

Corporate Social Responsibility Related to the Environment —

In conjunction with the application of sustainability principles, in a broader sense, the Company is committed to environmental preservation for future generations by minimizing negative impacts on the environment. Internally, the Company focuses on creating a healthy work environment through environmentally sound policies and initiatives.

Commitment and Policy of Environmental Corporate Social Responsibility

The Company's policies regarding environmental management and protection refer to Law No. 32 of 2009 regarding the Environmental Protection and Management manifested in the Company's appeals, declarations and regulations to minimize the harmful impact of the Company's operations on the environment. The Company's policies regarding the environment serve as guidelines in carrying out operational activities that are increasingly more environmentally friendly.

The Company is fully aware of its role as a Bank that provides loan/capital to customers and also as a development agent that participates in fostering a sustainable development, including to maintain environmental sustainability. In addition, the Company also focuses on environmentally friendly lending by adhering to the Company's Commercial Credit Facility Guidelines. In the guidelines, there are credit requirements that require documents on Effort for Environmental Feasibility/Environmental Management Efforts (UKL/UPL) and/or Environmental Impact Assessment (AMDAL). This is an arrangement of the implementation of the Bank's compliance with Law No. 32 of 2009 regarding Environmental Protection and Management. The Environmental Policy is a guideline for the Company in carrying out operational endeavors that are increasingly environmentally friendly.

Environmental Impacts and Risks

As a financial service institution, the Company strived to be an environmentally friendly bank by providing certain environmental requirements, including an Environmental Impact Analysis, before disbursing loans. This was done to minimize the risks that could arise in loan distribution. One of the risks was that the Company distributed funds to activities that damage the environment. In other words, the Company would be serious in managing environmental, social and governance risks when distributing loans.

Target/Plan of Environmental Corporate Social Responsibility Activities

The Company's CSR program in the field of the environment is carried out as a form of the Company's participation towards sustainable finance. The Company has set the target of environmental management in accordance with the Bank's Business Plan (RBB) and in agreement with sustainable financial principles as stated in the Financial Services Authority Regulation No. 51/POJK.03/2017 regarding the Implementation of Sustainable Finance for Financial Service Institutions, Issuers and Public Companies, as stated in the Sustainable Finance Action Plan (RAKB).

In addition, other targets of the Company are managing and coordinating its operational activities by implementing green banking through environmentally friendly operations and lending strategies. In green banking, the Company deliberates the environmental aspects of providing loans to customers, where customers are required to submit an AMDAL feasibility study as one of the conditions for credit approval by the Company. This aims to build strategic synergies which in turn raises Company efficiency and effectiveness.

In other instances, the Company fulfills its commitments on environmental conservation at the head office by reducing electricity consumption and emissions.

Environmental Activities Related to Company Operational Activities

Digital Banking for Paper Savings (Paperless)

Through the use of digital banking, the Company saves paper consumption in transactions with customers by suggesting and maximizing the use of Electronic Channel services. In 2020, the Company makes every effort to save paper consumption, as management's directives to make savings including in paper consumption. With paper savings, the Company helps reduce the negative impact for the environment, like trees logging and greenhouse gas emissions.

The Company reduces paper consumption through document digitalization. With digitalization, the use of paper can be reduced in the following way:

- a. Fax correspondence is no longer used, correspondence is done by email.
- b. Paperless: disposition and distribution of letters using the iflow system.
- c. Smart Branch: do not use deposit slips and maximize digitalization.
- d. BTN Property.co.id: makes it easy for people to make a home purchase, find home and enjoy the facilities of 3-dimensional features through the support of the latest digital technology and its application. The company no longer need a lot papers.
- e. Rumah Murah BTN: provides convenience and comfort to public to find assets with the support of the latest digital technology and in its application, the Company does not need a lot of papers.

In addition, the Company also supports paper efficiency by using used paper for Internal Memos.

In terms of business operations, the Company makes efficiency in paper consumption through the iflow application, which is cross-division and/or cross-branch correspondence application with structured distribution. Besides its advantage in structured distribution of correspondence, this application also has other benefits including the speed of time in the mail distribution flow, monitoring of documents or letters being sent, and paperless.

In addition, the Company's commitment to save paper consumption is also consistently realized by using used papers, activating billing/collection by phone, or making

use information technology applications that support mobile, paperless, historical record and parameterized, applying 2-sided printing methods, using e-mails, and Smart Branch initiatives by not using Deposit Slips and maximizing digitalization.

Provision of Environmentally Friendly Building Facilities and Infrastructure

The Company made adjustments and studies on the Head Office of Bank BTN, especially in encouraging the creation of safe and comfortable and environmentally friendly facilities and infrastructure by conducting building safety studies from fire hazards, developing waste water management facilities at the head office, and creating 20 biopore points areas located around the Headquarters area (north side park, south side park and fountain area).

Energy Saving and Emission Reduction

Throughout 2020, the Company enacted various initiatives to cut down on electricity use, assisting the Company in reducing greenhouse gas emissions. The initiatives include:

1. Having a Temporary Waste Disposal Place (TPS) with a capacity of 5 m³ and is transported to the TPA every day.
2. Having 4 (four) infiltration wells with a capacity of 48 m³ each.
3. Doing energy savings:
 - a. Using solar power for heating water.
 - b. Regulation of water discharge for water consumption (toilets, ablution places, and others).
 - c. Automatic regulation of utility and electricity operations using BAS (Building Automation System) for light blackouts, elevators and chiller AC units.
4. Prevent environmental pollution through continuous improvement activities:
 - a. Using Freon air conditioner types R32, R134A and R410.
 - b. Has a hazardous waste storage area with a capacity of 104.5 kg.
 - c. Has a wastewater treatment plant with a capacity of 260m³/day. The current outlet rate is 220 m³/day in accordance with the Waste Water Discharge Permit (IPAL) issued on 19 July 2018.
5. Create movement of free plastic waste by reducing the use of bottled mineral water and disposable cutlery at the events or meetings of internal or external parties and encourage the awareness of tumblr and non plastic water bottle usage.

6. Direction for employees to use public transportation to the office. Oblige all operational vehicles to use high octane fuel that is more environmentally friendly which in accordance with Government of Republic Indonesia policy, which requires the operational vehicles of SOEs to use non-subsidized fuel. Through memo number 1836/M/PGSD/GS/XI/2013 dated 6 November 2013, Procurement and General Services Division delivered the memo to the Regional Office, Branch Offices and Sharia Branch Offices regarding the prohibition of the use of certain fuel of RON 88 gasoline for the Company's operational vehicles.
7. Participation in the Earth Hour Program

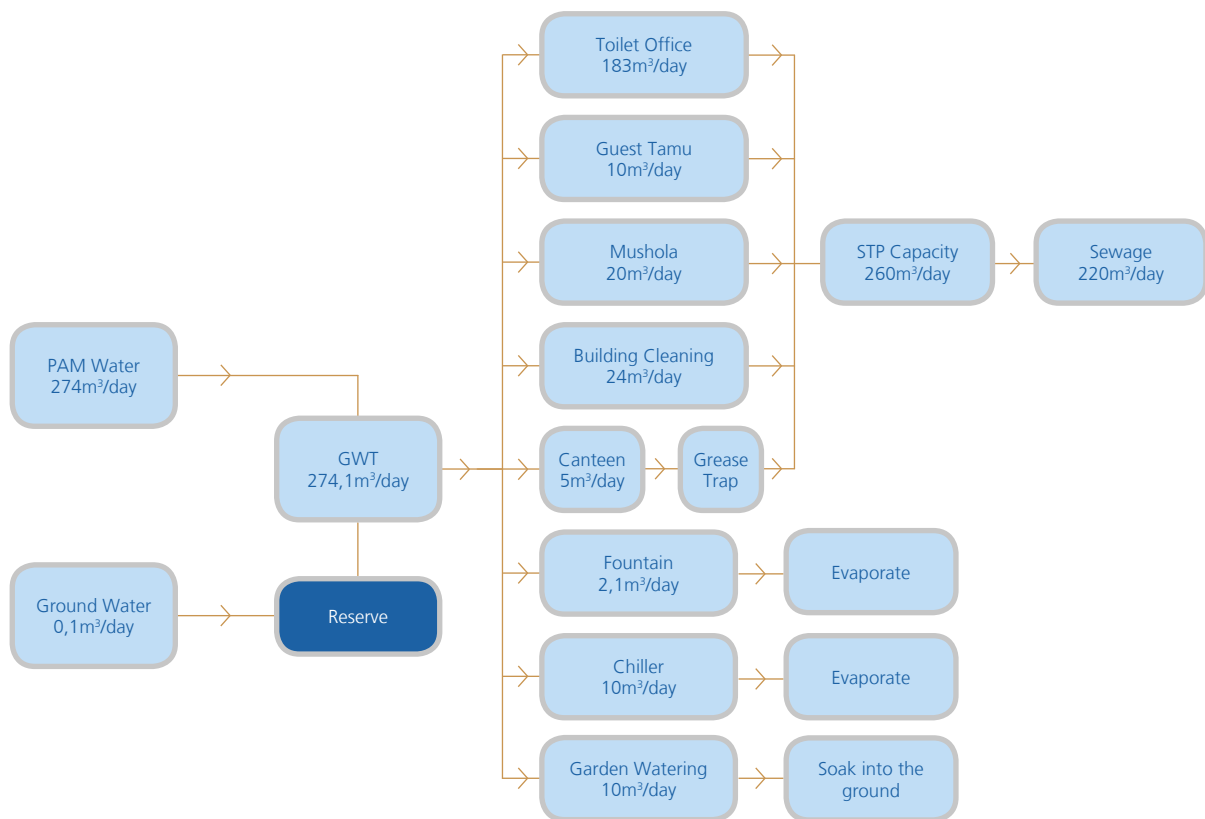
Participation to Save Electrical Energy for 1 Hour in the Earth Hour Program

No.	Date	Year	Hour	Description
1	30 March	2019	20:30 - 21:30	An hour of blackout was carried out to save electrical energy in the Earth Hour program.
2	28 March	2020	20:30 - 21:30	An hour of blackout was carried out to save electrical energy in the Earth Hour program.

Water Consumption

The Company saves water usage by consuming water as needed and encourages all employees to turn off water taps when not needed. Moreover, the Company also recycles water for various purposes, such as watering plants and routinely controls plumbing and faucets in an effort to avoid waste and water leakage.

The Company maximizes consumption of municipal water as the main water source in accordance with the Regional Regulation concerning the use of ground water. The Company took the initiative to construct a waste water treatment plant with a capacity of 260 m³/day with current output reaching 220 m³/day in accord with the Wastewater Disposal Permit issued on July 19, 2018. The resulting wastewater is processed via STP (Sewage Treatment Plan) so that it does not harm the environment and has obtained a Waste Water Disposal Permit (IPAL) from the relevant establishment. All of the above are the Company's efforts to ensure efficient use of clean water, maintenance, and water disposal. Furthermore, the Company also regulates water bills for efficiency in the BTN Tower Building, with the balance of clean water usage as follows:



Waste Management

The Company which engages in the banking industry produces waste in the form of plastic, paper and waste water. This waste is not categorized as Hazardous and Toxic Waste (B3) based on the provisions of the Ministry of Environment of the Republic of Indonesia. However, the Company processes waste water through a STP (Sewage Treatment Plan) which is managed in collaboration with third parties in accordance with environmental management standards so as not to endanger the environment. In addition, the Company has a hazardous waste storage (B3) facility on its premises with a capacity of 104.5 kg.

Throughout 2020, the Company routinely carried out wastewater measurements at the Head Office every three months. With this measurement, the Company can have an impact in the form of information that the discharged water is confirmed to meet quality standards in accordance with the Regulation of the Governor of the Special Capital Region of Jakarta Province No. 122 of 2005 concerning Domestic Wastewater Management in the Province of the Special Capital Region of Jakarta so that it does not pollute the environment.

The description of waste management produced by the Company in the last three years is as follows:

Type of Hazardous Waste	Treatment	2020	2019	2018
Building Waste (Waste Food, Beverages, Papers, Cardboards)	Produced	113,340 kg	30,706 kg	28,800 kg
	Stored at TPS	0	0	0
	Submitted to Licensed Authorized Third Party	3825 kg	Ya	Ya
Waste Oil	Produced	300 kg	15 kg	20 kg
	Stored at TPS	300 kg	0	0
	Submitted to Licensed Authorized Third Party	Ya	Ya	Ya
Used Batteries	Produced	8 Pcs	20 kg	4.4 kg
	Stored at TPS	0	0	0
	Submitted to Licensed Authorized Third Party	Ya	Ya	Ya
Used Lightning (TL Lamps, PLC, Ballast, Cables)	Produced	681 Pcs	7,5 kg	60 kg
	Stored at TPS	166 Pcs	0	0
	Submitted to Licensed Authorized Third Party	Ya	Ya	Ya
Freon Cylinder Waste	Produced	15 Kg	10 kg	20 kg
	Stored at TPS	0	0	0
	Submitted to Licensed Authorized Third Party	Ya	Ya	Ya

Sewage Treatment Plan and Waste Management Fee in 2020:

Data of BTN Hazardous and Non-Toxic (B3) Waste in 2020

No.	Month	Expense (IDR)
1	January	-
2	February	-
3	March	-
4	April	-
5	May	-
6	June	-
7	July	15,500,000
8	August	-
9	September	-
10	October	-
11	November	-
12	December	-
Total		15,500,000

Data of BTN Waste in 2020

No.	Month	Expense (IDR)
1	January	5,300,000
2	February	5,300,000
3	March	5,300,000
4	April	5,300,000
5	May	5,300,000
6	June	5,300,000
7	July	5,300,000
8	August	5,300,000
9	September	5,300,000
10	October	5,300,000
11	November	5,300,000
12	December	5,300,000
Total		63,600,000

Maintenance Data for STP Menara BTN in 2020

No.	STP Maintenance	Budget Expense/Month
1	January	7,000,000
2	February	7,000,000
3	March	7,000,000
4	April	7,000,000
5	May	7,000,000
6	June	7,000,000
7	July	7,000,000
8	August	7,000,000
9	September	7,000,000
10	October	7,000,000
11	November	7,000,000
12	December	7,000,000
Total		84,000,000

Implementation of Environmental Corporate Social Responsibility Initiatives

Green Banking Application Environmentally Friendly Financing

In agreement with Bank Indonesia's green banking policies and participating in a sustainable finance, the Company consistently sets out rules and policies that enforces effective implementation of sustainable finance. This is realized through training to expand employee understanding of environmental analysis, conducted both in-house and externally. The training outcomes are then disseminated to the credit team to be applied in the credit approval procedures.

The Company also has the initiative to instigate a green finance product (the Company's products that heed environmental, social, and governance aspects). One consistent endeavor is the provision of loans. The Company has enacted a policy related to environmentally friendly loans by not disbursing loans to customers who do not comply with the Environmental Impact Analysis (AMDAL). In which, even for customers who have included the results of the AMDAL, the Company will still check for validation.

Reforestation in Subsidy Housing

At the beginning of 2020, the Company implemented reforestation in all Regional Offices of Bank BTN. Activities were carried out on the sidelines of the Regional Office Performance Meeting. In total, there were 6 (six) regional offices that carried out reforestation activities starting from the Jakarta, West Java, East Java, Central Java, Makassar and Batam areas.

The reforestation program was carried out in subsidized housing locations under the guidance of the Company with the hope that other than to providing convenience in providing housing to low-income people, the Company also expected that with reforestation activities would make housing locations more beautiful and comfortable. The total assistance for reforestation that had been implemented reached IDR 300 million.

Quantitative Impact Achievement of Corporate Social Responsibility Activities Related to the Environment

The impact on the implementation of electrical energy saving activities, in 2020 the Company recorded the use of electrical energy at the Head Office of 2,601,940 kWh. The use of electrical energy increases/decreases compared to 2019 which amounted to 7,608,000 kWh

Electricity Consumption in 2020

No	Month	Usage of Kwh		Usage Fee Kwh		Total	Miscellaneous expense	The amount that is Paid
		LWBP	WBP	LWBP	WBP		PPJ	
1	January	563,460	83,640	583,620,599	129,948,959	713,569,558	17,125,669	730,695,227
2	February	549,600	81,840	569,264,688	127,152,353	696,417,041	16,714,009	713,131,050
3	March	496,800	68,940	514,575,504	107,110,010	621,685,514	14,920,452	636,605,966
4	April	515,160	68,460	533,592,425	106,364,248	639,956,673	15,358,960	655,315,633
5	May	475,080	54,660	492,078,362	84,923,602	577,001,965	13,848,047	590,850,011
6	June	443,580	58,800	459,451,292	91,355,796	550,807,088	13,219,370	564,026,458
7	July	539,940	74,040	559,259,053	115,033,727	674,292,780	16,183,027	690,475,807
8	August	564,840	78,060	585,049,975	121,279,480	706,329,455	16,951,907	723,281,362
9	September	514,200	69,060	532,598,076	107,296,450	639,894,526	15,357,469	655,251,995
10	October	546,300	67,380	565,846,614	104,686,285	670,532,899	16,092,790	686,625,689
11	November	499,200	66,540	517,061,376	103,381,202	620,442,578	14,890,622	635,333,200
12	December	537,480	68,700	556,711,034	106,737,129	663,448,163	15,922,756	679,370,919
Kwh per hour		53.5	8.4	332,485	78,305	410,790		
Total		1,761,820	840,120	6,469,441,485	1,305,347,545	7,774,378,240	186,585,078	7,960,963,316
AVERAGE								663,413,610

Then the impact of water use activities, in 2020 the volume of water use at the Company's Head Office was recorded at 71,153 m³ which decreased/increased from 2019 amounting to 93,537 m³, which was due to the Company having implemented water discharge arrangements in the BTN Tower Building. The Company is always committed to saving water, especially at the Head Office.

Use of PDAM 2020

Month	Usage/m ³	Amount (Rp)	Listing Date
Januari	7,983	100,339,220	20 January 2020
Februari	8,102	101,832,670	17 February 2020
Maret	9,080	114,106,570	18 March 2020
April	6,849	86,107,520	17 April 2020
Mei	5,407	68,010,420	18 May 2020
Juni	6,740	84,739,570	16 June 2020
Juli	5,841	73,457,120	17 July 2020
Agustus	4,613	58,045,720	18 August 2020
September	4,628	58,233,970	17 September 2020
Oktober	4,210	52,988,070	19 October 2020
November	3,654	46,010,270	18 November 2020
Desember	4,046	50,929,870	18 December 2020
Total	71,153	894,800,990	
RATA-RATA	5,929.4	74,566,749	

Table of Ground Water Consumption

Description	Unit	2020	2019
SAP 02 (556)	Volume (m3)	10	72
	Cost (IDR)	101,496	1,217,966
SAP 03 (628)	Volume (m3)	108	127
	Cost (IDR)	1,505,539	2,249,855

Table of PDAM Water Consumption

Unit	2020	2019
Volume (m3)	71.153	93,537
Cost (IDR)	849,800,990	1,175,720,190

Environmental Certification

As of December 2020, the Company did not have certification in the environmental sector.

Implementation Cost

In 2020 the Company has spent costs in the field of environmental management and preservation amounting to IDR114,000,000, while for the STP (Sewage Treatment Plan) management fee and for the 2020 waste management fee of IDR 147,600,000.

Environmental Grievance Mechanism

The Company is always open to complaints from the public regarding environmental impacts that may arise due the Company's operations. The mechanism for complaints of environmental problems can be submitted to the Company by sending an environmental complaint report about the area surrounding the BTN Tower through an official letter. During 2020, the Company received no grievance regarding environmental issues and was not imposed any penalty or sanction due to its non-compliance with environmental laws and regulations.