

Commitment to Empower and Develop the Community —

The Company fully realizes that business sustainability is very dependent on the creation of mutually beneficial relationships between all stakeholders, both external and internal, including the communities around the company's operating area. As an important part of the national economic chain, the Company has an important role in the implementation of Social and Environmental Responsibility (TJSL), as stipulated in Law No. 40 of 2007 concerning Limited Liability Companies. TJSL is the Company's commitment to participate in sustainable economic development in order to improve the quality of life and a beneficial environment, both for the Company itself, the local community, and society in general. **(GRI 103-1)**

For the Company, TJSL is not just a program to return part of the proceeds from business activities, but also as a long-term social investment activity. Thus, the program will not only have a positive impact on the community and the surrounding environment, but also on the Company. In allocating funds for the implementation of TJSL activities, the Company always pays attention to the principles of compliance and fairness.

In addition to referring to Law (UU) No.40 of 2007 concerning Limited Liability Companies, as one of the State-Owned Enterprises, the implementation of TJSL by the Company is also guided by the Regulation of the Minister of BUMN PER-02 / MBU / 04/2020 dated April 2, 2020 concerning Third Amendment to the Regulation of the Minister for State-Owned Enterprises Number PER-09 / MBU / 07/2015 concerning the Partnership and Community Development Program for State-Owned Enterprises. **(GRI 103-2)**

The Company implements TJSL through two approaches, namely through the Corporate Social Responsibility (CSR) Program and the implementation of the Partnership and Community Development Program. Both are managed based on the laws governing the Company and SOEs. The provisions for implementing CSR and PKBL have been stipulated in the Board of Directors Regulation Number 6 / PD / CSD / 2018 concerning the Partnership Program, Community Development Program, and Corporate Social Responsibility Program. **(GRI 103-2)**

The implementation of TJSL by the Company also becomes the Company's support for the 17 Sustainable Development Goals (SDGs), which were discussed at the United Nations Conference (UN) in Rio de Janeiro (Brazil) in June 2012. SDGs are a set of goals, objectives, and sustainable development indicators that are universal, and are a continuation and expansion of the Millennium Development Goals (MDGs) that have been carried out by several countries from 2001 to the end of 2015. As part of global citizens, Indonesia has adopted the SDGs to become Indonesia's SDGs. (<http://sdgsindonesia.or.id/>) **(GRI 103-2)**

CSR Program

Company's CSR Policy

The Corporate Social Responsibility (CSR) Program is the Company's commitment to participate in the sustainable economic development in order to improve the quality of life and environment that is beneficial, either for the Company itself, for the local communities, or for community at large. This program is implemented based on Law No. 40 of 2007 on Limited Liability Companies and Law No. 1 of 2013. The meaning of CSR implementation for the Company is as follows: **(GRI 103-1)**

- a. CSR is the Bank's commitment in the form of a written statement and allocation of resources.
- b. CSR contributes to sustainable development, which is development that meets the needs of the present generation without compromising the ability of future generations to meet their needs.
- c. CSR aims to improve the quality of life, which is the fulfillment of basic human or community needs for a decent life.
- d. CSR activities are aimed at stakeholders, i.e. all parties affected and/or influencing the Bank's performance both directly and indirectly, the community surrounding the Bank operational office and the wider community.

CSR Vision and Mission



Vision

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Caring for the interests of community and environment by contributing to economic development and community empowerment in a sustainable manner, especially in housing/residential environment that is the Company's core business.
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Mission

- 01 Improving community welfare and the environment.
- 02 Developing the Bank's values and culture.
- 03 Creating a positive Bank image in the public eye.
- 04 Increasing cooperation and mutual respect with the community and the environment in which the Bank Office operates.

The Company's Harmony Environment Program is an umbrella program for implementing CSR in the Company that integrates the interests of improving the quality of people's life in line with the Company's business interests so that they work together. The aim is to make the Company and the community equally benefit from the program in the long run, to increase the benefits to the community, the Company makes every effort to involve them in finding, formulating, and establishing programs. The Company's CSR implementation covers the following processes: **(GRI 103-2)**

1. The targets of CSR activities are individuals including, but not limited to, a group of community members and organizers of CSR activities.
2. The Work Unit responsible for CSR activities is the Corporate Secretary Division. The intended CSR activities are the administration of implementation, coordination with related parties, and reporting on the activity results.
3. The budget of the Company's CSR funds is stipulated in the Company's budget work plan that considers the aspects of propriety and fairness.
4. The CSR program is focused on giving donations aimed at charity and social assistance in the form of giving cash or goods, to the recipient of donations outside of PKBL. Donor recipients are the people who live around the Company's operational areas, the committees of the activities of educational organizations, non-governmental organizations (NGOs), or agencies engaged in charity and social affairs.
5. The field of CSR activities includes programmed or incidental activities.
6. Fields of programmed CSR activities include:
 - a. The social sector, which is activity that has an impact on improving the quality of social life, culture, religion, and social welfare, which includes:
 - 1) Education, including improving services, facilities, and infrastructure of education;
 - 2) Health, including improving nutrition and health, and health infrastructure;
 - 3) Arts and culture, including the preservation of arts and culture and the improvement of arts and cultural infrastructure;
 4. Sports, including improving sports performance and infrastructure; and
 - 5) Religious, including improving religious infrastructure.
 - b. Environmental sector, which is activity that has an impact on increasing comfort and environmental sustainability, which among others include; environmental management, waste management, handling of degraded land, reforestation,

- land reclamation, clean water and irrigation infrastructure, air, water, and soil pollution control, noise, water and sanitation, residential environment (drainage and flood management, as well as energy savings and alternative energy use).
- c. Economic sector, which is activity that has an impact on increasing employment opportunities and business opportunities, increasing income and reducing poverty in the community. These fields include the development of cooperatives, micro finance institutions, micro-small businesses, micro-small industries, entrepreneurial technology, markets and marketing, economic infrastructure, agricultural food crops, plantations, fisheries, livestock and food security.
7. Fields of CSR activities that are incidental include activities to ease the burden on the community due to calamity or certain economic conditions, which include assistance to victims of earthquakes or other natural disasters and assistance to alleviate the burden of the community due to rising prices of basic commodities.
 8. The field of CSR activities to support the implementation of Sustainable Finance activities includes:
 - a. Distribution of funding to feasible micro business that does not have access yet to funding from Financial Services Institutions (LJK) which is directed towards sustainable business development;
 - b. Training for prospective customers on sustainable business;
 - c. Carrying out campaign of sustainable production and consumption patterns; and
 - d. Insurance premium subsidies for farmers, fishermen, and poor and/or low-income people who are vulnerable to disasters.
 9. The monitoring of CSR activities is carried out by:
 - a. Taking notes including keeping detail records of each distribution of aid and CSR activities; or
 - b. Reporting periodically to regulators in accordance with the applicable regulations and monitoring the progress of CSR activities that have been carried out.
 10. Evaluation of CSR Activities
 - a. Periodically reviewing CSR activities; and/or
 - b. Recommending the implementation of an effective CSR implementation strategy to be in line with the Bank's purposes and objectives.
 11. Reporting CSR activities
 - a. Reporting the implementation of CSR in the Bank's Annual Report to the GMS in accordance with the applicable regulations.
 - b. If the CSR implementation uses the Community Development Program budget, the use of the budget referred must be reported in accordance with the applicable Minister of State-Owned Enterprises Regulation.

Realization of CSR Costs

During 2020, the Company has realized CSR Program funds of IDR 18.225 billion, an increase of 162.53% compared to 2019, which funds reached IDR 6.942 billion. Based on the type of activity, the largest portion of distribution of CSR funds is in the sector of facilities and infrastructure, amounting to IDR 5.803 billion or 31.84% of the total CSR budget in 2020, as shown in the following table: **(GRI 103-3, 203-1, 203-2, 413-1) (F.23) (F.25) (F.3)**

Table of CSR Program Cost Realization (Million IDR)

Tahun	Jumlah biaya
2020	18,225
2019	6,942
2018	5,180
2017	5,148
2016	4,371

Table of CSR Program Realization By Field of Activity

No.	Field of Activity	2020		2019		2018	
		Total (Million IDR)	Percentage	Total (Million IDR)	Percentage	Total (Million IDR)	Percentage
1	Economics	2,642	14.50	662	9.54	1,456	28.1
2	Sports	-	-	63	0.91	100	1.93
3	Arts and Culture	-	-	-	-	149	2.88
4	Education	3,813	20.92	2,304	33.19	1,047	20.22
5	Health	5,241	28.76	-	-	204	3.93
6	Building and Facilities	5,803	31.84	2,952	42.52	665	12.44

No.	Field of Activity	2020		2019		2018	
		Total (Million IDR)	Percentage	Total (Million IDR)	Percentage	Total (Million IDR)	Percentage
7	Religious Affairs	557	3.06	946	13.63	1,573	30.38
8	Nature Conservation	167	0.92	15	0.22	6	0.12
Total		18,225	100	6,942	100	5,180	100

During the reporting period, the Company has disbursed partnership programs for MSMEs of IDR23.15 billion consisting of financing of IDR13.473 billion, and funding capacity building, and funding to Specified SOE (dhi PT Permodalan Nasional Madani (PNM)) of IDR10.031 billion. Partnership program loans are disbursed to 319 fostered partners.

Highlights of 2020 CSR and Environmental Development Activities

No.	Photos Activities	Activity Description
1		<p>The Company also assisted in meeting the needs of victims of natural disasters. Some of the locations given assistance were Cirebon, Bekasi, Padang and other disaster locations, including the response to Covid-19.</p> <p>In distributing aid to victims of natural disasters, more was given in the form of food, clothing, medicine and tent facilities and infrastructure.</p>
2		<p>President Director of PT Bank Tabungan Negara (Persero) Tbk. Pahala N Mansury planted trees and provided CSR assistance to residents of Perum Delta Asri 7 Kendal, Semarang, to support reforestation in the housing so that natural preservation was maintained and the home environment became beautiful,</p> <p>More than 6,000 tree seedlings had been handed over to subsidized housing for the Kendal, Jakarta, Makassar, Batam and Bangkalan areas.</p> <p>This assistance is a form of concern for PT Bank Tabungan Negara (Persero) Tbk. to the environment in the subsidized housing area built by the Company.</p>
3		<p>Director of Finance, Planning & Treasury of PT Bank Tabungan Negara (Persero) Tbk. Nixon L. P. Napitupulu chatted casually with Special Staff III of the Ministry of State-Owned Enterprises (BUMN) Arya Sinulingga at the BUMN Ministry Building in Jakarta.</p> <p>On that occasion, the Company also handed over ventilators coordinated by the Ministry of SOEs to be forwarded to hospitals that treat corona positive patients. This assistance became a CSR activity of the Company in the health sector to support the government in overcoming Corona Virus Disease 2019 (Covid-19) with the Covid-19 Task Force of the Ministry of SOEs.</p>

Highlights of 2020 CSR and Environmental Development Activities

No.	Photos Activities	Activity Description
	 	<p>Director of Distribution & Retail Funding of PT Bank Tabungan Negara (Persero) Tbk. Jasmin (second right) accompanied by the Head of Corporate & Commercial Funding Division Anton Rijanto (right) handing over the portable Covid-19 sink (public infrastructure) to the Secretary of the Directorate General of Treasury (DJPb) Ministry of Finance, Regina Maria Wiwieng Handayaningsih (second left) and Head of Section General DGT of the Ministry of Finance Yuni Wibawa at the DJPb Building in Jakarta.</p> <p>PT Bank Tabungan Negara (Persero) Tbk. Banda Aceh Branch Office participated in preventing the spread of Covid-19 in Aceh. This was shown by distributing 10 units of portable sinks to Syiah Kuala University.</p> <p>Until October 2020, the Company had provided assistance for public facilities and infrastructure (portable sinks) of 289 units spread across all major universities from Sabang to Merauke.</p>
4	 	<p>President Director of PT Bank Tabungan Negara (Persero) Tbk. Pahala Nugraha Mansury together with Attorney General ST Burhanuddin symbolically put the groceries in a box car for distribution in Jakarta.</p> <p>The 3,000 basic food packages were provided by the Company as a form of support to stakeholders in organizing social activities related to the Covid-19 pandemic. More than 20,000 basic food packages had been distributed by the Company to people affected by Covid-19 as an effort to alleviate poverty.</p> <p>PT Bank Tabungan Negara (Persero) Tbk together with the main working partner of the Indonesian Real Estate Companies (REI) initiated the distribution of aid for people affected by the corona virus disease (COVID-19) pandemic.</p> <p>Assistance was provided in six Regional Offices of the Company and involved six REI Regional Executive Boards (DPD). A total of 1,800 food packages were distributed to people in six provinces, namely Palembang (South Sumatra), Bandung (West Java), Semarang (Central Java), Surabaya (East Java), Makassar (South Sulawesi), and activities were centered in DKI Jakarta.</p>
5		<p>President Director of PT Bank Tabungan Negara (Persero) Tbk. Pahala Nugraha Mansury (left) with the Director General of Treasury of the Ministry of Finance Andin Hadiyanto and Secretary of the Directorate General of Treasury of the Ministry of Finance RM Wiwieng Handayaningsih (right) posing together at the handover ceremony of the Company's Corporate Social Responsibility program assistance for Kuncup Kencana Preschool in Jakarta.</p> <p>The Company provided CSR assistance in the form of renovation of the Kuncup Kencana Preschool learning building located in Pondok Bambu as a form of company support for the early childhood education sector. The CSR assistance was expected to provide social benefits to the community around the preschool, especially in supporting early childhood teaching and learning activities which were considered very critical in shaping children's mind-sets as well as introducing the importance of saving early on.</p>
6		<p>PT Bank Tabungan Negara (Persero) Tbk. conducted a rapid test on more than 500 non-organic employees consisting of cleaning services, office boys, security guards, drivers, technicians, parking attendants, cooperative employees and canteen guards at Head Office of PT Bank Tabungan Negara (Persero) Tbk, in Jakarta. This activity included the Company's focus in supporting the readiness of the new normal in the office environment to break the chain of transmission of Covid19.</p> <p>The Company provided commitment and consistently carried out health protocols and services, especially for employees and customers to avoid the corona virus.</p>

Partnership and Community Development Program

The Partnership and Community Development Program or PKBL basically refers to Law No. 19 of 2003 on State-Owned Enterprises and Minister of SOE Regulation No. PER-09/MBU/12/2016 dated 16 December 2016 on Partnership and Community Development Program of State-Owned Enterprises. PKBL is a place for the Company to carry out community development and empowerment programs and improve the quality of life of people outside the CSR Program. PKBL program is carried out on an ongoing basis through two main activities which are the Partnership Program and Community Development Program. **(GRI 103-1)**

In accordance with the provisions, the Company issues a separate report covering PKBL's performance which forms an inseparable part of the Company's Annual Report. PKBL performance report is adjusted to the provisions of the Minister of SOE Regulation No. PER-02/MBU/7/2017 dated 5 July 2017 on the Second Amendment to the Regulation of Minister of State-Owned Enterprise No. PER-09/MBU/04/2015 on Partnership Program and Community Development Program of State-Owned Enterprise.

Basis of PKBL Implementation (GRI 103-2)

The Partnership and Community Development Program ("PKBL") of PT Bank Tabungan Negara (Persero) Tbk. ("BTN") was formed in accordance with the decision of the Minister of Finance of the Republic of Indonesia No. 1232/KMK.013/1989 dated 11 November 1989, which was then renewed by Letter of the Minister of Finance of RI No. 306/KMK.013/1991 dated 20 March 1991 in conjunction with No. 368/KMK.013/1991 dated 19 April 1991, which was then judicially reviewed by decision of the Minister of Finance RI No. 316/KMK.016/1994 dated 27 June 1994 on Guidelines for the Development of Small Business and Cooperatives through the use of funds from the profit share of State-Owned Enterprises (BUMN).

The regulation was subsequently updated with the Minister of SOE Decision Letter No. KEP-236/MBU/2003 dated 17 June 2003 on the Partnership Program of State-Owned Enterprises with Small Business and Community Development Program and Circular of the Minister of SOE No. SE-433/MBU/2003 dated 16 September 2003 on Guidelines for the Implementation of SOE Partnership Program with Small Business and the Community Development Program.

The activities as regulated in the decision letters above are Government policies carried out by all SOEs with the intention that besides conducting their business operations, SOEs also carry out social tasks as supervisors of small businesses and cooperatives.

PKBL regulations have been amended several times, in 2014 BTN PKBL refers to the Regulation of the Minister of State Owned Enterprises (Permen BUMN) No. PER-05/MBU/2007 dated 27 April 2007 on the Partnership Program for State-Owned Enterprises with Small Business and the Community Development Program, most recently amended by Regulation of SOE Minister No. PER-08/MBU/2013 dated 10 September

2013. Based on the SOE Ministerial Regulation, the funding source for the Partnership and Community Development Program (BL Program) comes from the company's budget (Fostering SOE) which is calculated as a cost, each a maximum of 2% of the previous year's net income.

Based on the Regulation of Minister of State-Owned Enterprise No. PER-07/MBU/05/2015 dated 22 May 2015 on the Partnership Program of State-Owned Enterprises with Small Business and Community Development Program stating that the previous regulations, which were the Regulation of SOE State Minister No. PER-05/MBU/2007 dated 27 April 2007, SOE Minister Regulation No. PER-20/MBU/2012 dated 27 December 2012, SOE Minister Regulation No. PER-05-MBU/2013 dated 1 May 2013, SOE Minister Regulation No. PER-07-MBU/2013 dated 27 June 2013, SOE Minister Regulation No. PER-08-MBU/2013 dated 10 September 2013, and Letter of the Deputy of Restructuring and Strategic Planning of SOE No. S-92/DS.MBU/2013 dated 3 April 2013 were revoked and declared invalid.

State-Owned Enterprise Minister Regulation No. PER-07/MBU/05/2015 dated 22 May 2015 was revoked again, which was replaced by Regulation of Minister of State-Owned Enterprises No. PER-09/MBU/07/2015 dated 3 July 2015 on Partnership Program and Community Development Program of State-Owned Enterprises.

In 2016, PKBL regulations were then changed with SOE Minister Regulation No. PER-03/MBU/12/2016 dated 16 December 2016 on Amendment to Regulation of State Minister of State-Owned Enterprise No. PER-09/MBU/07/2015 and became effective in the 2016 fiscal year. The latest SOE Ministerial Regulation, among others, regulates the source of funds for the Partnership Program and the Community Development Program, which originates from the provision of net income and/or budget calculated as costs and operational expenses of PKBL to be borne by the Fostering BUMN.

In 2017, PKBL regulations were then changed with SOE Minister Regulation No. PER-02/MBU/7/2017 dated 5 July 2017 on Second Amendment to Regulation of State Minister of State-Owned Enterprise No. PER-09/MBU/07/2015 and became effective in the 2017 fiscal year. The latest SOE Ministerial Regulation, among others, regulates the maximum changes in the number of fostered partner loans, the amount of administrative services, the minimum period of business, the parties allowed in the distribution of partnership programs, as well as the distribution of partnership program funds by Special SOEs.

Finally, the PKBL Regulation was completed through the SOE Ministerial Regulation PER-02 / MBU / 04/2020 dated 02 April 2020 concerning the Third Amendment to the Regulation of the Minister of State-Owned Enterprises Number PER-09 / MBU / 07/2015 concerning the Partnership and Community Development Program for Business Entities State Owned. This regulation included the implementation of environmental development programs in the form of natural disaster relief and non-natural disasters, including those caused by outbreaks that have been implemented by State-Owned

Enterprises before this Ministerial Regulation comes into force, declared as part of the Environmental Development program based on this Ministerial Regulation as long as included in the company's annual financial report.

Main Activities

The main activities of the Company's PKBL are lending and providing coaching funds through the Partnership Program and providing assistance through the Community Development Program.

Partnership Program (PK)

The Partnership Program is aimed at fostered partners who have a small business scale for productive investment and/or working capital purposes. The requirements that must be met by the fostered partners to obtain the Partnership Program funding are as follows:

- Meeting the criteria to be categorized as Small Business.
- In the form of an individual business, a business entity that is not a legal entity, or a business entity with a legal body, including cooperatives.
- Has conducted business activities for a minimum of 6 (six) months except for small business established or formed as BTN program implementation.
- Has the potential and business prospects to be developed and has a business license or business statement from the authorities.
- Providing or owning a share of 25% (twenty-five percent) of the funds needed for grants and loans.
- Priority is addressed to small business that does not yet have the ability to access banks (non-bankable).

Maximum Loan Amount

The maximum limit of the loan amount is IDR200,000,000 (two hundred million rupiah).

Loan Form

Loans to fostered partners are provided in the following forms:

- a. Loans to finance working capital and/or purchase fixed assets in order to increase production and sales.
- b. Additional loans to finance short-term needs in the context of fulfilling orders from business partners of the fostered partners.

Tenor

The maximum loan tenor of the Partnership Program is 5 (five) years, by considering the plan to use the loans and limits on assets or turnover owned by the fostered partners.

Loan Distribution

Loans are given directly to the fostered partners individually or in groups. Administrative Services (Loan Interest Rates). From January 2017 to June 2017, the amount of loan administration services for the Partnership Program is set once, at the time of the loan disbursement, which is 6% (six percent) per year from the loan balance at the beginning of year in accordance with PERMEN No. PER-09/MBU/07/2015.

After July 2017 to the present, the amount of loan administration services for the Partnership Program is set once, at the time of the loan disbursement, which is 3% (three percent) per year from the loan balance at the beginning of year in accordance with PERMEN No. PER-02/MBU/7/2017.

Partnership Program Funds for fostered partners are distributed in the form of:

- a. Loans to finance working capital and/or purchase fixed assets in order to increase production and sales;
- b. Special loans to finance short-term needs in the context of fulfilling orders from business partners of the fostered partners;
- c. Fostering expenses:
 - 1) To finance education, training, research, apprenticeship, marketing, promotion, which involves improving the quality of human resources and the ability to manage their business;
 - 2) Fostering expenses are in the form of grants and a maximum of 20% (twenty percent) of the Partnership Program funds disbursed in the current year; and
 - 3) Fostering expenses can only be given to or for the benefit of the fostered partner.

Community Development Program

The Community Development Program, hereinafter referred to as the BL Program, is a program to empower the social community conditions by SOEs in the SOE business area through the utilization of SOE funds.

The Community Development Program is distributed in the form of:

- a. Natural disasters and non-natural disasters, including those caused by outbreaks, victim assistance;
- b. Educational assistance, which can be in the form of training, educational infrastructure and facilities;
- c. Health Improvement Assistance;
- d. Public Facilities and/or Infrastructures Construction assistance;
- e. Worship Facilities Assistance;
- f. Natural Preservation Assistance;
- g. Community social assistance in the context of poverty alleviation includes:
 - 1) Electrification ;
 - 2) Providing Clean water facilities;
 - 3) Providing sanitation facilities;
 - 4) Education, training, apprenticeship, promotion, and other forms of assistance related to efforts to increase the economic independence of Small Businesses in addition to the fostered Partnership Program;
 - 5) Home improvement for the poor;
 - 6) Seeding support for agriculture, animal husbandry, and fisheries; or
 - 7) Business equipment assistance.