



2022 GROWING WITH PURPOSE 2



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DISCLAIMER AND LIMITATION OF LIABILITY

This Sustainability Report for Financial Year 2022 of PT Bank Syariah Indonesia Tbk is the second sustainability report published alongside the Bank's Annual Report. This Sustainability Report contains BSI's economic, social, environmental and governance performance related to sustainable development achieved during the 2022 financial year.

This report also contains the Bank's projections, plans, strategies, policies and objectives, which are classified as forward-looking statements that do not reflect historical data. Forward-looking statements in this Report may be expressed as target information, expectations, estimates, or business projections in this Report may be affected by developments in the process and implementation of Sustainable Finance, as well as changes in economic, social and political conditions both nationally and regionally, and changes in laws, policies and guidelines relating to the Islamic banking industry. Such forward-looking statements are subject to prospective risks and uncertainties, which may cause actual developments to differ from what has been written in this report.

This Sustainability Report contains the word "Bank" or "BSI" or "We" which is defined as PT Bank Syariah Indonesia Tbk.



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Growing with Purpose

Do not spread corruption in the land after it has been set in order. And call upon Him with hope and fear. Indeed, Allah's mercy is always close to the good-doers.

[Surat Al-A'raf Ayat 56]

As the largest Islamic bank in Indonesia and Top 10 Global Islamic Bank, sustainability has become the breath and the soul of PT Bank Syariah Indonesia Tbk (BSI) to act and take responsible for protecting planet earth and its contents. Therefore, we as Muslims are taught to protect the planet and not destroy it, as written in Surah Al A'raf verse 56.

Therefore, for BSI, sustainability goes hand in hand with the *Maqashid Syariah* that we uphold and becomes the main foundation for every strategic decision and planning of the Bank, as well as BSI's daily operational activities. Thus, our BSI is able to grow, to benefit stakeholders, to continue to implement best practices in sustainable finance, green activities and eco-lifestyle for all BSI employees, customers and the communities, allowing BSI to grow and be meaningful to the earth and everything in it.

Summary of Sustainability Performance



PERFORMANCE ECONOMIC ASPECT [OJK B.1]



Rp 4.26 trillion

Net profit in 2022, up 41% from the previous year



Rp 207.7 trillion

Up 21% of total financing in 2021



17.79 million



Financing for environmentally-friendly

Rp 51.15 trillion

Financing for environmentally-friendly business activities or 24.70% of the total financing



Distribution to SME

Rp 41.91 trillion

Fund distribution to SME businesses



Domestic suppliers

99 %

BSI suppliers are domestic suppliers



PERFORMANCE SOCIAL ASPECT [SEOJK B.3]



4.57%



2,274,326 hours

Total training hours in 2022 with an average training hour per employee of 122.4 hours per employee per year



Rp 97.22 billion

Total training costs incurred to administer internal training and training held at external educational institutions



1,517 SME businesses

The supported MSMEs include 3 MSME Centers in 3 provinces comprising of Aceh (1,030 MSMEs), Yogyakarta (302 MSMEs), and Surabaya (185 MSMEs)



147,556

Total beneficiaries of BSI Maslahat consisting of 145,962 individual beneficiaries and 1,594 institutional beneficiaries



Rp 187.57 billion

Total distribution of Zakat, Infaq, Social Funds, and Waqf in 2022 to beneficiaries through BSI Maslahat



PERFORMANCE ENVIRONMENTAL ASPECT [SEOJK B.2]



97,672 Liter



4,385.65 Ton CO₂-eq

Total emissions generated from electricity and fuel



100%

LED lighting in all BSI offices



9.26 Ton CO₂-eq

The total plastic bottle waste collected by Collection Point in the collaboration program with PlasticPay, helps reduce the carbon footprint by 9.26 million gram CO₂-eq



33,500

Total tree planting conducted in 2022 in various locations

About Sustainability Report

“ This Sustainability Report is the second PT Bank Syariah Indonesia Tbk (BSI) sustainability report and an attestation of BSI's commitment and responsibility in upholding transparency and accountability for all stakeholders and the Company's contribution to achieve the Sustainable Development Goals (SDGs). ”

BSI publishes a Sustainability Report once every year alongside with the Company's Annual Report. This report was the second BSI sustainability report. [GRI 2-3]

In presenting the report, the mention of "BSI", "Company", "Bank" or "We" is used to represent PT Bank Syariah Indonesia Tbk, and all financial information in this report is expressed in Rupiah (IDR) with numbers written in Indonesian.

Report Profile

The BSI Sustainability Report for the 2022 fiscal year has been prepared following the criteria of the Financial Services Authority Number 51/POJK.03/2017 on the Implementation of Sustainable Finance for Financial Services Institutions, Issuers and Public Companies and Circular Letter of the Financial Services Authority of the Republic of Indonesia Number 16/SEOJK.04/ 2021 about the Form and Content of Annual Reports of Issuers or Public Companies. In addition, this sustainability report also uses international sustainability reporting standards, namely the Global Reporting Initiatives version 2021 (2021 GRI Standard) with reference option.

To make the Report easier for reader to find information in this report and its relevance to each of the standard criteria used, we include a criteria index at the end of paragraphs/pages discussing relevant topics/issues. The complete reference index can be found on page 90.



Reporting Principle

BSI referred to the reporting principles of the 2021 GRI Standard in the process of preparing this report with the objective of ensuring the quality and credibility of the information and data reported. The reporting principles are:

1  Accuracy	2  Balance	3  Clarity
4  Comparability	5  Completeness	6  Sustainability Context
7  Timeliness	8  Verifiability	



Scope and Limitation of the Report

The data and information this report comprise of the activities conducted by PT Bank Syariah Indonesia Tbk, including the head office in Jakarta, as well as all branch offices in Indonesia. No activity from BSI is excluded from the scope of reporting. **[GRI 2-2]**

In addition, there is no restatement of data or information stated in previous reports. **[GRI 2-4]**

All data and information in this report has gone through an internal verification process in each related Division/Department/Function and an internal audit process. Moreover, the credibility of the data and information in this report has also been verified by an independent external assessor, namely SR Asia using the AA1000 Assurance Standard Type 1 Level Moderate. Assurance statement of the process is attached at the end of this Report. **[GRI 2-5]**

Material Topics [GRI 3-1] [GRI 3-2] [GRI 3-3]

The material topics in this report are determined through a process of stakeholder engagement and mapping of issues in accordance with the ISO 26000: 2010 Social Responsibility Guidelines with a materiality process that promotes stakeholder inclusiveness. This process is reviewed in more detail in the Sustainability Governance chapter in the Stakeholder Engagement sub-chapter of this report.

The results of a review of the list of material topics show that there were no material changes in topics from the previous period, where the list of material topics is still relevant and in accordance with the needs of stakeholders for the 2022 reporting year.

Meanwhile, BSI involves stakeholders in reviewing material topics this year to ensure the Bank can obtain a comprehensive perspective, help improve reporting quality, and ensure that decisions taken take into account the interests of all parties involved.

Generally, the engagement methodology is performed through discussions and consultations, including face-to-face meetings or online via virtual platforms. In discussions and consultations, the Bank provides opportunities for each stakeholder to convey their views, opinions and input on material topics as well as other matters that need to be of concern to the Bank.

The list of material topics that have been determined through the process for the 2022 financial year BSI Sustainability Report is as follows:

Material Topics with Very High Priority Category:



- Occupational Health and Safety
- Economic Performance
- Product Portfolio

Material Topics with High Priority Category:



- Anti-Corruption
- Training and Development
- Indirect Economic Impact

Material Topics with Moderate Priority Category:



- Consumer Privacy

Reporting Period

The reporting period in this Sustainability Report includes the performance of the economic, environmental, social and sustainable governance aspects of BSI from 1 January 2022 to 31 December 2022.

[GRI 2-3]



Response from Feedback of Previous Sustainability Reports [SEOJK G2] [SEOJK G3]

From the Bank's 2021 sustainability report, we received feedback from the Financial Services Authority (OJK), requesting the Bank to refine BSI's sustainability strategy. Based on this feedback, BSI has completed the its sustainability strategy whose review can be found in the Sustainability Strategy and Commitment Chapter of this report.



Suggestions and Feedback

BSI invites all stakeholders to provide input towards this Report so that we can improve its quality in the future by contacting the following information centers: [GRI 2-3]



Contact Person:
Gunawan Arif Hartoyo
Senior Vice President
Corporate Secretary & Communication

 Telepon : +62 21 30405999
 Fax : +62 21 30421888

 @bankbsi.co.id

 Bank Syariah Indonesia

 @bankbsi_id @bsihelp
(Akun Official Customer Care)

 @Bank Syariah Indonesia

 Bank Syariah Indonesia

Call Center :
BSI Call 14040

Company Identity



BSI is here to provide access to sharia financial solutions in Indonesia, to become a Large Bank that delivers the best value for shareholders, to be the Company of Choice and to be the Pride of Indonesia's best talents so that it can realize its vision of becoming a Top 10 Global Islamic Bank.



Name of Company

PT Bank Syariah Indonesia Tbk [GRI 2-1]



Head Office Address

[SEOJK C.2][GRI 2-1]

Gedung The Tower
Jl. Gatot Subroto No.27, Karet Semanggi, Setiabudi,
Jakarta Selatan, 12930, Indonesia
Telepon: 021-30405999
Call Center: 14040 1500789
(khusus melayani nasabah perusahaan
dan institusi)
Website: www.bankbsi.co.id
e-mail: contactus@bankbsi.co.id



Date of Operation

1 February 2021



Description of brands, products and services

[SEOJK C.4][GRI 2-6]

A banking sector that is based on Islamic sharia principles with products for individual customers (such as savings, hajj & umrah, investment, and others), corporate customers (such as services, loans, treasury, and others). BSI also offers digital banking and card services.



Line of Business

Sharia-based Commercial Bank



Legal Basis of Establishment [GRI 2-1]

- State Gazette of the Republic of Indonesia Number 43 – 28 May 1971 – Supplement Number 242
- Gazette of the Republic of Indonesia Number 85 – 23 October 2009 – Supplement Number 26142
- Gazette of the Republic of Indonesia Number 96 – 1 December 2009 – Supplement Number 27908



Significant Changes [GRI 2-6] [SEOJK C.6]

There were no significant changes that disrupted the Bank's business and operations.



Business License [GRI 2-1]

- Decree of the Bank Indonesia Governor Number 10/67/KEP.GBI/DpG/2008 of 16 October 2008
- Decree of the Bank Indonesia Governor Number 11/63/KEP.GBI/DpG/2009 of 15 December 2009



Company Legal Entity [GRI 2-1]

BSI is a Limited Liability Company (PT)



Composition of ownership

[SEOJK C.3] [GRI 2-6]

Series A Dwiwarna Shares:
Republic of Indonesia 1 share

Saham Seri B Dwiwarna:

- PT Bank Mandiri (Persero) Tbk **51.47%**
- PT Bank Negara Indonesia (Persero) Tbk **23.24%**
- PT Bank Rakyat Indonesia (Persero) Tbk **15.38%**
- Other shareholders with ownership below 5% (including the Public) **9.91%**



IDX Symbol

BRIS



Stock Exchange

The company stock was listed at Indonesia Stock Exchange on 9 May 2018



Area of Operation [SEOJK C.3]

Indonesia



Branch Offices

[SEOJK C.3][GRI 2-6]

Office network consists of:
10 Regional Office
153 Branches (KC)
959 Sub-Branch Office (KCP)
60 KCP Mobile (dhi: MKK)
96 Functional Offices (KF)
16 Priority Service Counter
734 Pawn Service Counter
2.548 Automatic Teller Machine (ATM)



Market Served

[SEOJK C.3][GRI 2-6]

- All over Indonesia, including corporate customers, state-owned enterprises, micro, small, and medium entrepreneurs, education, health, construction, agriculture, and households.
- Dubai, United Arab Emirates, both for retail customers and global investors.

Company Overview

2022

2021

BSI was able to complete the first rights issue process through Pre-emptive Rights. This process was over subscribed by 1.4 times and generated additional capital of around Rp5 trillion.

Bank Syariah Mandiri and BNI Syariah merged with BRI Syariah to become one entity, Bank Syariah Indonesia (BSI) on February 1, 2021, which coincides with 19 Jumadil Akhir 1442 H.





Vision **TOP 10** GLOBAL ISLAMIC BANK

[SEOJK C.1]

Mission



Provide access to Sharia Financial Solutions in Indonesia



Become a large bank that delivers best value for shareholders



Become a company of choice and the pride of Indonesia's best talents

Code of Conduct

Code of conduct is a guideline on work and cooperation behavior to interact with parties in and/ or outside the Bank that is elucidated based on the fundamental principles of sharia and good corporate governance to actualize BSI vision and mission. Code of conduct contains valid normative rules and will be used as a guideline in establishing policies, procedures, and existing management practices in the Bank.

The matters regulated in the Code of Ethics are:

- Conflict of Interest
- Prohibition of Risyawah (Bribe and Gratification)
- Confidentiality
- Abuse of Power
- Insider Behaviors
- Integrity and Bank Data Accuracy
- Banking System Integrity
- Employee Account Management
- Annual Disclosure
- Sanctions for Violation/Non-compliance
- Monitoring, Implementation and Updating

In the fiscal year 2022, management did not review the Vision and Mission of BSI, because they considered it still relevant to the development of the Bank.

Vision and Mission of BSI Sustainable Finance [SEOJK C.1]



Vision

Become a Top 5 Bank in Indonesia based on the implementation of sustainable finance within 5 years.



Mission

- 1. To provide access to sustainable finance in Indonesia with products and services that meet customer needs.**
- 2. To be a bank that makes the best contribution to the economy, environment and social by becoming a top 5 bank in Indonesia in terms of sustainable financing ratio and CSR implementation to provide benefits to the wider community.**
- 3. To be a company that empowers all employees to have awareness and attention in applying sustainable finance principles to banking operations.**



Building Sustainable Culture [SEOJK F.1]

The implementation of work culture is adjusted to business strategy in the face of the digital era. This implementation also acts as a support in achieving the company's vision to become a Top 10 Global Islamic Bank. BSI adapts the formula of sustainability value with the Vision and Sustainability Value engrained in BSI Shares Values.

Sustainability Culture Implementation Initiative

- Integrating values into employee behavior through the internalization of AKHLAK & Culture Theme in learning materials by collaborating with all Academy in the BSI Corporate University Unit and BSI Head Office & Outlet Work Units throughout Indonesia.**
- Strengthening performance culture and caring for stakeholders through leaders as a role model (lead by example).**
- Enhancing learning culture and agility through blended learning for continuous improvement and innovation.**
- Maintaining the Company's sound growth by increasing risk awareness and efforts in fraud prevention, joining forces with relevant work units**
- Implementing Change Agent reinforcement program in work culture acceleration to increase engagement & ownership towards the Company.**
- Developing awareness towards humanity through social movement and volunteer programs for optimized contribution and more blessings.**

Business Scale [SEOJK C.3]

Description	Unit	2022	2021
Total Assets	Billion Rupiah	305,727	265,289
Mudharib Income	Billion Rupiah	19,620	17,808
Total Liabilities	Billion Rupiah	73,655	61,886
Total Equity	Billion Rupiah	33,505	25,014
Distribution of Funds	Billion Rupiah	279,713	249,695
Total Employee	Person	18,581	19,449
ATM network	Unit	2,548	2,618



Distribution and Number of Customer Services and Information [SEOJK C.3]



Association Membership [SEOJK C.5][GRI 2-28]

BSI is an active member of several associations or industrial organizations, as well as professional bodies. This participation is a means for the Bank to expand its insights and gain information on developments of sharia banking industry, regulations, economic condition, and customer needs.

Association	Forum
Asosiasi Bank Syariah Indonesia (Asbisindo)	Indonesia Sustainable Finance Initiative
Indonesian Bank Association (Perbanas)	Communication Forum of Banking Compliance Directors (FKDKP)
Association of Indonesian Islamic Economists (IAEI)	Financial Services Industry Communication Forum
Sharia Economic Society (MES)	
Indonesia Bankers Association (IBI)	
National Sharia Board – Indonesian Council of Ulama (DSN-MUI)	
Indonesian Banking Dispute Resolution Alternative Agency (LAPSPI)	
Indonesian Payment System Association (ASPI)	
Association of Indonesian Mutual Fund Securities Selling Agent Banks (ABAPERDI)	
Indonesian Sharia Fintech Association (AFSI)	
Indonesian Issuers' Association (AEI)	
Alternative Dispute Resolution Agencies in Financial Services Sector (LAPS-SJK)	
Islamic Financial Services Board (IFSB)	

Certification

BSI strives that all Bank's operations are in line with quality feasibility study standards. BSI personnel mostly owned several certifications issued by independent agencies regarding competency in the banking sector, such as risk management and general banking. As for corporate certification, there are ISO/IEC 2 70001:2013 on the Information Security Management System, ISO 9001:2015 on Quality Management System, ISO 37001:2016 on Systems Anti-Bribery Management and ISO 37301 on Anti-Money Laundering.

Supply Chain [GRI 2-26]

In managing its operations, the Bank works with suppliers that offer office needs, labor, transportation facilities support, planning consultants, infrastructure implementers and supervisors, and other assistance services. In 2022 BSI conducted 922 procurements with the following details:



Procurement of IT
Goods and Services

225



Procurement of Non-IT
Goods and Services

460



Procurement of
Renovation/Relocation

237



Total Procurement

922

With regard to domestic suppliers, BSI realizes that the Bank's commitment to include domestic suppliers is very important in supporting domestic economic growth. Through domestic suppliers' involvement, the Bank may help drive the economy, create new jobs, and reduce dependence on imports. In addition, participation of local suppliers can also strengthen the relationship between BSI and the community, thereby creating trust and support from stakeholders. Through end of 2022, BSI has been working with 310 domestic suppliers which are domiciled in Indonesia or 99% of the total number of the Bank's suppliers.

Description	Total	%
Domestic Suppliers	310	99
Overseas Suppliers	4	1
Total	314	100



BSI's suppliers domiciled in Indonesia. [GRI 204-1]

99 %

Supply Chain

The supplier designation process is the responsibility of Procurement Group which is conducted in accordance with the Bank's policy. BSI also sets certain requirements, especially aspects of sustainability to partners as a joint step towards realizing responsible operations. The Bank holds guidelines and a system of cooperation with suppliers, where these guidelines serve as a reference in the procurement process such as the selection process and application of the following principles:

1. **Sharia Principle**, implementing compliance with Sharia Principles in procurement activities
2. **Effective**, Procurement activities must be in accordance with the needs/plans that have been determined and can provide optimal benefits for the Bank.
3. **Efficient**, Procurement activities is carried out to achieve quality according to the target set, with the agreed time at the best price level.
4. **Competitive/Open and competitive**, the implementation of Procurement must be accessible to Goods and Service Providers who have met the requirements and performed through fair competition among Goods and Service Providers and meet certain requirements/criteria based on clear and transparent terms and procedures.
5. **Transparent**, all provisions and information regarding the procurement implementation, including technical and administrative requirements, evaluation procedures, evaluation results, determination of prospective goods and services providers must be clear and transparent.

6. **Fair and Reasonable**, giving equal treatment to all prospective Goods and Services Providers and not aiming to provide benefits to certain parties in any way or reason.
7. **Accountable**, procurement processes, results, and payments must be accountable.
8. **Responsibility**, the procurement process is carefully administered and in compliance with applicable regulations.
9. **Independent**, procurement decisions are taken objectively and free from pressure from any party.

To understand perceptions towards the procurement process and implementation within the Company, BSI has conducted a supplier satisfaction survey in December 2022. There were 50 suppliers in the survey. The methodology used in the survey is through a Likert scale assessment.

The assessment guidelines are described in the table below:

Likert Scale Score	Category
< 1,00	Unsatisfactory
1,01 - 2,00	Less Satisfactory
2,01 - 3,00	Average
3,01 - 4,00	Satisfactory
4,01 - > 5	Very Satisfactory

Referring to the guidelines for this scale, the results of the supplier satisfaction survey related to the procurement process in 2022 was 4. This achievement reflects the level of satisfaction of the Bank's partners in the procurement process which is included in the "Satisfactory" category.

EVALUATION INDICATOR	SCORE	KRITERIA
Partner Selection Mechanism	4	Satisfactory
Implementation of Procurement Process Stages	4	Satisfactory
The process of completing work payments	4	Satisfactory
Others:		
1. Procurement & Fixed Asset Group (PFA) has fairly performed (not in favor of one vendor) in the process of procuring goods and services.	4	Satisfactory
2. PFA services provide overall office physical facilities (provision of waiting rooms, meeting rooms, information counters, cleaning, prayer rooms, toilets, and others).	4	Satisfactory
3. General security and service within the PFA environment.		

BSI Sustainability Strategy & Commitment

“ For BSI, sustainability runs along with Maqashid Sharia which we maintain and uphold. With this principle we are committed to creating synergy between business growth, goodness and benefits for the people and customers we serve, the welfare of the environment and society at large, and the achievement of Sustainable Development Goals (SDGs).

”

Sustainable Finance & Maqashid Asy Shariah

[GRI 2-22][SEOJK A1]

As a Bank that is based on the sharia principle, sustainability has become an indispensable part of PT Bank Syariah Indonesia, Tbk (BSI). Through sustainable finance, we maintain the goals of sharia (Magoshid Syariah) that consist of Hifdz Ad-Din (Upholding Religion), Hifdz An-Nafs (Maintaining the Soul) Hifdz Al'Aql (Nurturing Logic), Hifdz Nasab (Maintaining Offsprings), and Hifdz Maal (Maintaining Wealth) underlies what we conduct every day.

Sustainable Finance is the Bank's comprehensive support for sustainable growth that results from the alignment of economic, social, and environmental interests.

Maqashid Ash Sharia is the objectives of sharia, which is to create benefit or goodness for creatures on earth, which then impacts on benefit or goodness in the hereafter.

The Sustainable Finance Business Concept is aligned with Maqashid Ash Sharia

Tripple Bottom Line
(Sustainable Finance Business Concept)



People



Profit



Planet

Maqashid Ash Sharia

Hifdz Ad-Din: Preserving religion
Hifdz An-Nafs: Preserving the soul
Hifdz Al'Aql: Preserving the mind

Hifdz Al-Maal: Preserving property

Hifdz Nasab: Preserving offspring



Sustainability Value

BSI Sustainability Aspirations: Become Indonesia's Leading Syariah Bank with World-Class Sustainability Agenda

Strengthening Overall Sustainability Governance & Strategy	Integrating Sustainability into BSI's Core Business Activities	Empowering Indonesian ESG Community & Beyond
<ul style="list-style-type: none">Establishment of the ESG CommitteeSustainability KPIs become part of Individual or BU assessmentProviding ESG training to 100% employees through the "Culture, Awareness, Program"	<ul style="list-style-type: none">Achieving sustainable financing ratio >30%Carrying out ESG Scoring as part of financing applicationProducts offering in line with ESG (green sukuk, MSME financing)	<ul style="list-style-type: none">Engagement with > 20 stakeholders and influencers in the sustainability fieldCarrying out Islamic philanthropic activities that support government policies

Communication Approach of Corporate Values Including BSI Sustainability Aspirations to All Employees and Staff [GRI 2-23]

As a Company committed to creating a positive impact for community, environment and the economy, BSI has determined a long-term sustainability goal in BSI Sustainability Aspirations. As part of the Bank's effort to reach that goal, the Company believes that it is important to ensure that corporate values are understood and implemented by all our employees and workers.

Therefore, BSI has adopted a holistic and sustainable communication approach to communicate corporate values, including BSI Sustainability Aspirations to all employees and staff. This approach covers:

1. Internal Communication

BSI understands that it is important to build a sustainable corporate culture through an effective internal communication, among others, email blast for all employees and workers that contains the newest update concerning our sustainability initiatives, the Bank's internal media to promote and educate the Company's employees and staff regarding BSI's corporate values.

2. Training and Education

We realize that education and training are the key in building strong awareness and understanding on the Bank's corporate values. Therefore, BSI regularly provides sustainability (sustainable finance) training.

3. Various Internal Communication Platform

We also provide easy-to-access and understand resources regarding our corporate values, whether digital media or in the Company Regulation.

IMPLEMENTING AND CULTIVATING SUSTAINABLE FINANCE AT BSI [GRI 2-24] [SEOJK F1]

Starting from the BSI Sustainability Aspirations, the implementation of sustainability and sustainable finance in BSI is outlined in the sustainable finance strategy in accordance with the Financial Services Authority Regulation No. 51/POJK.03/2017 concerning the Implementation of Sustainable Finance for Financial Service Institutions, Issuers, and Public Companies, which has been included in the BSI Sustainable Finance Action Plan (SFAP) with a main focus on:

1. Product portfolio
2. Human Resources Development
3. Governance & Organization
4. Policies, SOP and Risk Management

Furthermore, the four focuses are outlined in the Governance Policy and architecture of policies as well as procedure that regulates Sustainable Sharia Banking Principles, namely BSI's business sustainability principles based on the balance of economic, social, and environmental aspect and manage negative impact from the Bank's operations and financing. [GRI 2-25]

BSI's Sustainable Sharia Banking Principles include all principles of managing the Bank's activities as follows:

1. Sharia Principles-principles of fairness, balance, and benefit.
2. Customers
3. Business Strategies
4. Banking Operations
5. Risk Management
6. Human Resources
7. Community Development Program

These seven aspects are then further outlined in various standard bank procedures and operations, among others:

1. **Standard Procedures of Policy & Procedure Making of Sustainable Sharia Banking Principal** becomes the fundamental value in the preparation of all Bank Policies and Procedures.
2. **Standard Procedure for Corporate Planning, ABOP, WPB, and SFAP:** Procedures that regulate obligations and procedures for the preparation of SFAP and Sustainability Report.
3. **Standard Procedure for Corporate Secretary:** Procedures that regulate the implementation of CSR
4. **Financing Policy, Standard Financing Procedures, and Portfolio Guidelines:** Regulates the determination of financing criteria to support Sustainable Financing in the Financing Policy and Standard Procedures.

Implementation of POJK No.51/POJK.03/2017 - Governance



More details on Policies, SOPs and Risk Management related to financing and risk mitigation, both on wholesale banking and retail banking are reviewed in the Economic Performance Chapter of this report.



President Director's Speech

[SEOJK D1] [GRI 2-22]



BSI is committed to realizing Islamic banking which is a reflection of Islam that is rahmatan lil alamin through the implementation of sustainable finance and banking that is able to create synergies between business growth, goodness and benefits for the people and customers, environmental and community welfare at large, and the achievement of Sustainable Development Goals (SDGs)



Bismillahirrahmanirrahim. Assalamu'alaikum Warahmatullahi Wabarakatuh.

Alhamdulillah, we should be grateful that the government and society in general have succeeded in handling the COVID-19 pandemic in 2022, which will hopefully end in the near future. We also always carry this spirit of optimism in carrying out better banking services so as to strengthen the Islamic banking industry in Indonesia to achieve a leading and modern sharia economy, and realize our Vision to become a Top 10 Global Islamic Bank, in the middle of various opportunities and challenges in the years to come.

Sustainability is the Soul and Breath of BSI

For Islamic banking, Sustainability and Environment-Social-Governance (ESG) become a unity in the Company's operations. The principle of maintaining a balance between economic growth with environmental sustainability and social welfare for the sustainability of humanity is in line with the objectives of sharia or maqoshid sharia consisting of hifdz diin (protecting religion), hifdz nafs (protecting the soul), hifdz aql (protecting the mind), hifdz nasb (protecting offspring) and hifdz maal (protecting property).

Moreover, it has been embedded in the brand manifesto of BSI, that the Bank is committed to realizing Islamic banking which is a reflection of Islam that is rahmatan lil alamin. In other words, BSI is a mercy to the universe through the implementation of sustainable finance and banking that is able to create synergies between business growth, goodness and benefits for the people and customers, environmental and community welfare at large, and the achievement of Sustainable Development Goals (SDGs).

Sustainability Performance and Sustainable Finance 2022

BSI was established directly by Indonesian President, Joko Widodo, in 2021, through the merger of 3 large Islamic banks in Indonesia, namely PT Bank Syariah Mandiri, PT BNI Syariah and PT Bank BRI Syariah Tbk, which comes with a great mandate for the development of national Islamic banking and provides new energy for Indonesia.



Hery Gunardi
President Director
PT Bank Syariah Indonesia Tbk.

President Director's Speech

The implementation of sustainable finance and banking at BSI focuses on three pillars, namely: Business Refocusing, Fixing the Fundamentals, and Strengthening Enablers. From these three pillars, we developed five priority programs of Sustainable Finance Action Plan (RAKB) which are guided by the Financial Services Authority Regulation (POJK) No. 51/POJK.03/2017, namely Product and Service Development, Bank Internal Capacity Development, Governance Improvement, Green Campaign/Eco Lifestyle, as well as Social and Environmental Responsibility (TJS).

In the Product and Service Development priority program which is in line with sustainable finance and banking, in 2022, it managed to record Sustainable Financing for Environmentally Friendly Business Activities at Rp51.15 trillion. In providing MSME financing, debtor selection is prioritized for environmentally friendly businesses with ESG risk assessment integrated with the debtor evaluation process. As of December 2022, financing to MSMEs amounted to Rp41.82 trillion, reaching 20.19% of our total financing in 2022. BSI's strong support for MSMEs plays an important role in establishing the foundation of the Indonesian economy as it is evident that during the past two years, MSME business has been stable and even increasing. In 2022, the top three green industry sectors receiving financing from BSI were biological natural resource management, products that can reduce resource use and produce less pollution, as well as new renewable energy.

From the Bank's Internal Capacity Development priority program, BSI has held 2,274,326 hours of total training hours throughout 2022 with an average training hour per employee reaching 122.40 hours per employee per year. Regarding sustainable finance and ESG materials, since 2021 until the end of 2022, a total of 12,425 BSI personnel have received training related to sustainable finance, banking, climate-related financial performance, and RAKB socialization. These participants also include BSI's Board of Directors, Board of Commissioners, and Sharia Supervisory Board. Certainly, we will continue to promote ESG, sustainability, and sustainable finance and banking with sharia principles to all BSI personnel so that BSI can truly become an ESG-integrated and competent bank.

In terms of governance, BSI, by combining best practices from our legacy banks, has succeeded in creating good corporate governance, a strong organization and appropriate and efficient mechanisms or workflows. BSI has also determined a Human Capital Roadmap, to support the transformation of BSI's organization and human resources (HR) that are innovative and proactive in responding to future challenges and changes.

For the Green Campaign and Eco-Lifestyle programs, BSI continues to invite all BSI people, customers, and the communities we serve to participate in realizing a better future for all of us. Green campaign and eco-lifestyle programs that continue to run consistently in 2022 include the areas of energy and emissions, water, waste, and nature-based solutions, both involving internal banks, customers, as well as various external stakeholders. Regarding nature-based solutions, by the end of 2022, BSI has planted 33,500 trees in various locations in BSI Bakauheni Mosque, Bromo, Lebak Banten, Katulampa Bogor, and Badung Bali.

Furthermore, in terms of Social & Environmental Responsibility, BSI's community social programs are implemented by Bangun Sejahtera Indonesia Maslahat Foundation (BSI Maslahat). BSI Maslahat, previously known as Bangun Sejahtera Mitra Umat Foundation (BSMU Foundation) which has been established since November 21, 2001. In 2022 this foundation officially changed its logo and name to Bangun Sejahtera Indonesia Maslahat (BSI Maslahat) as an effort to strengthen partnerships with strategic partners of PT Bank Syariah Indonesia, Tbk in optimizing the potential and collecting ZISWAF (Zakat, Infaq, Sadaqah, and Waqf) funds as well as social and CSR donations targeting individual and corporate muzakki (donors). Throughout 2022 through BSI Maslahat, BSI carried out a total of 22 programs with a total of 145,962 beneficiaries and 1,594 beneficiary institutions. The total distribution of UPZ BSI, Zakat, Infaq, Social Funds, and Waqf in 2022 reached Rp187.57 billion.

Moving Forward

BSI is very aware that there are still many improvements ahead that we must do, especially to realize sustainable finance and banking in line with the objectives of sharia or maqoshid sharia comprehensively and holistically, one of which is to build the competence of BSI personnel related to sustainable finance and climate-related performance of banking institutions, as well as the integration of sustainable finance principles and climate-related impacts into all our activities and decision-making processes, so that sustainability can truly permeate the culture and DNA of BSI.

For this reason, we will continue to strengthen and sharpen the pillars of the BSI Sustainable Finance Action Plan (RKAB), including how BSI can support Indonesia in realizing the energy transition towards a Low-Carbon Economy, and achieving Enhanced National Determined Contribution (ENDC) in accordance with the global Paris Agreement to prevent climate change. In addition, the Corporate Secretary's Standard Operating Procedures (SPO) and the Bank's Business Plan SPO, Corporate Plan will also continue to strengthen its integration with sustainable finance and global climate action.

Final Words

On behalf of the BSI's Board of Directors, I would like to express my gratitude to all stakeholders for their trust, cooperation, and various inputs so that BSI can continue to strengthen the steps and benefits of our presence in the middle of Indonesian society.

Our highest appreciation is conveyed to all levels of management and BSI People for their hard work, thoughts, and dedication. Let us be one heart, one step, one goal for BSI to become a sharia bank that is the pride of the community that can provide new energy for Indonesia's economy, and provide tangible benefits for the achievement of Sustainable Development Goals (SDGs).

Wassalaamu'alaikum Warahmatullahi Wabarakatuh.



Hery Gunardi
President Director
PT Bank Syariah Indonesia Tbk.



SUSTAINABILITY GOVERNANCE



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In implementing Sustainable Finance, BSI has a Sustainability Governance Structure. The Bank establishes a Sustainable Finance (SF) Team to compile, coordinate, direct, and supervise the Sustainable Finance Action Plan (RAKB).

BASIS OF GOVERNANCE STRUCTURE

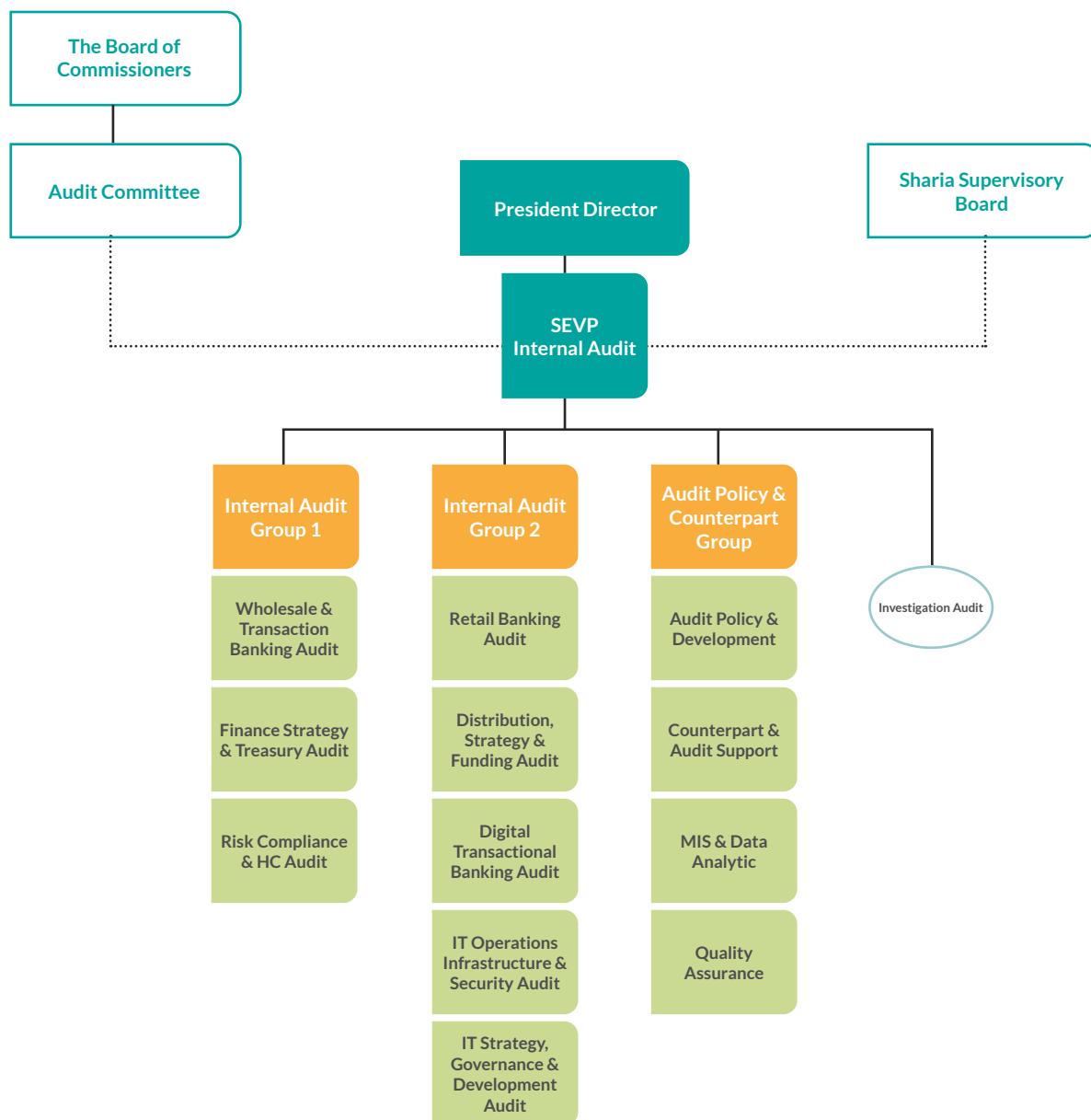
BSI is committed to implementing the principles of good corporate governance (GCG) in a sustainable manner within the Bank. BSI believes that through the implementation of GCG principles, the Bank will run a sound banking system that is compliant with applicable laws and regulations, particularly in the sharia sector.

BSI implements good corporate governance by referring to Bank Indonesia Regulation No.11/33/PBI/2009 concerning Implementation of Good Corporate Governance (GCG) for Sharia Commercial Banks (BUS) and Sharia Business Units (UUS), Financial Services Authority Regulation No. .18/POJK.03/2014 concerning Implementation of Integrated Governance for Financial Conglomerates, as well as other related regulations. The Governance Policy has been approved through the approval of the Board of Commissioners on the approval sheet Letter No.01/001/-3/DIR-PPG dated 1 February 2021 and the Board of Commissioners' decision letter regarding the pillars of risk management policies and internal, business, operational and control systems. All of these policies become a reference for all work units in implementing the principles of transparency and accountability.

Sustainability Governance

CORPORATE GOVERNANCE STRUCTURE [GRI 2-9] [GRI 2-11]

The determination of the corporate governance structure at BSI refers to Law Number 40 of 2007 concerning Limited Liability Companies and Bank Indonesia Regulation Number 11/33/PBI/2009 concerning the Implementation of Good Corporate Governance for Sharia Commercial Banks and Sharia Business Units.



The BSI GCG structure is broadly divided into Main Organs and Supporting Organs, which are supported by policies and procedures. The organizational structure of Bank Governance is as follows:

- General Meeting of Shareholders (GMS);
- Board of Commissioners;
- Sharia Supervisory Board;

- d. Board of Directors;
- e. Committees under the Coordination of the Board of Commissioners; And
- f. Committees under the Coordination of the Board of Directors. Main Organs of BSI are as follows:

Composition of Corporate Governance Based on Position

Position	Total (Person)
Board of Commissioners	9
Board of Directors (Executive)	10

Board of Commissioner Composition

Position	Total (Person)
Non-independent	4
Independent	5

Composition of Corporate Governance Based on Term of Office [GRI 405-1]

Term of Office	Total (Person)
1 - 3 tahun	19

Composition of Corporate Governance Based on Gender

Gender	Total (Person)
Male	17
Female	2

SUSTAINABILITY GOVERNANCE STRUCTURE [SEOJK E1]

In carrying out Sustainable Finance, BSI has a sustainability governance structure which is part of the Bank's Corporate Secretary & Communication Group structure. The establishment of this structure is based on Directors Decree No.01/309-KEP/DIR dated 27 October 2021 concerning the Organizational Structure of the Corporate Secretary & Communication Group of PT Bank Syariah Indonesia Tbk.



DUTIES AND RESPONSIBILITIES [SEOJK E1][GRI 2-14]

The Board of Commissioners, the Sharia Supervisory Board and the Board of Directors, as well as the Supporting Organs consisting of Committees under the Board of Commissioners and the Board of Directors are collectively responsible for the implementation of Sustainable Governance by taking into account economic, environmental and social performance achievements. To compile, coordinate, direct and supervise the Sustainable Finance Action Plan (RAKB), the Bank forms a Sustainable Finance Team (SF) which is under the Corporate Secretary function and under the coordination of the Director of Compliance & Human Capital. [GRI 2-12][GRI 2-13]

Sustainability Governance

The results of RAKB implementation are submitted by the Corporate Secretariat to the Board of Directors, who then convey the results back to the Board of Commissioners for direction. RAKB implementation is supported by several related work units, including: Corporate Business Group (CB1 & CB2), Commercial Business Group (CMG), SME Business Group (SMG), Micro Business Group (MBG), Procurement Group (PRG) and BSI Corporate University (BSU). The Bank then monitors and evaluates the implementation of RAKB priorities on a quarterly basis and reports them to the Director of Supervision, Corporate Secretary and the Audit Committee if necessary.

BSI reports its sustainability performance to shareholders at the General Meeting of Shareholders (GMS). We have not yet granted voting rights to shareholders regarding discussions on environmental or social issues. However, all shareholders are welcome to vote in expressing opinions related to Environmental, Social, Governance (ESG) issues.

SUSTAINABILITY COMPETENCE DEVELOPMENT [SEOJK E2][GRI 2-17]

To increase knowledge and competency related to the topic of sustainability, BSI has implemented a competency training and development program for employees throughout 2022. Competency development is carried out so that those responsible for the topic of sustainability have the ability and understanding of the development of science and the latest issues related to sustainability.

Competency training and development programs are the responsibility of BSI Corporate University. In 2022, 6,332 BSI employees attended education and training on Sustainable Finance, bringing the total number of BSI employees who have been educated since 2021 to 12,425 employees. The Bank also provides sustainable financial insights to the Board of Directors and Board of Commissioners in the form of webinars, self awareness and digital learning activities.

Competency Development

12,425 BSI employees

have joined competency development on Sustainable Finance up to end of 2022.

MANAGING ENVIRONMENTAL AND SOCIAL RISK [SEOJK E3]

Risk management carried out by BSI through the risk management unit is comprehensive for every business activity, in which each stage of management is managed systematically and effectively which allows for a continuous feedback process.

Risk management aims at minimizing potential negative impacts arising from the Bank's operational activities, including the impact of climate change. In accordance with its role, risk management also examines the risk impact of each financing, including risks on ESG aspects. To reduce this risk, BSI has begun to map out its financing portfolio by focusing on businesses that have a high risk in the ESG aspect. [GRI 2-25]

The management of ESG risk management at BSI is outlined in the Standard Business Procedures for the Financing Portfolio Guideline which outlines 4 directions related to financing, as follows:

Prohibition of providing financing that violates the basic principles of Sharia, in the form of:

- a. The principle of justice and balance ('adl wa tawazun)
- b. Benefit (maslahah)
- c. Universalism (alamiyah)
- d. Contains objects of maysir (speculation), gharar (unclear), haram, usura, risywah (gratification), bathil (unfair), and dzalim.

Prohibition of financing that has the potential to damage the environment

Mandatory AMDAL and PROPER for certain types of business. The Bank does not provide financing to companies that receive red and black PROPER ratings. BSI also ensures the following four things in consideration of providing financing:

- a. Tidak ada pencemaran dalam proses produksi/ There is no pollution in the production process
- b. Tidak ada polusi dan adanya pengolahan limbah sesuai dengan ketentuan/ There is no waste pollution and there is waste treatment in accordance with regulations
- c. Tidak adanya pengaduan dari penghuni/masyarakat di lingkungan sekitar tempat usaha/ There are no complaints from residents/community in the surrounding areas where the business is located.
- d. Pemenuhan semua peraturan dan regulasi pemerintah yang berlaku/Compliance with all applicable government rules and regulations.

There is a requirement of Industry Acceptance Criteria (IAC) for the palm oil industry that has Indonesian Sustainable Palm Oil (ISPO) and/or Roundtable for Sustainable Palm Oil (RSPO) certification

In order to ensure the effectiveness of ESG risk management and mitigation at BSI, we have developed the process to cover the entire financing process (end to end process), from planning, acquisition, monitoring, to collection and recovery, both for wholesale and retail customers so that BSI can build good financing portfolio and in line with the Sustainable Development Goals (SDGs) and Maqashid Syariah.

Sustainability Governance

WHOLESALE



1. Financing Planning
 - a. Determine risk corridors that take into account the focus of the industry sector, target customers and client tiering.
 - b. Determine the management threshold and pipeline management
 - c. Carry out wholesale ratings.
2. Acquisition Process
 - a. Comprehensive analysis process.
 - b. Decision process with Four Eye Principle.
 - c. Understanding and mastery of business processes.
 - d. Risk mitigation through terms & conditions and covenants.
3. Maintenance & Intensive Monitoring
 - a. Monitoring portfolio mix
 - b. Account Mapping and Risk Classifications
 - c. Annual review
 - d. Watchlist alert
 - e. Evaluation of Financing Risk Rating Results
 - f. Evaluation of Allowance for Impairment Losses
 - g. Monitoring the fulfillment of the covenant
 - h. Monitoring second way out
4. Optimal Collection & Recovery
 - a. Restructurisation
 - b. Customer Mapping according to quadrants and establishing strategies and action plans
 - c. Infrastructure preparation and collection & recovery system
 - d. Monitoring Non Performing Financing and Write-Offs
 - e. Booster Program

RETAIL



1. Financing Planning
 - a. Focus on specific sectors for SMEs
 - b. Focus on segmented and targeted customers
 - c. RAC (Risk Acceptance Criteria) designation and product features
 - d. Product Program
 - e. Credit Scoring model
2. Acquisition Process
 - a. Ensuring acquisitions according to target market, product features, and RAC
 - b. Implementation of four eyes principle
 - c. Verification process that covers income, document and customers
 - d. Scoring Model Implementation
3. Maintenance & Intensive Monitoring
 - a. Monitoring portfolio and quality through RTTA Report, PQR, CCA, Product Program, Monitoring, and Stop&Go
 - b. Watchlist review and annual review
 - c. Maintenance scoring system
 - d. Monitoring post transaction, covenant, second wayout, committed to payroll, PKS Non Payroll, result monitoring call/monitoring call result
 - e. Review quality leading indicator: PPD, EPD, DG, dan reason.
4. Optimal Collection & Recovery
 - a. Restructurisation
 - b. Mobile collection
 - c. Enhancement of Collection System
 - d. Monitoring of NPF and WO
 - e. Program booster collection & recovery
 - f. Claim & Subrogation Monitoring System

Sustainability Governance

AUDIT AND SUPERVISION

Audit Committee

The Bank has an Audit Committee to support the implementation of the duties and responsibilities of the Board of Commissioners to run effectively. The establishment of the Audit Committee refers to Bank Indonesia Regulation (PBI) No.11/33/PBI/2009. This committee performs the oversight function of financial information, internal control systems, effectiveness of audit activities, risk management, compliance and other tasks, including overseeing the implementation of sustainable finance.

Sharia Supervisory Board

The continuity of the sharia banking business is supervised by the Sharia Supervisory Board who plays a role in analyzing the reports of the Board of Directors, as well as reports required or requested by the Board of Directors. The Sharia Supervisory Board also carries out an internal audit function and/or compliance function to determine the quality of compliance with sharia principles in Bank activities, including aspects of sustainable finance.

Internal audit

In implementing sustainable finance, Internal Audit conducts annual checks on financing customers who are included in business sectors that have a potential impact on the environment. The annual inspection is carried out periodically. The implementation of the audit refers to the Bank's Risk Management Policy and internal regulations related to the internal control system.

PROBLEMS OF IMPLEMENTING SUSTAINABLE FINANCE [SEOJK E5]

The implementation of sustainable finance has many challenges. BSI has a number of challenges it must deal with, including limitations on non-MSME's environmentally sound business activity projects (KUBL) that can be financed by banks, higher-risk of non-MSME's environmental-friendly projects, difficulty in finding insurance companies that want to work together to become financing guarantors in environmental-friendly project of non-MSMEs, to the lack of awareness of the importance of climate change issues for customers and debtors.

To deal with these challenges, the Bank will synchronize the RAKB with the Corporate Plan and the Bank's Business Plan (RBB), benchmarking with national and global industries regarding the implementation of Sustainable Finance, adding Social and Environmental Risks to policies and/or Bank Financing Analysis Notes, to carry out more massive publication of Sustainable Finance activities both internally and externally through print, online and digital media.

Prevention of Conflict of Interest [GRI 2-15]

A conflict of interest is a condition when carrying out duties and obligations, the executor of the activities of the Bank has interests outside the interests of the office, both regarding personal interests, family and the interests of other parties which allows the members of the Bank's management to lose their objectivity. Regarding the prevention of conflict of interest, BSI has carried out activities to ensure that the Bank's staff:

1. Must refrain from activities that may cause a conflict of interest.
2. Act honorably and responsibly and be free from influences that may cause them to lose objectivity in carrying out tasks or cause the Bank to lose business and/or reputation.
3. It is prohibited to misuse the corporate identity of the Bank, outside the interests of the Bank and without the permission of the Bank.

Prohibition of Risyawah (Bribery) [GRI 205-1] [GRI 205-2]

The prohibition of risywah (bribery) is carried out by ensuring that the Bank's staff must be able to take firm steps not to give/receive risywah to/from customers/prospective customers and partners. This has been carried out properly and has encouraged the achievement of the company's performance as expected.

As a form of BSI's commitment to the implementation of the risywah (bribery) ban, the bank is ISO 37001:2016-certified. ISO 37001:2016 certification is an international standard for Anti-Bribery Management System (ABMS). This standard provides guidance for implementing an effective and consistent anti-bribery management system, and helps organizations identify, prevent and reduce the risk of bribery.

In the context of the risywah ban, the implementation of ISO 37001 certification can assist the Bank in improving prevention and control measures against the risk of bribery that may occur in its operations. This includes implementing strict controls over risywah practices, ethics training, and ongoing risk assessment.

In addition, ISO 37001 certification can also assist the Bank in meeting the standards upheld by applicable laws and regulations, as well as increasing trust and reputation in the eyes of customers and the public in order to ensure that risky practices do not occur in its operations, as well as to strengthen the integrity and credibility of BSI in the eyes of stakeholders. Furthermore, BSI also strengthens the implementation of ISO 37001 with ISO 37301 concerning anti-money laundering.

More details regarding communication, monitoring and reporting mechanisms related to the risywah ban can be found in the discussion in the Bank's 2022 Annual Report.

Sustainability Governance

Bank Syariah Indonesia has received certification

ISO 37001:2016

The certification relates to an anti-bribery management system in the field of goods/services procurement and vendor management which aims at identifying, detecting and preventing bribery.

Prohibition of Insiders Behavior

Bank staff who have confidential information are prohibited from using the information for personal gain or for other parties that can cause losses to the Bank. All transactions are carried out transparently and policies are announced openly with interested parties.

Banking System Integrity

Bank staff must not get involved in things that can weaken or lower the integrity of the banking system in Indonesia, ensure that they are not used for criminal activities and/or other illegal activities, and avoid involvement of banks and individuals in money laundering, drugs, or terrorism.

STAKEHOLDER ENGAGEMENT

[SEOJK E4][GRI 2-29]

Stakeholders are one of the keys for BSI to grow and develop so that it can provide sustainable benefits for society at large. The Bank is committed to ensure that all stakeholders in the economic, social and environmental fields get sustainable benefits from the activities we carry out.

BSI makes identification based on proximity and its influence on business continuity. The Bank also conducts mapping and management of issues that are the focus of attention of stakeholders, to formulate and implement programs based on issues encountered in the field and the needs of each stakeholder. These issues establish the basis for the Bank to develop material topics for this Report and action plans in BSI Sustainability Aspirations.

Stakeholder Group	Identification Basis	Approach	Main Topic
Shareholders and Investors	Responsibility, Influence	<ol style="list-style-type: none">1. General Meeting of Shareholders (GMS) once a year2. Extraordinary General Meeting of Shareholders (EGMS), if necessary3. Publication of quarterly financial reports4. Annual Report, Annual Sustainability report	<ol style="list-style-type: none">1. Strengthening financial performance and sustainability2. Organizing GMS and EGMS3. Prepare and present reports4. Distribution of Dividends5. Publication and information disclosure6. investor meetings held by investor relations work unit

Stakeholder Group	Identification Basis	Approach	Main Topic
Employees	Dependency	<ol style="list-style-type: none"> 1. Internal communication tools such as email and internal memos. Implementation as needed. 2. Self-development according to the training schedule 3. Occupational health, security and safety 4. Employee activities such as sports and hobbies. Periodic Frequency. 	<ol style="list-style-type: none"> 1. Conducive industrial relations 2. Fulfillment of employees' rights in accordance with existing regulations 3. Equality in self-development, training and career development 4. Office facilities with attention to security, health and work safety
Government and Regulators	Influence	<ol style="list-style-type: none"> 1. Compliance Report once a year 2. Submit a Bank Business Plan (RBB) and RBB Realization Report to the Financial Services Authority (OJK). 3. Submitting th 4. e Sustainable Finance Action Plan (RAKB) to FSA. 5. Submit reports in accordance with applicable regulations. Frequency according to regulations 6. Cooperation in organizing events as needed 	<ol style="list-style-type: none"> 1. Compliance with regulations 2. Prepare and submit RBB and RAKB 3. Prepare and submit reports according to regulations 4. Establish communication with the government and regulators 5. Comply with prevailing laws 6. Implementation of anti-corruption policies
Customers	Dependency	<ol style="list-style-type: none"> 1. Sharia banking transaction activities in the office or Bank network 2. Contact center, either by telephone or other means. Frequency at any time. 3. Easily accessible, safe and reliable banking products and services 	<ol style="list-style-type: none"> 1. Provide product and service information 2. Provision of facilities for solving problems/ complaints (24-hour contact center) 3. Development of banking networks, products and services that are safe, comfortable and reliable 4. Implementation of anti-corruption and anti-fraud policies 5. Implementation of customer data security policies 6. Carry out a customer satisfaction survey
Partners/Local Suppliers	Dependency	<ol style="list-style-type: none"> 1. Contracts for procurement of goods and services 2. Evaluation of work partners in a transparent manner Signing of the integrity pact 	<ol style="list-style-type: none"> 1. Mechanism of a fair and transparent procurement process. 2. There are no fees or conflicts of interest in the procurement process. 3. Implement an anti-bribery management system.
Similar Industries	Influence	<ol style="list-style-type: none"> 1. Information on the development, opportunities and challenges of the sharia banking industry 2. Regulatory information related to the industry, especially sharia banking 3. Periodic meetings with banking and sharia banking industry associations, as well as professional associations 	<ol style="list-style-type: none"> 1. Easily access in updating industry developments through membership of industry and professional associations 2. Cooperation in enhancing capabilities and competitiveness 3. Supporting the development of a fair business competition climate
Community and Environment	Influence, Responsibility	<ol style="list-style-type: none"> 1. Development of the Social and Environmental Responsibility (ESG) program according to plan 2. Support in welfare improvement programs 3. Easy access to banking services 4. Collaboration with ZIS distribution partners in ESG activities every year 	<ol style="list-style-type: none"> 1. Fostering harmonious relations with the community 2. Development and implementation of CSR programs to support community empowerment. 3. Preserving the environment 4. Providing employment opportunities to the community according to the demands and regulations of the Bank 5. Implement a financial literacy program 6. Increase financing for the Sustainable Business Activity Category

Sustainability Governance

The BSI action plans related to the expectations of the stakeholders that have been plotted are categorized according to the Core Subject ISO 26000 – Social Responsibility Guidelines as follows:

Core Subject ISO 26000 Social Responsibility Guideline	BSI Responses and Action Plans	
	For Internal Stakeholders	For External Stakeholders
1 Human Rights	Fulfillment of employees' fundamentals and rights in the work environment Providing E-care services for employee-related communication facilities	No discrimination against customers Providing Call Center services as a means of communication with customers
2 Labour Issues & Occupational Health and Safety	Gender equality Employee training Employee remuneration is above the standard minimum wage that applies in the Bank's operational areas. Healthcare facilities for employees The Bank always tries to minimize the risk of occupational accidents and health.	Customers feel safe when transacting at the BSI Service Office
3 Fair Operation Practices	Prohibition of conflict of interest Prohibition of risywah (bribery) Prohibition of insider trading Corruption prevention	BSI received ISO 37001 certification regarding the Anti-Bribery Management System in the field of procurement of goods/services and vendor management.
4 Corporate Governance	Management of CSR by the Department of Sustainable Finance in Corporate Secretary Organization Structure. Kebijakan pembiayaan/Financing Policy SOP Corporate Planning, Bank Business Plan (RBB), and Sustainable Finance Action Plan (RAKB). Establishment of UPZ BAZNAS BSI	Fulfillment of RAKB documents and Sustainability Report to the Financial Services Authority. BSI Zakat distribution partners, BAZNAZ, BSI Maslahat, Rumah Zakat
5 Consumers' Issues	Customer deposit protection guarantee policy Improving the quality of customer service Internalization of customer data confidentiality commitments within the Bank's organizational environment.	Customer complaint service through a 24/7 contact center service, either through BSI Call 14040, or through BSI social media and chatbots.
6 Communities and Environment	Implementing an environmentally friendly culture of the Green Campaign program and energy efficiency in the Bank's work environment. Distribution of financing for the Environmentally Friendly Business Activity Category (KKUB) based on POJK 51 of 2017.	BSI's collaboration with Plasticpay provides a Reverse Vending Machine to invite the public to actively sort and recycle plastic bottle waste Environmental CSR program
7 Community Empowerment	BSI distributes Corporate Zakat Funds and Employee Payroll through the BSI UPZ to then be distributed to BAZNAS and BSI Maslahat and optimized for community empowerment programs.	Distribution of National Economic Recovery Fund, KUR and MSME. Carry out CSR programs in the community social sector together with BSI's partner LAZ.

Whistleblowing System Management [GRI 2-26] [GRI 2-16]

The Whistleblowing system is a reporting system that allows each party to be involved in efforts to prevent and early detect irregularities in the Bank. Media dissemination of whistleblowing system and Anti-Gratification reporting media are conducted to all employees through employee desktop computers, the Bank's website, delivery of training activities, sharing sessions, and Taujih Pekanan, as well as notifications to customers, Bank partners/partners and the public.

Complaints about the Whistleblowing system as of December 31, 2022 were a total of 127 complaints with the composition of the complaints as follows:

Type of Complaints	Total
Financing	34
Operational	81
Code of Conduct	12
Total	127

During 2022 an examination has been carried out on complaints from the Whistleblowing system received until December 31, 2022, with the following details:

Type of Complaints	Status		
	Has Been Followed Up	On-Going Follow Up	Unsubstantial to be Followed Up
127	15	21	91

For more detailed and complete information regarding the whistleblowing mechanism and monitoring results and follow-ups throughout the 2022 reporting year, please refer to the BSI Annual Report.

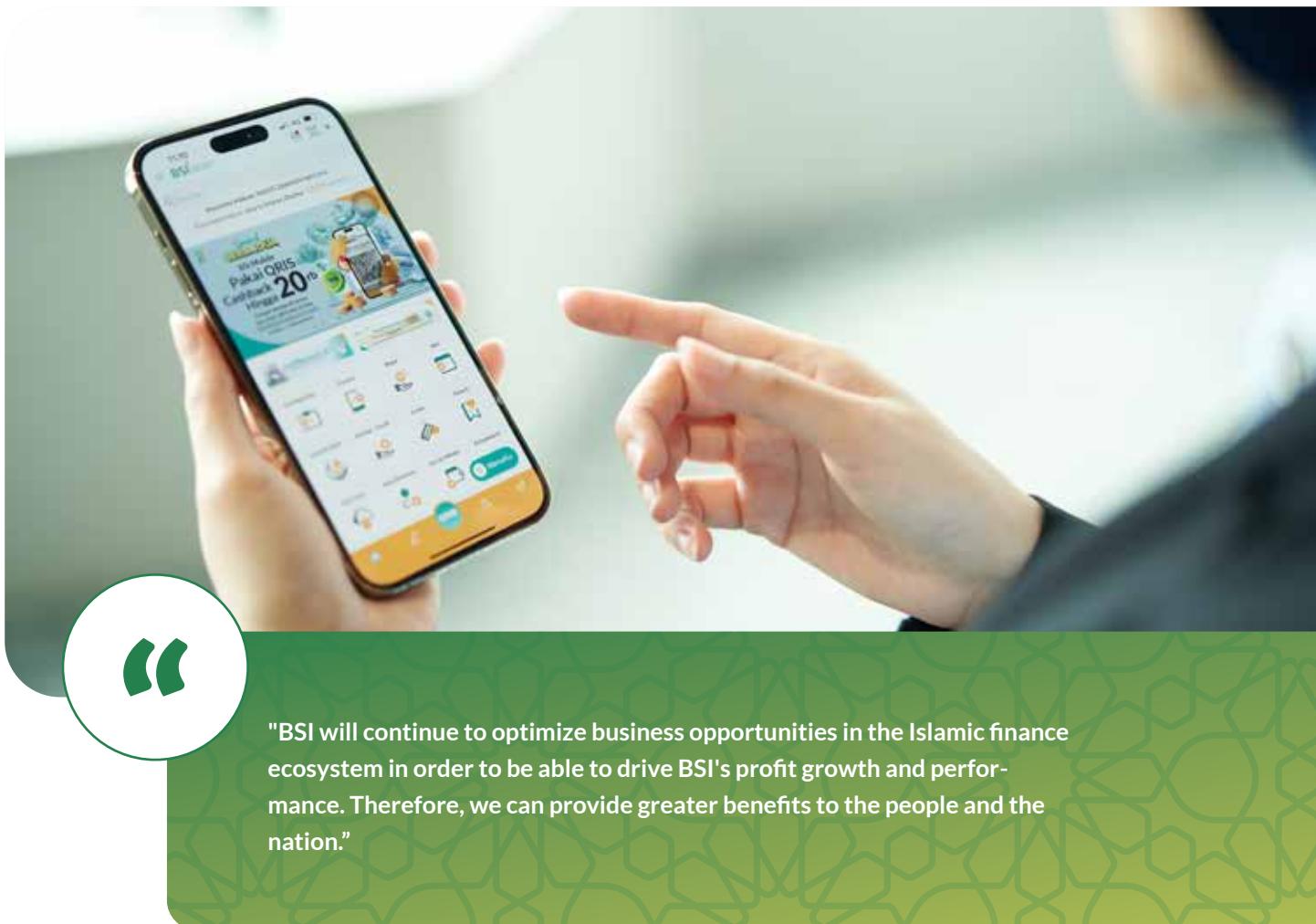
More detailed information regarding GCG implementation in the Company can be found in the Company's Annual Report, including:

- Nomination and selection process for the Company's Board of Commissioners and Board of Directors
- The process of remuneration for the Board of Commissioners and Board of Directors of the Company
- Risk management, including policies, implementation and monitoring of anti-bribery risk

[GRI 2-9] [GRI 2-10] [GRI 2-19] [GRI 2-20] [GRI 2-21]



ECONOMIC PERFORMANCE



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"BSI will continue to optimize business opportunities in the Islamic finance ecosystem in order to be able to drive BSI's profit growth and performance. Therefore, we can provide greater benefits to the people and the nation."

By achieving sustainable economic performance along with product innovation and service, BSI strives to become a new energy source for national economic development that will contribute to the welfare of the wider community. Economic performance is one of material topics whose impact needs to be managed in order to provide benefits to stakeholders. [\[GRI 3-3\]](#)

ECONOMIC PERFORMANCE TARGETS AND OBJECTIVES

The preparation of strategies and targets for economic performance is carried out through synergies between work units and through efficiency efforts. The Bank complies with all banking regulations and provides a variety of sharia banking products and services in accordance with the applicable Standard Operating Procedures (SPO), Operational Technical Instructions (PTO) and Product Manual (MP). These three guidelines are the Bank's references in managing the topic of economic performance and anticipating potential negative impacts. [\[GRI 3-3\]](#)

In addition, the Bank also supervises and evaluates the Company's Budget Work Plan (RKAP), financial reports, and the results of financial report audits. The results of the evaluation become material for discussion at meetings of the Board of Commissioners and Directors, as well as one of material topics in the General Meeting of Shareholders (GMS). The Board of Commissioners and the Board of Directors have responsibility for overseeing and managing financial performance.

Economic Performance

STRATEGIC STEP

To encourage business development, BSI has action plans that will be carried out to support the achievement of the company's vision and mission, such as:

1. Strengthening Wholesale & Transactional Banking

BSI will work on the wholesale segment with a focus on increasing the customer base and deepening relationships with customers through developing transactional banking, organizational and human capital capabilities, as well as offering comprehensive sharia products and services.

2. Strengthening Retail Banking

In line with the government's focus on driving the economy through MSMEs, BSI will continue to strengthen retail banking, including through developing business partnerships, sharpening business models, digitalization and improving business processes.

3. Digital Capability Acceleration

BSI will accelerate mobile capability improvements (API, Product Segment), strengthen data analysis, increase system stability, and focus on improving user experience.

4. Working on the Potential of the Islamic Ecosystem

BSI focuses on accelerating the growth of the national ZISWAF and developing the halal industry in Indonesia such as mosques, hospitals, Islamic boarding schools and education, and the haj and umrah business through the development of innovative platforms & solutions as well as effective acquisition and implementation.

5. Office Network Arrangement

BSI will focus on structuring the office network by relocating/closing adjacent outlets and increasing the contribution margin of small/unprofitable outlets, and shifting branch transactions to digital.

6. Doing Inorganic Growth

BSI will strengthen capital in the context of business expansion and increase the share of public ownership in accordance with regulations by conducting a rights issue. BSI will also explore opportunities for inorganic growth.

ECONOMIC PERFORMANCE ACHIEVEMENT [GRI 201-1]

Until the end of 2022, BSI was able to realize positive economic performance by recording a net profit of IDR4.26 trillion, up 41% from the previous year. This profit growth is the best among other Islamic banks in the Southeast Asian region.

In terms of sustainable financial performance, the Bank has provided financing in the amount of IDR51.15 trillion for environmentally sound business activities. This figure is higher than the previous year.

 **Funding Customers**

17.78 million

 **Financing Customers**

1.04 million

 **Total Financing**

Rp207.70 trillion

 **Financing**

Rp51.15 trillion

Financing for Environmentally Friendly Business Activities

Comparison of Product Targets and Performance, Portfolio, Financing or Investment Targets, Revenue, and Profit and Loss (Rp billion) [SEOJK F2]

RETAIL BANKING

Financing

Segment	2022 (in billion Rupiah)	Growth YoY
Retail Banking		
SME	18,892	3.06%
Micro	18,740	15.15%
Pawn	5,930	29.44%
Mortgage	48,070	19.05%
Automotive & Multipurpose	45,492	44.21%
Pension	12,837	23.36%
Card	545	38.85%

Retail Third Party Fund

Product	2022 (in billion Rupiah)	Growth
Demand Deposit	10,321	6.52%
Saving Deposit	111,737	17.74%
Time Deposit	47,081	4.18%

WHOLESALE BANKING

Financing

Segment	2022 (in billion Rupiah)	Growth YoY
Corporate 1	15,388	-9.54%
Corporate 2	24,046	9.63%
Corporate 3	6,705	New mapping in 2022
Commercial	11,058	5.98%

Economic Performance

Realization of Sustainable Finance Implementation (Rp billion, unless stated otherwise) [SEOJK F3]

SUSTAINABLE BUSINESS ACTIVITIES CATEGORY (in billion Rupiah)	2021	2022
a. Renewable Energy	905.70	1,135.35
b. Energy Efficiency	-	-
c. Pollution Prevention and Control	-	-
d. Management of Living Natural Resources and Sustainable Land Use	1,193.01	3,095.21
e. Conservation of Land and Water Biodiversity	-	-
f. Environmentally-friendly Transportation	19.50	34.65
g. Sustainable Water and Wastewater Management	100.88	114.63
h. Climate Change Adaptation	-	-
i. Products that can Reduce use of Resources and Produce Less Pollution (Eco-Efficient)	3,744.12	4,497.89
j. Green Building that meets National, Regional, and International Standards or Certifications	225.17	190.12
k. Business Activities and/or Other Environmentally-Friendly Activities	508.34	258.79
Green Financing (KKUB)	6,696.72	9,326.65
I. MSME Activities	39,461.23	41,823.61
ESG Financing/ Sustainable Financing	46,157.95	51,150.26
Rasio ESG Financing (KKUB)	26.95%	24.70%
Sustainable Financing to Total Financing		

ESG Financing 
10.82 %

ESG Financing portfolio growth in 2022 compared to 2021

In implementing sustainable finance, the Bank understands that economic performance can potentially have an impact on environmental performance. Therefore, the Bank conducts special studies in terms of operational preparation on the financial implications and opportunities from climate change, namely Business Impact Analysis (BIA) and Risk Assessment (RA) studies. The Bank has also conducted disaster simulation training as part of Business Continuity Management (BCM) in each work unit to anticipate natural disasters. [GRI 3-3][GRI 201-2]

The results of risk analysis from climate change and its impact on bank operations can be divided into two as follows:

- Increased operational risk due to external factors that may occur in the work unit due to natural disasters, such as floods, forest fires and droughts.
- Increased risk on financing resulting from failure to meet debtor's obligations if their business is vulnerable and affected by climate change.

After conducting a risk analysis, BSI then seeks to conduct a more in-depth analysis regarding the financial implications of the Bank as a result of climate change. The Bank will also carry out mitigation in managing risks, both from changes in internal behavior that are more environmentally friendly and from the impact of financing on certain business sectors.

SUSTAINABLE FINANCE PORTFOLIO

The Bank has a Sustainable Finance Action Plan (RAKB) as a reference for implementing sustainable finance. The 2022 RAKB document described sustainable financial activity plans for one year (2022) and five years (2021-2025) as well as strategies for implementing these plans in accordance with the predetermined targets and timelines.

In 2022, the Bank determined the MSME and Green Financing portfolio as a priority program. This fund distribution portfolio reached 24.63% of the Bank's total financing. Distribution of financing was also provided to bank customers who are palm oil industry business actors who already have Indonesia Sustainable Palm Oil (ISPO) and/or Roundtable Sustainable Palm Oil (RSPO) certification.

Economic Sector Financing Portfolio

Throughout 2022, the Bank has succeeded in disbursing IDR207.7 trillion.

Financing Based on Economic Sector (Rp billion)

No.	Sector	2022	Percentage (%)
1.	Agriculture, Hunting and Forestry	13,396.17	6.45%
2.	Fisheries	910.18	0.44%
3.	Mining and Exploration	3,778.32	1.82%
4.	Manufacturing Industry	10,810.09	5.20%
5.	Electricity, Gas and Water	4,034.09	1.94%
6.	Construction	16,468.23	7.93%
7.	Wholesale and Retail Trade	16,923.67	8.15%
8.	Accommodation, Food & Beverage	2,193.09	1.06%
9.	Transportation, Storage and Communication	5,597.47	2.69%
10.	Financial Intermediary	5,089.74	2.45%
11.	Real Estate, Leasing and Business Service	4,067.42	1.96%
12.	Government Administration, Defense, and Mandatory Social Insurance	-	-
13.	Education Service	3,902.82	1.88%
14.	Healthcare and Social Services	5,099.45	2.46%
15.	Socio-Culture, Entertainment, and Other Individual Services	2,524.42	1.22%
16.	Household Services	188.44	0.09%
17.	Unclear definition Activities	-	-
18.	Consumer Financing	-	-
19.	Household	112,676.77	54.25%
20.	Other Non-Business Sectors	44.48	0.02%
Total		207,704.86	

MSME is one sector that plays a role in the national economy. The Bank is committed to providing ESG-oriented MSME financing as one of the supports for the real sector economy.

Economic Performance



Environmental-Friendly Business Portfolio

BSI identifies sustainable financing or environmentally sound businesses based on POJK Technical Guidelines No.51/POJK.03/2017 where OJK has established criteria and Categories of Sustainable Business Activities (KKUB). Based on these guidelines, BSI identified sustainable financing consisting of MSME financing and non-MSME green portfolios.

The Bank also has a Corporate Plan (Corplan) Standard Operating Procedure (SOP), RAKB and Bank Business Plan (RBB). This SOP contains steps in preparing the RAKB and RBB, including developing a priority program for sustainable finance. This document regulates the procedure for financing processes for debtors who have environment-oriented business activities.

The bank has green finance criteria which is one of the considerations in providing financing. Every prospective debtor's business must meet the criteria for an analysis of environmental impacts, including:

- No pollution in the production process
- No pollution and waste treatment according to regulations
- No complaints from residents in the business premises
- Compliance with all applicable government regulations, such as having a business license.

After setting these criteria, the Bank carries out evaluation and monitoring of customer business progress which is carried out every three months through several communication media including video conferences, on the spot visits, consultant assistance, quarterly review watchlists, and annual reviews. If there is an evaluation result that has the potential for high ESG risk, the Bank may conduct a review of the financing.

In 2022, the Bank has carried out an evaluation process on these criteria and there are no customers who have significant environmental and social problems. If there are customers who are under surveillance due to indications of environmental or social problems, the Bank would provide assistance, quarterly and annual watchlist reviews.

In addition to carrying out the evaluation process, the Bank also continues to carry out educational processes internally. Currently, the Bank is still focusing on developing internal capacity by providing training on sustainable finance awareness and preparing e-Modules and digital learning on socialization of sustainable finance for Business and Support Units. The bank currently has not provided any education or training programs related to ESG to debtors.

Improving the Islamic Ecosystem

As a sharia banking, it is the responsibility of BSI to encourage the improvement of the Islamic Ecosystem which has a large amount of potential, both in terms of business, human resources and transactions. BSI is committed to maximizing the Islamic ecosystem in order to encourage the establishment of a strong and comprehensive Islamic ecosystem. BSI also aims at zakat, the ecosystem of Islamic schools and Islamic boarding schools, the mosque ecosystem, to the Hajj and Umrah ecosystems.

BSI Islamic Ecosystem Achievements in 2022



Ziswaf
Rp302 billion

Ziswaf, consisting of zakat of Rp. 212 billion, infaq/sodaqoh of Rp. 74 billion, and Virtue Funds of Rp. 16 billion



Hajj and Umrah ecosystems

Rp10,167 trillion

The number of outstanding Hajj and Umrah ecosystems with a total of 4.62 million customers



Islamic school ecosystems

Rp3,943 trillion

The number of outstanding Islamic school ecosystems with a total of 112.6 thousand customers



mosque ecosystems
Rp2,065 trillion

The number of outstanding mosque ecosystems is 68.45 thousand customers



Islamic boarding school ecosystems

Rp788 billion

The number of outstanding Islamic boarding school ecosystems with a total of 10.06 thousand customers

INFORMATION TECHNOLOGY-BASED SERVICES

The development of information technology allows customers to access banking products more easily. BSI presents digital branch services as a form of innovation and utilization of technology, e-channels, e-banking and e-branch. These innovations can meet customer's needs of financial transactions without them having to come to the branch office, thus indirectly contributing to reducing carbon emissions produced by customer's transportation vehicles. [F.26]

Support the Laku Pandai Program

BSI supports the development of a branchless banking program from the Financial Services Authority (OJK) with the support of technological innovation through BSI's Laku Pandai Agent named BSI Smart agent. BSI Smart will help people who do not

have access to banking to be able to carry out sharia banking financial transactions.

Communities can carry out various transactions, including deposits, cash withdrawals, transfers, as well as opening accounts so that they can receive Bank services on a par with other customers. Until the end of 2022, the number of BSI SMART agents is 57,973 agents. All BSI Smart agents have been provided with debriefing and training programs to understand the Bank's products, product features, benefits, procedures, service quality, and introduction to supporting facilities.



BSI Smart Agent

57,973 Agents



Total transactions

15.54 million



Transaction value

Rp38.04 trillion

Economic Performance

PRODUCT AND FINANCIAL SERVICES RESPONSIBILITY [SEOJK F27]

The Bank always ensures that the products and services can be enjoyed by everyone regardless of gender, race, ethnicity, physical background and beliefs. BSI ensures that sharia banking products and services can also be enjoyed by customers who have different beliefs without any coercion of a particular point of view. All customers have the same rights in utilizing products and services whose safety has been ensured through procedures according to policies and regulations. [OJK F.17][OJK F.27]

The responsibility for BSI's financial products and services is applied in accordance with the Standard Operating Procedures for New Products and/or Activities (SOP NPA). The Bank provides clear information on the products and services they issue, such as information on savings products, loans and banking services. This information is conveyed through several communication media such as websites, social media, brochures, etc. as well as our customer service and banking agents. In addition, the Marketing Communication Group also develops marketing communication strategies and programs that refer to advertising ethics. This work unit also monitors issues in the media related to the Bank's products and services to mitigate product and service communication risks. [OJK F.18][GRI 417-1]

Islamic financial services also provide transparent features regarding available products, costs, benefits and risks. The application of responsibility for financial products and services has been going quite well, and throughout 2022 there were no products withdrawn from the market and there were no financial fines or other legal sanctions due to alleged non-compliance or violations regarding misinformation about products and services and marketing communication materials against applicable regulation. [OJK F.18][OJK F.29][GRI 417-2][GRI 417-3]

Identification of Potential Negative Impacts and Action Plans [OJK F.28][GRI 2-25]

BSI recognizes that banking activities can have a negative impact on the environment and society. Therefore, the Bank has identified potential negative impacts from our operations and planned actions to mitigate these impacts. The following is a summary of the Company's identification and action plans:

Greenhouse gas (GHG) emissions from the Bank's operations

- Potential negative impacts: GHG emissions can cause climate change
- Action plan: We are committed to reducing GHG emissions by increasing energy efficiency in the Company's buildings, replacing operational vehicles with more environmentally friendly vehicles, and promoting a low-carbon and environmentally friendly lifestyle among BSI employees.

Use of natural resources

- Potential negative impacts: Excessive use of natural resources can cause environmental damage, decrease air and water quality, and cause negative impacts on the surrounding community.
- Action plan: BSI is committed to using natural resources wisely and optimizing their use. The Bank will also promote energy and water savings among employees and raise public awareness about the importance of conserving natural resources.

Financial risks related to climate change

- Potential negative impacts: Climate change may increase financial risks for BSI, particularly with respect to the risk of loss due to natural disasters.
- Action plan: BSI will continue to monitor financial risks related to climate change and develop effective risk mitigation strategies. The Bank will also strengthen risk management practices and promote sustainable business practices among employees.

Maintaining Customer Privacy and Data Security

The use of digital technology also created space/gap for irresponsible parties to commit technological crimes, especially towards data security and customer confidentiality. The Bank seeks to provide a strict authorization system through parties who have responsibility and authority. Efforts to maintain data security and customer privacy are also a form of the Bank's commitment to respecting human rights. This is in accordance with POJK No.1/POJK.07/2013 concerning Consumer Protection in the Financial Services Sector and Standard Business Procedures for Funds Collection and SOP for Customer Protection and Complaints.

The Group Chief Information Security Officer (CISO) has duties and responsibilities in maintaining data security and customer privacy. CISO routinely carries out security awareness activities,

strengthens security parameters (firewall, waf, threat intel), conducts pentest according to regulations, and performs take down service to detect fraud. CISO mitigation is carried out through Digital Threat Monitoring, which is a layered security test.

Regarding education related to security awareness, BSI has implemented security awareness education programs through various channels, such as BSI Mobile, websites, social media, and BSU (webinar). The purpose of this program is to provide education and increase customer awareness about the security and privacy of their data.

The Bank has also measured the effectiveness of customer privacy as part of efforts to ensure that customers feel safe and protected when using BSI services. In this measurement,

BSI evaluates how BSI's privacy policy is implemented and understood by customers. The measurement results for 2022 showed that BSI's privacy policy was effective and has been understood by customers. Most customers felt safe and protected when using BSI services. However, BSI continues to strive to improve customer privacy and security through other more innovative and effective programs

Throughout 2022, there were no complaints regarding the loss of customer data which had a material impact and there were no violations of customer privacy. If there are complaints from customers regarding cybersecurity, BSJ then validates the report, for the next escalation to the Ministry of Communication and Informatics (KOMINFO). In addition, the Bank cooperates with third parties to monitor customer privacy and will report it regularly to KOMINFO. [\[GRI 418-1\]](#)



232

Suspicion of skimming transactions at ATM Prima



64

Suspicion of skimming transactions at ATM Bersama



1.767

Phishing / Social Engineering by non-customers



990

Indication of fraud by customers



2.833

Indication of fraud by non-customers

Financial Literacy and Inclusion

The Bank conducts various educational activities to support the national financial literacy program such as releasing content related to financial literacy on social media and websites, as well as implementing several training programs such as the 100% Kindness Program at the Islamic Book Fair Life With BSI 2022. In addition, BSI also strengthens synergies with various parties in increasing Islamic financial literacy, especially collaborating with various tertiary institutions to develop the Islamic Ecosystem among the academic community and providing financial literacy to students.

Customer Satisfaction Survey [SEOJK F30]

The Bank independently conducts customer satisfaction surveys through the Customer Satisfaction Survey which is carried out through digital applications. with a score of 99.78. In addition, an external survey was also carried out by the MRI Bank Service Excellence Monitor. In 2022, the Bank is ranked first for Islamic banks in Indonesia and ranked third among commercial banks in the category "Overall Walk

Economic Performance

in Channel Plus Digital Channel Performance" with a score of 84.82. For this achievement, the Bank will continue to improve its service performance to ensure customer satisfaction.

Information and Complaint Services [SEOJK F24]

Bank Syariah Indonesia has a product and service information center that makes it easier for customers and the public to access available information, including:

1. The internet site with the web page address: www.bankbsi.co.id.
2. Social network: Facebook, twitter, Telegram, instagram.
3. BSI Call 14040.
4. AISYAH chatbot.
5. Ease of mobile banking and internet banking facilities as well as Bank Branch Offices and ATMs.

In addition, as a form of consumer protection, Bank Syariah Indonesia provides facilities for customers to submit complaints. Currently, customer complaints received by Bank Syariah Indonesia are managed by the Customer Care Group. The complaint channels that can be used by customers to submit complaints are as follows:

1. BSI Call 14040.
2. Email contactus@bankbsi.co.id.
3. Customer Service at the nearest Bank Syariah Indonesia branches.
4. Mobile banking.

Through these channel, Bank Syariah Indonesia provides fast responses to customer complaints. In 2022, Bank Syariah Indonesia received 335,690 complaints from customers and all of them have been resolved (100%). The following are the complaints based on the receiving channel: [GRI 417-1]

Complaint Channel	Number of Complaints
Call Center	47,229
Mobile Banking	234,903
Social Media	2,243
Branch Offices	50,696
Headquarters Office	619
Total	335,690

Bank Syariah Indonesia refers to the policies and regulations that apply in Indonesia, namely:

1. Law of the Republic of Indonesia No. 8 of 1999 concerning Consumer Protection and all of its amendments.
2. Law of the Republic of Indonesia No. 21 on 16 July 2008 concerning Islamic Banking and all of its amendments.

3. Law of the Republic of Indonesia No. 4 of 2023 concerning the Development and Strengthening of the Financial Sector
4. Bank Indonesia Regulation No.11/33/PBI/2009 on December 7, 2009 concerning the Implementation of Good Corporate Governance for Sharia Commercial Banks and Sharia Business Units and all their amendments.
5. Financial Services Authority Regulation No.18/POJK.07/2018 concerning Consumer Complaint Services in the Financial Services Sector.
6. Financial Services Authority Regulation No. 17/POJK.07/2014 concerning Alternative Dispute Resolution Institutions in the Financial Services Sector.
7. Financial Services Authority Regulation No. 65/POJK.03/2016 concerning Implementation of Risk Management for Sharia Commercial Banks and Sharia Business Units.
8. Regulation of Members of the Board of Governors Number 23/17/PADG/2021 concerning Procedures for Implementing Bank Indonesia Consumer Protection.
9. Financial Services Authority Regulation No. 31/POJK.07/2020 Concerning the Implementation of Consumer and Community Services in the Financial Services Sector by the Financial Services Authority.
10. Financial Services Authority Regulation No. 12/POJK.01/2017 concerning Implementation of Anti-Money Laundering and Counter-Terrorism Financing Programs.
11. Bank Indonesia Regulation No. 22/20/PBI/2020 concerning Bank Indonesia Consumer Protection.
12. Financial Services Authority Regulation No. 61/POJK.07/2020 Concerning Alternative Settlement Institutions for the Financial Services Sector.
13. Financial Services Authority Regulation No. 6/POJK.07/2022 Concerning Consumer and Community Protection in the Financial Services Sector.
14. Circular Letter of the Financial Services Authority Number 30/SEOJK.07/2017 concerning the Implementation of Education in order to increase Financial Literacy for Consumers and/or the Community.
15. Circular Letter of the Financial Services Authority No. 7/SEOJK.07/2015 concerning Guidelines for Assessment of Alternative Dispute Resolution Institutions in the Financial Services Sector
16. Circular Letter of the Financial Services Authority No.13/SEOJK.07/2014 concerning the Standard Agreement and all amendments thereto.
17. Circular Letter of the Financial Services Authority No.17/SEOJK.07/2018 concerning Guidelines for Implementing Consumer Complaint Services in the Financial Services sector.

- 18. Circular Letter of Financial Services Authority No. 50/ SEOJK.03/2017 concerning Reporting and Requesting Debtor Information Through the Financial Information Service System (SLIK)
- 19. By Laws on October 30, 2009 concerning Blocking Customer Deposits and all their amendments.
- 20. The Articles of Association of PT Bank Syariah Indonesia and all amendments thereto.
- 21. PT Bank Syariah Indonesia's Internal Control System Policy and all of its amendments
- 22. Risk Management Policy of PT Bank Syariah Indonesia and all of its amendments.
- 23. Legal, Compliance and AML CTF Policy of PT Bank Syariah Indonesia and all their amendments.
- 24. Operational Risk Management Standard Control Procedures (SPP) and all amendments thereto.
- 25. Standard Procedures for Policies and Procedures-Making for PT Bank Syariah Indonesia and all their amendments.
- 26. Operational Technical Manual (OTM) of Fund Collection of PT Bank Syariah Indonesia and all its changes

Recording of customer complaints is carried out using the Complaint Handling Management System (CHMS) application with the following flow:

- Customers submit complaints through the channels described above
- Bank officers will input complaints submitted by customers into the Complaint Handling Management System (CHMS);
- The customer will receive a notification email containing the complaint number as proof that the complaint has been received by the Bank.
- Data recorded in the CHMS will be monitored and followed up by the Customer Care Group Unit;
- Complaints that have not been resolved at the time the complaint was submitted will be followed up by the Customer Care Unit and related Work Units;

- Follow-up results and settlement information from the relevant Work Unit will be forwarded to the recipient of the complaint receiving unit;

Complaints submitted by customers can be divided into 2 (two) types, namely:

- a. Verbal complaints, which consists of:
 - Complaints must be responded to and/or resolved by the Complaint Recipient Work Unit/Customer Care Work Unit/Relevant Work Unit within 3 (three) working days after the complaint is received.
 - If the complaint cannot be resolved within 3 (three) working days, the Complaint Receiving Work Unit is obliged to ask the customer to submit his complaint in writing.
- b. Written complaints
 - Complaints must be resolved by the Complaint Recipient Work Unit/Customer Care Work Unit/Relevant Work Unit within a maximum of 14 (fourteen) working days after the complaint is received.
 - If the complaint cannot be resolved within 14 (fourteen) working days, the recipient of the complaint must submit written information on the time extension to the customer.
 - Banks can extend the complaint resolution period up to the next 20 (twenty) working days (if necessary).

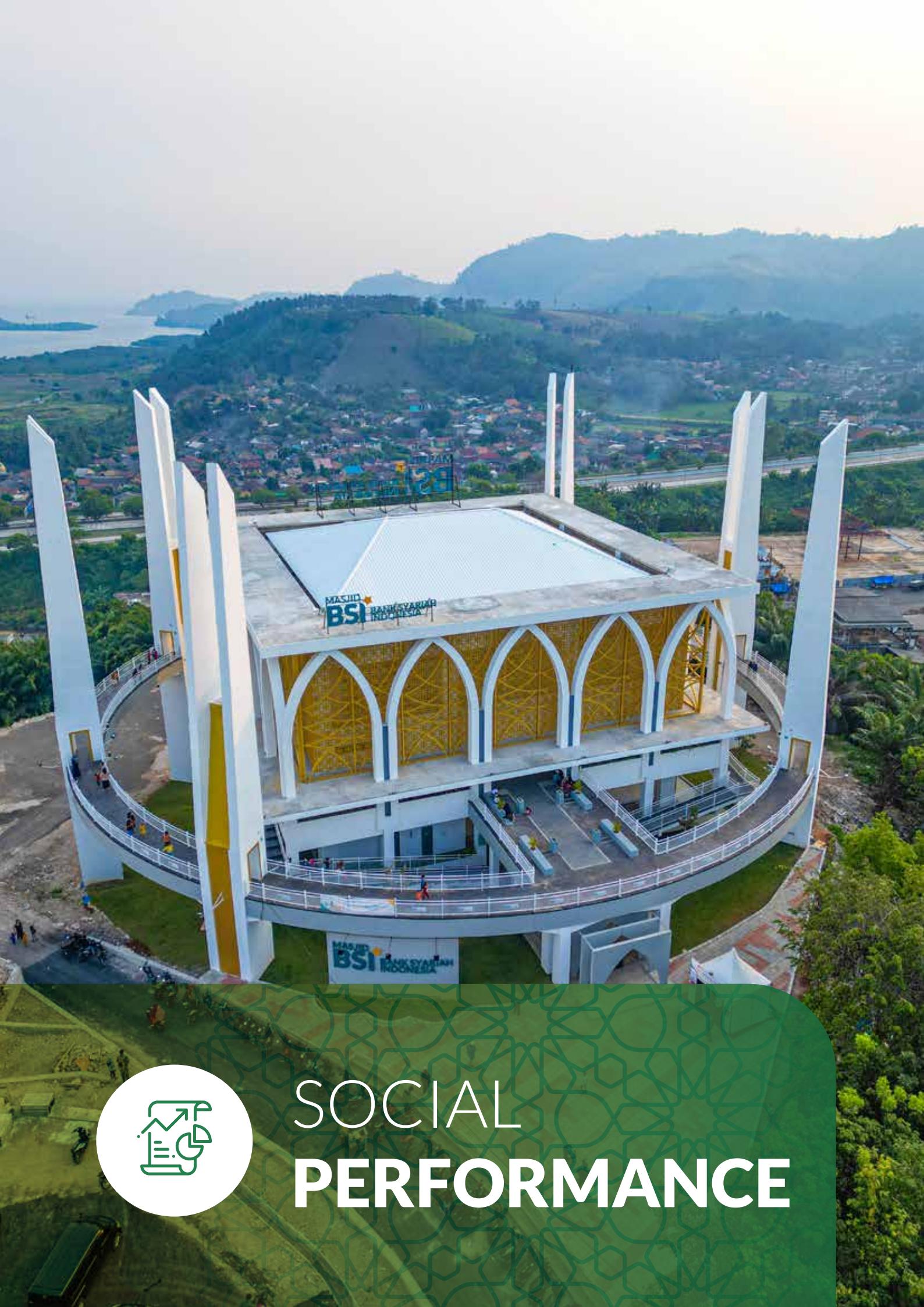
BSI has a platform that makes it easier for customers and the general public to submit complaints, namely through BSI Call or by filling out a complaint/request form available at all BSI branch offices throughout Indonesia. All complaints received will be forwarded and recorded by the Customer Handling Unit and recorded through the Complaint Handling Management System (CHMS). These complaints are categorized into four, namely: Products, Processes/Transactions and Facilities, Services, and Banking Crimes.

Throughout 2022, BSI received 335,690 complaints and 100% of these complaints have been resolved.

Number of Complaints Received in 2022

325.000	5.988	3.856	846
Transaction Process & Facilities	Banking External Crimes	Product	Services

100% STATUS CLOSED



SOCIAL PERFORMANCE



“

BSI's focus on social aspects as part of ESG and sustainable finance is how we manage and build relationships with all BSI people and the communities where we are present. BSI realizes that social aspects play a central role in the implementation of sustainability and determine the success of BSI at present and in the future.

EMPLOYMENT PRACTICES

Under the Director of Compliance & Human Capital, BSI builds a culture, environment, and working relationships that are valuable to every BSI person. We realize that BSI people are important assets for the Bank's success. Therefore, BSI is committed to providing a rewarding work experience and becoming an employer of choice. We continuously strive to create a work environment that respects human rights, diversity, is safe, comfortable, healthy, and supports the development of each individual's potential. [\[SEOJK F18\]](#)[\[SEOJK F19\]](#)

By the end of 2022, BSI recorded a total of 18,581 employees spread across our operational areas throughout Indonesia. Of the total number, 7,573 are women and 11,008 are men.

Social Performance

Composition and Distribution of BSI Employees [GRI 2-7] [GRI 405-1]

By Gender and Employment Contract Status	2021		2022	
	Permanent (PKWTT)	Non-Permanent (PKWT - Kontrak)	Permanent (PKWTT)	Non-Permanent (PKWT - Kontrak)
Male	10,659	863	10,572	436
Female	6,803	1,124	7,064	509
Total	17,462	1,987	17,636	945
	19,449		18,581	

Notes: There is no part-time scheme at BSI.

By Gender and Educational Level	2021		2022	
	Male	Female	Male	Female
Doctoral	8	2	9	2
Master	612	236	632	268
Bachelor	9,387	6,484	9,285	6,430
Diploma	1,101	925	1,033	865
Senior High School	42	8	49	8
Junior High School	-	-	-	-
Elementary School	-	-	-	-
Others	372	272	-	-
Total	11,522	7,927	11,008	7,573
	19,449		18,581	

By Gender and Position	2021		2022	
	Male	Female	Male	Female
Board of Commissioners	9	-	9	-
Director	8	2	8	2
Executive Manager (PE)	3	1	3	1
Senior Manager	63	20	68	20
Junior Manager	2,146	603	2,036	611
Officer	4,094	2,295	3,919	2,169
Staff	5,219	5,009	4,985	4,773
Total*	11,542	7,930	11,008	7,573
	19,449		18,581	

Notes: Total employees in this table include Board of Commissioners, Board of Directors, and Executive Managers.

By Gender and Age Group	2021		2022	
	Male	Female	Male	Female
< 25 years old	255	567	81	170
25-30 years old	2,219	2,517	1,823	2,367
30-35 years old	3,181	2,576	2,771	2,320
35-40 years old	2,983	1,335	3,193	1,671
40-45 years old	1,735	595	1,876	678
45-50 years old	777	229	860	252
> 50 years old	372	108	404	115
Total	11,522	7,927	11,008	7,573
	19,449		18,581	

By Gender and Job Placement Location	2021		2022	
	Male	Female	Male	Female
Head Office	3,339	1,465	3,245	1,414
Region I - Medan	657	506	1,283	811
Region II - Palembang	960	679	637	470
Region III - Jakarta	1,347	1,454	882	626
Region IV - Bandung	646	461	693	766
Region V - Semarang	820	621	534	572
Region VI - Surabaya	1,309	1,008	679	477
Region VII - Eastern Indonesia	-	-	767	587
Region VIII - Makassar	614	492	1,241	950
Region IX - Aceh	1,334	794	451	425
Region X - Banjarmasin	496	447	596	475
Total	11,522	7,927	11,008	7,573
	19,449		18,581	

Non-employee Workers [GRI 2-8]	2021	2022
Outsourcing	8,501	8,045

Social Performance

FAIR AND QUALITY RECRUITMENT

BSI always strives to attract and select competent and qualified employee candidates. We collaborate with various mass media, career centers in various universities, and head hunters to recruit the best sons and daughters of Indonesia to join, work, and grow with BSI.

The recruitment process at BSI upholds the principles of transparency, honesty, fairness without distinguishing ethnicity, religion, and race. In addition, BSI opposes all forms of child labor and forced labor, which are explicitly written in the recruitment policy, employment contracts, and company regulations that have been socialized to all BSI personnel as well as vendors and suppliers. [\[SEOJK F18\]](#)[\[SEOJK F19\]](#)[\[GRI 408-1\]](#)[\[GRI 409-1\]](#)

Throughout 2022, BSI recruited **184** new employees consisting of **126** new male employees, and **58** new female employees.

Recruitment of New Employees by Position [GRI 401-1]	2021		2022	
	Male	Female	Male	Female
Senior Management	-	-	-	-
Expert	-	-	-	-
Manager	18	9	27	11
Officer	65	85	5	3
Staff	75	87	85	25
Management Trainee	-	-	9	19
Total*	158	181	126	58
	339		184	

Recruitment of New Employees by Employee's Region of Origin [GRI 401-1]	2021		2022	
	Male	Female	Male	Female
Java	164		86	
Outside Java	175		98	
Total*	339		184	

Notes: BSI categorizes employee's region of origin based on initial Work Unit placement.

Equal Opportunity to Work at BSI for Candidates with Disabilities

Based on the spirit in line with Law No. 8 Year 2016 concerning Persons with Disabilities. BSI opens opportunities for those with disabilities who want to join and work with BSI. We apply the Kriya program method, which is a mentoring program (tutor) during

the recruitment process, so that candidates with disabilities can follow the recruitment process and work optimally. Another recruitment pathway that we open for candidates with disabilities is through an internship program at Change & Culture Academy.

As of the end of 2022, BSI had 6 employees with disabilities, of which 2 were male and 4 were female. These 6 people work in the administrative, call center, and back office functions spread across the Human Capital Services, Customer Care Group, and Regional Office Aceh work units.

EMPLOYEE TURNOVER RATE

In 2022, BSI's employee turnover rate was 4.6% with a total of 184 new recruits and 849 people who no longer joined the Bank. Several reasons for this are reaching normal retirement age, contract expiration, dismissal, resignation to health reasons and others. In accordance with Labor Law No. 13 and the applicable PKB, a letter of resignation or dismissal must be submitted to the supervisor at least 1 month in advance. [\[GRI 402-1\]](#) [\[GRI 2-30\]](#)

Employee Turnover Rate by Gender [GRI 401-1]	2021		2022	
	Male	Female	Male	Female
New Employees (Recruitment)	158	181	126	58
Resignation	252	257	405	357
Retirement	46	14	39	22
Passed away	31	4	16	10
Employee Turnover Rate	3.11%		4.57%	

Employee Turnover Rate by Age Group [GRI 401-1]	2021				2022			
	21-30	31-40	41-50	>50	21-30	31-40	41-50	>50
New Employees (Recruitment)	187	116	29	7	112	51	15	6
Resignation	268	187	41	13	351	307	94	10
Retirement	-	3	3	54	-	4	6	51
Passed away	2	17	9	7	7	11	6	2

Social Performance

Employee Turnover Rate by Work Area [GRI 401-1]	2021		2022	
	Java	Outside Java	Java	Outside Java
New Employees (Recruitment)	164	175	86	98
Resignation	309	200	498	264
Retirement	44	16	47	14
Passed away	23	12	13	13

EMPLOYEE REMUNERATION SYSTEM

BSI gives appreciation to employees for their efforts and hard work in achieving each target set. This aims to keep our employees motivated in giving their best performance, both for personal development and the progress of BSI. We provide various forms of appreciation and rewards to our employees including salaries and employee benefits, pension programs, and various other facilities. For remuneration for entry-level employees, BSI always follows the provisions of the regional minimum wage in accordance with local government regulations.

[SEOJK F20]

BSI determines the amount of employee remuneration objectively based on the 3P principle, namely:

1. Pay for Performance: employees are compensated in accordance with their performance.
2. Pay for Position: employees are compensated in accordance with their position.
3. Pay for Person: employees are compensated in accordance with their individual skills.

In addition to achievement, length of service, and key performance indicator (KPI) achievement, we also consider length of service in determining employee remuneration. There is no discrimination in determining remuneration related to gender, race, ethnicity or religion.

In addition, BSI always complies with all applicable regulations related to remuneration to employees. The amount of remuneration provided has been adjusted to the applicable provisions and is above the minimum wage standard applicable in the Bank's operational area. The Bank always strives to maintain the salary ratio gap for all employees so that there is no significant difference. [GRI 405-2]

BSI employees also receive other facilities and benefit programs provided to permanent and contract employees, such as health insurance and benefits, holiday allowances, and leave. The pension program and work accident benefits are provided in the form of Work Accident Insurance (JKK) and Pension Insurance (JP) which are included in the BP Jamsostek facility, while the Financial Institution Pension Fund (DPLK) program is provided for permanent employees through contributions from employees and companies every month. [GRI 401-2]

Meanwhile, BSI also provides rewards for our employees, both directly and indirectly, with the aim of increasing motivation, work enthusiasm and creating a pleasant work environment. The rewards are divided into two, namely financial rewards in the form of annual bonuses, health facilities, leave days, employee financing and other facilities provided based on the performance of the Bank, work units, and the performance of each employee.

The second one is temporary non-financial rewards such as Umrah appreciation for employees with certain performance and those who will enter retirement, training, scholarships to continue their education to a higher level, as well as providing appreciation to work units and individuals who have provided the best innovations.

The Bank also provides additional benefits for employees affected by the COVID-19 pandemic in the form of vitamins, work shuttle bus assistance, and Grabcar corporate. As a general overview, total annual remuneration received by the highest and lowest remunerated individuals at BSI is 1:22.6. [GRI 2-21]

Forms and Types of Benefits/Allowances [GRI 401-2] [GRI 201-3]	Permanent Employee	Contract Employee
Basic Salary	Available	Available
Life Insurance/BPJS Health	Available	Available
Health Benefits, including birth allowance	Available	Available
Work Accident (JKK) and Disability Insurance - Included in BP Jamsostek facilities	Available	Available
Pension Insurance (JP) - Included in BP Jamsostek facility	Available	Available
Share Ownership Opportunity	Available	-
Holiday Allowance	Available	Available
Leave Allowance	Available	Available

BSI Supervisor Appreciation

As one of BSI's appreciations to employees, a total of 814 outstanding employees received Umrah trip prizes fully funded by BSI. This activity was delayed during the pandemic but can be carried out again in 2022 while still taking into account health protocols.

EMPLOYEE DEVELOPMENT AND TRAINING

[SEOJK F22]

We believe that human resources are an important asset for BSI. Therefore, employee development and training needs to be carried out so that all our employees can learn and develop the potential that exists in themselves; thus, the duties and responsibilities carried out can produce effective results. Training and competency development programs are held, among others, in the form of seminars, workshops, knowledge sharing, session sharing, and training.

To ensure that the development and training of BSI employees is carried out appropriately and with quality, BSI conducts Training Needs Analysis of various performance appraisals across all staffing levels that include performance planning, review, and evaluation mechanisms. This process aims to ensure that each employee's competency improvement program is carefully planned based on performance and evaluation of KPI achievement, so as to support their personal development as well as career path projection. In 2022, 100% of BSI employees have received performance and career development review.

[GRI 404-3]

Throughout 2022, BSI has organized 2,274,326 training hours for 18,581 participants. The average number of training hours increased from 27.66% in 2022 to 122.4 hours per employee per year. This was encouraged by the greater number and variety of training programs provided to employees due to the late onset of the COVID-19 pandemic in the second semester of 2022 so that employee training and development programs could be carried out more intensively this year compared to the previous year.

However, BSI also continues to intensify the implementation of training programs through the Digital Learning Module so that our employees can obtain information and hone their competencies easily, quickly, anytime, and anywhere through smartphone devices. [GRI 404-2]

Social Performance

Number of Training Participants Based on Position Level [GRI 404-1]

Position Level	Number of Participant (person)	
	2021	2022
Senior Manager	2,126	2,956
Middle Manager	10,536	15,477
Manager	58,162	89,096
Officer	119,383	224,873
Staff	150,026	300,651
Others	4	0
TOTAL	340,237	633,053

BSI Employee Training and Development Statistics [GRI 404-1]

Description	Unit	Total	
		2021	2022
Training program	Type	695	744
Number of training participation	Person	340,237	633,053
Average training hours per employee	hour/employee	95.88	122.40

Total Training Duration by Position Level [GRI 404-1]

Position Level	2021			2022		
	Total Training Duration Provided (Hour)	Number of Employees (person)	Average training hours per person per year	Total Training Duration Provided (Hour)	Number of Employees (person)	Average training hours per person per year
Senior Manager	12,616,00	84	150.19	19,810	88	225.11
Middle Manager	65,466,50	429	152.60	96,763	429	225.55
Manager	349,530,50	2320	150.66	381,751	2218	172.11
Officer	619,252,50	6389	96.92	776,315	6088	127.52
Staff	817,849,50	10,229	79.95	999,688	9758	102.45
Others	-	-	-	-	-	-
TOTAL	1,864,715	19,449	95.88	2,274,326	18,581	122.40

Total training costs 2022

Rp **97.22** billion

Total training costs incurred by BSI to organize internal training and training held at external educational institutions. Total training costs in 2022 increased compared to 2021 of Rp82.65 billion.



Building ESG Competencies of BSI Employees [GRI 404-2]

In order to achieve BSI's vision to become one of the largest and leading Islamic banks in Indonesia and the world, ESG must become the new normal for BSI in running our business and in conducting daily business activities, as well as in the Bank's strategic decision making. For this reason, BSI is consistent in building ESG-related competencies for our employees, starting from the level of Commissioners, Board of Directors, SVPs, to senior and middle management so that BSI can implement ESG best practices and sustainable finance in the banking sector.



In 2022, BSI held training and socialization on sustainable finance through various learning portals and digital learning, as well as face-to-face training. Training and socialization modules. The BSI sustainable finance training and socialization modules consist of basic understanding and financing based on Sustainable Business Activity Categories (KKUB) in accordance with Financial Services Authority (OJK) regulations, as well as socialization of ESG Risk Mapping & Mitigation in internal bank activities and financing application and evaluation procedures.

MANAGING INDUSTRIAL RELATIONS

As a leading Islamic financial institution in Indonesia, BSI understands the importance of constructive and sustainable industrial relations management in maintaining a balance between business interests and employee welfare. Therefore, BSI is committed to carrying out best practices in the management of sustainable industrial relations and taking into account the rights of employees and the principles of social justice.

In addition, BSI is also committed to establishing constructive relationships with labor unions, and cooperating with them in addressing issues related to employees and the work environment. BSI also takes into account aspects of gender equity and diversity in the management of industrial relations, by ensuring equality of opportunity and treatment for all employees without discrimination. BSI ensures the freedom of every employee to join a union. As of the end of 2022, a total of 7,240 BSI employees joined the BSI Labor Union.

Social Performance

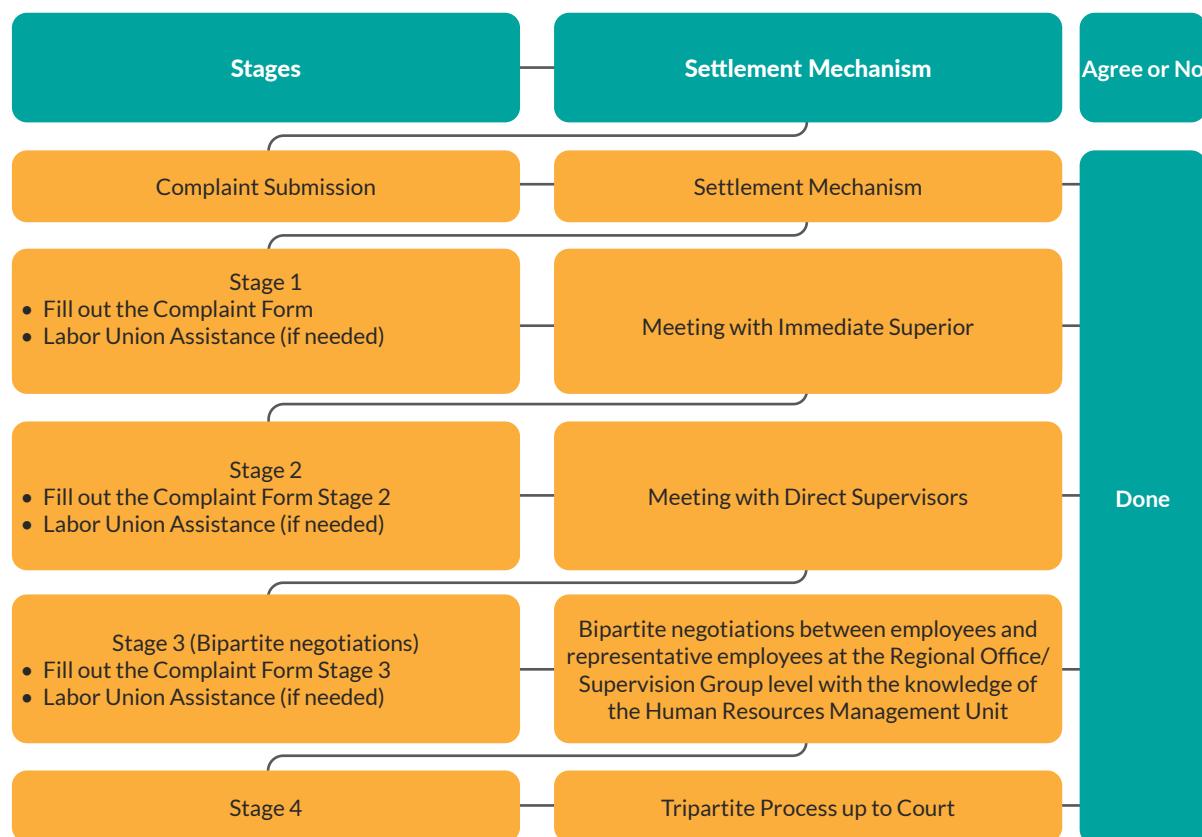
Number of Labor Union Participants

Labor Union	Number of Employees as of December 2022	Number of Labor Union Members	%
Member of BSI Labor Union	18.581	7.240	39,0%

EMPLOYEE GRIEVANCE MANAGEMENT

In realizing BSI's aspiration to create a workplace of excellence for all employees, the Bank has developed rules regarding Grievances through Article 55 of the Company Regulation of PT Bank Syariah Indonesia Tbk for 2021-2023. This Grievance Regulation is a guideline for procedures to support the submission and resolution of grievance issues and/or industrial relations disputes by deliberation to reach consensus.

This is in line with the spirit of BSI to build constructive good relations, including in terms of handling employee grievances. The mechanism for handling employee grievances is as follows:



OCCUPATIONAL HEALTH AND SAFETY [SEOJK F21]

It is BSI's commitment to create a safe and comfortable working environment for all employees, guests, contractors and everyone within our offices and outlets. BSI continues to ensure that occupational health and safety (OHS) becomes an aspect that is not only a slogan and target but is closely integrated into the work culture at BSI.

In implementing the OHS program, BSI refers to a number of regulations, including the Law of the Republic of Indonesia No. 13 of 2003 concerning Manpower, the Foundation of Law No. 11 of 2020 concerning Job Creation, PP No. 35 of 2021,

Human Capital Standard Operating Procedures and Company Regulations of Bank Syariah Indonesia which are always updated according to statutory provisions.

OHS programs and activities at BSI are managed and evaluated regularly by HCP under the supervision of the Director. In addition to the OHS program related to handling COVID-19 that has been running since 2020, BSI also implements a variety of OHS programs and activities with the main objective of achieving zero accidents in all areas of the BSI operational area. Not only focusing on the physical aspect of OHS, the OHS program at BSI also ensures the psychological and mental health aspects of our employees.

OCCUPATIONAL HEALTH AND SAFETY IN BSI

[SEOJK F21] [GRI 403-1][GRI 403-3][GRI 403-6] [GRI 403-7]



SAFETY



HEALTH

Environmental & Procedural Factors	Human & Communication Factors	Environmental & Procedural Factors	Human & Communication Factors
<p>Ensuring that all BSI office facilities meet OHS standards in accordance with Human Capital Operational Procedures, namely:</p> <ul style="list-style-type: none">• Light Fire Extinguishers (APAR);• Fire hydrant and fire pump;• Smoke control system;• Alarm system;• Water sprinkler; evacuation route instructions;• Creation of ERP (Emergency Response Plan);• Provision of emergency response SOP (Standard Operating Procedure);• Ensuring the building protection system functions Automatically and Integrated during General Alarm/Fire Drill;• Ensuring that evacuation facilities are equipped with designation signs and have met building operational standards in the event of an Earthquake, Fire and BOM Threats.	<p>Carrying out communication, safety program campaigns, and routine OHS socialization for all BSI employees related to OHS procedures and evacuation procedures in the event of an emergency condition, among others:</p> <ul style="list-style-type: none">• Fire drill• Improve understanding of the use of APAR and APAB and first response in the event of a fire• Earthquake handling• Handling terrorism threat conditions• Appointment of Floor Captain for each floor• Establishment of ERT (Emergency Response Team)• Creation of WhatsApp Group as a means of communication• Organizing emergency response training• Organizing training on the use of APAR• Conducting emergency simulation	<p>Ensuring the conditions of all BSI offices are comfortable and healthy for employees and all visitors and ensuring Standard Operating Procedures for maintaining a healthy work environment are owned by BSI offices which include, among others:</p> <ul style="list-style-type: none">• Periodic fogging• Installing UV-C air filters• Ensuring Air Circulation is functioning properly, including SAG and RAG	<p>Carrying out various health campaigns and routine Medical Check Ups for all BSI employees, among others, focusing on:</p> <ul style="list-style-type: none">• Various healthy lifestyle tips• COVID-19 handling and proper self-isolation procedures. 98.47% of BSI employees have received the first booster vaccine (dose 3)• Proper hand washing procedures• Conducting Medical Check-Up for all BSI employees who are 35 years old and above.• Implementing and carrying out health protocols in accordance with SE MENAKERTRANS NO 07 YEAR 2020

Social Performance

Statistical Performance of BSI OHS in 2022



Accident

0

[GRI 403-9]



Training hours and OHS socialization

7

Training hours and OHS socialization
[GRI 403-5]



Safety Captain BSI

11

BSI Safety Captains spread throughout the Bank's operational areas.
[GRI 403-5]



Safety Captain BSI

13

Health seminar sessions were held in various operational areas of the Bank, including Palembang, Medan, Jakarta, Pekanbaru, Banda Aceh, Balikpapan, Palu, Bandung, Lhokseumawe, Malang, Surabaya, and Banjarmasin
[GRI 403-6]

Men Sana In Corpore Sano

Encouraging Healthy Living for BSI Employees Through Health Talks [GRI 403-4]

BSI is committed to always pay attention to employee welfare and health. The Company believes that healthy and fit employees can make a better contribution to the company and society. Therefore, BSI regularly organizes health seminars or Health Talk which aims to provide education and information on health for BSI employees.

Health Talk activities at BSI are attended by health experts who provide material on various health topics that are useful for employees. BSI expects that with these activities, BSI employees can improve their understanding of the importance of maintaining good health and adopting a healthy lifestyle.

Throughout 2022, a series of Health Talks were held in the following cities:

No	Area	Implementation Date	Implementation Date
1	Palembang	August 11, 2022	Stress Management and the Impact on Employee's Health
2	Medan	August 12, 2022	Taking Care of Dental & Oral Health
3	Jakarta: Thamrin, Kebon Jeruk Banten	August 23, 2022	Healthy Lifestyle for Great Work
4	Pekanbaru	August 26, 2022	Recognize Migraine Symptoms & Prevention
5	Banda Aceh	September 2, 2022	Body Immunity for Excellent Health
6	Balikpapan	September 2, 2022	Recognize Migraine Symptoms & Prevention
7	Palu	September 6, 2022	Nerve Disease, Back Strains & Spine Health
8	Bandung	September 9, 2022	Radiate the Charm of Your Smile with Healthy Teeth
9	Jakarta: Kelapa Gading & Rawamangun Bekasi	September 13, 2022	Healthy Life for Happy Life
10	Lhoksumawe	September 16, 2022	Healthy Lifestyle Mitigation
11	Malang	September 16, 2022	Radiate the Charm of Your Smile with Healthy Teeth
12	Surabaya	October 7, 2022	Healthy Work Productivity Soars
13	Banjarmasin	October 7, 2022	Healthy Digestion Increased Productivity

SOCIAL & ENVIRONMENTAL RESPONSIBILITY

BSI carries out Social and Environmental Responsibility (CSR) programs as part of our commitment to support the efforts of the Government of Indonesia and the global community to achieve the Sustainable Development Goals (SDGs). In general, BSI's TJSI aims to ensure that the environment in which we are present and the communities we serve, as well as stakeholders at large can benefit from BSI's presence. As a sharia entity, the preparation and implementation of BSI's TJSI program always upholds Maqashid Syariah. [\[SEOJK F23\]](#)[\[SEOJK F25\]](#)[\[GRI 413-1\]](#)

Legal Basis for the Implementation of the TJSI Program	Objectives of TJSI Program Implementation
<ul style="list-style-type: none"> Law No. 40 of 2007 on Limited Liability Companies Law No. 25 of 2007 on Capital Investment Law No. 23 of 2011 on Zakat Management Standard Operating Procedures (SOP) and Technical Operating Instructions (TOI) 123/DSN-MUI/XI/2018 Use of Funds that Should Not Be Recognized as Revenue for Sharia Financial Institutions, Sharia Business Institutions, and Sharia Economic Institutions 	<ul style="list-style-type: none"> Realizing a harmonious relationship between the Company and the community Supporting the implementation of transparent and responsible business practices Building a positive image and garnering community support Exploring and empowering the potential of MSMEs through the distribution of partnership funds Participating in environmental conservation programs, improving the quality of education, health, welfare, religious life, and improving other public facilities.

BSI's social community programs are carried out by Bangun Sejahtera Indonesia Maslahat Foundation (BSI Maslahat). BSI Maslahat, previously known as Bangun Sejahtera Mitra Umat Foundation (BSMU Foundation) which was established on November 21, 2001. In 2022, this foundation officially changed its logo and name to Bangun Sejahtera Indonesia Maslahat (BSI Maslahat) as an effort to strengthen partnerships with strategic partners of PT Bank Syariah Indonesia, Tbk in optimizing the potential and collecting ZISWAFA (Zakat, Infaq, Sadaqah, and Waqf) funds as well as social donations and CSR with the target of individual and corporate muzakki (donors).

Social Performance

BSI distributes zakat through the National Board of Zakat (BAZNAS). BAZNAS RI is an official government institution authorized to conduct zakat management duties nationally as stipulated in Law No. 23 of 2011.

In carrying out the functions of collecting, channeling and distributing, BAZNAS has established the Zakat Collection Unit of the National Board of Zakat Bank Syariah Indonesia (UPZ BAZNAS BSI) on May 20, 2021 through the Decree (SK) of the Chairman of BAZNAS number 19 of 2021 concerning the Establishment of UPZ BAZNAS BSI.

UPZ BAZNAS BSI is an organizational unit formed by BAZNAS RI in BSI to assist BAZNAS RI in collecting zakat within the BSI, in the event that it is necessary, UPZ BAZNAS BSI can carry out the duties of assisting the distribution and utilization of zakat based on the authority of BAZNAS RI.

Furthermore, UPZ BAZNAS BSI assists in the distribution & utilization in collaboration with Philanthropic Institutions that have partnered with BSI, namely BSI Maslahat. In addition, UPZ BAZNAS BSI functions to carry out socialization and education

of zakat within the BSI, collect zakat within the BSI, data collection and muzaki services such as submission of Taxpayer Identification Number (NPWZ) and Proof of Zakat Deposit (BSZ) issued by BAZNAS to BSI muzaki, compile an Annual Budget and Operational Plan (ABOP) for the collection program and assistance duties for the distribution & utilization of zakat, and compile reports on collection activities and assistance duties for the distribution & utilization of zakat to BAZNAS.

Through BSI Maslahat, BAZNAS UPZ, and BAZNAS RI, the Bank ensures that the TJS and zakat funds distributed are managed professionally and transparently so that they can provide optimal benefits to the community.

In the activities of managing and distributing funds to ashnaf mustahik, BSI Maslahat bases its program to support and empower the potential of mustahik (beneficiaries), so that mustahik has the opportunity and is able to compete to raise the degree of a better life. Beneficiaries of the BSI Maslahat program based on asnaf include the poor, muallaf, slaves, gharimin, fisabilillah, and ibnu sabil.

Throughout 2022, through BSI Maslahat,
BSI carried out a total of:

 **22**
programs

 **145,962**
beneficiaries

 **1,594**
beneficiary
institutions

 **Rp 187.57** billion
Total distribution of funds
to beneficiaries

The following is a description of the social community programs carried out through BSI Maslahat throughout 2022:
[SEOJK F23][SEOJK F25][GRI 413-1]

Desa BSI

The Desa BSI Program is a village economic development program through strengthening local resources to improve community welfare through the utilization of ZISWAf funds. The implementation of the program is focused on the development of agricultural, livestock, fishery and plantation business clusters. The program approach is conducted with intensive assistance, both technical and Islamic da'wah. This program will develop food security commodities, both agriculture, livestock,

fisheries and plantations that are still possible to be available in rural areas and become a source of livelihood for rural communities. The Village Program aims to increase the welfare of mustahik beneficiaries (Mustahik move to Muzaki), the program is implemented in 3 years and has an indicator of increasing mustahik income by 1 (one) times the initial income. The program coverage until the end of 2022 has reached 13 villages in 12 provinces, 890 households or around 4,095 beneficiaries.

BSI Maslahah MSME

The "UMKM BSI Maslahat" program is a program to strengthen ultra-micro and micro businesses through knowledge and managerial capacity building so that they can improve the quality and quantity of their business in a sustainable manner. The program approach is conducted through intensive mentoring and coaching. Business development is based on local resources as much as

possible and provides a multiplier effect on the business activities of the surrounding community. In 2022, the BSI MSME program added 15 business clusters from various commodities, spread across 15 provinces throughout Indonesia. The total number of beneficiaries is 572 households.

Social Performance

BSI Empowered Islamic Boarding School

Islamic boarding schools are educational institutions that have an important role in creating and developing Muslim personalities who can play an active role in the community, both through educational, religious, social and even economic development functions. The Empowered Islamic Boarding School Program aims to

increase the independence of Islamic boarding schools through the development of economic resources and entrepreneurship. Currently, the Islamic boarding school empowerment program is running in 8 Islamic boarding schools spread across 5 provinces in Indonesia, with 325 students as beneficiaries.

Sahabat Pelajar Indonesia

One of the educational scholarship programs prepared by Laznas BSM Umat for junior and senior high school levels is the Sahabat Pelajar Indonesia (SPI) Program, a scholarship program aimed at underprivileged students which aims to form a generation that is both academically and spiritually, has Islamic morals and has independence. Several facilities that will be obtained by students who are members of the SPI program include tuition assistance of Rp300,000/month, aqidah and moral guidance, tahsin and tahlid programs, mentor assistance, try outs and tutoring for grade 12, state defense training, self-development training and parenting for parents of participants.

The beneficiaries of the Sahabat Pelajar Indonesia program for the 2021-2022 period are 3,623 consisting of 1,421 junior high school participants and 2,202 senior high school participants. These participants came from 242 schools spread across 25 provinces throughout Indonesia.

In the coaching activities of the Sahabat Pelajar Indonesia program, participants are directed to memorize the Qur'an at least juz 30, SPI participants who have memorized Juz 30 in the 2021-2022 period have increased by 14% from the previous period, namely from 18% to 32%. This increase occurred due to the fact that the attendance of participants in coaching activities also increased as conditions began to stabilize after the pandemic, which was initially carried out online, could gradually be carried out offline. In addition, the percentage of report card scores of SPI program participants of at least 70, in the 2021-2022 period has increased from the previous period by 0.9% to 99.9%. Therefore, in the next academic year, the minimum report card score will be increased to 75.

In 2022, there were 188 participants in the Sahabat Pelajar Indonesia (SPI) Program who successfully passed the State Universities. Based on the percentage of participants who passed the PTN, it increased by 5% from 34% in 2021 to 39% in 2022. Where the participants who successfully passed the State Universities (PTN) through several entry points provided by the Ministry of Research, Technology and Higher Education of the Republic of Indonesia and the Ministry of Religion.

BSI Scholarship

Undergraduate Scholarship Program (S1) which aims to form future leaders of the ummah who are characterized, trustworthy and can be a role model and be able to contribute in building the ummah, especially in the field of Islamic economic industry. This program consists of BSI Inspirasi which uses zakat funds and BSI Prestasi which uses infaq funds. Currently, the BSI Scholarship program

is open to 72 campuses throughout Indonesia with a total of 1,470 beneficiaries. In addition to tuition assistance, the BSI Scholarship program also has coaching programs, such as mentorship, sharia economic literacy, character building, Islamic and leadership. During 2022, BSI Scholarship recorded 150 achievements at the national and international levels.

BSI Maslahat Sociopreneur

BSI Maslahat Sociopreneur aims to produce graduates who have alternative careers that are no longer oriented as job seekers but as job creators. BSI Maslahat Sociopreneur is a business incubator scholarship program that prepares students to become Muslim entrepreneurs who have business skills and have a social impact on society. Total beneficiaries of BSI Maslahat Sociopreneur in 2022 amounted to 230 students, with a program success rate of 65% where 150 business participants are sustainable and growing and able to absorb a workforce of 211 people and produce local heroes with village empowerment. BSI Sociopreneur strives to form and

support the development of Islamic social entrepreneurs in Indonesia. BSI Sociopreneur has and will be committed to carrying out a series of business incubation & training processes for students who have an interest/talent in the entrepreneurial sector from 33 campuses in Indonesia. BSI Sociopreneur seeks, educates, and fosters not only ordinary entrepreneurs who generally target business profits, but we want more than that, namely producing new sociopreneurs in Indonesia who have good business insights and skills, impact on society & the environment, and of course have Islamic insights according to the value of "BSI & BSI Maslahat".

Social Performance

BSI Children Scholarship

BSI Children Scholarship Program is a program to provide education for BSI employees who passed away. The purpose of the BSI Children Scholarship program is the continuation of children's education, as well as having good parenting patterns and economic independence for parents of scholarship recipients. BSI Children's

Scholarship provides scholarships starting from elementary school to university level with predetermined scholarship provisions and ceilings. In 2022, the number of beneficiaries of the BSI Children's Scholarship was 90 children and spread across 12 provinces in Indonesia.

LIKES

LIKES (Sharia Economic Literacy) is a central study, education and communication program on Islamic finance managed by BSI Maslahat. This program has 3 focuses, literacy, consultation and regeneration. Literacy activities are made by providing online and offline studies

in the BSI ecosystem. The consultation program is carried out in collaboration with ust. Oni Sahroni by opening a callcenter for the general public, as well as opening private consultations in collaboration with BSI.

Sharia Young Leader Summit (SYLS) BSI and BSI Maslahat's Efforts to Encourage Millennial Sharia Economic Ambassadors

PT Bank Syariah Indonesia Tbk (BSI) and BSI Maslahat collaborated with KNEKS (National Committee for Sharia Financial Economy) and BAZNAS (The National Board of Zakat) to organize the Sharia Young Leader Summit 2022 (SYLS 2022). The summit was held on Monday, December 26, 2022 in South Jakarta.

The Sharia Young Leader Summit is an event that brings together scholars with those who have an interest in Islamic economics and finance. This event is open to students with the main target of BSI Scholarship beneficiaries. The program is conducted in a hybrid manner, both online and offline.

This activity was attended by 88 campuses throughout Indonesia with eleven well-known campuses in Indonesia. The number of registrants consisted of 315 teams with 1200 participants. The categories in SYLS 2022 are fintech, philanthropy and halal ecosystem. Of the 315 SYLS 2022 participants, 24 teams passed the final.

In the Sharia Young Leader Summit 2022, the names of the winners and Millennial Sharia Economic Ambassadors were announced, namely Ali Kifayatullah (UI), Raihan Maulana Fajri (UI) and Sailina Karimah (UNPAD). The

winners of the Social Project Competition were the first winner of UIN Sunan Gunung Djati Bandung, team coordinator Yugi Habibi, second winner of Mataram University, team coordinator Siti Raehanun Shalehah and third winner of UIN Syarif Hidayatullah Jakarta, team coordinator M. Burhanuddin. The Conference Competition category was won by; as 1st place ITS Financial Technology category, team member: Rinda Faiz Shabira, Nabilah Aulia Rizky, Deyyana Aulia Hakim, Faadhillah Syah Azzahra. 2nd place Brawijaya University in the FILANTROPI category, team members: Nazhira, Mustaqilla, Dinda Rahmah Wardani, Shafiyah Ramadhan Arafa, Adjie sumantri, Muhammad Haidar Hafizh. 3rd place UPI Halal Industry Category, team members: Arbi Ardiansyah, Azdina Nuraini, Dini Jamilah, Ghani Ali Faikar and Choirul Umam.

SYLS 2022 is a meeting event for students who have an interest and work in the field of Islamic economics organized by Bank Syariah Indonesia and BSI Maslahat. The series of activities consisted of Sharia Leader Room, Conference, Social Project Competition, Selection of ambassadors and Talkshow & Awarding Day.



Social Performance

Tahfidz House

The Bina Santri Indonesia (BSI) tahfidz house program is a scholarship program from BSI Maslahat intended for Indonesian high school-age boys and girls who have the interest and aspiration to become a hafidz or hafidzah.

The tahfidz house program aims to produce Quran memorizers who have the insight to compete in the era of globalization so that they become quality Muslim human resources.

The Tahfidz House Program of Bina Santri Indonesia has two learning concepts, namely boarding and non-boarding learning concepts. The activities of the Tahfidz House Program with the boarding concept include memorizing the Quran, Tahsin, Murjaah, daily worship, graduation, non-formal education package C and trainings that improve the quality of santri human resources. The beneficiaries of the boarding Tahfidz House program are 48 people spread across Magetan, Parung, Cimahi,

Bintaro and Bogor. The Bina Santri Indonesia tahfidz house program with the concept of non-boarding/Quran study house learning focuses on strengthening tahsin participants and learning dirosah islamiyah. The beneficiaries of the BSI study house program are 95 people spread across Tangerang and East Jakarta.

Until recently, there have been 7 students of the Tahfidz House of Bina Santri Indonesia who have completed memorizing the 30 juz Al-Qur'an. There is one student who has completed 30 Juz of memorization who has received an undergraduate scholarship through the tahfidz pathway, while other students who have completed 30 Juz are in the process of dedicating themselves to teaching the Quran in their respective regions, and dedicating themselves to the BSI Tahfidz House while waiting for the college registration period and preparing to take the Qur'an sanad.

Teacher Competency Improvement Training

The teacher competency improvement training program is a series of activities conducted to improve teachers' skills in teaching. The Competency Improvement Training Program has the theme "Great Teachers of the 21st Century: Student Centered Learning Approach & Digital Skill for Teachers".

The form of activities is strengthening the mindset and key concepts of teachers as learning facilitators and as coaches, workshops and exercises to improve key skills,

and assistance in the implementation of training and school assistance. The Teacher Competency Improvement Training Program aims to improve teachers' skills in teaching in terms of Teaching techniques and interactive online learning.

The Teacher Competency Improvement Training Program has been implemented in 3 cities in Indonesia, namely Yogyakarta, Jambi, and Banjarmasin, in August 2022 - July 2023 which was attended by 76 teachers from 28 schools.

Mosque Empowerment

Mosque is a program to strengthen, increase capacity, and expand the distribution of benefits in 8 BSI Legacy Mosques and support the development of mosque-based Islamic ecosystems. The derivatives of the BSI Maslahat Mosque program include strengthening the structure and function of the DKM, increasing the capacity and capability of the DKM and Mosque Takmir, maintaining mosque infrastructure, supporting comprehensive Islamic preaching programs, and activating mosque-based Islamic ecosystems.

In 2022, there were several proposed program plans, including kafalah support to 28 mosque takmir in 8 BSI legacy mosques with the UMR standard of the domicile of each mosque, operational support for syiar and da'wah activities in the form of Friday sharing programs, orphan compensation, and ifthar-Monday Thursdays which have been running in 3 of the 8 mosques, and increasing the capacity of mosque takmir through financial management and mosque social media optimization activities attended by all BSI mosque takmir and 450 other participants from mosque administrators throughout Indonesia.

Furthermore, there are several ongoing sub-programs such as creating a brand identity for the BSI mosque and supporting the activation of the mosque's Islamic ecosystem through the Mawar Emas NTB program which targets 600 ultra-micro business actors assisted by mosques in East Lombok with a qardhul hasan scheme where 400 ultra-micro business actors receive a business capital loan of Rp2,000,000/person and 200 new ultra-micro business actors receive Rp1,000,000/person.

While those that are not yet running include the making of the Mosque SOP, the establishment of the Mosque MPZ, support for the activation of the Islamic ecosystem in collaboration with BTTM Tazkia and in 10 mosques.

Assistance for the BSI Maslahat Mosque includes:

- Social Media and Mosque Financial Management Training and Mentoring
- BDP maintenance extension
- Kafalah Takmir Support and Mosque Da'wah Operations

Direct Assistance

Direct distribution of ZIS funds through charity activities that cover economic, educational, da'wah, social, humanitarian, and health needs with a total number of beneficiaries of 15,132 people and 1,100 institutions spread across 21 provinces throughout Indonesia.

BSI Anniversary

Programs to commemorate BSI's anniversary, including compensation for 1,111 orphans in Head Office & 10 BSI Regions.

Social Performance

Ramadhan

Ramadan event programs for the dhuafa and poor, including breakfasting packages, Orphan's Holiday Allowances, Basic Food Packages, Zakat Fitrah, and Fidyah with a total number of beneficiaries of 69,181 people and 86 institutions with a distribution area of 33 provinces.

In addition to these programs, throughout 2022, BSI Maslahat also carried out social community programs which included Ambulance and Funeral Car Services, Musholla Car Services, Disaster Relief.

Construction of BSI Bakauheni Mosque [GRI 203-1]

BSI Bakauheni Mosque is the first mosque built by BSI in Sumatera Island. The mosque is located in the Bakauheni Harbour City (BHC) Tourism Area, Jl. Lintas Sumatera, Kec. Bakauheni, Kab. Lampung Selatan - Lampung. The 2,954 m² mosque can accommodate around 2,000 worshippers and is equipped with various facilities such as transition area, multifunction area, toilet, ablution area, utility area, prayer area, foyer, imam lounge, and 360 viewing deck. The mosque was built with a total cost of Rp38 billion raised from BSI

employees & customers as well as the community with the Waqf, Infaq & Shodaqoh scheme. The construction of the BSI Bakauheni Mosque is also one of BSI's efforts to emulate the Prophet's journey in upholding the banner of the community. The construction of the mosque is one of the implementations of BSI's commitment in increasing its active role in providing proper worship facilities to tourists visiting the island of Sumatra.



Realization of Social and Environmental Responsibility (TJSL) Fund Disbursement [SEOJK F23][SEOJK F25][GRI 413-1][GRI 203-1]

The summary report of the realization of the distribution of UPZ BSI, Zakat, Infaq, Waqf, and Social Funds in 2022 is as follows:

Build Prosperous Indonesia Maslahat

Disbursement by Program Category January to December 2022

Description	Total Disbursement (Rp)
Distribution of UPZ BSI	
Education	25,297,151,626
Health	424,649,565
Humanitarian	6,779,639,999
Economy	48,750,594,941
Dakwah-Advocacy	1,058,743,945
Total Distribution of UPZ BSI	82,310,780,076
Distribution of Zakat	
Education	2,718,509,650
Health	27,000,000
Humanitarian	7,775,300,920
Economy	815,716,318
Dakwah-Advocacy	820,017,000
Total Distribution of Zakat	12,156,543,888
Distribution of Infaq	
Education	5,295,035,644
Health	610,526,800
Humanitarian	30,375,741,321
Economy	1,578,064,794
Dakwah-Advocacy	7,095,481,551
Total Distribution of Infaq	44,954,850,110
Distribution of Social Funds	
Education	2,399,075,572
Health	1,207,720,000
Humanitarian	31,165,711,075
Economy	110,000,000
Dakwah-Advocacy	3,329,638,930
Total Distribution of Social Funds	38,212,145,577
Distribution of Waqf	
Wakaf	9,934,250,660
Total Distribution of Waqf	9,934,250,660
TOTAL DISBURSEMENT IN 2022	187,568,570,310



ENVIRONMENTAL PERFORMANCE



“

Building an eco-friendly culture that is integrated with our corporate culture and involves all BSI's personnel, customers, and the communities we serve is an integral part of our commitment to sustainable finance and banking.

COMMITMENTS, TARGETS AND PROGRAM PLANS

The Bank's commitment to CSR in the environmental sector is realized by implementing an environmentally friendly culture to create a green office and implementing sustainable finance to support environmentally sound financing.

This is conducted as an effort to improve efficiency in the use of energy, water, paperless, and to support the reduction of greenhouse gas (GHG) emissions. Gradually, the Bank continues to raise awareness of environmentally friendly behavior, both to employees and customers.

To create an environmentally friendly culture, the Bank carried out a series of green campaign activities, through appeals to save water, electricity, and reduce the use of plastic packaging. Indirectly, an environmentally friendly culture will support the implementation of sustainable finance within the Bank. BSI carries out various activities to realize this environmentally friendly culture.

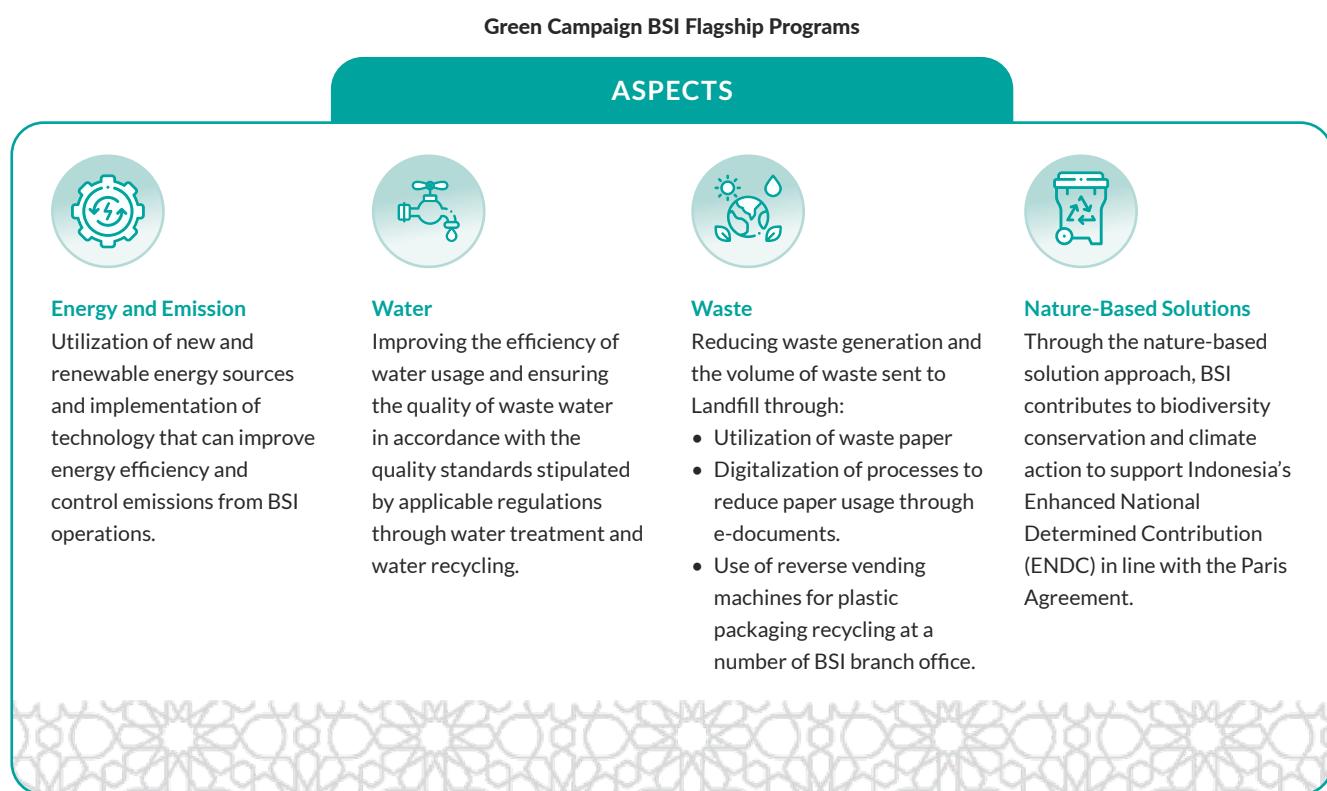
BUILDING AN ENVIRONMENTALLY FRIENDLY CULTURE THROUGH GREEN CAMPAIGN

[SEOJK F1]

BSI believes that to realize sustainable finance and banking must start from ourselves. For this reason, building an environmentally friendly culture that involves all BSI's personnel and our customers. A series of Green Campaigns are consistently implemented in the head office and branch offices throughout Indonesia. BSI expects and encourages BSI personnel and customers to replicate environmentally friendly activities from the BSI Green Campaign at home, school, and in various other places.

Environmental Performance

Key programs in BSI's Green Campaign include:



In addition to being implemented within BSI offices, to reach a wider audience, BSI Green Campaign is also disseminated through e-flyers, as well as through Instagram and YouTube social media. In addition, we also made and disseminate video campaigns regarding sustainable finance in the form of animated videos with the aims of educating the public.

BSI Green Campaign Content Performance 2022

No	Content Name	Link Post	Date Post	Reach	Impressions
1	Caring for the Environment Starts from Here	https://www.instagram.com/p/ChHYdShr_sZ/	11 Aug 2022	10,516	14,142
2	Aceh as Pilot Project for Islamic Ecosystem Management & Green Economy	https://www.instagram.com/p/CiKe5pdLnmS/	6 Sep 2022	37,391	44,164
3	Green Building Construction BSI Aceh (Video)	https://www.instagram.com/p/CiKnvhMJg6p/	6 Sep 2022	31,814	31,922 (plays)
4	BSI Installs Solar Panel & Plants Mangrove Trees in East Aceh	https://www.instagram.com/p/CiPCkZrrN-Y/	8 Sep 2022	12,073	14,674
5	BSI Builds the Tallest Building in Aceh	https://www.instagram.com/p/CiR1QZorQrt/	9 Sep 2022	12,948	16,499
6	Get to Know Green Financing	https://www.instagram.com/p/CjnA1EZhHwp/	12 Oct 2022	11,644	13,914
7	Minister of Cooperatives & MSMEs Visits Reverse Vending Machine in Bali	https://www.instagram.com/p/Ck8QVa9PW8c/	14 Nov 2022	15,786	19,844
8	BSI X Plasticpay RVM Machine (Video)	https://www.instagram.com/p/Ck9lxmFBVze/	15 Nov 2022	16,923	16,849 (plays)
TOTAL				149,095	123,507 & 48,771 (plays)



Educational content

149,095 total reach

BSI's green campaign and sustainable finance educational content in Instagram social media with 123,507 total impressions and 48,771 total plays.
[SEOJK F1]



Total cost

Rp 6.1 billion

Total cost incurred to fund all flagship activities of BSI's Green Campaign program in 2022.
[SEOJK F4]

ENERGY AND EMISSION

Energy is very crucial for BSI's operational activities in serving its customers. Energy efficiency efforts conducted during 2022, among others:

1. Construction of Aceh landmark building with green building concept.
2. Solar panel usage in BSI Building, among others, in Mayestik Branch Office and Mataram Branch Office.
3. Implementation of water treatment in BSI building/office.
4. The use of LED lamp that has better energy efficiency.
5. Using inverter technology and refrigerant volume in air conditioners
6. Setting the air conditioner as needed

Energy and Emission Consumption

BSI's internal energy consumption is calculated from electricity purchased from the State Electricity Company (PLN) which is used for activities at BSI's head office. In addition to electricity, the source of energy for the Bank's internal energy consumption is fuel oil for the bank's operational vehicles.

Below we report BSI's energy consumption data for the 2022 period:

[GRI 302-1][GRI 305-1] [GRI 305-2][SEOJK F.6][SEOJK F.11]	Unit	Total Volume Usage	Total Energy (GJ)	Total Emission (Ton CO ₂ Eq.)
PLN Electricity for BSI Head office	KWH	5,155,191	18,558.69	4,124.15
Fuel for Head Office Operational Cars	Liter	97,672	3,517.41	261.50
TOTAL			22,076.10	4,385.65

- The scope of BSI's energy consumption and direct emission data is the BSI Head Office at the Tower Jakarta.
- Using energy conversion factor and Net Calorific Value (NVC) based on the International Energy Agency (IEA) conversion standards
- For the purposes of conversion calculation, it is assumed that the fuel type of all operational vehicles used is RON 98 gasoline (Pertamax trademark) with a maximum density of 770 kg/m³ based on the Decree of the Director General of Oil and Gas Number 0177.K/10/DJM.T/2018 concerning Standards and Quality (Specifications) of Gasoline RON 98 Fuel Oil Marketed Domestically.
- Assuming Pertamax Fuel price of Rp12,800/liter, fuel cost in 2022 was Rp1,250,205,157
- Emission Factor Based on IPCC GHG Protocol Cross Sector Tools (March, 2017)
- Global Warming Potential (GWPP) based on IPCC GHG Protocol Assessment Report (AR5)
- Using emission factor from the 2019 Electricity System GHG FE Value for Jamali Grid, which are 0,80 ton CO₂ eq per KWH
- Base year used is 2021.
- To this day, there has been no data collection related to energy and emission related to Scope 3.

Energy Efficiency and Emission Control Programs [SEOJK F7][SEOJK F12][GRI 302-4][GRI 305-5]

It is BSI's commitment to continuously improve energy efficiency and control emission from the Bank's operational activities. Energy efficiency programs and achievements implemented throughout 2022 are as follows:

Environmental Performance



Branch Offices

2

BSI has used solar panels to help meet the energy needs of the branch offices in addition to the source of electricity from PLN.



The lamps

100%

The lamps used throughout all BSI's offices are LED lamps [SEOJK F5]



friendly refrigerant

R32

Is an environmentally friendly refrigerant used in all air conditioning systems in BSI offices. The R32 has a value of "0" ozone depletion potential with a cold index reaching almost 2 times better than other refrigerants. [SEOJK F5]



The air conditioning system

100%

The air conditioning system in BSI's offices has used inverter technology and volume refrigerant that can save up to 50% of electricity. In addition, the room temperature settings at BSI head office and branch office has also considered energy efficiency optimization.

Notes:

As of the end of the reporting year, BSI was still in the process of quantifying the results of energy efficiency, so reporting for total energy efficiency and emissions will be reported in future reports after this process is completed. [GRI 302-4]

WATER

Water is a natural resource that is very important for the continuation of life. Water is needed for health, to various activities in various industrial sectors. In BSI, water is mainly used to meet the domestic need for BSI branch offices and data center. In managing water, it is BSI's commitment and policies to ensure a sustainable water balance. Our water management approach generally aims to:

BSI Water Management Principles & Goals

[GRI 303-1]



Reducing raw water withdrawal from public water bodies, and not overusing groundwater as much as possible.



Improving water recirculation through water recycling process and ensuring that all of our operational facilities has a Water Treatment Plant so that water that undergoes the treatment process can be reused, among others, for flushing toilet and watering plants.



Ensuring the quality of wastewater that is channeled to Waste Water Management Plant (WWTP) meets the quality of standards in accordance with applicable regulations. [GRI 303-2]

Notes:

As of the end of the reporting year, BSI has not conducted a formal assessment regarding water stress and water impact to develop impacts and target for water use. Nevertheless, all BSI's operational areas continue to accelerate water efficiency and conservation efforts as part of the Bank's operational activities.

Throughout 2022, BSI Head Office used 1.905m³ waters, all of which was supplied by PDAM. The Bank continues to be committed to saving water usage through various campaigns that includes all BSI's employees. Water saving campaigns in the Bank's operational areas, among others, through appeal posters placed in the toilet, wudhu, and hand washing area to use water in moderation. [\[SEOJK F.8\]](#)[\[GRI 303-3\]](#)

Water efficiency efforts are also conducted, among others, through the use of water treatment at BSI office building, and recycling used water for flushing toilet in the new building. Then, water efficiency measures are also applied at the BSI Cipali Mosque where used wudhu water is used to water the plants around the Mosque area.

DID YOU KNOW....

Features of Green Building at BSI Head Office

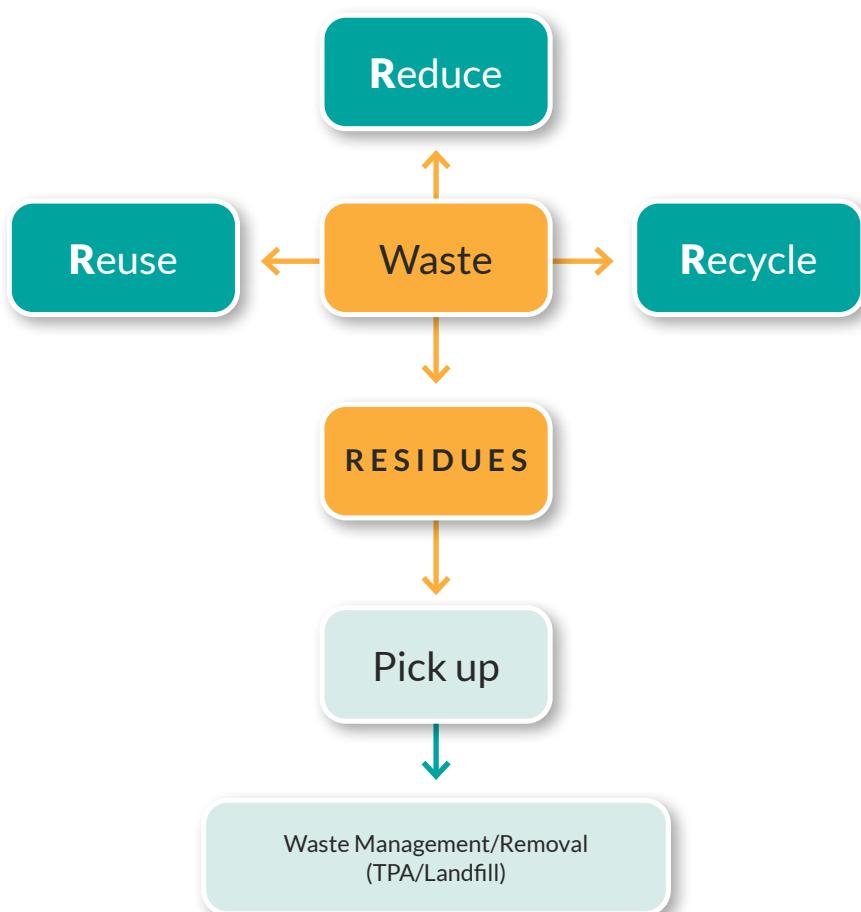
BSI Head Office at the Tower located on Gatot Subroto Street, DKI Jakarta, is the work of one of the world's leading architectural firms, Denton Corker Marshall with a well-known Indonesian architectural figure, Budiman Hendropurnomo as head architect. The Tower reaches 212 meters in height with a floor area of 100.931 gross m². The main consideration in choosing the Tower as BSI head office is inseparable from the fact that the building has environmentally friendly features that comply with the green building principles, among others:

1. Maximizing natural lighting with the building façade using glass, so that the sunlight can illuminate the room and reduce the need to use lights.
2. Using double insulated windows, so as to increase the energy efficiency of the air conditioner used and also functions as a sound barrier from the outside thereby increasing the comfort of BSI employees to work.
3. Having rainwater catchment system, thus reducing extraction of raw water and groundwater.
4. Having Cooled Chiller with FCU for air conditioning system, so the air temperature and humidity in each section can be adjusted as needed with consideration for energy efficiency.
5. Having cooler system with a separate air ventilation to ensure healthier indoor air quality.

Environmental Performance

WASTE

The largest waste or garbage generated from BSI operational activities can be categorized to several types, namely: paper waste, packing waste, and food waste, as well as B3 wastes. The approach and principles of waste management at BSI follow the best practice of reduce-reuse-recycle (3R) that aims to minimize waste volume sent to Landfill (TPA). [\[SEOJK F14\]](#) [\[GRI 3-3\]](#)



Paper Waste [\[SEOJK F13\]](#) [\[GRI 306-1\]](#)

Paper waste is the largest type of waste generated from BSI's operational activities. Report preparation activities, Bank correspondence with customers, and the process of Banking transaction activities are the biggest source of BSI's paper waste. For this reason, paper saving efforts became one of BSI's focuses. Efficient approach for saving paper conducted consistently and continuously, among others:

1. Double sided printing and the use of blank waste paper (duplex printing).
2. Digitization request for printed goods through online applications and the procurement process is carried out digitally through the Procurement Management System.
3. Implementation of E-DOC BSI, namely a web-based correspondence digitization to reduce paper usage at the head office.

Efforts to Improve Paper Usage Efficiency [GRI 306-3]

Paper usage efficiency activities in every operational activity of the Bank, among others, it is conducted through the use of blank waste paper (duplex printing), digitalization of request for printed goods (online) and procurement processes conducted digitally through the Procurement Management System. These activities is a continuation of paper saving, including the implementation of Reuse, Reduce, and Recycle (3R) principles in utilizing leftovers materials into new form of goods and reducing solid waste. The management of paper waste is implemented through the use of recycled paper in printing the Annual Report and Sustainability Report.

In 2022, BSI's paper usage reached 7.042 rim of papers, an increase compared to the paper usage in 2021 that reached 4.228 rim. This is occurred due to an increase in the number of BSI's customers. Going forward, we will continue to strive for efficient use of paper through digitization, identifying and calculating the intensity of paper usage in our operations.

Plastic Waste [SEOJK F13]

Another major source of waste generation is plastic packaging and leftover waste from employee's pantry facilities. The type of waste generated from BSI employee pantry is generally in the form of plastic packaging, leftover, seasoning sachets, and plastic cutlery.

As one of the measures in reducing plastic waste, BSI encourages the use of tumbler drink within BSI office, both for employees and for the needs of various meetings carried out within BSI office.

Environmental Performance

BSI Collaborates For Plastic Waste Recycling Through Digital Platforms

[GRI 306-2] [GRI 306-4]

Beginning in 2021, BSI collaborated with PlasticPay for placement of plastic waste recycling machines in public areas starting with the location of BSI offices. In the first phase of implementation in 2021, Reverse Vending Machine (RVM) waste recycling machines have been placed in BSI Wisma Mandiri 1 Building and several areas in Jabodetabek.

This collaboration program aims to educate the public to be more concerned and take active measures in managing plastic waste. BSI expected that with the RVM, the public will be encouraged to start sorting and processing plastic waste properly so that it can be processed into goods with high economic value, do not burden the landfill and do not pollute the environment. The type of plastic waste that can be brought and traded through RVM machine and PlasticPay digital platform is the type of plastic bottle waste used for drinks.

Through PlasticPay's digital platform, BSI ensures that this program can be measured and monitored properly, and facilitates the people who want to participate. The people who want to participate in reducing plastic can easily redeem their plastic waste to the RVM machine in 3 easy steps:

1. Bring used plastic drink bottle to the nearest PlasticPay Collection Point.
2. Put it into the RVM machine and scan the barcode,
3. Collect points which can then be exchanged for merchandise from BSI and Plasticpay Indonesia, where 1 point is equal to Rp1. For 1 bottle of 600 ml is equivalent to 56 points or Rp56, for 1 kg is equivalent to 2968 points or worth Rp3,000.

In 2022, BSI's collaboration with PlasticPay have successfully placed Reverse Vending Machine (RVM) & PlasticPay Collection Point in

 **23**

points of location
Jabodetabek and Bali

 **2,376.84**

Kg
reduction of bottle plastic waste

 **9.26**

Tons CO₂ eq
carbon footprint reduction



Office B3 Waste [SEOJK F13]

The next category of waste generated from BSI operations is B3 in the form of electronic, used printer ink packaging, used batteries, and used TL lamps.

Efforts made by BSI in managing waste, including those containing hazardous materials, among others by ensuring that there are no spills and disposing hazardous materials that can pollute the environment such as used operational vehicle oil, used ink, and floor cleaning chemicals. The Bank also conducted zero stock program for office stationery items so the procurement is in accordance with the needs and always records the type of waste that does not contain hazardous materials.

It can be conveyed that throughout 2022, there was no significant spillage of B3 or general waste in the BSI work environment. [SEOJK F15]

NATURE-BASED SOLUTIONS

As the largest Islamic bank in Indonesia, BSI is committed to supporting the Indonesia Government's efforts to achieve Indonesia's Enhanced National Determined Contribution (ENDC) in line with the Paris Agreement, one of which is by implementing nature-based solutions.

Nature-based solutions are actions to protect, sustainably manage, or restore nature's ecosystem, in order to contribute in climate change prevention, human health, food and water security, and disaster risk reduction in an effective and adaptive manner, while providing benefits for the welfare of society and the preservation of biodiversity.

Although BSI does not have an operational office close to or within conservation, natural habitat and biodiversity conservation programs are carried out by BSI through tree planting activities in the Bank's operational areas, specifically tree species with large carbon absorption potential. In 2022, BSI planted trees at BSI Bakauheni Mosque and Bromo. [SEOJK F9][SEOJK F10] [GRI 304-3]

	2022	2021
Total of Tree Planting 	33,500 in various BSI's Bakauheni, Bromo, Lebak, Banten, Katulampa Bogor, and Bandung Bali mosques.	1,000 in various locations

ENVIRONMENTAL COMPLAINTS

SA Bank has a significant impact for the environment and society through their financing activities. Realizing this responsibility, BSI always ensures that the funding we distribute does not impact nature and the environment. This commitment is strengthened by the *Maqoshid Syariah* principle that we uphold highly as an Islamic bank, namely, *Hifdz Diin* (safeguarding religion), *Hifdz Nafs* (guarding the soul), *Hifdz Aql* (guarding logic), *Hifdz Nasb* (protecting the offspring), and *Hifdz Maal* (maintaining wealth). For this reason, the assessment and evaluation of environment performance of all BSI debtors is an integral part of the Bank's business process. Throughout 2022, the results of our evaluation of all BSI debtors showed that there were no complaints or cases of significant environmental violations that occurred in BSI debtors. [SEOJK F16]

Independent Assuror Statement



Independent Assurance Statement

The 2022 Sustainability Report of PT Bank Syariah Indonesia Tbk

Number : 11/000-174/IV/2023/SR-Asia/Indonesia

Assurance Type : Type 1

Assurance Level : Moderate

Reporting Standards : GRI Universal Standard 2021 Consolidated

Reporting Regulation : Sustainable Finance Regulation POJK No.51/2017 (Indonesia)

Dear stakeholders,

PT Bank Syariah Indonesia Tbk, hereinafter referred to as “the Bank” or “the Reporting Organization”, has engaged **Social Responsibility Asia** (“SR Asia”) to assure the **Sustainability Report** (“the Report”) for the reporting period of January 1st to December 31st, 2022. The Reporting Organization is the merger of three state-owned Sharia banks: Bank Syariah Mandiri; BNI Syariah; and BRI Syariah. As a listed company and a commercial bank, PT Bank Syariah Indonesia Tbk provides banking services following the Sharia law in Indonesia. This is the Independent Assurance Statement (“the Statement”) that reflects the results of assurance work conducted following the specific methods and approaches as agreed by the “Management”.

Intended User and Purpose

In this Statement, we disclose our opinions against the AA1000 standard, findings, and recommendations to the stakeholders regarding the Report content, especially the Bank’s sustainability commitments, governance, strategies, and achievements during the reporting period. SR Asia carried out the assurance work following particular scope, mechanism, and procedures as agreed by the Management. Due to some limitations, except for the areas covered in the scope of assurance work, this Statement or the Report is not intended to be used exclusively as a basis for interpreting the sustainability or the whole performance of the Bank.

Responsibilities

Our responsibilities to the Management are to evaluate the Report content, come up with findings and recommendations, and issue the Statement. SR Asia is only evaluated for the latest received editorial and data on the final draft as of April 4th, 2023. We are only responsible to deliver assurance work, NOT an audit, by following the Non-Disclosure Agreement, the Assurance Engagement Agreement, Representation Letter, and Subsequent Event Testing. Except for the Management, we assume having NO responsibilities or accountabilities for any claims to any other individuals or organizations. The Management is solely responsible for presenting data, information, and disclosures in the Report content. Therefore, any parties who depend on the Report and this Statement shall bear and manage their risks.

Independence, Impartiality, and Competency

SR Asia applies assurance mechanisms and procedures based on a professional code of conduct that mandates all works are performed in an objective and truthful manner. There is no members of the assuror team have any relationships with the Bank that can prevent them to provide an independent

and impartial statement. SR Asia also confirms that the appointed assuror team members have adequate skills and expertise in reviewing sustainability reports of organizations in various industrial sectors as well as knowledge of ISO 26000, the principles and standards of AA1000 AccountAbility standards and principles, various reporting regulations, standards, and principles.

Type and Level of Assurance Services

1. **Type 1 assurance** on the Report content
2. **A moderate level of assurance** procedure on the Report content and evidence, where the risks of information and conclusions of the Report being error is reduced, but not to very low, but not zero.

Scope and Limitation of Assurance Services

1. Data and information in the Report for the period of **January 1st to December 31st, 2022**.
2. Topics in the Report content that have been identified as "Material" by the Bank: **Occupational Health and Safety, Economic Performance, Product Portfolio, Anti-Corruption, Training and Education, Indirect Economic Impact, and Customer Privacy**.
3. Evaluation of publicly disclosed information, system, and process of the Bank to ensure adherence of the Report content to the reporting principles.
4. Adherence to the following reporting principles, standards, and regulations:
 - a) Regulation of Indonesia Financial Service Authority No.51/POJK.03/2017 regarding the Implementation of Sustainable Finance for Financial Service Institution, Listed, and Public Companies (POJK 51) with reference to Financial Services Authority Circular Letter (SEOJK) 2022 No.16/SEOJK.04/2021.
 - b) Consolidated set of GRI Sustainability Reporting Standards 2021 (GRI Universal Standard) issued by the Global Reporting Initiative.

Exclusion

1. The expression of opinion, belief, expectation, advertisement, and also forward-looking statements, including future planning of the Bank as specified in the Report content.
2. Analysis or assessment against regulations, principles, standards, guidelines, and indicators other than those indicated in the Statement.
3. Topics, data, and information outside the reporting period, or in the public domain not covered in the reporting period.
4. Financial performance data and information as presented in the Bank's financial statements and documents, other than those mentioned in the Report.

Methodology and Source Disclosure

1. Form an assuror team whose members are capable in sustainability report development and assurance.
2. Perform the pre-engagement phase to ensure the independence and impartiality of the assuror team.
3. Perform a kick-off meeting and initial analysis of the Report draft based on the SR Asia Protocol on Assurance Analysis refers to the standards, principles, and indicators of AA1000AS v3, AA1000APS (2018), AA1000 SES (2015), and standards/regulations used in the Report.
4. Discuss online the results of the analysis with the Management and data contributors.
5. Verify evidence and trace data and information as covered in the Report.

6. The Bank incorporated our recommendations in the draft Report and release the final Report content.
7. Prepare the Statement and send it to SR Asia International Director for review to get approval before submitting it to the Bank.
8. Prepare a Management Letter containing all aspects seen, recorded, and observed during the assurance work.

Adherence to AA1000AP (2018) and GRI Universal Standards

Inclusivity – The Bank has sufficiently identified and engaged with key stakeholder groups who influenced its business continuity according to the principle of inclusivity. Hereinafter, the Bank maintained communication with different stakeholder communication channels in various units and functions to fulfill their responsibilities to the stakeholders.

Materiality – Based on the Report content, the topics identified as “material” is adequately describe the sustainability context of the Bank. However, in the next reporting year, the Bank expected to enhance the material topics of the environmental aspects such as energy and emissions. This is because these two aspects are inherent in banking operations. If the Bank can increase actions and strategies in the context of reducing energy and emissions of the Bank, of course, will affect the Bank's sustainability performance to be more strengthened. Therefore, the Bank needs to conduct materiality testing based on AA1000 as a global criteria standard and best practice to determine the risk and opportunity in each material topic. Moreover, the Bank needs to record the process as evidence for assurance.

Responsiveness – In general, the responsiveness of the Bank is sufficient as referred to in the Report content. The Bank has provided a whistleblowing system which is a reporting system aimed at internal and external parties. We appreciate the Bank has recorded customer complaints using the Complaint Handling Management System (CHMS) application. The Report demonstrates the Bank's adherence to the responsiveness principle and is written using relevant reporting principles in a thorough, accurate, timely, and fair manner.

Impact – The Bank's economic performance is increasing every year and that can be seen in its net profit, total financing, and sustainable financing. Hence, we suggest the Bank to strengthen its financial impact by calculating financial implications and other risks and opportunities due to climate change. For the environmental aspect, the Bank already uses LED lights in all offices and has a solar panel system in some of its branches. Moreover, the Bank also conducts a collaboration to reduce carbon footprint by gathering plastic bottle waste. We appreciate the Bank has conducted several action programs to reduce energy and emissions in its operational impact. However, the Bank needs to disclose the impact of energy and emission management through intensity calculation. For the social aspect, the Bank also supports local suppliers by collaborating mostly involving local suppliers for its operational needs. Overall, the economic, environmental, and social performance is adequate for the Bank.

Statement of Use: “with Reference to the GRI Standards” – We evaluated the Report content against the GRI Universal Standards principles, disclosures, and requirements for reporting. The Bank has already fulfilled its requirements with publish a GRI Content Index, provide a statement of use, and notify GRI.

GRI Standards Principles – In conclusion, the Report content indicates its adherence to sustainability reporting principles (accuracy, balance, clarity, comparability, completeness, sustainability context, timeliness, and verifiability). Nevertheless, the Management provided adequate support during the assurance work by submitting evidence/documents as requested.

Recommendation

1. To implement the calculation of financial implications and other risks and opportunities due to climate change impact.
2. To enhance its materiality identification process, which is based on a materiality test with specific criteria, thresholds, and is subject to external evaluation.
3. To involve the risk management function in the process of determining material topics.
4. To enhance the disclosure of energy and emissions management's impact through intensity calculation.
5. To create an integrated management system across functions that covers sustainability performance data and information from various units or functions while adhering to sustainability reporting standards, approaches, and methodologies.

The assurance provider,

Jakarta, April 10th 2023



Birendra Raturi
International Director
Social Responsibility Asia



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Licensed Report
000-174/V3-5Y4RA



Lim Hendra
Country Director for Indonesia
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GRI Content Index

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Feedback Form

PT Bank Syariah Indonesia Tbk (BSI) has published a Sustainability Report to provide sustainability performance and sustainable finance implementation. Upon reading this Sustainability Report, we look forward to your input, criticism and suggestions by sending an email or by sending this form by mail.

YOUR PROFILE

Name (if possible) :

Institution/Company :

E-mail :

Phone/Mobile :

STAKEHOLDER GROUP

- Shareholders and investors
- Customers
- Employees
- Government
- Media
- Business partners
- Public and the community
- Others, please specify:
.....

PLEASE SELECT THE APPROPRIATE ANSWERS IN RESPONSE TO THE QUESTIONS BELOW.

1. This report is easily understood.
2. This report is useful for you.
3. This report portrays the sustainability performance clearly..
4. This report discloses the material topics which are relevant to the Company.

YES	NO
<input type="checkbox"/>	<input type="checkbox"/>

THANK YOU FOR YOUR PARTICIPATION.

PLEASE SUBMIT AND SEND THIS RESPONSE TO THE FOLLOWING ADDRESS:

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GROWING WITH PURPOSE



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