

Live to Impact



SUSTAINABILITY
REPORT

2022

PT BANK CENTRAL ASIA Tbk

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The background of the page features large, overlapping, semi-transparent circles in shades of blue, yellow, and purple. On the left side, a person's hand is visible, holding a piece of fabric with vertical stripes in red, blue, and yellow. The overall aesthetic is modern and vibrant.

Live to **Impact**

BCA inspired to engage all stakeholders to bring positive impacts on our environment. We relentlessly implement innovative initiatives to sustainably achieve the Environmental, Social, and Governance (ESG) aspects. BCA will constantly uphold this ESG values to support the achievement of the Sustainable Development Goals (SDGs).



Board of Directors' Message

[2-11, 2-12, 2-14, 2-22]

”

The spirit of "Recover Together, Recover Stronger" promoted and reverberated by Indonesia as the host of the G20 presidency in 2022, inspires BCA to continue creating positive impacts and collaborating with all stakeholders in implementing sustainability practices. We relentlessly uphold sustainability values and are excited to bring benefits to future generations.

Jahja Setiaatmadja
President Director

Dear respected stakeholder,

We entered a recovery period in 2022, following more than two years of encountering the COVID-19 pandemic. All of us, including BCA, learned valuable lessons with the changes in business models while adapting to new ways of working. We saw the crucial role of financial services in sustaining the economy and stimulating growth. Instilling sustainability principles is essential to building a responsible and sound financial services sector. As part of the financial industry, BCA is committed to carrying out business sustainability and supporting economic sustainable through creating positive impacts on environmental, social, and governance aspects.

BCA continues to evolve and transform in accordance with customer needs, and acknowledges the importance of environmental conservation. The adoption of our hybrid model is strengthened through digitalization advancements that have significantly accelerated the volume of online transactions. Digitalization has brought larger positive impacts, such as wider financial access for the public, reduced paper and energy use, and decreased fuel consumption for transportation, thus leading to lower pollution. BCA digitalization has resulted in 99.5% of total transactions value conducted via digital channel, while the remaining 0.5% was through branch. During 2022, BCA recorded digital transactions amounting to a value of Rp25,176 trillion, an increase of 18.1% compared to the previous year. The pronounced impact of digitalization includes the high use of the online account opening service, which reached 4.2 million accounts in 2022, undisputably offering more convenient, affordable, and wider access to banking for all levels of society and reaching remote areas. BCA connects the needs of consumers and the business ecosystem through the development of various digital channels that provide efficiency, security, and convenience in customer transactions.

Business sustainability has become a significant part of BCA's strategy. We support the Sustainable Development Goals (SDGs) programs by constantly promoting the digitalization of banking services and digital technology-based innovation. Environmental, social and governance (ESG) aspects are increasingly enhanced and integrated into day-to-day operations and business activities. Customers, debtors and all BCA staff are educated and encouraged to exercise sustainable practices. Through Bakti BCA, our signature CSR program, we conserve the environment and biodiversity and contribute to community development. Our commitment to consistently applying the principles of sustainability will increase stakeholder trust, which will ultimately provide long-term added value for BCA.

Achievements in Sustainability and Sustainable Finance

Financing Performance of Sustainable Business Activities

BCA's contribution to sustainable financing increased in 2022, surpassing the target set earlier. The Sustainable Financing portfolio reached Rp183.2 trillion, growing 14.9% YoY and contributing 25.4% to BCA's total portfolio (loan and corporate bond). Sustainable financing consists of green financing and MSME financing, with the portfolio composition of 44.2% and 55.8% respectively.

We are actively seeking opportunities in green financing, such as in the sustainable natural resources and land use sector, renewable energy, energy efficiency, sustainable transportation & green buildings, sustainable water & wastewater management and eco-efficient products. Green financing reached Rp80.9 trillion, up 13.5% YoY. Green financing is supported by the sustainable natural resources and land use sector, which



amounted to Rp66.1 trillion or 81.8% of total green financing. Most of the financing for the sustainable natural resources and land use sector is disbursed to the certified palm oil industry, amounting to Rp39.4 trillion. The total number of certified debtors is 59 debtors consisting of 16 debtors for RSPO, 30 for ISPO and 13 for both RSPO and ISPO, equivalent to 65.6% of the total financing debtors of the palm oil sector.

BCA's financing in the MSME sector continues to increase year by year, reaching Rp102.3 trillion in 2022, a growth of 16.0% YoY. We launched various programs to boost the recovery of MSMEs, such as the BCA UMKM Fest, ESG-based loan programs for MSMEs debtors and special MSME loan programs for women. As part of the "*Bangga Buatan Indonesia*" a National Movement to promote local products, we held UMKM Fest from August to September 2022, whereby the event was joined by 1,250 merchants across Indonesia, generating more than 45,000 transactions with sales volume reaching Rp14.6 billion. The event facilitated business matching among 86 merchants.

BCA continues to improve the quality of sustainable financing. Current policies include application of exclusion lists; assessment of Environmental Impact Analysis (AMDAL); and Corporate Environmental Management Performance Rating (PROPER). Further, the Bank set up five credit policies for high risk sectors that are exposed to potential environmental damage. The sectoral credit policies cover palm oil & plantation industry, coal mining, toll road, timber & forestry, cement and steel. BCA has been chosen as one of the banks participating in the OJK's pilot project, mapping debtors according to the Indonesia Green Taxonomy (THI) framework. The results of this mapping are expected to encourage debtors to apply sustainability practices in their business activities, generating added value and increasing competitiveness.

Sustainable Finance performance must be supported by excellent human resources within their relevant areas. During 2022, 1,002 staff or 27.1% of BCA's total employees, who are in credit divisions, received sustainable finance training, exceeding the target of 25%. The training focused on THI.

Environmental Performance

In support of the Indonesian Government's efforts to achieve a low-carbon economy, BCA launched initiatives for eco-friendly banking operations. Our initiatives include waste management and recycling activities; development of digital banking products/solutions; digitalization of internal work process; environmentally friendly building; and nature conservation activities. All these initiatives have contributed to carbon emission reduction, equivalent to 1,995.8 tCO₂, or an increase of 125% from 2021.

BCA supports the circular economy by collaborating with various communities through waste management and recycling initiatives. We managed 518.1 tons of waste for recycling. The waste consisted of 436 tons of archives, 48.5 tons of non-organic waste, 22.7 tons of damaged EDC machines, 7 tons of damaged ATM cartridges machines, 3.3 tons of used cards and 500 kg of used staff uniforms. The recycling of paper archives and non-organic waste was equivalent to saving more than 29 thousand trees, and potentially reducing carbon emissions equivalent to 348.9 tCO₂.

To encourage customers in implementing an environmentally friendly lifestyle, including in banking transactions, BCA offers a variety of financial transaction features that are aligned with the principles of sustainability. Customers are solicited to optimize their use of digital channels to support their daily activities, for example mobile banking apps m-BCA and myBCA, internet banking, and Halo BCA contact center, which is also available in an app, namely HaloBCA App. The App offers toll free communication lines, accessible domestically and internationally, providing ease of service for obtaining relevant information, and handled 7.2 million services. Expansion of digital banking solutions and internal business process have resulted in energy saving and reduction of carbon emissions. This initiative accounted for carbon reductions equivalent to 1,458.3 tCO₂ emissions.

Wisma BCA Foresta, which has been in operation since 2020, is an environmentally friendly building, with features including solar panels, water recycling and rainwater harvest tanks that allow zero waste water. The building is also equipped with a Public Electric Vehicle Charging Station facility for public use. Wisma BCA Foresta won first place in the Energy-Saving Buildings category, the New Building Sub-category, at the 2022 Subroto Energy Efficiency Award. With this achievement, BCA will represent Indonesia at the 2023 ASEAN Energy Award for the banking sector category.

Through CSR, branding namely Bakti BCA, we planted 24.6 thousand trees in 22 locations. This initiative provided ecological benefits, such as reducing carbon emissions, nature restoration, and climate preservation. In addition, the economic benefits are enjoyed by local communities. This initiative equated to a reduction of 39.7 tCO₂ carbon emissions.

Social Performance

Financial inclusion is an important part of socio-economic initiatives. For this reason, BCA continues to optimize the use of digital technology and digital payment instruments, on top of strengthening consumer protection. Digitalization is a key component of an inclusive economy especially in remote areas, outside the reach of BCA branches and ATMs. Digitalization at BCA aims to increase productivity for business segments, including the development of a digital loan platform that provides fast and convenient services to prospective MSME debtors while maintaining prudent principles.

BCA consistently organizes CSR programs under the Bakti BCA umbrella to make positive impacts on communities. Bakti BCA activities cover education, health, cultural preservation, financial literacy, community development and empowerment as well as philanthropic activities. A total of Rp143.1 billion in CSR funds were disbursed in 2022. In the area of community development, BCA added three new assisted tourism villages in 2022, namely Keloebie

village in Bangka Belitung, Bilebante village in Lombok, and Taro village in Bali, bringing the total number of assisted tourism villages to 15. In addition, BCA cooperates with the Ministry of Tourism and Creative Economy to support 10 villages (BCA Partner Villages) to transform them into new leading tourist destinations.

BCA's SYNRGY program encourages the growth of talent and supports the digital economy in Indonesia. This program runs in two tracks which are: SYNRGY Accelerator and SYNRGY Academy. SYNRGY Accelerator is a startup acceleration program as well as a collaboration platform between the startup community and the BCA group. In 2022, BCA launched the 5th batch of SYNRGY Accelerator, adding to a total of 6 start-ups in the program. SYNRGY Academy is a scholarship program for young Indonesians who wish to become digital talents and to work in the area of IT. During 2022, there were more than 8,000 applicants participating in the SYNRGY Academy, separated into 3 batches.

Every employee is a valuable asset to BCA. As part of managing the internal social aspects of the Bank, the employees' health, safety & welfare are our priority, alongside key talent development. There were no major incidents at work during 2022 that affected the health, safety and welfare of employees. Furthermore, BCA provides equal opportunities for men and women to pursue their careers within the organization. As many as 2,982 employees received promotions, and 2,739 new employees were recruited to fill various positions at BCA.

Governance Performance

We realize that the digitalisation of financial services will continue to accelerate and leading to wider financial inclusion. The acceleration of digital banking services must be balanced with robust data security and privacy systems to secure customer's trust. Therefore, BCA pays close attention to data security and privacy systems, as well as cyber security management. We are in compliance with the Law on Personal Data Protection enforced in Indonesia,



and implement a privacy and data security policy. We implement ISO 27001 certification standards for data center networks and operations as well as enterprise security. BCA's IT & Enterprise Security budget reached Rp5.3 trillion in 2022, an increase of 67% from 2021. The number of employees in IT & Enterprise Security increased with 306 new recruits in 2022, increasing by 21.7% from 2021.

We are grateful that all our sustainability efforts have been recognized at national and international levels. BCA managed to increase the MSCI ESG Ratings to AA, and become one of the Top 10 Constituents of the FTSE4Good ASEAN 5 Index. BCA also earned a score of 87 and ranked 16th (out of 1,064 banks) from the Refinitiv ESG Score, and listed on the SRI-Kehati Index.

The various awards that we have received motivate us to make continuous improvements. BCA is included in the ASEAN Asset Class 2021 in the ASEAN Corporate Governance Scorecard (ACGS) event. BCA was awarded as "The Best Overall Big Caps" in the 13th IICD Corporate Governance Award 2022 and as TOP 3 WINNERS – Big Corporation Category in the Bappenas SDGs Action Award 2022.

Responding to Challenges in the Sustainability Strategy

BCA is staying abreast of rapid developments in sustainability. Responding to this dynamic, we are developing the ESG working unit and incorporating ESG aspects when setting the Key Performance Indicators, as a manifestation of our commitment to building a sustainability culture in the Bank.

We realize that education is crucial in building a sustainability culture. BCA consistently educates all employees through various media (among others, Instagram @BCASemuaBeres, YouTube @SolusiBCA, TikTok @BCASemuaBeres). We believe that every BCA employee can become an agent of change in bringing positive impact to our environment.

We set a strategy to achieve sustainability targets that incorporate environmental, social and governance aspects. The ESG issues in the banking sector have become increasingly pivotal, prompting us to carefully manage any impact on our business and customers. Together with our customers, we manage ESG issues by implementing debtor mapping based on the TH1 guidelines through a pilot implementation project and its reporting system.

BCA has developed five sectoral credit policies, especially for high risk environmental sectors, namely palm oil & plantation industry, coal mining, toll road construction, timber & forestry, and cement & steel industries. Through these policies, BCA gradually integrates environmental and social risk evaluations, and encourages their business value chains to embrace environmentally friendly operations.

We also understand that the development of digital technology and lower demand for in-person services have prompted the need for banking services that can be accessed easily and quickly at any time and anywhere. However, this change in the business model has led to other potential risks, including customers' data protection and cyber attacks. Therefore, strengthening our Security Monitoring Center and cyber security risk management for digital transactions are part of BCA's commitment.

Challenges and Opportunities

One external factor that has a major influence on sustainable finance implementation is the recommendations from the fourth Sustainable Finance Working Group (SFWG) meeting under the Indonesian G20 Presidency in November 2022. One of these recommendations is the development of an effective framework for financial transitions towards zero carbon emissions. This recommendation reflects the urgency of emphasizing low-carbon economic activities in the future.

The major challenge in sustainable finance is understanding the fulfillment of ESG aspects from the Bank's and the debtor's perspectives. The plan for implementing THl in all segments in 2023 requires support from regulators to jointly hold extensive dissemination and provide adequate preparation time for debtors to align their business activities with the respective guidelines. The Bank needs to educate credit officers to map debtors under the Standard Classification of Indonesian Business Fields, and identify appropriate THl categories for each debtor's business profile.

Geopolitical conditions, including the threat of recession and crisis, and the pandemic that has not entirely ended, pose challenges for the financial services sector and businesses in transitioning towards a low-carbon economy. These developments need to be monitored to ensure smooth economic recovery and resilience of all parties in navigating the challenges ahead.

We believe there is an opportunity in every challenge. BCA understands that the ESG aspects in each sector are unique due to their own distinctive characteristics. Therefore, BCA continues to improve communication and education to employees and debtors on ESG to reduce the perception gap. We will continue to work together with debtors for better ESG implementation.

BCA's Commitment in Making an Impact

Going forward, we are optimistic about the prospects for Indonesia's economy and banking industry, supported by favourable demographics and rising business activities. BCA is committed to bringing positive impacts to all stakeholders. Our efforts include: increasing the portfolio and quality of financing for sustainable business; developing special programs for MSME debtors engaged in ESG-based business; implementing THl according to the OJK timeline; collaborating with customers/debtors to improve sustainability best practices and developing a comprehensive database of greenhouse gas emissions in order to support the financing of the transition towards a carbon neutral Indonesia by 2060.

On behalf of the Board of Directors, I would like to thank stakeholders for supporting BCA in achieving sustainability goals. The trust and support from BCA employees, regulators, business partners, customers, shareholders, and other stakeholders are our driving force to improve sustainable financial performance.

We believe that the ultimate goal of all forms of economic activity should aim at improving the quality of human life and the environment, now and in the future. With consistent ESG integration, we are optimistic that BCA's business activities are able to create positive impacts on the economy, community welfare, and environmental preservation. This aspiration is in line with our spirit in presenting the 2022 Sustainability Report; **Live to Impact**.

Jakarta, February 2023



Jahja Setiaatmadja
President Director



Sustainability Performance Highlights 2022

Economic Aspect



Green Financing

Rp**80.9** Trillion
⬆️ (13.5% YoY)

44.2%
of total sustainable financing



Palm Oil Sector Certification

Total Company	2022	2021
ISPO & RSPO certified companies	13	13
ISPO certified companies	30	25
RSPO certified companies	16	15
Total Company	59	53

Micro Small and Medium Enterprises (MSMEs)

Rp**102.3** Trillion
⬆️ (16.0% YoY)

55.8%
of total sustainable financing



KUR Disbursement

Rp**478** Billion
⬆️ (131.6% YoY)



BANGGA LOKAL

Realization of the number of Bangga Lokal merchants for 3 periods reached a total of **1,477** merchant with total sales **Rp433** billion



Women MSMEs

35,790 women debtors

Rp**12.3** Trillion

Environmental Aspect

Commitment to protect environment & effort towards environmentally friendly operation

Digital Banking Products & Solutions

973.3
tCO₂ eq



Digital Workplace

485.0
tCO₂ eq



Estimated Total Reduction of Carbon Emissions in 2022



1,995.8
tCO₂ eq
2.25x compared to last year

Green Building Initiative

497.8
tCO₂ eq



Biodiversity Conservation

39.7
tCO₂ eq



Wisma BCA Foresta was chosen as the first winner in the category Energy Efficient Building Sub Category New Building at the 2022 Subroto Award for Energy Efficiency.

Walk for Tree



19,631
planted trees

5,808
participating employees

28 Ha
planting areas in Indonesia



Waste Management & Recycling Initiative



Total Managed Waste
518.1 tons
+40.7x YoY



Equivalent to preserving
> 29,600 trees

1 BCA ATM Cartridge Waste Processing

7 tons

Processing all ATM cartridge component equals to reducing 21.8 tCO₂ and 259.3 kg of methane gas



2 BCA EDC Waste Management

22.7 tons

- Plastic waste processed into plastic ore
- Iron waste processed into iron raw material



5%
ends at landfill

3 Card Waste Management

3.3 tons

100% ATM card waste (old type magnetic stripe and lost card) are processed into paving block



4 Non Organic Waste Management

48.5 tons

Recycled into plastic ore, paper pulp, and more.

Equivalent preserving
742 trees.



5 Archival Waste Management

436 tons

recycled into pulp that can be reused.

Equivalent preserving
> 28 thousand trees



6 Used Uniform Recycling

500 kg

Used uniforms were reprocess into 500 meters of fabric



Social Aspect



BCA Assisted Village



- **15** BCA Assisted Tourism Villages
- **10** Ministry of Tourism and Creative Economy Assisted Partner Villages

BCA Scholarship



- **870** Students
- **Rp 5.9** billion

BCA Assisted Clinics



- **15,688** General patients and contraceptive patients
- **2** Assisted Clinics

Weaver Assistance



- **28** Natural Dyed Woven Craftswomen
- **82** Natural Dyed Woven Fabric
- **Rp 80.2** Weaving Income million

BCA Assisted Schools



- **9,995** Students
- **696** Teachers
- **20** Schools

Public Health



- **803** Cataract Surgery Patients
- **173,954** Dose of COVID-19 Vaccines
- **273** Blood Bags (Blood Donor)

Nature Conservation



- **24,631** Trees Planted
- **22** Planted Trees Areas
- **10** Rehabilitated and reintroduced orangutans

Financial Literacy



- **106,733** Students
- **49,036** Public
- **>300** Volunteers





BCA promoted equality of Women's Roles

16.7%

Female Directors

60.6%

Female managers of total managers

61.4%

Female employees of total employees



Good Employment Management

27.1%

Employees who received Sustainable Financing training

4.68

Employee Engagement Score (scale 5)

2.9%

Employee Turn over Ratio (excluding retirements)



Positive Contribution for Society

98.0%

Local vendor partners

21.7%

Increase of Customer Accounts

5.9x

Increase in QRIS transactions to accelerate national economic growth

Sustainability Governance Aspect

Strengthen ESG functions, improve ESG disclosure



AA

MSCI rating ESG



Score
106.64

ASEAN Asset Class 2021
ASEAN Corporate Governance Scorecard



5 Sectoral Credit Policies

To support implementation of Sustainable Financing



IT & Cyber Security Budget

66.9% YoY



1,715 people

Employees in IT & Cyber Security
21.7% YoY



Awareness and Education of personal data security



Ratings and Awards

Forbes

World's Best Bank 2022
Best Bank in Indonesia, 1st Rank

EUROMONEY

Euromoney Awards for Excellence 2022
Best Bank in Indonesia



FinanceAsia Country Awards 2022
Best Domestic Bank in Indonesia

Brand Finance®

Brand Finance Banking 500 2021
1st Place on Top 10 Strongest Banking Brands (AAA+ rating)



Ministry of Finance

- Best Performance of SUN Distribution Partner 2021 (1st rank)
- Best Performance at Secondary Market of SUN Top Dealer 2021 (1st rank)
- Best Performance of SUN Top Dealer 2021 (2nd rank)

HR Asia

HR Asia Awards 2022

- **HR Asia Best Companies to Work**
- **We Care, HR Asia Most Caring Companies Award 2022**



Digital CX Awards 2022

- **Outstanding Digital CX SME Loan**
- **Tempo Financial Award 2022**



Corporate

Customer Service

Employee

Environment, Social, Governance

Digital Banking Service

GALLUP

Gallup Customer Engagement Survey
Customer Excellence Recognition



Global Contact Center World Awards Asia Pacific
41 gold medals, 13 silver and 6 bronze



Kemenparekraf Awards for BCA's 10 Mitra Bakti Villages in ADWI 2022



SDGs Award Bappenas
2nd place in the category of Large Business Actors



MSCI Indonesia Index
Top 10 Constituents, ESG Rating: AA



Thomson Reuters – Refinitiv
ESG Score 87, Rating: A



ASEAN Corporate Governance Scorecard
ASEAN ASSET CLASS 2021



The 13th IICD Corporate Governance Award 2022
The Best Overall Big Caps



Anugerah LPS Banking Award 2022

- **Most Active Private Bank in Improving Public Financial Literacy.**
- **Most Active Private Bank in CSR Activities**



BCA Constituents of:

- **IDX ESG Leaders Index**
- **SRI - KEHATI index**
- **ESG Quality 45 IDX - KEHATI**
- **ESG Sector Leaders IDX - KEHATI**



Sustainability Highlights

ECONOMIC

Description	Unit	2022	2021	2020
Internal Performance				
Operating income	Rp billion	87,476	78,473	75,165
Net income	Rp billion	40,756	31,440	27,147
Loan disbursements	Rp billion	694,937	622,013	574,590
Infrastructure financing (including non-cash loan)	Rp billion	56,179	54,882	45,470
Third Party Funds (TPF)	Rp billion	1,030,452	968,607	834,284
Total frequency of internet and mobile banking transactions	Million times	20,079	14,361	9,585
Total taxes paid	Rp billion	9,711	7,401	6,421
Economic Performance regarding Sustainable Finance				
Nominal products and/or services that meet Sustainable Finance (SF) business activities criteria *)	Rp billion	183,225	159,486	127,626
MSME loan disbursements	Rp billion	102,316	88,206	77,174
KUR disbursements	Rp billion	478	206	133
Percentage of total Sustainable Finance business categories (SF) financing portfolio to total financing portfolio *)	%	25.4	24.8	22.2
Financial Inclusion Performance (LAKU BCA)**)				
Number of agents	Agents	0	2,625	2,633
Number of accounts	Accounts	0	177,659	152,678

Note:

*) Sustainable Business financing portfolios as of December 31, 2021 were restated to adjust to the results of identification of sustainable business category financing portfolios as of December 31, 2022.

**) LAKU BCA Program has been stopped according to BCA letter to OJK on 12 October 2022.

FINANCING FOR SUSTAINABLE BUSINESS ACTIVITIES [FS6, FS8]

Description	2022		2021 *)		2020	
	Rp Billion	%	Rp Billion	%	Rp Billion	%
Total Sustainable Financing Portfolio	183,225	100.0	159,486	100.0	127,626	100.0
a. Renewable energy	2,094	1.1	2,334	1.5	4,643	3.6
b. Energy Efficiency	-	-	182	0.1	441	0.3
c. Management of biological natural resources and sustainable land use	66,146	36.1	57,910	36.3	31,761	24.9
d. Eco-friendly transportation	6,948	3.8	5,987	3.8	8,589	6.7
e. Sustainable water and wastewater management	818	0.4	885	0.6	1,014	0.8
f. Eco-friendly and Eco-Efficient Products	4,448	2.4	3,901	2.4	3,925	3.1
g. Green buildings	77	0.0	81	0.1	77	0.1
h. Sustainable Business and/or Other Activities	379	0.2	-	-	-	-
i. MSME activities	102,316	55.8	88,206	55.3	77,174	60.5
Green Finance Portfolio based on segment:	80,909	100.0	71,280	100.0	50,452	100.0
- Corporate	78,903	97.5	70,052	98.3	49,431	98.0
- Commercial	1,354	1.7	1,208	1.7	1,020	2.0
- Consumer	274	0.3	20	0.0	-	-
- Bonds	379	0.5	-	-	-	-
Infrastructure financing portfolio (including non-cash loan)	9,510	100.0	8,804	100.0	11,295	100.0
- Toll roads	1,248	13.1	889	10.1	3,780	33.5
- Electricity	2,019	21.2	1,945	22.1	1,690	15.0
- Railroads	2,667	28.0	2,318	26.3	1,955	17.3
- Airports and ports	2,759	29.0	2,760	31.3	2,855	25.3
- Drinking water and sanitation	818	8.6	892	10.1	1,014	9.0

Note:

The overall financing portfolio by industry sector is presented in the 2022 BCA Annual Report. [\[FN-CB-410a.1\]](#)

*) Green Finance Portfolio as of December 31, 2021 were restated to adjust to the results of identification of business category of sustainable financing portfolios as of December 31, 2022.



ENVIRONMENTAL

Description	Unit	2022	2021	2020
Internal Performance				
GHG emissions generated (scope 1, 2, 3)	tCO ₂ eq	142,720	104,442	71,046
Electricity consumption ^a	kWh	156,040,072	118,611,628	80,048,325
Electricity consumption intensity	kWh/m ²	139	159	185
	kWh/transaction	0.007	0.007	N/A
	kWh/employee	8,038	6,030	N/A
Paper consumption ^b	Ton	296	57	63
Paper waste reduction	Ton	+239	6	18
Company car mileage ^d	Thousand Km	16,688	1,750	1,484
Water consumption ^c	m ³	302,646	47,823	67,365
Branch offices adopting green office	Offices	74	71	66
Environmental Responsibility Activities				
Environmental responsibility activity funds realization	Rp million	1,544	1,135	575
Reintroduction of orang utan in Kalimantan	Individuals	5	5	-
Orang utan rehabilitation	Individuals	5	5	31
Biodiversity Preservation				
Tree seeds	Seed	24,631	14,700	14,700
Environmental education	Participants	939	148	-
	Schools	8	4	-
BCA offices' participation in Earth Hour	Offices	544	125	118

Note:

- a The data covered in 2022 was from head office, data center, 120 KCU and 730 KCP. In 2021 covered data from the Head Office, Data Center and 603 KCP, while 2020 data covering Head Office, Data Center and 115 KCU.
- b The data covered in 2022 was from head office and main branch offices, as well as from head office in 2021 and 2020.
- c The data covered was from head office and 100 branch offices in 2022, as well as from head office in 2021 and 2020.
- d The data covered in 2022 was from head office and 430 branch offices, as well as from head office in 2021 and 2020.

SOCIAL

Description	Unit	2022	2021	2020
Internal Performance				
Females occupying director positions	%	16.7	16.7	16.7
Total female employees to total employees	%	61.4	61.6	61.3
Number of training hours	Hours	950,297	673,040	600,266
Employee training and education expenses	Rp billion	263.2	193.4	208.9
Number of participants in financial literacy education (CSR)	People	155,769	117,058	105,522
Customer Engagement (CE) index	Scale 1-5	4.73	4.73	4.67
Branch Service Quality (BSQ) Index	Scale 1-5	4.86	4.87	4.87
Customer complaint settlement level	%	98.1	99.5	99.3
Percentage of (whistleblowing) complaints investigated to total complaints received	%	88.5	91.0	81.8
Social Responsibility Activities				
Social responsibility activity funds realization	Rp billion	143.1	136.2	116.8
Number of PPBP and PPTI education graduates	People	199	174	164
Number of assisted general clinic patients	People	13,710	16,074	16,611
Number of assisted Family Planning clinic patients	People	1,978	2,040	2,381
Number of cataract surgery patients	People	803	529	-



Sustainability Strategy ^[2-22]



Sustainable Finance Vision

To be the Bank of choice and a major pillar of the Indonesian economy, that aligns with Indonesia's sustainable development.

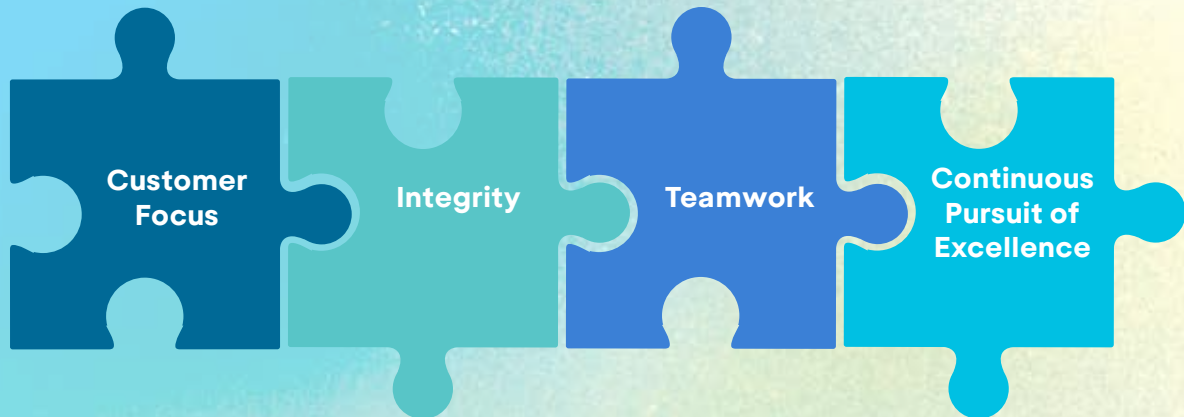


Sustainable Finance Mission

To align all our corporate activities with the principles of Sustainable Finance.



Sustainable Finance Core Values



Sustainability Pillars [2-22]

Sustainable Banking Pillar

This pillar covers the key material topics for the bank to conduct responsible business and support Sustainable Development Goals achievement.

Sustainable Culture Pillar

This pillar covers the implementation of sustainability values and responsible operational activities.

Social Value Creation

This pillar covers community engagement and empowerment programs through:

- Bakti BCA Program
- Financial literacy and inclusion programs



CS Digital

01

Sustainability in BCA



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Business Scale

Total Assets

2022

Rp1,314.7
trillion

2021

Rp1,228.3
trillion

2020

Rp1,075.6
trillion



Total Liabilities

2022

Rp1,093.6
trillion

2021

Rp1,025.5
trillion

2020

Rp890.9
trillion



Net Profit

2022

Rp40.7
trillion

2021

Rp31.4
trillion

2020

Rp27.1
trillion



Total Equity

2022

Rp221.2
trillion

2021

Rp202.8
trillion

2020

Rp184.7
trillion



Operating Income

2022

Rp87.5
trillion

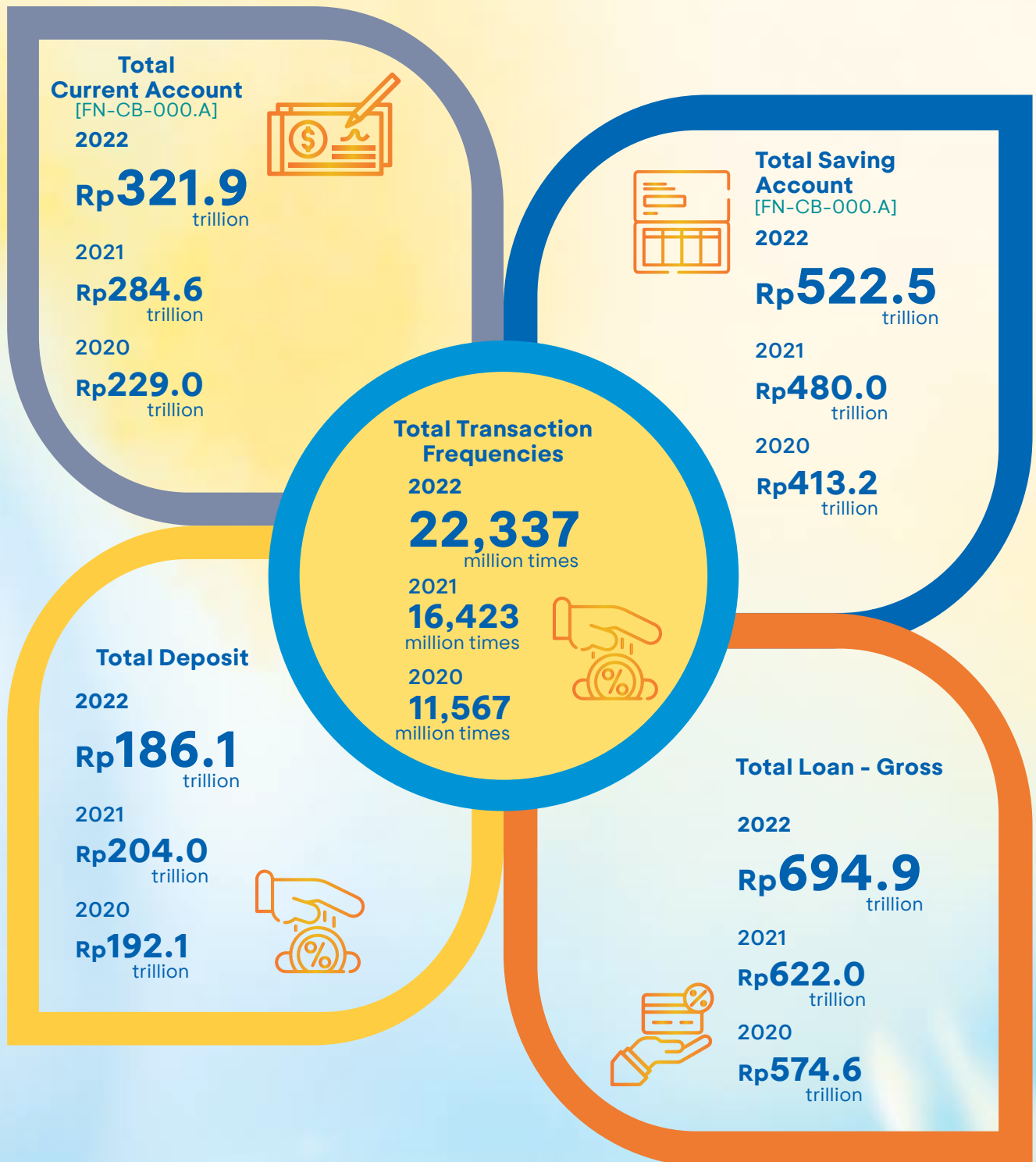
2021

Rp78.5
trillion

2020

Rp75.2
trillion







About BCA

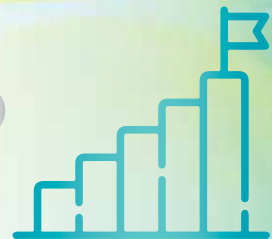
> Company Profile



VISION

To be the Bank of choice and a major pillar of the Indonesian economy

MISSION



- To build centers of excellence in payment settlements and financial solutions for businesses and individual.
- To understand diverse customer needs and provide the right financial services to optimize customer satisfaction.
- To enhance our corporate franchise and stakeholder value



The Vision and Mission have been approved by Board of Directors and Board of Commissioners of PT Bank Central Asia Tbk in accordance with Decree No. 022/SK/DIR/2006 dated 23 February 2006 concerning Vision and Mission of PT Bank Central Asia Tbk. While the Corporate Values refers to the Decree of the Board of Directors No. 079/SK/DIR/2015 dated 18 June 2015 concerning Values of PT Bank Central Asia Tbk.



Company Name [2-1] PT Bank Central Asia Tbk (BCA)

Legal Status [2-1] Limited Liability Company

Deed of Establishment Deed of Establishment No.38 with Notary Deed made before Raden Mas Soeprapto dated August 10, 1955. Approved by the Minister of Justice through Decree No. J.A.5/89/19 dated October 10, 1955.

Lines of Business A commercial bank engaged in banking activities. BCA's lines of business are in accordance with Article 3 of the Articles of Association as presented in the 2022 Annual Report. The financial products and services can be accessed at <https://www.bca.co.id/en/Individu/produk>.

Head Office [2-1] Menara BCA, Grand Indonesia
Jl. M.H. Thamrin No. 1, Jakarta 10310

Operating Location [2-1] Indonesia

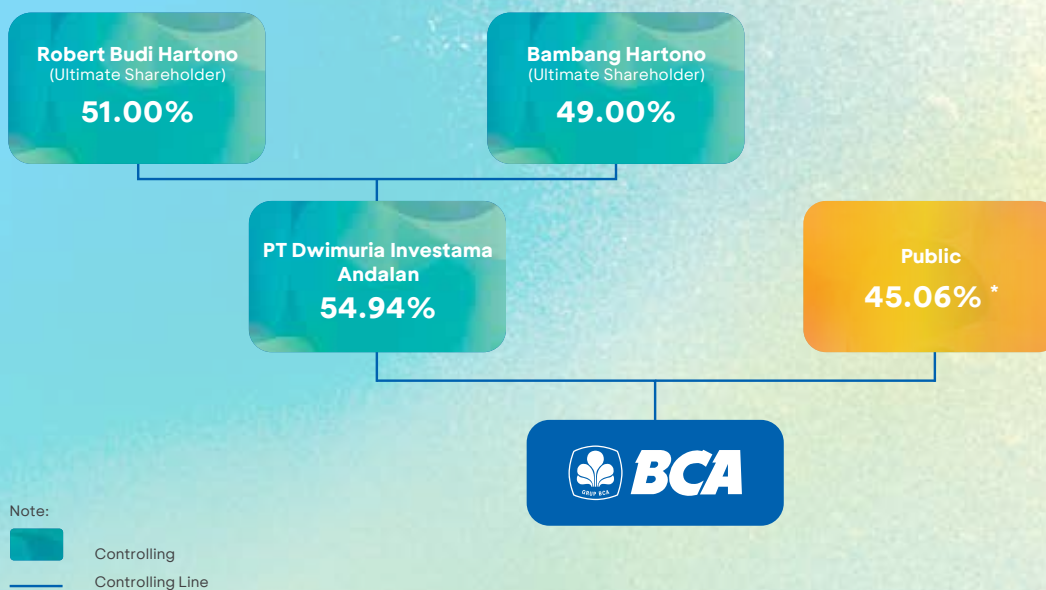
Telephone (621 21) 2358 8000

Facsimile (621 21) 2358 8300

Website www.bca.co.id

Call Center Halo BCA 1500888
+6281 1150 0998 (WhatsApp)
halobca@bca.co.id (e-mail)

Shareholding Percentage [2-1]



* As of 31 December 2022, the portion of shares belonging to public shareholders, 2.49% is owned by affiliated parties of PT Dwimuria Investama Andalan. In addition, Board of Commissioners and Board of Directors have 0.15% BCA shares.

BCA has not been listed on the Global Systemically Important Bank (G-SIB). However, BCA has been listed on Domestic Systemically Important Banks (D-SIBs). [FN-CB-550a.1]

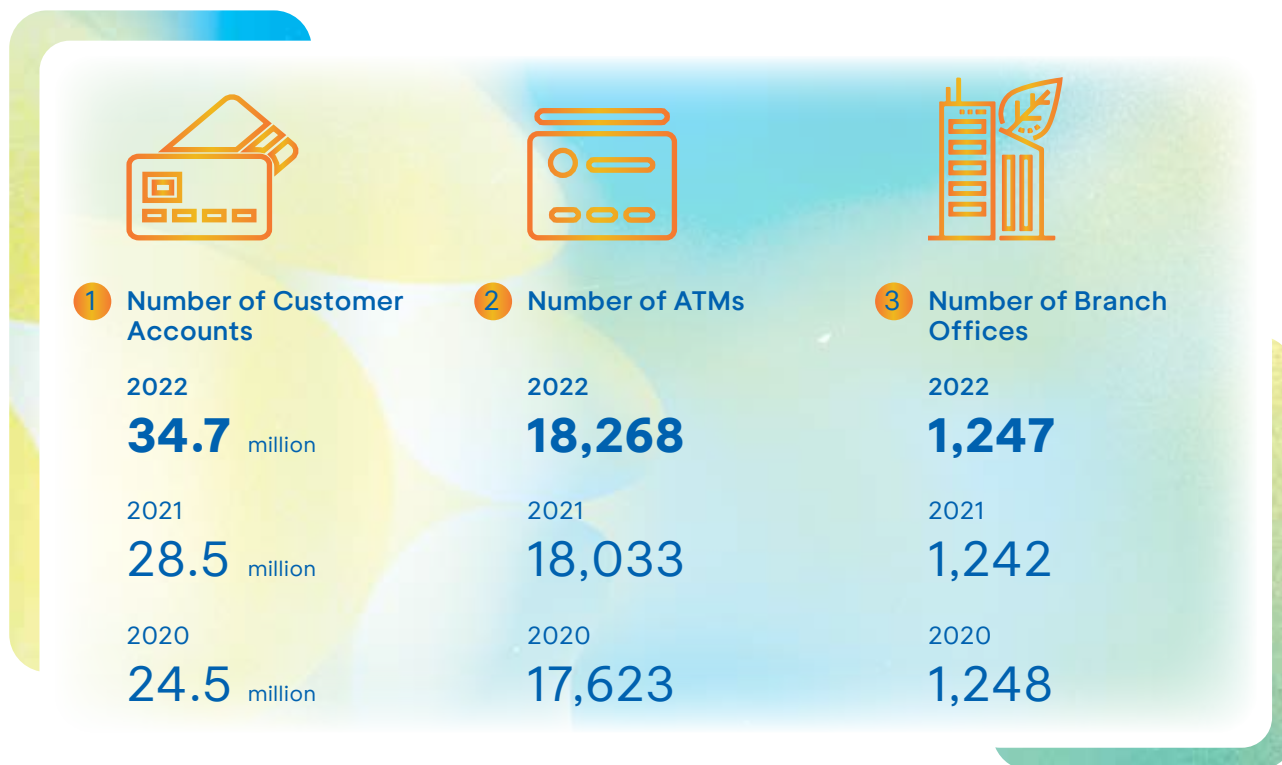
Value Chain and Business Relationships [2-6]

BCA has been cooperating with local parties, such as the governments, business partners, and local suppliers, and involving them in its business. However, we also work with foreign partners and vendors. Expenditures in our supply chain consist of 98% local parties and 2% foreign parties.

In optimizing the value chain of the banking business, BCA has grown rapidly and has nine subsidiaries with various lines of business. More information regarding BCA's business relationship with its subsidiaries can be accessed at <https://www.bca.co.id/en/tentang-bca/korporasi/Perusahaan-Anak>.



> Market Served [2-6]



BCA is a company engaged in the banking business and operates in Indonesia. Information on banking products and services can be accessed at <https://www.bca.co.id/en/Individu>. By the end of 2022, BCA had 1 Head Office, 138 Main Branch Offices (KCU), 880 Sub-Branch Offices (KCP), and 229 Cash Offices across Indonesia. Meanwhile, overseas customers can make financial transactions through the BCA digital banking system. BCA has various types of customers, including individuals, institutions/organizations, corporate, commercial, as well as Micro, Small and Medium Enterprises (MSMEs). BCA also serves several sectors including the private sector, government, State-Owned Enterprises (SOEs), and foreign parties.

> Significant Changes [2-6]

BCA's digital transformation has resulted in 99.5% of total transaction volume conducted via digital channel, while the remaining 0.5% was through branch. The Bank saw strong growth in the use of mobile banking applications (m-BCA and myBCA), internet banking services and HaloBCA contact center. Adoption of online account opening service contributed more than 60% of new accounts, driving the growth of new customer acquisitions. There is no significant changes in the number of total branches throughout 2022.

Digitalisation resulted in 1,458.3 tCO₂eq potential carbon savings, or contributed 73% to total carbon savings from the Bank's eco-friendly banking operations. The total carbon savings for the year 2022 grew 125% YoY to 1995.8 tCO₂eq.



Association Membership [2-28]

No.	Name of Association
1	National Bank Association (Perbanas)
2	Indonesian Bank Custodian Association (ABKI)
3	Indonesian Mutual Fund Management Association (APRDI)
4	ACI Financial Market Association (ACI FMA)
5	Indonesian Payment System Association (ASPI)
6	Communication Forum for Director of Banking Compliance (FKDKP)
7	Sovereign Debt Securities Trader Association (HIMDASUN)
8	Indonesia Contact Center Association (ICCA)
9	The Institute of internal Auditors (IIA)
10	Indonesia Chapter Indonesia Audit Committee (IKAI)
11	Security Investor Protection Fund (SIPF)
12	Asia Pacific Loan Market Association (APLMA)
13	European ATM Security Team (EAST)
14	International Monetary Conference (IMC)
15	Certified Information System Audition - Information Systems Audit & Control Association (CISA)
16	Association of Certified Fraud Examiners (ACFE)
17	External Loss Data Consortium (ELDC)
18	Indonesia Sustainable Finance Initiative (ISFI)



Building a Sustainability Culture [2-22][2-24]

BCA instills values and applies sustainability principles to build a sustainability culture within the Bank. BCA builds a sustainability culture to maximize all its potential to create value today and in the future.

Sustainability values and principles align with BCA's sustainability pillars which cover three aspects of environmental, social, and governance (ESG). All BCA employees synergize and work together in implementing core values, sustainability pillars, environmental culture, and achieving ESG targets. BCA expects every employee to become an agent of change whose every action reflects the sustainability culture.

BCA also organizes the Sustainability Awareness Month program to raise the employees' spirit and

involvement in developing a sustainability culture. The program is a campaign on sustainability culture and the implementation of sustainability values and principles within the BCA environment. This program aims to raise employees' awareness of the sustainability culture to inspire them to conduct sustainability actions. The campaign consists of three phases of Awareness, Engagement, and Retention.

BCA actively disseminates Sustainable Finance understanding to all employees through its internal Instagram account @bcasemuaberes and other internal communication media. BCA communicates sustainability themes, including electricity saving, mask waste management, tips to encourage families to be more eco-friendly, eco-friendly and waste-friendly gift ideas, earth hour, Earth Day, or gender equality.






Raise employees' awareness about sustainability at BCA

BCA Support to Sustainable Development Goals (SDGs)

➤ Priority Support

BCA prioritizes 9 of the 17 Sustainable Development Goals (SDGs), as follows:










SDG	2022 Achievements	Our strategies	2023 Targets
 3 GOOD HEALTH AND WELL-BEING	<ul style="list-style-type: none"> No major workplace accidents 803 cataract surgery patients 15,688 people received medical service & contraception through BCA assisted clinics 273 Blood bags from employee blood donation 	<ul style="list-style-type: none"> Providing health education through health campaigns Conducting social service activities Educating the public about health through seminars or webinars 	<ul style="list-style-type: none"> No major workplace accidents Completing activities that have been carried out in 2022 Ensure that all workers are covered by the BPJS and the private health insurance Carry out regular education, socialization, and health campaigns Carry out cataract surgery as social services for the community (minimum 400 patients) Carry out employee blood donation (minimum 1,000 blood bags)
 4 QUALITY EDUCATION	<ul style="list-style-type: none"> 100% employees received training 43 employees received scholarships for Bachelor and Master's degrees 1,002 employees attended Sustainable Finance training 870 students received Bakti BCA Scholarship 575 PPBP and PPTI participants 180 teachers attended Smart Teacher training 155,769 (including students and college students) received financial literacy education 	<ul style="list-style-type: none"> Developing e-learning programs, in-class training, and collaborating with other educational institutions Organizing selection and awarding scholarships to qualified students and providing soft skills training PPBP strategy: recruiting and organizing dissemination to leading Senior High Schools/ Vocational Schools across Indonesia Organizing intensive training on blended learning and soft skills training for teachers using the competitive method Organizing financial literacy education nationwide that has a positive impact in accordance with the OJK SNLKI by prioritizing employee volunteer programs 	<ul style="list-style-type: none"> 100% BCA employees have received training in Sustainable Finance Implement the BCA Bakti Scholarship Program (minimum 800 students) Carry out PPBP and PPTI training Increase the number and quality of financial literacy education Provide scholarships for BCA employees' children (minimum 450 scholarships) Provide scholarships to BCA employees Organize education and knowledge forums regularly Organize the Cultural Heritage Award program regularly BCA employees receive training and education programs
 5 GENDER EQUALITY	<ul style="list-style-type: none"> 61.7% female employees out of the total employees were promoted 16.7% of director positions are women 954 female employees occupy middle-up manager positions 30 women weavers in South Central Timor participated in 6-month training on natural dyeing 	<ul style="list-style-type: none"> Conducting the Preamble of Collective Labor Agreement and Article 59 paragraph 2 letter i concerning equal rights and prohibition of discrimination in any form against employees Providing equal opportunities in career advancement to managerial level or higher Providing training and assignments to women weavers to improve their skills and well-being 	<ul style="list-style-type: none"> Maintain an equal percentage of female and male employees with opportunities to serve as branch head and hold a position as a middle-up manager Improve the quantity and quality of financial literacy education Zero gender discrimination Zero cases of equal rights violation and discrimination against workers and employees There is no remuneration gap between female and male workers Zero discrimination toward customer



SDG	2022 Achievements	Our strategies	2023 Targets
 	<ul style="list-style-type: none"> 14.9% average increase in Sustainable Financing portfolio, including eco-friendly debtors 3 buildings used solar panels The emission measurement covered Head Office, Data Center, and 850 branch offices 74 Branch Offices implemented environmentally friendly building features 	<ul style="list-style-type: none"> Mapping out the mitigation strategy to gradually reduce CO2 emissions in BCA Building Implementing adaptive behavior in smart buildings, using environmentally friendly technology, sustainability culture, and educating employees of through agents of change Providing loans to environmentally friendly business 	<ul style="list-style-type: none"> The scope of emission measurement calculation data consists of all branch offices Reduce emissions by rejuvenating office support facilities Promote eco-friendly actions through agents of change Expand the greenhouse gas (GHG) reduction target for scope 1, 2, and 3 9% increase in the Sustainable Finance portfolio, including environmentally-friendly debtors Installing solar panels in BCA's building 30% branch management offices which were categorized as inefficient becomes quite efficient (based on Energy Consumption Intensity of 18.5 kWh/m²/month) Reduce paper use by 3% in Head Office Work Units (UKKP) 100% of workers have attended the Introduction to Climate Change e-learning Carry out a replacement of AC R22 to R32 in branches (30% of branches until 2024)
 	<ul style="list-style-type: none"> 2,739 people were recruited as BCA employees Employees' remuneration at the lowest level in Jakarta was higher than Jakarta Provincial minimum wage 100% of employees' remuneration in Jakarta is greater than the regional minimum wage of each region 126 interns recruited through the Bakti BCA program Increase in MSME financing by 15.9% Rp478.1 billion KUR realization More than 1,250 MSMEs participated in the MSME Fest 155,769 participants in financial literacy and inclusion activities 	<ul style="list-style-type: none"> Creating job opportunities to support BCA digitalization and relationships Developing BCA frontliners roles and capabilities to provide more comprehensive solutions to customers Increasing the channeling cooperation with anchors Providing guidance and assistance for branches in KUR disbursements Expanding the line of business for KUR financing Mapping the banking services for unbankable community Collaborating with village administrators, local communities, and local governments Recruiting interns for Bakti BCA 	<ul style="list-style-type: none"> KUR target of Rp1 trillion MSME target Rp119.2 trillion Develop special ESG-based MSME programs Implement Occupational Health and Safety consistently (no major incidents at work) Accept 100% of PPBP & PPTI graduates who wish to join BCA 3,000 participants taking part in the Bakti BCA Internship 2,740 people recruitment target
	<ul style="list-style-type: none"> Branch Service Quality (BSQ) index: 4.86 (from a scale of 5) Customer Engagement index (CE): 4.73 (from a scale of 5) 4.2 million new accounts opened via digital banking bringing the total accounts to 34.7 million Financing in infrastructure reached Rp56.2 trillion 	<ul style="list-style-type: none"> Developing digital innovations Implementing machine learning and artificial intelligence Implementing data loss prevention (DLP) and two-factor authentication for electronic information security Financing infrastructure development Educating and disseminating data security and digital banking to customers 	<ul style="list-style-type: none"> BSQ Index minimum: 4.7 CE Index minimum: 4.7 4.5 million new accounts opened via digital banking No major fraud Zero complaints concerning privacy and data security

SDG	2022 Achievements	Our strategies	2023 Targets
	<ul style="list-style-type: none"> Meeting compliance indicators, such as Minimum Capital Adequacy Ratio (CAR), Net Non-Performing Loan (NPL), Maximum Legal Lending Limit (LLL), Minimum Statutory Reserve Requirement (SSR) for Rupiah & Forex, Macroprudential Liquidity Buffer (MLB), Net Open Position (NOP), Macroprudential Inclusive Financing Ratio (RPIM), and Liquidity Coverage Ratio (LCR) Bank soundness level 1 All employees have signed the integrity pact All workers have signed the code of ethics All employees of echelon 5 and above have signed the annual disclosures 	<ul style="list-style-type: none"> Evaluating all business activities in accordance with regulations Making more effective whistle-blowing system Implementing good corporate governance Complying with capital market laws and regulations Adopting relevant best practice standards 	<ul style="list-style-type: none"> Meet compliance indicators No reports of corruption by the Company Minimum bank soundness level 2 There are no material and significant legal cases and/or disputes with customers Zero cases/reports of corruption Compliance risk at "low to moderate" level 100% of whistleblowing system complaints are followed up All employees are required to sign an integrity pact All employees are required to sign a code of ethics All employees of echelon 5 and above are required to sign the annual disclosures

> BCA Support for Other SDGs

SDG	Supporting Activities
	<ul style="list-style-type: none"> Providing wages/salaries in accordance with Government regulations Providing interest-free loan facilities up to a certain nominal for BCA employees Providing job vacancies for employee positions and internship in Bakti BCA program
	<ul style="list-style-type: none"> Distributing >15 thousand staple food packages to communities
	<ul style="list-style-type: none"> Providing sanitation facilities assistance to our assisted villages Water management loan financing 3 BCA buildings have wastewater management including rain harvest tank in Foresta Building
	<ul style="list-style-type: none"> Providing shuttle facilities for employees who work at BLI-Sentul. Assistance for government infrastructure, public facilities and social facilities development program and BCA assisted villages
	<ul style="list-style-type: none"> Switching HVS paper usage from 80 gsm to 75 gsm Applying initiative to turn off lights in the work area during lunch break Use of i-sign to reduce paper usage in the approval process
	<ul style="list-style-type: none"> Rehabilitation of 5 orangutans, reintroduction of 5 orangutans, 8 schools and 939 students participated in the Orangutan Goes to School program Nurturing a total of 4,000 trees on 10 ha of critical land area Planting of 5,000 trees on 12.5 ha critical land area Planting of 5,000 mangrove seedlings on an area of 0.3 ha in Parialau, South Sulawesi and 0.4 ha in Teluk Pangpang, East Java Planting 14,631 trees for BCA Go Bi6 5step program in 19 locations across Indonesia with a total area of 37.4 ha
	<ul style="list-style-type: none"> Collaborating with WWF to learn about opportunities/potentials related to Sustainable Finance Collaborating with BOSF to protect orangutans, as well as monitoring tree planting Collaborating with the Nusantara Institute and SENA WANGI for activities to preserve art, culture, and traditions of the archipelago Collaborating with SPBK Perdami, Health Agency, Bakti Media Clinic, and North Duri Clinic for public health promotion Collaborating with the Indonesian Natural Color Association (WARLAMI) to assist natural dyeing



Sustainability Governance [2-13, 2-24]



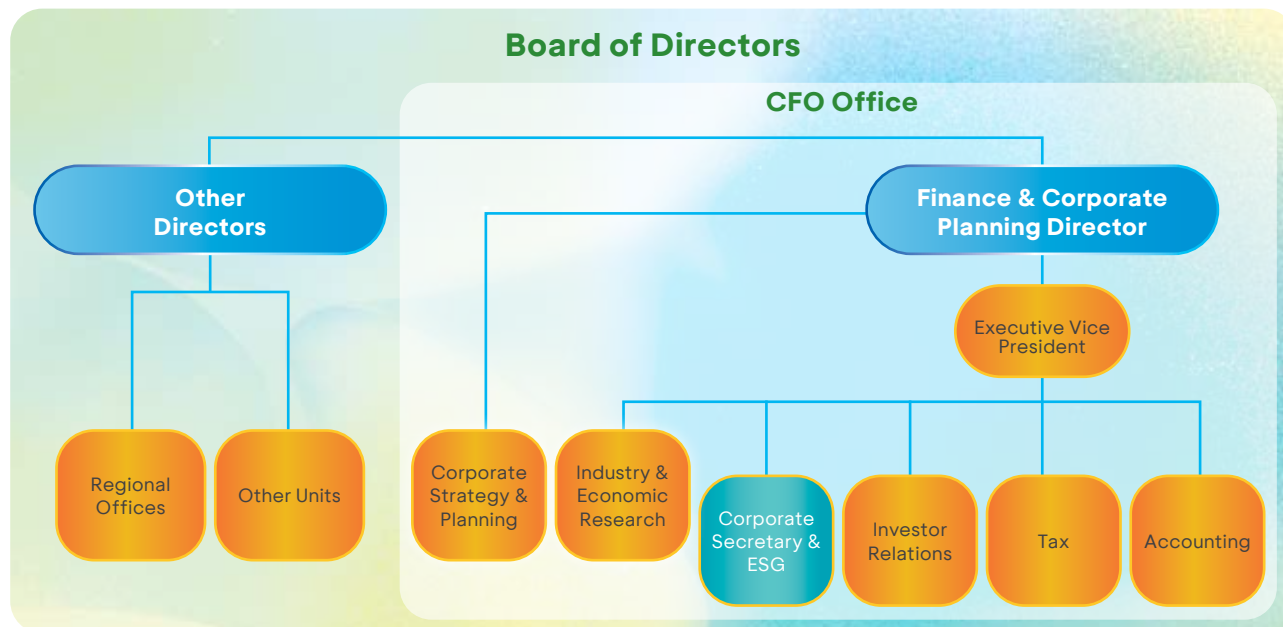
BCA Annual General Meeting of Shareholders 2022

All work units at BCA are responsible for managing sustainability aspects under the supervision of the Board of Commissioners and the Board of Directors. This policy is part of BCA's commitment to integrating ESG principles into the responsible banking business. BCA ensures a more focused ESG implementation by adjusting the organizational structure of the CFO Office - Environment Sustainability Governance (ESG) Group based on Board of Directors' Decree No. 149/SK/DIR/2022 to separate the ESG Group from other work units and reports to the Executive Vice President CFO Office, under the Finance & Corporate Planning Directorate. ESG Group Head submits sustainability performance to Executive Vice President CFO Office who subsequently presents it to Finance & Corporate Planning Director and later to President Director.

Each of our work unit has Key Performance Indicators (KPIs) on sustainability. We also have shared KPIs for all members of the Board of Directors to support the ESG implementation which aligns with the OJK roadmap.

Sustainability Governance Structure [2-9]

Environment Sustainability Governance (ESG) Group position on BCA Organization Structure



Complete information regarding the highest governance body composition and its committees can be accessed at <https://www.bca.co.id/en/tentang-bca/tata-kelola/struktur-organisasi>. Evaluation of BCA's highest organ performance can be accessed at <https://www.bca.co.id/-/media/Feature/Report/File/S8/Kebijakan-GCG/20190712-Final-Kebijakan-Self-Assessment-EN.pdf>, as well as being presented in the 2022 Annual Report.

ESG Group Function and Main Duties [2-13][2-24]

ESG Group reports on ESG performance to all Directors including the President Director every three months.

The key functions of the ESG Group are:

- Protecting the stakeholders' interests and improving compliance with laws and regulations by implementing Good Corporate Governance (GCG).
- Developing Sustainable Finance culture and conducting dissemination to all related parties in the company to achieve sustainable performance (Environment Sustainability Governance/ESG).

With the main duties, as follows:

- Corporate Secretary & Integrated GCG:
 - Leading the integrated implementation of good corporate governance principles, i.e. transparency, accountability, responsibility, independency, and fairness in financial conglomeration.
 - Carrying out corporate events according to plan and complying with applicable regulations.
 - Organizing and administering public company activities including GMS/EGMS, company annual report, corporate actions, company public expose; maintaining share listings and monitoring activities related to the Company's shares.
 - Maintaining regular communication and representing the Board of Directors and Commissioners in relations with the Capital Market Authority/OJK, Indonesia Stock Exchange, KSEI and other institutions, both government and private, regarding secretarial activities of public companies, corporate governance, corporate actions, and other important transactions.
 - Monitoring implementation, updating policies, conducting periodic reviews of implementation, and ensuring that information on the website and GCG reports is carried out properly, informative, and easily accessible.



- Maintaining good corporate governance implementation, including assessments from regulators and credible survey institutions.
- Submitting and/or reporting to the relevant authorities concerning annual reports, publication of financial statements, GMS report, corporate action report, incidental report, share ownership of the Board of Directors and Board of Commissioners, material information/facts that occur as well as other information required by the regulator.

b) Economy & Environmental Sustainability:

- Implementing regulatory regulations and relevant best practices to BCA, such as Greenhouse Gas Protocols, Task Force on Climate Related Financial Disclosure (TCFD), Environmental & Social Risk Assessment (ESRA), and others.
- Developing a climate change risk management strategy and integrating climate change mitigation and adaptation into the bank's business activities.
- Leading the development/renewal of policies, systems, procedures, and implementation frameworks including Sustainable Finance and Climate Change Action.
- Planning and designing sustainability information architecture (sustainability database), and building a greenhouse gas emission accounting system based on best practices used by BCA.
- Identifying and consolidating all automation needs in the sustainability field and optimizing the use of IT to minimize manual processes

c) Social & Sustainability Governance:

- In line with best practices, BCA carries out business practices that pay attention to human rights, good employment relations, fair operations, environmentally friendly, customer satisfaction, and community engagement.
- Leading the development/renewal of policies, systems, and procedures as well as the framework for corporate social responsibility/ CSR implementation.
- Cooperating with Head Office work units, regulators and/or national and international institutions in implementation, dissemination/ training, and events.
- Implementing corporate sustainability governance according to the Sustainable Finance principles.
- Leading the preparation of the Sustainable Finance Action Plan (SFAP) and Sustainability Report in accordance with OJK regulations and best practices such as the Global Reporting Initiative (GRI), Sustainability Accounting Standards Board (SASB), Sustainability Banking Assessment (SUSBA) and others.
- Formulating a BCA sustainability strategy that supports the achievement of the Sustainable Development Goals (SDGs).
- Formulating strategies to build and implement social sustainability in bank business activities.

Duties and Responsibilities of Directors in charge of Sustainable Finance [2-12][2-24]

In BCA's sustainability governance structure, the President Director collectively monitors the Sustainable Finance implementation with other directors, under the coordination of Corporate Planning & Finance Director. Other directors involved include the Credit & Legal Director, Corporate Banking Director, Regional & Branch Networks Director, Commercial & SME Banking Director, Human Capital Director, and the Risk Management Director.

The President Director, other members of the Board of Directors, and senior executives participate in supervising and evaluating the formulation of policies on economic, social, and environmental aspects. Incidental monitoring and evaluation are adjusted to the implementation of related policy formulation.

The Corporate Planning & Finance Director acts as a coordinator with main responsibilities and duties as follows:

- Building and implementing a Sustainable Finance culture in various aspects of the organization;
- Ensuring the eight principles of Sustainable Finance application & SFAP implementation;
- Responsible for the publication of sustainability report; and
- Keeping abreast of developments in Sustainable Finance issues.

The management directly involved in sustainability governance performs its functions as stipulated in the Board of Directors Decree No. 193/SK/DIR/2020, dated December 14, 2020, concerning Sustainability Governance. BCA's implementation of sustainable governance which complied with relevant regulations, resulted in the absence of material fines or sanctions over violation of laws throughout 2022 and there was no effect on the position and business continuity of BCA and/or its subsidiaries. [2-27][FN-CB-510a.1]

BCA Management pays great attention to sustainability performance and informs all stakeholders. BCA conveys sustainability performance regularly through analyst meetings, public exposure, investor calls, and GMS, to the shareholders. Currently, BCA has not issued any policies on voting in GMS to discuss ESG issues. However, all shareholders have the same voting rights to express opinions at the GMS. In each GMS, the Board of Directors ensures ESG aspects management has no conflict of interest with the management. [FS12]

Sustainable Finance Competency Development

In line with the 5-year SFAP (2019–2023), BCA has set the target that 100% of employees attend Sustainable Finance training by 2023. By 2022, nearly all permanent employees of BCA, attended Sustainable Finance training continuously with different themes, one of them related to ESG risk and procedure. This training has fulfilled the SFAP target. BCA generally provides training to all employees, particularly employees in work units who directly handle lending, including the three lines of (which includes internal audit, risk management and compliance) as well as management, to receive training and competency development in sustainable finance.

BCA employees can participate in webinars held by BCA's internal and external parties. During the reporting period, 1,002 employees (including directors and commissioners) attended training on Sustainable Finance. The employees also attended external training, including the Sustainable Finance Masterclass organized by the United Nations Environment Program Finance (UNEP FI) and the Indonesian Sustainable Finance Initiative (ISFI). Another external training, namely Implementation of ESG Policy for toll road financing, was organized by PT Sarana Multi Infrastruktur (SMI).



In addition to sustainable finance competency development, BCA also holds internal training through e-learning, regular webinars, and other specific themed webinars. We also organize annual webinars with the theme of sustainable finance capacity building for BCA's Board of Commissioners and Board of Directors, members of committees, and Directors or representatives of subsidiaries.

On November 10, 2022, we held a webinar on the Voluntary Carbon Market topic, which was attended by 10 members of the Board of Commissioners and Directors. The webinar also involved the management of all BCA subsidiaries. The webinar aims to provide the latest updates and insights on ESG developments worldwide.

Sustainable Finance Training based on Level of Position

Level of Position	Number of Participants (people)		
	2022	2021	2020
Board of Commissioners	1	4	0
Board of Directors	9	11	6
Senior Manager	63	171	36
Middle Manager	147	4,607	306
Line Manager	221	6,847	341
Staff	561	10,921	185
Non staff	0	495	0
Total	1,002	23,056	874



BCA employees participate in mandatory e-learning on sustainable banking.

Training Module Development

[FS4]

In 2022, BCA improved training modules on Sustainable Finance to be implemented in 2023, which involved various stakeholders. This module is a means of developing the Sustainable Finance competence for BCA employees.

Sustainable Finance Implementation



BCA committed to assisting the economic development of Indonesian society.

Sustainable Finance Action Plan (SFAP)

BCA has prepared SFAP for a five-year period which is evaluated every year. In 2022, SFAP has been realized according to target. The SFAP covers three sustainable finance priorities aligned with the Bank's business strategy and support for the SDGs, and include target planning, monitoring and evaluations. The three priorities are:

- Provision of Sustainable Finance loan
- Internal capacity development; and
- Adjustments to organizational structure, risk management, governance and/or standard operating procedures.

Various work units, including those dealing with credit risk management, are tasked with overseeing, and evaluating the SFAP realization, mainly on loan quality and debtor risk ratings. Periodically, the ESG Group will receive reports and hold meetings with work units related to sustainable finance as part of its supervision duties.

The ESG Group is responsible for coordinating with other work units to provide data and information on sustainable finance implementation and reporting the overall ESG performance in the Sustainability Report. BCA also conducts periodic audits at least once every three years to ensure that policies, procedures, and sustainability performance meet the targets.



Risk Identification Procedures for Sustainable Finance Implementation

[2-23][FS2, FS9][FN-CB-410A.2]

BCA identifies and analyzes environmental and social risks in the industrial sector in the process of ESG-based lending. Monitoring of the Sustainable Finance implementation is carried out quarterly and presented in the Analyst Meeting by considering the SFAP achievements. The Corporate Banking Transaction & Finance Group (GBKF), Commercial & SME Business Division (DBKM), and Credit Risk Analysis Group (GARK) are responsible for the ESG-based loan management, under the supervision the Corporate Banking & Treasury Director, Commercial & SME Banking Director, and Credit & Legal Director.

BCA has been continuously improving the quality of ESG-based lending by issuing policies for the industrial sector impacting the environment, analyzing environmental and social effects on financing, and engaging debtors to implement ESG practices such as obtaining certifications according to their business.

The Risk Management Unit regularly monitors the loan portfolio and ensures diversification in accordance with the Bank's risk appetite. The unit reports monitoring results to the Risk Management Director and/or the director of each business unit. In responding to sustainability risks, BCA conducts regular stress tests to ensure that prospective debtors understand the dynamics of the business. [FN-CB-550a.2]

BCA encourages debtors who have complied with the basic loan requirements but only met the bare minimum standard of ESG aspects to do more in their performance through a time-bound action plan.

The action plan demands the debtor's commitment to improving ESG performance within a timeframe according to each debtor's conditions. The BCA Credit Team oversees the realization of debtor commitments according to the procedures at least once a year, along with the extension process and/or review of the loan facilities.

Commitment to Green Loan Portfolio Management Policy [2-23][FS2, FS3]

The company and stakeholders should collectively manage environmental, social and governance (ESG) issues due to their significant impact on business. BCA addressed this by implementing sustainable finance as a form of social and environmental impact management. The ESG risk management in lending refers to the Decree of the Board of Directors No. 169/SK/DIR/2020 dated October 23, 2020, concerning the exclusion list or prohibited loans for business activities that may pose ESG risk.

BCA is aware of the negative impacts of environmental damage on economic and social conditions. These negative impacts will indirectly affect business activities and the quality of life. Therefore, BCA encourages debtors to pay attention to ESG aspects of their business activities, including prevention of deforestation, environmental pollution, flooding, water crisis, drought, loss of biodiversity, as well as paying attention to human rights and employees' rights.

In addition, BCA supports Paris Agreement and refers to the Indonesia Green Taxonomy (THI) in identifying environmental risks from debtors' businesses. In 2022, BCA has developed an environmental credit policy concerning certain sectors, especially those with high risks. Those

policies are credit policies related to mining especially the coal sector, the infrastructure sector especially toll road construction, the cement and basic steel industries, the plantation sector especially the timber and forest product industries. BCA is always careful in providing financing and checking the credibility of debtors, as well as gathering information, about their effort to protect and preserve the environment, no deforestation, their high conservation value (HCV) and high carbon stock (HCS) in new planting activities. To ensure that there is no conversion of natural ecosystems in the debtor's operating area, in line with the accountability framework initiative, the Credit Work Unit will conduct field visits to the debtor's operating area, especially in the plantation sector.

BCA's commitment to managing environmental aspects as part of lending process, includes identifying risks to climate change. The assessment is one of the criteria in the loan disbursement process, especially for debtors with high environmental risk, such as mining, land management, and construction. Environmental aspect assessment also includes identification the presence or absence of water, soil, and air pollution, as well as marine ecosystems. In 2022, BCA gradually identified and mapped environmental risks based on the Indonesian Green Taxonomy classification. We checked the completeness of mandatory environmental documents, as well as environmental management achievements beyond those required such as the results of the Corporate Performance Rating Assessment in Environmental Management (PROPER), Indonesian Sustainable Palm Oil (ISPO) or Roundtable

on Sustainable Palm Oil (RSPO) certificates for palm oil companies; Forest Stewardship Council (FSC) and Program for the Endorsement of Forest Certification (PEFC) for timber or forest processing companies; International Sustainability and Carbon Certification (ISCC) for renewable energy products, namely biofuels and bioenergy; UTZ Certification for coffee and cocoa products; and a Green Building certificate for the building sector.

Periodically, BCA reviews the ESG policies that have been implemented for each debtor so that these policies can be implemented properly and always keep abreast of business developments. The last review was carried out in 2022.

Currently, BCA is formulating and preparing a checklist for Environmental & Social Risk Analysis (ESRA) to improve the debtor ESG risk assessment, consisting of identification and mitigation. The ESRA application to high-risk industrial sector financing is still in the trial stage.

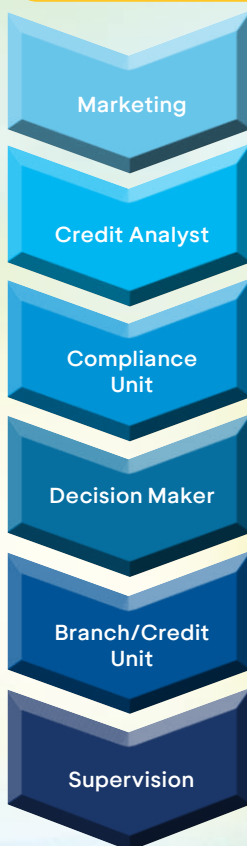
Loan Approval Process Mechanisms and Policy

BCA implements a credit approval process mechanism and considers the results of the ESG assessment as a consideration for credit approval. Through the Credit Committee, BCA also implements an escalation mechanism for credit approval that requires an in-depth and comprehensive credit analysis. The Credit Committee is tasked with providing direction, analysis, and providing decisions or recommendations to large debtors or debtors operating in specific industries.



Implementation

Duties of Officers in Mitigating Economic Aspects and ESG



- Conducting due diligence on prospective debtors through Know Your Customer and pays attention to the AML CTF principles.
- Providing loans only to individuals and companies that have a healthy business, trustworthy governance, the ability to repay their loans, and are not in the exclusion list.
- Determining one of the sustainable business activities categories into sustainable business classification (for SME and small commercial segment).

- Conducting analysis on the credibility of debtor/debtor group/prospective debtor, credit collateral, and the overall health condition of the company to be considered qualified for repaying loans or capable to be granted the credit refinancing
- Determining the category in the sustainable financing classification (for large corporate and commercial segment).

Reviewing debtor's compliance with regulations, including loan restructuring, and loan extensions/changes.

Responsible for making loan decisions, both from business development and considering both business development and the credit risk analysis.

Monitoring and following up loan transactions based on the PROPER assessment. If the PROPER assessment results do not meet the requirements, the branch requests for information or follow up plan from the debtor and monitors the results over a certain period.

Monitoring and detecting potential non-performing loans at early stage and takes action to avoid losses. Supervision is carried out by the Internal Audit Division and the Risk Management Unit (SKMR).

ESG Risk Management Policies [FS1, FS2, FS3]

Financing is an area with significant ESG risks in the banking business. Therefore, BCA uses a precautionary approach in identifying lending in accordance with the General Credit Provisions Manual. To reduce the impact of high-risk ESG risks, BCA carries out risk mitigation according to policy no. 169/SK/DIR/2020 dated 23 October 2020 concerning Basic Bank Credit Policies (KDPB), as well as policy No.198/SK/DIR/2020 dated 22 December 2020 concerning Amendment to AMDAL Provisions and Prohibition of Crediting (exclusion list), which contains credit policy related to biodiversity. In addition, BCA has also implemented a credit policy related to energy use, including from coal energy sources. The financing requirements for the coal business were more strict which aligned with the Financing Sector Policy of the Mining Industrial.

The business activities that are on exclusion list for lending are:

- Illegal logging, production and trade of timber or other forestry products from unsustainably managed forests.
- Activities involving all forms of forced labor, exploitation of underage children or human rights violations.
- Production, trade, shipment and import of weapons outside of official business entities/institutions that have special permits/special legalities from the government.
- Production and trafficking of narcotics, psychotropic, and addictive substances outside of official business entities/institutions that have permits/legalities from the government
- Activities that have a negative impact on UNESCO World Heritage Sites or national and/or international protected areas.
- Activities that violate the rights of local communities, such as taking over land ownership from customary/ indigenous peoples without their consent.
- Illegal trade of wildlife or wildlife products (such as ivory, horns, shark fins, etc.).

BCA implements general policies to ensure ESG risk management in the lending process, in accordance with the Implementation Guidelines of ESG Integration for Banks issued by OJK in 2015; BCA's Primary Bank Credit Policy (KDPB); and Law No. 32 of 2009 concerning Environmental Protection and Management. BCA's ESG risk management policy stipulates:

- Requirements for debtors/prospective debtors to comply with environmental regulations, including environmental permits supported by AMDAL documents, and Environmental Management Efforts/Environmental Monitoring Efforts (UKL/UPL).
- PROPER results issued by the Ministry of Environment. The debtors whose PROPER assessment results do not meet environmental requirements will have to provide information on their follow-up actions, and their next PROPER results will be monitored. The minimum requirement to get financing is Blue PROPER as results of evaluation of the debtor's compliance with all environmental regulations or considering the debtor's action plan.
- Prevention of climate change risks, one of which is through risk management and three lines of defense.
- BCA will continue to monitor the commitments of debtors who have potential environmental risks in mitigating the risks of climate change, forest and biodiversity destruction.
- Regular monitoring of loan quality, both per loan category (Corporate, Commercial, Small & Medium Enterprise/SME, Consumer, and Credit Card) as well as the overall loan portfolio.
- Debtor risk rating system or internal credit risk rating/scoring system consisting of 11 risk ratings ranging from RR1 to RR10, and the worst (loss).

ESG mitigation in the financing field is carried out through the formulation and trial of ESRA as well as THI mapping of corporate debtors. In facilitating the mitigation efforts, BCA organizes THI dissemination for debtors to gain the same insight between creditors and debtors. In addition, BCA will adjust the credit system to accommodate THI data and reporting.

Challenges and Opportunities in the Sustainable Finance Implementation

BCA notes several important challenges and opportunities in implementing Sustainable Finance, as follows:

Challenges

- Rising cyber security threats.
- Information technology acceleration and competition from the financial technology (fintech) industry.
- Changes in business models due to the COVID-19 pandemic.
- Continuous supports for national economic growth through financing for priority/essential industrial sectors which are often considered to have potential ESG risks by more mature countries in green finance.
- The demand to use different ESG application standards from various agencies.
- Increased environmental risks, especially weather changes that affect debtors' businesses.
- The launch of Indonesia Green Taxonomy.

Opportunities

- Increasing attention from the government and investors about sustainable business to create eco-friendly products.
- Many MSMEs have started their business by utilizing waste.
- The emergence of technology-based SMEs to reduce the use of transportation or paper.
- Increasing number of businesses have begun to pay attention to environmental aspects in conducting their business.
- Open financing opportunity to support low-carbon economy, including the new renewable energy (NRE), electric vehicles, and waste recycling sectors.



02

Responsible Banking



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BCA commits to creating a positive impact on economic, social, environmental, and human rights aspects for customers, business partners, and the community in BCA's work areas through financial products and services that align with Sustainable Finance implementation.



Data Security and Maintaining Customer Privacy

Protection of customer privacy, which includes personal data, deposit data, and financial security, is the groundwork of banking business to maintain customer trust. We manage customer data security and privacy adherence to the banking code of ethics, policies, and applicable regulations.

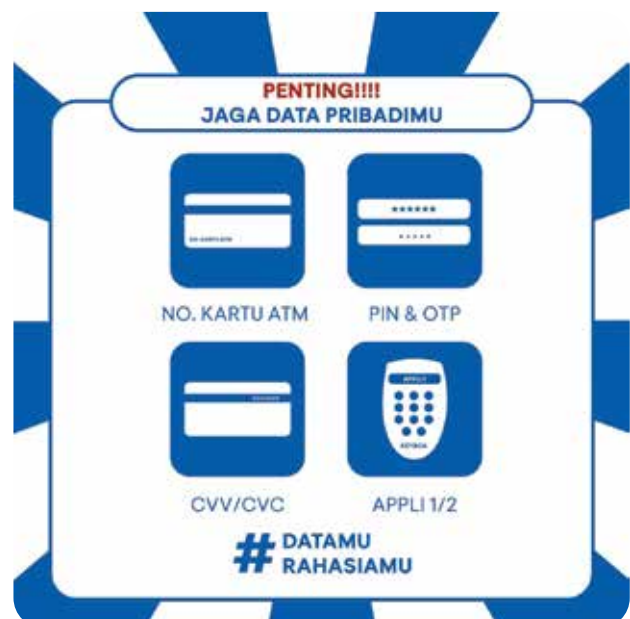
Material Topic Management: Customer Data Security and Privacy [3-3]

Impact, Commitment, and Policy [FN-CB-230a.2]

BCA maintains customer trust by protecting customer personal data and privacy with an adequate IT system. The personal data protection policy applies to all operational activities of the Bank, including cooperation with business partners/suppliers/vendors. Customer data security and

privacy are a form of BCA's commitment to respect human rights. A weak security system will result in potential data leaks, scams, fraud, phishing, and cybercrime, which prompts BCA to continuously implement a security system capable of protecting the privacy of all its customers. Management of customer data security and privacy systems refers to the following internal policies:

- Decree of the Board of Directors No. 011/SK/DIR/2019 dated January 25, 2019 concerning Revised Information Security Policy for Head Office and Information Security Policy for Regional Offices - Branches;
- Decree of the Board of Directors No. 141/SK/DIR/2022 dated September 16, 2022 concerning Operational Risk Management Policy;



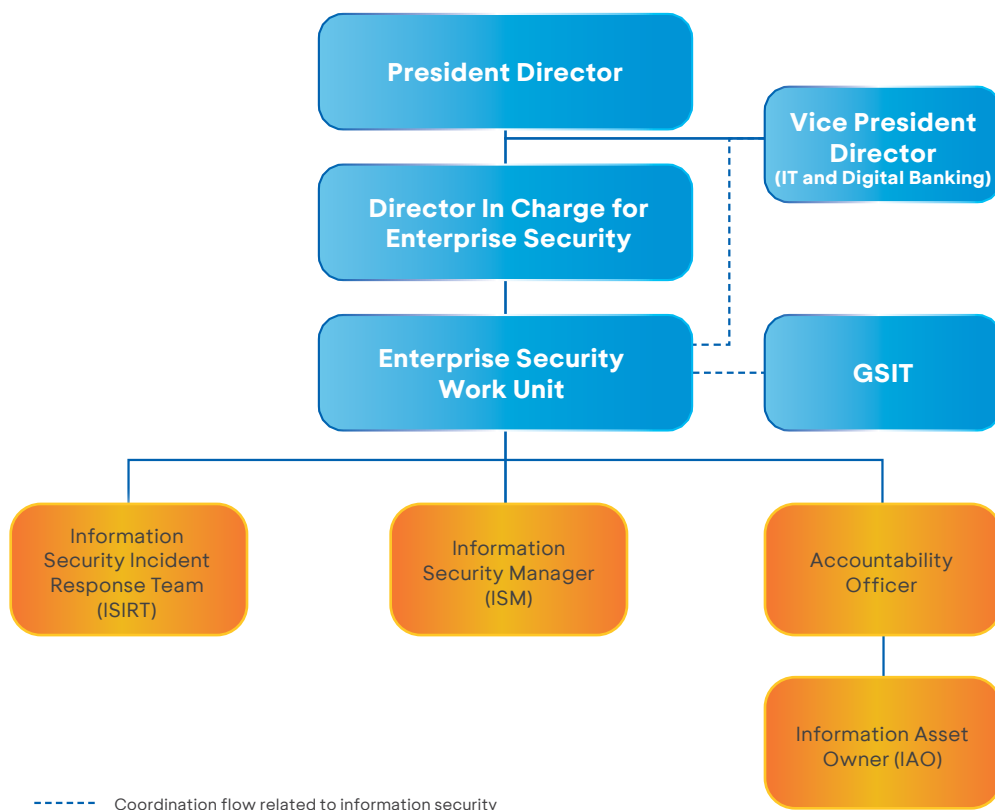
The #AwasModus campaign is actively socialized in to protect customer data amidst rampant modes of fraud.

- Circular Letter No. 154/SE/POL/2016 dated August 8, 2016 concerning Offers of Products and/or Financial Services by Observing Consumer Protection Principles;
- Decree of the Board of Directors No. 100/SK/DIR/2022 dated July 19, 2022 concerning Provisions for Consumer Protection;
- Circular Letter No. 257/SE/POL/2015 dated December 11, 2015 concerning Transparency of Product Information and Use of Customer Personal Data;
- Collective Labor Agreement (CLA).

Management Effectiveness

Customers' privacy and data security monitoring is carried out at various management levels. For instance, the Enterprise Security Work Unit will follow up and coordinate with field directors and the Group Strategic Information Technology (GSIT). The Vice President Director in charge of IT and Digital Banking will then receive the monitoring results. Furthermore, the Vice President Director is responsible for ensuring the security and effectivity of banking solution services by periodically checking out reports submitted by the Enterprise Security Work Unit. Thus, the assessment of cyber security policies and practices implementation is carried out regularly to improve BCA's banking system.

Data and Privacy Security Organizational Structure





Efforts to Maintain Customer Data Security, Confidentiality, and Privacy [3-3][FN-CB-230a.2]

BCA enforces a protection standard for confidential customer information to all employees in accordance with the applicable code of conduct, which can be accessed at <https://www.bca.co.id/-/media/Feature/Report/File/Sustainability-Index/Kebijakan/20210528-ASP-code-of-conduct.pdf>. BCA's code of conduct prohibits employees from disclosing company secrets, whether intentionally or not, including customer information, management information systems, company personnel data, supplier/partner information, and information on agreements with the government.

Moreover, BCA prohibits all employees from selling/spreading customer data to outsiders. BCA complies with the Law on Personal Data Protection applied in Indonesia to maintain customer information security and privacy. Further information regarding privacy and data security policies can be accessed at <https://www.bca.co.id/en/informasi/Kebijakan>.

BCA maintains customer data security and privacy amidst the latest cyberthreats by implementing a privacy policy and raising awareness of cybersecurity internally. The Bank is also aware of the high potential for cyberthreats due to developments in IT technology and digitization, which has prompted it to continuously strengthen the security system infrastructure as part of the mitigation effort.

Mitigation efforts against cyber threats:



1. Improving the competency of the Security Monitoring Center (SMC) team and the Enterprise Security team.
2. Conducting regular phishing simulations for all employees and third parties.
3. Conducting a cybersecurity culture assessment to test the level of awareness and knowledge of employees regarding cybersecurity.
4. Organizing regular cybersecurity training, including for the board of commissioners and directors of BCA.
5. Providing cybersecurity classes with a more technical level for IT teams, especially the teams responsible for application development and data storage or processing.



1. Conducting the Information Security Management System process in accordance with ISO 27001 certification standards for Network Systems, Data Centers, and Enterprise Security team.
2. Creating and updating policies concerning information security and cybersecurity.
3. Periodically reviewing the implementation of information security in the Work Units of the Head Office, Regional Offices, and all Branch Offices.
4. Increasing the operational hours of the Security Monitoring Center (SMC) to 24x7.
5. Conducting a threat hunting process to analyze methods, techniques, tactics, impacts and trends of cyberattacks on BCA's IT systems.
6. Conducting periodic security incident drills and tabletop exercises.
7. Implementing standard patch management to prevent the risk of cyber attacks due to vulnerable information asset devices.
8. Conducting vulnerability testing, both for new IT applications or systems as well as periodic testing.
9. Collaborating with white hacker communities to test application vulnerability which can reduce the risk of application vulnerability with such testing from multiple parties.
10. Identifying devices that are approaching end-of-life or end-of-support and rejuvenating these devices.
11. Conducting a due diligence process for third parties who will partner with BCA as an initial step to measure the risks that may arise if the partnership continues.



1. Implementing protection for BCA Internet Banking channels to detect malware on customer computers.
2. Implementing data classification technology in all work units at the Head Office and branches.
3. Developing data protection technologies including Data Loss Prevention (DLP), Database Activity Monitoring (DAM), data masking to protect sensitive information from unauthorized access, control over the use of USB storage, and solutions that can separate personal data and work data on BYOD (Bring Your Own Device) devices.
4. Developing network security technology that can detect potential malware and vulnerability exploit attacks.
5. Implementing data traffic monitoring devices on the BCA network to anticipate indications of cyberattacks including data breach and Advance Persistent Threat (APT) risks and to respond quickly and effectively.
6. Securing computer systems including containers with more comprehensive cyber visibility risk with automatic detection and response capabilities.
7. Protecting applications with the ability to detect customer behavior so that it can detect anomalous transactions by developing a fraud detection system.
8. Implementing security information and event management with improved event correlation from various IT systems and utilizing machine learning and artificial intelligence technologies.
9. Enhancement of web secure gateway capabilities to integrate with Data Loss Prevention solutions, detect and prevent access to dangerous sites.
10. Increasing network and endpoint security by ensuring compliance of devices connected to the network.
11. Utilization of threat intelligence for integration with security devices.
12. Rejuvenation of security devices that are approaching the end-of-life/end-of-support, as well as devices that are outdated or no longer relevant in dealing with cyberattacks.
13. Improvement of remote access security solutions starting from the implementation of multi-factor authentication, security on the endpoint used, network security, and accessed server security, as well as accessed data security and remote session activity monitoring.
14. Application of end-to-end encryption ATMs to help prevent man-in-the-middle attacks on ATM devices.
15. Security enhancements to the API system to provide convenience and security in transactions.
16. Increasing the security of privilege user id of the use of physical, virtual, and microservice server by implementing privilege access management.

Financial Protection for Customers

BCA pays full attention to customer financial protection, which is implemented through several practices, namely:

- Fair advertising policies/procedures
BCA has internal procedures and policies in terms of marketing communications. We always release advertisements related to savings, current accounts, loans, and other financial services with accountable information.
- Debt collection policy
BCA has a policy that regulates the collection of bad credit from debtors, while maintaining the confidentiality of the debtor's financial data.
- Loan modification options
BCA applies loan modification policies such as changes in tenure and collateral.



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

The increasingly integrated IT and information system development has significantly contributed to the increased cybercrime risks. Cybersecurity as a form of data protection and customer privacy is a priority for BCA. We ensure reliable data security by implementing Data Loss Prevention (DLP) that will prevent data security incidents and data leaks, including through the increase of electronic information security from theft, misuse, or phishing.

Periodically, we carry out data security incident simulations to ensure that all employees are aware of cybersecurity issues. BCA comprehensively secures data center as an operational data center for IT services and implements a One Time Password (OTP) code. In addition, to overcome various cybercrimes, BCA implements two-factor authentication in digital applications to ensure that the application is used by the rightful account owner/customer.

On the other hand, BCA also recognizes the importance of managing the impact of cybercrime through personal cyber insurance. Through BCA Insurance as its subsidiary, BCA has products to protect customers from financial losses and expenses caused by cyberattacks, including internet payments, online shopping, and online identity theft administration charges.

BCA continuously improves its IT security system to anticipate potential cybercrime, negligence, and fraud. BCA generally implements data security policies in all work units, while its subsidiaries have their own data security systems.

Data security certification:

- ISO/IEC/27001:2013 regarding Data Center Network Services and Data Center Operation Services
- ISO 9001:2015 regarding guarantee and service quality improvement
- ISO 20000-1:2018 regarding IT Service Management System (SMS)
- Payment Card Industry Data Security Standard (PCI DSS) 3.2.1



BCA educates, trains, and tests all employees on how to identify the latest potential cyberthreats and knowledge of information security systems to protect the Bank's resources and information. Periodically, BCA conducts tests on employees' awareness of cybersecurity through phishing emails and periodic smishing tests.

BCA requires all employees to attend cybersecurity training. All permanent employees of the Bank have received cybersecurity dissemination through e-mail blasts and other internal communication platforms. Employees who have just joined BCA will attend special induction training on cybersecurity awareness, with 39 sessions held in 2022. Furthermore, BCA regularly holds Cybersecurity Month to raise employee awareness. Apart from employees, BCA also raises external parties' awareness, such as customers and debtors, and educates them about cybersecurity through digital media, webinars, social media, and other channels that can be accessed freely. The Bank also increases cybersecurity awareness for the public held by external companies/agencies.

Employees Receiving Cyber Security Training Based on Position Level

Position Level	Number of Employees
Manager	415
Staff	18,116
Non staff	7,635
Total	26,166

BCA participates in security-related forums that are held, among others: Cloud Security Trends & How Do We Implement; Building Secure & Trusted Intelligent World "Supporting 2022 Indonesian Presidency G20"; Women in Cybersecurity; Keep Your BCA Account Safe by Protecting Your Personal Data; Cybersecurity – Protect Your Business; Certification of (SPR 1310) Technology Risk on Payment Systems (BI); Personal Data Protection Constitution and Personal Data Protection Law.

BCA implements cyber risk management by referring to the Federal Financial Institution Examination Council (FFIEC) and the Incident Response Framework standards as illustrated in the following chart:





BCA also implements third party cyber risk management by procuring IT with cybersecurity due diligence for entities related to critical information assets within the Bank.



- Award from National Cyber and Crypto Agency (BSSN/ *Badan Siber dan Sandi Negara*) for Supporting Cyber Security Strengthening in Private Sector (October 26, 2022)
- Chief Information Security Officer (CISO) of the year award at IndoSec Award 2022



Digital Identity Protection

BCA verifies its customers' identities to protect their finances, assets, and privacy. BCA continuously reviews and assesses the identity verification system with consultants, the roadmap for cybersecurity for HR, the process, and the technological aspects. The Bank also observes trends, challenges, and opportunities in digital identity protection to explore cutting-edge technologies that can potentially meet customers' needs for privacy. In addition, BCA actively observes and studies banking standards, general laws, and regulations relevant to data security and privacy.

Zero Data Leak [418-1] [FN-CB-230A1] [2-25]

BCA conducts ethical business in accordance with applicable banking standards and regulations. The Bank's internal policies prohibit sharing customer data and/or information to third parties, except with the written consent of the customer and/or required by laws and regulations. When opening a new account, customers are asked to sign a clause containing approval concerning data sharing with other parties.

Until the end of 2022, there were no material cases of breach or misuse of customers' data and privacy significantly affecting BCA's business continuity. There were also no material complaints from customers and/or the supervisory body. BCA has an escalated mechanism and guidelines for obligation violation sanctions, including the violation of customers' privacy.

The Employee Settlement Committee (KPKK/*Komite Pertimbangan Kasus Kepegawaian*) is a committee in BCA that provides recommendations to the management in regard to cases' settlement, ensuring its compliance with the principles of justice and equality through reviewing cases of violations and/or crimes committed by workers.

Handling and reporting of violation cases involving BCA employees are carried out through the Operational Risk Management Information System-Loss Event Database (ORMIS-LED) application. Employees that do not protect (leak) customers and the company's privacy, obtained through or in association with their position within the company, will be counted as a violation and be sanctioned in the form of demotion or even termination.

Corruption and Fraud Prevention

Corruption and fraud are human rights violations that can undermine public trust in the Bank. BCA has anti-corruption, anti-fraud, anti-money laundering, and counter-terrorism financing (AML/CTF) policies.

Material Topic Management:
Anti-Corruption and Anti-fraud [3-3] FN-CB-230a.1]

Impact, Commitment, and Policy

BCA upholds business ethics and implements Good Corporate Governance (GCG) that includes internal monitoring to prevent all forms of corruption and fraud. Accordingly, the integrity and honesty of employees became a challenge in the banking industry. BCA continuously strives to improve the awareness of employees, customers, and partners (vendors) in preventing all form of corruption and fraud.

BCA's internal policies on anti-corruption and anti-fraud implementation, including:

- Board of Directors' Decree No. 269/SK/DIR/2021 dated December 31, 2021, concerning Anti-Corruption Policy and Gratification Control.
- Board of Directors' Decree No.139/SK/DIR/2020 dated July 20, 2020, concerning Anti-Fraud Declaration and Integrity Pact.
- Board of Directors' Decree No. 114/SK/DIR/2021 dated June 17, 2021, concerning Adjustment of Policy on Anti-Fraud Strategy;
- Board of Directors' Decree No. 242/SK/DIR/2022 dated December 23, 2022, concerning Guidance of AML/CTF Program Implementation;
- Board of Directors' Decree No. 146/SK/DIR/2017 dated November 1, 2017, concerning the Implementation of Whistleblowing System at BCA;
- Board of Directors' Decree No. 079/SK/DIR/2015 dated June 18, 2015, concerning BCA Core Values.
- Board of Directors' Decree No. 219/SK/DIR/2003 dated November 10, 2003, concerning Provisions Regarding Conflicts of Interest.
- Board of Directors' Decree No. 778/SK/DIR/1995 dated 24 August 1995 concerning the Code of Ethics for BCA Bankers;
- Collective Labor Agreement (PKB).

Pakta Integritas

Sesuai SK Nomor 139/SK/DIR/2020

Pengisian Pakta Integritas oleh seluruh insan BCA merupakan bentuk komitmen bersama untuk menerapkan dan menumbuhkembangkan budaya anti fraud agar tercipta lingkungan BCA aman dan nyaman bagi semua.

*Fraud adalah tindakan penyimpangan atau pembiaran yang sengaja dilakukan untuk mengelabui, menipu, atau memanipulasi Bank, nasabah, atau pihak lain, yang terjadi di lingkungan Bank dan/atau menggunakan sarana Bank sehingga mengakibatkan Bank, nasabah atau pihak lain menderita kerugian dan/atau pelaku fraud memperoleh keuntungan keuangan baik secara langsung maupun tidak langsung.



BCA employees are required to fill out an Integrity Pact every year.



Management Effectiveness

We continuously uphold anti-corruption and anti-fraud policies through an internal control system that consists of prevention, detection, investigation, and monitoring. In addition, BCA runs a whistleblowing system (WBS), periodic audits at least once every three years, and a three line of defense system. The results of anti-corruption and anti-fraud monitoring will be regularly reported to management. Anti-fraud and anti-corruption policies are part of our respect for human rights and our commitment to zero fraud and corruption.

Awareness and Enforcement of Anti-corruption and Anti-fraud

BCA's commitment to anti-corruption and anti-fraud enforcement includes issuing anti-corruption and gratification control policies, Anti-fraud Declaration, and Integrity Pact to all employees. Every year, BCA requires all members of the organization, including the Board of Commissioners, Board of Directors, and employees to sign the Integrity Pact.

BCA has formed an anti-fraud bureau the implementation and development of anti-fraud policies or responsible for implementing and developing anti-fraud policies or strategies nationwide. The monitoring includes prevention, detection, investigation, reporting and sanction, as well as evaluations' monitoring and follow-up. Internal Audit Division conducts inspections at least once every three years with a priority scheme based on the assessment results. All regional offices, branch offices, and head office operational work units have an internal control unit. BCA mainly monitors functions with a high risk of corruption and/or fraud, such as tellers or CSO (frontliner). [205-1]

Another anti-corruption and anti-fraud enforcement is through training and dissemination. In 2022, as many as 33,178 employees, or more than 95% of employees (including magang bakti), attended anti-fraud training. Meanwhile, the dissemination was carried out via e-mail blast and other internal communication media, reaching 100% of employees educated. [205-2]

Anti-corruption and/or Anti-fraud Training and Awareness [205-2]

Anti-fraud Awareness & Training	Number of Employees
In Class Training	5,875
e-Learning	33,178

Note:

1. Including training provided to Bakti BCA internship and programs (non-permanent).
2. It is estimated that more than 98% of employees who have received anti-corruption and anti-fraud awareness include permanent workers and temporary workers.

BCA also seeks to educate customers about anti-fraud through the [bca.co.id](https://www.bca.co.id) website and various BCA's social media, following the Awas Modus socialization. Anti-fraud education aims to increase customers' vigilance against the latest modes of banking crimes. The content of Awas Modus socialization can be accessed at https://www.bca.co.id/en/informasi/awas-modus?funnel_

Throughout 2022, BCA did not find any cases of fraud or corruption that had a material or significant impact on BCA's business continuity. However, there are several internal and external cases that had no material or significant impact. There were 62 cases of internal fraud in 2022, with potential losses of Rp4.2 billion and actual losses of Rp10 million. While the external cases of fraud in 2022 led to potential losses of Rp42.6 billion and actual losses of Rp7 billion. BCA also mitigates the possible fraud committed by partners/vendors by requiring them to sign statements and contracts on not engaging in corruption and/or fraud before signing a collaboration agreement. [205-3]

Whistleblowing System [3-3][FN-CB-510a.2][2-26]

BCA implements a whistleblowing system (WBS) to detect and prevent corruption and/or fraudulent acts as early as possible. Internal and external parties of the Bank can submit complaints concerning corruption, fraud, or actions that violate the banking code of ethics. Via the [bca.co.id](https://www.bca.co.id) website by attaching clear data and information in accordance with the 4W1H principles (What, Who, When, Where, and How). The WBS manager will automatically receive the complaint report for validation, while the identity of the whistleblowers will be kept confidential.

Resolution of Whistleblowing Reports [205-3][FN-CB-510a.2]

Year	Status	Total	Remarks
2022	In process (open) Completed (closed)	0 26	Proven (4), not proven (3), incomplete data and the reporter does not provide the requested additional information/data (15), information (2), customer complaints (2)
2021	In process (open) Completed (closed)	0 22	Proven (3), not proven (2), incomplete data (7), customer information/complaints (10)
2020	In process (open) Completed (closed)	0 22	Incomplete data (6), customer information/complaints (16)

Note:

Complete information regarding the Whistleblowing System (WBS) can be found in the 2022 Annual Report and Whistleblowing Report at <https://www.bca.co.id/en/tentang-bca/tata-kelola/Whistleblowing-System>.

Anti-Money Laundering and Counter-Terrorism Financing (AML/CTF)

BCA continuously raises employees' awareness of money laundering and terrorist financing practices. All or 100% of employees have received information about AML/CTF through email blasts and other internal communication media. All sizeable and suspicious transactions must pass through AML/CTF. More detailed information on AML/CTF can be accessed at <https://www.bca.co.id/en/tentang-bca/tata-kelola/Informasi-Lain/APU-PPT>.

AML/CTF Training based on Position Level

Position Level	Number of Employees
Senior Officers (including the Board of Commissioners and the Board of Directors)	24
Manager	2,721
Staff	4,163
Non staff	12,792
Total	19,700



Economic Performance, Financial Solutions, and Responsible Financing



BCA continues to support the development of environmentally friendly business sector.

Alongside the recovery and strengthening of the national economy, BCA has delivered a solid financial performance in 2022. We are grateful as 2022 offered enormous opportunities, enabled us to implement key strategic initiatives, and brought positive results, both in terms of assets and liabilities including contributions from Subsidiaries. BCA also acknowledges the importance of ESG in sustaining long-term business performance. The business strategy is aligned and integrated with environmental, social, and governance (ESG) aspects, including through the sustainable financing portfolio for both green and MSME financing. Sustainable financing plays an important role in driving the transition towards a resilient green economy and supporting economic recovery, both for our benefit today and future generations. Therefore, BCA focuses on increasing the portfolio and quality of sustainable financing by applying a principle of prudence, paying attention to the implementation of debtors'

ESG performance, identifying and mitigating ESG risks, and participating in the provision of education concerning sustainability.

Material Topic Management: Economic Performance and Green Loan Portfolio [3-3]

Impact, Commitment, and Policy

BCA understands that implementing Sustainable Finance requires cooperation from stakeholders and consistent monitoring and evaluation to achieve optimal impact. In addition, we need to address some challenges, such as the transition to a low-carbon economy, physical and transitional risks of climate change, regulations on financing in environmentally friendly sectors, and different perceptions about Sustainable Finance between the Bank and stakeholders.

BCA's commitment to implementing Sustainable Finance is supported by the following internal policies:

- Board of Directors' Decree No. 268/SK/DIR/2021 dated December 31, 2021 concerning Policies for Financing Oil Palm Plantations and Industry;
- Board of Directors' Decree No. 179/SK/DIR/2021 dated September 22, 2021 concerning Environmental Policy;
- Board of Directors' Decree No. 196/SK/DIR/2019 dated November 29, 2019 concerning Sustainable Finance Provisions;
- Board of Directors' Decree No. 198/SK/DIR/2022 dated November 9, 2022 concerning Environmental, Social and Governance (ESG) Policy for Financing the Coal Mining Sector;
- Board of Directors' Decree No. 203/SK/DIR/2022 dated November 16, 2022 concerning Environmental, Social and Governance (ESG) Policy for Toll Road Development Sector Financing;
- Board of Directors' Decree No. 212/DK/DIR/2022 dated November 29, 2022 concerning Environmental, Social and Governance (ESG) Policy for Financing the Timber and Forest Products Industry Sector;
- Board of Directors' Decree No. 213/SK/DIR/2022 dated November 29, 2022 concerning Environmental, Social and Governance (ESG) Policy for Financing the Cement and Basic Iron Steel Industry Sector.

Management Effectiveness

Financial audits are carried out periodically by internal and external auditors. In 2022, the Public Accounting Firm of Tanudiredja, Wibisana, Rintis & Rekan (a member firm of the PwC Global network) was appointed as the external auditor. Financial implementation is supervised through a quarterly reporting of the financial implementation results to the Board of Directors and Board of Commissioners, including the stakeholders through Analyst Meetings.

In optimizing the green credit portfolio, BCA continues to increase financing to green sectors and manage ESG loan risk in accordance with the Sustainable Finance policy in Indonesia. BCA always maintains the balance of its financial performance management, both in terms of funding and financing, as well as the application of Sustainable Finance principles in these two aspects, followed by other banking aspects.

The economic performance and Sustainable Finance implementation, including green portfolio management as one of the material topics, are under the direct supervision of the Director of Planning and Finance. BCA has implemented the Sustainable Finance Action Plan (SFAP), with some of the priorities including increasing sustainable loan financing and mapping the related work units' roles and responsibilities to meet SFAP indicators. The parties involved include the Corporate Banking, Transaction & Finance Group; Credit Risk Analysis Group; Commercial and SME Business Division; and the Risk Management Work Unit.

Economic Performance Achievement against the Target

Revenues in 2022 were Rp87.5 trillion or increased by 11.5% from Rp78.5 trillion in 2021. Operating income consists of net interest income and other operating income. Interest income reached 110.0% of the target, while other operating income 103.7% of the target. Net profit increased by 29.6% to Rp40.7 trillion from Rp31.4 trillion in 2021.

In 2022, BCA managed to raise third-party funds (DPK/*Dana Pihak Ketiga*) of Rp1,030.5 trillion or increased by 6.4%, which reached the target of 6–8%. The total loans disbursed in 2022 was Rp694.9 trillion or an increase of 11.7% compared to the total loans of Rp622.0 trillion in 2021. The percentage was higher, when compared to the target of 6–8%.



Financial Performance & Ratios 2020-2022

Description	2022	2021	2020
Financial Performance (Rp billion)			
Loans - Gross	694,937	622,013	574,590
Third Party Funds	1,030,452	968,607	834,284
Operating Income	87,476	78,473	75,165
Operating Expenses	(32,483)	(30,308)	(29,969)
Net Income	40,756	31,440	27,147
Ratio *) (%)			
Capital Adequacy Ratio (CAR)	25.8	25.7	25.8
Non-Performing Earning Assets and Non-Earning Assets to Total Earning Assets and Non-Earning Assets	0.9	1.1	0.9
Allowance for Impairment Losses (AIL) on Financial Assets to Earning Assets	3.0	3.0	2.8
Gross NPL	1.7	2.2	1.8
Net NPL	0.6	0.8	0.7
Return on Asset (ROA)	3.9	3.4	3.3
Return on Equity (ROE)	21.7	18.3	16.5
Net Interest Margin (NIM)	5.3	5.1	5.7
Operating Expense to Operating Income (OER)	46.5	54.2	63.5
Loan to Deposit Ratio (LDR)	65.2	62.0	65.8
Liquidity Coverage Ratio (LCR)	393.5	396.3	379.2

Note:

*) Parent company only.

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

Description	2022	2021	2020
A. Economic Value Generated			
Interest Income and Sharia - Net	72,241,191	65,626,976	65,403,161
Other Operating Income	23,486,808	22,337,794	21,004,028
Other Comprehensive Income (Expense)	(3,322,718)	426,906	3,889,342
Total Economic Value Generated	92,405,281	88,391,676	90,296,531
B. Economic Value Distributed			
Interest Expenses and Sharia	8,251,682	9,491,401	11,241,891
Other Operating Expenses (Manpower Costs and General & Administrative Expenses)	32,482,665	30,308,200	29,968,715
Allowance for Impairment Losses on Assets	4,526,619	9,323,995	11,628,076
Dividend Payments	19,107,633	13,732,840	13,634,221
Payments to Government	9,711,461	7,401,015	6,421,398
Community Expenditure	143,096	136,205	116,772
Total Economic Value Distributed	74,223,156	70,393,656	73,011,073
C. Economic Value Retained (A-B)	18,182,125	17,998,020	17,285,458

Sustainable Finance Portfolio

Sustainable Finance Performance

Description	Unit	2022	2021	2020
Number of products meeting the sustainable financing categories				
1. Funding	Number of Products	-	-	-
2. Lending *)	Number of Products	2	3	1
Total earning assets for sustainable business activities				
3. Total SF Loans/Financing	Rp billion	183,225	159,486	127,626
4. Total Non-SF Loans/Non-Financing	Rp billion	536,906	484,856	446,964
Total Loan & Corporate Bond Portfolio	Rp billion	720,131	644,342	574,590
Percentage of total sustainable loans/financing to total Bank loans/financing (%)	%	25.4	24.8	22.2

Note:

The sustainable financing portfolio as of December 31, 2020 and 2021 was restated as adjustment to the results of the identification of the sustainable financing portfolio as of December 31, 2022. Earning assets consist of financing on Loan and Corporate Bonds (Parent Company)

*) The product used for channeling SF funds is integrated with existing loan products at BCA.

Outstanding Sustainable Loan Portfolio based on Business Segment [FS6]

Description	2022		2021		2020	
	Rp billion	%	Rp billion	%	Rp billion	%
Non-MSME Sustainable Loan Portfolio	80,909	44.2	71,280	44.7	50,452	39.5
- Corporate	78,903	43.1	70,052	43.9	49,431	38.7
- Commercial	1,354	0.7	1,208	0.8	1,020	0.8
- Consumer	274	0.2	20	0.0	0	0
- Green bonds	379	0.2	0	0.0	0	0
MSME Sustainable Loan Portfolio	102,316	55.8	88,206	55.3	77,174	60.5
Total Sustainable Financing Portfolio	183,225	100.0	159,486	100.0	127,626	100.0

Note:

To be consistent with the identification outcomes of the sustainable financing portfolio as of December 31, 2022, the sustainable financing portfolio as of December 31, 2020 and 2021 has been restated. Financing on corporate bonds and credit bonds makes up earning assets (Parent Company). Offerings used to channel sustainable financing funds are connected with BCA's existing credit products.

The sustainable loan portfolio in 2022 amounted to Rp183.2 trillion, or a 14.9% increase from Rp159.5 trillion in 2021. The sustainable loan portfolio consists of 44.2% non-MSMEs. The total sustainable financing portfolio was equivalent to 25.4% of total loans in 2022. This percentage was higher than the growth target for sustainable financing in 2022 at 7%. [FS10]



BCA always strives to support the development of renewable energy and sustainable infrastructure.

A description regarding the overall loan portfolio based on the business sector and segment (corporate, commercial & SME, and consumer) can be found in the 2022 Annual Report. [\[FN-CB410A.1, FN-CB-000.B\]](#)

Non-MSME Sustainable Loan Portfolio based on Business Sector (Rp billion) [FS6, FS8]

Sustainable Business Sector	2022	2021	2020
Renewable energy	2,094	2,334	4,643
Energy Efficiency	-	182	441
Management of Living Natural Resources and Sustainable Land Use	66,146	57,910	31,761
Eco-friendly Transportation	6,948	5,987	8,589
Sustainable Water and Wastewater Management	818	885	1,014
Products That Can Reduce Use of Resources and Generate Less Pollution (Eco-efficient)	4,448	3,901	3,925
Environmentally Friendly Buildings that Meet National, Regional, or International Standards or Certifications	77	81	77
Sustainable Business and/or other Activities	379	-	-
Total	80,909	71,280	50,452

Note:

The non-MSME Sustainable Financing portfolio for December 31, 2020, and 2021 has been restated to conform with the results of the identification of the Sustainable Business financing portfolio as of December 31, 2022.

Renewable Energy Financing

BCA is actively financing the renewable energy sector, including solar, water, mini-hydro, biogas, and biomass power projects. The Bank also supports the government's efforts in promoting the use of environmentally friendly alternative energy to achieve the target of New and Renewable Energy (NRE) use of 23% by 2025. Therefore, BCA is participating in financing the Solar Power Plant (PLTS) project and setting a target of installing photovoltaic (PV) with a capacity of at least 200 MWp. The projects are located on Java Island and Riau Islands (Batam).

Sustainable Financing for Bioresource Sector

BCA has a substantial number of debtors engaged in bio-resource and sustainable land management. These debtors have dominated the non-MSME sustainable business sector. In 2022, total financing to this sector reached Rp66.2 trillion. Debtors in this category, including an oil palm plantation business, are Roundtable on Sustainable Palm Oil (RSPO) and Indonesian Sustainable Palm Oil (ISPO) certified. BCA also has the policy to monitor and manage the loan portfolio in the palm oil sector, based on the Board of Directors Decree No. 268/SK/DIR/2021 concerning Palm Oil Plantation and Industry Financing Policies. The policy aims to prevent lending to debtors who commit deforestation and human rights violations. In addition to oil palm plantations, BCA requires debtors in the timber plantation sector to have sustainable business certificates.

Financing for Certified Palm Oil Industry Companies [FS10, FS11]

Status Sertifikasi ISPO & RSPO	2022		2021		2020	
	Number of Companies	Outstanding (Rp billion)	Number of Companies	Outstanding (Rp billion)	Number of Companies	Outstanding (Rp billion)
ISPO Certified	30	11,846	25	9,659	28	7,749
RSPO Certified	16	19,848	15	19,624	12	8,208
ISPO and RSPO Certified	13	7,728	13	6,088	8	5,810
TOTAL	59	39,422	53	35,371	48	21,767

Note:

All certified companies were corporate debtors amounted to 59 companies or 65.6% of the total corporate debtors with 68.1% of total outstanding were engaged in the Oil Palm Plantation and Palm Oil Industry sectors.



Infrastructure Financing [203-1, 203-2]

BCA contributes to providing an indirect economic impact on society, one of which is through infrastructure financing in Indonesia. BCA finances for commercial projects of toll roads, electricity, railroads, telecommunication towers, airports, ports, as well as drinking water and sanitation. In 2022, the total lending for infrastructure, including non-cash loans, reached Rp56.2 trillion or increased 2.4% from 2021.



Infrastructure Financing (Rp billion) [FS6]

Description	2022	2021	2020
Toll roads	1,248	889	3,780
Electricity	2,019	1,945	1,690
Railroads	2,667	2,318	1,955
Executive Airports and Ports	2,759	2,760	2,855
Water and Sanitation	818	892	1,014
Total	9,510	8,804	11,295

Note:

Data as of December 31, 2020 and 2021 restated to conform with the results of portfolio identification as of December 31, 2022

Infrastructure Financing (including non-cash loans)

Sector	2022		2021		2020	
	Rp billion	%	Rp billion	%	Rp billion	%
Toll roads	28,955	51.5	24,171	44.0	17,293	38.0
Electricity	10,510	18.7	10,170	18.5	14,498	31.9
Railroads	3,365	6.0	4,067	7.4	3,353	7.4
Telecommunications Tower	9,553	17.0	12,591	22.9	6,408	14.1
Airports and Ports	2,890	5.1	2,897	5.3	2,904	6.4
Drinking Water and Sanitation	906	1.6	986	1.8	1,014	2.2
Infrastructure Financing Portfolio (including non-cash loans)	56,179	100.0	54,882	100.0	45,470	100.0

ESG-Based Electricity Sector Financing Portfolio by Region (Rp billion) [FS6]

Description	2022	2021	2020
Sumatera	1,085	1,141	1,103
Java	494	546	353
Nusa Tenggara	45	73	49
Sulawesi	53	81	54
Kalimantan	92	104	131
Total	1,769	1,945	1,690

Note:

total financing for 2022 excluding bonds of Rp250 billion

MSME Loan Portfolio

BCA has disbursed Rp102.3 trillion of loans to the MSME sector or 14.7% of the total loan disbursement in 2022.

Description	2022		2021		2020	
	(Rp billion)	%	(Rp billion)	%	(Rp billion)	%
MSME sustainable loan portfolio	102,316	55.8	88,206	55.3	77,174	60.5

Note:

Percentage of total sustainable financing

ESG-Based MSME Loan Portfolio [FS8]

[FN-CB-240a.1]

MSMEs have a crucial position in the Indonesian economy as it to absorb the workforce and drive the local economy. BCA adopted the Macprudential Inclusive Financing Ratio (RPIM) issued by Bank Indonesia in 2021 to support Indonesian economic revival. The policy aims to afford the banking industry to participate in economic inclusion and strengthen MSMEs for economic recovery. The RPIM fulfillment policy has been set in stages, starting with a minimum ratio of 20% in 2022, 25% in 2023, and 30% in 2024. BCA's RPIM target growth in 2022 is 20.4%. BCA continues to evaluate the RPIM ratio in its development under the supervision of management.

BCA supports the MSME sector through lending, which reached Rp102.3 trillion in 2022, or approximately 14.7% of total loans. BCA has also developed a special ESG-based MSME loan program with lower interest rates. Until the end of 2022, the ESG-based MSME Loan portfolio has channeled Rp17.5 billion to debtors related to waste management sectors.

People's Business Credit (KUR)

In 2022, BCA disbursed Rp478 billion in KUR, an increase of 131.6% from Rp206.4 billion in 2021. BCA has been financing KUR programs that have a direct economic impact on the community, such as increasing the activity and creativity of unbankable communities living in underdeveloped areas. Types of people's businesses that receive KUR include handicrafts, processed agricultural products, animal husbandry, and nurseries. [FS7][FN-CB-240a.1]

BCA's prospective KUR debtors must go through a set of procedures. They must meet the loan requirements, including in the screening for social and environmental management. BCA applies the principle of equality in screening prospective debtors, regardless of their background. Several KUR debtors are BCA's assisted partners who have previously received ESG mentoring and training to help smooth their business transactions.

In addition, BCA is committed to disbursing KUR in the production sector, including one in collaboration with 200 cattle breeders in the East Lombok Regency Government, to support them in purchasing Indonesian cattle for a period of 12 months. [FS5]

To make it easier to apply for KUR, BCA has been digitalizing the process through the e-form, which was released in February 2022. The realization of applications via e-form as of November 2022 amounted to Rp15.2 billion (67 applications). In addition, BCA has been developing an end-to-end KUR application through the LOUISE application, where the process from the KUR application, loan agreement signing, to loan realization are done digitally.

BCA carries out a cooperative strategy with off-taker and channeling schemes to reach small-scale productive businesses and increase the KUR portfolio. In 2022, KUR BCA was Rp2.9 billion, or 0.6%, which was below the maximum limit of 5% per year. [FN-CB-240a.2]

Efforts to Support MSME Entrepreneurs

BCA's efforts in raising MSME awareness in 2022 were through collaboration with government and private sectors to hold offline events in several places, including:

KUR Disbursements [FS8][FN-CB-240a.1]

Type of KUR	Number of Debtors	Disbursed Loans (Rp billion)	Composition (%)
Micro	430	29.6	6.2
Retail	1,581	448.6	93.8
Total	2,011	478.1	100.0



Business Matching (Ministry of Cooperatives and SMEs) on March 21-24, 2022, located at the Grand Hyatt Bali. BCA provides sponsorship worth Rp50 million. This event assisted 24 SMEs and received 1,482 visitors.



KUR Fintech (Coordinating Ministry for the Economy) on May 18-19, 2022, located in Solo Technopark, Surakarta. BCA provides sponsorship worth Rp30 million. This event consisted of 38 booths, with total of visitors reaching 1,000 people.



Indonesia Maju Expo and Forum 2022 (Ministry of Internal Affairs) on May 26-29, 2022, located in Jakarta Convention Center. BCA provides sponsorship worth Rp100 million, with 135 SMEs tenant and 5,185 visitors.



Karya Kreatif Banten 2022 (Bank Indonesia) on May 20-22, 2022, located in Summarecon Mall Serpong, involving 100 SME tenants with 40,000 visitors.



Jakarta Fair 2022 on June 9 -17, 2022, located in Jakarta Convention Center. Involving 1,500 tenants where 35% of the tenants are SMEs. The number of BCA booth visitors reaching 500 people.



Likupang Tourism Festival 2022 (Ministry of Tourism and Creative Economy) on July 30, 2022 located in Marinsow Tourism Village, East Likupang, North Minahasa, North Sulawesi involving 38 tenants with a total of 500 visitors.



BCA 2022 UMKM Fest was held on August 10-14, 2022 in Gandaria City. This event consisted of 52 tenants with the number of BCA booth visitors reaching 100 people.



The KUR 2022 Coaching Clinic (Ministry of Tourism and Creative Economy) on September 9, 2022, located in Labuan Bajo, East Nusa Tenggara, involving 20 tenants with 15 people visiting BCA booth.



The KUR Festival and UMKM Goes to Capital Market (Coordinating Ministry for the Economy) on September 28-29, 2022, located in Manado Town Square, North Sulawesi Involving 15 tenants with 41 people visiting BCA booth.



Inclusive Partnership Movement for MSMEs to Upgrade Class (Indonesian Chamber of Commerce and Industry/ Kadin) on October 3, 2022 located in Smesco Building, Jakarta. This event involved 15 SMEs with 300 visitors.



Exploring Indonesian Coffee (Ottten Coffee Indonesia) on October 7, 2022 located in Ottten Coffee, Bandung, involving 7 MSMEs assisted by Ottten with a total of 60 visitors.



Financial Expo/FinEXPO 2022 (Financial Services Institution) on October 26-30, 2022, located in Central Park Mall, Jakarta, involving 78 tenants (banking, insurance, financing, and capital markets).



Bangga Lokal Program



BCA developed the Bangga Lokal (Local Pride) program to support MSMEs in developing their business. This program is an initiative of the Transaction Banking Business Development and Marketing Division. BCA supports selected MSMEs in promoting and marketing their business, and marketing, as well as providing education and working capital financing opportunities. BCA also has development programs through webinars on relevant business topics, collaborations between MSMEs and creators for new product development, and coaching clinics. As of December 2022, 1,477 MSMEs have become new members of the Bangga Lokal program, which has increased compared to 2021 of 745 MSMEs.

UMKM Fest 2022 BCA's Support in Fostering MSME Entrepreneurs



BCA has supported the *Bangga Buatan Indonesia* (local pride national) movement through the hybrid (offline and online) BCA UMKM Fest. The offline event was held at Gandaria City Mall, while the online event was held through Grab and Blibli platforms, with a corporate campaign hashtag #BanggaLokal. 1,250 MSMEs across Indonesia participated in the BCA UMKM Fest event. The MSME participants consisted of BCA debtors and customers, also MSME partners from the Ministry of Cooperatives and SMEs. The UMKM Fest aimed at promoting online retail sales. In addition, 86 sellers participated in the business matching event, bringing together the sellers and overseas buyers in 60 meetings.

Some of BCA's other support for MSMEs through the UMKM Fest, namely:

- Special webinar for UMKM Fest merchants;
- Purchase discounts for buyers who shop at the BCA UMKM Fest merchants and pay with BCA products;
- Mentorship to build online business;
- Organizing inspirational webinars on various interesting topics.

In addition, BCA also supported the #Dari BCA campaign for Indonesian MSMEs in the form of:

- Webinars on Special Offers for MSME Banking Solutions with BCA Speakers and BCA Subsidiaries (BCA Syariah, BCA Digital, BCA Insurance, BCA Finance, BCA Life, and BCA Multifinance).
- BCA Business Credit Special Program for Sellers Participating in the BCA UMKM Fest 2022.





Throughout 2022, BCA will consistently support MSMEs, including through holding the UMKM Fest and the Adi Wastra Nusantara Exhibition.

Positive and Negative Impacts Arising from Sustainable Financial Products and/or Services

BCA implements Sustainable Finance and adapts its banking solutions by including ESG aspects into consideration. In addition, BCA conducts ESG screening on the business of prospective debtors to identify risks that may arise. BCA also educates prospective debtors on ESG literacy through the screening process.

BCA felt a positive impact from the implementation of Sustainable Finance principles. In the economic aspect, there has been an increase in the number of debtors in the sustainable financing portfolio. In the environmental aspect, financing for ESG-based businesses impacted the preservation of land-based areas, business processes that use energy more efficiently, and GHG emissions reduction. In the social aspect, BCA's banking solutions support businesses from marginalized groups, women's groups, and persons with disabilities. BCA provides banking solutions for customers with special needs by installing talking ATMs called ATM Wicara, which currently reached 17 ATMs and has been available in 13 major cities. [\[FS14\]](#)

BCA identifies the negative impacts of banking products and/or services, including the possibility of economic, environmental, and social risks arising in lending, specifically for the land-based sector (palm oil), which is a significant part of the BCA portfolio. Economic risks that may occur include supply chain processes, fluctuations in crude palm oil prices, liquidity, volatility in foreign exchange rates, and fluctuations in loan interest rates. In environmental aspects, especially financing for the land-based sector, BCA identifies potential deforestation, forest and land fires, traceability risks, and climate change risks through sectoral policies on palm oil financing. BCA implements strict due diligence as a risk mitigation effort, as well as encouraging debtors to have ISPO and RSPO certifications and audited financial statements.

For social risks, BCA identifies the potential for employing underage workers, compensation below the minimum wage, or risks of human rights violations in labor-intensive industries and MSMEs. BCA mitigates these social risks by imposing strict loan requirements and increasing field survey supervision.



Climate-Related Financial Risks [201-2]

BCA participates in efforts to reduce global warming. In assessing financial risks due to climate change, BCA refers to international standards and guidelines from the Task Force on Climate-related Financial Disclosures (TCFD). In mitigating climate-related financial risks, BCA tightens its lending policy, especially in sectors with significant environmental and climate change risks. BCA has developed a sectoral credit policy for coal mining, toll road construction, timber and forest products sectors, as well as cement and steel sectors. Furthermore, BCA will gradually implement a lending policy for ESG risk by implementing Environmental & Social Risk Analysis (ESRA).

Technology and Digitalization



Digitalization as a solution for secure and inclusive banking



The development of technology information and digitalization is now increasing, such as access to finance for the public, reducing paper and energy use, and saving on transportation fuel which has a lower pollution impact. Meanwhile, Branch Offices are now playing more role in building relationships and engagement with customers, and serving fewer and fewer financial transactions.

The banking world continues to grow and evolve rapidly. The external and internal conditions which move very quickly and dynamically also influence the Bank's response to these changes. BCA realizes that the banking industry is required to remain agile and innovative, so it remains a leading company, especially now that almost all our daily activities are digital. With consideration towards digitalization, it is necessary to make technological changes that are more reliable, scalable, and flexible.

Achieving digitalization, IT side is carried out some activities, including:

1. Developing cutting-edge digital products to boost the number of new customers and provide customized digital experiences for current Bank customers.
2. Building the capability and capacity of a reliable infrastructure and technology system.
3. Modernizing outdated system components and the associated hardware that are deemed to be out of date.
4. Recruiting and training expert staffs to fulfill the dynamic requirements and maintain outstanding human resources to provide better service to the customers.

5. Improving data analytics capabilities to accurately identify diverse customer needs.
6. Improving supervision and security of the entire IT development and management process.
7. Automating various aspects of work, both at the head office and branches, to increase the effectiveness of operating/customer costs.
8. Cooperating with Fintech and e-commerce companies in the field of technical cooperation to facilitate customer transactions and get new customers.

Low Carbon Banking Initiative

BCA contributes to carbon emission reduction efforts through more environmentally friendly internal work system solutions across its business lines. The solutions include digital approval system/e-sign, IT HUB implementation, desk sharing, and e-branch. In addition, the internal bank has also modernized workplace infrastructure to lower electricity consumption, including upgrading servers and storage, as well as using green software.



Digital Payment

Various initiatives have been made towards digitalization to provide convenience for BCA customers, especially related to payments. With payment digitalization such as QRIS, BI Fast, and Virtual Card, customers can make transactions safer and simpler. The process of opening a new account can also now be done online with the support of digital payment. The process has a positive impact on reducing the use of forms that need to be printed. This collaboration helps eliminate the carbon footprint that was previously distributed physical to digital.



Potential Emission Reduction and Transactions at Branch Offices

Digital banking innovations have increased BCA digital transactions. Financial transaction at the branch offices have decreased approximately 4 million transactions YoY, contributed only 0.45% of all BCA transactions. Since the COVID-19 pandemic, customers found it more convenient transacting digitally through #BankingFromHome. Digital transactions indirectly contribute to carbon emission reduction because of reduced transportation to Branch Offices.

1 Mobile Banking Transaction Frequency



2022	15,205 million
2021	10,109 million
2020	6,321 million

2 ATM Transaction Frequency



2022	2,156 million
2021	1,957 million
2020	1,862 million

3 Internet Banking Transaction Frequency



2022	4,874 million
2021	4,252 million
2020	3,264 million

4 Branch Office Transaction Frequency



2022	101 million
2021	105 million
2020	120 million

Serving Customers and Community



BCA is responsible for providing products and/or services according to customer needs and applicable banking regulations. Every launched banking solution has undergone a series of evaluation and approval processes from the authorities.

Material Topic Management: Product and Service Responsibility [3-3][FS15]

Impact, Commitment, and Policy

BCA runs its business with adherence to ethics and integrity. Every banking product and service that we launch and offer has been reported to and approved by the regulators. In addition, BCA also provides equal, safe, and convenient services as a form of respect for human rights. We implement this commitment to positively impact the customers' smooth transactions and their businesses, as well as increase their trust in the Bank.

BCA continuously educates customers about financial products and/or services to be used accurately, including digital banking, to minimize technical errors when customers transact personally.

BCA complies with the Financial Services Authority Regulation (POJK) No. 18/POJK.03/2016 concerning the Application of Risk Management for Commercial Banks and its implementing regulations and Board of Directors Decree No. 080/SK/DIR/2015 dated June 18, 2015, concerning the Publication of Products/Activities and Provision of Supporting Information Technology Systems. BCA also supports Presidential Regulation No. 82 of 2016 concerning the National Strategy for Financial Inclusion (SNKI / *Strategi Nasional Keuangan Inklusif*) by launching financial products and/or services to reach unbankable communities.



In terms of financial product and service responsibility, BCA faces challenges of the government's policy to implement Sustainable Finance, prompting the Bank to develop sustainable financial products and services. The government has issued several policies to stimulate financial service institutions (FSI) to manage ESG aspects. To address these challenges, BCA has reported sustainable financing, making green investments in green bonds, but has not yet reached the stage of developing new products. Another challenge includes changes in customer behavior and preferences toward digital banking following the rapid development of technology. BCA dealt with this challenge by complying with government regulations and implementing Sustainable Finance, as well as continuous improvement in digital banking performance to keep up with market demand.

Management Effectiveness

Every time we launch a new financial product and/or service the product owner will evaluate it and goes through a risk assessment by the Risk Management Work Unit, followed by a compliance test by the Compliance Work Unit under the supervision of the Director of Compliance and Risk Management. In addition, we also conduct user acceptance tests and certification. BCA has a Transaction Banking Product Development Division and an Operation Strategy and Service Development Division to manage and develop banking products and services to meet current banking needs.

Meanwhile, responsibility for existing financial products and services continues to be monitored by the Banking Transaction Product Development Division and enhanced with innovations to serve customer needs in line with digital era developments.

New Product Evaluation Procedure [417-1, 417-2]

BCA ensures that the financial products and/or services and banking solutions have received approval from Bank Indonesia and OJK. To date, no banking solutions, financial products and/or services have been suspended or recalled after launch.

Discontinuation of Financial Products and/or Services

In 2022, BCA discontinued Laku BCA products as of July 28, 2022, Duit as of September 20, 2022, and QRku services, as of November 1, 2022. One of the considerations behind these products and services' discontinuation is due to business considerations and to support the OJK standardization of the national QRIS implementation. Information on discontinued financial products and/or services is announced through the BCA website and other external communication media. The discontinuation went smoothly and up until the end of 2022 there were no complaints regarding the discontinuation of these products and services.

Marketing Communication of Financial Products and/or Services [417-3]

BCA learns about customer profiles and explores their needs through Know Your Customer (KYC), to offer the right solutions. The Bank's officers directly carry out communication and customer identification process while upholding communication ethics. BCA always maintains the confidentiality of customer privacy in accordance with the banker's code of ethics. For certain purposes, BCA always asks for customer consent to use their data as promotional material (cross selling).

Apart from direct communication, BCA also communicates marketing of financial products and/or services through digital media, print media, and cross selling. Marketing communication materials for financial solutions through digital media are always adjusted to the advertising code of ethics based on applicable regulations.

During the reporting period, there were no incompliance incidents concerning marketing communications.

Innovation and Development of Financial Products and/or Services

BCA invites employees to contribute creative and innovative ideas in developing and improving various banking solutions through the BCA Innovation Awards (BIA) event. Employees are encouraged to innovate with ESG-oriented banking solutions, such as more efficient operational processes, easy access, convenience, and environmentally friendly act.

Providing Equal Service

BCA provides equal service to all customers for transaction convenience, banking solutions consultation, and customer satisfaction. The services also offer comfort and convenience of digital banking with a certified security system. However, direct service and engagement from professional bank officers to customers remain the key to increasing customers' loyalty.

As a form of respect for human rights, BCA requires all employees to treat customers or anyone who visit the bank fairly and sensibly. For employees, BCA instills a transparent way of communicating, explaining banking products and services inclusively, and respecting the diversity of customers.

One of BCA's focuses is service excellence. However, we need to manage several challenges to implement service excellence, such as employee competence in banking product and service knowledge, ways to handle complaints, communicating, and empathizing with customers. BCA continues to encourage employees to provide excellent service to customers and apply BCA SMART SOLUTION service standards.

SMART SOLUTION

Service excellence is one of BCA's targets. Therefore we serve our customers and other clients according to SMART SOLUTION standards. SMART SOLUTION is an Indonesian abbreviation of alert, attractive, enthusiastic, friendly, thorough, attentive, open-minded, complete, prioritizing customer needs, providing solutions, initiative, and on-time. In addition, BCA instills the values of Customer Focused, Integrity, Teamwork, and Striving for the Best' in employees to maintain the company's internal synergy. Furthermore, BCA's core values are also instilled in workers to maintain internal synergy in the company, including:

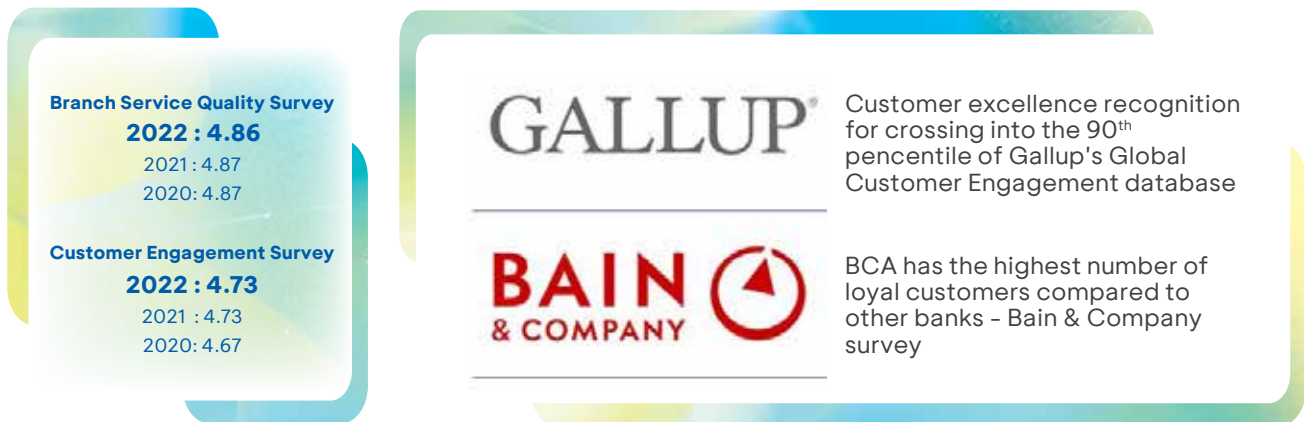
- Customer Focus
- Integrity
- Teamwork
- Continuous Pursuit of Excellence

BCA expects its employees can interact and communicate with customers to explore their banking solution needs and offer them the right financial products and/or services. We instill this principle in employees, especially frontliners who deal with customers directly. To improve the ability to serve customers, BCA also provides frontliners with training on consulting and communication.

BCA regularly holds refreshment training for employees to disseminate policies, procedures, and standards of service to customers. We conduct periodic measurements to maintain service quality through customer engagement surveys and branch service quality surveys as indicators of customer satisfaction surveys.



Customer Satisfaction Survey

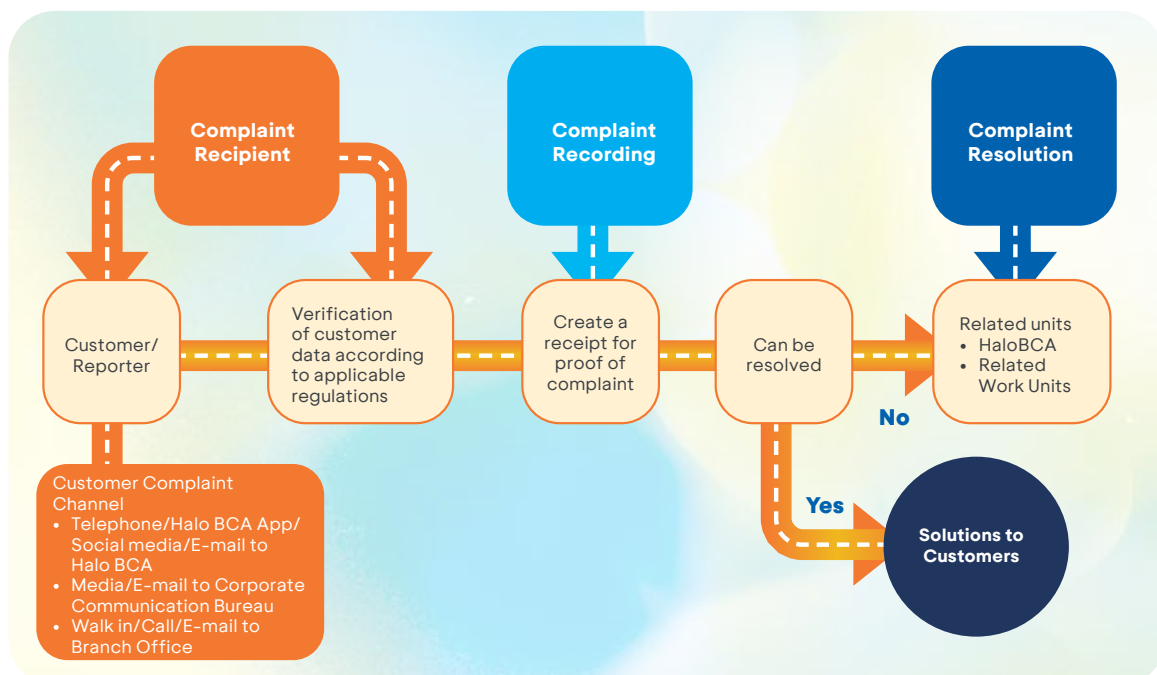


Handling of Customer Complaints [2-25]

Handling of customer complaints is carried out with the following guidelines :

- OJK Circular Letter No. 17/SEOJK.07/2018 concerning Guidelines for Implementing Consumer Complaint Services in the Financial Services Sector
- OJK Regulation No. 18/POJK.07/2018 concerning Consumer Complaint Services in the Financial Services Sector
- OJK Regulation No. 6 /POJK.07/2022 concerning Consumer and Community Protection in the Financial Services Sector
- BI Circular Letter PADG No. 23/17/PADG/2021 concerning Procedures for Implementing Bank Indonesia Consumer Protection
- BI Regulation No 22/20/PBI/2020 concerning Bank Indonesia Customer Protection
- BCA Board of Director' Decree No. 100/SK/DIR/2022 dated July 19, 2022 concerning Customer Protection
- BCA Circular Letter No. 115/SE/POL/2019 dated June 11, 2019 concerning Handling of Customer Complaints

Management of customer complaints is carried out through the CRM (Customer Relationship Management) application. Every incoming complaint to HaloBCA will be processed in accordance with the Service Level Agreement (SLA) with a different timeframe for each type of problem. The complaint mechanism and complaint settlement are illustrated in the following diagram.



In 2022, incoming calls coming through HaloBCA consisted of 7.7% complaints, 40.3% requests, 52.0% inquiries on banking solution information, and 0.01% suggestions. BCA applies two approaches in reducing internal and external complaints. For internal approach, BCA improves its service quality management system.

For its external approach, BCA educates customers on using banking solutions, and their tools and features. The aims are to minimize customer errors while using banking solutions, to share tips on transaction security, and to encourage customers to be alert of banking crime modes. Educational facilities are available on BCA's official social media.

Incoming Complaint Settlement

Year	Number of Complaints (in thousand)	Complaints Resolved based on the SLA (in thousand)	Percentage Resolved (%)
2022	1,082	1,061	98.1 %
2021	1,772	1,763	99.5%
2020	1,796	1,784	99.3%

Handling Financial Complaints

BCA submits Consumer Complaint Handling and Settlement Report on customer finances quarterly to Bank Indonesia (BI) and the Financial Services Authority (OJK), in accordance to the Bank Indonesia Regulation No. 21/9/PBI/2019 concerning Integrated Commercial Bank reporting, OJK Notification Letter No. S.60/EP.12/2019 concerning Mandatory Consumer Protection in the Financial Services Sector Report for Financial Services Businesses (PUJK), and Bank Indonesia Regulation No. 23/17/PADG/2021 concerning Procedures for Implementing Bank Indonesia Consumer Protection, indicating that BCA will deliver Management and Settlement of Consumer Complaint Report, both related to public finances to Bank Indonesia and the OJK. The report to the regulators consists of:

- Customer Complaint Handling and Settlement Report (Antasena-BI);
- Report on Service and Settlement of Consumer Complaints (siPeduli-OJK);
- Report on Consumer Complaint Handling Regarding Deposits and/or Withdrawals of Money (BI) (Hard Copy).

OJK Regulation No. 31/POJK.07/2020 concerning the Implementation of Consumer and Community Services in the Financial Services Sector by the Financial Services Authority and BCACircular Letter No. 183/SE/POL/2020 concerning Amendments to Provisions for Handling Customer Complaints stipulate that if there is a customer is dissatisfied with the settlement from BCA, the customer may apply for mediation with BI or with the registered LAPS (Alternative Dispute Resolution Institution). The HaloBCA work unit, in collaboration with related units, will help the mediation process to reach the best solution for both parties.



Access and Affordability of Banking Products and Services



Following the demand for technology and inclusivity, BCA prioritizes innovative offline, digital, and hybrid banking services.

BCA strives to maximize access and affordability of its financial products and services for all customers, both in Indonesia and abroad. Access to physical banking solutions and digital banking is our strategy so that customers can get access anywhere and anytime.

Material Topic Management: Access and Affordability [3-3]

Impact, Commitment, and Policy

Access and affordability of financial products and services are the stakeholders' rights. BCA maximizes access and affordability of services through digital banking. With the development of technology and digitalization, banking services have become more accessible to anyone and anywhere. However, there are still areas that are not yet bankable that we need to reach, and people with special needs who require special banking service solutions. Therefore, BCA continues to support the implementation of OJK Regulation No. 76/POJK.07/2017 concerning Increasing Financial Literacy and Inclusion in the

Financial Services Sector for Consumers and/or the Public and OJK Regulation No. 19/POJK.03/2014 concerning Branchless Financial Services in the financial inclusion context.

BCA continues to manage several challenges related to access and affordability of banking product and services, including:

- Coverage of access to financial products and/or services to all regions in Indonesia;
- Recipients of financial literacy are not equally distributed in all regions in Indonesia;
- Availability of communication networks that are not equally distributed in all regions across Indonesia.

The Bank addressed these challenges with several solutions, including expanding and increasing the number of ATMs across the country, cooperation with ATM Link and ATM BERSAMA, operating digital banking, and installing talking ATMs for customers with special needs.

Management Effectiveness

Digital banking is one of BCA's strategies for expanding access to banking solutions. Increasing the coverage of access is BCA's commitment to realizing inclusive and fair banking services for all people. BCA equips digital banking services with a reliable data security system according to the ISO 27001 standard. BCA reports quarterly targets and the realization of the Bank's Business Plan (RBB) to OJK regarding the branchless financial services program for financial inclusion. The division responsible for ensuring BCA's accessibility and affordability by customers and the public is the Operation Strategy & Development Group and Branch Network Management Division.

Access to Product and Service Information

Customers and the public can access information on financial products and services through the BCA website at www.bca.co.id, publication of annual reports, BCA offices, and digital banking applications. BCA provides complete information on financial products and services regarding product names, types, benefits, requirements, attached costs, interest calculations, and the validity period of these products/services.

The Bank also provides updates on the latest information through several platforms, including social media, Video Banking on myBCA, and Video Calls at main branch offices. BCA also provides the best banking solutions to customers through Halo BCA for easy access to BCA information, as a reporting mechanism, and/or problem solving. Another facility to help customers deal with banking problems is the Solution Assistant (SOLA), which is a PIC Relationship that performs the acquisition and monitoring functions of BCA customers nationwide with certain criteria.

Access to Branch Offices and Banking Service Facilities

As one of the leading private banks in Indonesia, BCA continues to make efforts to serve the country and become the chosen solution for the community. Therefore, BCA needs to maintain easy access to its products and services. BCA has branches, representative offices, and ATMs spread across major cities throughout Indonesia.

All buildings owned by BCA are managed by the Building Office Management (BOM) team under the DLOG Division. The purposes of building management are to ensure asset integrity so that it will support the continuity of BCA operational activities. Likewise with other assets such as branch offices, cash offices and data centers. Furthermore, other assets that support customer transactions such as ATM machines are managed by Branch Network Management Division. In addition, BCA also develop a HaloBCA in Semarang and a new data center to support the development of digital transactions.



BCA branch office network

32 Provinces

229 Cities/Districts

2 Representative Offices Abroad

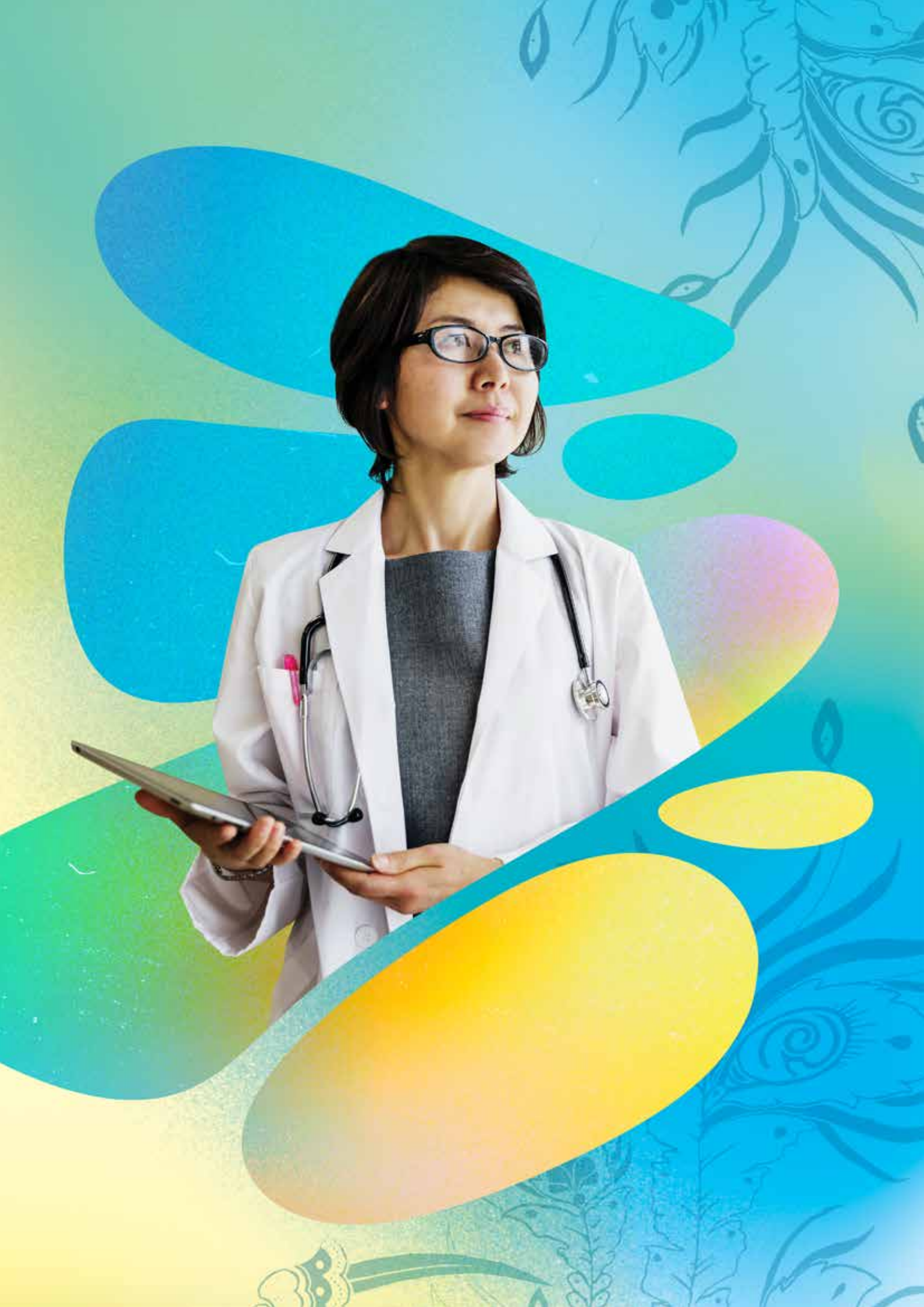


BCA owns

138 Main Branch Offices

880 Sub Branch Offices

18,268 ATMs



03

Sustainability Culture Impact



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BCA is determined to create a significant positive impact in managing environmental, social, and human rights issues through a sustainability culture in collaboration with employees, business partners, customers, and the community.



Implementation of Fair Operations

BCA is in accordance with business ethically and socialize this business ethics to every employee by playing a video in a certain time. This code of conduct socialization is a part of employee's KPI. We have also implemented fair operating practices by complying with laws, regulations, social norms, and the banking code of ethics. Fair operations enable the Bank to manage intellectual assets effectively, build and maintain fair relationships with stakeholders, eliminate conflicts of interest with suppliers or other related parties, and compete fairly by complying with antitrust laws.

BCA has implemented several forms of implementation of business ethics program, namely:

- No involvement in politics;
- Build, maintain and strengthen governance, including tax payments;
- Respect and support the protection of intellectual property;
- Implement fair and non-monopoly business practices;
- Enforce anti-corruption, gratification control, and anti-fraud;
- Maintain sustainability in the value chain in various fields and formulate policies to deal with issues such as data security, human rights, to environmental preservation.

Material Topic Management: Supply Chain Management [2-6][3-3]

Impact, Commitment, and Policy

BCA prioritizes local suppliers and partners in the supply chain to support economic growth in Indonesia. BCA's suppliers and partners consist of public accounting firms, IT developer vendors, suppliers for the procurement of goods and services, including transportation, building/branch office repair and maintenance contractors, and electronic equipment providers. The nature of business relationships between BCA and vendors is contractually based.

Fair operations also include transparent supply chain management. BCA applies fair procurement practices and gradually conducts social and environmental assessments of vendors. BCA and vendors are involved in both business initiatives and sustainability aspects through clear cooperation, signing the BCA Partner Compliance Statement containing points of commitment to be free from corruption and/or gratification practices as well as free from child labor and forced labor, and paying attention to employee OHS aspects for employees of BCA's service provider partners. In addition, BCA has established a human rights policy that applies to employees and stakeholders, including vendors.

Management Effectiveness

BCA uses the Enterprise Backoffice Integration (EBI) application to manage the procurement system, including the process of budgeting, purchase orders/contracts, leasing, building maintenance, and payment. BCA's procurement policy refers to the Digital Work Instructions (PAKAR) – Procurement of Goods and Services. The policy contains information on procurement strategies and processes, prospective vendors' competencies, and compliance with the code of ethics.

Procurement of Goods and Services in 2022 [204-1]

Type of Supplier/ Business Partner	Number of Suppliers/ Business Partner	Goods Procurement Value (Rp billion)	Service Procurement Value (Rp billion)	Total Procurement Value (Rp billion)
Local	59,400	5,672	7,825	13,497
Overseas	142	169	107	276
Total	59,542	5,842	7,932	13,773

Human Rights Due Diligence

BCA continuously performs human rights due diligence to minimize the risk of human rights violations. In 2021, BCA conducted human rights due diligence on vendors in the Bank's supply chain through direct interviews. In 2022, BCA carried out human rights due diligence on its employees.

We make sure to only work with vendors who respect human rights principles in their operations. BCA requires vendors to adhere to human rights principles as part of the selection criteria.

BCA encourages partners or supply chains to respect human rights in collaborative activities, including by:

- Developing and implementing policies and procedures that pay attention to human rights when selecting or working with partners and/or supply chains;
- Encouraging every BCA partner to provide a statement of compliance regarding the implementation of OHS, zero child labor and forced labor;
- Supervising partners and/or supply chain to ensure there are no human rights incidents;
- Responding to negative impacts that occur if there are significant human rights incidents committed by work partners and/or supply chain.



Risk Management and Human Rights Impact Assessment

Topic Material Management: Human Rights [3-3]

To respect human rights and values, BCA implements a Human Rights Policy. Stakeholders can access this policy at <https://www.bca.co.id/-/media/Feature/Report/File/Sustainability-Index/Kebijakan/20210521-Human-Rights-Policy-ENG.pdf>.

Human Right Aspects within BCA's Supply Chain

	As a Service Provider	As a Lender/Creditor	As an Employer	As a Buyer
Area	Banking Service Practices	Business Practices and Financing	Employment Practices	Supply Chain Management
Issues and Risks	<ul style="list-style-type: none"> Privacy and data security Banking solutions that are not aligned with customers' need Disproportionate service 	<ul style="list-style-type: none"> Social risks to debtor's business (child labor, forced labor, wages below the minimum standard, health facilities) OHS Implementation Unclear work and rest time arrangements 	<ul style="list-style-type: none"> Discrimination at work by co-workers Workplace conditions Freedom of expression and association Conformity in fulfilling the normative employee rights Determination of working conditions Participation in the National Social Security System (SJSN/ Sistem Jaminan Sosial Nasional) 	<ul style="list-style-type: none"> Social risks to vendor's business (child labor, forced labor, wages below the minimum standard, health facilities) Product/service quality control practices
Mitigation Actions	<ul style="list-style-type: none"> BCA guarantees data confidentiality and customer privacy by implementing a reliable data security system Accurately explain banking solutions needed by customer to avoid mis-selling Serve fair services 	<ul style="list-style-type: none"> Consider human rights in lending or placement of funds Conduct an assessment on the placement of funds if there is a risk of a human rights incident Respond to the negative impact on debtor if there is a human rights incident 	<ul style="list-style-type: none"> Exercise Human Rights Policy and upholding equality Provide a complaint channel Build a healthy and comfortable work culture Support employees for self-development and express their talents/interests No prohibition/intimidation on employees to form unions The rights and obligations of the Company and Employees as well as working conditions have been included in the Collective Labor Agreement All Employees are enrolled in BPJS Health and BPJS Employment 	<ul style="list-style-type: none"> Evaluate vendors' performance regularly Encourage each partner to apply OHS, management, ethical employment, and respect for human rights

Monitoring and Evaluation of Human Rights Policy Implementation Effectiveness

Relevant Head Office Work Units (UKKP) have the responsibility to coordinate, monitor, and evaluate human rights policy implementation for each scope. The performance of Human Rights Policy implementation is reported annually by the Environment Sustainability Governance (ESG) Group to the Board of Directors, Board of Commissioners, and all stakeholders in the Sustainability Report. BCA may appoint an external independent party to conduct an objective assessment of human rights performance according to certain standards. The human rights policy is regularly evaluated and, if necessary, can be revised according to developments in human rights aspects and BCA's business context.



Talent Development Management

BCA's business continuity is supported by excellent human capital. BCA always implements fair employment and talent management. Everyone has the right to equal opportunities to improve their competence and career.

BCA Employees and Management [2-7]

Total Employees and Management based on Gender and Employment Status

Employee Status	2022		2021		2020	
	Male	Female	Male	Female	Male	Female
Permanent	8,506	13,785	8,590	13,937	8,913	14,280
Non-permanent (contract, probation, trainee)	957	1,260	595	830	617	793
Total based on gender	9,463	15,045	9,185	14,767	9,530	15,073
Grand Total	24,508		23,952		24,603	

Total Employees and Management based on Gender and Position Level

Position Level	2022		2021		2020	
	Male	Female	Male	Female	Male	Female
Board of Commissioners	5	0	5	0	5	0
Director	10	2	10	2	10	2
Senior Manager	103	89	104	85	105	81
Middle Manager	872	863	854	811	843	795
Line Manager	3,786	6,380	3,679	6,136	3,678	6,068
Staff	4,121	7,207	3,869	7,251	4,096	7,719
Non Staff	566	504	664	482	793	408
Total based on gender	9,463	15,045	9,185	14,767	9,530	15,073
Grand Total	24,508		23,952		24,603	

Total Employees and Management based on Gender and Length of Service

Length of Service	2022		2021		2020	
	Male	Female	Male	Female	Male	Female
> 20 Years	3,369	5,139	3,860	5,537	4,434	5,991
> 15-20 Years	239	320	222	372	292	532
> 10-15 Years	604	956	467	695	380	528
> 5-10 Years	2,106	4,492	2,022	4,408	1,782	3,806
> 1-5 Years	1,977	2,721	1,923	2,885	1,990	3,328
≤ 1 Year	1,168	1,417	691	870	652	888
Total based on gender	9,463	15,045	9,185	14,767	9,530	15,073
Grand Total	24,508		23,952		24,603	



Total Employees and Management based on Gender and Work Area

Work Area	2022		2021		2020	
	Male	Female	Male	Female	Male	Female
Greater Jakarta (including Head Office)	5,527	7,763	5,486	7,853	5,537	8,038
West Java (excluding Greater Jakarta)	892	1,563	535	1,088	535	1,021
Central Java and Yogyakarta	542	1,111	551	1,128	624	1,177
East Java	1,090	1,959	1,142	2,010	1,229	2,062
Sumatra	712	1,257	741	1,296	815	1,372
Kalimantan	229	476	242	475	257	489
Eastern Indonesia	471	916	488	917	533	914
Total based on gender	9,463	15,045	9,185	14,767	9,530	15,073
Grand Total	24,508		23,952		24,603	

Total Employees and Management based on Gender and Education Level

Education Level	2022		2021		2020	
	Male	Female	Male	Female	Male	Female
Doctoral degree	10	4	9	3	6	1
Master's decree	547	504	530	470	499	433
Bachelor's degree	7,354	12,279	6,824	11,862	6,758	11,841
Associate degree (Diploma1-4)	323	913	374	1,004	439	1,174
Highschool (or less than)	1,229	1,345	1,448	1,428	1,828	1,624
Total based on gender	9,463	15,045	9,185	16,767	9,530	15,073
Grand Total	24,508		23,952		24,603	

Total Employees and Management based on Gender and Age Group

Age Group	2022		2021		2020	
	Male	Female	Male	Female	Male	Female
< 25 Years Old	1,707	2,033	1,302	1,706	1,181	1,786
> 25–29 Years Old	1,949	3,438	1,885	3,696	1,972	3,967
> 30–34 Years Old	1,652	3,346	1,462	2,822	1,240	2,278
> 35–39 Years Old	574	861	476	714	408	622
> 40–44 Years Old	465	997	605	1,330	845	1,710
> 45–50 Years Old	1,292	2,383	1,527	2,588	1,827	2,805
> 50 Years Old	1,824	1,987	1,928	1,911	2,057	1,905
Total based on gender	9,463	15,045	9,185	14,767	9,530	15,073
Grand Total	24,508		23,952		24,603	

Non-Employee Workers [2-8]

In 2022, the number of BCA non-employee workers including contract, probationary employees, and trainees, was 2,217 people, or 9% of the total employees with employee status.

Recruitment, Employee Leaving, and Turnover Rate [401-1]

BCA ensures that there is no discrimination in the recruitment process and that everyone gets equal opportunities, as a form of BCA's respect for human rights in the recruitment process. In 2022, BCA hired 2,739 new employees.

New Employees based on Gender and Position

Position Level	2022		2021		2020	
	Male	Female	Male	Female	Male	Female
Board of Commissioners	0	0	0	0	0	0
Director	0	0	1	0	0	0
Senior Manager	3	0	2	4	5	2
Middle Manager	5	3	5	1	7	7
Line Manager	23	17	18	12	23	18
Staff	1,134	1,283	568	669	593	797
Non Staff	91	180	159	255	133	191
Total based on gender	1,256	1,483	753	941	761	1,015
Grand Total	2,739		1,694		1,776	

New Employees based on Gender and Age Group

Age Group	2022		2021		2020	
	Male	Female	Male	Female	Male	Female
< 30 Years Old	1,173	1,356	659	798	670	899
30–50 Years Old	77	120	89	137	81	107
> 50 Years Old	6	7	5	6	10	9
Total based on gender	1,256	1,483	753	941	761	1,015
Grand Total	2,739		1,694		1,776	

New Employees based on Gender and Work Area

Work Area	2022		2021		2020	
	Male	Female	Male	Female	Male	Female
Greater Jakarta (including Head Office)	755	751	683	787	672	812
West Java (excluding Greater Jakarta)	394	532	10	19	18	39
Central Java and Yogyakarta	18	31	5	22	21	24
East Java	41	67	25	39	17	39
Sumatra	25	33	2	5	25	454
Kalimantan	6	26	21	32	1	30
Eastern Indonesia	17	43	7	37	7	26
Total based on gender	1,256	1,483	753	941	761	1,015
Grand Total	2,739		1,694		1,776	



Employees Leaving based on Gender and Position Level

Position Level	2022		2021		2020	
	Male	Female	Male	Female	Male	Female
Board of Commissioners	0	0	0	0	0	0
Director	1	0	2	0	0	1
Senior Manager	2	2	5	5	4	4
Middle Manager	21	14	31	19	26	16
Line Manager	169	279	193	276	130	204
Staff	327	445	286	438	219	368
Non staff	121	157	217	181	171	150
Total based on gender	641	897	734	919	550	743
Grand Total	1,538		1,653		1,293	

Employees Leaving based on Gender and Age Group

Age Group	2022		2021		2020	
	Male	Female	Male	Female	Male	Female
< 30 Years Old	295	365	229	279	186	264
30–50 Years Old	167	367	279	447	214	347
> 50 Years Old	179	165	229	193	150	132
Total based on gender	641	897	734	919	550	743
Grand Total	1,538		1,653		1,293	

Employees Leaving based on Gender and Work Area

Work Area	2022		2021		2020	
	Male	Female	Male	Female	Male	Female
Greater Jakarta (including Head Office)	459	606	462	600	376	533
West Java (excluding Greater Jakarta)	41	69	52	65	40	42
Central Java and Yogyakarta	25	39	42	52	32	42
East Java	62	74	90	79	42	43
Sumatra	38	59	60	85	32	45
Kalimantan	6	22	8	13	7	16
Eastern Indonesia	10	28	20	25	21	12
Total based on gender	641	897	734	919	550	743
Grand Total	1,538		1,653		1,293	

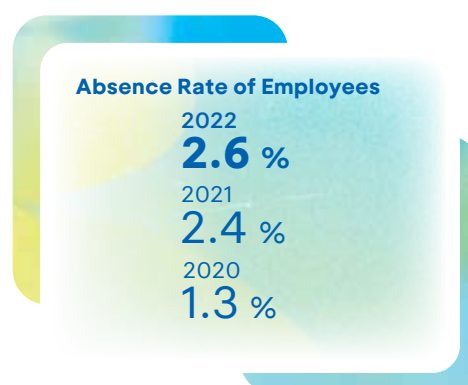
Turnover Rate

In 2022, BCA's employee turnover rate is 4.8%, including retired employees (both normal retirement, early retirement, and frontliner retirement). Excluding retired employees, BCA's employee turnover rate is 2.9%.



Percentage of Absence Rate of Total Employees

In 2022, the percentage of absenteeism for all BCA employees was 2.6% , which has increased compared to the previous year. The absence of workers includes sickness, leave, absenteeism, and other needs.

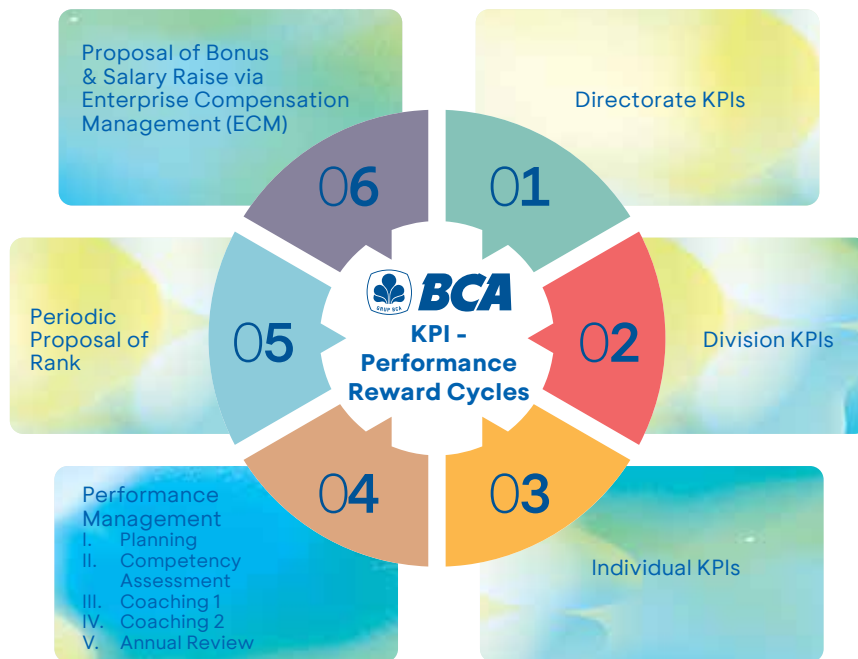


Performance Evaluation and Assessment [404-3]

Employee contribution is measured by the Key Performance Indicators (KPI) achievement that has been determined by following the goals/direction of future business development. Employee assessment is calculated based on the results of the Performance Appraisal (PA) and Performance Management (PM) forms that have been filled out by each individual employee. In 2022, 100% of BCA employees received performance evaluations and assessments. BCA used the results of performance assessments as recommendations for promotion considerations and adjustments to remuneration, bonuses, and career paths.

Employees Promoted based on Region and Gender

Region	2022		2021		2020	
	Male	Female	Male	Female	Male	Female
Head Office	574	614	408	468	433	495
Branches and regional Offices	569	1,225	562	1,079	581	1,318
Total based on gender	1,143	1,839	970	1,547	1,014	1,813
Grand Total	2,982		2,517		2,827	



Employee Engagement

BCA has been developing a positive work culture through the Team Engagement (TE) program to build employees' sense of unity. BCA carries out the TE program in various ways, including fun activities that employees can do together. The Bank also regularly hands out surveys to measure employee engagement levels. In 2022, BCA collaborated with Engage Rocket to conduct a Team Engagement Checkpoint survey for permanent employees and to measure team engagement conditions at each line, which resulted in BCA's engagement level of 4.68 out of a maximum score of 5.

BCA has the slogan "One BCA: One Goal, One Soul, One Joy" as a spirit of cross-team collaboration. BCA promotes this campaign to reduce silos among work units and encourage employees to collaborate in achieving goals together.



In 2022, BCA continues to promote the spirit of One BCA to maintain collaboration between work units and the spirit of mentorship through SENADA.

The slogan SENADA is an Indonesian acronym for SENantiasa di Sisi Anda (Always by Your Side). With the spirit of SENADA, BCA hopes to grow with stakeholders and face challenges together.

SETIA value is based on sincerity and determination to always give the best in demonstrating our shared commitments, foster mutual trust and build healthy long-term relationships.

NAUNGI value means to guide and support by listening more and nurturing each other at BCA. Every employee is expected to keep learning, progressing, evolving, and excelling amidst challenges and changes. BCA employees must always be ready agile and have a growth mindset in managing change.

DAMPINGI value means instilling BCA values in all employees in their daily conduct and actions, continuously improving BCA for the better while adhering to the BCA values.

BCA has been campaigning the slogan SENADA which is an Indonesian acronym for SENantiasa di Sisi Anda (Always by Your Side). This slogan contains three values, namely SETia (loyal), NAungi (nurture) and DAMpingi (accompany). With the spirit of SENADA, BCA hopes to grow with stakeholders to face challenges.



Employee Competency Development

BCA makes great effort to build excellent human capital by providing various types of training and supporting employees to pursue their education to a higher level. Requirements for employees to receive education and training are stated in the CLA 2022-2024, Chapter XXIV concerning Human Resource Development, and Circular Letter No. 049/SE/HCM/2022 dated January 19, 2022, concerning the Implementation of the Employee Scholarship Program, Circular Letter No. 051/SE/HCM/2022 dated January 19, 2022, concerning the Pramukarya Development Program, and No. 050/SE/HCM/2022 dated January 19, 2022, concerning Development of S7A Echelon Employees (P2Pratama).



Training Realization [404-1]

Description	2022	2021	2020
Training expenses (Rp million)	263,243	193,417	208,954
Total participants (people)	53,294	47,706	30,579
Male	21,180	19,291	12,300
Female	32,114	28,415	18,279
Average training hours per employee per year	950,297	673,040	600,266
Male	402,624	286,573	252,400
Female	547,673	386,467	347,866
Average training hours per employee per year	38.8	28.1	24.4
Male	42.5	31.2	26.5
Female	36.4	26.2	23.1

Types of educational and training materials include product and service knowledge, soft skills such as leadership and good communication, technical skills to run systems used in banking, as well as specific materials for employees and the management to understand more about Sustainable Finance, climate change impact mitigation, climate-related financial risks, and development of ESG and its management.

The training is held both face-to-face and virtually. Employee competence development uses methods such as webinars, training, e-learning, video learning, video conferencing, gamification, and micro learning, as well as coaching directly at the workplace. BCA measures the effectiveness of training programs using the Kirkpatrick model (four-level evaluation model). The Learning and Development Division (DPP) conducts monitoring and evaluation of training effectiveness, then reports the results to relevant bureaus or work units as the program owner to follow up periodically. [404-2]

Training for Retiring Employees [404-2]

BCA pays attention to the welfare of employees who are about to reach retirement age through several training programs on health, financial management, or skills. The program is divided into two stages: Ring the Bell for employees aged 50 and Beautiful Life for employees aged 54. Retiring employees are also free to attend training outside of the BCA program and will be provided with financial assistance by the Bank so that they can develop their businesses or have productive activities in their retirement.

BCA provides opportunities for retirees who still want to work actively through collaboration, such as representing BCA in signing credit contracts during the consumer credit process or providing assistance, motivation, and knowledge sharing to employees at branch offices. In addition, retirees from managerial levels can return to work as expert staff assisting committees under the Board of Commissioners. BCA provides this cooperation by considering work achievements, career paths at BCA, and the company's needs.

Benefit for Employees [401-2]

BCA provides remuneration to employees as a reward for maintaining and improving their performance. Remuneration is given regardless of gender, ethnicity, race, religion, or class, and is adjusted to the ability of the company and applicable regulations on wages in all regions of Indonesia.

The remuneration provided include salary, allowances, and bonuses. Bonuses are given in cash and partly in BCA shares that are locked for three years. The distribution of shares is primarily to increase employees' sense of belonging to the company.

Benefits based on Employment Status

Type of Allowance	Permanent Employees	Contract Employees	Trainee
1. Religious Holiday allowance	√	√	√
2. Year-end allowance	√	N/A	√
3. Special Religious Holiday allowance	√	N/A	√
4. Functional allowance	√	N/A	N/A
5. Other allowances	√	√	√

Every employee has equal rights and obligations. Therefore, the basic salary for each employee is given regardless of gender and based on performance at each position level. The basic salary for employees at the lowest level at BCA is higher than the Provincial Minimum Wage (UMP) that applies in the region of each branch office in Indonesia.

Salary Comparison between Female and Male Employees (Rp million)

Position Level	Permanent Employees		Contract Employees	
	Male	Female	Male	Female
Staff	11.0	11.1	8.0	8.1
Non Staff	9.3	9.2	4.5	4.6
Data coverage (% of total employees)	50.6%			

BCA provides various platforms for employees to channel their interests and talents, supporting their work-life balance and well-being. The program is realized through community development to express the employees' interests and talents, including photography, fishing, cycling, wayang culture enthusiasts, music, or mountain climbing. The Bank also collaborates with experienced professionals or psychologists to provide counseling service for employees to consult according to their individual needs. In addition, BCA also organizes several educational events in the financial sector, collaborates with companies to provide online health consulting services, and develops a culture of appreciation and recognition among permanent employees.



Retirement Savings Policy [201-3]

The retirement saving policy for employees refers to the contribution payment scheme shared between employees and the Company, which is managed by a pension fund established by BCA. The pension fund program applies to all BCA employees, from the staff level to Executive Vice President (EVP), and will be given to those who have worked in BCA for more than a year. The defined contribution payment consists of 5% fixed pay by the company and 3% x fixed pay by the employees.

BCA also enrolls all employees in the BPJS (Badan Penyelenggara Jaminan Sosial Kesehatan/ Social Health Insurance Administration Body) Employment Social Security and Employment Pension program, pension plans with a monthly contribution scheme paid by the company and employees. The percentage of payments is adjusted to government directives. The contribution scheme of BPJS Employment social security is 3.7% paid by the company and 2% paid by the employees. Meanwhile, the BPJS pension insurance payment scheme is 2% paid by the company and 1% paid by the employees.

Supporting Inclusivity in the Workplace

BCA's basic policy in HR management is to provide equal opportunities for all employees regardless of ethnicity, religion, race, class, and gender. One of the actions to respect human rights is to support inclusivity and increase the role of women in power.

Diversity and Equality

Employees are assigned and placed based on the performance and competence of each individual. Likewise, the composition of the governance organs reflects the diversity of its members in terms of gender, education, work experience, age, and expertise. BCA does not tolerate any form of discrimination, and it is in line with the non-discrimination policy stipulated in the BCA Human Rights Decree No. 214/SK/DIR/2021, along with BCA's code of conduct and Collective Labor Agreement (CLA). BCA regularly conducts anti-discrimination and anti-harassment dissemination or education for employees. More detailed information regarding our code of conduct can be accessed via <https://www.bca.co.id/-/media/Feature/Report/File/Sustainability-Index/Kebijakan/20210528-ASP-code-of-conduct.pdf>.

Women's Representation at BCA

The percentage of female employees at BCA is 61.4% of the total employees in 2022. BCA's work environment has shown equality in women's representation, supported by their ability to hold a particular position. BCA maintains this inclusivity, by continuing to promote gender equality in the work environment and increasing the role of women at the Senior Manager and Director levels.

Women's Representation

Position Level	2022	2021	2020
Director	16.7%	16.7%	16.7%
Senior Manager	46.4%	45.0%	43.5%
Middle Manager	49.7%	48.7%	48.5%
Line Manager	62.8%	62.5%	62.3%
Staff	63.6%	65.2%	65.3%

Every employee has the same opportunity to develop a career and occupy a position based on objective performance appraisal. To continue to increase the role of women at the managerial level, BCA creates comfortable workplaces and facilities that support the productivity of female workers, including providing breastfeeding rooms for women.



Workers productivity is supported by equal opportunities and adequate facilities.

Job Opportunities for Persons with Disabilities

BCA respects the rights of those with physical disabilities by providing opportunities to work at BCA. This opportunity is a form of BCA's support in improving the welfare of persons with disabilities in accordance with Government Regulation No. 43 of 1998 concerning Efforts to Improve Welfare for People with Disabilities. Until 2022, BCA has employed 13 outsourced workers with disabilities as call center officers at Digital Service Centers.

Labor Union and Collective Labor Agreements [2-30]

BCA respects employees' freedom of expression, association, and assembly. Therefore, BCA gives employees the liberty to join a labor union in accordance with applicable laws and regulations. BCA believes that the Labor Union is a strategic management partner in maintaining good relations with employees to create a good working climate and optimize their productivity, with 69.7% of total employees representing as members of the Labor Union.

BCA has a Collective Labor Agreement (CLA) that is reviewed together every two years by representatives from the Labor Union and the management. The CLA protects the rights and obligations of 100% of permanent employees at BCA.

Decent and Safe Work Environment [403-1]

Implementation of Occupational Health and Safety (OHS) System

BCA has implemented decent and safe work environment standards to maintain the health and safety of all employees, customers, and other stakeholders. The policy to implement Occupational Health and Safety (OHS) system applies to all employees, customers, vendors, work partners, and other stakeholders in the Bank's work area. The OHS implementation is carried out to minimize potential work accidents and the number of workdays lost due to work-related illnesses. OHS monitoring by SKMR is reported to the Risk Management Director.

BCA implements OHS by arranging office layout with a complete and decent work environment and security facilities. BCA, alongside building managers, organized socialization and simulation for fire and natural disasters. BCA also equips office buildings with security facilities, such as alarms, as an early warning tool to raise awareness and prevent falling victims. [403-5]



BCA's permanent employees with the support staff status who have duties as a messenger are provided with work safety equipment which includes SNI-standard helmets, jackets, raincoats, and bags, as well as fee coverage for driver's license making/renewal.

BCA Touchpoint

BCA Touchpoint is an initiative to provide work flexibility to its employees and has been implemented since December 1, 2022. The BCA Touchpoint is a work area outside the main office as an alternative work location. Employees can access the BCA Touchpoint application, register, submit, and approve seat reservations, work plan information, arrange collaboration days, and schedule information for team members. The Logistics and Building Division is responsible for building management and provision of supporting facilities at BCA Touchpoint. Meanwhile, the Human Capital Management (HCM) Division is responsible for monitoring the impact of using BCA Touchpoint on employee performance.

Access to Health Facilities [403-3, 403-6]

BCA provides health facilities that cover health insurance, health clinics, health education about health awareness, and counseling services to contract employees and permanent employees, including their families. Employees also receive other health benefits in the form of inpatient care, outpatient care, maternity fees, glasses, dental care, laboratory examinations, periodic medical examinations, and pap smears.

BCA also provides annual Medical Check Up (MCU) facilities for employees over 40 years of age that can be done in BCA's partner hospitals/clinics/laboratories. We also partner with several hospitals in providing referral doctors for consulting.

BCA regularly provides health education to all employees by utilizing internal communication media such as e-mail and the Online Community of Practice (COP) series. The themes presented at the COP series in 2022 were "Mental Health at Work", "Mengenai Demensia Alzheimer" (introduction to Alzheimer's and Dementia), "Kenali Gejala Hepatitis Akut Misterius pada Anak" (Recognizing Symptoms of Mysterious Acute Hepatitis in Children), "Kebanyakan Scrolling Bikin Ne-Think?" (Too much scrolling triggering negative thoughts), "Stay Productive with Healthy Knees & Spine", "Parental Burnout: Blurred Line Between Work & Home."

BCA appoints independent consultants to map the types of occupational diseases at work that are often suffered by employees. The mapping results show several cases of illnesses and lower back pain (LBP). BCA addresses this by providing employees with ergonomic tables and chairs for their comfort, advising them to move more and stretch, and providing health education. In addition, in supporting a work-life balance, employees also participate in the Coordinating Body for Sports, Arts, and Hobbies (BAKORSENI) events.

BCA promotes employees' health and well-being through:



The Board of Directors and the OHS Department hold regular meetings to discuss health issues and KPIs for OHS performance in each work unit. KPI results form the basis for developing the next OHS program. The program, which becomes the responsibility and KPI of the Human Capital Management (HCM) and OHS Manager.

No Child Labor and Forced Labor

BCA avoids being directly or indirectly involved in activities that violate human rights, such as human trafficking, prostitution, and labor smuggling. BCA is against child labor or forced labor practices as stated in the CLA 7 Article 2 paragraph b.

All BCA employees work full time from 08.00 to 17.00 with 1 hour rest period, 5 days a week. BCA arranges working hours to avoid employee exploitation. Working hours policy is stipulated in CLA articles 13, 14, 19, 20, and 21.



Parental Leave Rights [401-3]

The CLA stipulates the fundamental rights of all employees, including the right to leave. Female employees are entitled to maternity leave for 3 months, which does not reduce their annual leave. The maternity leave period also applies to female employees who experience an accidental miscarriage (abortus provocateurs) due to medical reasons for 1.5 months.

Meanwhile, male employees are entitled to three working days' leave to accompany their legal wives giving birth. If their wife suffers a miscarriage, they are entitled to four days' leave.

Description	2022	2021	2020
Employees entitled to maternity leave	14,678	15,207	15,984
- Female	9,164	9,380	9,667
- Male	5,514	5,827	6,317
Employees who took maternity leave	1,267	1,301	1,273
- Female	897	972	875
- Male	370	329	398
Employees returning after maternity leave	1,231	1,268	1,262
- Female	868	945	865
- Male	363	323	397
Percentage returning to work	97.2%	97.5%	99.1%
Percentage of employees retained	98.9%	96.4%	98.0%

Communication Channels and Mechanisms for Complaints about Employment

In protecting employees' rights, BCA maintains communication through Halo SDM (6690000) and several other means. Employees can call this number through BCA's internal telephone network to get information about employment or industrial relations. The Bank guarantees the confidentiality of caller information.

BCA implements the Whistleblowing System (WBS), managed by the Anti Fraud Bureau, as a channel for reporting violations or non-compliances committed by employees. The whistleblower's identity will be kept confidential to protect them from intimidation. BCA will take firm action and impose sanctions for all cases of violations in accordance with the CLA provisions, including warning letters, demotions, and termination of employment.

The Bank also prohibits sexual or non-sexual harassment in the work environment and will not tolerate such behavior. Any employee who has been

harassed, intimidated, or sees behavior violating the norms of decency can report it to Any employee who has been harassed, intimidated, or sees behavior violating Any employee who has been harassed, intimidated, or sees behavior violating the norms of decency can report it to their direct supervisor or the Human Resources work unit at the regional or head offices. Throughout 2022 there were no reports or cases related to violations of the code of ethics, decency norms, or harassment.

Cases of discrimination, harassment, or other harassing conduct will be resolved through an escalation mechanism involving the Personnel Advisory Committee (KPKK/Komite Pertimbangan Kasus Kepegawaian). This committee is under the supervision of the Board of Directors, chaired by the Human Capital Management Division Head. The committee is tasked with providing recommendations independently to the Board of Directors, regarding the resolution of cases based on the principles of justice and equality, by investigating cases of violations and/or crimes committed by employees.

Climate Action and BCA's Response to the Impact of Climate Change

Material Topic Management: Climate Action [3-3]

Impact, Commitment, and Policy

BCA is aware of the current impact of climate change. Thus, in conducting its operational and developmental activities, BCA continuously strives to achieve and implement environmentally friendly actions. BCA has also conducted climate risk and impact analysis on its banking portfolio. Climate risk became a part of the Bank's risk management system, especially in relation to financing sectors that potentially negatively impact the climate.

On the other hand, the government and investors pay more attention to climate-related financial risks and mitigation measures to achieve climate resilience. BCA recognizes its responsibility to support the Indonesian government in implementing the Paris Agreement by reducing exposure to climate risk. Therefore, BCA prepares a Climate Change Strategy report which has four main sections, namely:

1. The assessment process for developing the Climate Change Strategy Roadmap is aligned with the Task Force on Climate-related Financial Disclosures (TCFD).
2. Align initiatives or programs with governance aspects, strategy, risk assessment, and metrics and targets.
3. Analyze the possibility of adaptation to transition risks and physical risks.
4. Execute the Climate Change Roadmap.

In addition, BCA will also improve climate risk management in the financing aspect and tighten debtors' ESG risk analysis. The Bank will develop products and services that promote adaptation to climate change to create a balance between risk management and business opportunities while supporting the transition towards a low carbon market.

Management Effectiveness

The Finance and Planning Director is responsible for leading the integration of climate action supported by work units involved in implementing Sustainable Finance. These units also monitor climate change data, develop strategies related to climate change, and submit the study results to higher management.

During the current period, we have tightened screening on debtors with the potential to impact climate change. One of the parameters used is the Indonesia Green Taxonomy criteria. In addition, the Bank aims to increase financing to businesses engaged in developing new and renewable energy, producing less pollution, energy efficiency, and waste management.

In its operational aspect, BCA has implemented a green lifestyle, collected inventory data, and analyzed greenhouse gas (GHG) emissions from scopes 1, 2, and 3. We collected inventory data of GHG emissions from building operations to estimate the physical impact of the climate. As an initial assessment, BCA began collecting financing loan portfolio data from selected sectors that largely contributed to GHG emissions in Indonesia.

The Task Force on Climate-related Financial Disclosures (TCFD) implementation

In implementing the Climate Change Strategy, BCA adopts the Task Force on Climate-related Financial Disclosures (TCFD) recommendations to guide financial services in integrating climate change aspects into their business operations. It allows stakeholders to better understand the concentration of carbon-related assets in the financial sector and the exposure of climate-related risks to the financial system. There are four areas of recommendation for implementing TCFD, namely:

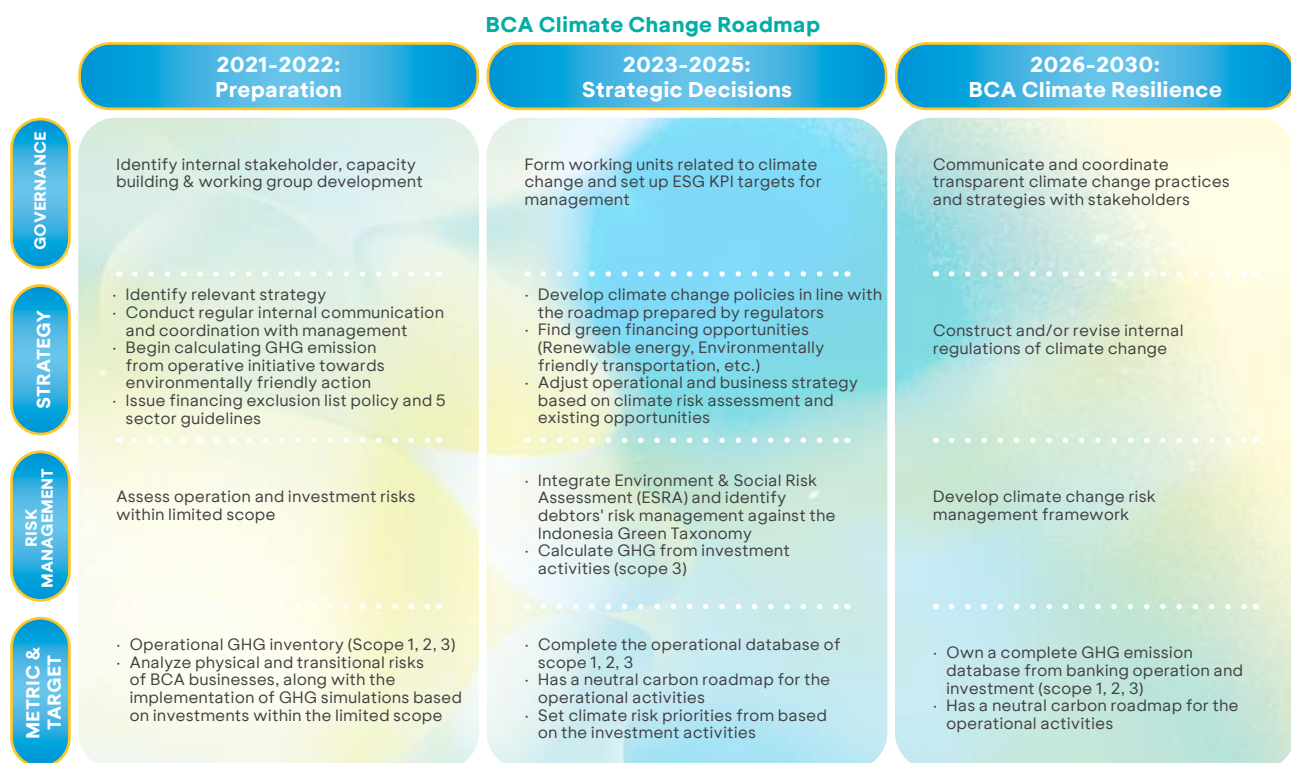
Governance

BCA has mapped the management's responsibility for climate-related risk assessment. Departments

involved in climate change analysis and strategic developments are GBKF, DBKK, DBKM, DLOG, GPOL, SKK, GARK, and the ESG Group. Climate change initiatives are under the supervision of the Planning and Finance Director, whose job is to integrate climate change as one of the main aspects of ESG into strategy and regular reporting.

Strategy

This section reveals the actual and potential impact of climate-related risks and opportunities on an organization's business, strategy, and financial planning, in which the information is considered material. BCA has a climate change roadmap as guidance to incorporate climate change issues into its financial and operational planning.





Risk Management

BCA partners with consultants to study and assess the physical and transitional climate-related risks. The assessment is carried out on BCA operations and financed industrial sectors prone to climate change. BCA strategies to control and minimize climate change risks are by gradually implementing a lending policy for ESG risk and developing the Environmental & Social Risk Analysis (ESRA). In the next stage, BCA will map the climate-related financial risks.

Through transition risk analysis, BCA has emphasized and gradually analyzed industrial sectors in the financing portfolio that are sensitive and prone to changes in government policies, technology transitions, market demand, and reputation due to climate change.

Metrics and Targets

BCA began to identify transition risks, collect climate-related data, and analyze climate scenarios, especially in the industrial sectors vulnerable to changes in climate policy, technology, market, and reputation that support low carbon development. BCA aims to annually renew relevant data based on the climate change transition risks.

Analysis of Climate Physical and Transition Risks in the Operations and Industry Sector Financed

BCA has begun to identify and assess the impact of climate transition risks on its business, as well as conducted climate scenario analysis, especially in industrial sectors that are affected by climate change policies, technology, market, and reputation. BCA considers industrial sectors with a high risk, such as palm oil, mining, and pulp and paper as a starting point for analysis.

1. Climate Risk Analysis on Operations

Several provinces, including Banten, Bengkulu, and North Maluku, were highly affected by climate change that caused heavy rain. Some 90 branches were recorded to be potentially affected too.

2. Climate Risk Analysis on Financing Activities

a) Physical Risk

The temperature rise will affect the palm oil plantation and coal mining sectors. Palm oil plantations are vulnerable to increasing temperatures that potentially trigger fires and drought. Meanwhile, coal minings are vulnerable to increasing rainfall, potentially triggering landslides and floods.

b) Transition Risk

The risk assessment results showed that the oil palm plantation and refining sector can remain profitable going forward, as long as it fulfill the ISPO and RSPO certification criteria. On the other hand, the coal mining sector is expected to survive to support infrastructure development and energy requirements in the country.

GHG Emission Inventory Data [305-1, 305-2, 305-3]

The GHG inventory is one way to measure and monitor climate change risks according to the TCFD recommendations. In 2022, the scope of the GHG inventory was carried out at 864 locations with details; 9 locations of head office, 5 data centers, 120 Main Branch Offices (KCU), and 730 Sub-branch Offices (KCP). The data presented showed an increase in GHG emissions due to the increase in the scope of data collection in 2022.



Green facilities at several BCA offices, including solar panels and public electric vehicle charging stations

**Results of GHG Emission Inventory** [305-1, 305-2, 305-3]

GHG Emission (tCO ₂ eq)	2022	2021	2020
Scope 1			
A.1. Building generators (KCU+HO buildings)	416	401	Data unavailable
A.2. Leaks of AC refrigerant from old R22 unit replacement (KCU)	390	N/A	N/A
TOTAL	806	401	N/A
Scope 2			
B.1. Electricity purchased ^{a)}			
Head Office (HO)	20,170	19,346	13,742
Data center HO	17,357	17,286	16,995
Main Branches	48,689	39,278	39,465
Other (Sub-branches, Cash Offices)	50,803	26,606	N/A
B.2. Emission reduction – electricity produced from solar panels	(23)	(13)	N/A
TOTAL	136,996	102,503	70,202
Scope 3			
C.1. Business travel	202 ^{d)}	40	480
C.2. Car pooling	4,345 ^{c)}	1,148	236
C.3. Printer pooling	411	382 ^{b)}	128
TOTAL	4,958	1,570	844
Emission reduction – mangrove planting	(40)	(32)	N/A
Total GHG Emissions (Scope 1 + 2 + 3)	142,720	104,442	71,046

Note:

- a) There was a change in the calculation scope of electricity emissions in 2022, consisting of head office locations, data centers, 120 main branches (KCU) and 730 sub-branches (KCP)/cash offices (KK). Meanwhile, the data for 2021 covered head office locations, data centers, and 603 KCUs/KCPs. In 2020, consisting of head office, data center, and 115 KCU.
- b) There was an increase in the scope of printer use in 2021 and 2022 covering the Head Office and Branches.
- c) There was an increase in the calculation scope of carpooling in 2022 covering the Head Office and 430 main branches.
- d) Due to limitations in the data set, only about 3,000 out of 8,000 business trips in 2022 have been recorded.

Impact of Environmentally Friendly Operations and Carbon Footprint Reduction



Wisma BCA Foresta received the Subroto Award in 2022

BCA continues to foster environmentally friendly operations and innovations to support low carbon businesses. Until 2022, BCA has implemented numerous environmentally friendly programs, namely:

1. Digital banking products and solutions that facilitate banking access for customers to do #BankingFromHome transactions with continuous innovations in digital products including: myBCA, Welma, HaloBCA apps, etc. The impact of digital innovation is estimated to reduce the generated emissions by 973.3 tCO₂eq.
2. Digital workplace that maximizes technology and digital features in operational activities within the company's internal environment. This initiative is estimated to reduce the generated emissions by 485.0 tCO₂eq, including:
 - Implementation of a work from hub that allows employees to work in flexible work areas that are closer to home.
 - Reducing paper usage by changing the thickness of the paper used from 80 grams to 75 grams for all BCA branch offices nationwide.
 - Application of digital signatures (e-signs) to make it more convenient for employees in the document approval process, as well as reduce paper document printing.
3. Environmentally friendly building initiatives by applying green building features which are estimated to reduce emissions by 497.8 tCO₂eq, including:
 - Energy efficiency programs, such as applying better efficiency for the data center; rejuvenating air conditioners (ACs); reducing electricity consumption by improving employee behavior.
 - Replacement of ACs to more environmentally friendly R22 type.
 - Implementation of the electricity efficiency program at branches identified as having an inefficient Energy Consumption Intensity score.

- Energy monitoring dashboard for BCA Branches and Head Office, to monitor the use of electricity, water, fuel, paper, and others.
 - Reducing the use of private cars for transportation to certain BCA locations using the carpooling system.
 - Management of waste to be recycled in 71 branch office buildings, and installation of solar panels in 3 BCA buildings.
 - BCA Foresta, one of BCA's green buildings, has received Platinum certification from the Green Building Council Indonesia, and won 1st place at the Subroto Award for Energy Efficiency (PSBE) from the Ministry of Energy and Mineral Resources.
4. Biodiversity conservation by planting and caring for trees in 22 locations in Indonesia has the potential to absorb emissions by 39.7 tCO₂eq/year.

Agent of Change & Green Office Culture



BCA agent of change initiative is manifested through BCA #SDGArmy movement.

Employees in every BCA office can take the role of Agents of Change (AOC). The Bank expects AOC's formation to make changes in representative offices or work units at the Head Office, Regional Offices, Branch Offices, and Subsidiaries across Indonesia.

BCA and AOC have a common goal of creating an environmentally friendly culture by participating in tree planting initiative, saving electricity and water, reducing paper use, sorting waste, avoiding the use of Styrofoam, participating in the Earth Hour movement, and growing plants in offices or work units.

The social impact of the Green Office program is a change in the awareness and behavior of BCA employees in reducing and preventing the climate change impacts. Meanwhile, the economic impact is to significantly reduce BCA's operational costs, especially for electricity, water, paper, and plastic bag purchases.

Green lifestyle impact measurement

Description	2020
SROI Value	6.05*)

Note:

*) SROI 6.05 meaning: every Rp1 social investment create Rp6.05 economic and social values
CSR program impact measurement has been carried out in 2021

Social Impact

Changes in the employees' consciousness and behavior contributes to the reduction and prevention of climate change impact.

Economic Impact

Significant reduction of BCA operational cost, especially from electricity and water consumption, along with paper and plastic procurement and usage.

Green Banking Initiative



Electricity

- Use AC inverters and LED lights.
- Set schedule on/off AC and lighting.
- Monitor electricity use.
- The target is to achieve Energy Consumption Intensity (IKE) standards.



Water

- Check water installations and faucets.
- Water saving education.
- Monitor water use.



Emissions

- Implement environmentally friendly technology.
- Conduct dissemination and education to employees in the building through Agent of Change and e-learning.
- Calculate the generated emissions.



Plastic Waste

- Encourage employees to use tumblers and glass cups.
- Avoid using drinking water in plastic packaging.
- Carry out waste segregation at the BCA building. Collaborate with waste management organizations to recycle plastic waste.

Energy Management and Carbon Footprint Reduction

BCA manages its internal energy use to support environmental preservation and as a form of climate change mitigation. The Bank's initiatives in reducing electricity consumption are as follows:

- Set a schedule to turn off air conditioning, lights, and elevator gradually.
- Replacing office lights with LED
- Organizing a #BCASWITCHOFF campaign on Instagram to raise awareness of turning off lights and other electronic equipment when not in use;
- Unplug the dispenser at night.



The electricity consumption in 2022 was higher than in 2021 due to the additional branch offices. The data calculation includes the use of electricity at 9 Head Offices, 5 data centers, 120 Main Branch Offices, and 730 Sub-branches (KCP) and Cash Sub-branches. BCA records the intensity of electricity at 139 kWh/m² per year. This figure still met the 'Efficient' category according to SNI 03-6196-2000 concerning the Intensity of Energy Consumption of Indonesian Buildings.

Energy Intensity of Electricity based on Room Size [302-1, 302-3]

Description	2022	2021	2020
Total electricity consumption (kWh)	156,040,072	118,611,628	80,048,325
Room size (m ²)	1,121,385	746,672	433,492
Intensity of Energy Use (kWh/m ²)	139	159	185

Note:

There are differences in data coverage for 2020, 2021 and 2022. Data coverage for 2022 from the head office, data center, 120 KCUs, and 730 KCP. In 2021 it will consist of a head office, data center, and 603 KCU/KCP. 2020 consists of head office, data center, and 115 KCU.

Energy Intensity of Electricity based on Number of Employees [302-1, 302-3]

Description	2022
Total electricity consumption (kWh)	156,040,072
Number of employees (in proportion to the locations of collected data)	19,413
Intensity of Energy Use (kWh/employee)	8,038

Energy Intensity of Electricity based on Number of Transactions [302-1, 302-3]

Description	2022
Total electricity consumption (kWh)	156,040,072
Number of transactions (million)	22,337
Intensity of Energy Use (kWh/transaction)	0.007

BCA uses renewable energy by installing solar panels at Wisma Asia II, KCU Gading Serpong, Wisma BCA BSB (as of December 2022). On-grid technology on solar panels will capture sunlight to be converted into electricity. In 2022, energy use from solar panels in the Wisma Asia II was 7,586 kWh, in KCU Gading Serpong buildings was 7,853 kWh, and Wisma BCA BSB building was 11,547 kWh. These figures were higher than those in 2021.

Green Building

BCA has eco-friendly offices that apply smart building principles with the Building Automation System (BAS) feature and the green building concept. The Wisma BCA Foresta building is one of the green building belonging to BCA, which earned a Platinum certificate at the start of the assessment. It also won the Subroto Awards for the energy efficiency category and will represent BCA at the ASEAN Energy Awards in 2023. We will continuously maintain the green performance even after earning the certificate. Currently, we have been preparing the Wisma BCA (BSB) Semarang building for certification in 2023.

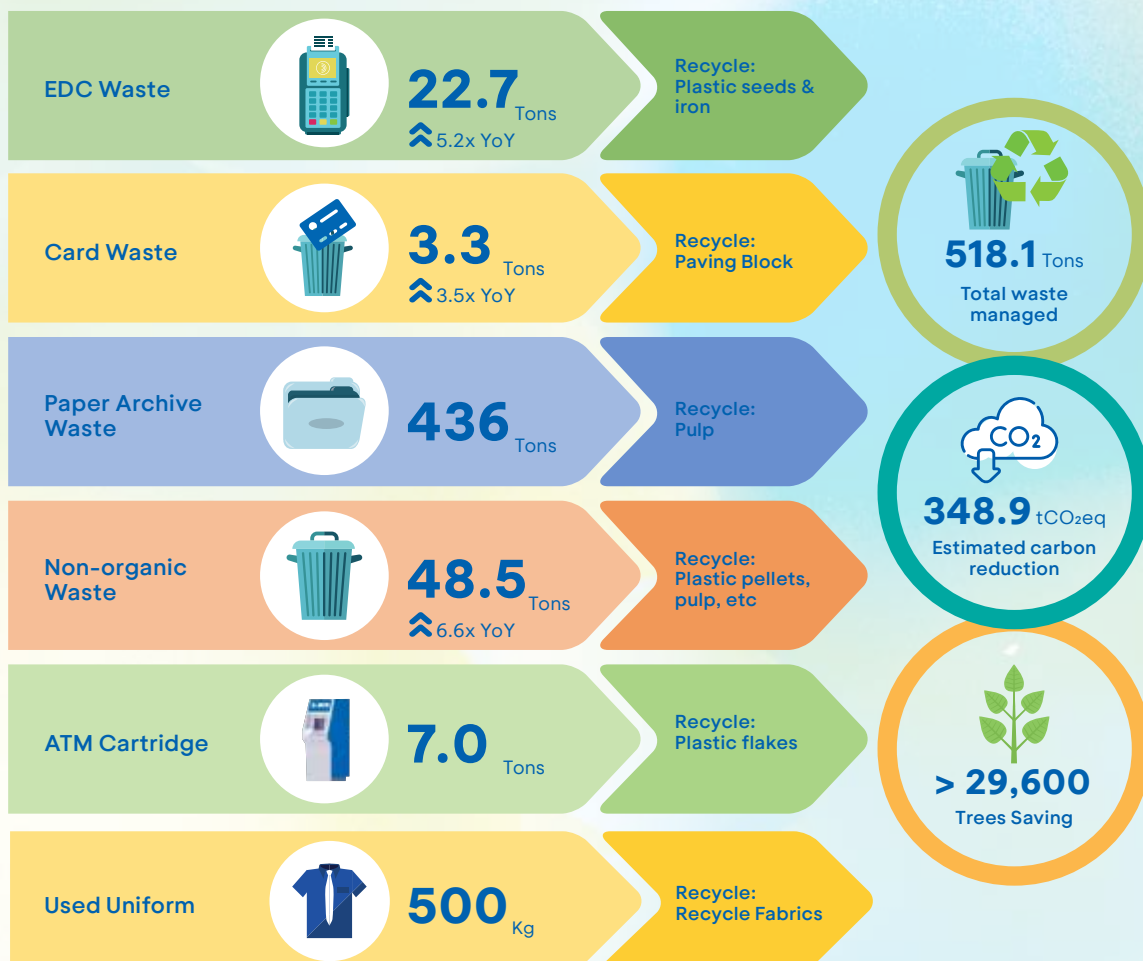


Recycled fabrics from BCA's used uniform were worn as BOC & BOD outfits, as well as supporting facilities in BCA.

Waste Management

BCA involves AOC and implements the green office program in its effort to reduce waste and office waste. Waste management has also been disseminated nationwide to all regional and branch offices. The waste management program has been implemented gradually in 71 BCA buildings around the Jabodetabek area.

BCA Waste Management



ATM Card Waste Management

Due to the conversion to chip-based ATM cards, starting in 2021, BCA has recycled the non-chip card waste into paving blocks for BCA office buildings. In 2022, BCA managed to collect 3.3 tons of card waste, to be recycled into paving blocks. This amount increased from 938 kg in 2021.

Paper Gramation Reduction and Archive Waste Management

BCA mitigates the negative impacts of the Bank's operational activities, one of which is through waste management and paper use. BCA has implemented the change of A4 paper from 80 to 75 grams nationwide. Throughout 2022, BCA offices used 296 tons of paper, saving 20 tons due to this initiative.

Throughout 2022, BCA has managed 436 tons achieved papers, equivalent to conserving 28 thousand trees.

Total Paper Consumption

Description	2022	2021	2020
Paper used (tons) *	296	57	63
Paper consumption reduction (tons)	+239	6	18
Emission reduction potential through paper reduction (tCO ₂ eq)	+332	21	37

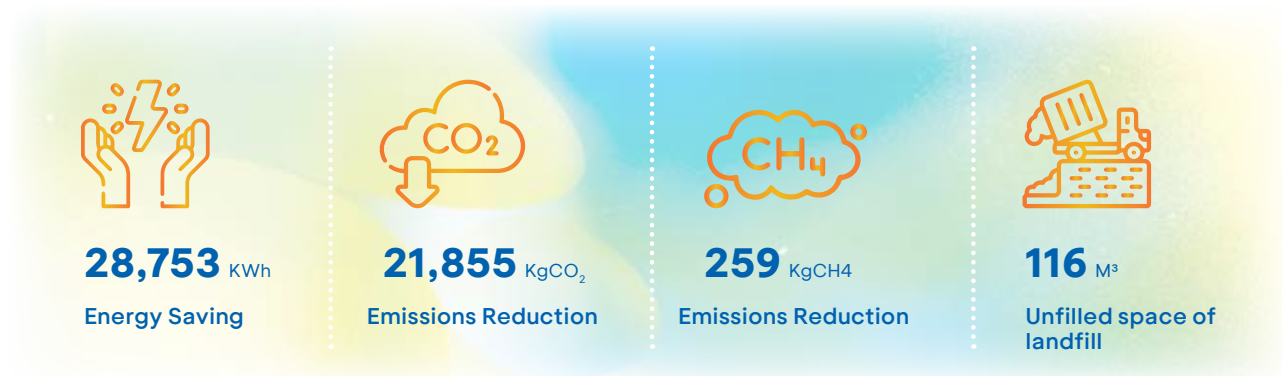
Notes:

* Data coverage for 2022 from 9 Head Office locations and several KCU, for 2021 and 2020 from 6 Head Office locations only.

Management of Cartridge ATM Waste

During 2022, BCA reprocessed 7 tons of ATM cartridge waste into plastic flakes, including remelting the iron contained in the ATM cartridge. Thus, 100% of the ATM cartridge waste were recycled. The process generated from BCA's waste management throughout 2022 were donated to the Bakti BCA Foundation, as scholarships for the children of BCA's staffs that are in need.

Positive impact of cartridge ATM waste management



Used Uniform Recycling

In 2022, BCA implemented used uniform recycling pilot project as part of BCA's commitment to implementing responsible business operations. Around 2,312 used uniforms, with a total 1.3 tons from 24 branch offices. For the first phase, 500 kg used uniforms were recycled into 500 meters of fabrics. This process involves village communities and environmentally friendly procedures. The fabrics were then used to produce souvenirs for participants of the 2023 BCA National Working Meeting, development of the sustainability corner in BCA building, and outfits worn by the management.

Water Consumption and Wastewater Management [303-1]

BCA meets its water needs from several sources, including the Regional Drinking Water Company (PDAM), depending on the location and access to clean water where the bank's offices operate. BCA implements an effort to save water by regularly maintaining water installations, utilizing water-saving faucets, installing eco-washers, installing rain harvest tanks, and creating water saving campaign. The Logistics & Building Division evaluates the effectiveness of water-saving campaigns by monitoring water consumption.

Water Consumption (m³)

2022*

302,646

2021**

47,823

2020**

67,365



Note:

* 2022 water consumption include the Headquarters and 100 BCA branch offices.

** Water from PDAM. 2020 and 2021 data include head offices.

Wastewater Management [303-2]

The Menara BCA building management utilized wastewater disposal installation or Sewage Treatment Plant (STP) to treat wastewater. Meanwhile, the Wisma Pondok Indah and KCU Bintaro buildings are equipped with a Wastewater Treatment Plant (WWTP), while Wisma BCA Foresta is equipped with a Rain Harvest Tank system. Treated wastewater is used for non-hygienic needs, such as watering plants and flushing toilets.

Domestic wastewater generated from the Bank's operational activities does not have a negative impact on the environment because it does not contain hazardous and toxic compounds. During 2022 there were also no incidents of spills of wastewater, chemicals, or B3 liquid waste in the BCA office area.

Use of Recycled Materials and Environmentally Friendly Materials [301-2]

BCA has not harnessed recycled materials for the Bank's main operational activities. However, we support recycled materials utilization by ordering calendars from vendors that use recycled papers. In addition, we print the. We also use environmentally friendly materials, including biodegradable plastic (oxium) in daily calendars plastic wraps and use of LED lights in BCA office buildings. Gradually, we also replaced desktop PCs with laptops with more power-saving processors that would reduce electricity consumption for charging.

Environment & Biodiversity Conservation

Banking activities do not have a direct impact on environmental preservation or biodiversity. However, BCA remains committed to supporting flora and fauna conservation in Indonesia. Conservation of the environment and biodiversity plays a major role in maintaining environmental ecosystems and reducing the generated emissions.

Critical Land Rehabilitation Program in the Samboja Lestari Orangutan Conservation Area

BCA has cooperated with Borneo Orangutan Survival Foundation (BOSF) in implementing critical land rehabilitation programs through tree planting and orangutan conservation efforts in Samboja Lestari, East Borneo, divided into two stages. The first stage was implemented in December 2021 – December 2026, while the second stage began in December 2022 – December 2027. In implementing this program, BCA and BOSF have involved local communities, relevant stakeholders, and East Kalimantan Natural Resources Conservation Agency (BKSDA/Balai Konservasi Sumber Daya Alam). BCA has involved five communities in each tree planting and maintenance process.



Planting and Rehabilitation Phase 1

December 2021 - December 2026

4,000 plant seedlings

Planting area

10 ha, with 5x5 meter distance

Emission absorption potential

617.05 tCO₂



Planting and Rehabilitation Phase 2

December 2022-December 2027

5,000 plant seedlings

Planting area

12.5 ha, with 5x5 meter distance

Emission absorption potential

771.31 tCO₂

Walk for Tree

“BCA Go Bi6 5step” is the main theme of this tree planting drive, which involves BCA employees in 12 regions and the Head Office taking a virtual walk under the name “Walk for Tree” to save the earth. Each BCA employee's virtual walk participation will be converted into tree seedlings to be planted in urban forest areas, mangrove forests, residential areas, toll roads/highways in various regions in Indonesia. In carrying out this program, BCA works closely with the local community, the Environment Agency, and other stakeholders.

Tree



14,631

Seedlings planted, with a total of **27.3 ha** in **19** planting locations



5,808 employees

Participated in Virtual Walk



225 BCA staffs

participated in tree planting

Mangrove



5,000

Mangrove seedlings planted in **0.7 ha** in **2** planting locations



Samboja Lestari, East Borneo and Mount Sasak, Lombok, West Nusa Tenggara

Orangutan Rehabilitation and Release

Since 2012, BCA has been collaborating with the Borneo Orangutan Survival Foundation (BOSF) to rescue, rehabilitate, and release orangutans. BCA also organized the Orangutan Goes to School Program for the community around Samboja Lestari, Nyaru Menteng, and communities outside Kalimantan to promote and educate them on orangutan conservation efforts.



5

Orangutan rehabilitated

5

Orangutan released in Taman Nasional Bukit Baka Raya, Central Borneo



8

Schools actively involved in "Orangutan Goes to School",

939

student participants

Orangutan rehabilitation

MAYER
Male, 9 year



ANDREAS
Male, 10 year



ELAINE
Female, 11 year



LEAN
Female, 12 year



RIANA
Female, 9 year



Procurement of food, medicine, laboratory tests, and forest school
Plans for 2023 - 2024 will be released

Orangutan released

RELEASE DATE: 18 MAY 2022

JAZZBOY
Male, 17 year



SEBANGAU
Female, 11 year



ITANG
Female, 21 year



DIUS
Male, 18 year



RELEASE DATE: 18 NOVEMBER 2022

GONZALES
Male, 12 year



LIMA
Male, 13 year



BEN
Male, 12 year



5 Orangutans supported by BCA have been released into the Bukit Baka Raya National Park (TNBBR), Central Kalimantan

Kalimantan has the largest tropical forest in Indonesia and as well as the world's lungs. This forest is a terrestrial ecosystem with diverse and productive biodiversity on earth.

Orangutan Conservation Program Impact Measurement

Description	2020	2019	Average
SROI Value	6.52	15.93	11.22*)

Note:

*) SROI 11.22 meaning: every Rp1 social investment create Rp11.22 economic and social values
CSR program impact measurement has been carried out in 2021

Social Impact

- Preserving endangered species from extinction, increasing biodiversity. This effort is supported through the fact that orangutan is a key species and the best forest regeneration agent by naturally dropping and sowing seeds. In addition, orangutans' process of building nests can make the sun shine toward forest plants and create a healthier tropical forest
- Educating students about the importance of orangutan conservation

Economic Impact

- Saving in government's spending for orangutan conservation
- Increasing the welfare of implementing partners and conservations' teachers

Unit	2019	2020	2021	2022
Number of participating offices	145	145	125	544

Earth Hour

As a form of BCA's awareness for the global recovery, especially for climate change, the company also turns off the lights simultaneously at branch offices across Indonesia, starting from 20.30-21.30 local time.

Environmental Complaints

BCA committed to continuously support environmental preservation in daily banking activities. None of BCA's activities directly utilize natural resources or damage the environment. Thus, until 2022 BCA did not receive any complaints related to the environment due to its banking activities.

Sustainability Report 2022 **111**



04

Social Value Creation



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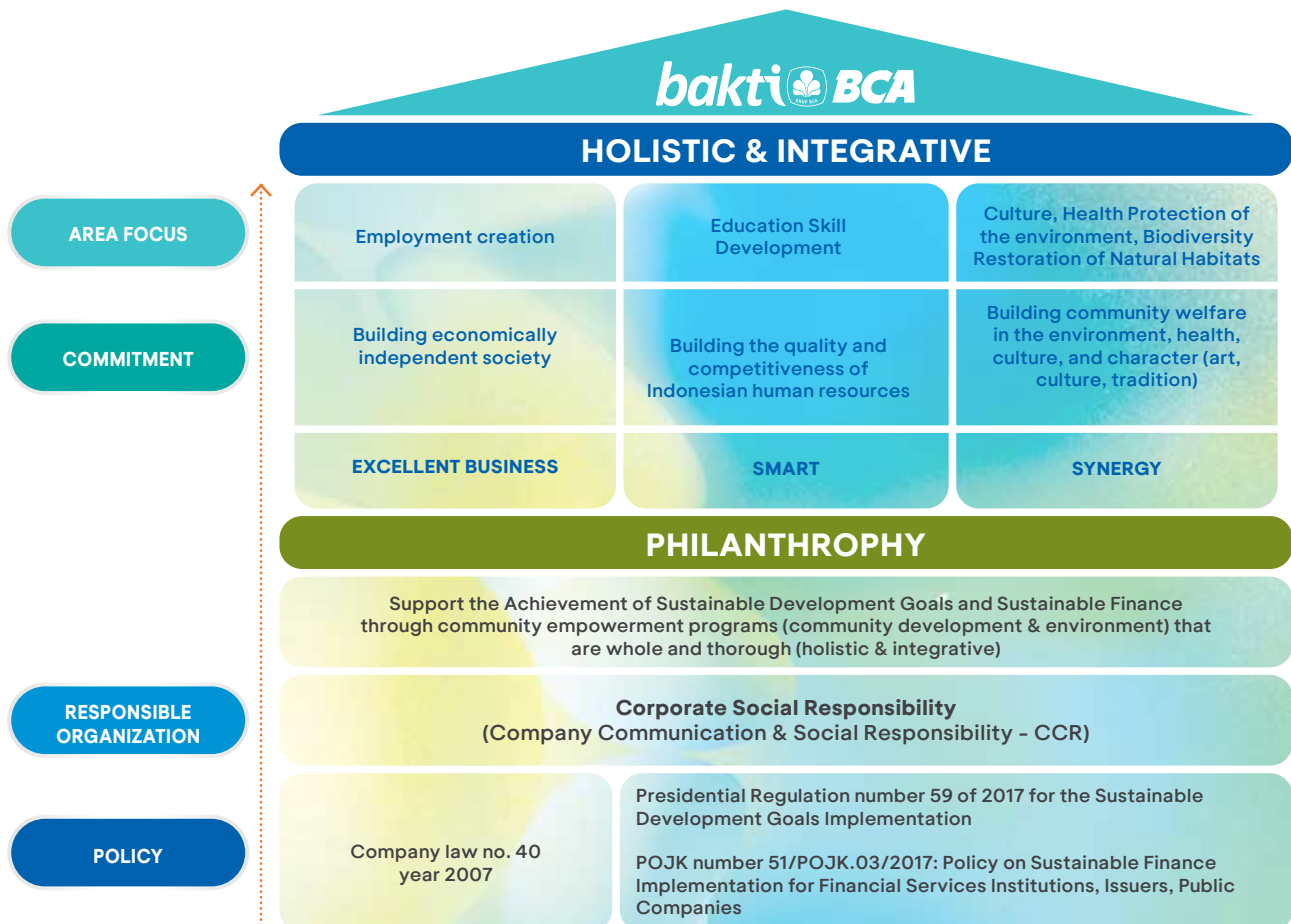
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BCA strives for a positive impact on stakeholders and the environment from its existence. Therefore, BCA organizes community involvement and development (CID) programs, as well as environmental and human rights activities as the three core subjects of corporate social responsibility (CSR) aimed at the wider community and the surrounding environment which its implementation was monitored by the Director which oversees the Corporate Communication & Social Responsibility Division. Under the umbrella program of the Bakti BCA, BCA designed each program to meet the community's needs and aid to support them in sustainably achieving independence. Furthermore, BCA continuously allocates funds for pro bono/philanthropic (charity) programs.



Pilar *bakti* **BCA**

BCA is committed to continuously involving and empowering society through Bakti BCA program



01

Policy

- Law No. 40 of 2007 concerning Limited Liability Company
- Presidential Regulation Number 59 of 2017 concerning Implementation of the Sustainable Development Goals Achievement
- POJK Number 51/POJK.03/2017: concerning Sustainable Finance Implementation for Financial Services Institutions, Issuers, Public Companies

02

Responsible organization

Corporate Social Responsibility Unit & Internal-External Partners

03

Motto

"Support the Achievement of Sustainable Development Goals and Sustainable Finance through community empowerment programs (community development & environment) that are whole and thorough (holistic & integrative)"

04

BCA Management Commitment

- Building an economically independent society
- Building the quality and competitiveness human resources
- Fulfilling the essential needs of the society, such as environment, health, culture and character development (art, culture, tradition)

05

BCA CSR Program based on ISO core competencies analysis and resources

- Welfare & Income Creation
- Education & Culture
- Environment
- Public health

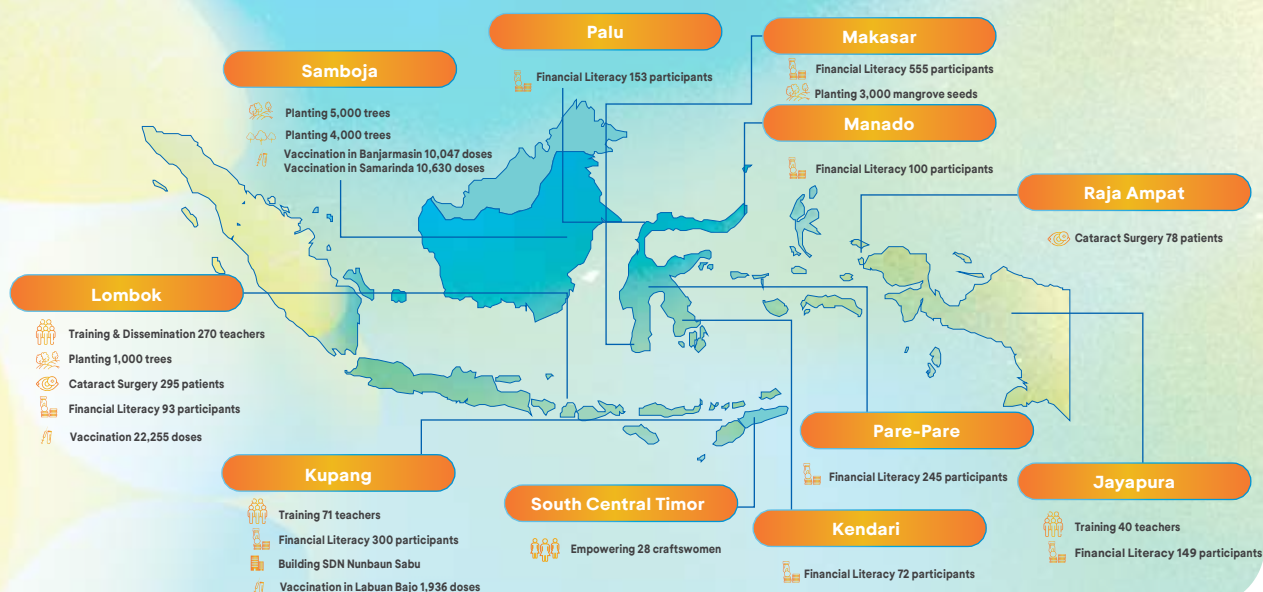
06

Program category

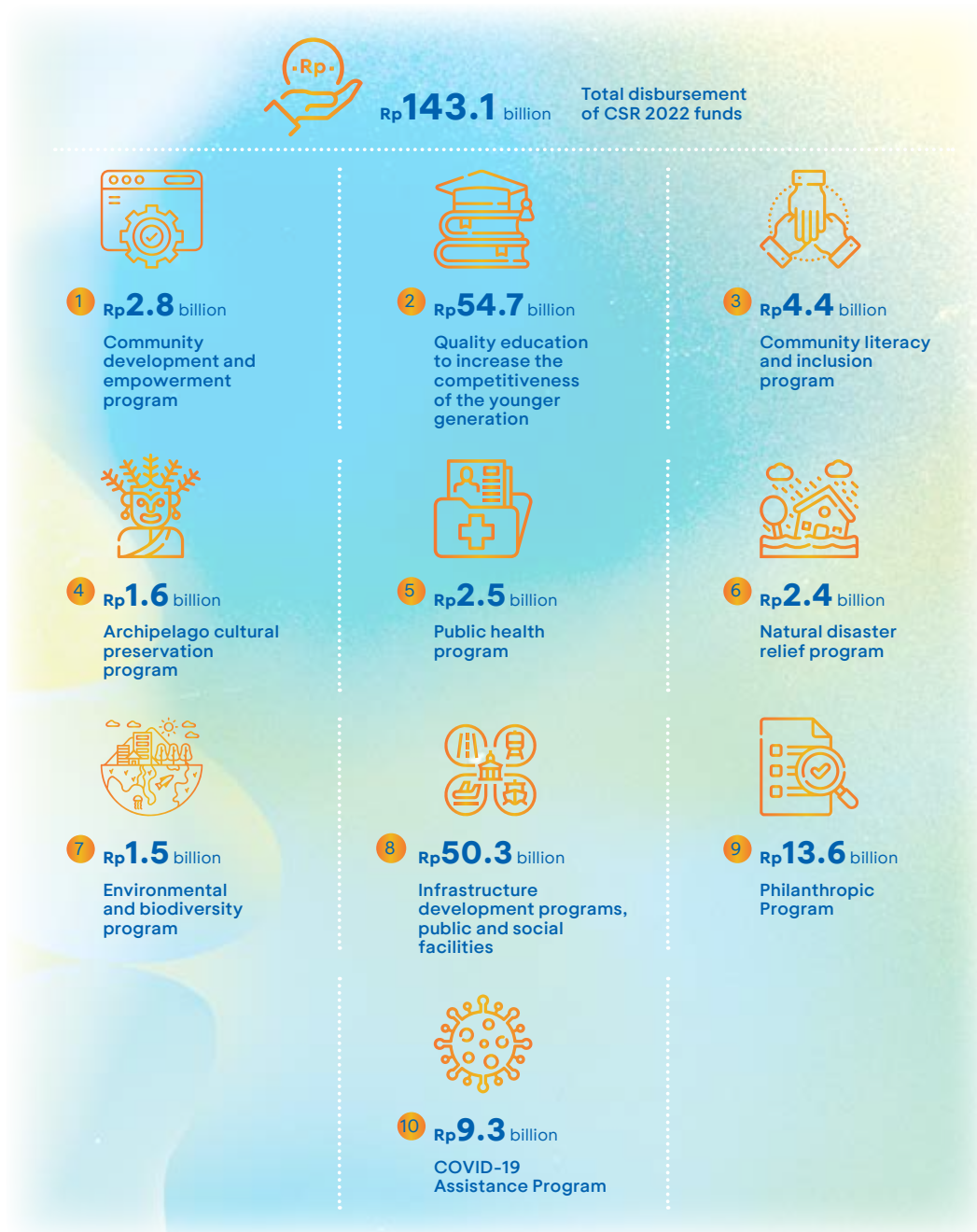
Excellent Business
MSMEs and tourism village development
Smart
Assisted schools, scholarships, Bakti BCA, financial literacy, education partnerships
Synergy
Culture, health, environment, empathy

bakti BCA

Bakti BCA expands program coverage to eastern Indonesia



Disbursement of Bakti BCA Program Funds 2022



Assisted School Bakti BCA



Bakti BCA Natural Dyeing Assistant



Community Development and Empowerment [203-2]



BCA Assisted Villages

BCA constantly empowers the communities to independently achieve their welfare through MSMEs development and assisted villages programs, under Excellent Business Program. In 2022, BCA added its assisted villages from previously 12 to 15 villages.



*Note: during the COVID-19 pandemic, Pucak Tinggan Village was not operating.

Assisted Village Training 2022



24

Trainings



766

People

Training Includes Service & Quality, Marketing & Sales, Finance, Innovation & Creativity, and Environment.

Facilities and Infrastructure Procurement Assistance Data in 2022

Addition/Improvement of Bakti BCA Infrastructure & Branding

bakti  **BCA**



Pindul Cave Tourism

Storage room for life jackets and tires



Nagari Silokek

Branding of Gates & Inscriptions



Wukirsari Wayang Tourism

Kitchens, Prayer Rooms



Taro Tourism Village

Selfie spot



Bilebante Tourism Village

MSME Stall Renovation

Throughout 2022, Bakti BCA has also delivered relief to support public tourism facilities, tourism safety facilities and homestay.

New Promotional Video BCA Assisted Villages

bakti  **BCA**



Find the exciting adventures in BCA's assisted village "Nagari Solokek & Sijunjung Traditional Village", West Sumatra.



Enjoying a cup of coffee in the cool and beautiful nature. Visit Doesoen Sirap Coffee, Semarang Regency, Central Java.

Increase Village Promotion and Sales Closer to Society

bakti BCA

We invited tourism village administrators to attend several activities in 2022 such as UMKM Fest, Jakarta Fair, Indonesia Knowledge Forum, and National Wayang Week to promote the excellence and uniqueness of tourism villages.



"Indonesia Knowledge Forum 2022"

3 villages participated virtually: Paramun Village, Belitung, Doesoen Kopi Sirap, Semarang, & Wukirsari Wayang Tourism.



"UMKM Fest"

UMKM Fest was participated by Tamansari Village, Peramun Hill, Wukirsari Wayang Tourism and selling the assisted villages' products.



"National Wayang Week"

at Wayang Kautaman Museum at TMII Jakarta. Attended by Wukirsari Village Wayang Tourism communities.



"Jakarta Fair/ PRJ"

The Jakarta Fair/PRJ was attended by Gemah Sumilir Batik Village, Wukirsari Wayang Tourism, and Belitung MSMEs.

MSME Mentorship to Improve Tourism Village Performance

To boost the economic growth of Bakti BCA Assisted Villages, Bakti BCA collaborated with Blibli in the digitalization program of Bakti BCA Assisted Villages and created online stores since 2020, including: Pindul Cave Wirawisata; Pentingsari tourism village; Wukirsari Wayang Tourism Village; Tamansari Tourism Village; Doesoen Sirap Coffee; Gemah Sumilir Batik Village; Peramun Hill; Aik Rusa Berehun Tourism; Sijunjung Traditional Village; and Nagari Silokek.

Number of Visitors 2020–2022

No.	Name of Assisted Village	2022	2021	2020
1	Goa Pindul Tourism Village, Yogyakarta	25,534	5,717	12,244
2	Wukirsari Puppet Tourism Village, Yogyakarta	2,512	235	704
3	Pentingsari Tourism Village, Yogyakarta	12,588	1,133	3,132
4	Tamansari Tourism Village, Banyuwangi	133,049	120,264	118,338
5	Doesoen Kopi Sirap, Semarang	4,109	2,839	3,383
6	Gemah Sumilir Batik Tourism Village, Pekalongan	763	324	328
7	Peramun Hill, Belitung	208	-	2,147
8	Wisata Aik Rusa Berehun, Belitung	986	795	672
9	Gunong Lumut, Belitung	296	-	45
10	Sijunjung Traditional Village, West Sumatra	3,740	684	185
11	Nagari Silokek, West Sumatra	17,261	17,401	340
12	Bilebante Tourism Village, Central Lombok	4,851	-	-
13	Taro Tourism Village, Bali*	15,707	-	-
14	Keloebi Tourism Village, Belitung*	2,810	-	-
TOTAL		224,414	149,489	141,608

Note:

During the COVID-19 Pandemic, Pucak Tinggan Village was not operating.

*Bilebante, Taro, and Kelubi Tourism Villages were added in 2022



Assisted Villages that have earned awards, including:

- Pentingsari village: ASEAN Sustainable Tourism Award (ASTA) – Cambodia
- Tamansari Village: Planet Tourism Destination Award, Digital Category (Ministry of Tourism and Creative Economy & BUMDES Awards National Java-Bali, GCG Category)
- Nagari Silokek: 1st Winner at ADWI Digital & Creative Category 2022 (Ministry of Tourism and Creative Economy)
- Taro Village: Runner up at the Archipelago Tourism Village Promotion Competition (Ministry of Village, Development of Disadvantaged Regions, and Transmigration)

Program Impact Measurement at 6 Assisted Tourism Villages

No.	Assisted Villages	2019	2018	Average
1	Wirawisata Goa Pindul, Yogyakarta	4.64	4.24	4.44*
2	Pentingsari Tourism Village, Yogyakarta	6.62	5.21	5.92
3	Doesoen Kopi Sirap, Semarang	2.56	0.61	1.59
4	Gemah Sumilir Batik Village, Pekalongan	6.43	4.47	5.59
5	Gunong Lumut, Belitung	0.83	0.74	0.79
6	Sijunjung Traditional Village, West Sumatra	0.86	3.63	2.25

Note:

*) SROI 4.44 meaning: every Rp1 social investment create Rp4.44 economic and social values
CSR program impact measurement has been carried out in 2021

Bakti BCA Partner Villages

The Ministry of Tourism and Creative Economy has appointed BCA to assist 10 BCA Partner Villages to transform them into new main tourist destinations. The tourist villages are:





Bakti BCA has been collaborating with Bilebante Village since 2022 to empower the potential of cultural art and traditional spices.

The 10 villages won several awards at the 2022 Indonesian Tourism Village Award (ADWI) event as follows:

Tourism Village in Developed Category

1st Place: Semen Tourism Village, Blitar

2nd Runner Up: Pahawang Tourism Village

Tourism Village for Pioneering Category

1st Runner Up Winner: BML Kampong Melayu Tourism Village, West Kalimantan

Tourism Village for Institutional Category

1st Place: Dayun Tourism Village, Riau

Tourism Village for Visitor Attraction Category

1st Runner Up: Saba Budaya Baduy Tourism Village, Banten

Tourism Village for Digital & Creative Category

1st Runner Up: Silokek Tourism Village, West Sumatra

Tourism Village for CHSE Category

2nd Runner Up: Tourism Village of Tiga Rihit Colorful Village, North Sumatra

Tourism Village for Homestay Category

2nd winner: Malangga Tourism Village, Central Sulawesi

Tourism Village for Public Toilet Category

1st winner: Glodok Chinatown Tourism Village, Jakarta

3rd Place: Mount Padang Site Tourism Village, West Java

Bakti BCA committed to conduct a one-year training in 2023 to upgrade the skills of human resources at Partner Villages, including the provision of facilities and infrastructures to improve service at Bakti BCA Assisted Villages.

MSME Mentorship to Improve Tourism Village Performance

Bakti BCA also mentors MSMEs outside of Bakti BCA Assisted Village, which includes financial management and business development strategies training, marketplace introduction to MSMEs in West Belitung, East Belitung, West Nusa Tenggara regions, and to Nahdlatul Ulama and Aisyiyah Muhammadiyah.



Quality Education to Boost Young Generation Competitiveness



BCA provides affordable banking education for potential young generation through PPBP/PPTI Program and Bakti Internship

SYNRGY

BCA supports Indonesia's digital economy through the SYNRGY program. This program consists of two types: the SYNRGY Accelerator which aims to develop a startup ecosystem through acceleration activities, and the SYNRGY Academy which facilitates the provision of scholarships for digital talents.

SYNRGY Accelerator

SYNRGY Accelerator is a startup acceleration program and a collaboration platform between the startup community and the BCA group. This program offers a customized digital economy curriculum based on the needs of selected startup so they can grow their business. This program aims to encourage the growth and innovation of the digital startup ecosystem. Until December 2022, SYNRGY Accelerator Program was successfully executed for 5 batches, graduated 72 startups and created 10 business collaboration between BCA and partners.

Further information regarding SYNRGY Accelerator can be accessed through:







Instagram: @synrgy.accelerator

Website: <https://synrgy.id/Accelerator>

SYNRGY Academy

SYNRGY Academy provides scholarships and a six-month bootcamp to digital talents aiming at creating and cultivating more digital talents in Indonesia. In this program, BCA partners with Binar Academy to hold training on competence development in Information and Communication Technology (ICT). In the reporting year, BCA has graduated 40 participants through SYNRGY Academy X Grab, where this batch was specifically intended for children of Grab's partners. Moreover, BCA has also graduated 49 participants through SYNRGY Academy Batch 4. BCA held the SYNRGY Academy batch 5 program which took place from August 2022 to February 2023, and attended by 129 participants. BCA also provides opportunities for program alumni to work at BCA group as well as assistance in finding jobs through Job Connect.

**2022 SYNRGY Accelerator Program Participants**

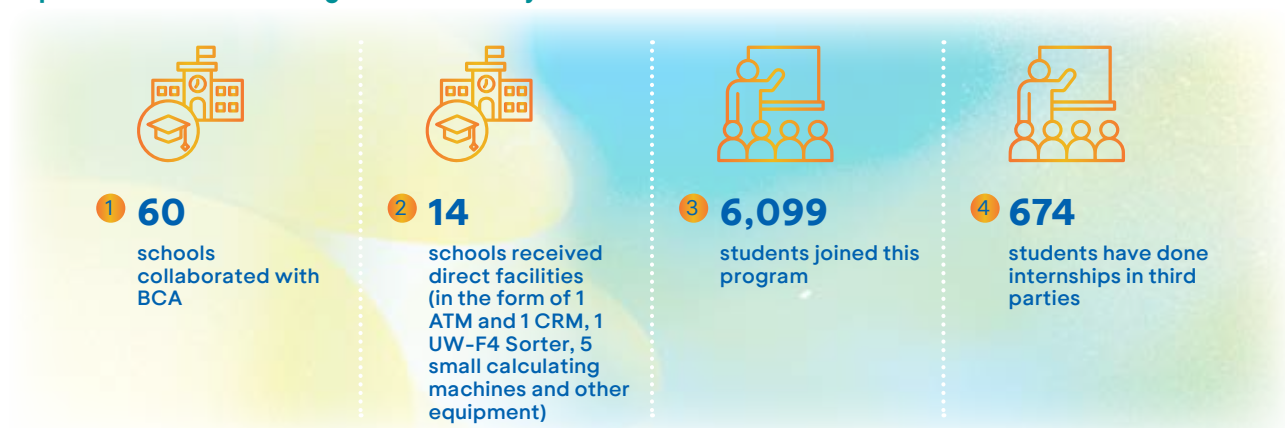
Startup	Description
 Braga Technologies	Braga Technologies is a geospatial technology startup which became one of the location data providers in South-east Asia. Braga also has a Geospatial Dashboard product that focuses on solving business problems with inclusive, versatile and high-performance solutions.
 Carinihi	CARinihi is an O2O omnichannel management-a platform in the form of an integrated ecosystem based on collaboration technology in providing end-to-end solutions for business actors, especially Sahabat UMKM Indonesia.
 indiepos	The omnichannel SaaS program helps the integrity of offline and online stores, carries out e-commerce and marketplace integrity to store cashiers and makes offline stores as fulfillment points for retailers.
 JARIVIS	Jarivis is a mobile application that helps business owners or companies to monitor activities, positions tracking, assign and schedule assignments, as well as easily create activity reports for field officers.
 Jejak.in	Jejakin is a climate tech startup with a mission to empower companies with tools to reach their sustainability goals. Currently, tracer has 3 products, namely: carbon emission accounting, carbon offset marketplace, and tree & forest MRV system.
 Selleri	Selleri is a social commerce platform that helps resellers sell fashion products to potential buyers in small cities in Indonesia through social media such as Whatsapp, Facebook and Instagram. Selleri allows resellers to increase product prices on the marketplace and sell without capital, without stock and without risk.

2022 SYNRGY Academy Program Participants

Batch Name	Period	Number of Participant
SYNRGY Academy Batch Grab	November 2021 – May 2022	40 graduates
SYNRGY Academy Batch 4	January – July 2022	49 graduates
SYNRGY Academy Batch 5	August 2022– February 2023	129 participants

BCA Cash Management Academy

BCA strives to support the education sector through the BCA Cash Management Academy program, which provides vocational education to prepare students with skills according to the latest industrial needs. This program focused on vocational schools on Java Island. In 2022, this program has reached other areas outside Java to fulfill BCA's commitment to provide equal education opportunities.

Impact of BCA Cash Management Academy 2022

PPBP and PPTI

BCA's Learning & Development Division manages the Business & Banking Education Program (PPBP), and the Informatics Engineering Education Program (PPTI). These non-degree education programs focus on banking in collaboration with leading universities. The students are also offered the opportunity for internships at BCA.

Number of Participants and Graduates of PPBP and PPTI 2020–2022



Bakti BCA Internship

BCA helps to channel the interest of graduates from high school, vocational school, and equivalent, up to undergraduates who wish to gain experience in the banking industry through the Bakti BCA Internship program. We offer internships for customer service officer and teller positions. In 2022, a total of 6,104 participants was recruited as Bakti BCA Internship, thus the total number of Bakti BCA Internship is 10,266 active participants.

**1 Number of Bakti BCA Interns**

2022

6,104

2021

3,634

2020

1,920**2 Number of Bakti BCA Active Interns**

2022

10,266

2021

9,028

2020

8,982**Bakti BCA Assisted Schools**

BCA has 20 assisted schools in several cities. BCA regularly carries out mentorship programs for the management and teaching staffs of the assisted schools. This program is a form of BCA's contribution to improving the quality of education.

In 2022, BCA held leadership training for all assisted schools. A total of 51 school management consisting of school principals, deputy principals and teachers, attended the training, which took place between September 2022 and February 2023.

**1 20**

assisted schools

**2 696**teachers and educational
support staffs**3 9,995**

students

*update data 2022 (School year 2022/2023)

Assisted School Program Impact Measurement

Description	2020	2019	2018	Average
SROI Value	3.89	4.15	4.28	4.14*)

Note:

*) SROI 4.14 meaning: every Rp1 social investment create Rp4,14 economic and social values
CSR program impact measurement has been carried out in 2021

Social Impact

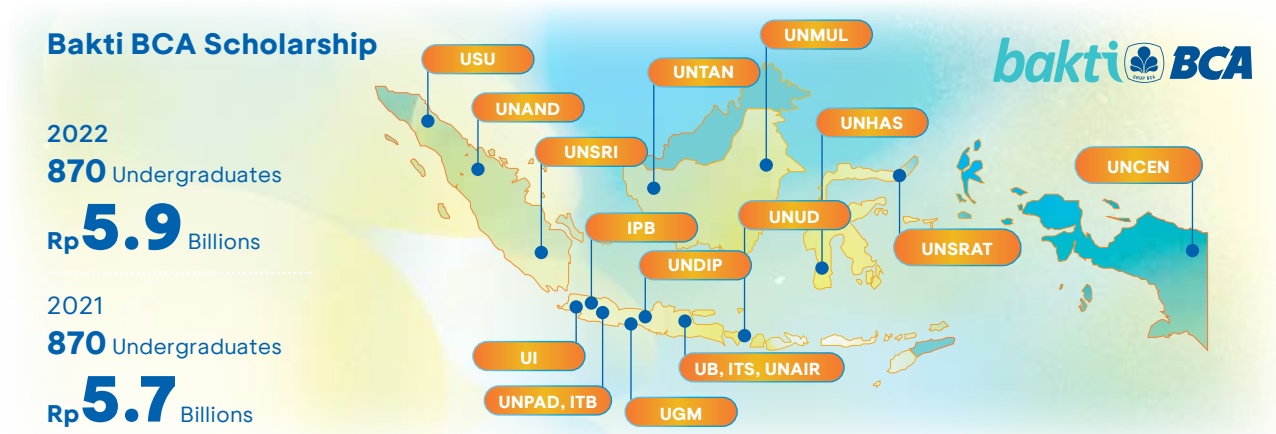
- School management and teachers possess good leadership qualities to enable them to efficiently manage school resources, including human resources, school infrastructures and students.
- Quality education is more accessible for the community.

Economic Impact

Better school resource management can improve the quality of education and ultimately can raise school rankings and parents' trust

Bakti BCA Scholarship

Bakti BCA scholarship program provides funding and several soft skill training to outstanding undergraduate students who are financially constrained. In 2022, BCA granted scholarships to 870 students from 18 universities in Indonesia with a total fund of Rp5.9 billion, an increase from Rp5.7 billion in 2021.



Team building activity for Bakti BCA Scholarship participants.

Bakti BCA Scholarship Program Impact Measurement

Description	2020	2019	2018	Average
SROI Value	2.97	3.24	2.92	3.04*)

Note:

*) SROI 3.04 meaning: every Rp1 social investment create Rp3.04 economic and social values
CSR program impact measurement has been carried out in 2021



Social Impact

- The students' happiness for the opportunity to continue their education without economic constraints thanks to full scholarship from BCA. In addition, students gained good soft skills thanks to the training provided by BCA.
- Parents are proud of the achievements of their children.

Economic Impact

- Students can complete their education and have soft skills that will be useful in the working world.
- Assisted State Universities can raise their accreditation value which will have an impact on increasing the level of public trust in their quality.

Education Partnership

BCA has been collaborating with West Lombok, Kupang, Soe, and Jayapura Education Agency in a competency development program for elementary school teachers. The teacher training uses the blended learning method which is the implementation of an independent curriculum in the following areas:

No.	Location	Number of participants	Number of Schools	Dissemination
1	West Lombok Regency	70 teachers	20 schools	200 influencer teachers
2	Jayapura Regency	40 teachers	11 schools	-
3	Kupang Regency	70 teachers	21 schools	-

Teachers who participate in the training program receive a series of material topics as follows:

- Class Management
- Independence Curriculum learning device (RPP)
- Differential learning models & strategies & development of students' levels of thinking with visual worksheets and problem solving (PAKEM)
- Literacy Enhancement through Early Grade Reading Assessment (EGRA) & contextual & innovative Learning Media

The program is held for around 8 to 12 months and expected to improve 4C skills (Critical Thinking, Creativity, Collaboration & Communication) in innovative, meaningful, and fun learning environment.

After the training program is complete, the dissemination program will follow to induce good practices to peer teachers in neighboring schools facilitated by BCA collaborating with the Education and Culture Agency by assisting the teachers and dissemination practices in hope to accelerate the quality improvement of teachers.

**Abdul Majid, S.Pd, M.Pd**

Secretary of Jayapura Education Agency

The 21st Century Learning Optimization Program really supports the process of "upskilling" and "reskilling" 40 teachers in Jayapura. Thank you BCA!

**Hendrika Masriat, S.Pd**

SD YPPK Kristus Raja Dok V

I received great benefits from this program and I'm proud to share good practices at Outstanding Teachers Activity during 77th PGRI Anniversary Celebration in Jayapura.

**Kurdi, S.Pd**

Home Teacher of SDN 1 Beleka

I feel like I'm reborn to become a 21st century teacher after joining the Teachers Training Program. Thank you West Lombok Education Agency and Bakti BCA.

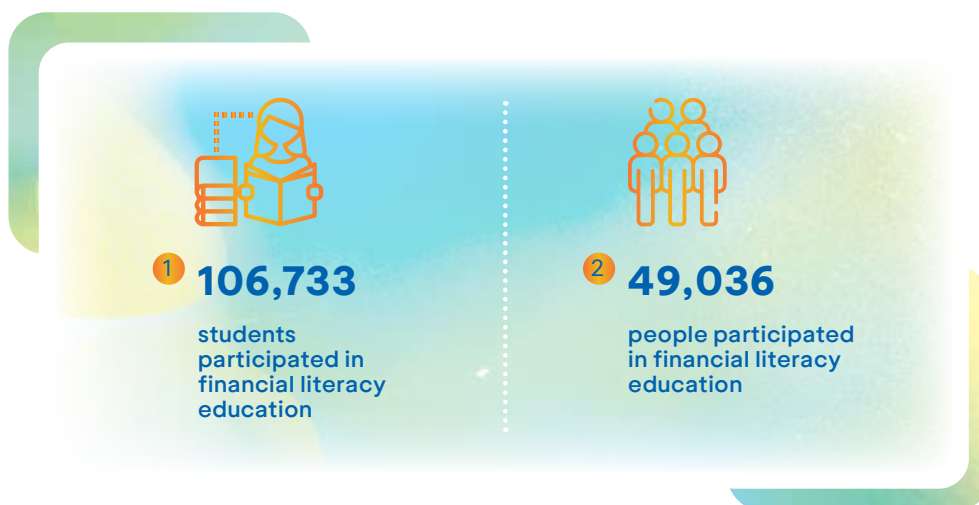


Bakti BCA for education, one of which is through assisted schools.

Financial Literacy and Inclusion



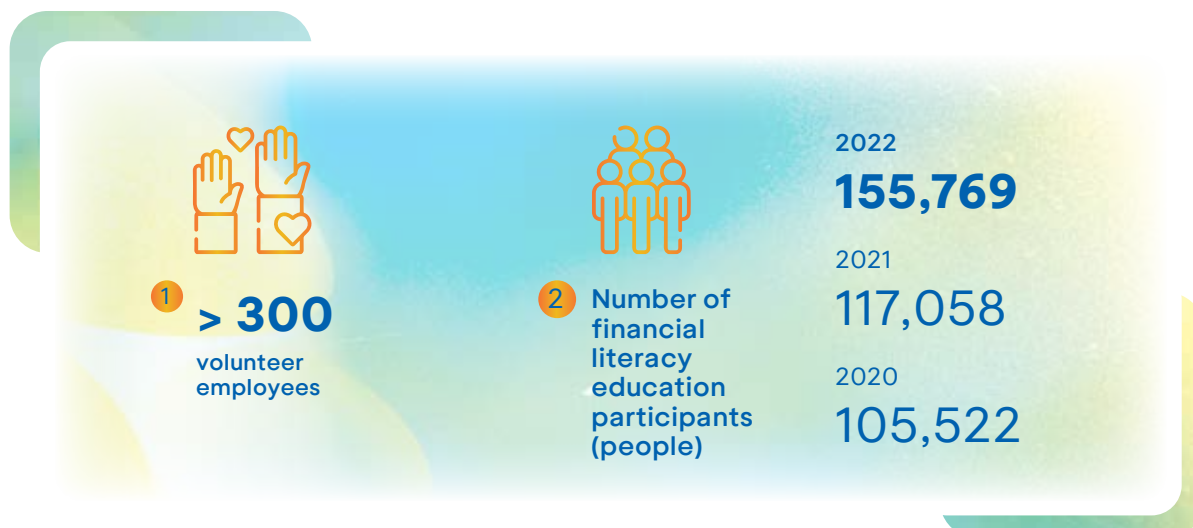
Finance and Banking Education for the Community [FS16] [FN-CB-240a.4]



BCA implements the Smart Solutions Program which aims to promote a culture of saving and managing finances from a young age. This program is mainly carried out in unbankable areas of Indonesia, through webinars and offline collaborating with educational institutions.

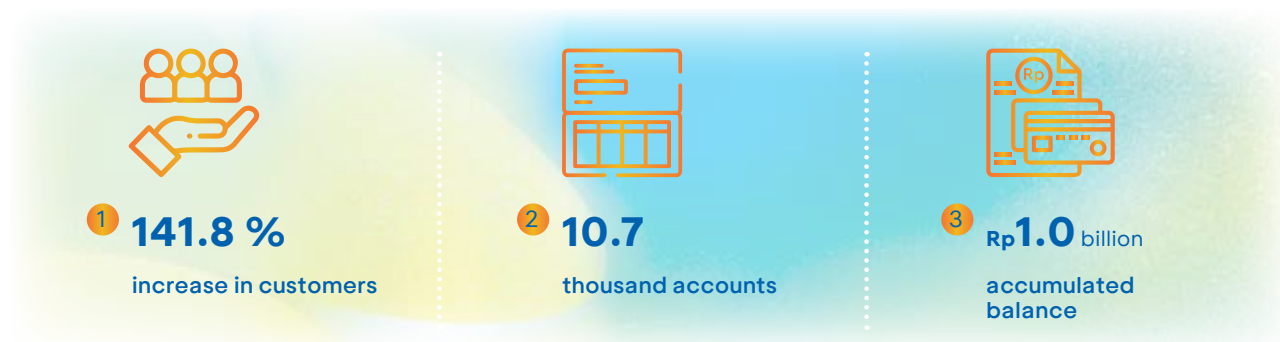
Financial Literacy and Inclusion to Reach Out the Nation [FS13]

Financial Literacy



Simpanan Pelajar (SimPEL) [FN-CB-240a.3]

BCA encourages financial inclusion in Indonesia in accordance with Presidential Regulation No. 114 of 2020 concerning the National Strategy for Financial Inclusion. As the implementation of President Regulation regarding National Strategy for Financial Inclusion/SNKI, BCA has developed a savings product for the student segment called SimPel and SimPel iB.



Positive and Negative Impacts of Financial Literacy and Inclusion [FN-CB-240a.3]

BCA realizes that there are gaps in financial management literacy as well as banking products and services. Therefore, we strive to continue our support to the government in reaching out to unbankable areas, through financial inclusion and literacy programs.

Financial Literacy Program Impact Measurement

Description	2020	2019	2018	Average
SROI Value	6.72	5.61	8.78	7.04*)

Note:

*) SROI 7.04 meaning: every Rp1 social investment create Rp7.04 economic and social values
CSR program impact measurement has been carried out in 2021

Social Impact

People are increasingly aware of the types of banking products for short- and long-term investment needs, to be able to manage their finances intelligently.

Economic Impact

- Communities as beneficiaries can increase the amount of their investment for the future.
- BCA also gains economic value because people are increasingly familiar with BCA banking products. Thus, it is hoped that there will be an increase in the number of banking transactions and customer loyalty.

Preservation of Various Arts and Culture

BCA has realized its commitment to preserving art, culture, and other traditions of the Indonesian archipelago since 2019. This program covers competitions, appreciation/awards, works of art publication, and so on. BCA directly involves the younger generation in preserving arts, culture, and traditions of the Archipelago, as well as utilizes the digital platforms to optimize the intended outcome. BCA embraces the younger generation to actively participate in conservation by adapting to today's language styles, adopting the mindset of the younger generation, and involving influencers. This conservation program covers many areas in Indonesia.

data from 2019-2022

ART, CULTURE & TRADITION PRESERVATION

Preserve the culture, preserve the nation

- Directly involve the young generation
- Creativity showcase in digital area
- Involve the young influencer
- Adapt to the mindset of current generation
- Preserve the root of art, culture & tradition
- Use today's language
- Show moral values
- Promote through BCA branding power
- Provide opportunity to regional/local artists to showcase their arts
- Help to maintain sustainable culture arts and regional traditions

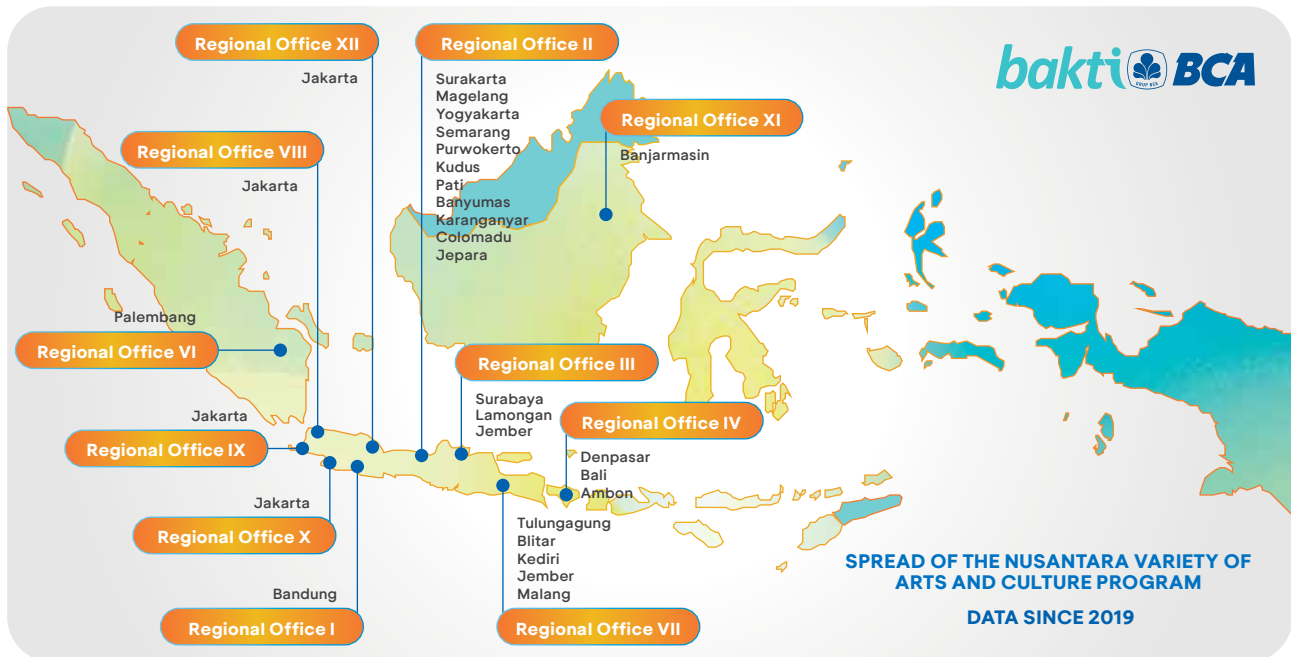


- **10,736** people
Art, Culture & Archipelago Traditions Dialogue
- **31** people
Cultural Conservationists & Warrior Appreciation (Academic & Non Academic)
- **1,400** Traditional dance and costume competition, comic strip, and wayang art play
- **>900** artworks
art, culture, and tradition competition

bakti  **BCA**



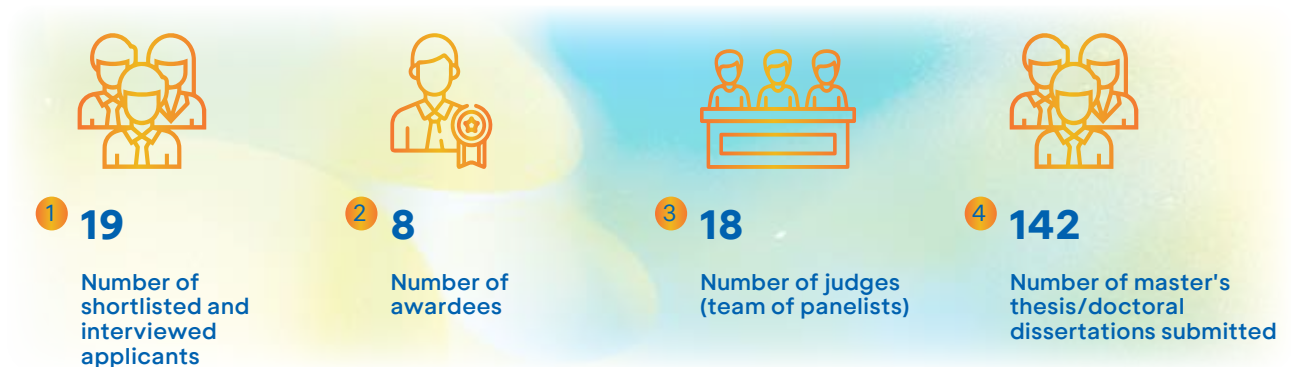
BCA's support for culture preservation, through wayang art show



Nusantara Awards 2022

BCA's other contribution to preserving Indonesia's cultural heritage is through organizing the Nusantara Academic Award (NAA) and the Waskita Nusantara Award (WNA) to appreciate cultural conservationists/warriors in collaboration with the Nusantara Institute (NI). NAA is an academic award for the best master's thesis or doctoral dissertation which reviews issues related to culture, religion, and local empires in Indonesia.

In 2022, there are 18 judges (team of panelist) for the NAA program, including Prof. Sumanto Al Qurtuby, PhD, Dr. Ngatawi Al-Zastrouw, Prof. Dr. John Titaley, Prof Dr. Musyadi, Prof. Dr. M. Mukhsin Jamil, Prof. Dr. Marhaeni Astuti, and others.



In addition, BCA also gave appreciation to 2 cultural observers/warriors, Mokhamad Nur Huda, from Peting hamlet, Talok Village, Dlanggu District, Mojokerto, and Komang Anik Sugiani, cultural warrior at Mengening Village, Kubutambahan District, Buleleng Regency.



Moving, Song, and Sport for Indonesia (Gelora Indonesia)

BCA participated in efforts to raise a sense of nationalism among employees and the community by organizing Gelora Indonesia. This event cultivated a spirit of nationalism by celebrating the 77th Anniversary of Indonesian Independence. This event was held at Jakarta Car Free Day. Approximately 1,400 BCA's employees and public in Greater Jakarta area took part in this event.

Wayang Youth Festival Award

BCA's commitment to preserving the art of wayang has been carried out since 2012. From September 2021 to January 2022, BCA held Wayang Youth Festival in collaboration with Sampan Bujana Sentra and the Ministry of Education, Culture, Research and Technology. The festival held several competitions for wayang dance drama and wayang comic strips with the theme of heroic wayang. This festival produced several winners, which were 6 groups of traditional wayang dance drama, 6 groups of modern wayang dance drama, 4 winners each for wayang comic strip in children, teenager and adult categories. The event was attended by participants from Jakarta, Bali, Tulungagung, Blitar, Kediri, Jember, Malang, Surabaya, Lamongan, Semarang, Yogyakarta, Solo, Pati, Kudus, Purwokerto, Magelang, Purbalingga, Banjarmasin and Palembang.



1 **96**

comic strip works in the categories of children, teens, and adults



2 **25**

pieces of wayang dance drama



3 **527**

participants including the young generation



BCA always supports the potential and interest of young generation in Indonesia cultural art.

National Wayang Week 2022

BCA became the sole sponsor of the National Wayang Week, initiated by the Indonesian Wayang National Secretariat SENAWANGI, on the 4th National Wayang Day. During the event, BCA also presented the SRIKANDI Wayang dance drama performance with junior high school students of SMPN 5 Semarang and SMP Mataram Semarang. In this event, BCA encouraged wayang art creations through the presence of three of the nation's young generation who draw wayang comic strips, and the attendance of creative entrepreneurs in the wayang arts in Wayang Tourism Village of Wukirsari, Yogyakarta, a tourism village assisted by Bakti BCA.

Wayang Art Preservation Program

Since 2012 until present day

XpresiWayang

Raise Prestige
With Innovative Art of Wayang

bakti  BCA



World of Wayang, Kompas TV

- From 2012 to 2015
- 5 Season
- 13 episodes per year
- Daytime show on Sunday

Buku Wayang,

- 15 books and comics of Wayang

Wayang Competition

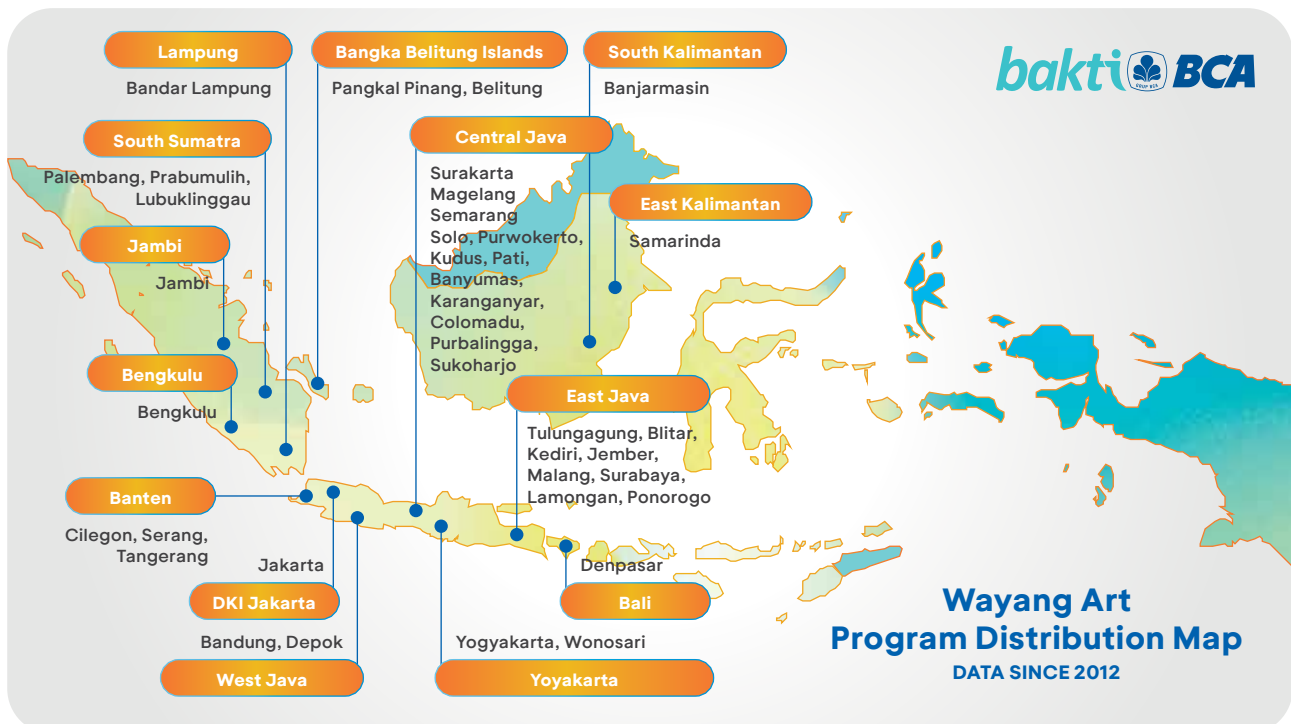
- 96 wayang comics
- 25 wayang dance drama performance
- 431 youths participated in wayang competition

Wayang For Student

- 15,768 students joined the art of wayang activities
- 99 schools supported the wayang program
- 4 cities: Jakarta, Semarang, Bali, Bandung
- 9 themes of wayang stories: heroic, cooperation, nationalism, loyalty, etc

Distribution Map of the Wayang Art Preservation Program

Since 2012 until now



**Wayang for Student Program Impact Measurement**

Description	2019	2018	Average
SROI Value	6.07	1.17	3.62*)

Note:

*) SROI 3.62 meaning: every Rp1 social investment create Rp3.62 economic and social values
CSR program impact measurement has been carried out in 2021

Social Impact

The participants gain knowledge about wayang, history, tradition, hereditary cultural meaning, local wisdom, thus making them respect, proud of their own culture, and maintain its sustainability.

Economic Impact

Increase of wayang performance audience, the number of artists from the young generation, wayang show business and maintain the sustainability of wayang business.

Development of Natural Dye for Weavers in South Central Timor

Bakti BCA's support for archipelago hand-woven fabric is a form of corporate care for cultural heritage that deserves special attention to maintain its existence. The fabric collections of South Central Timor (TTS) have competitive advantages with their unique techniques, decorations, and cultural articulations. BCA collaborated with the Indonesian Natural Color Association (Warlami) in organizing a 6-month mentoring program for 28 female weavers in the region to develop their culture and business potential. The program is divided into 3 stages of training which started in July 2022 and ended in December 2022. The TTS weavers come from three major tribes or also called "Swapraja" which consists of: Swapraja Amanatun, Swapraja Amanuban, and Swapraja Mollo.

BCA and Warlami introduced an eco-fashion concept to produce more environmentally friendly fabric. Through this training, the participants will be able to understand natural dye ingredients for cotton thread, the basic theory of natural dye processes and hands-on practice. Woven fabric from South Central Timor region is a potential archipelago handwoven fabrics.



Community Health and Well-being



Cataract Surgery Program

BCA has carried out cataract surgery program since 2001 collaborating with Cataract Blindness Eradication unit of the Indonesian Ophthalmologist Association (SPBK-Perdami). In 2017, BCA started collaborating with the Kick Andy Foundation to carry out a more sustainable program. The total number of patients receiving cataract surgery by 2022 reached 7,095 people in 21 provinces in Indonesia.



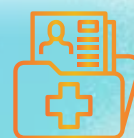
1 **803**

Number of Patients
2022



2 **440**

Number of Patients
aged 15-64
(Productive Age)



3 **488**

Number of Patients
Highly Dependent on
Others



Bakti BCA cataract surgery assistance at Asih Husada Hospital, Banjar City, West Java



Cataract Surgery Assistance at RSUD Raja Ampat



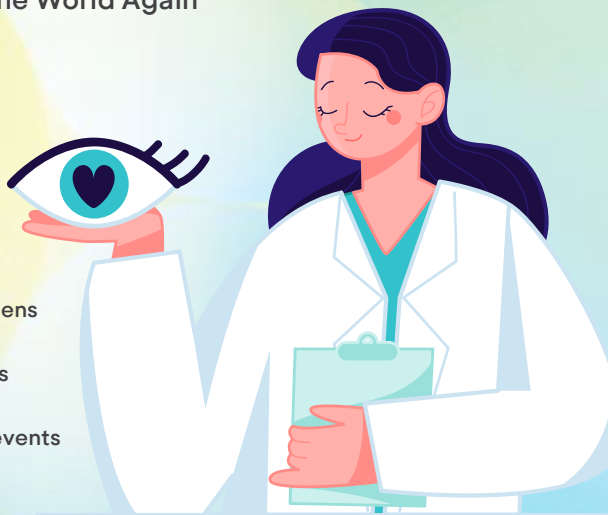


Cataract Surgery Charity Program

Help to See the World Again

bakti BCA

- **7,095** patiens
- **21** provinces
- **82** charity events



- Donate surgery equipments to reach more patients and a faster surgery
- Reach cataract patients in area:
 - Limited fund
 - High cataract population
 - Limited cataract specialist doctors
 - Limited cataract surgery equipment

Cataract Surgery Program Impact Measurement

Description	2019	2018	Average
SROI Value	3.06	1.30	2.18*)

Note:

*) SROI 2.18 meaning: every Rp1 social investment create Rp2.18 economic and social values
CSR program impact measurement has been carried out in 2021

Social Impact

The participants are happy to see again and regain their normal life (they can go back to work and resume their daily activities).

Economic Impact

Cut the expenses of the government and beneficiaries.

Distributing Healthy Food

BCA distributed healthy solid food relief to 285 early childhood education (PAUD) students in East Sumba Regency, East Nusa Tenggara. The beneficiaries were PAUD and Bimbel Mentawai Luri; PAUD and Bimbel Karmel Kid's; PAUD and Bimbel Andaluri Kid's; PAUD and Bimbel Mbuhang Pahammu.

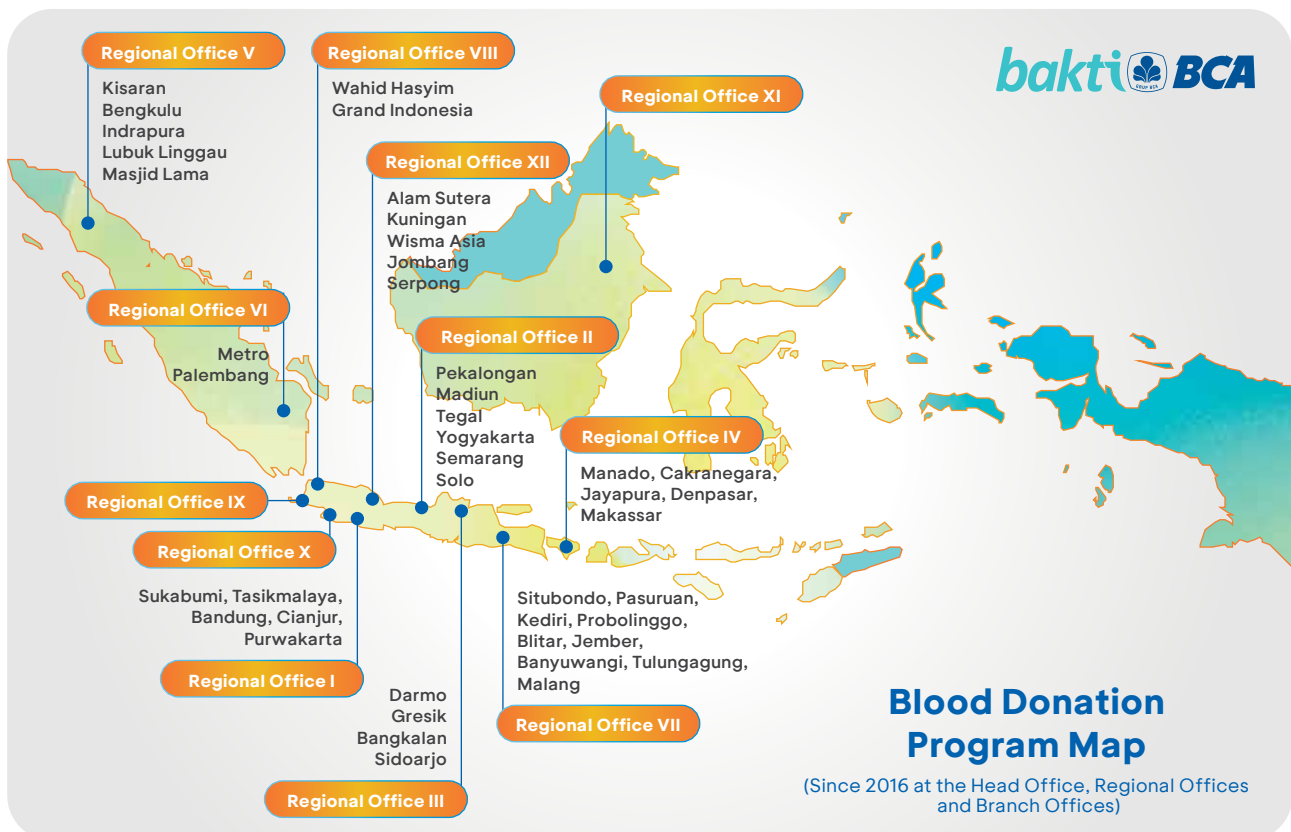
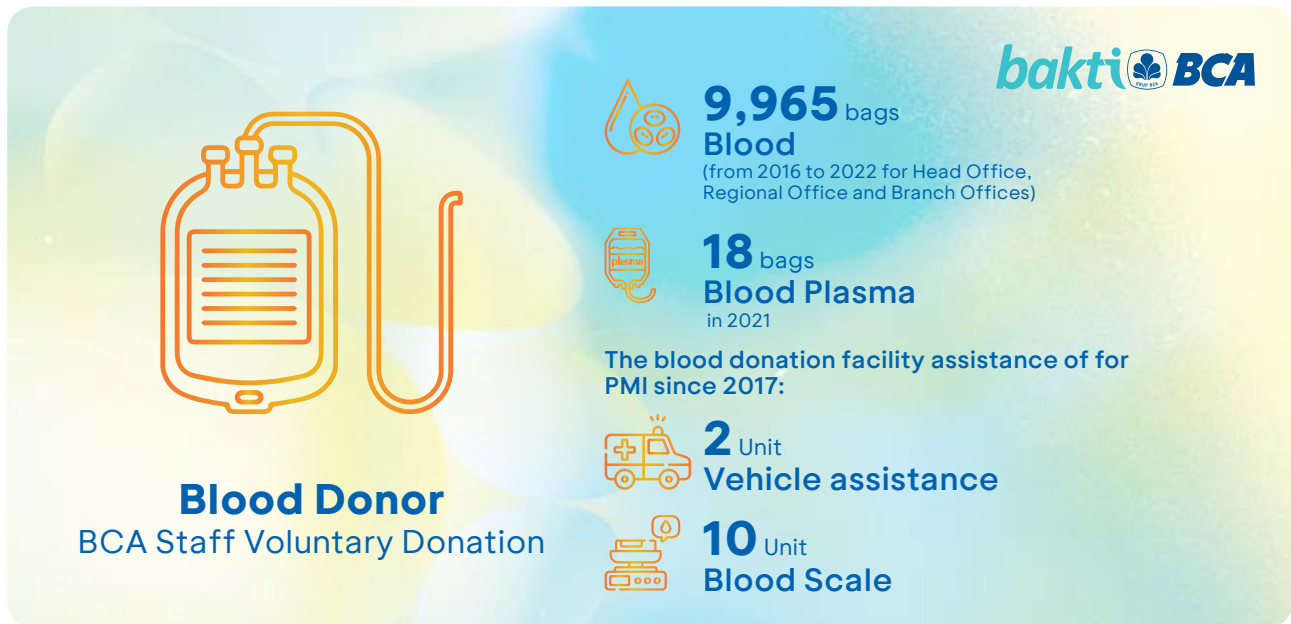
Assistance to Improve Human Resources Quality through Reduction of Stunting Support Program

BKKBN along with philanthropy organization and other private companies like Tanoto Foundation, PT Amman Mineral Nusa Tenggara (AMMAN), Bakti Barito Foundation and PT Bank Central Asia, Tbk, also The Government of United States, via United States Agency for International Development (USAID) created Memorandum of Understanding (MoU) to help BKKBN to decrease the prevalence of stunting by 14% in 2024. This program will be executed in 2023 until the next 4 years.

Blood Donation

BCA has consistently held blood donation since 1990. In its implementation, BCA has collaborated with the Indonesian Red Cross (PMI). During 2020 to 2021, the blood donation activities could not be held due to the COVID-19 pandemic. In 2022 the activities resumed but have not fully recovered. In 2022, a total of 273 blood bags were collected from donors at KCU Panakukkang, KCU Tanjung Pandan, KCU Lubuk Linggau, KCU Tarakan, KCU Probolinggo, KCU Tulung Agung, KCU Blitar.

Bakti BCA's Support in Blood Donation Program



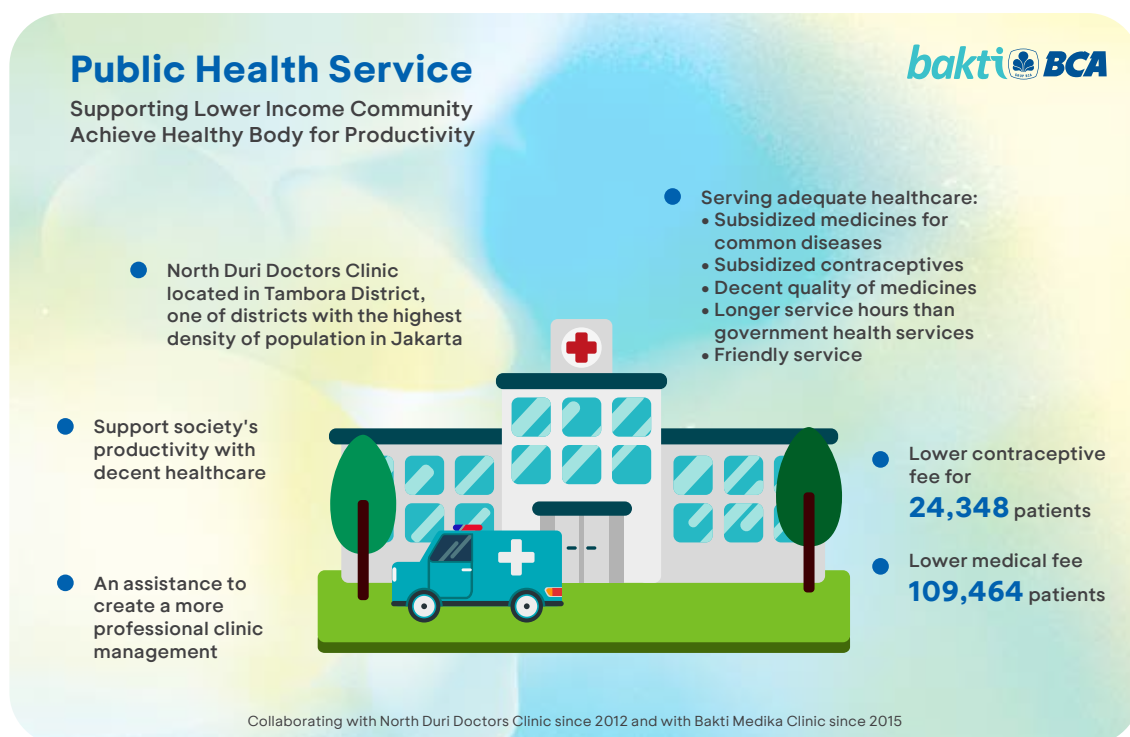


Assisted Clinics

BCA provides medicine cost subsidies for public health and family planning services for residents in Jakarta through partnership with two clinics, which are North Duri Clinic in North Duri, Tambora, West Jakarta and Bakti Medika Clinic in South Mangga Dua, Sawah Besar, Central Jakarta. In 2022, a total of 13,710 general patients and 1,978 family planning patients have been treated. In addition, BCA also held charity event providing free medical treatment for 255 patients in North Duri District in 2022.

Bakti BCA's Support in Healthcare Assistance Program for the community at the Assisted Clinics

Since 2014-2022



Healthcare Service of North Duri & Bakti Medika

	Unit	2022	2021	2020
General Patients	People	13,710	14,034	14,230
Family Planning Patients	Mother	1,978	2,040	2,381

Measurement of the Impact of Public Healthcare Services Program at Duri Utara & Bakti Medika

Description	2020	2019	Average
SROI Value	4.82	3.91	4.37*)

Note:

*) SROI 4.37 meaning: every Rp1 social investment create Rp4.37 economic and social values
CSR program impact measurement has been carried out in 2021

Social Impact

A more professional clinic management after assistance.

Economic Impact

Increasing number of clinic visitors, reducing medical and medicine cost for both patients and clinics.

Free Medical Treatment Community Service

We aim to achieve better health for the community together with the Bakti BCA Assisted North Duri Doctors Clinic. BCA hopes to provide access to health check and free medical treatment for 220 residents of North Duri sub-district and 35 administrators of BCA's assisted tourism villages. Free medical treatment community service has been held since 2015, the total number of patients receiving free treatment from 2015 to 2022 was 3,567 people.

COVID-19 Vaccination

BCA supported the Government in meeting the COVID-19 vaccination target to achieve herd immunity and reduce the impact of COVID-19. The vaccination program is part of BCA's support to achieve Sustainable Development Goals. In 2022, BCA provided COVID-19 vaccination centers in Central Jakarta, East Jakarta, North Jakarta, West Jakarta, Karawang, Lampung, Medan, Labuan Bajo, Banjarmasin, Samarinda, Surabaya, Malang, Sidoarjo, and Lombok. Throughout 2022, 173,594 doses of vaccine were distributed to the vaccination centers. In addition, BCA provided 1,000 swab antigen kits.

Bakti BCA's Support in Handling COVID-19

since 2020 - present



Natural Disaster Relief

Food Package Distribution

In 2022, BCA distributed 15,498 food packages to the residents of East Java through market operation activity. Bakti BCA, through an empathy program, also distributed assistance for rehabilitation of the UPTD SDN Nunbaun Sabu building which was damaged due to a tropical cyclone in Kupang City, East Nusa Tenggara. A total of 6 classrooms, 1 office room, 1 teacher's room and 2 toilets were rehabilitated in the building.

BCA also distributed aid to 3 villages affected by flooding in Pati, which included carpentry tools, mats, thin folded foam mattress, adult and toddler diapers, flip flops, pots. Meanwhile, the relief distributed to the victims of Cianjur Earthquake include basic emergency needs such as adult and children's diapers, medicine and vitamins, biscuits, toddler food, team tents, veldbeds, rice, sanitary pads, blankets, tarpaulins, as well as the equipments to build temporary barracks shelters and debris removal tools for 15 communities.



Disaster Relief and BCA CSR Philanthropy.

Development of Government Infrastructure, Public and Social Facilities

BCA has been participating in the development of government infrastructure, public and social facilities in health, education, and community welfare, which align with BCA's commitment to support the government in improving public services.

Philanthropy

Throughout 2022, BCA delivered donation to organizations that have dedication and integrity in developing education, the environment, national culture, social, sports, or health.

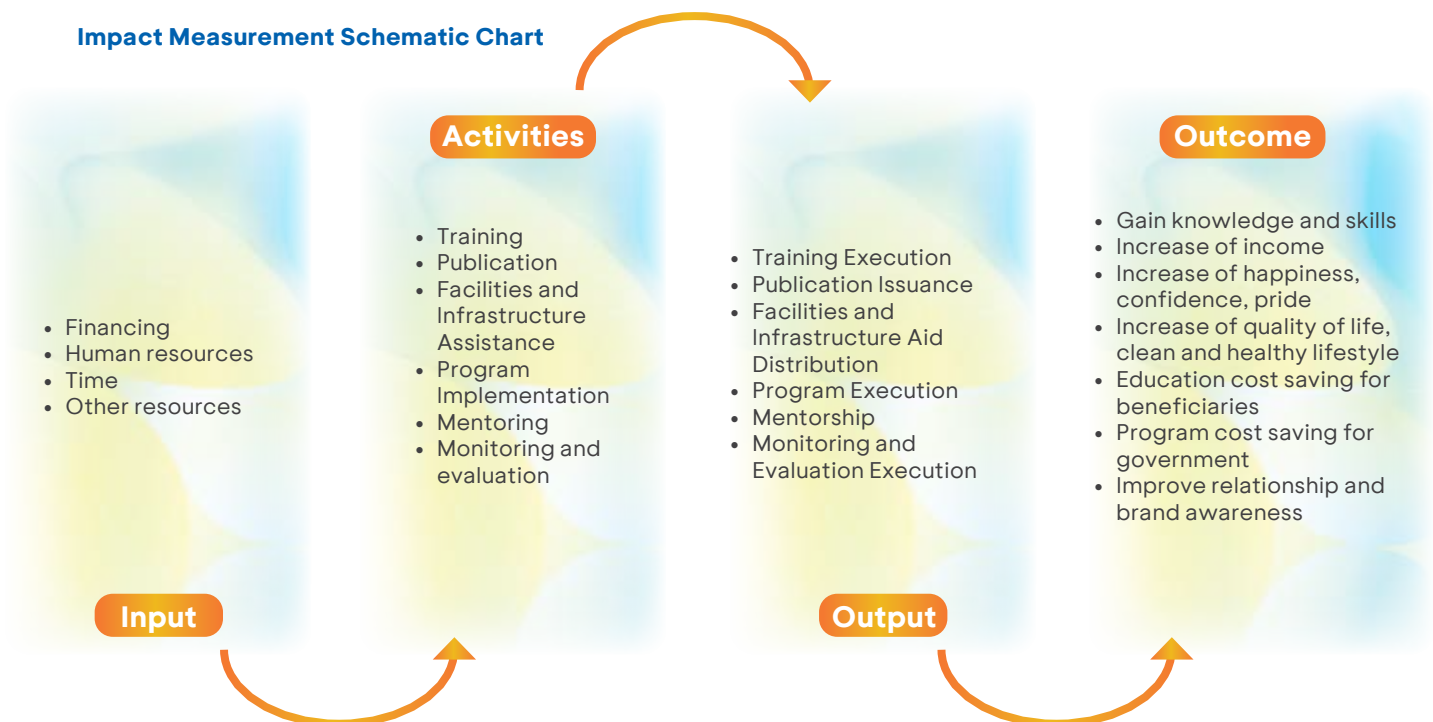
Measuring the Impact of the ESG Social and Community Development Program

BCA measures the impact of its CSR program implementation in the social, environmental, and economic aspects. The impact measurement results are used as the basis to improve the quality of the programs.

BCA refers to 8 SROI (Social Return on Investment) principles to measure the impacts of the program. The 8 SROI principles were published by Social Value International UK, partnered with Centre for Entrepreneurship, Change, and Third Sector (CECT) of Trisakti University, which is also the member of Social Value International UK. SROI measurement was done by calculating the monetary value of the impacts in social, environment, and economy to all stakeholders, including: beneficiaries, assisting partners, local governments, and companies.

Change measurement should start with Theory of Change and Impact Mapping to follow the principles of Social Value International UK. We summarize the Theory of Change from CSR programs as follows:

Impact Measurement Schematic Chart





05

Sustainability Report in Brief



TABLE OF CONTENT

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Report Profile

The 2022 Sustainability Report of PT Bank Central Asia Tbk (BCA) has been prepared as an annual report and a continuation of the previous sustainability report published on February 17, 2022. The report contains data and information from January 1 to December 31, 2022, along with numerical data from the last two years for comparison. The sustainability performance data and information were collected from BCA operations. Meanwhile, financial data was collected from consolidated financial statements of BCA and its subsidiaries, namely PT BCA Finance, BCA Finance Limited, PT Bank BCA Syariah, PT BCA Sekuritas, PT BCA Multi Finance, PT Asuransi Umum BCA (BCA Insurance), PT Asuransi Jiwa BCA (BCA Life), PT Central Capital Venture (CCV), and PT Bank Digital BCA (BCA Digital). [\[2-2\]](#)[\[2-3\]](#)

This report describes the Bank's performance, impact, response, and actions in responding to the economic, and the environmental, social, and governance (ESG) issues according to the stakeholders' needs. The previous year's data was restated to adjust the scope of data to obtain data trends for three years have the same scope. [\[2-4\]](#)

This report's guidelines and standards refer to:

- Financial Services Authority Regulation (POJK) No. 51/POJK.03/2017 concerning Sustainable Finance which also refers to the Circular Letter of the Financial Services Authority (SEOJK) 2021 No. 16/SEOJK.04/2021;
- Global Reporting Initiatives (GRI) Standards 2021 with conformity: with reference to the GRI Standards;

- GRI-G4 Sector Disclosures: Financial Sector Supplement Disclosures (FSSS);
- Sustainability Accounting Standards Board (SASB) for Commercial Banks category;
- Sustainable Banking Assessment (SUSBA) Environmental, Social, and Governance (ESG) Integration Pillars from the Worldwide Fund For Nature (WWF); and
- Terms of reference in the Task Force on Climate-related Financial Disclosures (TCFD).

BCA uses external party to check the quality of the reports in accordance with sustainability reporting principles and standards. The assurance process also included data verification and confirmation from all contributors and the highest officers from relevant functions. In addition to the verification process, BCA has validated all data and information on sustainability performance for approval from the Board of Directors and Board of Commissioners publication. [\[2-5\]](#)

This report also attached the verification results by SR Asia, an external party that provides assurance services. The assurance process is part of the Sustainability Report preparation activities to ensure the reliability of the information and data presented. The assurance uses the US Standard AA1000 (V3), Type II, with a moderate level. BCA ensured no conflict of interest during the verification process, and the assessor was selected independently. [\[2-5\]](#)



Reporting Principles

Accuracy

The report has been verified to ensure the accuracy of information disclosure. Financial information is specifically adjusted to the Consolidated Financial Statements that have been audited by the Public Accounting Firm KAP Tanudiredja, Wibisana, Rintis & Rekan (a member firm of global PwC network).

Balanced

The report presents balanced information between positive and negative impacts of banking operations, the Sustainable Finance implementation, and the management of their impacts.

Clarity

The report is presented in clear language, with tables, pictures, and infographics to make it easier for readers to understand the contents of the report.

Comparable

The sustainability performance presented in this report is comparable to the previous year's report. The numerical data is presented with a comparison of data from the past two years. Information on BCA's sustainability performance also includes the impact management of banking business activities that is comparable to the performance of similar companies.

Completeness

The Company discloses complete information regarding impact management and sustainability performance according to the established criteria/standards.

Sustainability context

Disclosure of impact management information is presented in the sustainability context of banking business, both in economic, environmental, social and governance aspects.

Actualty

The Company sets a strict timeframe in preparing the Report for a quick and accurate decision-making process.

Verified

The Company ensures that the entire process of collecting, recording, compiling, and analyzing information is conducted properly, validated by related parties, and assured by an independent party.

Response to Previous Year's Report Feedback

BCA would like to thank all stakeholders for all the 2021 Sustainability Report feedback. We mainly received feedback about sustainable financing. BCA responded to the feedback by increasing employees' knowledge of sustainable financing and encouraging debtors and prospective debtors to run more environmentally friendly businesses, as presented in our 2022 Sustainability Report.

BCA also considered stakeholders' feedback and assuror's recommendation on the 2021 Sustainability Report. We responded by disclosing the requested information on our efforts and performance during 2022. BCA will continue to improve performance through adequate disclosure in the Sustainability Report of the following year.

Company Website:

www.bca.co.id
www.klikbca.com

Call Center:

Hallo BCA 1500888

Corporate Communication, Investor Relations, ESG

- Corporate Communication
- Investor Relations
- Environment Sustainability Governance

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Material Topics and Impact Boundaries ^{[2-14][3-1][3-2]}

BCA involves both internal and external stakeholders in determining material topics through focus group discussions. Internal stakeholders are representatives from each work unit, while external parties are representatives from each stakeholder group, such as investors, customers, vendors, media, and business partners. We have determined eight material topics this year. The prioritization of material topics considered the significant issues encountered in the current year, the actual and potential future impacts on the environment, social and human rights, as well as their impact on business strategy and stakeholder decision-making.

There are changes in material topics from the previous reports. In the previous year, there were nine priority material topics, namely Data Security and Customer Privacy; Anti-corruption and Anti-fraud; Bank Services; Economic Performance; Loan Portfolio; Product and Service Responsibilities; Occupational Health and Safety (OHS); Training and Education; Access and Affordability. In this period, BCA set eight priority material topics, namely Data Security and Customer Privacy; Anti-corruption and Anti-fraud; Economic Performance and Green Loan Portfolio; Product and Service Responsibilities; Access and Affordability; Climate Action; Supply Chain Management; and Human Rights.

MATERIAL TOPIC PRIORITY





We changed the material topics by considering the optimal impact management strategy and performance improvement on Bank Services; Occupational Health and Safety (OHS); Training and Education. This year BCA added Supply Chain Management and Human Rights as material topics. This year, BCA considers Supply Chain Management and Human Rights as crucial material topics to improve the quality of banking products and services, as well as reduce the possibility of human rights violations on the part of partners due to non-compliance. BCA recorded a good financial performance in 2022 for consistently implementing service excellence as a culture, as well as maintaining good economic performance and economic impact management. The company also has consistently implemented OHS through facilities to protect employees from the COVID-19 virus and occupational diseases

(PAK). Meanwhile, BCA continuously holds training and education to create excellent, professional, and competitive human resources in the banking industry. Therefore, these three topics were no longer a priority, but we still reported their impact on management and performance. We adjusted the 'Loan Portfolio' topic to 'Green Loan Portfolio' due to BCA's priority to increase eco-friendly financing disbursements and loan portfolios. The additional 'Climate Action' material topic in this reporting period aims to demonstrate BCA's commitment to managing climate change impacts, physical risks, and transition risks. BCA management has approved the Climate Change Strategy to strengthen 'Climate Action'.



Stakeholder Engagement [2-29]

Stakeholders' decision-making affects BCA's business management. BCA has identified key stakeholders, who have a direct relationship with the Bank's business and influence on the company's sustainability, to delve into significant issues. BCA also involves local parties in the Sustainable Finance implementation.

The Bank carries out mapping method and stakeholder engagement in accordance with the AA1000 SES:2011 Stakeholder Engagement Standards, namely dependency, responsibility, tension, and influence. The Bank collectively manages stakeholder engagement in business activities with various work units, including by the Environment Sustainability Governance (ESG) Group.

Regulator

Engagement and Frequency

- All compliance reports, including evidence of announcements of the Annual and Extraordinary General Meetings of Shareholders (AGMS and EGMS), summary of Consolidated Financial Statements.
- All reports are presented at least once a year or incidentally whenever necessary.

Key Concerns

- Compliance and implementation of prudential and governance principles
- ESG risk analysis for lending
- Anti-corruption and anti-fraud, Anti-Money Laundering/Counter-Terrorism Financing (AML/CTF)
- Lending to sustainable business activities and MSMEs
- Payment of taxes and other obligations

BCA Response

- Comply with applicable laws and regulations, capital market, banking regulations and other relevant regulations
- Ensure the implementation of corporate governance
- Develop an ESG Group to monitor the implementation of the SFAP and improve the quality of Sustainable Finance implementation
- Pay taxes in accordance with obligations and on time
- Increase MSME financing
- Meets regulatory thresholds

Investors and Shareholders

Engagement and Frequency

- GMS once a year, EGMS incidentally
- Analyst meeting and publication of quarterly financial reports
- Annual Report and Sustainability Report once a year

Key Concerns

- Financial performance
- Improved information on environment, social and governance (ESG) performance
- Support for climate change actions
- The values of shares that are considered premium by the public

BCA Response

- More comprehensive disclosure of ESG performance information in the Sustainability Report and analyst meeting
- Follow up on ESG aspect recommendations from rating agencies and observers
- Formulate climate change strategies and action roadmaps
- Increase investment and dividends value.



Employees

Engagement and Frequency

- Internal communication media, periodically.
- Internal meetings based on the needs of the related divisions, at least once a year
- Periodic gatherings

Key Concerns

- Training, knowledge sharing, and competency development
- Career path
- Employees' comprehension on supporting application from HR management
- Freedom of association
- Work Life Balance

BCA Response

- Availability of internal communication means, including internal media, gatherings, sharing sessions, and Halo SDM
- Whistleblowing system
- Offline and online internal and external training
- Performance appraisal and promotion system
- Adequate work facilities
- The existence of a labor union
- Guarantee employees' rights according to the Collective Labor Agreement (CLA)

Customers

Engagement and Frequency

- Banking activities at branch offices, call centers, and other digital banking solutions, any time and/or as needed
- Other meetings, any time needed

Key Concerns

- Confidentiality of customer data and privacy
- Fraud prevention
- Availability of adequate information on financial products and services
- Financial service excellence
- Competitive lending rates
- Product innovation and digital banking
- Banking access

BCA Response

- Maintain the confidentiality of customer data and privacy
- Manage Security Monitoring Center (SMC) and Data Loss Prevention (DLP), as well as improve technological innovation system to anticipate cyber crime
- Update product and service information on the company website
- Implement service excellence based on the SMART SOLUTION principle
- Provide loan benchmark and competitive interest rates
- Conduct regular customer surveys
- Implement financial inclusion and literacy

Business Partners/Suppliers/Vendors

Engagement and Frequency

- Interaction through various means of communication at any time
- Vendor code of conduct
- Dissemination of the terms of procurement of goods and services, once a year

Key Concerns

- Transparency in building cooperation
- Clear tender procedures
- smooth communication
- Occupational Health and Safety (OHS)
- Timely payment

BCA Response

- Provide the required information
- Conduct fair and proper partner selection partners according to rules
- Disseminate procurement procedure policies
- Ensure healthy and safe working conditions
- Payment system according to work contract
- Vendor performance appraisal

General Public

Engagement and Frequency

- General seminars or training, held regularly
- Community development activities
- CSR program

Key Concerns

- Assistance for Bakti BCA program
- Education and training
- Financial inclusion and literacy

BCA Response

- Bakti BCA Program
- Internships and provision of job opportunities, as needed
- Financial literacy and inclusion programs

Media

Engagement and Frequency

- Banking information, periodically or incidentally.
- Media coverage (print and electronic)

Key Concerns

- Schedule of meetings during press conferences
- Clarity of the material to be reported
- Shared perception and knowledge about ESG to facilitate reporting

BCA Response

- Provide materials for press releases
- Develop communication facilities including press conferences, pressroom on BCA website, email: corcom_bca@bca.co.id
- Update banking solutions or company performance information on BCA website www.bca.co.id



Board of Commissioners and Board of Directors Approval Sheet for the PT Bank Central Asia Tbk 2022 Sustainability Report

We, the undersigned, hereby declare that all information in the PT Bank Central Asia Tbk 2022 Sustainability Report has been presented in its entirety, and is in compliance with POJK No. 51/POJK.03/2017, and we assume full responsibility for the accuracy of the Sustainability Report contents.

This statement is duly made in all truthfulness.

Jakarta, February 2023

Board of Commissioners

Djohan Emir Setijoso
President Commissioner

Tonny Kusnadi
Commissioner

Cyrillus Harinowo
Independent Commissioner

Raden Pardede
Independent Commissioner

Sumantri Slamet
Independent Commissioner

Board of Directors

Jahja Setiaatmadja
President Director

Armand Wahyudi Hartono
Deputy President Director

Gregory Hendra Lembong
Deputy President Director

Subur Tan
Director

Rudy Susanto
Director

Lianawaty Suwono
Director

Santoso
Director

Vera Eve Lim
Director

Haryanto Tiara Budiman
Director

Frengky Chandra Kusuma
Director

John Kosasih
Director

Antonius Widodo Mulyono
Director

Independent Assurance Statement

The 2022 Sustainability Report of PT Bank Central Asia Tbk

Number	: 01/000-174/II/2023/SR-Asia/Indonesia
Assurance Type	: Type 1 and Type 2 for specific topic of Economic Performance and Green Loan Portfolio, Data Security and Customer Privacy, and Product and Service Responsibility
Assurance Level	: Moderate
Reporting Standards	: GRI Universal Standard 2021 Consolidated, GRI G4 FS (FSSS), SASB Commercial Bank, and SUSBA
Reporting Regulation	: Sustainable Finance Regulation POJK No.51/2017 (Indonesia)

Dear stakeholders,

PT Bank Central Asia Tbk hereinafter referred to as "the Bank" or "the Reporting Organization", has engaged Social Responsibility Asia ("SR Asia") to assure the Sustainability Report ("the Report") for the reporting period of **January 1st to December 31st, 2022**. BCA is a company engaged in the banking business and operates in Indonesia. This is the **Independent Assurance Statement** ("the Statement") that reflects the results of assurance work conducted following the specific methods and approaches as agreed upon by the "Management".

Intended User and Purpose

In this Statement, SR Asia discloses its opinion, findings, and recommendations on the Report content, especially regarding sustainability commitments, governance, strategies, and achievements of the Bank during the reporting period. SR Asia carried out the assurance work following particular scope, mechanism, and procedures. Due to some limitations, NO one shall use this Statement as the basis for interpreting the sustainability or the whole performance of the Bank, except for the areas covered in the scope of assurance work.

Responsibilities

The responsibilities of SR Asia are to evaluate the Report for performing an assurance service (NOT an audit) and to come up with recommendations as well as the Statement. SR Asia is only evaluate for the latest received editorial and data on the final draft as of February 3rd, 2023. The Report content, including the presentation of claims, data, information, and figures, is the sole responsibility of the Management. SR Asia is also responsible only to present the results of assurance work including the Statement to the Management, we also have an ethical code of conduct governing SR Asia NOT to disclose the results of assurance work, data, and information for any purposes or to any other individuals or organizations. SR Asia has NO responsibilities or accountabilities for any risks or claims arising from third-party reliance on the results of assurance work, the Statement, and the Report, or any issues, data, and information that are NOT covered in this Statement or the Report.

Independence, Impartiality, and Competency

The assurance work was assigned to a team having expertise, in-depth knowledge, and experience on sustainability report and integrated report. SR Asia also confirms that the appointed Assurance

Team members have skills and knowledge in writing and reviewing in various industrial sectors such as bank sector as well as knowledge in ISO 26000, the principles and standards of AA1000 AccountAbility, various reporting regulations, standards, and principles. During the assurance work, SR Asia is abided by a professional code of conduct and work procedures to ensure the objectivity and integrity of the Assurance Team. There are NO relationships between the team and the Bank that can influence their independence and impartiality in generating the Statement.

Type and Level of Assurance Service

1. **Type 1 assurance** on the Report content.
2. **Type 2 assurance** on Economic Performance and Green Loan Portfolio, Data Security and Customer Privacy, and Product and Service Responsibility.
3. **A moderate level of assurance procedure** on the Report content and evidence, where the risks of information and conclusions of the Report being error is reduced, but 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 1st to December 31st, 2022**.
2. Topics in the Report content that have been identified as “Material” by the Bank: **Data Security and Customer Privacy; Anti-corruption and Anti-fraud; Economic Performance and Green Loan Portfolio; Product and Service Responsibilities; Access and Affordability; Climate Action; Supply Chain Management; and Human Rights**.
3. Adherence to the following reporting principles, standards, and regulations:
 - a) 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.
 - b) Sustainability Accounting Standard for Commercial Bank (FN-CB) issued by the Sustainability Accounting Standard Board (SASB).
 - c) Sustainable Banking Assessment (SUSBA) issued by World Wildlife Funds (WWF).
 - d) Regulation of Indonesia Financial Service Authority No.51/POJK.03/2017 regarding the Implementation of Sustainable Finance for Financial Service Institution, Listed, and Public Company (POJK 51) with reference to Financial Services Authority Circular Letter (SEOJK) 2022 No. 16/SEOJK.04/2021.
4. Financial data, information, and figures in the Report content are NOT included in the scope of assurance. SR Asia assumes the Bank or other parties associated with the Bank, have verified and/or audited any data and information related to financial statements.
5. Evaluation of publicly disclosed information, system, and process of the Bank to ensure adherence of the Report content to the reporting principles.

Exclusion

1. Topics, data, and information outside the reporting period, or in the public domain not covered in the reporting period.
2. The expression of opinion, belief, expectation, advertisement, and also forward-looking statements, including future planning of the Bank as specified in the Report content.
3. Financial performance data and information as presented in the Bank’s financial statements and documents, other than those mentioned in the Report.

4. Analysis or assessment against regulations, principles, standards, guidelines, and indicators other than those indicated in the Statement.

Methodology

1. Assign the experts and form an Assurance Team in Indonesia with conduct the pre-engagement phase to ensure the independence and impartiality of the Assurance Team.
2. Perform kick-off meeting and initial analysis of the Report draft against the standards, principles, and indicators of AA1000AS v3, AA1000APS (2018), and standards/ regulation used in the Report, Implement the SR Asia Protocol on Assurance Analysis and use SR Asia Great Assurance Tool digital platform
3. Discuss online the results of the analysis with the Management and data contributors.
4. Verify evidence and trace data and information as covered in the Report.
5. The Bank incorporated our recommendations in the draft Report and release the final Report content.
6. Prepare the Statement and send it to SR Asia International Director for review to get approval before submitting it to the Bank.
7. Prepare a Management Letter detailing all aspects seen, recorded, and observed during the assurance work to the Management of the Bank for further improvement of sustainability processes.

Adherence to AA1000AP (2018) and GRI Universal Standards

Inclusivity – Based on the Report the Bank has identified and engaged all of its stakeholders with a direct or major influence on its business activities, operation, and sustainability. The Bank collectively manages stakeholder engagement in business activities with various work units using mapping method and stakeholder engagement in accordance with the AA1000 SES:2011 Stakeholder Engagement Standards. Hence, we acknowledge that the Bank is inclusive.

Materiality – As assurance work was taken, eight of material topics choosen have been identified, and they are sufficiently relevant and significant to the sustainability context described in the Report. However, we suggest in next reporting period, the material topic of human rights just include it as an element and value in each material topic only, no need to make it separate as material topic. This is intended to avoid repetition of content in the Report. To improve materiality identification, we recommend the Bank to review the relevance of each material topic with the current situation and conduct re-assessment of materiality test.

Responsiveness – Generally, the Report indicates the Bank's responsiveness to the stakeholders' concerns and expectations has been adequately presented. The Bank also has implement WBS as a channel for reporting all forms of violations or non-compliance committed by employees. This channel can be accessed by internal and external parties. Based on the data, the Bank has resolved almost all complaints received in 2022.

Impact – The Report content presents both quantitative data and qualitative information about the impacts of the Bank's decisions and activities on the sustainability context. Particularly, the disclosures on the Bank's efforts to step by step started manage the actual and potential impacts from the tension about climate increases with correlation of business acitivities in the reporting period are adequately clear. The impact on social programs has been sufficient presented in the Report. However, we hope that in the future the Bank will be able to carry out a social impact assessment conducted by independent parties to validate the impact.

Statement of Use: “with Reference to the GRI Standards” – Our Assurance Team has assessed the Report content against the GRI requirements for reporting to the GRI Standards. We concluded that the Report has met the three requirements Publish a GRI content index, Provide a statement of use, and Notify GRI.

GRI Standards Principles – In overall, the Principles for Defining Report Content (stakeholder inclusiveness, sustainability context, materiality, and completeness) and the Principles for Defining Report Quality (balance, comparability, accuracy, timeliness, clarity, and reliability) are moderately indicated in the Report content. The Management was also very cooperative in providing the evidence documents and the supporting data and information.

Type 2 Assurance – In general, the Bank has implemented good policies and mechanism such as having documented and implemented procedures and having those charged with highest governance (BOD and BOC) perform periodic monitoring regarding economic performance and green loan portfolio, data security and customer privacy, and product and service responsibility.

Recommendation

1. To enhance materiality identification by conducting re-assessment of materiality test following the global standards and best practices in next reporting period.
2. To keep maintain each of material topics choosen has a impact and human right values.
3. To conduct risk assessment by independent party regarding operations assessed for risks related to corruption and fraud to help the Banks manage the actual of its potential risks.

The assurance provider,

Jakarta, February 9th 2023


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International Director
Social Responsibility Asia
AA1000
Licensed Report
000-174/V3-4Y5EP
Lim Hendra
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POJK, GRI, SASB, and SUSBA Indices

➤ Financial Services Authority Regulation (POJK) Number 51/POJK.03/2017 - Financial Services Authority Circular Letter (SEOJK) Number 16/SEOJK.04/2021

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GRI Content Index

Statement of use	PT Bank Central Asia Tbk has reported the information cited in this GRI content index for the period January 1 to December 31, 2022 with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

GRI Standard	Disclosure		Location	Omission			GRI Sector Standard
				Requirement(s) Omitted	Reason	Explanation	
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	2-9	Governance structure and composition	35				
	2-10	Nomination and selection of the highest governance body	N/A	Nomination and selection of members of the Board of Directors	Reducing repetitive information in the Annual Report	This information is disclosed in the Annual Report	
	2-11	Chair of the highest governance body	2				
	2-12	Role of the highest governance body in overseeing the management of impacts	2, 37				
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	2-15	Conflicts of interest	N/A	Conflict of interest	Reducing repetitive information in the Annual Report	This information is disclosed in the Annual Report	



GRI Standard	Disclosure	Location	Omission			GRI Sector Standard
			Requirement(s) Omitted	Reason	Explanation	
	2-16 Communication of critical concerns	N/A	Highest governance body communications	Reducing repetitive information in the Annual Report	This information is disclosed in the Annual Report	
	2-17 Collective knowledge of the highest governance body	N/A	Collective knowledge of the highest governance body			
	2-18 Evaluation of the performance of the highest governance body	N/A	Evaluation of the performance of the Board of Directors' members			
	2-19 Remuneration policies	N/A	Remuneration policy			
	2-20 Process to determine remuneration	N/A	The process of determining remuneration			
	2-21 Annual total compensation ratio	N/A	Annual total compensation ratio			
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	2-27 Compliance with laws and regulations	37				
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GRI 3: Material Topic 2021	3-3 Management of material topics	56-57				
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	201-2 Financial implications due to climate change	68				
	201-3 Defined benefit plan obligations and other retirement plans	92				
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GRI 3: Material Topic 2021	3-3 Management of material topics	80-81				
GRI 204: Procurement Practice 2016	204-1 Proportion of spending on local suppliers	81				

GRI Standard	Disclosure	Location	Omission			GRI Sector Standard
			Requirement(s) Omitted	Reason	Explanation	
Material Topic: Anti-corruption and Anti-fraud						
GRI 3: Material Topic 2021	3-3 Management of material topics	53-54				
Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	54				
	205-2 Communication and training about anti-corruption policies and procedures	54				
	205-3 Confirmed incidents of corruption and actions taken	55				
Material Topic: Climate Action						
GRI 3: Material Topic 2021	3-3 Management of material topics	97				
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	201-2 Financial implications due to climate change	68				
GRI 305: Emission 2016	305-1 Direct (Scope 1) GHG emissions	100-101				
	305-2 Energy indirect (Scope 2) GHG emissions	100-101				
	305-3 Other indirect (Scope 3) GHG emissions	100-101				
Material Topic: Product and Service Responsibilities						
GRI 3: Material Topic 2021	3-3 Management of material topics	71-72				
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	72				
	417-2 Incidents of non-compliance concerning product and service information and labeling	72				
	417-3 Incidents of non-compliance concerning marketing communications	72				
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GRI 3: Material Topic 2021	3-3 Management of material topics	46-47				
GR1 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	52				
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GRI 203: Indirect Economic Impact 2016	203-1 Infrastructure investments and services supported	61-62				
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GRI 401: Employment 2016	401-1 New employee hires and employee turnover	85-87				
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	91				
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GRI Standard	Disclosure	Location	Omission			GRI Sector Standard
			Requirement(s) Omitted	Reason	Explanation	
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GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	93				
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GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	90				
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➤ GRI Financial Services

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FS9	Coverage and frequencies of audits to assess implementation of environmental and social policies and risk assessment procedures	40
FS10	Percentage and number of companies held in the institution's portfolio with which the reporting organization has interacted on environmental or social issues	59,61
FS11	The percentage of assets subject to positive and negative environmental or social screening	61
FS12	Voting policy applied to environmental or social issues	37
FS13	Access points in low-populated or economically disadvantaged areas by type	130
FS14	Initiatives to improve access to financial services for disadvantaged people	67
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> Sustainability Accounting Standards Board (SASB)

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FN-CB-000.A	Number and value of checking and savings accounts by segment: (a) personal and (b) small business	23
FN-CB-000.B	Number and value of loans by segment: (a) personal, (b) small business, and (c) corporate	60
Data Security		
FN-CB-230a.1	(1) Number of data breaches, (2) percentage involving personally identifiable information (PII), (3) number of account holders affected	53
FN-CB 230a.2	Description of approach to identifying and addressing data security risks	46,48,50
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	63
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	63
FN-CB-240a.3	Number of no-cost retail checking accounts provided to previously unbanked or underbanked customers	130
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FN-CB-410a.1	Commercial and industrial credit exposure, by industry	15
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FN-CB-510a.1	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behavior, market manipulation, malpractice, or other related financial industry laws or regulations	37
FN-CB-510a.2	Description of whistleblower policies and procedures	55
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FN-CB-550a.1	Global Systemically Important Bank (G-SIB) score, by category	27
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	40

> SUSBA ESG Integration Pillars

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		Public statements on specific sectors	3-6
3	Processes	Assessing ESG risks in client and transaction approvals	40-41
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Feedback Form

The PT Bank Central Asia Tbk (BCA) has published a Sustainability Report to provide sustainability performance and sustainable finance implementation. Upon reading this Sustainability Report, we look forward to your input, criticism and suggestions by sending an email or by sending this form by mail.

YOUR PROFILE

Name (if possible) :

Institution/Company :

E-mail :

Phone/Mobile :

STAKEHOLDER GROUP

- ☐ Shareholders and investors
- ☐ Customers
- ☐ Employees
- ☐ Government
- ☐ Media
- ☐ Business partners
- ☐ Public and the community
- ☐ Others, please specify:
.....

PLEASE SELECT THE APPROPRIATE ANSWERS IN RESPONSE TO THE QUESTIONS BELOW.

	YES	NO
1. This report is easily understood.	<input type="checkbox"/>	<input type="checkbox"/>
2. This report is useful for you.	<input type="checkbox"/>	<input type="checkbox"/>
3. This report portrays the sustainability performance clearly.	<input type="checkbox"/>	<input type="checkbox"/>
4. This report discloses the material topics which are relevant to the Company.	<input type="checkbox"/>	<input type="checkbox"/>

THANK YOU FOR YOUR PARTICIPATION.

PLEASE SUBMIT AND SEND THIS RESPONSE TO THE FOLLOWING ADDRESS:

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Live to Impact

SUSTAINABILITY
REPORT

2022



Senantiasa di Sisi Anda

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