2025

RESPONSIBLE BANKING PROGRESS STATEMENT

FOR PRB SIGNATORIES

PT Bank Tabungan Negara (Persero) Tbk.

Summary template

PT Bank Tabungan Negara (Persero) TBk 2025

Principle 1: Alignment

PT Bank Tabungan Negara (Persero) Tbk ("BTN") aligns its business strategy, operational activities, and financing policies with Indonesia's national housing priorities, Nationally Determined Contribution (NDC) targets, and the Sustainable Development Goals (SDGs). As a housing-focused bank, BTN supports access to adequate and affordable housing, particularly for low-income communities, while promoting energy-efficient and lower-emission housing through its "*Low-Emission Housing*" Program.

As part of its commitment to inclusive and sustainable development, BTN also launched the "*Bayar Angsuranmu Pakai Sampahmu*" program, enabling customers to use recyclable waste toward their housing loan installments while promoting responsible waste management.

To support structured ESG implementation, BTN aligns its ESG practices with POJK No. 51/POJK.03/2017 on sustainable finance, Principles for Responsible Banking (PRB), and other relevant frameworks. BTN has also developed an ESG Roadmap to guide the integration of ESG considerations across its business and operations, and continuously refines the Roadmap in line with evolving business and regulatory requirements.

Principle 2: Impact & Target Setting

BTN systematically identifies, prioritizes, and manages the positive and negative impacts arising from its financing and operational activities. In 2024, BTN conducted an impact analysis using the United Nations Environment Programme Finance Initiative (UNEP FI) Impact Analysis Tools, covering its consumer banking portfolio, which represented 86% of the Bank's total assets as of December 2023. The assessment identified Finance and Housing as BTN's two key impact areas, reflecting the Bank's core role in financial inclusion and housing finance.

Based on the impact assessment, BTN established the following priorities and targets for each identified impact area:

- **Finance:** To increase access to adequate and affordable housing for low-income households, BTN provides subsidized mortgage financing, **targeting IDR 280 trillion in financing by 2030.**
- **Housing:** To reduce the environmental impact of the housing sector, BTN established its Low-Emission Housing Program, **targeting 150,000 housing units by 2029,** with each unit incorporating at least 10% recycled materials. As of 2025, BTN had financed 11,412 low-emission housing units.

Principle 3: Clients & Customers

BTN seeks to create long-term value for its customers by providing responsible and sustainable financial solutions that meet their needs. As a housing-focused bank, BTN supports customers, particularly low-income households, in accessing adequate and affordable housing while maintaining prudent lending practices to ensure that financing remains appropriate to their financial capacity.
BTN's commitment to responsible customer engagement is reflected through:

- Prudent lending practices, including affordability assessments to ensure financing is aligned with customers' financial capacity;
- Transparent product information, including clear terms, conditions, and fees;
- Financial literacy and education programs to support informed financial decision-making; and
- Customer data and privacy protection through information security systems, internal controls, and compliance with applicable regulations.

Through these practices, BTN aims to ensure that its products and services contribute to customers' financial well-being while building trusted and sustainable relationships over the long term.

Links & references	Links & references	Links & references
Please refer to the 2025 BTN Sustainability Report pages 16, 30, 47-48, 55	Please refer to the 2025 BTN Sustainability Report pages 66-67	Please refer to the 2025 BTN Sustainability Report pages 172-175, 187

Principle 4: **Stakeholders (use SR page 48)**	Principle 5: **Governance & Culture (SR page 192)**	Principle 6: **Transparency & Accountability**
BTN recognizes that understanding sustainability impacts, risks, and opportunities requires active dialogue with stakeholders, as Stakeholder engagement plays a key role in ensuring that the Bank's sustainability strategy and priorities remain relevant and responsive to evolving expectations. BTN engages customers, investors, NGOs, senior management, employees, regulators, and supervisory authorities through a structured process. The process begins with stakeholder mapping to classify stakeholders based on their level of significance and the material issues involved, enabling targeted communication and collaboration approaches. In the context of transforming the housing sector, BTN collaborates with developers and suppliers to encourage the adoption of more energy-efficient construction practices. This includes the use of sustainability parameters and checklists in project evaluation. These efforts aim to build a more sustainable housing ecosystem and create long-term value for all stakeholders involved.	BTN implements its sustainability commitments through a structured ESG governance framework, with the establishment of an ESG Committee chaired by the President Director to provide strategic direction and oversee the implementation of the ESG Roadmap. The ESG function is led by the Enterprise Risk Management Division (ERMD), which coordinates ESG implementation and facilitates the integration of sustainability considerations across the Bank's operations. BTN continues to embed ESG principles into its strategic decision-making, internal policies, and risk management framework. This approach is reflected through the incorporation of sustainability considerations into business strategies, sustainable finance initiatives, and the management of ESG-related risks, including climate-related risks. Through its governance mechanisms, BTN ensures alignment between sustainability objectives and business priorities. BTN also promotes a responsible banking culture by strengthening employee awareness and capabilities through ESG-related learning initiatives, internal engagement programs, and the integration of sustainability principles into corporate values and risk culture. These efforts support the consistent implementation of sustainability commitments across the organization.	BTN demonstrates its commitment to transparency and accountability by continuously monitoring and reviewing the implementation of sustainability principles across its operations. Periodic evaluations are conducted to assess the progress of sustainability initiatives, identify areas for improvement, and ensure alignment with the Bank's sustainability objectives. BTN discloses its sustainability performance, impacts, and contributions to sustainable development objectives through its Annual Report and Sustainability Report. These disclosures are prepared in accordance with applicable regulations and relevant reporting standards, including the Global Reporting Initiative (GRI), Task Force on Climate-related Financial Disclosures (TCFD), and International Financial Reporting Standards Foundation (IFRS Foundation), and are supported by an independent assurance process to enhance credibility. BTN strengthens accountability through the implementation of Good Corporate Governance principles, internal control mechanisms, and continuous improvement of sustainability policies and practices. These efforts ensure that sustainability commitments are effectively implemented, monitored, and transparently communicated to stakeholders.

Links & references Please refer to the 2025 BTN Sustainability Report pages 48-51	**Links & references** Please refer to the 2025 BTN Sustainability Report pages 46, 56-57	**Links & references** Please refer to the 2025 BTN Sustainability Report pages 265-267

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