Paper Reduction (Unit of Sheet of Paper)

Total Credit Documents Formed

2023	2022	2021
1,183,577	446,204*	N/A

Note:

*) In April 2022, the eLO PDKT pilot project was carried out in 5 Regions (Bandung, Semarang, Surabaya, Manado, and Papua Regions) and implemented for all BNI areas in August 2022.



Number of Documents Circulating through the Application

Description	2023	2022	2021
Memos	100,742	103,564	55,297
Internal Notes	7,110	11,329	9,768
External Letters	43,664	46,656	41,896
Total Documents	151,516	161,549	106,961
Disposition Sheets	423,585	446,946	345,683

Reducing the Impact of Climate Change through Energy Management and Emission Reduction

Material Topic: Climate Resilience

Our Approach [3-3]

One of the most crucial issues at the moment is climate change. Impacts from climate change originating from global warming include extreme weather, such as floods and storms, rising sea levels, and increasing temperature. In 2023, several regions in Indonesia experienced extreme drought. The Meteorology, Climatology, and Geophysical Agency (BMKG) also predicted a food vulnerability in 2050. The mitigation of climate change issues requires the cooperation of all parties.

At BNI, we make internal efforts to mitigate the issues of climate change by performing energy efficiency and emissions reduction. Our commitment to mitigating the climate change issue is also formulated in the Stipulation for the Implementation of Efficiency No. JAL/2.2/1799, Efficiency of Lighting and Air Conditioning No. JAL/3/3564, and Use of Inverter AC for Electricity Cost Efficiency No. JAL/3/1317. We also conduct environmentally conscious financing and analysis of environmentally relevant credit risks.

Energy Management and Emissions Reduction [302-4, 305-5]

Several initiatives we take for energy efficiency, including efforts to reduce emissions are:

- Implementing Earth Hour, namely turning off the lights in the workspace during break hour (12:00 – 13:00).
- Electricity efficiency through energy-saving lamps at Grha BNI, Plaza BNI, Gedoeng BNI, and Menara BNI.
- Reducing the use of chillers on Saturday and Sunday.
- Implementation of magnetic bearing technology in the Plaza BNI coolers to enable frictionless operation of motor components.
- Solar panel installation with the capacity of 2,200 Watts to light the gardens at Plaza BNI.
- Limiting business travel and replacing them with teleconference.

- Constructing green building at Gedung Menara and Gedung Plaza BNI with the eco-friendly and energy saving concept.

In 2023, BNI recorded an electricity and fuel oil energy use of 931,450 Giga Joule (GJ) through the energy efficiency initiative. Furthermore, BNI also obtained the Platinum green building certification for Plaza BNI since 2022 and Gold for Menara BNI since 2020 from the Green Building Council Indonesia (GBCI) as well as the plan to implement the green building LEED in the construction of the building in the PIK 2 Area. BNI also received the Cyclist Friendly Building award from the Governor of DKI Jakarta for the Gedung Menara BNI.



Energy Consumption Inside and Outside of the Company (GJ)

[302-1, 302-2]

604,186

Use of fuel for generators and use of electrical energy at BNI offices throughout Indonesia

327,264

Use of fuel for overland business travel at the BNI office



Energy Intensity

[302-3]

931,450 (GJ)

Total electrical energy and fuel converted trillion Income

Rp62.7

Energy Intensity (GJ/Rp)

Note:

The calculation uses a fuel to energy conversion factor of 0.038 GJ/ltr and electricity to energy of 0.0036 GJ/kWh

Emissions Management [305-5]

BNI has been calculating scope 1 and 2 emission since 2021 and scope 3 emission since 2022. We continue to make improvements, both in the scope and the method, as part of the plan toward net zero emission. In the 2023 emission calculation, scope 1 has included the use of fuel oil in buildings, air conditioner freon, and fuel oil use in operations. Scope 2 emission includes the use of electricity at 5 head offices and 87.37% of BNI regional and branch offices. Scope 3 emissions include business trips and financing emissions of the 90.1% Corporate segments such as International, Enterprise, and Commercial loan portfolio.

Greenhouse Gas (GHG) Emissions Generated (Ton CO₂ eq) [305-1, 305-2, 305-3, 305-4]

Source of Emissions	2023
Scope 1	
Fuel consumption in buildings	1,701.1
Freon use	1,023.6
Fuel oil use in operations	15,874.9
Scope 2	
Emissions from electricity use	170,760.4
Scope 3	
Business air travel	2,959.2
Overland business travel	4,220.8
Financing Emissions	28,402,852.7
Scope 1 & 2 GHG emissions	189,360.2
Total GHG emissions	28,599,392.9
Emission intensity of scope 1, 2 & 3 business trips to income (ton CO₂eq/Rp)	0.00000000313
Scope 3 emissions intensity of financing to income (ton CO₂eq/Rp)	0.00000045265

Note: The calculation methodology uses the 2017 GHG Protocol and references are obtained from biograce v4, 2014. Meanwhile, for business travel, references from myclimate are used.

BNI also implements the initiative to lower ozone layer depleting emissions by reducing the use of equipment with the potential of generating ozone layer depleting emissions, such as equipment containing the Chlorofluorocarbon (CFC) substance and instead switching to equipment using eco-friendly substances. Until the end of 2023, BNI did not report emissions other than greenhouse gas emissions, such as Nitrogen Oxide (NOx), Sulphur Oxide (SOx), and other conventional emissions because they are not directly generated in the operating activities. [305-6, 305-7]

Waste Management [306-1, 306-2, 306-4]

BNI hands over the waste management to Building Management and a third party, including recycled paper waste management. The third party submits a report to BNI on the volume of waste generated by an operational building. The waste generated from the Bank's operational activities includes paper waste, organic waste from leftovers, and plastic. In the future, BNI plans to disclose waste classifications, which are organic, glass, paper, residue, and hazardous waste. BNI proactively engages in eco-friendly endeavors to reduce waste in the workplace with the support of all work units. Several efforts to reduce waste include:

- Reducing plastic use.
- Using personal tumblers during meetings and providing drinking water refills in meetings.



Waste generated and Management

[306-3, 306-4, 306-5]

Recycled Paper (Ton)
Head Office



Water Management [303-1, 303-2, 303-3, 303-4]

BNI uses water for domestic activities – hand washing, park needs, and toilet use - sourced from the Regional Drinking Water Company (PDAM) and groundwater from the company location in the office area, hence BNI does not collect water from and there is no direct interaction with water springs. Aside from this, BNI does not perform quality standard calculation to assess the quality of effluent discharged considering no operations in BNI that may generate hazardous effluent for environment. Water management is conducted by taking into consideration the reuse of wastewater, which is integrated with the building management system.

BNI also actively strives to minimize water consumption through various initiatives, including implementing water management technology at the Gedung Plaza BNI and Gedung Menara BNI, water saving campaign, prudent water use practices, reporting on faucet leaks, and using treated wastewater to water plants. In the 2023 Sustainability Report, the water use data disclosure is not only from the head office, but all BNI branches. In 2023, BNI recorded 1,758,134 m³/year of water use volume.

 Water Use <small>[303-5]</small>	Annual water use by volume (m ³ /year)		
	2023	2022	2021
	272,165	305,852	185,115
Annual water use by volume (m³/year) Regional and branch offices			
	2023	2022	2021
	1,485,969	1,331,022	N/A
			Total water use volume (m³/year)
			2023 2022 2021
			1,758,134 1,636,874 185,115
			Annual average water use intensity (m³/employee/year)
			2023 2022 2021
			63.8 60.3 52.9

Note:

- Water consumption is calculated using the PDAM data in m³
- The scope of calculation for 2023 and 2022 include the head office as well as the regional and branch offices, whereas in 2021 it only included the head office

Environmental and Biodiversity Conservation

The operational locations owned, rented, or managed by BNI are not adjacent to conservation areas and/or areas with high biodiversity index outside of conservation areas. Therefore, it can be said that BNI's operational activities do not directly or significantly impact biodiversity. Nevertheless, BNI conducts various environmental programs as the manifestation of concern for the improvement of ecosystem support.

[304-1, 304-2]



Greening Program [304-3]

BNI proactively carries out various greening activities to support the recovery of natural and environmental functions. The BNI greening programs are conducted with the agroforestry strategy and by engaging the community. The programs are expected to repair soil quality and air quality as well as mitigate disasters, such as landslides and floods. BNI proactively plants trees that by the end of 2023 there have been 88,023 trees planted.

Waste Management Program

BNI implements the waste processing program by engaging the community through a waste bank. The Bank gives education pertaining to impacts of the program, both environmental and economic related. Several activities run in this program are Program Pos Pandai (Central, Process Waste, Sort, Withdraw, Save, Recycle, Equipment, and Innovation), incinerators, waste motorbike carts, as well as waste bins installment in waste management areas, Village-Owned Enterprises (BUMDes), and schools. Moreover, BNI is involved in a waste management program within Construction Workers' Residential Area (HPK) in Capital City of Nusantara (IKN).

Wildlife Conservation [304-4]

Javan rhinoceros (*Rhinoceros sondaicus*)

Based on the Red List Data Book International Union for Conservation of Nature and Natural Resources (IUCN), the Javan rhinoceros has a Critically Endangered status. In 2023, BNI showed its support for the Ministry of Environment and Forestry (KLHK) and Ujung Kulon National Park (TNUK) to preserve the Javan rhinoceros in Ujung Kulon, Banten. According to the KLHK, there were 81 of them in TNUK as per 2023.



Bornean orangutan (*Pongo pygmaeus*)

Since 2016, IUCN has established that Orangutans (*Pongo pygmaeus*) of Kalimantan (Borneo) is under the Critically Endangered status. By the end of 2023, BNI has given its support to the conservation Bornean orangutans in the form of rehabilitating 2 Bornean orangutans at Orangutan Nyaru Menteng Rehabilitation Center, Central Kalimantan and rehabilitating 4 hectares of critical land in Samboja Lestari. This rehabilitated area was planted with endemic plants of Kalimantan, including fruit trees (40%) and timber plants (60%) which amounted to 1,600 trees. This orangutans rehabilitation is a collaborative move led by BNI, the Ministry of Environment and Forestry, and Borneo Orangutan Survival Foundations (BOSF).

Profile of the two rehabilitated Bornean orangutans:

Jessy, a female orangutan handed over by the Pülang Pisau community to the Nyaru Menteng Rehabilitation Centre for care and education. Jessy is currently 11 years old and undergoing survival skills training at Badak Besar Island.



Moci, a male orangutan handed over by the Paremphei Village community, Gunung Mas Regency, to the Nyaru Menteng Rehabilitation Centre for care and education. Moci is currently 9 years old and living well-socialized in a semi-wildlife habitat.





04

**BNI FOR
THE COMMUNITY**

Growing with MSMEs [2-23, 203-2, FS5] [FN-CB-240a.1, FN-CB-240a.2]

BNI applies risk management to the implementation of Sustainable Finance in the MSME sector. BNI's strategy to mitigate these risks is to synergize with various ministries and other institutions.

BNI's Measures and Strategies in Supporting MSME





Until 2023, the MSME inclusive financing was Rp190.8 trillion with Macroprudential Inclusive Financing Ratio (RPIM) fulfilment of 27.8%.

Macroprudential Inclusive Financing Ratio (Rp Trillion)

Description	2023	2022
Direct financing and supply chain	171.5	169.0
Providing financing through financial services institutions, public service agencies, and/or business entities	14.6	7.5
Purchase of inclusive financing securities (SBPI)	4.8	3.5
Total inclusive financing	190.9	180.0
Inclusive Financing Deposit Certificate (SDPI) issued by the Bank (Bank's individual RPIM offset)	-	-
Other SBPI issued by the Bank (Bank's individual RPIM offset)	5.0	5.0
Total credit/financing to Non-Bank third parties	685.8	641.1
RPIM Value	27.8%	28.0%

Subsidized Micro Loan (KUR) [FS7]

In 2023, BNI distributed KUR amounting to Rp17.8 trillion and commodity KUR amounting to Rp3.7 trillion.

KUR Disbursement Based on Business Segments [FS7]

Business Segment	Number of Debtors	Maximum Loan (Rp Billion)	Target (Rp Billion)	Achievements Based on the Government
Supermicro	703	5.5	10	54.6%
Micro	51,234	2,193.3	2,300	95.4%
Small	58,741	15,595.3	15,650	99.6%
PMI	983	24.7	40	61.8%
Total	111,661	17,818.8	18,000	98.9%

BNI MSMEs' journey

BNI's focus in the MSME journey is the orients toward Go Productive, Go Digital, and Go Global.

BNI MSME Empowerment Roadmap

Initiation Phase (Go Productive)

MSME Capability Enhancement
Capital support and mentoring for MSMEs in accordance with the results of mapping needs to improve business capabilities and knowledge of environmentally friendly practices as a driver of MSME graduation.

Acceleration Phase (Go Digital)

Digitalization of MSME Business Processes
Introduction of technology in MSME business processes to create digitalized MSMEs.
.....
Online Market Access
Directing the marketing of export oriented MSME products through access to the Xpora.bni.co.id Portal.

Scale-Up Phase (Go Global)

Export Market Access
Supporting potential export MSMEs to reach the global market, both in terms of product quality, legality/certification, product services, and foreign transaction services.

Go Productive

BNI Eco-Friendly MSME (BUMI) Program

The BUMI program is an environmentally friendly MSME empowerment program that implements green business processes and/or produces green products. MSME players have the opportunity to receive training, and the first training that has been organized was the "Level Up! 2023" together with Rumah BUMN and Inaproduct.



2,265 people
training participants



BNI Millennial Smartfarming

BNI Millennial Smartfarming is a farmer empowerment program that focuses on digitalization to support agricultural sector financing in green economy financing. Millennial farmers become the key players in this program by receiving mentoring and agricultural development applying upstream to downstream agricultural technology (IoT).



Rp29.4 billion and **646** farmers
realization and financing recipients

BNI Kampoeng Perikanan

Forming Clusters (UPSTREAM SECTOR):

Digital MSMEs: Providing Access to Financial & Transactional Banking Services

- ✓ Cultivation Fisheries Village
- ✓ Advanced Fisherman's Village
- ✓ Maritime Village



Partner Collaboration

Merchant: BNI X E-Commerce Collaboration on the Use of Big Data with MSME Partners who have the potential to become BNI laku pandai partners (BNI Agen46)



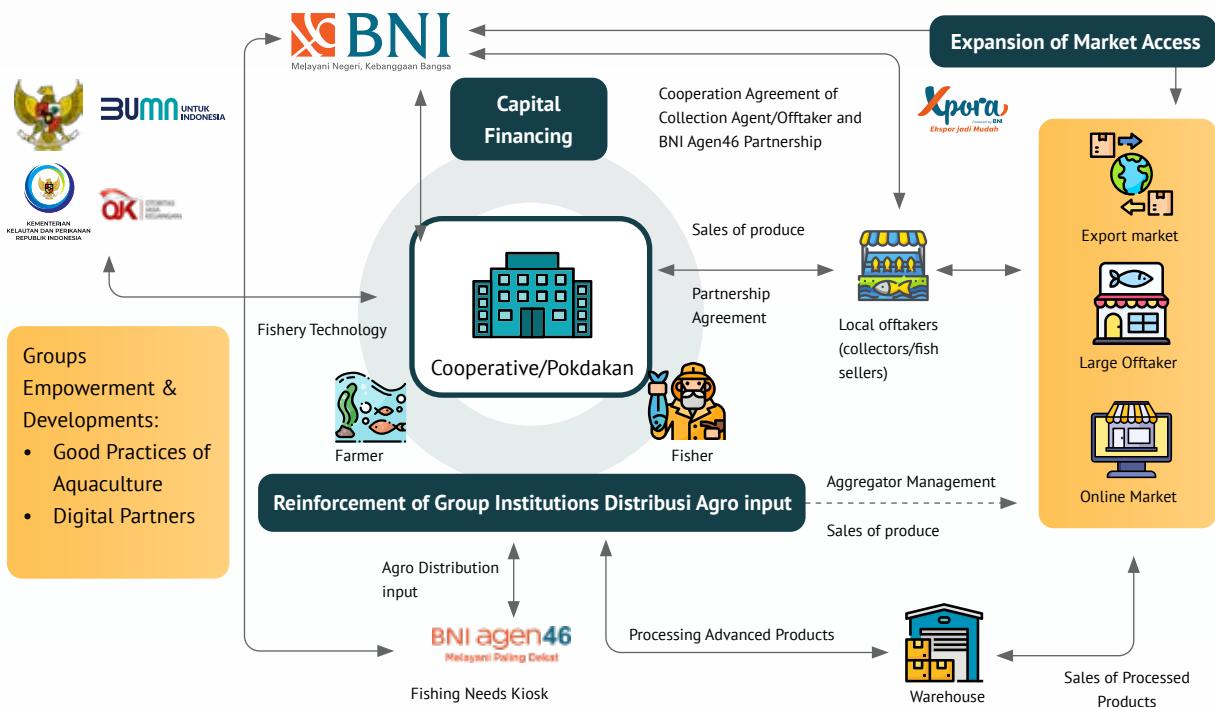
Business Assistance (DOWNSTREAM SECTOR)

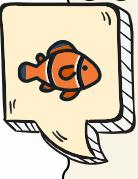
Xpora BNI Exports made Easy:

- ✓ Business Assistance through Face-to-face or online meetings
- ✓ Curation of MSMEs with Export Potential
- ✓ Coaching Clinic for MSMEs in the Fisheries Sector
- ✓ Exhibitions & Bazaars
- ✓ Business Matching export products

BNI synergizes with the Ministry of Maritime Affairs and Fisheries by supporting their Priority Programs, such as Aquaculture Villages and Fishermen Villages, to improve their welfare.

Fishery Sector Ecosystem



 **Loan distribution of Rp1,208 billion to 5,966 debtors in small segment businesses in the marine and fisheries sector.**

Subsidized Micro Loan (KUR)

Rp237 billion (2,092 debtors)



Non KUR

Rp373 billion (202 debtors)

Subsidized Micro Loan (KUR)

Rp392 billion (3,413 debtors)



Non KUR

Rp198 billion (161 debtors)

The Subsidized Micro Loan (KUR) financing of Rp198 billion to 1,155 businesses in the marine and fisheries sector.



Go Digital

BNI Desa Digital Khatulistiwa (BNI DediKasi)

BNI DediKasi is an integrated digital ecosystem-based village economic potential assistance and empowerment program aiming to encourage increased village financial inclusion, as well as the creation of village entrepreneurship in the Tourism sector and leading sectors through optimizing the role of BUMDES as economic organizers.



Rp9.5 billion and **48** MSMEs realization and financing recipients

PaDi UMKM

PaDi UMKM program is a digital platform initiated by the Ministry of SOEs to bring together MSMEs with SOEs to optimize, accelerate, and encourage the efficiency of SOE shopping transactions for MSMEs. Until the end of 2023, 861 BNI-assisted MSMEs have been on-boarded onto the PaDi UMKM platform as sellers and 44 of them are BNI debtors.



Rp39.8 billion IDR and **9,011** financing realization and transaction volume

Alsintan Taxi Financing Program

BNI and the Ministry of Agriculture are synergizing by launching the Alsintan Taxi Program in Gresik to support the accelerated growth of agricultural modernization by implementing agricultural mechanisms and developing agricultural tools and machinery (Alsintan).

Rp22.3 billion and **73** debtors realization and financing recipients

Go Global

BNI Xpora [203-2]

BNI Xpora is a One Stop Export Solution developed to support MSMEs Go Global and become a diaspora service center abroad. For this breakthrough, BNI Xpora has won awards in 2023, namely the 2023 Sustainable Marketing Award in the SME Enhancement of the Year category from Marketing Magazine, 2023 Merdeka Award in the Regional Export Strengthening Program category from Merdeka.com, The Best for Regional SME's Alpha Southeast Asia Best FI Award 2023, 2023 Indonesia Brand Guardianship Forum for the category The Best Brand Digital Activation - Campaign Strategy Xpora.



Rp33.9 billion and **23,421** debtors realization and financing recipients

BNI Jejak Kopi Khatulistiwa (JKK)

BNI JKK is an initiation of a social forestry program in the form of community economic empowerment. Until the end of 2023, the BNI JKK implementation points were expanded to include Garut (West Java), Jember (East Java), Rejang Lebong (Bengkulu), Temanggung (Central Java), and Humbang Hasundutan (North Sumatra). BNI Jejak Kopi Khatulistiwa aims to increase financial inclusion, create a green economic ecosystem, provide coffee grading in the BNI Jejak Kopi Khatulistiwa area, form a closed loop financial ecosystem, prepare farmers and the downstream social forestry coffee ecosystem to be ready for export and enter the global market.



Rp4.5 billion
Realization Financing in 2023

60 farmers
Total financing recipients

Financial Literacy and Inclusion [FS16][FN-CB-240a.3, FN-CB-240a.4]

BNI's financial inclusion program has opened public access to banking services. To prevent the potential risks due to social engineering, such as financial losses and increased consumptive behavior, BNI consistently implements financial literacy and inclusion programs.

Financial Inclusion Reaches 3T Areas [FS13][FN-CB-240a.3, FN-CB-240a.4]

BNI Agen46 are BNI partners (individuals or legal entities that collaborate with BNI) to provide banking services to the community, especially in low population or economically vulnerable areas. In 2023, BNI conducted partnership cooperation, individuals, and cooperation with 35 potential super agent (SA) partners to enlarge the reach of BNI banking services through laku pandai (Officeless Financial Services for Inclusive Finance) agents. In addition, BNI is also expanding regional digitalization and supporting the Smart City program in collaboration with the regional government.

Achievements of BNI Agen46

Description	Unit	2023		2022	2021
		% Growth	Achievement		
Number of BNI Agen46	Agent	12.6	185,697	164,979	157,632
Transaction	Million	2.9	85,5	83,0	146,4
Nominal	Rp Trillion	(18.8)	59,9	73,8	92,3
Operating CASA	Rp Trillion	34.7	3,7	2,7	3,5
BNI Pandai Accounts	Million Accounts	0.1	20,0	20,0	19,8

In 2023, the number of BNI Agen46 grew by 12.6%, spread across 8,771 sub-districts and 36,522 villages throughout Indonesia. A total of 15,532 agents or 8.4% of BNI Agen46 are located in 3T regions.

Financial Inclusion Supporting Products

BNI participates in supporting the government program for pre-prosperous communities by assisting in aid cards distribution and funds disbursement. Additionally, BNI also supports this program by improving financial literacy and inclusion, including Let's Save with Trash, Super Midwife Program, and Business Matching for Persons with Disabilities.



Let's Save with Trash

By the end of 2023, BNI has implemented the Bank Goes to School program in 276 schools throughout Indonesia. In addition, in honor of Satu Rekening Satu Pelajar (One Account One Student/KEJAR) and Hari Indonesia Menabung (Indonesia Savings Day/HIM), BNI conducted the Goes to School program at 249 schools with more than 48,000 participants. Through these massive and intensive activities, BNI received award from OJK in the form of awards as the Best Achievement Bank in the Framework of HIM, Best KEJAR Digitalization Bank, Best KEJAR Implementation Education Unit: Religion-Based Education Unit Category: SMP Muhammadiyah Ahmad Dahlan Metro Partner of PT Bank Negara Indonesia (Persero) Tbk. The Let's Save with Trash program also garnered attention from one of the digital banks in Tanzania, CRDB Bank PLC.

From the **Rp2,000** million target, the funds raised was **Rp2,167** million, consisting of **Rp2,001** million SimPel Bank Sampah and **Rp166** million BNI Pandai Bank Sampah.

Realization of account related to the Let's Save with Trash program was **320,025** accounts, consisting of **318,531** SimPel Bank Sampah accounts and **1,494** BNI Pandai Bank Sampah accounts.

Super Midwife Program

BNI collaborated with Women's World Banking to create a banking solution concept, namely the Super Midwife Program to fulfill financial planning in childbirth and postpartum programs. This 2023 collaboration began with piloting in 4 locations, namely Palembang, Bandung, Jember, and Malang with a total of 120 midwives participating.

67 midwives were realized to become BNI Agen46

102 accounts realization of Super Bidan Program savings account



Business Matching for Persons with Disabilities

In 2023, BNI supported the activities of the Financial Services Authority (OJK), namely business matching MSMEs for people with disabilities. At the event, BNI provided financial literacy and distributed Subsidized Micro Loan (KUR) facilities worth Rp350 million. BNI has currently financed a total of 15 businesses managed by people with disabilities. For this effort and support, BNI received an award from OJK as a Bank that promotes Inclusive Finance for Persons with Disabilities.



Financial Literacy Reaches the Nation

This Simpanan Pelajar (Student Savings) product also supports other activities, such as Bank Goes to School, Let's Save with Trash, and government assistance programs for students, such as the Program Indonesia Pintar (Smart Indonesia Program/PIP).

2023	2022	2021*
 Simpanan Pelajar		
Target Rp1,800 Billion Total Funds	Target Rp1,500 Billion Total Funds	Target Rp1,400 Billion Total Funds
Realization 9,549,173 Accounts	Realization 10,131,096 Accounts	Realization 10,401,867 Accounts
Rp1,830.99 Billion Total Funds	Rp1,555.65 Billion Total Funds	Rp1,378.99 Billion Total Funds
<small>Note : *) Restatement due to record adjustment</small>		
2023	2022	2021
 TabunganKu		
Target Rp3,900 Billion Total Funds	Target Rp4,100 Billion Total Funds	Target Rp4,200 Billion Total Funds
Realization 12,889,609 Accounts	Realization 12,862,645 Accounts	Realization 11,761,185 Accounts
Rp3,982 Billion Total Funds	Rp4,315 Billion Total Funds	Rp4,278 Billion Total Funds

Sharing Added Value With The Community [413-1, 413-2]

BNI's Social and Environmental Responsibility (TJSL) program refers to the Regulation of the Minister of SOEs No. PER-1/MBU/03/2023 of 3 March 2023. In 2023, BNI allocated Rp130.0 billion for the TJSL program with a realization of Rp129.8 billion.

BNI's TJSL program has positive impacts, including improved welfare, behavioral changes, and increased income. However, it cannot be denied that the TJSL program also has a negative impact, namely uneven guidance and assistance, limited access to information, and social jealousy which has the potential to cause conflict among communities.

KAWAN Program [203-1, 203-2]

The KAWAN program is an empowerment program to improve the economic capacity of rural communities. The purpose of the KAWAN Program is to bring positivity, fame, and value to the program location (supporting BNI transaction business and positive image toward stakeholders). In 2023, BNI carried out capabilities and infrastructure development at 3 KAWAN Program locations, namely in Cuncawulang Village, West Manggarai, NTT; Undisan Tourism Village, Bangli, Bali; and Ciderum Tourism Village, Bogor, West Java.



Rumah BUMN

The Ministry of SOEs fully encourages that Micro, Small and Medium Enterprises (MSMEs) play an important role in advancing the country's economy. BNI is part of the executor of the management of BUMN Houses in 28 regions throughout Indonesia, with performance during 2023 as follows:

01

Education and Mentoring Role

Mentoring MSMEs at Rumah BUMN

Workshop/training

597	19,237
Activity	Total Participant

Visit to the MSME Locations

3,127	3,154
Activity	Total Participant

Exhibitions/Events

174	3,263
Activity	Total Participant

02

Development and Digitalization Center

8,201

Number of MSMEs Go Modern

6,151

Number of MSMEs Go Digital

18,453

Number of Products (including derivative variants)

1,107

Number of MSMEs Go Online equipped with QRIS

03

Driving National and Global Market Growth

The existence of Rumah BUMN does not only focus on developing MSMEs locally, but aims to encourage national and global market growth. This creates opportunities for MSMEs to expand their reach and contribute to the broader economy, including participating in national domestic exhibitions and promotional exhibitions abroad.

04

Optimizing the Role of MSMEs in Building the Country

Rumah BUMN has the aim of maximizing the role of MSMEs in developing the country. By providing holistic support, regional MSMEs can become strong economic drivers, contributing to the country's overall development. One of the driving MSMEs is Borneo Queen from Rumah BUMN Katingan.

Borneo Queen

Borneo Queen is one of the partners assisted by Rumah BUMN Katingan which processes the surrounding natural resources into commodities with economic value and high selling value through jewelry making and seaweed utilization. Borneo Queen is real evidence of a Rumah BUMN MSME that has succeeded in marketing their products by going global through Xpora BNI.



Cataract Surgery in Eastern Indonesia

BNI supports the cataract prevention program in collaboration with Yayasan Pundi Amal Peduli Kasih (YPP) SCTV Indosiar to perform cataract surgery in four locations in Eastern Indonesia (Sumbawa, Jayapura, Buru Island, and North Toraja) with a target of 450 eyes. During 2023, cataract surgeries have been performed on 350 eyes or 78% of the target.



Other TJSL Program Realization in 2023 [203-1, 203-2]



120

Facilities of worship built/renovated for various religions across BNI territory



Rp1.3 billion

Funds are channeled for the provision of clean water and sanitation in regions throughout Indonesia



99

Schools or educational institutions infrastructure development as well as the provision of facilities and infrastructure in the BNI region



27

Solar panels for households and 1 public facility in Bengkayang, West Kalimantan



476,287

Food packages are distributed for religious holidays, El Nino impact mitigation, and other assistance.



66

Ambulances to support health sector



16

Solar street lighting construction points



778

Accumulation of scholarship recipients

Social Investment Impact Measurement (SROI)

BNI has calculated the impact of the TJSL program, with social return on investment (SROI) measurement conducted by an independent party using global standards for 3 TJSL programs, namely:

01

Kampoeng BNI Batik Tulis Lasem

Kampoeng BNI Batik Tulis Lasem program covers batik craftsmen in 2 villages, namely Babagan Village and Karasgede Village, Lasem District, Rembang City. With an accumulation of 12 years, the SROI measurement result is 10.30.

02

Critical Land Rehabilitation in Tajurhalang Village

In 2023, BNI supported efforts to conserve 15 ha of critical land in the upstream area of Mount Salak, Malingpinghaur and Pilar Blocks, Tajur Halang Village, Cijeruk District, Bogor Regency by planting 10,000 trees. The results of measuring the impact of the program, obtained an SROI value of 2.30.

03

BNI Berbagi Program for the Construction of Borewells in Gunung Kidul

BNI provided well drilling assistance in two places, namely Padukuhan Ngalangombo Kalurahan Dadapayu Kapanewon Semanu and Padukuhan Kedungdowo Kalurahan Jatiayu Kapanewon Karang Mojo. The SROI measurement result is 3.54.

Public Grievance Redress Mechanism [411-1]

In 2023, BNI did not receive any complaints or incidents of violations involving the rights of indigenous peoples in the vicinity of its operations. BNI also did not receive any significant complaints from the public within the same period.

Engagement of Local Parties in the Supply Chain [2-6, 204-1]

In the supply chain, BNI prioritizes local partners and suppliers, i.e. companies with entirely domestic ownership. BNI conducts performance assessment and evaluation to ensure a healthy supply chain and the right partners. Every year BNI also organizes a vendor gathering which provides socialization related to the anti-bribery management system (SMAP) and the use of domestic products.

Goods and Services Procurement

Types of Suppliers/ Business Partners	2023		2022		2021	
	Number of Suppliers/ Business Partners	Goods Procurement Value (Rp Trillion)	Number of Suppliers/ Business Partners	Goods Procurement Value (Rp Trillion)	Number of Suppliers/ Business Partners	Goods Procurement Value (Rp Trillion)
Local	473	7.10	331	4.4	477	3.3
Overseas	8	-	44	-		
Total	481	7.0	375	4.4	477	3.3

Note:

- Local refers to companies with complete domestic ownership.
- Overseas refers to companies with complete foreign ownership.



05

BNI FOR EMPLOYEES



BNI believes that maximizing employee productivity can inspire superior company performance. To achieve this goal, BNI is determined to create an inclusive and fair working environment through the implementation of Human Capital (HC) policies that takes diversity and employee competency development into consideration. Thus, each employee can respond to the needs conveyed by stakeholders.

BNI Employees [2-7,2-8,406-1]

The sustainability of the company's business is realized with the support of all employees. The number of BNI employees in the reporting year amounted to 27,570 people or increased by 1.5% from 27,170 people in the previous year. BNI upholds the principle of equality and opposes discrimination in every aspect of the end-to-end management function of the BNI human capital framework from the beginning of entry (recruitment process), during employment (career development, remuneration, and other aspects), until the employee leaves the company. All reports of violations through the Whistleblowing System (WBS) will be followed up as an effort to ensure that there is no discrimination, intimidation or violence in social aspects in cultivating relations between employees during the reporting period.

BNI strives to maintain employee inclusiveness and diversity, this is reflected in the composition of BNI employees who come from various levels of education, age groups, work experience, gender, race, ethnicity, and religion. By the end of 2023, the number of male and female employees was quite balanced with 13,192 male employees and 14,378 female employees. This indicates that BNI provides equal opportunities for male and female workers. All BNI employees are full-time employees (BNI does not employ part-time employees) and there are no non-employees (e.g., seasonal workers), therefore it is not included in the report. The following is data related to BNI employees:

BNI Hi-Movers Profile

Composition of Employees Based on Employment Work Contract and Gender [2-7]

Employment Contract	2023		2022		2021	
	Male	Female	Male	Female	Male	Female
Permanent	12,150	13,310	12,203	13,131	12,211	12,960
Contract	647	728	606	761	581	942
Trainee	395	340	222	247	261	222
Total by gender	13,192	14,378	13,031	14,139	13,053	14,124
Grand Total	27,570		27,170		27,177	

Composition of Employees Based on Operating Areas and Gender [2-7]

Operating Areas	2023		2022		2021	
	Male	Female	Male	Female	Male	Female
Head Office	5,664	4,798	3,058	2,447	2,754	2,252
Regional Office 01	394	473	546	587	573	597
Regional Office 02	518	604	721	731	749	744
Regional Office 03	555	637	726	805	714	780
Regional Office 04	623	657	816	798	851	812
Regional Office 05	400	472	519	570	516	571
Regional Office 06	533	817	744	1,051	786	1,082
Regional Office 07	455	539	644	689	663	701
Regional Office 08	520	593	677	707	707	704
Regional Office 09	578	632	777	811	799	843
Regional Office 10	298	536	388	624	411	634
Regional Office 11	276	417	372	503	376	505
Regional Office 12	351	450	501	598	537	621
Regional Office 14	379	707	471	818	496	829
Regional Office 15	417	631	559	752	588	791
Regional Office 16	187	212	228	234	239	240
Regional Office 17	491	609	617	726	618	741
Regional Office 18	533	585	646	681	652	671
Overseas Branch	20	9	21	7	24	6
Total	13,192	14,378	13,031	14,139	13,053	14,124
Grand Total	27,570		27,170		27,177	

Composition of Employees Based on Age Group and Gender [2-7,405-1]

Age Group	2023		2022		2021	
	Male	Female	Male	Female	Male	Female
> 50 Years	1,359	1,035	1,601	1,032	1,531	877
> 45-50 Years	1,625	1,222	1,285	1,037	1,277	1,084
> 40-45 Years	1,543	1,550	1,965	1,838	2,203	1,955
> 35-40 Years	2,103	2,181	1,603	1,550	1,186	1,090
> 30-35 Years	3,064	3,834	3,210	4,075	3,334	4,270
> 25-30 Years	2,719	3,462	2,724	3,597	2,734	3,671
≤ 25 Years	779	1,094	643	1,010	788	1,177
Total	27,570		27,170		27,177	

Composition of Employees Based on Position Level and Gender [2-7, 405-1]

Position Level	2023		2022		2021	
	Male	Female	Male	Female	Male	Female
≥ Senior Vice President*	83	28	68	25	65	25
≥ Vice President	156	49	181	50	168	47
Assistant Vice President	846	407	901	413	878	395
Manager	2,027	1,491	2,016	1,420	1,962	1,347
Assistant Manager	5,691	5,860	5,380	5,640	5,270	5,521
≤ Assistant**	4,389	6,543	4,485	6,591	4,710	6,789
Total	27,570		27,170		27,177	

Note: Proportion of senior managers hired who are Indonesian citizens (WNI). [202-2]

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

**) Consists of: Assistant and Basic Employee

Composition of Employees Based on Educational Level and Gender [2-7]

Educational Level	2023		2022		2021	
	Male	Female	Male	Female	Male	Female
Doctoral Degree	9	4	7	4	6	4
Master's Degree	1,625	1,219	1,627	1,151	1,598	1,104
Bachelor's Degree	10,515	11,731	10,355	11,511	10,384	11,674
Diploma	724	1,421	679	1,467	635	1,335
Primary to High School	319	3	363	6	430	7
Total	27,570		27,170		27,177	

Recruitment, Retention and Turnover Rate [401-1]

BNI manages human capital by implementing a comprehensive and integrated human resource management policy, from the recruitment stage until employees leave the company. This process is expected to motivate and retain employees. The company conducts recruitment in accordance with available positions and the suitability of prospective employees with BNI's cultural values. At the recruitment stage, BNI has several programs aimed at ensuring the availability of talent in accordance with the bank's business needs and the needs for future leaders, such as the Early Recruitment Program (ERP) program, which is a special recruitment through the awarding of scholarships to outstanding students from leading universities to become prospective BNI employees, Assistant Development Program (ADP) and Officer Development Program (ODP). Officer Development Program (ODP) can be conducted to find external and internal candidates, where the Internal ODP program is a training program for internal employees to be promoted to a higher level. Furthermore, BNI also contributes to the Joint BUMN Recruitment (PBB) program organized by the Ministry

of BUMN. An explanation of each recruitment program can be seen in the 2023 Annual Report. In the recruitment process, BNI creates an inclusive work environment by maintaining employee diversity and opening opportunities for employee candidates from various backgrounds and without any differences to become part of BNI.

BNI's Employee Turnover (%)

BNI uses employee turnover rate as one of the parameters to measure employee retention. As of 31 December 2023, BNI recorded a turnover rate of 1.2%, which decreased from 1.5% in the previous year. BNI sees this decrease as an achievement/opportunity in implementing the employee value proposition, which is to jointly create the best place to learn, grow, and contribute to Indonesia (Learn, Grow, and Contribute to Indonesia).

Composition of Employees Based on Age Group and Gender [401-1]

Age Group	2023		2022		2021	
	Male	Female	Male	Female	Male	Female
< 30 Years	764	790	494	579	539	618
30-50 Years	78	33	45	18	18	17
> 50 Years	13	7	8	2	2	2
Total	1,685		1,146		1,196	

Composition of New Employees Based on Operating Areas and Gender [401-1]

Operating Areas	2023		2022		2021	
	Male	Female	Male	Female	Male	Female
Head Office	657	477	346	254	260	232
Regional Office 01	11	21	5	14	19	9
Regional Office 02	19	25	6	16	14	15
Regional Office 03	5	6	53	52	54	59
Regional Office 04	15	30	8	20	16	11
Regional Office 05	11	26	20	19	31	44
Regional Office 06	22	31	12	27	21	31
Regional Office 07	11	23	11	23	20	28
Regional Office 08	10	20	2	19	8	1
Regional Office 09	3	5	7	5	13	23
Regional Office 10	10	21	6	26	5	9
Regional Office 11	4	16	9	15	4	6
Regional Office 12	10	21	2	20	24	34
Regional Office 14	11	21	3	23	9	27
Regional Office 15	13	34	5	21	21	39
Regional Office 16	11	10	12	8	7	9
Regional Office 17	18	19	24	12	24	46
Regional Office 18	14	24	16	25	9	14
Overseas Branch	0	0	0	0	0	0
Total	1,685		1,146		1,196	

Composition of Exiting Employees Based on Age Group and Gender [401-1]

Age Group	2023		2022		2021	
	Male	Female	Male	Female	Male	Female
< 30 Years	35	100	51	102	53	106
30-50 Years	74	114	97	146	97	170
> 50 Years	6	3	12	11	6	4
Total	332		419		436	

Composition of Employees Based on Operating Areas and Gender [401-1]

Operating Areas	2023		2022		2021	
	Male	Female	Male	Female	Male	Female
Head Office	37	49	34	44	37	31
Regional Office 01	5	6	5	11	4	13
Regional Office 02	0	9	10	10	9	16
Regional Office 03	5	6	7	14	9	19
Regional Office 04	7	16	16	13	8	21
Regional Office 05	4	16	5	13	9	12
Regional Office 06	11	14	16	31	10	31
Regional Office 07	6	5	10	7	6	14
Regional Office 08	4	7	2	7	0	11
Regional Office 09	9	20	10	25	15	24
Regional Office 10	2	10	10	10	8	8
Regional Office 11	2	4	4	6	8	9
Regional Office 12	6	8	2	12	1	17
Regional Office 14	4	11	4	13	8	14
Regional Office 15	5	8	1	14	6	11
Regional Office 16	3	9	3	5	5	4
Regional Office 17	1	4	8	11	3	15
Regional Office 18	3	15	13	13	10	10
Overseas Branch	1	0	0	0	0	0
Total	332		419		436	

Equal Employment Practices [408-1, 409-1]

All BNI employees have consented to and implemented the Collective Labor Agreement (CLA) in carrying out the bank's operational activities. In line with prevailing regulations, the CLA, among others, contains regulations on working time and rest time in Chapter VI Article 20 which indicates the absence of forced labor practices at BNI. The CLA also regulates overtime as an agreement between employees and Company leaders to complete work that cannot be postponed. In addition, BNI ensures that all employees have met the minimum working age so that there is no child labor practice.

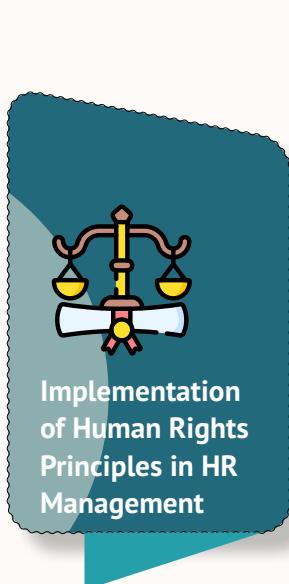
Respect for Human Rights and Diversity

BNI's commitment to creating a respectful work environment, free from discrimination, exclusion or restriction, harassment, bullying and other forms of violence, is reflected in the implementation of employment-related policies. The Board of Directors, especially the Director of Human Capital and Compliance, supervises the implementation of these policies.

The policy contains human rights principles that are in line with the principles of the International Labor Organization (ILO), United Nations Global Compact (UNGC), labor laws, and applicable human rights

regulations. As per SOEs direction in SE No. SE-3. MBU.04/2022 regarding the Respectful Workplace Policy (RWP), BNI implements the Human Capital General Policy and provisions of administrative sanctions for employees committing RWP violations such as harassment and violence.

BNI also pays special attention to people with disabilities and prioritizes gender equality within BNI, subsidiaries and consolidated affiliated companies. With the spirit to realize the best working environment for employees to work, BNI was awarded the Best Companies to Work for Asia 2023 by HR Asia.



- 01 BNI highlights the principles of diversity, equality in work opportunities, and nondiscriminative behaviors.
- 02 Empowering 32 employees with disabilities.
- 03 Provide opportunities for association and assembly. There is a Labor Union and receive input from employees through HC info and/or intermediaries from the Labor Union.
- 04 Provide opportunities to carry out religious obligations, where each BNI office is provided with a place to pray.
- 05 Provide remuneration above the Provincial Minimum Wage/City/Regency Minimum Wage (UMP/UMK) and in determining the basic salary there is no gender difference.
- 06 Stipulate leave of absence for all employees, including three-month maternity leave, and no other normative rights eliminated upon returning to work.
- 07 Provide the rights to not attending work without reducing the leave of absence per stipulation made by the law by submitting a written request letter to a direct superior with an official proof.

Career Opportunities for Employees with Disabilities

BNI provides equal opportunities for people with disabilities to be part of BNI. BNI considers the level of expertise and skills of respective individuals to determine the appropriate position and type of work. BNI also supports the comfort of the work environment for each employee with disabilities by providing facilities and infrastructures that support their productivity, such as elevators, parking and toilets for people with disabilities, ramp access, wheelchairs, walking sticks, etc. In 2023, BNI had 32 employees with disabilities. BNI supports government programs to employ employees with disabilities, in accordance with BNI's commitment in the implementation of Respectful Work Place (RWP).

Employees with Disabilities

Total number of employees with disabilities



Testimonials of Permanent Employees with Disabilities



Muhammad Ariga

Human Capital Business Partner Staff

I find working at BNI very enjoyable and I get facilities that support me to work, including easy access to the office considering I have a disability. I am grateful and happy as I have now been appointed as a permanent employee of BNI and have the opportunity to grow as an individual and manage my own career.



Gustian Hafidh Mahendra

Administration Staff, Retail Collection & Recovery Division

During the recruitment process, BNI assisted the interview by providing a sign language interpreter for me who is hearing-impaired so that the communication would be effective and efficient. I feel happy working at BNI, being able to socialize and get acquainted with others, working together, building relationships, and expanding my horizons on administration.

Increasing the Role of Women at the Managerial Level

Prioritizing equality and fairness, gender equality and women empowerment are continuously upheld by BNI to empower human capital and build an inclusive working environment. In addition, BNI also implements equitable policies for female employees, such as menstrual leave, day care, maternity leave, employee assistance program (EAP), nursery rooms in every BNI building facility, and flexible working arrangements.

BNI also has and applies the Accelerated Career Track policy as an effort to encourage the career progression of female talent and increase their representation at the leadership level (Assistant Vice President and above). Through this policy, BNI has proven that it can increase the proportion of female talent at the leadership level over the past 3 years.

Women holding positions above Manager (%) [405-1]



Labor Relations and Collective Labor Agreement (CLA) [2-30, 407-1]

BNI allows freedom for employees to associate and assemble through the Labor Relations. The Labor Relations provides a Partnership Forum as a means of communication to maintain relationships among employees and between employees with the management.

Together with the management, the Labor Relations developed CLA as a policy related to employment management that prioritizes human rights. The current CLA is for the period 2022-2024 which regulates the rights and obligations of all (100%) employees, both permanent and non-permanent employees, CLA is evaluated and updated on a regular basis.

Employee Grievance Mechanism

BNI provides access for employees to submit various complaints that may affect their safety and comfort while working. Through the Grievance Mechanism, employees can express their grievances related to work relations, conditions, and employment, directly with the employee's direct supervisor. The submission of this complaint is done in a deliberative manner and if needed, employees can ask the Labor Relations management to help discuss their complaints with the Company Leadership in stages.

In addition, employees can also submit complaints or feedback regarding policies/regulations issued by the division in charge of Human Capital through Info HC at the info call center (021-29946088) and email infohct@bni.co.id. Info HC is managed by a dedicated team that will respond to employee inquiries/complaints or policy inputs and if necessary will also coordinate with the relevant units to follow up on the report. In addition, employee complaints related to the code of ethics can be submitted through the Whistleblowing System (WBS) managed by a third party. The identity and report submitted by the reporter are guaranteed confidentiality.

Employee Competency Development [404-2]

Competency Development Policy

To improve employee competencies and capabilities, BNI routinely organizes training and development programs to encourage better competitiveness in the future. BNI appoints BNI University as the organizing body to cultivate employee competencies, design learning strategies in accordance with BNI's needs and design various training programs, including training and competency development programs related to Sustainable Finance.

The competency development policy refers to POJK No. 24 of 2022 concerning the Development of the Quality of Human Resources of Commercial Banks. As stipulated in the Collective Labor Agreement, every employee - permanent and contract employees- is entitled to the opportunity to be included in training and competency development. In addition, BNI also provides opportunities for interns to deepen their knowledge and skills in certain fields of work.

The development of employee competencies and capabilities is largely carried out through two approaches, namely:

1. Tiered Capability Development

Development according to the needs of the employee level and this development program is cross-functional, such as Leadership Program, Risk Management, Human Capital Program, and Digital Program.

2. Position-based Capability Development

Development according to the needs of each employee's position which is divided into development:

- a. Employee Development, which is development based on the need to be able to display the best performance of employees.
- b. Talent Development, which is the development of capabilities for outstanding employees who are categorized as talents with the aim of occupying potential positions at BNI.

Types and Scope of Competency Development Program

BNI has various types and scope of competency development programs in accordance with the purpose and objectives:

1. Learning programs to improve employee capabilities to support BNI's businesses

This learning program consists of 8 areas of training and development, namely Leadership; Finance & Human Capital; IT, Digital & Operation; Legal, Governance, Audit & Compliance; Network & Services; Retail Banking; Risk; Wholesale, Treasury & International Banking. The objectives of each area of training and development can be found in the 2023 Annual Report, Competency Development Policy chapter on pages 148-151.

2. A learning program to strengthen employees' leadership capabilities

A comprehensive succession planning program covering various levels of positions to ensure continuity of leadership that is skilled, competent, and ready to face future challenges. The leadership program is provided to employees from new entry to executive level (multi-level positions). Information on learning to support leadership capability is provided in the 2023 Annual Report, Tiered Capability Development section.

As part of leadership capabilities development, through the Top Executive Development Program, executive positions have the same rights and opportunities to improve competencies and capabilities, especially in the aspect of leadership. Therefore, BNI includes members of the Board of Directors, members of the Board of Commissioners, and employees one level below the Board of Directors through Executive Education, Continual Mandatory Learning Program (CMLP), Roundtable Mentoring, and Top Executive Sharing.

The Executive Education program is aimed at increasing insight into the latest leadership strategies in the digital era where the program collaborates with some of the best business schools and universities abroad, such as Harvard Business School, London Business School, Columbia Business School, UNSW Business School, Australian Institute

of Management, Kellogg School of Management, Chicago School of Business, IMD Business School, University of Virginia Darden School of Business, and NUS Business School.

3. A learning program to prepare near-retiring employees

BNI provides a Pre Purna Bakti program to equip employees who will retire so that they have self-empowerment strategies and tips for overcoming mental psychological changes, healthy lifestyles, financial planning in retirement, and opportunities to open businesses.

Based on the current CLA, there is a change in the retirement age from 55 years old to 56 years old. Employees with 55 years of age or employees who will retire in 2023 before the change in CLA have been provided with Pre Purna Bakti training in 2022. The realization of Pre-retirement training in 2023 includes training on financial planning, investment, and healthy lifestyle.

4. Postgraduate Education Program

In realizing Employee Value Proposition (EVP) as the best place to learn, grow, and contribute, BNI provides opportunities for employees to develop themselves by pursuing education up to postgraduate level through:

a. Self Development Program (SDP), is a tuition reimbursement program provided for employees who have successfully completed S1, S2, or S3 domestic academic education and met all SDP program requirements. The study program/major that can be selected must be relevant to BNI business, such as Computer Science, Economics & Econometrics, Statistics, Mathematics, Accounting & Finance, Business & Management, and Law.

b. Global Postgraduate Program (GPP), is a global-based employee development program provided in the form of postgraduate scholarships at the best universities abroad included in the top 30 universities per subject area based on QS World University Rankings. GPP is intended for outstanding employees who fall into the talent category and meet all the requirements of the GPP program.

Competency Development on Sustainable Finance [2-17,404-2][FS4]

BNI's seriousness in supporting the implementation of sustainable finance is also evident from the development of training modules on environmental, social and governance (ESG) issues and risks, sustainable finance and sustainability principles. The module development was conducted together with Subject Matter Expert (SME), consultants, and other competent parties. This will help employees to better understand the concept the concept of sustainability and ESG risk management, and be able to analyze the company's sustainability report.

Based on the RAKB, BNI targets to develop employee competencies related to sustainable finance by 100% of total employees by 2023. By the end of the reporting period, 25,643 employees, or 93.0% of total employees, have made some developments related to sustainable finance through the e-learning mandatory program.

In addition to e-learning mandatory, BNI also provides other sustainability training and development programs in which 12,224 employees joined, both permanent and contract employees. The training topics provided include training related to ESG Climate Risk - Net Zero Emission Based Financing; Green Project Financing in Solar, Hydro, Geothermal & Carbon Trading; Subsidized Micro Loan (KUR); Internal Audit Standards & Code of Ethics; and many others. BNI also provides learning related to sustainability through webinars for permanent and

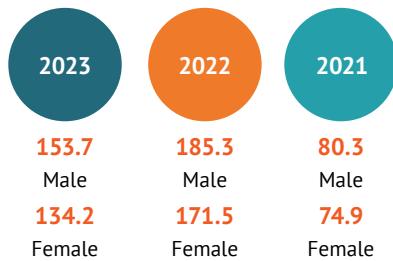
contract employees with topics including BNI's ESG and BUMI Program as a Form of BNI's Support for Achieving Green Economy; Socialization of Permenko No. 1 and No. 2 of 2023 related to Subsidized Micro Loan (KUR); Socialization of the Cooperation Program for BPJS TK Membership Registration through BNI Agen46; and so on. These webinars have been watched by 136,998 viewers.

Throughout 2023, BNI had its 12 members of the Board of Directors and 11 members of the Board of Commissioners join in sustainability related training. The training included topics related to Corporate Communications and Sustainability Summit (BCOMSS) 2023; Environmental, Social, & Governance (ESG) Sub-Committee 2023 and Risk Management Overview (RMO) Forum; Internalization of BNI Work Culture to Improve Risk Culture and Risk Awareness; and through Executive Education Program related to Sustainability; as well as other training topics. In addition, members of the BNI Board of Directors also actively serve as resource persons in various external trainings related to sustainability. In 2023, BNI noted that members of the Board of Directors and Board of Commissioners have become resource persons 12 times with various sustainability topics, including the SESPIBANK Batch 77 Program in 2023: Resilient Leaders for Sustainable Growth, Risk Awareness, Banker Integrity & Ethics, and so on.

Realization of Employee Competency Development

As of the end of December 2023, BNI has held various competency development programs for 27,216 employees ranging from new entry to executive level. Funds realized for competency development reached Rp346.2 billion.

Average Training Hours Based on Gender [404-1]



Average Training Hours Based on Job Level and Gender [404-1]

Job Level	Employees Attending Training		Annual Training Hours		Average Training Hours	
	Male	Female	Male	Female	Male	Female
> Senior Vice President *)	78	27	4,908	1,406	62.9	52.1
Vice President	151	47	30,415	4,070	201.4	86.6
Assistant Vice President	843	404	152,523	69,436	180.9	171.9
Manager	2,016	1,479	361,252	288,716	179.2	195.2
Assistant Manager	5,659	5,847	1,033,522	968,954	182.6	165.7
≤ Assistant **)	4,278	6,387	418,669	571,430	97.9	89.5
Total	27,216		3,905,301		143.5	

Note:

The data presented consists of the categories of permanent and contract employees.

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

**) Consists of: Assistant and Employee

The training data presented above, covers various types of training topics, including those related to banking operations, credit, risk management, sustainable finance, complaint handling, IT, and customer data protection (financial & non-financial). In addition, we also conducted training topics related to credit collection policies, namely basic product knowledge & collection, refreshment collection, and teamwork & negotiation skills.

Use of Technology and Digitalization in Competency Development

In the current digital era, BNI has digitized the implementation of employee training and development by utilizing technology, such as the implementation of e-learning mandatory, Daily Exercise Employee Program (DEEP46) through the BNI Smarter application, the implementation of webinars through the BNI University YouTube Channel, as well as the implementation of learning in collaboration with third parties through digital learning platforms.

All employees are required to learn through e-learning mandatory which then the realization will be reported to the regulator. In a bite-size learning, DEEP46 is present to improve knowledge about employees' daily work. In addition, employee development can be done by participating in webinars and learning on digital learning platforms. All training and development programs are supervised by BNI University, and/or the division/region organizing the training and recorded on the Human Capital Management System (HCMS) platform.

Employee Welfare

Remuneration and Other Benefits for Employees [2-20, 405-2]

According to BNI's remuneration strategy to encourage performance culture, BNI provides remuneration as a form of appreciation to employees based on the performance of each employee. In addition to remuneration, employees can also receive other forms of appreciation in the form of allowances, incentives and other benefits. BNI considers the amount of remuneration based on the level of position. In line with the prevailing regulations, BNI also provides remuneration above the UMP/UMK adjusted in each working area. The provision of remuneration is not gender biased.

Benefits received based on employment status [401-2]

Type of Benefit	Permanent Employee	Contract Employee *)	Trainee
Retirement Benefits	v	v	v
Hari Raya Allowance	v	v	v
Bonus	v	v	x
Healthcare Facilities/Treatment Facilities	v	v	v
Leave Facilities	v	v	v

*) Contract employee allowances/benefits in accordance with the employment agreement agreed by the parties.

In addition to remuneration, BNI also provides leave rights for its employees. Specifically for parental leave, according to the CLA Article 29, female employees are entitled to take maternity leave for 3 calendar months. This leave is also given to female employees who experience accidental miscarriage or abortus provocatus. BNI guarantees that female employees who take maternity leave will be able to return to work with the same status and rights as before the leave. Article 33 of the CLA regulates the parental leave policy for male employees who are entitled to 2 working days leave to accompany their legal wife who gives birth or has a miscarriage. During 2023, a total of 1,323 female employees took maternity leave. A total of 1,323 (100%) employees who took maternity leave have returned to work after the leave period ended.

Retirement Program [201-3]

BNI regulates a retirement program that is applicable to all employees in PKB Article 53. This program is provided with the scheme of Defined Benefit Pension Program (PPMP) and Defined Contribution Pension Program (PPIP) and there is a Retirement Health Fund (DKMP) program that has been prepared since they were still active employees at BNI. In 2023, BNI recorded 674 employees retiring, consisting of 408 male employees and 266 female employees. Through this retirement program, BNI hopes that every employee can have a decent life in old age.



- Defined Benefit Pension Program (PPMP) is available for individuals appointed as permanent employees prior to 1 September 2005 with **7.5%** fee paid by the employees of their basic pension salary per actuarial calculations.
- Defined Contribution Pension Program (PPIP) is for individuals appointed as permanent employees from 1 September 2005 onwards with **3.5%** fee paid by the employees of total cash and **11.5%** paid by the Company of total cash.
- Retirement Period Health Fund Program (DKMP) is a defined contribution program for pre-retirement employees and their spouses that provides health benefits, which have been prepared while the employees are still active.

Performance Appraisal and Career Path [404-3]

BNI provides performance appraisals for all (100%) of its employees, without distinguishing ethnicity, religion, race, intergroup, social status, gender, or other discriminatory matters that potentially violate human rights. The form of this commitment is the performance appraisal mechanism by considering the achievement of individual Key Performance Indicator (KPI).

Performance appraisals are conducted on an annual basis. The performance of each employee is evaluated and assessed based on a self-assessment and one-on-one mechanism with the line manager. Furthermore, BNI uses the results of the performance assessment as a basis for consideration of various aspects, such as reward & remuneration, capability enhancement, and career development.

BNI guarantees equal opportunities for all employees to develop themselves and pursue their careers. Employees who have met the criteria for objective assessment by the staffing committee are entitled to participate in the promotion (and succession) program. In addition, BNI also encourages employees to implement continuous feedback and employee development through One-On-One Discussion between employees and Line Managers at the beginning of the year after performance appraisal to plan the Individual Development Plan (IDP) for the current year.

Composition and Percentage of Permanent Employees with Review [404-3]

Status	Gender	2023	
		Total	%
One-on-One Review of Career Development	Male	12,150	48
	Female	13,310	52
	Total	25,460	100

Promoting Worklife balance

BNI believes that employees are an integral part of the organization in realizing the shared vision and mission. Therefore, in order to realize BNI's vision to create the best conditions for employees as a place of pride to work and achieve, BNI pays attention to Employee Wellbeing through the Employee Wellbeing Guidebook which is a guide for leaders and employees on the importance of wellbeing. Through Employee Wellbeing, it is expected to increase employee engagement so that productivity increases.

Employee Wellbeing programs carried out in their respective units, among others:

1. **BISASAPA**

BISASAPA is a coaching and mentoring culture to improve the quality of communication between employees, both leaders to teams, or among fellow employees. In addition to BISA, there is a SAPA program that emphasizes the habit of employees in greeting each other by name, and the use of 3 magic words, which are sorry, please, and thank you that aim to increase mutual respect between employees.

2. **Let's Get It Done**

Let's Get It Done is a program to improve the quality of meetings to obtain more efficient and effective results, ensure meetings have a clear agenda, and determine the effectiveness of meetings to be the focus in this program.

3. **Wellness Day**

Wellness Day is a program focused on wellbeing activities to provide direction to all employees to do sports activities together on the 10th of every month.

4. **Komunitas BNI**

BNI has several communities formed based on sports, arts, and employee hobbies which are gathered in a container called the BNI community.

In addition, BNI provides Work Hub as an alternative workplace built to support flexible working arrangements and improve employee experience. Through the DigiHC application, employees can see the availability and order Work Hub so that employees can work at their respective domicile locations supported by an internet access network & adequate office equipment. In addition, line managers can monitor the productivity of employees working in the Work Hub through the daily planner feature in DigiHC.

Employee Engagement and Satisfaction

BNI realizes that employee satisfaction at work can encourage good loyalty to the bank. Therefore, BNI uses employee satisfaction survey to interact with employees and monitor their satisfaction. All employees can fill in the survey questionnaire conducted through DigiHC. The survey results conducted will be followed up as a basis for BNI to improve employee satisfaction in the following years. In 2023, BNI obtained an employee engagement level of 96% and employee satisfaction level showed a score of 92%.



Decent and Safe Workplace

Access to Safety and Healthcare Facilities

[403-1, 403-3, 403-4, 403-5, 403-6, 403-7, 403-8]

A healthy, decent, and safe working environment is one of the important aspects in realizing a Respectful Working Place for employees. To achieve this, BNI strives to fulfil supporting facilities, such as dining rooms, nursery rooms, daycare, sports facilities, and so on.

BNI also pays attention to the health and safety of each of its employees, one of which is by providing easy access to health/medical clinics at Grha BNI, Menara BNI, Plaza BNI, and Gedoeng BNI. Employees who need referrals can visit hospitals in the DKI Jakarta area that have collaborated with BNI. As for operational areas outside DKI Jakarta, employees can be referred to hospitals in the nearest city that have also collaborated with BNI. In increasing awareness about the importance of health, BNI also took the initiative to hold webinars and health broadcasts to all employees.

Other facilities to maintain employee safety, namely by providing light fire extinguishers (APAR) and other safety tools, such as cabinets and personal protective equipment (PPE), as fire prevention efforts. Periodically, BNI employees at Grha BNI headquarters, Menara BNI, Plaza BNI, and Gedoeng BNI also conduct fire and earthquake simulations at least twice a year. The simulation can be carried out through BNI's cooperation with the building manager and the local Fire Department. Until the end of the reporting period,

BNI has not formed an OHS committee nor has an OHS policy related to building management. However, BNI's operational buildings have adopted the building's Technical Operating Instructions (PTO) owned by each Building Management as a guideline/guide in dealing with building emergencies. The PTO applies to all (100%) BNI employees.

Incident Reporting Mechanism

[403-2, 403-4]

BNI has a mechanism for submitting permission to rest/leave the office to employees who experience incidents concerning their health and/or safety. The incident reporting mechanism is recorded in Business Continuity Management (BCM) as a guideline for anticipating hazard mitigation. Employees who perceive a potential hazard can report it to the Crisis Management Team (CMT) or Emergency Task Force established by BNI.

Unhealthy employees have the right to apply for permission to leave the office and inform their health condition through DigiHC. BNI also provides a means of complaint for employees who want to report potential hazards, asset damage, or problems related to other building facilities via phone/WhatsApp and minutes of damage by Building Management to facilitate employees in reporting potential hazards or asset damage. During 2023, BNI received 172 complaints related to building facilities with 100% resolution.



06

SUSTAINABILITY GOVERNANCE AND STAKEHOLDER ENGAGEMENT

Commitment to Sustainable Finance Implementation



The Bank has integrated sustainability and Sustainable Finance principles into the Bank's organizational structure from staff to management level with the goal of creating a sustainability culture throughout the Company through the following initiatives:

1. Forming the Environment, Social, & Governance (ESG) Sub-Committee under the Risk Management & Anti-Fraud Committee as per the Board of Directors' Decree No. KP/484/DIR/R of 26 October 2021;
2. Forming a special Department within the ERM Division to monitor the daily sustainability practices internally at BNI;
3. Composing credit policies by taking the Environmental, Social, and Governance (ESG) factors into consideration as well as including the sustainability principles in the Code of Ethics, policies, and Standard Operating Procedure (SOP);
4. Organizing training to enhance employee knowledge on sustainability; and
5. Mapping credit portfolio with high impact on the environment.

BNI has organized various internal programs to ensure the implementation of sustainability, including socialization of the Indonesia Green Taxonomy (THI) to business units, implementation of ESG-based training, Go Green initiative, mandatory e-learning program for all employees, as well as enhancement of ESG awareness through the BNI website and various channels of communication, such as YouTube, email blast, and the Sinergi 46 BNI Magazine. Furthermore, BNI has strengthened its commitment by formulating an ESG framework and roadmap as well as the policy/SOP for their implementation, including sustainable finance.

Sustainable Finance Action Plan (SFAP)

BNI realized Sustainable Finance implementation through composing the SFAP by designing a more structured and detailed plan for the gradual implementation of sustainable finance in business operations while taking the ESG risks aspect into consideration. Additionally, the Bank is committed to complying with existing regulations as well as supporting the Sustainable Finance Roadmap drafted by OJK and Sustainable Development Goals (SDGs) in Indonesia.

In the SFAP formulated in 2024, BNI focuses on improving competitiveness by devising an action plan to fortify BNI's position in facing climate change risks and implementing sustainable finance by conducting the Climate Risk

Stress Test (CRST), constructing the Carbon Project, developing Environmentally Friendly MSME & Go Global MSME, implementing sustainable finance inclusion, and developing other sustainability products.

Furthermore, through the President Director's Decree on the Implementation of Sustainable Finance No. KMP/4/2602, BNI established the Environment, Social, & Governance (ESG) Sub-Committee under the Risk Management & Anti Fraud Committee through Decree of the Board of Directors No. KP/484/DIR/R dated October 26, 2021. BNI has determined the implementation of Sustainable Finance and the division of functions related to Sustainable Finance.

Sustainability Governance Structure [2-9]

In implementing sustainability governance, BNI is supported by its leaders, which are the Board of Commissioners and Board of Directors, being directly engaged in the planning and monitoring of Sustainable Finance. The Bank has an ESG Sub-Committee under the Risk Management & Anti-Fraud Committee. The personnel of the ESG Sub-Committee is comprised of cross-function members in accordance with Directors' Decree No. KP/745/DIR/R dated 26 October 2023.

Chairman	: Vice President Director
Vice Chairman	: Risk Management Director
Secretary	: Head of the Enterprise Risk Management Division (concurrently holding the permanent member position as a non-voting member)
Permanent Member Equivalent to the Board of Directors and SEVP (Voting Member)	<ul style="list-style-type: none"> : Finance Director : Wholesale & International Banking Director : Institutional Banking Director : Enterprise & Commercial Banking Director : Retail Banking Director : Network & Services Director : Technology & Operation Director : SEVP Treasury
Permanent Member Equivalent to the Board of Directors (Non-Voting Member)	<ul style="list-style-type: none"> : Human Capital & Compliance Director
Permanent Member Equivalent Division (Non-voting Member)	<ul style="list-style-type: none"> : Head of Corporate Secretary Division : Head of Policy & Governance Division : Head of Data Management & Analytics Division : Head of Corporate Development & Transformation Division : Head of International Banking & Financial Institutional Division : Head of Subsidiaries Management Division : Head of Procurement & Fixed Assets Division : Head of Treasury Division : Head of Compliance Division : Head of BNI University Division : Head of Human Capital Strategy Division : Head of Human Capital Services Division : Head of Corporate Banking 1 Division : Head of Corporate Banking 2 Division : Head of Corporate Banking 3 Division : Head of Corporate Banking 4 Division : Head of Syndication & Structured Finance Division : Head of Enterprise Banking Division : Head of Commercial Banking 1 Division : Head of Commercial Banking 2 Division : Head of Operational Risk Management Division : Head of Corporate & Enterprise Credit Risk Division : Head of Commercial Credit Risk Division : Head of Consumer Product Division : Head of Retail Productive Banking Division : Head of Small Business Program Division : Head of Card Business Division : Head of Agen46 Division
Non-Permanent Member (Non-Voting Member)	Sector Director/SEVP/Division/Unit Leader related to the topic of discussion

Delegation of Responsibility for ESG Management [2-9, 2-13, 2-14, 2-15, 2-16]

The ESG Sub-Committee was formed as the party responsible for ESG implementation at BNI, with the following key duties:

1. Preparing policies and strategies on ESG management and their amendments;
2. Identifying potential ESG risks impacting BNI and its stakeholders;
3. Monitoring the implementation of Sustainable Finance strategy;
4. Monitoring, evaluating, and giving recommendations on the results of BNI's ESG assessment;
5. Evaluating the implementation of ESG strategy across all BNI's lines of business.

The management of sustainability and ESG aspects is the responsibility of all work units under the monitoring of the Board of Commissioners and Board of Directors. BNI formed the Environment, Social, & Governance (ESG) Management Department under the Enterprise Risk Management (ERM) Division with the following key duties:

1. Developing the ESG framework & roadmap as the Bank's guideline in implementing ESG principles;
2. Developing, reviewing, and evaluating the Bank's Net Zero Emission (NZE) roadmap;
3. Developing the framework, managing, and monitoring climate change risks;
4. Coordinating the implementation of ESG principles and climate change risks across all of the Bank's lines of business, including Subsidiary Entities;
5. Acting as the liaison with external parties relevant to ESG implementation;
6. Carrying out activities as the ESG Sub-Committee Supporting Staff Group (SSG) coordinator;
7. Monitoring and managing the bankwide realization of ESG implementation based on the roadmap;
8. Coordinating the formulation and evaluation of the implementation of the Sustainable Finance Action Plan (SFAP) and/or Corporate Plan relevant to ESG;
9. Monitoring the exposure and reporting to regulators/other external parties relevant to ESG, such as the Green Portfolio, Green Bond, and other ESG-aware bonds.



Enterprise Risk Management Division Organization Structure



Monitoring and Evaluating ESG Management

Summary of ESG risk management at BNI



Policy to Manage Environmental, Social, and Governance (ESG) Risks

[2-13]

The Bank is committed to maintaining the highest ethical standards in operations and reporting which are accountable, accurate, and transparent, as well as compliant to prevailing laws and regulations. Therefore, the Board of Directors and Board of Commissioners play a significant role in supervising the implementation of good governance principles in all work units and ensuring responsible business practices, as well as encouraging the prudence principles in risk management.

The Bank outlined the governance structure, policy, and procedure to assist with the identification and management process of environmental, social, and governance (ESG) risks throughout BNI's value chain.

Risk Identification Procedure in Sustainable Finance Implementation and Management

[2-16, 2-25, 2-26] [FN-CB-550a.2]

There are four pillars of Risk Management in identifying, measuring, monitoring, and controlling Sustainable Finance risks, which are:

1. Active Monitoring by the Board of Commissioners and Board of Directors;
2. Adequacy of Limit Policies, Procedures, and Establishment;
3. Internal Control System;
4. Adequacy of Process of Risk Identification, Measurement, Monitoring, and Management, as well as Risk Management Information System.

Based on identification results, the Bank discovered risks in Sustainable Finance implementation, which include:

No.	Risk	Risk Mitigation [2-25]
ESG risk in banking operations		
1	The Bank's operations bring negative impacts on the environment and community	<ol style="list-style-type: none"> 1. All the Bank's operational offices are at their designated locations. 2. The Bank's operations generate waste in a minimum amount and is included in the form of household waste. 3. The Bank makes efforts to process wastewater by using it for other needs, such as watering plants. 4. The Bank attempts to save on paper use by making digitalization efforts in its operational activities.
2	Digital financial products/services increase the risk of technological crime and threaten customer privacy	<ol style="list-style-type: none"> 1. Identification, assessment, review, and improvement relevant to the digital risk of each of BNI's digital program 2. Identification, assessment, review, and improvement relevant to endurance against cyber crime. 3. Assessing and improving the security maturity of third parties. 4. Assessing the data privacy and data security adequacy by way of end-to-end process.
3	Increase of emissions from the Bank's operations	<ol style="list-style-type: none"> 1. BNI has implemented energy saving in the forms of: <ul style="list-style-type: none"> • Switching off lights during break hours every workday • Using solar energy for lighting the emergency exit areas in BNI's main building • Optimizing meetings through online platform • Optimizing the use of central AC in the Head Office building • Organizing online trainings through Zoom or webinars 2. BNI established the NZE target of operations as well as the strategy to reduce emissions based on the Science Based Target principle.
4	Threat of physical risks (flooding, drought, and forest fire) to the Bank's offices	<ul style="list-style-type: none"> • The Bank has conducted a natural disaster risk analysis on office selection. • In general, the Bank's offices are located in the urban areas, hence not exposed to the risk of forest fire. • BNI has a Business Continuity Management as one of the efforts to mitigate natural disaster conditions.
ESG risk in credit disbursement [FN-CB-410a.2]		
5	Credit disbursement to a high emissions sector	<ol style="list-style-type: none"> 1. The Bank has a Risk Acceptance Criteria (RAC), which contains the minimum requirements that (prospective) debtors must have for sectors with high impact on the environment, such as RSPO/ISPO certification for debtors in the oil palm plantation sector, fulfilling environmental documents, such as AMDAL or UPL/UKL or PROPER as per their business sector. 2. The Bank selectively finances high emissions sectors by taking into consideration the ESG implementation conducted by debtors as well as the energy transition plan made by debtors. 3. The Bank disburses financing in the form of Sustainability Linked Loan to urge debtors to initiate their energy transition.
6	Violation of ESG aspects by existing Debtors	Business units will regularly monitor through the watchlist system and debtor level assessment. If there are any violations made against the ESG aspect, the relevant parties will undergo verification and the level of debtors will be adjusted should there be any evidence of not meeting the determined ESG aspect.
7	Green bond disbursements not in line with their designations	Evaluation and selection of projects with green bond disbursement are led by the ESG sub-committee chaired by the Vice President Director. Distribution is carried out on green projects in accordance with the technical guidelines POJK 51 of 2017. The second party opinion (SPO) has formed its opinion over BNI's green bond disbursements report.

No.	Risk	Risk Mitigation [2-25]
8	Debtors under Sustainability Linked Loan not meeting the agreed upon KPI SPT targets.	A penalty system option is imposed onto debtors for every failure to achieve the agreed upon KPI SPT. An annual review by an independent third party is performed on the credits to evaluate the debtors' performance, including their achievement towards the KPI SPT targets.
Social risk in implementing financial literacy and inclusion		
9	Uneven spread of financial literacy and inclusion beneficiaries	<ol style="list-style-type: none"> Established target market of financial literacy and inclusion beneficiaries. Developing regional mapping on the target market of financial literacy and inclusion beneficiaries. Financial literacy and inclusion is conducted gradually in accordance with mapping results on the target market of financial literacy and inclusion beneficiaries.

Problems, Challenges, Trends, and Impacts of Sustainable Finance Implementation

In implementing sustainable finance, BNI faces various issues and challenges such as the following:

1. BNI faces challenges relevant to supporting activities for Sustainable Finance implementation with an unevenly spread understanding of ESG integration. Going forward, internal capacity building will be carried out through training or e-learning on Sustainable Finance, either conducted by BNI or related (external) parties.
2. The awareness of debtors on ESG needs further improvement, particularly in climate change risk management, considering this requires technological change and considerably hefty costs that may burden the debtors;
3. Challenges for the Bank in creating new sustainable products needed by customers and debtors without disregarding the risk and prudence aspects, particularly in matters of credit risk, cyber security, and customer data security;
4. Digitalization of ESG database management that assists in the bankwide identification and monitoring process of green portfolio and carbon emissions;
5. Standardization of ESG stipulations is considerably varied and complex, which complicates the selection of standards to be fulfilled;
6. The latest ESG stipulations that must be implemented by the banking industry, such as the Climate Risk Stress Test and IFRS S1 & S2, require the Bank to prepare the knowledge, skills, tools, and Human Capital to accommodate said stipulations.

In line with developments in sustainable finance implementation, BNI perceives many changes and opportunities impacting the banking operational activities and financing activities, which include:

1. An increase in green financing opportunities in Indonesia, which requires the Bank to cultivate collaboration by communicating with the government, contacting potential overseas investors, and utilizing partnerships with domestic and international institutions to promote the progress of sustainable finance;
2. A growing awareness from the business world, particularly from the corporate segment beginning to take Environmental, Social, and Governance aspects into consideration when conducting their business;
3. Increasing attention from the government, regulators, and investors regarding the implementation of a sustainable business with the expectation of creating environmentally and socially sound products.
4. Carrying out Environmental and Social Responsibility (CSR) activities to support an environmentally and socially aware portfolio.
5. The opening of sustainable niche markets as the target market for the development of sustainable finance products/services meeting their needs;
6. Development of digital-based financial product/service innovations to reduce the need for customers to commute to branch offices.
7. Collaboration with various parties who have expertise in sustainability issues to develop programs supporting sustainability aspects and SDGs.
8. Encouraging debtors to implement sustainable finance through Sustainability Linked Loan disbursement.

Good Corporate Governance (GCG) Implementation [2-9, 2-10, 2-11, 2-12]

2-19, 2-20, 2-21]

Amid the rise of sustainability issues, the Bank directs the governance organs to be responsible and take action in managing GCG principles. The principles function as the basis in implementing the corporate governance, Sustainable Finance, and sustainability principles at BNI.



BNI has a governance structure that engages the Board of Directors and Board of Commissioners. The Board of Directors manages and supervises operations, whereas the Board of Commissioners supervises the Board of Directors' performance. Each Directorate is led by a Director, with divisions to manage ESG-related matters. The Board of Directors is collectively responsible for the ESG performance within the company. The complete good corporate governance structure is available for access in the 2023 Annual Report on page 612.

Stakeholders have the authority to nominate and appoint the Board of Directors as well as the Board of Commissioners and ratified in the GMS. The Bank guarantees there are no conflicts of interest among the Board of Directors, Board of Commissioners, and Shareholders that may influence the decisions made. Disclosure of information regarding relevant matters is presented in the 2023 Annual Report.

Composition of the Board of Directors and Board of Commissioners [2-11]

Information of the Board of Commissioners, Board of Directors, and its committees in the Annual Report, which is accessible on:

- Board of Directors' Chapter on pages 637-679.
- Board of Commissioners' Chapter on pages 680-749.
- Board of Commissioners' Supporting Organs on pages 750-815.
- Board of Directors' Supporting Organs on pages 816-863.

Knowledge Improvement Relevant to Economic, Social, and Environmental Topics [2-17]

The Board of Directors must continue improving their knowledge and skills to overcome challenges, particularly regarding sustainability issues. Information on competency development of the BNI Board of Directors members is presented on page 87 of this report.

Board of Director's Performance Assessment [2-18]

There are several procedures applied to evaluate and assess the performance of the Board of Directors, which are assessment by the GMS, fulfillment of the Company's performance targets, and GCG assessment. More detailed information on this matter can be viewed in the Annual Report, Board of Director's Performance Assessment on pages 717-719.

Code of Conduct

BNI's prevailing code of conduct holds fundamental principles that sustains the existing vision, mission, values, and regulations. The code of conduct becomes the guideline for all BNI personnel in performing business, and it applies to all BNI Hi-Movers, from the Board of Commissioners, Board of Directors, to all employees.

The implementation of the Code of Conduct is crucial to the good corporate governance and sustainability principles within BNI. The Code of Conduct is socialized through sharing session, internal media, seminar, coaching, and distribution of BNI Code of Conduct pocketbooks. More detailed information on the Code of Conduct can be viewed in the 2023 Annual Report on pages 904-905.

Violations Reporting System [FN-CB-510a.2]

This Whistleblowing System (WBS) of BNI with the name of "WBS to CEO" aims to detect early indications of and prevent violations from occurring in every aspect of the bank's business, including Fraud, Regulation/Law Violation, Conflicts of Interest, Bribery/Gratification/Extortion (Illegal Retribution), and Code of Conduct Violation/Unethical Conducts.

The WBS is managed by an Internal Audit, collaborating with an external party/independent consultant, which is Deloitte, to acquire active participation from the Whistleblower. Hence, the WBS is expected to promote a work climate that is transparent, fair, and responsible. The number of complaints received through WBS can be viewed in the 2023 BNI Annual Report on pages 963-965.



Anti-Corruption, Anti-Bribery, and Anti-Fraud Policies [2-16, 205-1]

[FN-CB-510a.1]

In an effort to preserve the company's reputation, BNI is committed to gaining more trust from all stakeholders. A number of policies have been made effective to manage issues, such as corruption, bribery, and fraud; and they are applied to all BNI's employees, including members of the Board of Directors and Board of Commissioners. The policy relating to Anti-Corruption and Anti-Bribery is established in accordance with the prevailing laws and regulations as well as POJK No. 39/POJK.03/2019 on the Implementation of Anti-Fraud Strategy.



To conduct business activities that are free from corruption, bribery, and fraud, BNI has established several organizations, including the Gratification Control Unit (UPG), Anti-Fraud Unit, Anti Fraud Committee. Reports from these units will be forwarded to the management/Directors. BNI also implements policies and procedures to enforce anti-corruption, anti-bribery and anti-fraud, among others:

1. Employees' signing the Integrity Pact as a form of controlling gratification at the beginning of year.
2. Gratification and Anti-Bribery Declaration in a periodic manner.
3. Development of Code of Conduct that becomes the basis for conduct guideline.
4. Implementation of anti-bribery is in accordance with the anti-bribery management system so that the Bank now has ISO 37001:2016 Anti-Bribery Management System (ABMS).
5. Work Guidelines for the Risk Management & Anti-Fraud Committee have been approved through the Decree of Board of Directors No. KP/745/DIR/R of 26 October 2023 on the Structure of the Risk Management and Anti-Fraud (KRA).
6. Compliance Guidelines on Anti-Fraud Strategy has been stated in the Online Company Guidelines (e-PP) No. IN/0/SAF/002 dated 18 July 2023.
7. Company Guidelines on Administrative Sanction which states employees committing fraud is subject to a single sanction, i.e. termination of employment.
8. The signing of Integrity Pact by Prospective Debtors/Debtors for the credit agreement that has been included in the Credit Company Guidelines concerning the Credit Agreement.
9. The signing of Integrity Pact by Procurement Committee, Pemutus, Chairman of User Unit and/or Implementing Unit, and Procurement Participants has been elaborated in the Company Guidelines of Procurement.

Communication, Socialization, and Training on Anti-Corruption and Anti-fraud [205-2]

BNI conducts socialization to increase awareness about anti-corruption and anti-fraud, including:

1. Mandatory E-Learning on Gratification and SMAP Control on BNI SMARTER in the form of a video that has been accessed and resolved by 25,356 BNI employees.
2. Awareness and socialization on anti-fraud and anti-gratification for employees and other stakeholders.
3. Performing periodic Quality Standards and Morning Briefing.
4. Socializing Gratification and SMAP Control to Outsource Workers (TAD), Bina BNI Officer Development Program (ODP), Secretary to the Board of Directors, Personal Assistant to the Board of Directors and Protocol, as well as all Subsidiaries as BNI's Financial Conglomerate.
5. Encouraging all BNI's employees not to solicit and/or accept any rewards in any form from Third Party and encouraging the reading of Integrity Pact to buttress BNI's commitment concerning gratification control to debtors.
6. Organizing socialization and encouragement related to anti-gratification, SMAP, and corruption prevention guidelines through posters, BNI's website, national mass media, and BNI Forum.
7. Having employees involved in trainings and certifications.

Monitoring, Evaluation, and Follow-Up

Fraud prevention is monitored by the Anti-Fraud Unit in cooperation with the Risk Management & Anti-Fraud Committee. To prevent corruption, bribery, and fraud, the Bank performs an evaluation through Active Monitoring by the Board of Directors and Board of Commissioners. In support of the anti-fraud strategy, the Bank complies with the regulator's stipulations and periodically reports to the Financial Services Authority (OJK) in the form of Anti-Fraud Strategy Report.

Controlling gratification in BNI requires follow-ups and evaluation by sending evidence of all BNI UPG activities to Corruption Eradication Commission (KPK). Of the evaluations led by KPK, BNI scored a maximum 100 for the Gratification Control Program (PPG) and received an Appreciation Certificate from KPK as UPG with the highest score in the category of BUMN/BUMD/Subsidiaries.

The ABMS implementation is reviewed through an audit by an external certification institution every year. In the 2023 Surveillance Audit ABMS, there were no major and minor findings exhibiting BNI's commitment and consistency relating to the ABMS implementation.

The Bank is committed to lowering the number of fraud incidents and preventing corruption through corrective action, which includes the strengthening of the following aspects:

- Human Capital by strengthening integrity and understanding of risks.
- Tools that can help leadership elements in conducting supervision.
- The mitigation and detection of external fraud cases in Card Payment Instruments (APMK) products.
- Risk literacy among customers by giving education to customers via the Bank's official media.

Strict Sanction [205-3]

The Bank will not tolerate corruption, bribery, and fraud acts performed by employees, vendors, business partners, and other stakeholders. Sanctions will be given in accordance with the type of violation in the forms of a letter of warning, reform, demotion, up to termination of employment and demand for recompense. For employees committing fraud, they are imposed a single sanction in the form of termination of employment and other sanctions to prevent any reoccurrences.

Fraud Cases Found [205-3]

Internal Fraud in 1 Year	Number of Cases Committed by									
	Member of Board of Directors and Board of Commissioners			Permanent Employees			Non-Permanent Employees and Outsourced Personnel			
	2023	2022	2021	2023	2022	2021	2023	2022	2021	
Total fraud cases	0	0	0	10	14	9	0	7	3	
✓ Resolved cases	0	0	0	8	14*	9	0	7*	3	
✓ Under resolution process within BNI	0	0	0	2	0*	0	0	0*	0	
✓ No attempt at resolution	0	0	0	0	0	0	0	0	0	
Followed up through legal process	0	0	0	2	2	4	0	1	1	

Note: Fraud cases with a loss above Rp100 million

* Restatement as the fraud findings that had been undergoing a process by BNI up to the end of 2022 were resolved in 2023.

APU-PPT Movement and PPPSPM

The Anti-Money Laundering and Counter Terrorism Financing (APU-PPT) and Proliferation of Weapons of Mass Destruction Prevention (PPPSPM) guidelines are outlined in the Online Company Guidelines (e-PP) No. IN/12/KPN/002 of 3 January 2023. The implementation of APU-PPT program adheres to 5 pillars, which are active oversight by the Board of Directors and Board of Commissioners, Policy and Procedure, Internal Control, Management Information System as well as Human Capital and Training. Once a year, BNI will submit a APU-PPT Program Implementation Report to OJK.

All BNI employees receive regular socialization to increase their awareness towards APU-PPT and PPPSPM through the following:

a. Electronic-based/online-based training via APU-PPT and PPPSPM e-Learning media on BNI Smarter as well as one-on-one training, such as Overseas Business and Cross Border Correspondent Banking trainings which are given to new prospective employees and particular Division/Unit;

- b. Supervision and socialization of APU-PPT and PPPSPM Program implementation in Branch Offices (based on the Branch Risk Rating assessment results) and relevant Division;
- c. Refreshment program on APU-PPT and PPPSPM for BNI's Board of Commissioners and Board of Directors and Subsidiaries;
- d. Employee awareness and competence enhancement by disseminating typology, latest modus, and lesson learned on APU PPT and PPPSPM in a reminder letter to all Branch Offices, Regionals, Division, and Unit.

More detailed information on APU-PPT and PPPSPM can be viewed through <https://www.bni.co.id/en-us/company/corporate-governance/patriot-acts-certification-aml>.

The implementation of APU-PPT and PPPSPM is a part of the internal control in the Bank's operations. In 2023, BNI had no involvement in nor were there any complaint filed related to money laundering and counter terrorism financing and/or proliferation of weapons of mass destruction.



Stakeholder Engagement [2-29, 2-30]

BNI's stakeholder engagement is based on the management's assessment results which take influence, dependency, responsibility, and proximity into account. The Bank also identifies significant issues and the needs of stakeholders.



Customer: Economic relations

Engagement Method	Significant Topics/Issues and Needs	BNI's Response
<ul style="list-style-type: none"> Call center services, branch offices, phone banking, chat (website, WhatsApp Business, Tanya BNI on BNI Mobile Banking and BNI Call Virtual Assistant application), as well as 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 ease of 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

Engagement Method	Significant Topics/Issues and Needs	BNI's Response
<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 Increased investment value (shareholder return). 	<ul style="list-style-type: none"> Periodic information disclosure on BNI performance as per capital market and banking provisions Regular communication with analysts and investors to ensure the information dissemination Increasing the frequency and quality of meeting with investors Strengthening the compatibility of investors' interests with the Bank's policies Exercising the agreed strategies to achieve business targets Comprehensively disclosing information on ESG performance in Sustainability Report Collaborating with external parties, such as Rating Agency, Public Accountant, and others to evaluate credit rating, financial performance, and ESG performance Developing Annual Report and Sustainability Report Strengthening employee capabilities and skills



Employees: Legal relations & stakeholders involved in the achievement of company goals

Engagement Method	Significant Topics/Issues and Needs	BNI's Response
<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 labour relations Availability of Facilities and Infrastructure to carry out activities Welfare provision for work and post-employment periods



Labour Relations: Legal relations

Engagement Method	Significant Topics/Issues and Needs	BNI's Response
<ul style="list-style-type: none"> Meetings and Discussions Discussion of Collective Labor Agreement (CLA) every two years 	Employee rights, remuneration, and benefits	<ul style="list-style-type: none"> Accommodating and identifying proposals and inputs from the Labor Relations Opening communications in case of industrial relations disputes Holding regular meetings in bipartite forum between BNI and labor relations Ensuring the safety and rights of workers through the Collective Labor Agreement (CLA)



Government/OJK: Legal relations/Interest as a Financial Services Institution

Engagement Method	Significant Topics/Issues and Needs	BNI's Response
<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 stipulations 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, retributions and Non-Tax State Revenue (PNBP) in accordance with prevailing 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 reports



Suppliers: Economic and Legal relations

Engagement Method	Significant Topics/Issues and Needs	BNI's Response
Seminars and socialization of policies 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 Socialization of procurement procedure policies



Community: Social relations, social license & social responsibility and proximity to the company

Engagement Method	Significant Topics/Issues and Needs	BNI's Response
Strategic cooperation in BNI's social care through the Social and Environmental Responsibility program	<ul style="list-style-type: none"> Environmental impact and performance Planning and execution of the Social and Environmental Responsibility program Opportunity to collaborate in the Social and Environmental Responsibility 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, Kampoeng 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

Engagement Method	Significant Topics/Issues and Needs	BNI's Response
Press releases when needed and media gatherings every three months	<ul style="list-style-type: none"> Financial and non-financial performance Environmental impacts and performance Implemented and planned CSR programs Opportunity to collaborate on the Social and Environmental Responsibility 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

Verification by Independent Parties



Independent Assurance Statement

The 2023 Sustainability Report of PT Bank Negara Indonesia (Persero) Tbk

Number	: 02/000-174/I/2024/SR-Asia/Indonesia
Assurance	: Type 1 and Type 2 for the specific topic of Economic Performance and Green Portfolio Management, Data Security and Cyber Security
Assurance Level	: Moderate
Reporting Standards	: GRI Universal Standard 2021 Consolidated, GRI Financial Services Sector Supplement, Sustainability Accounting Standard Board (SASB) Financial Sector Commercial Banks, and Sustainable Banking Assessment (SUSBA)
Reporting Regulation	: Financial Services Authority Regulation (POJK) Number 51/ POJK.03/2017 and SEOJK No. 16/SEOJK.04/2021

Dear stakeholders,

PT Bank Negara Indonesia (Persero) Tbk (“the Bank”) has developed and issued a Sustainability Report (“the Report”) for the reporting period of **January 1st to December 31st, 2023**. The Bank is a local government-owned commercial bank in Indonesia located in Jakarta. As a publicly listed company in the Indonesia Stock Exchange (IDX) and in line with its commitment to sustainability, the Bank would like to have the Report adhere to the reporting regulation, as well as follows the global reporting standards and best practices. For that reason, the Bank engaged with Social Responsibility Asia (“SR Asia”) as an AA1000 licensed assurance provider to assess the Report content and come up with this Independent Assurance Statement (“the Statement”).

Intended User and Purpose

In this Statement, we disclose our opinions against the AA1000 standard, findings, and recommendations to the stakeholders regarding the Report content, especially the Bank’s sustainability commitments, governance, strategies, and achievements during the reporting period. SR Asia carried out the assurance work following particular scope, mechanism, and procedures as agreed by the Management. Due to some limitations, except for the areas covered in the scope of assurance work, this Statement or the Report is not intended to be used exclusively as a basis for interpreting the sustainability or the whole performance of the Bank.

Responsibilities

Our responsibilities to the Management are to evaluate the Report content, come up with findings and recommendations, and issue the Statement. SR Asia only evaluated for the latest received editorial and data on the final draft as of January 27th, 2024. We are only responsible to deliver assurance work, NOT an audit, by following the Non-Disclosure Agreement, the Assurance Engagement Agreement, Representation Letter, and Subsequent Event Testing. Except for the Management, we assume having NO responsibilities or accountabilities for any claims to any other individuals or organizations. The Management is solely responsible for presenting data, information, and disclosures in the Report content. Therefore, any parties who depend on the Report and this Statement shall bear and manage their risks.

Independence, Impartiality, and Competency

SR Asia applies assurance mechanisms and procedures based on a professional code of conduct that mandates all works are performed in an objective and truthful manner. There are no members of the



assurance team that has relationships with the Bank that can prevent them to provide an independent and impartial statement. SR Asia also confirms that the appointed assurance team members have adequate skills and expertise in reviewing sustainability reports of organizations in various industrial sectors as well as knowledge of ISO 26000, the principles and standards of AA1000 AccountAbility standards and principles, various reporting regulations, standards, and principles.

Type and Level of Assurance Service

1. **Type 1 assurance** on the Report content.
2. **Type 2 assurance** on Economic Performance Economic Performance and Green Portfolio Management, Data Security and Cyber Security
3. **A moderate level of assurance** to the procedure on the Report content and evidence, where the risks of information and conclusions of the Report being error is reduced, not to very low, but not zero.

Scope and Limitation of Assurance Service

1. Data and information in the Report for the period of **January 1 to December 31, 2023**.
2. Evaluation of publicly disclosed information, system, and process of the Company to ensure adherence of the Report content to the Reporting principles.
3. SR Asia does NOT include financial data, information, and figures in the Report content. We assumed that the Company, independent parties, or other parties associated with the Company have verified and/or audited financial statements, data, and information.
4. Adherence to the following reporting principles, standards, and regulations:
 - a) Regulation of Indonesia Financial Service Authority No.51/POJK.03/2017 and SEOJK No. 16/SEOJK.04/2021
 - b) Consolidated set of GRI Sustainability Reporting Standards 2021 (GRI Universal Standard) and GRI G4 Financial Services Sector Disclosure (GRI-G4 FS) issued by the Global Reporting Initiative
 - c) Sustainability Accounting Standard Board Financial Sector – Commercial Banks
 - d) Sustainable Banking Assessment (SUSBA) World Wide Fund for Nature (WWF)

Exclusion

1. The expression of opinion, belief, expectation, advertisement, and forward-looking statements, including future planning of the Company as specified in the Report content.
2. Analysis or assessment against regulations, principles, standards, guidelines, and indicators other than those indicated in the Statement.
3. Topics, data, and information outside the reporting period, or in the public domain not covered in the reporting period.
4. Financial performance data and information as presented in the Company's financial statements and documents, including mentioned in this Report.

Methodology and Source Disclosure

1. Form an assuror team whose members are capable in sustainability, and sustainability reporting development and assurance.
2. Perform the pre-engagement phase to ensure the independence and impartiality of the assuror team.
3. Hold a kick-off meeting and initial analysis of the Report draft based on the SR Asia Protocol on Assurance Analysis refers to the standards, principles, and indicators of AA1000AS v3, AA1000APS (2018), and standards/regulations used in the Report.



4. Discuss online the results of the analysis with the Management and data contributors.
5. Verify evidence and trace data and information as covered in the Report.
6. The Company incorporated our recommendations in the draft Report and release the final Report content.
7. Prepare the Statement and send it to SR Asia International Director for review to get approval before submitting it to the Company.
8. Prepare a Management Letter detailing all aspects seen, recorded, and observed during the assurance work to the Management of the Company for further improvement of sustainability processes.

Adherence to AA1000AP (2018) and GRI Universal Standards

Inclusivity – The Report shows that the Bank has identified and understand their stakeholders in an inclusive manner. We also appreciate the Bank's dedication to develop formal strategies in maintaining proper communication with stakeholders. In general, the Bank has taken into account and implemented the opinions and expectations from stakeholders through regular meetings and programs.

Materiality – Based on the Report, we recognize and appreciate the Bank's effort to determine material topics by conducting a discussion within management and external parties (consultants and independent observer). Despite the material topics of the Bank has covered both internal and external issues, we encourage the Bank to involve more of their external stakeholders directly during the process of determining material topics.

Responsiveness – The Bank accommodates all inputs from both internal and external parties in proper mechanisms. The Bank has a Whistleblowing System which is carried out in collaboration with an external party to protect their whistleblowers, and for external parties such as customers, the Bank also ensures their customer complaints are conducted in accordance with the service level agreement (SLA). We appreciate that in 2023, the Bank has resolved 99.9% of their incoming complaints, with clear documentations of incomings received from their customers, such as product information, data change requests, and transaction problems.

Impact – The Bank has committed to address inequality, improving the welfare of weaker society, and alleviate poverty by enhancing financial inclusion and financial literacy, which was supported by the assistance of BNI Agen46. In governance aspect, the Bank has zero data breach. The Bank has also enhanced the effectiveness of anti-corruption and anti-fraud policies, resulting in a reduction of number of fraud case findings by 2023 compared to year. In environmental aspects, the Bank has implemented a number of initiatives throughout 2023, in response to the physical and transitional risks of climate change. The implementation of the Bank's green banking commitment by offering environmentally conscious corporate bonds (green bonds) have yielded some favourable outcomes, such as clean energy generation and reduction of GHG emission, which also supports SDG 13 (Climate Actions).

Statement of Use: "In Accordance to the GRI Standards" – We evaluated the Report content against the GRI Universal Standards principles, disclosures, and requirements for reporting. The Bank has complied with nine requirements: apply the reporting principles, report the disclosures in GRI 2: General Disclosures 2021, determine material topics, report the disclosures in GRI 3: Material Topics 2021, report disclosures from the GRI Topic Standards for each material topic, provide reasons for



omission for disclosures and requirements that the organization cannot comply with, publish a GRI content index, provide a statement of use, and notify GRI.

GRI Standards Principles – As the assurance work was taken, the Report content indicates its adherence to the Reporting principles (accuracy, balance, clarity, comparability, completeness, sustainability context, timeliness, and verifiability). The Management provided adequate support during the assurance work by submitting evidence/documents as requested.

Type 2 Assurance – The Bank has shown its commitment towards sustainable business activities in Indonesia and supporting sustainable finance along their increasing trend of sustainable business investment. The Bank's green portfolio management has also been implemented in proper procedures consistently throughout all debtors, especially those who operate in sectors with high environmental risks. In addressing the concern of customers' data privacy and security, the Bank committed to keep developing a safeguard for their customers' safety through evaluation their IT security system continuously.

Recommendation

1. To start an implementation of policy commitment in respect of human rights and perform its due diligence.
2. To provide specific information regarding the base year and the baseline quantity in relation to disclosure of energy and emissions.
3. To implement several strategies in reducing their water consumptions.
4. To calculate the energy produced and utilized from the installation of solar panels.
5. To conduct an assessment which may ensure that their operations and suppliers are not at significant risk for incidents of child labor and forced or compulsory labor.

The assurance provider,

Jakarta, January 31st 2024



Birendra Raturi
International Director
Social Responsibility Asia



Lim Hendra
Country Director for Indonesia
Social Responsibility Asia

Social Responsibility Asia (SR Asia)

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Board of Commissioners' Responsibility Statement

for the 2023 Sustainability Report of

PT Bank Negara Indonesia (Persero) Tbk [2-14]

We the undersigned, Board of Commissioners of PT Bank Negara Indonesia (Persero) Tbk hereby declare that we have reviewed and approved the 2023 Sustainability Report of PT Bank Negara Indonesia (Persero) Tbk and declare that all information in the Sustainability Report is presented in its entirety, and that we take full responsibility for the correctness of the contents of this Sustainability Report.

This statement is hereby made in all truthfulness.

Jakarta, 7 February 2024

Members of the Board of Commissioners



Pradjoto

President Commissioner/Independent Commissioner*



Pahala Nugraha Mansury

Vice President Commissioner*



Sigit Widyanan

Independent Commissioner



Asmawi Syam

Independent Commissioner



Septian Hario Seto

Independent Commissioner



Iman Sugema

Independent Commissioner



Erwin Rijanto Slamet

Independent Commissioner



Askolani

Commissioner



Susyanto

Commissioner



Fadlansyah Lubis

Commissioner



Robertus Billitea

Commissioner

Notes:

*In the process for fit and proper test as a President Commissioner/Independent Commissioner

Board of Directors' Responsibility Statement for the 2023 Sustainability Report of PT Bank Negara Indonesia (Persero) Tbk [2-14]

We the undersigned, Board of Directors of PT Bank Negara Indonesia (Persero) Tbk hereby declare that we have reviewed and approved the 2023 Sustainability Report of PT Bank Negara Indonesia (Persero) Tbk and declare that all information in the Sustainability Report is presented in its entirety, and that we take full responsibility for the correctness of the contents of this Sustainability Report.

This statement is hereby made in all truthfulness.

Jakarta, 7 February 2024

Members of the Board of Directors



Royke Tumilaar
President Director


Adi Sulistyowati

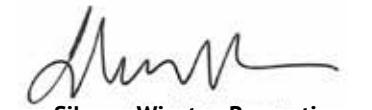
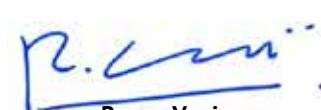
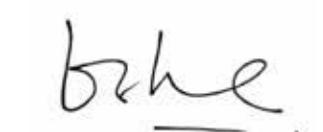
Vice President Director



Corina Leyla Karnalies
Digital & Integrated Transaction
Banking Director


Sis Apik Wijayanto
Enterprise & Commercial Banking
Director
Novita Widya Anggraini

Finance Director


David Pirzada
Risk Management Director
Silvano Winston Rumantir
Wholesale & International Banking
Director
Ronny Venir
Network & Services Director
Muhammad Iqbal
Institutional Banking Director
Putrama Wahju Setyawan
Retail Banking Director
Mucharom
Human Capital & Compliance
Director
Toto Prasetyo
Technology & Operations Director

POJK and SEOJK References, and Indexes of GRI Standards, SASB, and SUSBA

POJK No. 51/POJK.03/2017 and SEOJK No. 16/SEOJK.04/2021

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GRI Standards

Statement of use PT Bank Negara Indonesia (Persero) Tbk has reported in accordance with the GRI Standards for the period 1 January – 31 December 2023

GRI 1 used GRI 1: Foundation 2021

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	2-19	Remuneration policy	Refer to Annual Report (728-737).			
	2-20	Process to determine remuneration				
	2-21	Annual total compensation ratio		Ratio of annual total compensation for the highest paid individual highest paid individual in the organisation against the median total compensation annual total compensation for all employees.	Confidentiality constraints.	The company cannot disclose the data since it is confidential.

GRI Standards	Indicator	Disclosure	Page	Omission			GRI Sector Standard Ref.No
				Requirement(s) Omitted	Reason	Explanation	
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GRI 305: Emission 2016	305-3	Other indirect (Scope 3) GHG emissions	63				
	305-4	GHG emissions intensity	63				
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	305-6	Emissions of ozone-depleting substances (ODS)	63				

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				Requirement(s) Omitted	Reason	Explanation	
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Material Topic: Data Security and Cybersecurity							
GRI 3: Material Topics	3-3	Management of material topics	45				
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	46				
Market Presence							
GRI 202: Market Presence 2016	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	83				
	202-2	Proportion of senior management hired from the local community	80				
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GRI 203: Indirect Economic Impacts 2016	203-1	Infrastructure investments and services supported	74-75				
	203-2	Significant indirect economic impacts	67, 71, 74-75				
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GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	102				
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	205-3	Confirmed incidents of corruption and actions taken	103				
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GRI 206: Anti-competitive Behaviour 2016	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	43				
Tax							
GRI 207: Tax 2019	207-1	Approach to tax	25				
	207-2	Tax governance, control, and risk management	25				
	207-3	Stakeholder engagement and management of concerns related to tax	25				

GRI Standards	Indicator	Disclosure	Page	Omission			GRI Sector Standard Ref.No	
				Requirement(s) Omitted	Reason	Explanation		
Materials								
GRI 301: Materials 2016	301-1	Materials used by weight or volume		Not relevant for banking business				
Water and Effluents								
GRI 303: Water and Effluents 2018	303-1	Interactions with water as a shared resource	64					
	303-2	Management of water discharge-related impacts	64					
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GRI 304: Biodiversity 2016	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	64					
	304-2	Significant impacts of activities, products and services on biodiversity	64					
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	304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	65					
Waste								
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	61, 63					
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	306-5	Waste directed to disposal	63					
Supplier Environmental Assessment								
GRI 308: Supplier Environmental Assessment	308-1	New suppliers that were screened using environmental criteria		Has not been implemented in the current period.				
	308-2	Negative environmental impacts in the supply chain and actions taken		Has not been implemented in the current period.				

GRI Standards	Indicator	Disclosure	Page	Omission			GRI Sector Standard Ref.No
				Requirement(s) Omitted	Reason	Explanation	
Employment							
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	80-82				
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	89				
	401-3	Parental leave	83, 89				
Labor/Management Relations							
GRI 402: Labor/Management Relations 2016	402-1	Minimum notice periods regarding operational changes		Information is confidential.			
Occupational Health & Safety							
GRI 403: Occupational Health & Safety 2018	403-1	Occupational health and safety management system	91				
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	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	91				
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	403-9	Work-related injuries	N/A				
	403-10	Work-related ill health	N/A				
Training and Education							
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	88				
	404-2	Programs for upgrading employee skills and transition assistance programs	85, 87				
	404-3	Percentage of employees receiving regular performance and career development reviews	90				

GRI Standards	Indicator	Disclosure	Page	Omission		GRI Sector Standard Ref.No
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Diversity and Equal Opportunity						
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	79-80, 83-84			
Non-discrimination						
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	78			
Freedom of Association and Collective Bargaining						
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	85			
Child Labor						
GRI 408: Child Labor 2016	408-1	Operations and suppliers at significant risk for incidents of child labor	83			
Forced or Compulsory Labor						
GRI 409: Forced or Compulsory Labor 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	83			
Rights of Indigenous Peoples						
GRI 411: Rights of Indigenous Peoples 2016	411-1	Incidents of violations involving rights of indigenous peoples	76			
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GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	74-75			
	413-2	Operations with significant actual and potential negative impacts on local communities	74-75			
Supplier Social Assessment						
GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria		Has not been implemented in the current period		
	414-2	Negative social impacts in the supply chain and actions taken		Has not been implemented in the current period		
Public Policy						
GRI 415: Public Policy 2016	415-1	Political contributions	43			
Customer Health and Safety						
GRI 416: Customer Health and Safety 2016	416-1	Assessment of the health and safety impacts of product and service categories		Not relevant for banking business		
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services		Not relevant for banking business		

GRI Standards	Indicator	Disclosure	Page	Omission			GRI Sector Standard Ref.No
				Requirement(s) Omitted	Reason	Explanation	
Marketing and Labeling							
GRI 417: Marketing and Labeling 2016	417-1	Requirements for product and service information and labeling	55				
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G4 Financial Sector Supplement 2013

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FS12	Voting policy(ies) applied to environmental or social issues for shares over which the reporting organization holds the right to vote shares or advises on voting	Not relevant for SOEs
FS13	Access points in low-populated or economically disadvantaged areas by type	72
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FS15	Policies for the fair design and sale of financial products and services	42, 54
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FN-CB-000.B	(1) Number and (2) value of loans by segment: (a) personal and (b) small business	26
Data Security		
FN-CB-230a.1	(1) Number of data breaches, (2) percentage involving personally identifiable information (PII), (3) number of account holders affected	45-46
FN-CB-230a.2	Description of approach to identifying and addressing data security risks	45-48
Financial Inclusion & Capacity Building		
FN-CB-240a.1	(1) Number and (2) amount of loans outstanding qualified to programs designed to promote small business and community development	67
FN-CB-240a.2	(1) Number and (2) amount of past due and nonaccrual loans qualified to programs designed to promote small business and community development	29, 67
FN-CB-240a.3	Number of no-cost retail checking accounts provided to previously unbanked or underbanked customers	72-73
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FN-CB-410a.2	Description of approach to incorporation of environmental, social and governance (ESG) factors in credit analysis	34, 35-38, 98-99
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Risk Management System		
FN-CB-550a.1	Global Systemically Important Bank (G-SIB) score, by category	Not relevant
FN-CB-550a.2	Description of approach to incorporation of environmental, social, and governance (ESG) factors in credit analysis into capital adequacy planning, long-term corporate strategy, and other business activities	35-38, 41-42, 97-99

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Attachment : Green Bond Report



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- 03 Allocation Report**
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01 | Introduction

As one of the Banks who are the driving force of Sustainable Finance implementation in Indonesia, PT Bank Negara Indonesia (Persero) Tbk or BNI continuously drives all BNI employees to stay in the forefront of sustainable finance implementation. BNI believes that its actions are in line with and support sustainable development, in addition to improving BNI's resilience and competitiveness.

BNI's commitment in sustainability is marked with the implementation of sustainable values as the Company's values, attitudes, and work cultures, as well as the Company's strategies, operating policies, systems, and procedures. BNI is involved firsthand in the establishment of Indonesia's Sustainable Finance Initiatives (*Inisiatif Keuangan Berkelanjutan Indonesia*, "IKBI") to support and improve the implementation of sustainable finance in Indonesia. Furthermore, BNI also continuously foster partnership opportunities with various parties, to unite our energy to sustain the earth and its entire habitants.

The Financial Services Authority (*Otoritas Jasa Keuangan*, "OJK") has issued the Sustainable Finance Roadmap for Phase I (2015-2019) and Phase II (2021-2025), with the purpose of improving awareness and increasing the capacity of the financial service sector to operate in an environmentally friendly manner. The sustainable finance initiatives developed in the Phase II Roadmap by the Financial Services Authority (OJK) will integrate seven main components in a single ecosystem, consisting of policies, products, market infrastructures, inter-ministerial/institutional coordination, non-governmental support, human resources, and awareness. BNI will extend its contribution in product development and market infrastructures.

As the embodiments of BNI's tangible role commitments to support green financing, BNI issued Rupiah denominated Green Bonds in the amount of IDR5 trillion in June 2022 to support the financing of projects that will help to achieve a greener Indonesia in the future.





02 | Green Bond Framework & Issuance

A. Green Bond Framework

Prior to the Green Bond Issue in March 2023, BNI has developed a Green Bond Framework and engaged Sustainalytics to issue a Second-Party Opinion (SPO). BNI has aligned the Green Bond Framework with the Provisions of the Financial Services Authority Regulation (*Peraturan OJK*, "POJK") No. 60/POJK.04/2017 concerning Issuance and Requirements of Green Debt Securities, Green Bond Principles 2021 (GPB) issued by the International Capital Market Association (ICMA) and the ASEAN Green Bond Standards 2018. The summary of BNI's Green Bond Framework is presented below:

Use Of Proceeds

Proceeds from the Green Bond shall be used specifically to finance or re-finance assets that are directly related with "Eligible Green Projects" in compliance with the Green Bond Principles.

Eligible Green Projects must meet at least one of the following categories:

1. Renewable Energy
2. Energy Efficiency
3. Waste to Energy and Waste Management
4. Sustainable Natural Resources and Land Use
5. Terrestrial and Aquatic Biodiversity Conservation
6. Sustainable Transportation
7. Sustainable Water and Wastewater Management
8. Climate Change Adaptation
9. Green Buildings
10. Sustainable Agriculture

Project Evaluation & Selection

BNI has established the ESG Sub-Committee that is responsible for evaluating and selecting projects that meet the criteria of Green Bond framework.

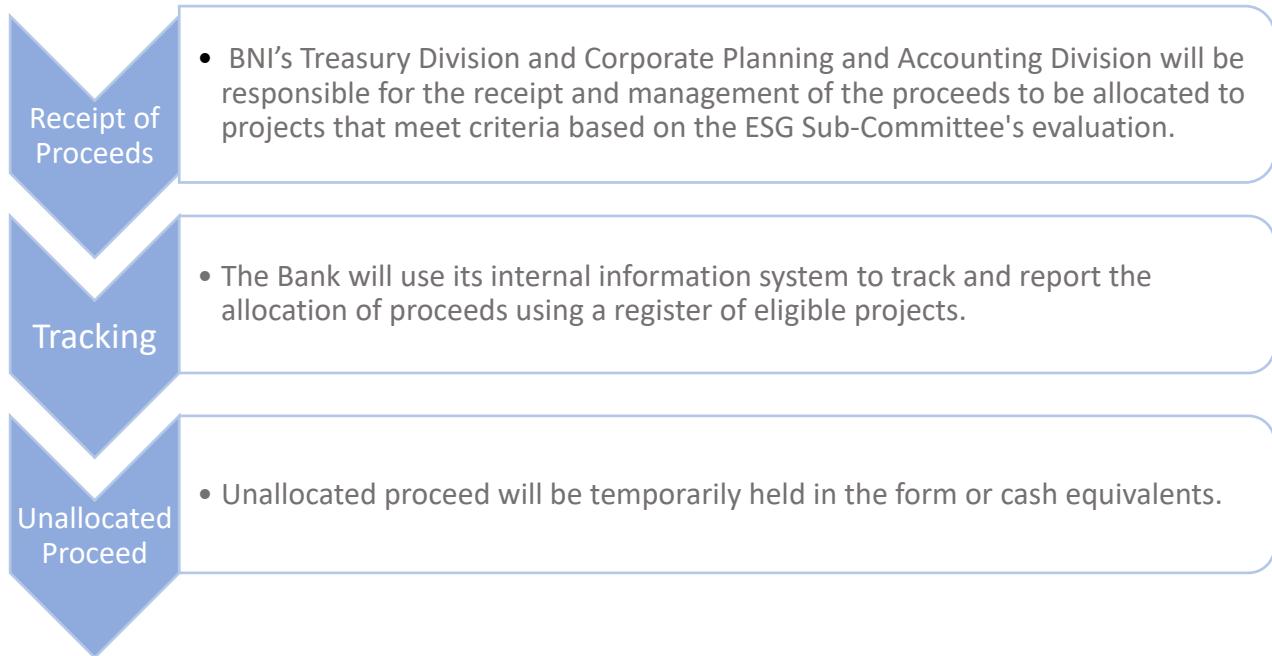
Debtors are required to meet the requirements as BNI's debtors, as determined in the business evaluation conducted by the business unit and the credit risk evaluation conducted by the risk unit.

Debtors meet the RAC (Risk Acceptance Criteria) criteria based on the evaluation of the Bank's Risk Management.



02 | Green Bond Framework & Issuance

B. Management of Use of Proceeds



C. Reporting

Allocation Reporting

BNI will issue a Green Bond Report on an annual basis, beginning at no later than the date that falls one year after the proceeds from the first issuance are received by BNI, in order to provide transparency to investors and regulations in relation to the implementation of the Framework.

Impact Reporting

BNI shall issue the environmental and/or social impacts of eligible assets financed by the issued Green Bonds. Whereas the quantitative positive impact indicators in BNI's Green Bond Report cover the following indicators:



02 | Green Bond Framework & Issuance

1.	Renewable Energy	<ul style="list-style-type: none"> Estimated annual generation of renewable energy in MWh/GWh (electricity) and GJ/TJ (other energy), Estimated annual greenhouse gas emission reduced/prevented in tonnes of CO₂ equivalent
2.	Sustainable Transportation	<ul style="list-style-type: none"> Estimated annual green gas emission reduced/prevented in tonnes of CO₂ equivalent Number of green vehicles launched Estimated kilometers of new or improved railway/special lanes for Bus, BRT, LRT corridors, and bike lanes
3.	Green Buildings	<ul style="list-style-type: none"> Percentage of energy use reduced/avoided vs initial data/local building codes Estimated annual greenhouse gases reduced/avoided vs local initial data/local initial certification level/certification level per property
4.	Waste to Energy and Waste Management	<ul style="list-style-type: none"> Estimated tons of waste diverted or recycled
5.	Sustainable Natural Resources and Land Use	<ul style="list-style-type: none"> Estimated number of hectares protected and/or certified Estimated number of trees planted in reforestation projects certified to FSC/PEFC

D. Issue

On June 21, 2022, BNI issued green bonds with a total principal of Rp5 trillion. The debt securities are divided into 2 series, i.e., A Series, with a total principal value of IDR4 trillion and a term of 3 years, and B Series with a total principal value of IDR1 trillion and a term of 3 years.

The aforementioned transaction represents a number of milestones for BNI, namely:

- The First Green Bond Issue by Banks in Indonesia
- BNI's Green Bond attracted investors during the bookbuilding, where the bonds were oversubscribed by 3.1 times

Deal Summary	
Instrument	: Domestic Green Bonds that are compliant with the provisions of POJK 60/2017 concerning Green Bonds
Total Issue	: IDR5,000,000,000,000 (Five Trillion Rupiah)
	A Series 3-year Term 6.35% in the amount of IDR 4 Trillion
	B Series 5-year Term 6.85% in the amount of IDR 1 Trillion
	Average term of 3.4 years and Coupon of 6.45%
Rating	: idAAA (PEFINDO)
Maturity date	: A Series June 21, 2025
	B Series : June 21, 2027
Settlement date	: June 21, 2022
Use of Proceeds	: Business expansion, refinancing, and reprofiling funding with due consideration to the provisions of POJK 60/2017 (minimum 70% financing for Green Business Activities (KBLU) categories)
Listing	: PT Bursa Efek Indonesia
Final Orderbook	: IDR15,300,000,000,000.
Oversubscription rate	: 3.1x

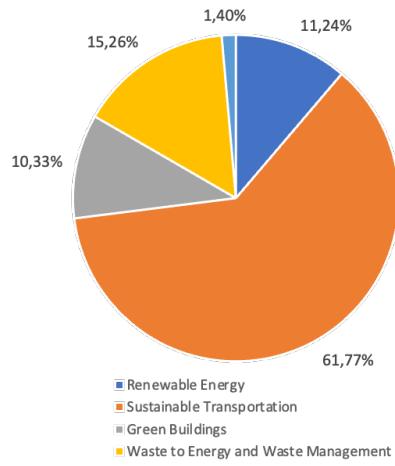


03 | Allocation of Proceeds

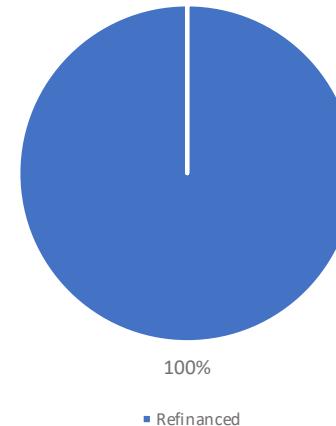
As of December 2022, BNI has allocated 77.06% of proceeds from BNI 2022 Green Bonds. The details of such allocation are presented below :

Eligible Category	Financed/Refinanced	Amount Allocated in IDR Rupiah	Allocation of Proceeds
Renewable Energy	Refinanced	433 Billion	11.24%
Sustainable Transportation	Refinanced	2,380 Billion	61.77%
Green Buildings	Refinanced	398 Billion	10.33%
Waste to Energy and Waste Management	Refinanced	588 Billion	15.26%
Sustainable Natural Resources and Land Use	Refinanced	54 Billion	1.40%
Total		3,853 Billion	100%

Allocation Proportion



Financed vs Refinanced



BNI has allocated 100% of the proceeds from Green Bonds to 10 Green Business Activities (*Kegiatan Usaha Berwawasan Lingkungan*, "KUBL") categories in accordance with the provisions of Financial Services Authority (OJK) Regulation Number 60/POJK.04/2017 concerning Issuance and Requirement of Green Debt Securities (Green Bond). The aforementioned provisions also set out the minimum allocation of proceeds from Green Bonds to financing under KUBL categories at 70% of the issued bond value, therefore, BNI has complied with the requirements concerning allocation of proceeds from Green Bonds. The allocations that are aligned with BNI's Green Bond Framework consisted of 77.06%, where 11.24% was allocated to the Renewable Energy category, 61.77% to the Sustainable Transportation category, 10.33% to Green Buildings category, 15.26% to Waste to Energy and Waste Management and 1.40% to Sustainable Natural Resources and Land Use, from the 10 Categories available under the Green Bond Framework. The remaining proceeds were allocated to other KUBL categories.

04 | Impact Reporting



Renewable Energy

The allocation of proceeds from Green Bonds to Renewable Energy category was made to Solar Power Plants (SPP), Mini-Hydro Power Plants (MHPP), and Biogas Power Plants. These projects are able to provide direct contributions to the provision of access to clean and affordable energy and the improvement of proportion of renewable energy mix as well as the reduction of GHG emission.

Solar Power Plants (SPP)

Solar Power Plants are power plants that utilize potential energy from photovoltaic solar panels that are able to convert solar power to electricity, which can therefore be used to meet the needs for electricity. The Solar Power Plant projects are located in Jakarta (1 SPP), Karawang (3 SPPs), Pulau Geranting, Pulau Akar, Pulau Jaga, Pulau Nuja, Pulang Panjang and Pulang Sebung in Kepulauan Riau (6 SPPs) and the SPPs have total capacities of 1.60 MW, 1.55 MW, 0.288 MW, 0.6058 MW and 0.54 MW, respectively, which are able to produce and directly distribute electricity to the available grids.

Environmental Impact

 **3,037.99** (tCO2eq/year)
Avoided GHG Emission per year

 **3,106.2** MWh
Energy Produced per year

Other Impacts

 **4** Manufacturing
Total Manufacturing that obtained access to renewable energy

 **600** Household
Access to clean and safe energy

 **30** people
Total local residents employed

 **24** people
Total employees receiving training on project operation

Alignment with SDGs :





04 | Impact Reporting



Renewable Energy

Mini-Hydro Power Plants (MHPP)

Mini-Hydro Power Plants (MHPP) are power plants that utilize the potential energy from the watershed area of Cikaengan river, Pandey Village, Pandey District, Garut Regency. Cikaengan MHPP has a capacity of 3×1.7 MW (5.1 MW) and is able to electrify households in Taraju, Tasikmalaya and Cibalang, Garut and increase the percentage of new renewable energy (NRE) mix in the area.

Environmental Impact

 **26,686** (tCO₂eq/year)
Avoided GHG Emission per year

 **25,415** MWh
Energy Produced per year

Other Impacts

 **2** Districts
Total Manufacturing that obtained access to renewable energy

 **30** people
Total local residents employed

 **25** people
Total employees receiving training on project operation

Alignment with SDGs :



04 | Impact Reporting



Renewable Energy

Alignment with SDGs :



Biogas Power Plants

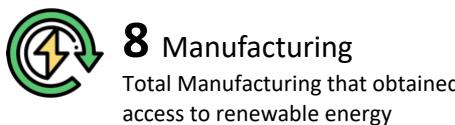
Biogas power plants are power plants that utilize palm oil waste from RSPO/ISPO-certified plantations and cassava waste from tapioca flour processing. The Biogas Power Plants are situated in several locations, namely:

Biogas Power Plants	Energy Capacity (MW)
Biogas Power Plants - Pulau Bulan, Riau Isle	1.2
Biogas Power Plants – Nanga Bulik, Lamandau District, Central Kalimantan Province	1.5
Biogas Power Plants – Pulang Pisau Regency, Central Kalimantan Province	1.5
Biogas Power Plants – Sei Rampah District, North Sumatra Province	1
Biogas Power Plants – East Nabung, Rumbia, Lampung Province	1
Biogas Power Plants – Setia Bumi, Seputih Banyak, Lampung Province	1
Biogas Power Plants – Sukaraja Nuban, East Lampung Regency, Lampung Province	1
Biogas Power Plants – Tulung Buyut, Lampung Province	2

Environmental Impact



Other Impacts



04 | Impact Reporting

Sustainable Transportation

The Jabodebek Light Rail Transit (LRT) project is an electric-powered single track train system project connecting Jakarta with its surrounding cities, such as Bogor, Depok, and Bekasi. The rail-based transportation project will be integrated with the existing transportation modes (Transjakarta buses, commuter lines, bus terminals, park and ride facilities, and the airport) at several stations. The Jabodebek LRT infrastructure project is in construction stage, with total railway length of 27.3 KM. The Jabodebek LRT is targeted to serve a total of 82,350,000 passengers/year. Considering the current status of the project is project under construction, it is expected to contribute to the provision of access to safe and affordable transportation system and to the reduction of GHG emission.

Environmental Impact



Other Impacts



The Jabodebek LRT provides other positive impacts that are beneficial to the people, namely, employing 12,000 construction workers as well as permanent employees; in addition, 490 employees have received training related to project operation. Given its large project scale, the Jabodebek LRT project will continue to involve a significant labor force, both during construction and operational stages.

Alignment with SDGs :



04 | Impact Reporting

Green Buildings

The allocation to Green Building category is made to Building construction projects that meet the Gold standards according to Greenship or higher, which are developed by the Green Building Council Indonesia (GBC Indonesia) or other nationally or internationally recognized standards or environmental performance certification, which consists of six categories, namely, appropriate site development, energy efficiency and conservation, water conservation, material resources & cycle, air quality and comfort, and building and environmental management

The green building is located in Makassar, with 6 floors that function as a mall and 10 floors that function as office space, as well as open green-space with a total area of 4,241 m². The building has obtained the NB Greenship certificate from the Green Building Council Indonesia (GBCI) with Gold rating in 2019.

Environmental Impact

 **69,339** (tCO₂eq/year)
Avoided GHG Emission per year

Certificate

GOLD Level

Other Impacts

 **3** people
Total employees receiving training on project operation

Alignment with SDGs :



04 | Impact Reporting



Waste to Energy and Waste Management

The allocation of proceeds from Green Bonds to the Waste to Energy and Waste Management category was made to waste processing projects including recycling process into secondary raw materials and anaerobic composting projects to become organic fertilizer. These projects are able to contribute to achieving sustainability targets in the form of sustainable management and use of natural resources, responsible management of chemicals and waste, and substantially reducing waste generation in accordance with SDGs 12 and reducing greenhouse gas emissions in accordance with SDGs 13.

The following are projects from Waste to Energy and Waste Management:

- Projects for processing plastic waste which recycled into plastic finished goods.
- Projects for processing aluminum scrap which recycle into aluminum alloy ingots.
- Projects for processing paper waste which recycle into brown paper.
- Project for processing metal ash waste which recycle into secondary raw material in the form Zinc Oxide.
- Project for processing garden waste and/or organic waste which recycle into organic fertilizer.

Environmental Impact



150,410 (Ton/year)

Total raw materials recycled

Other Impacts



918 people

Total local residents employed



349 people

Total employees receiving training on project operation

Alignment with SDGs :



04 | Impact Reporting



Sustainable Natural Resources and Land Use

The Natural Resources and Sustainable Land Use categories are implemented to the forest concession projects that have reforestation with FSC-certified sustainable management plans, which located in Nabire, Central Papua Province and Kaimana, West Papua Province. The project protects and maintains those tree species that able to capture and store carbon dioxide.

Environmental Impact



314,387 (Ha)

Number of hectares protected and/certified



31,269 (Trees)

Number of trees planted in reforestation projects

Other Impacts



25 people

Total local residents employed



180 people

Total employees receiving training on project operation

Alignment with SDGs :



PT Bank Negara Indonesia (Persero) Tbk.

Type of Engagement: Annual Review

Date: June 16, 2023

Engagement Team:

Nilofur Thakkar, nilofur.thakkar@sustainalytics.com;
Maliha Taj, maliha.taj@sustainalytics.com

Introduction

In June 2022, PT Bank Negara Indonesia (Persero) Tbk. (“BNI” or the “Bank”) issued green bonds worth IDR 5 trillion (the “2022 Green Bonds”) based on the PT Bank Negara Indonesia (Persero) Tbk. Green Bond Framework (the “Framework”).¹ The 2022 Green Bonds aimed at refinancing projects which would contribute in the transition to a low carbon economy in Indonesia. In June 2023, BNI engaged Sustainalytics to review the projects funded with proceeds from the issuances (the “Nominated Projects”) and provide an assessment as to whether the projects met the use of proceeds criteria and the reporting commitments outlined in the Framework. Sustainalytics provided a second-party opinion on the Framework in March 2022.²

Evaluation Criteria

Sustainalytics evaluated the Nominated projects funded between June 2022 to May 2023 based on whether they:

1. Met the use of proceeds and eligibility criteria defined in the Framework and
2. Reported on at least one Key Performance Indicator (KPIs) for each use of proceeds category defined in the Framework.

Table 1: Use of Proceeds Categories, Eligibility Criteria and Associated KPIs³

Use of Proceeds Category	Eligibility Criteria	KPIs
Renewable Energy	<ul style="list-style-type: none"> Generation, transmission, and distribution of energy from renewable energy sources to the grid, also to reduce curtailment along the process. The sources will include: <ul style="list-style-type: none"> - offshore and onshore wind - solar - tidal - hydropower (run-of-river without artificial reservoir or low storage capacity/life-cycle carbon intensity below 50gCO₂e per kWh/power density is greater than 10W/m²) - biomass (include waste from forestry and agricultural residues including wood chips, sawdust straw, cane trash, sugarcane bagasse, corn cobs, nut shells, soybean hulls and palm kernel shells from RSPO certified palm operations) 	<ul style="list-style-type: none"> Estimated annual renewable energy generation in MWh/GWh (electricity) and GJ/TJ (other energy) Estimated annual GHG emissions reduced/avoided in tons of CO₂ equivalent

¹ BNI, “BNI Green Bond Framework”, (2022), at <https://www.bni.co.id/en-us/company/bni-esg>

² BNI, “PT Bank Negara Indonesia (Persero) Tbk. Green Bond Framework Second Party Opinion”, (2022); <https://www.bni.co.id/en-us/company/bni-esg>

³ The Framework defines ten categories of green use of proceeds. The Bank has allocated proceeds from the current issuances to five green categories.

	<ul style="list-style-type: none"> - geothermal (with direct emission to be less than 100gCO₂ per kWh) • Research and development of products or technology ("R&D") for renewable energy generation, include turbines and solar panels. 	
Energy Efficiency	<ul style="list-style-type: none"> • Energy efficiency technologies which result in an energy consumption below the average national energy consumption of an equivalent technologies. The technologies could be related to building infrastructure including LEDs, Building Management System, high efficiency windows/doors (low U-value), green/cool roof, heat metering and thermostatic controls, and energy efficient HVAC systems (heating, ventilation, and air conditioning). • R&D and their implementation that reduces energy consumption of underlying asset, technology, product, or system(s) as mentioned above. 	<ul style="list-style-type: none"> • Estimated annual energy savings in MWh/GWh (electricity) and GJ/TJ (other energy) • Estimated annual GHG emissions reduced/avoided in tons of CO₂ equivalent
Waste to energy and waste management	<ul style="list-style-type: none"> • Improving waste management to apply to assets and projects relating to the following aspects of the treatment of municipal solid waste: <ul style="list-style-type: none"> - Collection (including collection infrastructure and vehicles). Collection vehicles will meet the following criteria: <ul style="list-style-type: none"> 1)Light commercial vehicles either electric or hybrid with direct emissions below 75 gCO₂e/km; 2)Commercial heavy trucks with zero direct emissions or direct emissions below 25 gCO₂/tkm. - Sorting to separate recyclables - Reuse and recycling (including processing into secondary raw materials and repair) - Composting & anaerobic digestion of garden/yard and food waste - The installation of gas recovery systems for landfill sites (for non-operational landfill sites only). Landfill gas capture for energy generation will have high gas capture efficiency of 75% or more. • Transforming waste to renewable energy source • Processing of recyclable waste fractions into secondary raw materials, such as steel, aluminum, glass, and plastics. 	<ul style="list-style-type: none"> • Estimated tons of waste diverted or recycled • Number of new facilities, systems and equipment used to process recyclable waste
Sustainable Natural	<ul style="list-style-type: none"> • Sustainable management of natural resources which substantially avoids or reduces carbon loss/increases carbon 	<ul style="list-style-type: none"> • Estimated number of hectares protected and/or certified

Resources and Land Use	<p>sequestration (through planting of new forest areas and/or replanting of degraded areas, the use of drought/flood/temperature resistant species).</p> <ul style="list-style-type: none"> Reforestation projects which have a sustainable management plan certified to FSC/PEFC that will only plant tree species that are well-adapted to the local site conditions. 	<ul style="list-style-type: none"> Estimated number of trees planted in reforestation projects certified to FSC/PEFC
Terrestrial and aquatic biodiversity conservation	<ul style="list-style-type: none"> Habitat and biodiversity conservation through sustainable management of: <ul style="list-style-type: none"> fisheries/aquaculture which projects are certified by a recognized and credible third party standard (MSC/ASC) what will be accompanied by conservation management plans as aligned with market practice. forestry projects which are certified with FSC/PEFC/SFI. Protection of coastal and marine environments 	<ul style="list-style-type: none"> Estimated number of nautical miles protected and certified Estimated number of hectares purchased/protected and certified
Sustainable transportation	<ul style="list-style-type: none"> Infrastructure of sustainable/eco-friendly vehicles as follows: <ul style="list-style-type: none"> Zero-direct emissions vehicles (electric, battery, hydrogen, and fuel cell vehicles, etc.) Hybrid passenger and light commercial vehicles below 75 gCO₂e/km, Buses below 50 gCO₂e/pkm, Commercial heavy trucks below 25 gCO₂/tkm, Passenger rail below 50 gCO₂/pkm, Freight rail below 25 gCO₂/tkm (with fossil fuel freight is not more than 25% of the freight transported (tonne/km) Infrastructure for active mobility including bicycles R&D for technology to improve sustainable transportations with criteria as mentioned above 	<ul style="list-style-type: none"> Estimated annual GHG emissions reduced/avoided in tons of CO₂ equivalent Number of clean vehicles deployed Estimated kilometres of new or improved train lines/dedicated bus, BRT, LRT corridors, bicycle lanes
Sustainable water and wastewater management	<ul style="list-style-type: none"> Sustainable infrastructure for clean and/or drinking water Sustainable urban drainage systems and other forms of flooding mitigation which are identified based on a vulnerability assessment as necessary adaptation project Wastewater treatment 	<ul style="list-style-type: none"> Reduction in water consumption of economic activities Annual absolute water uses before and after the project Wastewater treated to appropriate standards Percentage of total waste prevented, minimized, reused, or recycled
Climate Change Adaptation	<ul style="list-style-type: none"> R&D or production of infrastructure which are more resilient to impacts of climate 	<ul style="list-style-type: none"> Number of new facilities, systems and equipment used

	<p>change, such as climate observation and early warning systems</p> <ul style="list-style-type: none"> Financing of climate resiliency projects, such as drainage systems, flood prevention, flood defenses or stormwater management such as wetlands, retention berms, reservoirs, lagoons, sluice gates, drainage systems, tunnels and channels, protection from heat-stress. 	in order to support climate resiliency
Green Buildings	<ul style="list-style-type: none"> Developing green buildings in line with Greenship Gold standard or above, developed by Green Building Council Indonesia (GBC Indonesia) or other national or internationally recognized standards or certifications for environmental performance, which contains six categories: <ul style="list-style-type: none"> - Appropriate site development - Energy efficiency and conservation - Water conservation - Material & resources cycle - Air quality & leisure air (water indoor health & comfort) - Building & environment management 	<ul style="list-style-type: none"> Percentage of energy use reduced/avoided vs local baseline/building code Estimated annual GHG emissions reduced/avoided vs local baseline/baseline certification level Level of certification by property
Sustainable Agriculture	<ul style="list-style-type: none"> Developing sustainable agriculture management and methods, such as no-till farming systems, crop rotation for carbon sequestration, soil recovery, and minimal or no use of synthetic pesticides or fertilizers. 	<ul style="list-style-type: none"> Number of hectares of farmland converted to sustainable agriculture practices or number new sustainable agriculture certifications

Issuer's Responsibility

BNI is responsible for providing accurate information and documentation relating to the details of the funded projects, including description of projects, amounts allocated and project impact.

Independence and Quality Control

Sustainalytics, a leading provider of ESG research and ratings, conducted the verification of the use of proceeds from BNI's green bond. The work undertaken as part of this engagement included collection of documentation from BNI and review of said documentation to assess conformance with the Framework.

Sustainalytics relied on the information and the facts presented by BNI. Sustainalytics is not responsible nor shall it be held liable for any inaccuracies in the opinions, findings or conclusions herein due to incorrect or incomplete data provided by BNI.

Sustainalytics made all efforts to ensure the highest quality and rigor during its assessment process and enlisted its Sustainability Bonds Review Committee to provide oversight of the review.

Conclusion

Based on the limited assurance procedures conducted,⁴ apart from the exception noted in Table 2 below, nothing has come to Sustainalytics' attention that causes us to believe that, in all material respects, the reviewed projects do not conform with the use of proceeds criteria and reporting commitments in the Framework. BNI has disclosed to Sustainalytics that as of December 2022, of the total IDR 5 trillion raised from 2022 Green Bonds, 77.06% of the proceeds were allocated to refinancing eligible projects as aligned with the Framework while the remaining 22.94% of the proceeds have been invested in activities beyond the scope of the Framework.

Detailed Findings

Table 2: Detailed Findings

Framework Requirements	Procedure Performed	Factual Findings	Error or Exceptions Identified
Use of Proceeds Criteria	Verification of the projects funded with proceeds from the 2022 Green Bonds from June 2022 to May 2023 to determine if projects aligned with the Use of Proceeds criteria outlined in the Framework and above in Table 1.	An exception has been identified for 22.94% of the proceeds as they are not aligned with eligible categories under the Framework criteria. BNI has committed to reallocate these proceeds to eligible projects by second half of 2023.	An exception has been identified under the allocation of proceeds
Reporting Criteria	Verification of the projects funded with proceeds from the 2022 Green Bonds from June 2022 to May 2023 to determine if impact of projects was reported in line with the KPIs outlined in the Framework and above in Table 1. For a list of impact indicators reported please refer to Appendix 2.	All projects reviewed reported on at least one KPI per use of proceeds category.	None

⁴ Sustainalytics limited assurance process includes reviewing the documentation relating to the details of the funded projects, including description of projects, their estimated and realized costs and impact, as provided by the issuing entity, which is responsible for providing accurate information. Sustainalytics has not conducted on-site visits to projects.

Appendices

Appendix 1: Allocation Reported by Eligibility Criteria

In June 2022, BNI issued green bonds with a total principal of IDR 5 trillion (USD 33 million). The debt securities were divided into 2 series, i.e. A series, with a total principal value of IDR 4 trillion (USD 26 million) and B Series with a total principal value of IDR 1 trillion (USD 6 million).

As of December 2022, the total amount allocated to Nominated Projects was IDR 3,853 billion (USD 25 million) all of which was used towards refinancing projects under Renewable Energy, Sustainable Transportation, Green Buildings, Waste to Energy and Waste Management and Sustainable Natural Resources and Land Use. The table below provides a detailed break-up of the allocation of net proceeds category-wise.

Use of Proceeds Category	Amount Allocation (IDR billion)
Renewable Energy	433
Sustainable Transportation	2,380
Green Buildings	398
Waste to Energy and Waste Management	588
Sustainable Natural Resources and Land Use	54
Total proceeds allocated	3,853

Appendix 2: Impact Reported by Eligibility Criteria⁵

Use of Proceeds Category	Green Projects	Impact
Renewable Energy	Solar Power Plants ⁶ (SPP)	<ul style="list-style-type: none"> • Avoided GHG Emissions per year(tCO₂eq/year) = 3,037.99 • Energy Produced per year (MWH) = 3,106.2
	Mini Hydro Power Plant ⁷ (MHPP)	<ul style="list-style-type: none"> • Avoided GHG Emissions per year(tCO₂eq/year) = 26,686 • Energy Produced per year (MWH) = 25,415
	Biogas Power Plants ⁸ (BPP)	<ul style="list-style-type: none"> • Avoided GHG Emissions per year(tCO₂eq/year) = 24,863 • Energy Produced per year (MWH) = 25,834
Sustainable Transportation	Jabodebek Light Rail Transit (LRT) project	<ul style="list-style-type: none"> • Avoided GHG Emissions per year(tCO₂eq/year) = 109,823 • Energy saving per year (GJ) = 1,568,897
Green Buildings	Commercial building	<ul style="list-style-type: none"> • Certification Level Achieved = Gold • Avoided GHG Emission per year (tCO₂eq/year) = 69,339

⁵ For more information on projects funded by the 2022 Green Bonds and reported impact is available in the BNI Green Bond Report 2023 available on BNI's website on the ESG page at: <https://www.bnib.co.id/en-us/company/bni-esg>

⁶ The Solar Power Plant projects are located in the Jakarta (1 solar power plant), Karawang (3 solar power plants), Pulau Geranting, Pulau Akar, Pulau Jaga, Pulau Nuja, Pulang Panjang and Pulang Sebung in Kepulauan Riau areas and the plants have a capacity of 1.60 MW, 1.55 MW, 0.288 MW and 0.6048 MW and 0.54 MW

⁷ BNI has confirmed that the MHPP operate according to river flow.

⁸ BNI has confirmed that the biogas power plants use RSPO certified palm oil waste.

Waste to Energy and Waste Management	Projects for processing waste which includes plastic waste ⁹ , aluminum waste, paper waste, metal waste, garden waste and organic waste	<ul style="list-style-type: none"> Amount of waste recycled (Ton/year) = 150,410
Sustainable Natural Resources and Land Use	Forest concession projects ¹⁰	<ul style="list-style-type: none"> Number of hectares protected and/certified (Ha) = 314,387

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The issuer is fully responsible for certifying and ensuring the compliance with its commitments, for their implementation and monitoring.

In case of discrepancies between the English language and translated versions, the English language version shall prevail.

⁹ BNI has confirmed that plastic processing does not involve chemical processing of plastic.

¹⁰BNI has communicated that the forest concession projects have reforestation with FSC-certified sustainable management plans that protects and maintains tree species that able to capture and store carbon dioxide and also well-adapted in locations.

About Sustainalytics, a Morningstar Company

Sustainalytics, a Morningstar Company, is a leading ESG research, ratings and data firm that supports investors around the world with the development and implementation of responsible investment strategies. For more than 30 years, the firm has been at the forefront of developing high-quality, innovative solutions to meet the evolving needs of global investors. Today, Sustainalytics works with hundreds of the world's leading asset managers and pension funds who incorporate ESG and corporate governance information and assessments into their investment processes. Sustainalytics also works with hundreds of companies and their financial intermediaries to help them consider sustainability in policies, practices and capital projects. With 17 offices globally, Sustainalytics has more than 1500 staff members, including more than 500 analysts with varied multidisciplinary expertise across more than 40 industry groups.

For more information, visit www.sustainalytics.com

Or contact us contact@sustainalytics.com





Feedback Sheet

PT Bank Negara Indonesia (Persero) Tbk publishes a Sustainability Report to provide an overview of sustainability performance and the implementation of sustainable finance to stakeholders. We welcome feedback, criticism and suggestions from you after reading this Sustainability Report.

YOUR PROFILE

Name (if preferred) :
Institution/Company :
Email :
Phone :

STAKEHOLDER GROUP

Government/OJK Shareholder/investor Customer Employee Supplier
 Business organization Media Labor union Community Others
.....

Please select the answer that best describes the question below.

	Yes	No
1. This report is easy to understand.	()	()
2. This report is useful to you.	()	()
3. This report has clearly explained the sustainability performance. This report has disclosed material topics relevant to the Company.	()	()

Other suggestions for improving the information in this report

Thank you for your participation.

We would like to thank you for any feedback, suggestions, and input for the improvement and progress of this report in the coming year. The return of forms and other matters related to the 2023 Sustainability Report can be submitted to:

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