BRI CSR ACTIVITIES SERVE AS BRI’S ENGAGEMENTS AND RESPONSIBILITIES THAT ARE CARRIED OUT WITH THE NATIONAL SPIRIT OF “SOE FOR THE NATION” WHICH ACCOMMODATE THE SPIRIT OF DIVERSITY. THE ACTIVITIES ARE FOCUSED ON FOUR AREAS, NAMELY EDUCATION, ENVIRONMENT, HEALTH AND ENTREPRENEURSHIP DEVELOPMENT.
Corporate Social Responsibility

The implementation of Corporate Social Responsibility consists of:
1. Corporate Social Responsibility Toward Environment,
2. Corporate Social Responsibility Toward Employment, Occupational Health and Safety,
3. Corporate Social Responsibility Toward Social & Community Development, and

CSR Policies and References

BRI is fully committed in implementing CSR activity that may be beneficial to the community and environment. In implementing the community engagement programs, the Company refers to the following laws:

a. RI Law No. 7 of 1992 on Banking.
b. RI Law No. 8 of 1999 on Consumer Protection.
c. RI Law No. 13 of 2003 on the State-Owned Enterprise
d. Article 88 Law No. 19 of 2003 on the State-Owned Enterprise.
e. RI Law No. 40 of 2007 on the Limited Liabilities Company.
g. OJK Regulation No. 1/POJK.07/2013 on the Consumer Protection in Financial Services Sector.
h. SOE Minister Regulation No. Per-09/MBU/07/2015 dated 03 July 2015 on the Partnership and Community Development Program of the State-Owned Enterprise, in lieu of the latest SOE Minister Regulation No. Per-02/MBU/7/2017 dated 5 July 2017 and its amendments.

Corporate Social Responsibility (CSR) for BRI is the activity that may impact the community, in economy, social as well as environmental impacts. Further, CSR activities serve as BRI’s engagements as well as reflecting BRI’s responsibilities toward the stakeholders, community and the nation. Aligned with the national spirit, CSR activities are carried out with the spirit of “SOE for the Nation” which accommodate the spirit of diversity of Indonesian society. BRI CSR strategic implementation consists of 3 (three) elements, namely people, planet and profit, and focuses on 4 (four) fields, namely education, environment, health and entrepreneurship development.

The objective of BRI CSR is to improve the quality of life of the community and create beneficial environment for the Company as well as its surrounding communities. As the State-Owned Enterprise, the realization of BRI engagement is also carried out through the Community Development program which is a community social empowerment program.
Corporate Social Responsibility Toward Environment

BRI has stipulated the green banking roadmap in accordance with the Sustainable Finance Roadmap that is integrating the risk of Environmental, Social and Governance (ESG) into the economic/business aspects. BRI has in place a specific policy related to the ESG framework of Palm Oil Sub Sector as a sub sector that render big impact to the environment.

Throughout 2018 BRI implements several CSR programs that are directly impacting the environment. BRI realizes that environmental engagement is important considering this is related to the sustainability of natural ecosystems that have an impact on human life. Some of the activities carried out by BRI included the Mangrove Improvement Program, Coral Reef Breeding, and Tree Planting Action.

In addition, BRI has specific divisions that manages the environmental aspects under the Fixed Assets Management Division and Procurement of Goods & Services Division. These divisions implement the functions of strategic policy, monitoring and oversight. The environmental preservation management in BRI operations is conducted toward water efficiencies, paper usage, energy and other natural resources.

Since 2017, the Company has stipulated the green banking roadmap in accordance with the Sustainable Finance Roadmap regulated by OJK. Pursuant to OJK Regulation No. 51/POJK.03/2017 on the Implementation of Sustainable Finance for Financial Service Institutions, Issuers and Public Companies, which since January 2019 BRI as the bank of BUKU 4 has implemented sustainable principles. BRI also has developed Sustainability Report since 2012 to elaborate BRI contribution on Environment, social and governance according to Global Reporting Initiative (GRI).

Based on the policy, in principle the bank shall integrate the risk of environment, social and governance into the economy/business aspects that has been implemented. BRI has in place a specific policy related to the ESG framework in the customer service process and loan assessment process including sectoral policy toward commodity sectors that have forestry risk exposures.

The policy was documented into BRI Sustainable General Policy through the Decree Nokep.51-Dir/DMR/04/2017 that serve as the highest policy on BRI Sustainable Finance implementation. While BRI Sustainable Implementation Strategy through the Decree Nokep.17-Dir/DMR/04/2017, is a strategy for each field namely Assets, Liabilities, Operations and Human Capital.

On green banking, BRI established a specific policy, namely Environmental, Social and Governance (ESG) Risk Management Policy for Palm Oil Sub Sector (Circular Letter No. S.27-Dir/DMR/04/2017). The palm oil sub sector is a sub sector that render big impace on the environment. This policy regulates the ESG Implementation Indicators that shall be considered in the palm oil sector, and document requirement Checklist.

In providing services to the customer, the Company refers to the policies stipulated by the regulators, as well as internal policies as follows:
Corporate Social Responsibility Toward Environment

Targets and Activities Set by the Management for 2018

BRI has an active role in supporting the sustainable development. Activities are carried out in accordance with BRI's CSR mission, which provides optimum benefits and advantages to the stakeholders.

OJK has stipulated the Sustainable Finance Roadmap 2015-2019 for the Financial Service Institution in Indonesia to take an active role and active support in sustainable development through sustainable finance programs. BRI has the strategy in implementing the Sustainable Finance by ensuring the acquisition of long term sustainable businesses.

The implementation among others are:
1. Emphasize principles of energy savings, environmental preservation, taking into account the social and good governance aspects, as well as prioritize energy conservation.
2. Development of Community Communications and Relations to sustain the company’s progress from corporate image that efficiently conducted toward the resources.
3. Strategy: paperless, e-office, green building, green IT infrastructure, digital operation, 3R (Reduce, Reuse, Recycle) and others.

The following are sustainability implementation in BRI operations, among others:
   a) E-Office
   b) CSR BRI Peduli
   c) E-Learning
   d) Parking area for Bikes “Bike To Work”

In implementing various CSR programs, the Company has stipulated some targets/plans of activity. The following are activity targets/plans set by the management and realized throughout 2018:

a. Mangrove Program
   This program has been carried out since 2013 by engaging various parties such as communities, students, government, foundations, as well as environmental concern communities. The program coverage includes Sumatra, Kalimantan, Sulawesi, Java, Bali, to East Nusa Tenggara. Total Dana disbursed to support the mangrove program reached more than Rp6 billion. BRI also carries out mentoring and coaching for local communities through the introduction of mangrove benefits as well as mangrove harvesting processing to improve the economies.

b. Coral Reefs Cultivation
   BRI is actively engaged in the preservation of coral reefs through the implementation of coral reefs cultivation. This activity is carried out in several regions, among other the Thousand Islands, and Manado, North Sulawesi. In addition to providing ecological benefits, with coral reefs the surrounding community may attain alternative or additional income through the establishment of diving centers, restaurants, and hostels. This is aligned with BRI CSR’s mission under the BRI Peduli Program, which is providing optimum benefits and advantages to the stakeholders.

c. Tree Planting Actions
   In 2018, BRI organized tree planting actions in Bandung areas, West Java. In this activity, 123 pine trees were planted. Pine tree is a type of plant that may vastly grow and easily cultivated hence in addition to land conservation, this plant is also economically beneficial.
Corporate Social Responsibility Toward Environment

**Activities Implementation and Quantitive Impact on the Activities**

Aligned with BRI CSR strategies, throughout 2018 BRI committed to implement various activities with positive impact and benefit the surrounding environment and communities. This is in coherent with BRI commitment to grow by remain upholding the engagement toward environment and community. Moreover, in its implementation BRI also underlines the commitment to implement green banking in order to reduce Glass House Gas emission.

The following are BRI Environmental Responsibility Policies in its Operations:

a. **Paperless System**

Specifically, paperless and information technology policy implementation is very much relevant with the current banking industry conditions, including BRI. Both becomes BRI focus and therefore the efficiency of energy and water usage are continually implemented. This mandate is stated in the JBR Division Letter No. B.612-JBR/KJR/07/2013, dated 9 July 2013, and refers to the Instruction of the President of the Republic of Indonesia No. 13 of 2011 regarding Energy and Water consumption preservation as well as Energy and Mineral Resources Ministry Regulation No. 13 of 2012 on the power consumption preservation.

BRI is committed to improve its operations efficiency through paper consumption preservation with the support of technology system that are continuously developed by BRI. Proper integrated information system for BRI internal and customers supported by applications has assisted BRI operations efficiency.

**Applications Supporting BRI Operations Efficiency**

1. Intranet and internet in real connection that enable real time communication.
2. BRI employee presences are carried out with EDC
3. BRISTARS integrated apps that implement operational efficiency, consist of an integrated apps as follows:
   a. e-Rekrutmen, facility for prospective employee aims to join BRI, through online applications.
   b. Digitalization Assessment, online employee competency assessment.
   c. e-Mutasi, automatic process of transfer of employee between BRI units.
   d. Employee personal data, automatic personal data applications.
   e. e-Cuti, online application for employee leave and approval process by supervisor.
   f. e-SPJ, paperless official travel proposal for BRI employee with application for documentation and approval.
   g. e-Fasilitas Employee Loan, online loan facility application proposal.
   h. e-Jaminan Healthcare, online medical cost claim and reimbursement proposal.
   i. e-Lembur, online issuance of Overtime Instruction Letter and automatic overtime payment.
4. BRIHC (BRI Human Capital), for HR business process management.
5. Online SMK (Performance Management System) to monitoring employee performance.
6. Industrial Relations Portal, to monitoring employee discipline violation.