



## Activities and Quantitative Impacts

The Company anticipates that the CSR and PCDP programs can lessen undesirable impact due to its operational activities and provide maximum benefits as stipulated in the applicable legislation. The Company also hopes to provide shared value that is widely beneficial to the entire community in Indonesia.

## Corporate Social Responsibility Undertakings

The Company's active role in contributing to the community is demonstrated through its Corporate Social Responsibility Program. In 2018, the Company resumed the BTN Harmony Environment Program which aims to educate the public in an integrated manner through numerous training programs and/or education and assistance for communities as a basis for developing integrated programs. There are nine main undertakings that are the focus of community development programs, i.e. Prosperous BTN, Religious BTN, Green BTN, Fit BTN, Healthy BTN, Smart BTN, Hygienic BTN, Care BTN and BTN Partnership.

## Labor Utilization and Local Suppliers

The Company constantly strives to carry out CSR agendas that provide benefits and direct empowerment to the community. Thus, the Company recruits local workers for its operations and cooperates with local suppliers for goods and services as short- and long-term partners, particularly with construction companies promoting the Million Housing Program. In selecting sustainable local suppliers, the Company prioritizes local Indonesian suppliers. In addition to reducing overhead costs, it aims to promote domestic companies.

## Financial Education and Literacy Program

The Banking Financial Literacy and Education Program as directed by Bank Indonesia and the Financial Services Authority (FSA) disseminates knowledge of banking to the public. Throughout 2018, the Company

organized educational sessions for the community in increasing community knowledge and skills in managing financial resources (financial literacy) for improved welfare, including:

- Smart Branch Education in the "Students Get to Know the Archipelago" Program
- BTN Zone
- School Reading Parks

## Communication on Policies and Anti-Corruption Procedures

The Company has in place several policies on the prevention of corruption to guarantee a clean and transparent banking operation, including the Company's code of ethics, and Anti-Fraud. Anti-fraud implementation in the Company is regulated by Circular of the Board of Directors No. 22/DIR/IAD/2014, dated May 28, 2014 concerning Anti-fraud Strategy Standard Operating Procedure of PT Bank Tabungan Negara (Persero) Tbk. Anti-Fraud Strategy consists of 4 (four) pillars, i.e. (1) prevention; (2) detection; (3) investigation, reporting and sanctions, and (4) monitoring, evaluation, and follow-up.

The Company realizes the importance of nurturing an anti-fraud culture. Thus, the Company constantly organizes Anti-Fraud Awareness Campaigns in the workplace by disseminating information to all employees and stakeholders regarding the Company Anti-Fraud Strategy, corruption, money laundering, and Gratuity Control policies. The Awareness Enhancement Program is conveyed by the Company to customers and the public through banners on anti-corruption/gratuities at Head Office and throughout the Company's Branch Offices.

## Anti-Corruption Training

In 2018, the Company carried out various awareness undertakings regarding Gratuity Control in the Company, including: (1) PIN Refuse Gratuity used by all Company employees; (2) Gratification Control Program Dissemination to MVP representatives of

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all work units of the head office and branch offices; (3) Issuance of Pocket Book for Gratification Control Program; and (4) Letters to Partners/Stakeholders of the Company at Headquarters and branch offices.

In addition, the Company correspondingly organizes anti-corruption education and training as its commitment to anti-fraud/gratification practice control. The Company participated in an anti-corruption awareness campaign held by the Corruption Eradication Commission. The socialization and training of gratuity control programs aims to prevent corruption, fraud, especially within the Company.

### Partnership and Community Development Program

#### Partnership Program

The Company's commitment to social and community development is to improve the ability of small businesses to become resilient and independent through Company lending. The objective is to select prospective fostered partners to fulfil banking requirements, and motivate them to become resilient and independent entrepreneurs. The Company hopes that the allocated loans can expand small businesses and cultivate maximum usability.

In 2018, the Company channeled funding assistance under the partnership program of Rp37,275 billion to 760 fostered partners, divided into 7 (seven) sectors covering fisheries, plantations, agriculture, livestock, industrial, service, and trade sectors. Actual funds distribution of Partnership Program in 2018 is as follows:

**Table: Actual Distribution of Partnership Fund Based on Business Sector 2018**

Business Sectors	Debtors	Realization
Industry Sector	41	1,703,000,000
Trade Business Sector	371	13,758,450,000
Agriculture Business Sector	77	3,750,000,000
Plantations Business Sector	22	1,065,000,000
Livestock Business Sector	123	7,601,000,000
Fisheries Business Sector	6	150,000,000
Service Business Sector	118	8,014,062,500
Creative Industry Sector	2	78,000,000
Partnership Development Funds (Hibah)	0	1,154,560,000
Other Business Sector	0	0
Total	760	37,274,072,500

**Table: Actual Partnership Program Fund Distribution Based on Company Regional Offices 2018**

Provinces	Debtors	2018 Realization
Bali	20	1,000,000,000.00
Bangka Belitung	15	530,000,000.00
Banten	41	2,461,900,000.00
Bengkulu	3	120,000,000.00
DI Yogyakarta	15	665,000,000.00
DKI Jakarta	66	4,269,400,000.00
Gorontalo	3	59,062,500.00
Jambi	13	430,000,000.00
West Java	103	5,963,650,000.00
Central Java	80	4,657,000,000.00
East Java	170	7,999,050,000.00
West Kalimantan	15	500,000,000.00
South Kalimantan	51	893,500,000.00
Central Kalimantan	6	178,750,000.00