

Danamon

A member of MUFG

Danamon Sustainability Report 2024

Economic Performance (a)

Loan Offsetting for 2024

2024
22,803

Loan Offsetting Based on Sustainable Business Activity

2024
32,707

Environmental Performance (a)

Electricity Usage

2024
134,208

Intensity of Electricity Usage

2024
1.31

Water Usage

2024
150,709

Intensity of Water Usage

2024
1.46

Greenhouse Gas Emissions

2024
53,500

GHG Emissions

2024
12,491

Paper Usage

2024
54,057

Social Performance (a)

Proportion of Female Employees

2024
30.2

Participation in Sustainable Finance Training and Sharing Sessions

2024
11,699

2024
12,342

2024
13,078

2024
4.31



SUSTAINABILITY REPORT



SUSTAINABILITY PERFORMANCE HIGHLIGHTS



Economic Performance [POJK B.1]



Loan/Financing for
MSME

2024

Billion Rupiah

22,803

2023

23,209*

2022

21,042



Loan/Financing Based on Sustainable
Business Activity

2024

Billion Rupiah

32,707

2023

31,264

2022

25,142

*Restated

Direct Economic Value Generated and Distributed (in Billion Rupiah)

Description	2024	2023	2022
Direct Economic Value Generated			
Net Interest Income	15,605	15,216	14,120
Other Operating Income – Net	4,627	4,260	3,930
Total Direct Economic Value Generated (A)	20,232	19,476	18,050
Economic Value Distributed			
Other Operating Expenses	15,991	14,695	13,459
Dividend Payments	1,226	1,156	551
Payments to the Government (Corporate Income Tax)	395	621*	847*
Total Direct Economic Value Distributed (B)	17,612	16,472*	14,857*
Total Direct Economic Value Retained (A-B)	2,620	3,004*	3,193*

*Restated

Environmental Performance [POJK B.2]



Electricity
Usage

2024

GJ

134,208 ↘

2023

140,413

2022

140,326



Energy
Usage Intensity

2024

GJ/employee

16.35 ↘

2023

16.56

2022

16.37



Water
Usage

2024

m³

150,709 ↘

2023

158,543

2022

134,995



Water
Usage Intensity

2024

m³/person

1.47 ↘

2023

1.51

2022

1.27



Intensity of GHG
(Greenhouse Gas)
Emission

2024

Scope-1 & 2
Tons CO₂e/employee

1.46 ↘

2023

3.24

2022

3.50



GHG Emission*
Scope-1 & 2*

2024

Tons CO₂e

12,491 ↘

2023

28,390

2022

31,123



Paper
Usage

2024

Reams

54,057 ↘

2023

54,060

2022

48,313



Accumulated Tree
Planted

Mangrove

2024

Trees

53,500

2023

53,500

2022

21,500

2024

Tons CO₂e/million IDR

0.0005 ↘

2023

0.0012

2022

0.0015

Other trees

2024

Trees

9,555 ↗

2023

8,655

2022

3,055

*Calculations are based on the updated emission factors from the 2024 Green Calculator Guidebook by Bank Indonesia. Previously reported values were 23,661 Ton CO₂e (2023) and 23,686 Ton CO₂e (2022).

Social Performance [POJK B.3]



Proportion of Female Employees

2024 %
30.2

2023

31.7

2022

30.8



Employee Training and Education Expense

2024 Billion Rupiah
91.9

2023

90.57

2022

101.1



Participants in Sustainable Finance Training and Sharing Sessions

2024 People
11,699

2023

12,242

2022

13,078



Customer Engagement Survey

2024 Score (Scale of 1 to 5)
4.24

2023

4.11

2022

4.14



Net Promoter Score (NPS)

2024 Score (Scale of -100 to 100)
42

2023

35

2022

31

Employee Turnover Rate [IDX S-03]

Description	Number of Employees*	Percentage of Employees*
Number of Employees Resigning/Terminated	2,967	11.5
Number of New Employees	2,618	10.1

* In the reporting year

Number of Temporary Employees [IDX S-04]

Description	Number of Employees*	Percentage of Employees*
Number of employees held by contractor and/or consultants	2,393	9.3

* In the reporting year

SUSTAINABILITY GOVERNANCE

Sustainability Governance is one of Danamon's sustainability strategy pillars. A good Sustainability Governance ensures the implementation of Sustainable Finance is in accordance with environmental, social, and governance (ESG) principles, as well as compliance to prevailing regulation.

SUSTAINABLE FINANCE GOVERNANCE STRUCTURE

In 2024, Danamon updated its Sustainability Governance structure to improve the effectiveness of bank-wide sustainable finance implementation. Danamon established Sustainability Sub-Committee, as part of the Risk Management Committee (RMC). This adjustment considers climate risk management and oversight direction into Bank's risk management, as the expansion of Bank's highest-level committees' roles and responsibilities, in accordance with regulatory requirement for Banks.

The Sustainability Sub-Committee's key role and responsibility is to review and approve sustainability-related priority issues, as well as oversee Bank's SFAP (Sustainable Finance Action Plan) implementation and reporting. The supervision of sustainable finance

implementation is a joint effort involving the Board of Commissioners and the Board of Directors. The implementation of sustainable finance is carried out by the Sustainability Team, which includes members from various divisions.

The Sustainability Sub-Committee is chaired by the Director of Syariah & Sustainability Finance, with the Alternate Chairperson being the Director of Global Alliance Strategy. Its members include Risk Management Director, Enterprise Banking & Financial Institution Director, and SME Business Head, and Consumer Lending Business Head. [GRI 2-13]

Regular meeting of Sustainability Sub-Committee is held at least 2 (two) times in a year. The meeting is led by the Chairman of Sub-Committee. Realization of the SFAP is reported to and evaluated by the Sustainability Sub-Committee through internal circulation or meeting at minimum every quarter.

More complete details on the full Corporate governance structure are available on page 291 of this report.

Danamon Sustainability Governance Structure

[GRI 2-9] [GRI 2-12] [GRI 2-13] [GRI 2-14]

Board of Commissioners – through Risk Oversight Committee

Approve SFAP (including Sustainability Vision and Mission)

Board of Directors

- Lead the development of SFAP
- Oversee the overall sustainability performance

Risk Management Committee (RMC)

Sustainability Sub-Committee

- Review and approve priority sustainability issues and Sustainability Policy
- Monitor the implementation of the SFAP, including internal policies for the Sustainability Report

Sustainability Team

Develop and implement SFAP as well as prepare sustainability report

ESG-RELATED RISK MANAGEMENT [[POJK E.3] [SASB FN-CB-550A.2]

Danamon has started its step in ESG-related risk management as one of the aspects considered in risk management, including climate change risk, as a form of contribution to sustainable growth.

As part of the Environmental and Social Risk Management implementation, Danamon develops and regularly reviews framework and guideline related to Environmental and Social Risk Management (ESRM). In the credit process, Sustainability Credit Guideline is a framework that considers ESG aspects into the Bank's internal risk management, primarily credit risk management to its debtors.

In its implementation, ESG-aspect analysis is also carried out through Environmental and Social Risk Analysis (ESRA) in the credit process. ESRA guideline is applied since March 2021 for debtors who fall into the category of sectors that have significant ESG risk, primarily in the Financial Institutions (EBFI) line of business. In 2024, Danamon continued the implementation of ESRA to bolster ESG-related risk management on its credit process.

CLIMATE RISK MANAGEMENT & SCENARIO ANALYSIS [SASB FN-CB-550A.2]

At the beginning of 2024, OJK issued 6 Guidebooks related to Climate Risk Management and Scenario Analysis (CRMS) to be used as reference on CRMS Pilot Project.

As one of the Bank required by OJK to join CRMS Pilot Project Phase 2, Danamon had reported the result of climate risk scenario analysis for the Bank's 50% total loan portfolio to OJK in July 2024.

EXTERNAL INITIATIVES AND ASSOCIATION MEMBERSHIP [POJK C.5] [GRI 2-28]

Danamon plays an active role in various national Banking associations and is involved in some of the initiatives organized. Such involvement is useful in gaining insight into best practices and key issues in the Banking sector. Being part of an association and initiative provides Danamon with more opportunities to communicate, discuss, and transfer knowledge with other participants across sectors.

During 2024, Danamon participated in The Asia Transition Finance Study Group (ATF SG). ATF SG is a private group led by financial institutions (FIs), mainly Asian and global Banks, promoting transition finance in Asian countries. The Study Group developed guidelines for financial institutions and suggested support measures to relevant parties, outlining progress in the transition finance landscape, including challenges and applicable potential solution. [GRI 2-28]

Other Information on Bank Risk Management

For additional information, until the end of 2024, Danamon had not become a part of the Global Systemically Important Bank (G-SIB). A complete explanation of the Bank's overall Risk Management can be found in the Risk Management section. [SASB FN-CB-550a.1]

SUSTAINABILITY STRATEGY

[POJK A.1]

OPPORTUNITIES AND CHALLENGES OF SUSTAINABLE FINANCE

Danamon understands that integrating sustainability values into the entire business process will not happen overnight nor it is a challenge-free process. The Bank's commitment to implement sustainable finance consistently as we do evaluate challenges, opportunities, and its impact on the stakeholders. The following are some of the identified challenges to implement sustainable finance.

1. Dynamic Economic and Market Conditions

Competitive market interest rates and regulatory dynamics affect the Bank's business targets. Additionally, in disbursing sustainable financing, the Bank must identify and verify customers' eligibility in compliant with sustainable finance criteria. Investment in sustainability instruments also depends on the availability of instruments, opportunities in the market, and the availability of green projects eligible to be financed. Nevertheless, Danamon remains committed to support sustainable financing and monitoring the market for opportunities. This commitment also involves market needs on sustainability financing, mainly transition financing to a low-carbon economy.

2. Government Support

Danamon appreciates the Government's step in implementing sustainable finance through the implementation of regulations and a number of initiatives, guidance, and capacity building. Along the way, the dynamics of Regulator's priorities in implementing sustainable finance are mitigated by close and transparent communication with the Regulator, as well as with other relevant stakeholders. The Bank is committed to complying with applicable regulations while rigorously supporting the Government in strengthening the regulatory framework for sustainable finance in Indonesia.

3. Customer and Stakeholder Awareness

In creating a collective effort for sustainable finance, Danamon supports customers and other stakeholders to understand the importance of sustainable finance. Danamon regularly promotes sustainable finance through financial literacy programs for all walks of life to increase their understanding of sustainable finance.

4. Employee Awareness

The Bank's successful implementation of sustainable finance starts with collective employee awareness as the main driver. Danamon is committed to enhancing understanding of sustainable finance amongst its employees through series of training program and socialization. The Bank has also developed internal training materials to ensure employees understand the best practices in sustainable finance.

Challenges in the implementation of sustainable finance also bring enormous opportunities for Danamon to develop more innovative financial products and services, such as sustainable financing and ESG-based products. The products do not only help us to achieve our sustainability goals, but they also expand the Bank's business portfolio. A further benefit of such commitment to sustainable finance is that Danamon has the opportunity to improve its preeminence and reputation as a responsible financial institution while attracting more customers and partners who share the same values. With effective challenge management and benefitting from every emerging opportunity, Danamon should be able to continue to be an active participant in sustainable finance implementation, while providing long-term benefits for customers, stakeholders, and the environment.

CLIMATE CHANGE-RELATED IMPACTS, RISKS, AND FINANCIAL OPPORTUNITIES

Human activities that produce greenhouse gas (GHG) emissions have caused the earth's surface temperature to rise by 1.1 degrees Celsius. Countries globally have responded to this issue with the ratification of the Paris Agreement in 2015, where they target to limit the rise of global temperature to a maximum of 1.5 degrees Celsius. The effort is a shared responsibility, which involves everyone from the communities, governments, and the private sectors.

Knowing the overcoming climate crisis is not an easy challenge does not waver Danamon's commitment to contribute with the solutions, in line with MUFG's commitment to decarbonization efforts to help the Bank achieve its Carbon Neutrality (net zero emissions) from operations by 2030. Amongst the initial steps that Danamon has taken to run an environmentally responsible business are the responsible use of energy, paper, and water, the use of renewable materials, and participation in carbon absorption and offset initiatives, such as using Renewable Energy Certificates (RECs), purchasing carbon credits, and mangrove plant maintenance. [POJK E.5]

Vision and Mission of Sustainable Finance

Sustainability Vision

Danamon believes in the importance of making our products and services sustainable. Over time, we will align our business with the sustainability expectations of our stakeholders, while identifying the best solutions to meet their needs.

Sustainability Mission

Danamon is committed to creating sustainable value and growth for our customers, employees, and the communities in which we operate.

SUSTAINABLE FINANCE STRATEGY

To drive positive change and sustainable growth integrated into Banking operations, Danamon compiles framework of the Sustainable Financial Plan (SFAP). In its implementation, Danamon collaborates with stakeholders, including MUFG and Adira Finance (ADMF).

Danamon's strategy includes the development of Governance and Process, Awareness and Internal Capacity Building, Sustainable Financing, Responsible Workplace Management, and Corporate Social Responsibility.

Danamon implements the eight Principles of Sustainable Finance, which are:

- Responsible Investment;
- Sustainable Business Strategy and Practices;
- Social and Environmental Risk Management;
- Governance;
- Informative Communication;
- Inclusivity;
- Priority Sector Development; and
- Coordination and Collaboration.

SUSTAINABILITY POLICY [2-23]

The Sustainability Policy offers guidance for the Bank in managing sustainability aspects, which cover economic and ESG issues. The Policy also covers description of the Bank's sustainability governance approach and how its sustainability performance aligns with the Sustainable Development Goals (SDGs).

The Sustainability Policy is reviewed and revisited periodically to ensure it remains effective and relevant. The implementation of the Sustainability Policy is submitted to the regulator in the form of a SFAP, as well as to other stakeholders through the submission of sustainability reports.

Danamon has established a vision, and a mission for sustainability, with targets to allocate 20% of total loan disbursements towards green and sustainable financing by the end of 2025. In line with MUFG's aspiration, Bank also aspires to achieve Net Zero Emissions from its own operations by 2030. [IDX E-06]

DANAMON'S SUSTAINABLE FINANCE ACTION PLAN (SFAP)

The implementation of Sustainable Finance Action Plan (SFAP) is a framework of Danamon's Sustainability strategy. There are 5 (five) priority programs in the RAKB, which are Governance and Process, Awareness and Internal Capacity Building, Sustainable Financing, Responsible Workplace Management, and Corporate Social Responsibility.

In supporting these 5 (five) priority programs, we strive to always takes into account its Environmental, Social and Governance (ESG) impacts in all Bank's business activities and operational.

SFAP Programs Based on Priorities



Governance and Process

Review on priority issues to be aligned with business strategy, Sustainability Policy update, sustainability reporting, joining organization/initiative related to sustainable financing.



Internal Awareness and Capacity Building

Develop external awareness building (including training and knowledge management).



Sustainable Financing

ESRM implementation, sustainable financing & investment, Green Taxonomy & Indonesian Taxonomy for Sustainable Finance.



Responsible Workplace Management (Achieving Net Zero from Own Operation in 2030)

Responsible resources use and workplace management, decarbonization, and electric vehicle (EV) charging, and REC purchase.



Corporate Social Responsibility

Financial literacy, environmental & social improvement, disaster response & disaster risk reduction, Danamon Sustainable Ecosystem Campaign, and carbon credit.

Danamon has developed and submitted its SFAP for 2025-2029 to the regulator in November 2024, together with Bank's Business Plan (RBB). Our achievements against the established RAKB on are discussed in greater detail within this report.

STAKEHOLDER ENGAGEMENT [POJK E.4] [GRI 2-29]

Danamon classifies stakeholders as individuals or groups who have a stake in the implementation of the Bank's sustainability practices. This identification is based on mutually supportive and synergistic relationships and interactions. Danamon weighs issues or topics that are of concern to each stakeholder with extra care. Through the interactions, Danamon can get useful input and suggestions to improve its services while having a much better understanding of the needs of stakeholders.

Stakeholder List and Engagement

No	Engagement Objectives	Engagement Methods	Engagement Frequency
1	Customers <ul style="list-style-type: none"> Develop deeper understanding of aspirations, business, and financial service needs. Provide appropriate advice, proactive financial solutions, and value-added services. Ensure maintenance of high service standards. Inform product development and prioritization. Obtain feedback for product innovation and service optimization. Ensure accuracy of customers' personal and/or business information. 	<ul style="list-style-type: none"> Interactions through marketing staffs, branches, managers, regional heads, senior management, call centers, and alternative Banking channels. Customer events, face-to-face meetings, surveys, marketing and advertising activities. Formal written correspondence, e-mails, newsletters, and social media communications. Customer engagement surveys. 	<p>Ongoing.</p> <p>Intensity depends on customer needs and sales and service opportunities.</p>
2	Shareholders and Investors <ul style="list-style-type: none"> Provide relevant and timely information. Manage expectations, risk management, and reputation. Maintain strong relationships, monitor market developments, and inform performance targeting strategies. Ensure good governance and strengthen shareholder confidence. Obtain feedback for strategy development, business operations, and Corporate sustainability. 	<ul style="list-style-type: none"> Annual General Meetings Extraordinary General Meetings as needed. Investor briefings for year-end and/or interim results announcements and roadshows. Various investor group meetings. Individual meetings with financial analysts, shareholders, investors, and risk management analysts. Bank's sustainability materiality evaluation meetings. 	<p>Formally once or twice annually coinciding with year-end and half-year results releases.</p> <p>Ad hoc as requested by financial analysts, investment analysts, and investors during open periods.</p>
3	Employees <ul style="list-style-type: none"> Provide strategic direction. Ensure Danamon remains the employer of choice, providing a safe, positive, and inspiring work environment. Understand and respond to staff needs and concerns. 	<ul style="list-style-type: none"> Regular direct communication between managers, teams, and individuals. Face-to-face, written, digital communications, and surveys. Regular meetings. Sustainability materiality questionnaire surveys. 	<p>Continuous engagement at all levels.</p>
4	Suppliers or Business Partners <ul style="list-style-type: none"> Fulfill all contractual clauses and agreements. Obtain necessary products or services. Maintain optimal and timely supply of goods and services. Promote responsible practices throughout the supply chain. Obtain input regarding product and service development. 	<ul style="list-style-type: none"> Negotiations and face-to-face meetings for finalization follow-up and after-sales service. Sustainability materiality questionnaire surveys. 	<p>Continuous, as needed.</p>
5	Regulators <ul style="list-style-type: none"> Maintain open, honest, and transparent relationships while ensuring compliance with all legal and regulatory requirements. Maintain Bank's various operating licenses and minimize operational risk. Obtain input regarding the Bank's sustainability strategy. 	<ul style="list-style-type: none"> Various engagements with central and regional governments, participation in consultative forums. Sustainability materiality questionnaire surveys. 	<p>Monthly or as deemed necessary by either party.</p>
6	Academic Institutions <ul style="list-style-type: none"> Obtain input regarding ESG implementation and product/service development. 	<ul style="list-style-type: none"> Face-to-face, written, and digital communication. Sustainability materiality questionnaire surveys. 	<p>As needed.</p>
7	General Public and NGOs <ul style="list-style-type: none"> Partnership in implementing sustainable CSR programs and initiatives. Obtain input regarding areas and focus of sustainable CSR programs and initiatives. 	<ul style="list-style-type: none"> Annual reports, press releases, and partnership implementation of CSR programs and initiatives. Sustainability materiality questionnaire surveys. 	<p>Continuous, in alignment with partnership needs.</p>
8	Mass Media <ul style="list-style-type: none"> Communicate with relevant stakeholders and broader society to create positive influence and achieve desired business outcomes. Protect and manage the Bank's sustainability-related reputation. 	<ul style="list-style-type: none"> Regular interactions for information sharing and responding to media inquiries. Product and service launches. Interviews with key business media on relevant matters. Continuous phone and e-mail interactions regarding media inquiries. Empowering their audience to make informed financial decisions. Sustainability materiality questionnaire surveys. 	<p>Continuous, as needed.</p>

SUSTAINABILITY TOPIC AND SUSTAINABLE DEVELOPMENT GOALS [GRI 3-1]

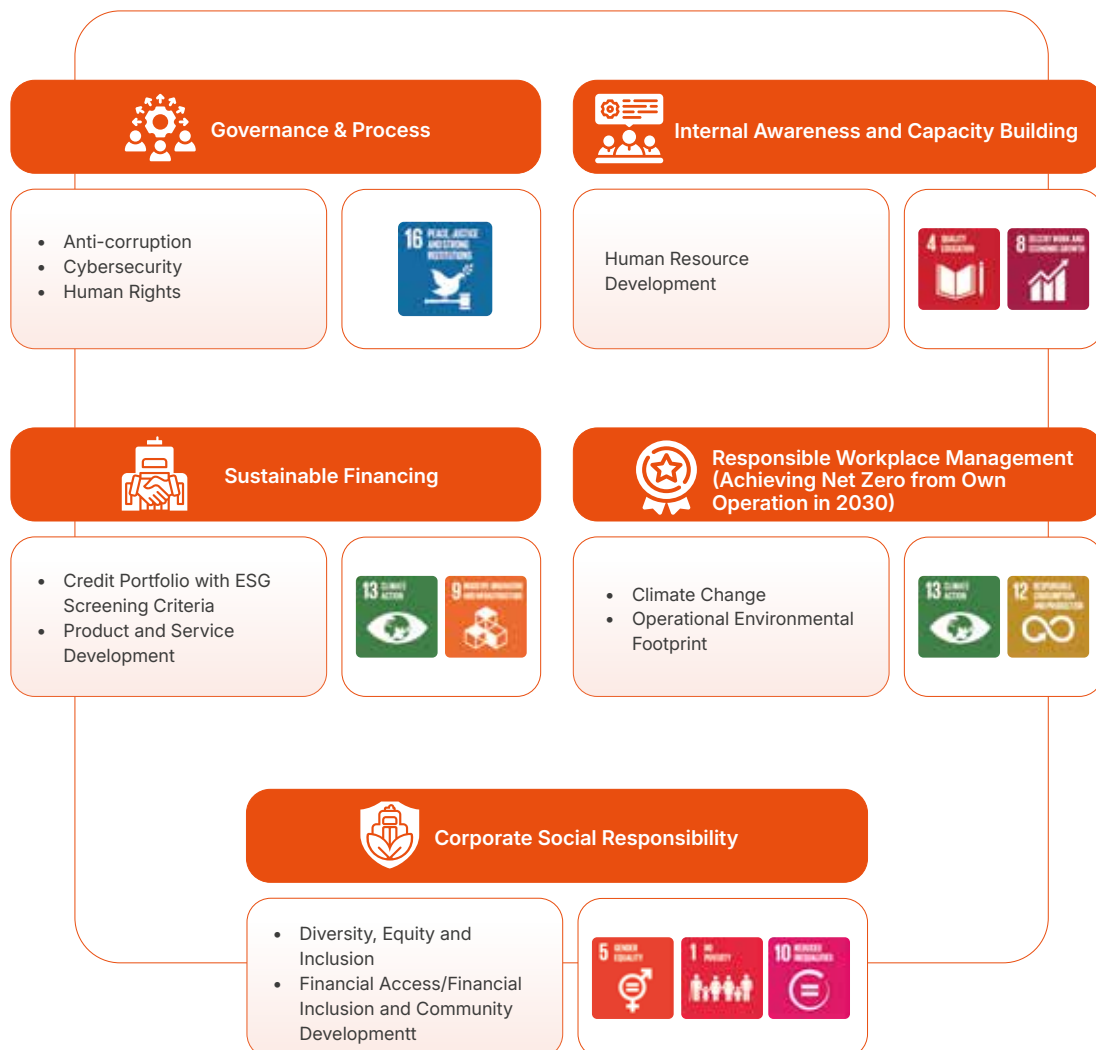
In 2024, Danamon conducted an assessment of sustainability aspects identified as material topics, updating the previous sustainability topics. The assessment process included steps of identification, testing, and prioritization of topics, involving internal and external stakeholders.

In accordance with stakeholder engagement, a sustainability materiality questionnaire survey was conducted to determine the priority of material topics. The determination of material topics was also done by benchmarking between previous topics, MUFG Group assessments, peer Banks in Indonesia, sustainability reporting standards and frameworks such as GRI, SASB, IFRS & S2, and ESG rating agencies. This process was conducted by involving an independent third party to ensure that the process involves parties with relevant expertise.









Danamon employs a double materiality approach to test and select material topics. Material topics are those that have significant impact on stakeholders and are crucial for the sustainability of Danamon's business. Danamon's commitments to each material topics are stipulated in Sustainability Policy.

Danamon is firmly committed to supporting the achievement of Indonesia's Sustainable Development Goals (SDGs) through the provision and operational activities of financial services for all Indonesians. Danamon's contribution to the SDGs is realized through various initiatives and collaborations outlined in the RAKB. The link between Danamon's material topics and the SDGs is summarized as follows.

List of Material Topics and their Relationship to SDGs within RAKB Pillars [GRI 3-2]



Danamon's Commitment Towards SDGs [GRI 2-22] [GRI 3-3]

SDGS	COMMITMENT
 	<ul style="list-style-type: none"> Supports the collective commitment to achieve net-zero GHG emissions from its own operations by 2030; Optimizing energy, water, and paper usage across daily business activities. This includes sustainable waste management practices and a range of innovative initiatives; Pursues funding for green projects, such as renewable energy initiatives and climate-resilient infrastructure, in alignment with regulatory guidance; Integrates ESG criteria into investment assessments and credit portfolios as part of its efforts to accelerate the transition to a low-carbon and sustainable economy; Building resilience among low-income communities to reduce their vulnerability to extreme climate events and economic, social, environmental shocks and disasters through disaster risk reduction programs; Strengthening resilience and adaptive capacity to climate-related hazards and natural disasters through disaster risk reduction initiatives.
  	<ul style="list-style-type: none"> Committed to developing affordable and accessible Banking services for underserved communities, thereby bridging economic disparities; Support the growth of financing portfolios for small and medium enterprises, as well as strengthening policies and capabilities to expand access to Banking products and financial services; Maintain a zero-tolerance stance against all forms of discrimination, including but not limited to discrimination based on race, color, religion, gender, national origin, social status, physical disability, and marital status.
	<p>Implementing gender equality policies, such as equal pay, maternity leave, and leadership development programs to foster a more inclusive workplace.</p>
 	<ul style="list-style-type: none"> Ensure equal employment opportunities across all aspects of work; Committed to investing in skill enhancement, leadership development through education and training programs, and employee career development; Provide training sessions and knowledge-sharing initiatives to enhance financial literacy and entrepreneurship capabilities among communities within the Bank's operational areas.
	<ul style="list-style-type: none"> Strictly implements anti-money laundering prevention and prohibition mechanisms; promotes transparency and accountability; and refuses to conduct business with entities involved in corrupt practices; Supports initiatives and organizations dedicated to combating corruption and promoting good governance; Committed to upholding strict ethical standards and human rights principles across all operations.

BUILDING DANAMON SUSTAINABILITY CULTURE [POJK F.1]

The development of a sustainability culture is a part of Danamon's SFAP pillars, specifically the "Internal Awareness and Capacity Building" pillar, which aims to provide employees with the insights, knowledge, and skills needed to implement sustainable finance, as well as incorporating sustainable practices into daily activities.

Throughout 2024, Danamon has carried out efforts to develop sustainability culture, such as:

1. Conduct stakeholder engagement with internal and external stakeholders;
2. Organizer various trainings and sharing sessions on sustainability finance;
3. Conducting various initiatives to save electricity, water, and paper including regular campaigns through internal e-mail blast to remind employees of the importance of saving electricity, water, and paper;
4. Built EV charging stations in five Danamon buildings, including the head office, and facilitated electric motorcycle rental to support EV campaign;
5. Create an inclusive work environment that ensures equality in opportunities in the workplace.

SUSTAINABLE FINANCE COMPETENCY DEVELOPMENT [GRI 2-17]

Danamon implements continuous learning for members of its Board of Directors, Board of Commissioners, management, and frontline employees to improve their knowledge and skills that are needed to apply effective sustainable finance. Internal competency development programs are designed in the annual sustainable finance action plan that we have prepared together with the Human Capital department.

Dissemination of information to increase employee awareness of the sustainable finance implementation through internal e-mail media and private messaging services, and the public through press releases and social media.

Training related to Sustainability Finance

Name of Training	Organizer	Participant
Code of Conduct 2024	E-Learning (EAZY)	8,340 employees
Danamon Sustainability 2021	E-Learning (EAZY)	8,206 employees
Occupational Safety in Emergency Condition	E-Learning (EAZY)	8,144 employees
<i>Peran Taksonomi untuk Keuangan Berlanjutan Indonesia (TKBI) dalam Mendorong Transisi Energi Menuju Net Zero Emission Indonesia</i>	OJK	2 employees
How to Mitigate Transition and Physical Risks in the Financial Sector	OJK Institute	2 employees
Asia Transition Finance Study Group (ATF-SG) Series 1-5	ATF SG	30 participations
How to Calculate Financed Emission	OJK & WWF	4 employees
Capacity Building on GHG emissions calculations	Tri Hita Consulting	32 employees
<i>SINAR Episode Spesial Hari Disabilitas Internasional: Mari Belajar Bahasa Isyarat</i>	Internal	49 employees
Training Scope-3 GHG Emission Calculation (Cat. 1, 2, 6, and 15) with Fair Atmos & ADMF	Fair Atmos	5 employees
TKBI Public Consultation on New Sectors (Construction & Real Estate, Transportation & Storage, Half of AFOLU)	OJK	3 employees
Seminar regarding Green Washing	UNEP FI & OJK Institute	3 employees
Technical Workshop on Scope-3 FE with THK	Tri Hita Consulting	31 employees
Seminar "Journeys Toward the Adoption of IFRS S1 and S2 in Indonesia"	OJK - IAI	2 employees
Bloomberg Sustainable Finance Seminar	Bloomberg in partnership with OJK	3 employees
<i>Seminar "Kesiapan Adopsi Standar Pengungkapan Keberlanjutan (IFRS S1-S2)"</i>	OJK - IAI	2 employees

Note:

More information on the training programs for the Board of Directors and the Board of Commissioners can be seen in the Corporate Governance Chapter in this Report.

CREATING BIGGER IMPACT

ESG ASPECT ASSESSMENT IN THE CREDIT PROCESS

[SASB FN-CB-410a.2] [GRI 3-3]

For Danamon, ESG integration plays a crucial role in credit distribution, serving to prevent and minimize potential negative environmental and social impacts from business activities. Danamon ensures total compliance to regulations, by not financing industries included in the list of prohibited industries. Bank conducts environmental and social risks assessments in the credit underwriting process and request fulfillment of environmental requirements from debtors to minimize social and environmental risks from loan distribution. Danamon conducts credit analysis, including the fulfillment of debtor requirements for environmental impact analysis (Analisis Mengenai Dampak Lingkungan-AMDAL) and/or other environmental documents and the results of the evaluation of the Company Performance Rating Program in Environmental Management (Program Penilaian Peringkat Kinerja Perusahaan Dalam Pengelolaan Lingkungan Hidup - PROPER), in addition to all legal requirements related to the environment and social that are valid according to applicable regulations. The Loan Agreement requires debtors to maintain all business licenses and permits, including environmental permits within their validity period and renew upon expiration.

ENVIRONMENTAL AND SOCIAL RISK MANAGEMENT (ESRM)

Danamon applies Environmental and Social Risk Management (ESRM) through the Sustainability Credit Guidelines and the Environmental and Social Risk Analysis (ESRA) Guidelines. The Sustainability Credit Guidelines and ESRA Guidelines have been adopted in the EBFI Line of Business (LoB) for the Corporate and Commercial segments since 2021 and for the Mid-Market segment since 2023. Later in 2024, Danamon updated Sustainability Credit and ESRA Guidelines to align with the latest regulations and the MUFG Environmental and Social Policy Framework related to the mining and biomass sectors.

The Sustainability Credit Guidelines are used to ensure alignment of credit policies with the prevailing regulations related to targeted industry segments and evaluate them based on an analysis of environmental and social impacts as part of the credit review process.

These guidelines apply to new and additional loan applications for business activities that have significant ESG risks. They contain procedures for identifying, assessing, mitigating, and compensating ESG risks in the industry. It contains procedures for identifying, assessing, mitigating, and compensating ESG risks in the industry from the debtor's perspective, including environmental risks such as climate, environmental and biodiversity damage, and water; and social risks such as human rights.

ESRA contains analysis guidance for eleven sectors in priority industries that contain significant risks related to ESG aspects, including:

1. Palm oil;
2. Mining and quarrying;
3. Coal;
4. Pharmaceuticals;
5. Chemicals;
6. Steel;
7. Textiles;
8. Pulp and paper;
9. Wood and forest products;
10. Consumer products;
11. Oil and gas (related to oil sands, Arctic Area development, shale oil/gas, and gas pipelines)

The Bank is committed to conducting annual supervision and assessment of debtors through established credit monitoring procedures. If there is an indication of a violation, the Bank conducts a thorough investigation as one of basis to decide on the continuation of the credit. This assessment process is not only intended to address negative impacts on the business but also to support the overall assessment.

The Internal Audit Working Unit (IAU) conducted an independent assessment of the Sustainability Credit Guideline and ESRA Guideline to ensure its alignment with the target industries segment and to evaluate whether a comprehensive analysis of environmental and social impacts was conducted as part of the loan review process. In 2024, IAU has conducted review on Sustainability Credit and ESRA Guideline as well as its implementations by related LOBs.

Implementation of ESRA Guidelines

Description	2024	2023	2022
Total Debtors that have implemented loan process through ESRA	110	81	55
Total Debtors falling under ESRA category*	221	216	204
Total credit implementing the loan process through ESRA (in Rp Billion)	35,646	23,049	22,778
Total credit under ESRA (in Rp Billion)	46,455	40,412	35,790
Percentage of debtors implementing the loan process through ESRA (%)	50	38	27
Credit percentage (plafond) applying the loan process through ESRA (%)	77	58	64

Note:

*Total debtors included in the eleven industry sectors with high and medium risk categories based on ESRA Guidelines

ESG-BASED LOAN PORTFOLIO

Sustainable products and services serve a variety of purposes that are notable to economic, environmental, and social development, including funding projects and initiatives that help reduce negative environmental impacts while narrowing social and economic gaps.

SUSTAINABLE FINANCE PORTFOLIO

Since 2018, Danamon has provided sustainable loans in accordance with Financial Services Authority Regulation No. 51 of 2017 (POJK-51/2017) to support sustainable finance program. Not only to give financial benefits, sustainable loan/financing purpose is but also to improve environmental performance and social benefits. Sustainable loan serves as an important initiative that allows the financial services sector to support the SDGs, including facing climate challenges.

Danamon targets to allocate 23% of its entire total loan portfolio as sustainable financing by 2029. The achievement of KKUB is one of the Board of Directors' Key Performance Indicators (KPIs).

Total Financing by Category of Sustainable Business Activities and Comparison to Total Portfolio

[SASB FN-CB-240a.1] [SASB FN-CB-000.B] [POJK F.3]

		Rounding applied Rp billion		
KKUB	Description	2024	2023	2022
1.	Renewable energy	3,184	1,652	644
3.	Pollution prevention and control	324	66	2
4.	Sustainable management of natural resources and land use	2,626	2,253	1,281
6.	Environmentally friendly transportation	227	107	8
7.	Sustainable water and wastewater management	1,844	3,000	1,600
9.	Product which can reduce the use of resources and produce less pollution (eco-efficient)	288	237	81
10.	Environmentally friendly buildings that meet national, regional, or international recognized standards/certification	132	39	32
11.	Other business activities and/or activities with an environmental perspective	776	259	8
12.	Business activities and/or other activities of micro, small and medium enterprises	23,307	23,650	21,486
Total KKUB financing		32,707	31,264	25,142
Total portfolio Bank		156,476	144,643	121,902
% KKUB financing to total portfolio		21%	22%	21%
Target % of KKUB financing to total portfolio		23%	21%	21%

Throughout 2024, Danamon has disbursed sustainable loans based on the Sustainable Business Activity Category (KKUB) amounting to Rp32.7 trillion, which increased by 4.6% from last year at Rp31.3 trillion. The figure includes loans for the Micro, Small, and Medium Enterprises (MSMEs) segments, which contributed 71.3% to the total sustainable loans. Over the past two years, Danamon's sustainable loan has grown by around 30%, from Rp25.1 trillion by the end of 2022 to Rp32.7 trillion by the end of 2024.

Danamon will remain focused on providing green loan by utilizing the MUFG Group ecosystem by serving customers from various segments in implementing the energy transition through the use of environmentally friendly technology.

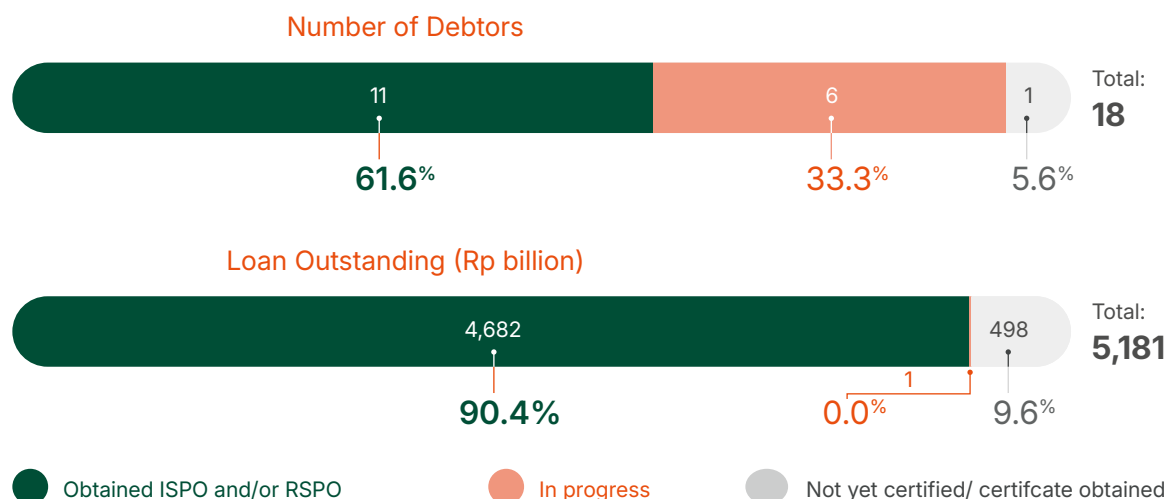
One of our initiatives is collaboration with ADMF to provide loans for environmentally friendly transportation. In 2024, together with ADMF, Danamon had successfully disbursed loans for environmentally friendly transportation amounting to Rp226.7 billion.

In addition, we continuously strengthen support for the distribution of green loans in the renewable energy sector, with a focus on financing in the retail, Corporate and community sectors. Through these steps, we hope to continue to support the transition to more environmentally friendly energy sources.

OIL INDUSTRY LOAN PORTFOLIO

With regards to loans disbursement to certain sectors that require careful management of management of biodiversity and sustainable land use, especially the palm oil plantation business, Danamon always adheres to the Palm Oil Sector Credit Policy and requires debtors to obtain Roundtable Sustainable Palm Oil (RSPO) and Indonesian Sustainable Palm Oil (ISPO) certifications. Debtors are further required to adopt the No Deforestation, No Peat, and No Exploitation (NDPE) policy. In 2024, 94.4% of our debtors within the Palm Oil Sector have obtained or in progress in obtaining for ISPO/RSPO certification.

ISPO-required Palm Oil Industry Debtors and Loan Portfolio in 2024



CARBON-RELATED ASSET

As part of MUFG's global network, Danamon classifies credit disbursement based on carbon-related and non-carbon related assets. Disclosure of carbon-related assets is part of Danamon's efforts to monitor portfolios in sectors which business activities are climate-related, such as energy, utilities, transportation, materials and buildings, and agriculture, food, and forest products. In 2024, Danamon recorded carbon-related assets, accounting for 44.2% of total credit and trade finance disbursements.

Carbon-related Asset

Description	Balance (Rp billion)	Ratio
Energy	3,176	2.0%
Oil & Gas	3,020	1.9%
Coal	155	0.1%
Utilities	351	0.2%
Electricity	351	0.2%
Gas Supply and Others	0	0.0%
Transportation	10,317	6.4%
Air Freight	1,596	1.0%
Passenger Air Transportation	5	0.0%
Maritime Transportation	140	0.1%
Rail Transportation	0	0.0%
Trucking Service	1,134	0.7%
Automobiles and Components	7,442	4.6%
Materials and Buildings	27,726	17.3%
Metals and Mining	5,024	3.1%
Chemicals	6,445	4.0%
Construction Materials	5,394	3.4%
Capital Goods	1,563	1.0%
Real Estate Management and Development	9,300	5.8%
Agriculture, Food, and Forest Products	29,140	18.2%
Beverages	1,452	0.9%
Agriculture	10,034	6.3%
Packaged Food and Meats	10,868	6.8%
Paper and Forest Products	6,785	4.2%
Carbon-related Assets	70,710	44.2%
Carbon non-related Assets	89,360	55.8%
Total Credit Portfolio and Trade Finance from All Sectors	160,070	100%

ESG-ORIENTED INVESTMENTS

Danamon also supports sustainable investment through diversification in bonds that directly/indirectly impact public and/or environmental or social development. By the end of 2024, the proportion of investment in Danamon's Corporate Bond portfolio through infrastructure bonds, green bonds, and/or social bonds reached 27.2% of Danamon's total Corporate Bond portfolio, against a target of 2.5%. Going forward, Danamon targets to allocate at least 4% of Danamon's Corporate Bond portfolio to bonds that have an impact on public and/or environmental or social development by the end of 2029, taking into account the availability of instruments and opportunities in the market.

SUBSIDIARY

Adira Dinamika Multi Finance (ADMF), as part of Danamon, also provides several ESG-oriented loan products, including:

- **Electric Vehicle Loan**

Electric motorcycle and electric car loan is provided to customers with competitive down payments and installments, as well as various other benefits for customers;

- **Working Capital Loan (Kredit Usaha Anda/KUA)**

Loan provided for financing working capital or investment using vehicle BPKB as collateral intended to support MSMEs (Micro, Small, and Medium Enterprises) to get access to business capital credit.

SUPPORTING INDONESIAN TAXONOMY FOR SUSTAINABLE FINANCE (TKBI)

In accordance with the direction of the Financial Services Authority (OJK), TKBI is a classification of economic activities that supports efforts and SDGs that cover economic, environmental, and social aspects. It offers guidance for increasing capital allocation and sustainable financing to support the achievement of Indonesia's Net Zero Emissions (NZE) target in 2060 or earlier.

In 2024, Danamon continued implementing the Indonesian Green Taxonomy (THI) Pilot Project and commenced the TKBI Pilot Project with the energy

sector in accordance with the direction of the OJK. As a further development of THI Pilot Project since 2022, scope of TKBI will be more focused on the Nationally Determined Contribution (NDC) related sectors and its changes in accordance with regulatory directive.

SUPPLY CHAIN [GRI 2-6]

The operations of Danamon rely on the critical role of suppliers to fulfill the Bank's requirements for operational goods and services. In forming partnerships with external parties, Danamon's Procurement Division strictly follows Standard Operating Procedures (SOP) and the Code of Ethics to ensure that collaborations uphold the highest ethical standards.

Danamon implements an Anti-Bribery and Corruption Policy that encompasses assessments of potential violations and supplier due diligence. This policy is designed to prevent conflicts of interest with both current and prospective suppliers. To enhance transparency, Danamon has established a Whistleblowing System (WBS), which allows stakeholders to report suspected violations or fraudulent activities, thereby reinforcing accountability in the procurement process.

[GRI 2-25] [IDX G-09]

Protecting the confidentiality of Company, employee, and customer data is a top priority throughout the procurement process. To ensure this, Danamon implements key measures during supplier onboarding, such as confidentiality agreements and the Procure-to-Pay (P2P) system, which are essential for maintaining transaction security and efficiency. Currently, Danamon collaborates with 509 suppliers across various sectors, including insurance, information technology development, hardware and software, professional consulting, office supplies, ATM machines, outsourcing services, construction and facilities management, and financial management services.

Procurement Practices [GRI 2-6]

Description	2024		2023		2022	
	Total	%	Total	%	Total	%
Local Supplier	478	94	384	92	277	91
International Supplier	31	6	34	8	28	9
Total	509	100	418	100	305	100

Non-employee Workers

In supporting its operations, Danamon is supported by non-employee or outsourced workers. The presence of outsourced workers supports the Bank's operational efficiency, and enables the Bank to focus on activities related to core competencies. In this context, non-employee work definition refers to GRI Standard 2021's definition of 'temporary employees'.

Non-employee Workers Based on Type of Work [GRI 2-8]

Type of Work	Number of Workers		
	2024	2023	2022
Security	960	1,044	1,211
Cleaning Service	650	650	689
Driver	10	9	12



Danamon, as a strategic partner of MUFG Bank, collaborated with MUFG Jakarta Branch to host the ESG seminar MUFG NOW (Net Zero World) on September 4th, 2024, at the Raffles Hotel Jakarta. The prestigious event, themed "Strengthening Momentum: Indonesia's Transition to Net Zero," brought together approximately 200 C-level executives, including policymakers, business leaders, and representatives from both the public and private sectors, as well as customers of Danamon and MUFG Jakarta Branch. The seminar served as a platform to discuss the critical role of cross-sector collaboration in supporting Indonesia's efforts to meet its Nationally Determined Contributions (NDCs).

MINIMIZING ENVIRONMENTAL IMPACT

Danamon has always been committed to minimizing the environmental impacts of its operations. Amongst the tangible efforts we have made are energy efficiency programs to reduce electricity consumption and the reduction of greenhouse gas emissions through the use of green technology, and the encouraged use of electric vehicles. Danamon also applies responsible water consumption across its office network to ensure efficient and sustainable utilization of existing resources. In addition, Danamon is active in reducing paper use and waste by promoting digitalization.

Danamon is headquartered in Menara Bank Danamon (MBD), an office building that earned the Platinum Level Green Building Certificate from the Green Building Council Indonesia (GBCI) in 2021. This certification confirms that MBD has met the highest level of green building standards, reflecting Danamon's commitment to environmental sustainability.

This certification demonstrates Menara Bank Danamon's efficient energy and water consumption and effective pollution-mitigation measures. That earned certificate points to Danamon's commitment to supporting decarbonization and reducing the environmental impacts of its operations. Such an accomplishment also reflects Danamon's effortful contribution to sustainable development and support of global goals in addressing climate change.

The Corporate Real Estate Management Division (CREM) and the Sustainability Finance (SF) Division are integral in disseminating sustainability policies and principles via internal communication channels.

Environmental Cost Incurred (Rp Million) [POJK F.4]

Description	2024	2023	2022
Reducing organic and B3 waste	273	255	249
Solar panel investment	4,004	11,059	1,998
VRF installation	12,400	-	-
Total	16,677	11,314	2,247

Notes:

Data collected from Menara Bank Danamon (MBD), Jakarta Operational Office (JOO) and Region Office (RO)

Total environmental costs in 2024 were Rp16.7 million, increased 47% from 2023 due to new initiative.

ENERGY CONSUMPTION AND REDUCTION [GRI 3-3]

Danamon has its operations supported by energy consumption such as electricity for office operations and fuel oil (BBM) for operational vehicles. Danamon strives to enhance its energy efficiency across all its operational activities. To save electricity consumption, Danamon has been running a saving electricity campaign that encourages all employees to create an energy-conscious work environment.

As an effort to reduce fuel consumption, Danamon encourages employees to switch from conventional vehicles to electric vehicles. To support this initiative, in 2024 Danamon built charging stations in 16 operational buildings, including in its head office at Menara Bank Danamon. In addition, Danamon also provides electric motorbike rental services for employees, allowing them to use vehicles with lower emissions.

ENERGY CONSUMPTION AND INTENSITY

In 2024, Danamon recorded energy usage of 139,786 GJ, decreasing from the previous year. The reported figures include energy consumption at Bank Danamon Tower and across its branch offices in Indonesia.

ENERGY [GRI 302-1] [IDX E-03]

Energy Usage

Rounding applied

Description		Unit	2024	2023	2022
Energy from Non-Renewable Sources	Pertadex (stationary generator)	Liters	48,537	44,846	48,201
		GJ	1,844	1,704	1,832
	Pertamax (motor vehicle)	Liters	52,272	68,904	87,880
		GJ	1,788	2,357	3,005
	PLN electricity	kWh	37,280,135	39,003,622	38,979,580
		GJ	134,208	140,413	140,326
	Total from Non-Renewable Sources	GJ	137,841	144,474	145,164
Energy from Renewable Sources	Solar Panels	kWh	540,278	125,000	67,500
		GJ	1,945	450	243
	Total from Renewable Sources	GJ	1,945	450	243
Total Energy Consumption		GJ	139,786	144,924	145,407

Renewable Energy Purchase

Description	Unit	2024	2023	2022
REC Purchase	kWh	21,783,000	-	-
	GJ	78,419	-	-

Total Energy Consumption including RECs [GRI 302-1] [IDX E-03]

Description		Unit	2024	2023	2022
Energy Usage	From Non-Renewable Sources	GJ	59,422	144,474	145,164
	From Renewable Sources	GJ	80,364	450	243
Total Energy Use		GJ	139,786	144,924	145,407

Energy Usage Intensity [POJK F.6] [GRI 302-3]

Description	Unit	2024	2023	2022
Based on Revenue	GJ/million IDR	0.0051	0.0059	0.0068
Based on Number of Employees	GJ/Person	16.35	16.56	16.37

Notes:
Bank Danamon only

ELECTRICITY EFFICIENCY PROGRAM [POJK F.7]

Danamon is committed to optimizing electricity consumption through the Electricity Efficiency Program. In 2024, Danamon undertook several key initiatives, including:

- The addition of 50 buildings and branch offices that have adopted LED lighting;
- The implementation of VRF air conditioning systems in 7 building and branch office locations.

USE OF RENEWABLE ENERGY

As one of the decarbonization steps, 10 of Danamon's buildings have installed solar panels as one of the sources of electricity. Since 2024, Danamon has purchased Renewable Energy Certificate (REC) from PLN, which will be claimed in stages.

GREENHOUSE GAS EMISSIONS [IDX E-01] [GRI 3-3]

Danamon produces Greenhouse Gas (GHG) emissions from its operational activities. The documented GHG emission data are direct GHG emissions (Scope-1) and indirect GHG emissions (Scope-2). In addition, Danamon has since 2023 also begun calculating Scope-3 emissions from its credit portfolio. Danamon is committed to reducing greenhouse gas (GHG) emissions from its operations by applying sustainability principles across all activities, improving energy efficiency, adopting renewable energy sources, and advancing sustainable financing.

Calculation of Scope-2 Emissions in 2024 [GRI 305-2]

Total Electricity Usage (kWh)	Energy Quantity (kWh)	Contract Instruments	Faktor Emisi (Ton CO ₂ e/MWh)	Perhitungan Emisi (Ton CO ₂ e)
37,820,413	540,278	Self-generated (Solar Panel)	0	0
	21,783,000	REC purchase	0	0
	15,497,135	PLN Grid Electricity Purchase without REC	0.79	12,243
Total Scope-2 Emissions				12,243

Notes:

*Claims of REC usage and carbon neutrality follow the RE100 Standard referenced by PLN-EMI as the REC issuer
 Use of electricity from REC purchases neutralizes carbon emissions in the Bank's office operations
 Electricity Emission Factor from REC = 0 Ton CO₂e/MWh, until this report is made it is still under confirmation from PLN-EMI

EMISSIONS [POJK F.11] [GRI 305-1] [GRI 305-2] [GRI 305-5] [SASB FN-CB-410b.1] [IDX E-02]

Description		Unit	2024	2023**	2022**
Scope-1	Pertadex (stationary generator)	Ton CO ₂ e	127	118	127
	Pertamax (motor vehicle)	Ton CO ₂ e	120	159	203
Scope-2	PLN electricity*	Ton CO ₂ e	12,243**	30,813	30,794
Total Gross Emissions		Ton CO₂e	12,491	31,089	31,123
Offset	Carbon Credit	Ton CO ₂ e	-	(2,699)	-
Total Emissions		Ton CO₂e	12,491	28,390	31,123

* Calculation based on updated emission factors from the Green Calculator Guidebook, Bank Indonesia version 2024. Previously presented as 23,661 Ton CO₂e (2023) and 23,686 Ton CO₂e (2022)

** Emissions from PLN electricity use after deducting REC purchases

Emission Reduction [GRI 305-5]

Description		Unit	2024	2023	2022
Emission Reduction	Solar Panels	Ton CO ₂ e	427	99	53
	Carbon Credit	Ton CO ₂ e	-	2,699	-
	REC	Ton CO ₂ e	17,209	-	-
Total Emission Reduction		Ton CO₂e	17,635	2,798	53

Intensity of Greenhouse Gas Emissions [GRI 305-4]

Description	Unit	2024	2023	2022
Based on Revenue	Ton CO ₂ e/ million IDR	0.0005	0.0012	0.0015
Based on Number of Employees	Ton CO ₂ e/ person	1.46	3.24	3.50

FINANCED EMISSION [SASB FN-CB-410b.4]

Danamon calculated Scope-3 GHG emissions in reference to the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard Revised (GHG Protocol), IPCC (2006 and revised 2019) to determine the calculation methodology and emission factors. Danamon reports financing issuance by sector portfolio rather than by asset class.

In the process of calculating Scope-3 GHG emissions from financing activities, Danamon also refers to the guidelines published by the Institute of Partnership for Carbon Accounting Financials (PCAF) in 2020. This guideline regulates methodologies, assumptions, benchmarks, and qualitative approaches used to assess GHG impacts on the financial sector.

Debtors included in the reporting scope are debtors from LOB EB and SME that covers 50% total loan portfolio. [SASB FN-CB-410b.3]

Scope-3 GHG Emissions (Category 15-Loan Portfolio) in 2023* [GRI 305-3] [SASB FN-CB-410b.2]

Emissions Sources' Industrial Sectors	Financed Emissions (Ton CO ₂ e)
Processing Industry	1,349,475,4
Construction	321,478,5
Transportation and Storage	111,882,4
Agriculture, Forestry, and Fisheries	68,290,1
Mining and Quarrying	47,264,6
Procurement of Electricity, Gas, Steam/Hot Water and Cold Air	45,999,1
Financial Activity and Insurance	39,271,6
Real Estate	18,879,5
Water Management, Wastewater Management, Solid Waste Management and Recycling, and Remediation Activities	10,382,4
Total	2,012,923,6

Note:

- * Financed emission is calculate using 2023 loan data, aligning with PCAF standard.
- The datasets used to estimate the GHG emissions of Danamon's debtors have different levels of uncertainty due to data availability and corrections. For example, the available debtor's financial information period is different with the loan value period; the emissions are based on proxies derived from income or operational results; and the spend-based method has inherent uncertainty. In addition, the emissions values of some debtors were adjusted from the published values.

GHG EMISSION REDUCTION [POJK F.12] [GRI 305-5] [IDX E-07]

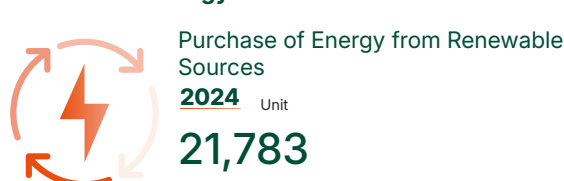
GHG emission management is conducted by using 2019 as the base year to measure Scope-1 and Scope-2 emission reductions. In 2024, Danamon continues its decarbonization program through the installation of solar panels and the purchase of RECs. By the end of the reporting period, Danamon has added 10 units of solar panels compared to 2023. Through this initiative, Danamon managed to reduce the use of electrical energy from PLN by 1,945 GJ or equivalent to 426.82 tons of CO₂e.

In addition, REC purchased by Danamon in 2024 was equivalent to 21,783 MWh of net electrical energy.

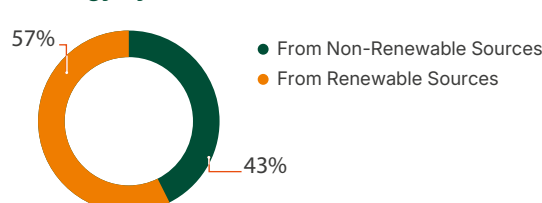
Use of Solar Panels



Renewable Energy Certificate



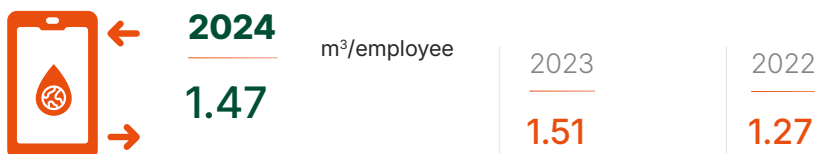
Energy by Source



WATER USAGE [IDX E-04] [GRI 3-3]

Throughout 2024, Danamon continued its responsible water use program as part of its efforts to support environmental sustainability. To ensure the sustainability of water resources, Danamon ensures that it never sources water from areas considered as water stress. Bank gets its water supply from the Regional Drinking Water Company (PDAM in Bahasa).

Wise use of water is carried out through monitoring water usage to identify areas that need improvement. Bank also runs active internal media campaigns to raise employee awareness of the importance of saving water.

WATER USAGE [POJK F.8] [GRI 303-5]**Total water usage****Water usage intensity****OFFICE WASTEWATER MANAGEMENT** [POJK F.14] [GRI 3-3]

Danamon manages its wastewater from office activities in compliance with applicable regulations. Domestic wastewater from Menara Bank Danamon (MBD) is treated through a Waste Water Treatment Plant (WWTP) before being discharged into the city drainage system.

PAPER AND WASTE MANAGEMENT [IDX E-05] [POJK F.14]

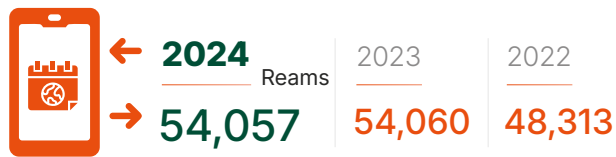
Danamon strives to reduce the use of paper as one of the initiatives to reduce waste generation. In 2024, Danamon recorded paper usage of 54,057 reams, almost same from 54,060 reams in the previous year. Here are some of the efforts Danamon has made to save paper usage:

- Printing on both sides of the paper and using smaller margins in document formats;
- Paper reuse.

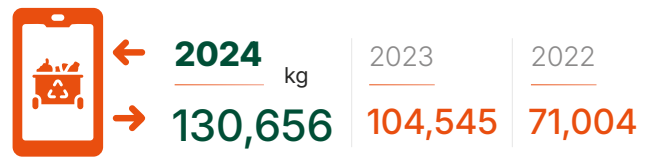
The Bank engages specialized third-party services for the management of Hazardous and Toxic (B3) waste, ensuring safe and compliant disposal practices. In alignment with sustainability best practices, Danamon also partners with Waste4Change to manage and sustainably treat waste from our main office tower. In 2024, waste managed by collaborating with Waste4Change reached 130,656 kgs, consisting waste of, paper, glass, metal, plastic waste. The bank has also implemented waste segregation in the head office workplace as a form of waste management. [POJK F.13] [GRI 306-3]

With the implementation of waste management and office waste, there were no incidents of liquid waste spills during the reporting year. [POJK F.15]

Paper Consumption



Total Solid Waste* [POJK F.13] [GRI 306-3]



*Only includes waste generated from Menara Bank Danamon managed by Waste4Change

USE OF ENVIRONMENTALLY FRIENDLY MATERIALS [POJK F.5]

Danamon applies an environmentally friendly approach to selecting materials to support its operational activities. These environmentally friendly practices include:

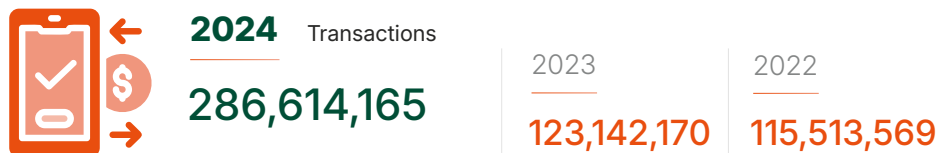
1. Using gypsum to build room dividers during renovations and the establishment of new branch offices;
2. Choosing furniture made from Medium Density Fiber (MDF) and particle board;
3. Choosing wall panels with low Volatile Organic Compound (VOC) content;
4. Using R32 AC refrigerant is known for its greener properties;
5. Installing VRF air conditioning systems that are more energy efficient.

DIGITAL TRANSACTIONS AND E-CHANNEL PLATFORMS

Technological advancements allow customers to make various financial transactions, such as Bank transfers, purchases, and payments, as well as non-financial transactions, such as checking balances and opening new accounts more easily. While easy, these digital services have also helped reduce the carbon footprint produced since they minimize the need for customers to visit Bank branches.

Danamon's digital platforms, including the D-Bank PRO application, Danamon Online Banking, and SMS Banking, are designed to meet the diverse needs of customers with the offering of convenience and efficiency in transactions. In 2024, Danamon recorded 286,614,165 digital transactions, more than doubled compared to the previous year. With an active communication strategy, Danamon encourages the use of electronic Banking services, which eventually has resulted in an increase in the number of users each year.

Total Digital Transactions



The Bank's initiative to reduce environmental impacts can also be seen from the use of e-statements, which replace printed statements for Bank statements and credit card information. The increasing preference of customers for e-statements proves that this initiative has been effective, as seen from the increasing use of e-statements every year.

Use of E-Statement

Card Statement

2024

%

Hardcopy

10

e-Statement

90

 2023
Hardcopy

12

e-Statement

88

 2022
Hardcopy

14

e-Statement

86

Bank Statement

2024

%

Hardcopy

7

e-Statement

93

 2023
Hardcopy

8

e-Statement

92

 2022
Hardcopy

10

e-Statement

90

BIODIVERSITY CONSERVATION [POJK F.9] [POJK F.10]

Danamon supports biodiversity conservation through various initiatives under Environment & Society Pillar the initiated in 2022, such as planting mangroves and various other of trees.

As part of this initiative, Danamon is registering the mangrove planting project with the National Registry System of the Ministry of Environment and Forestry (KLHK) as an effort to support carbon credit claims. To meet this target, mangrove planting activity was suspended. The primary focus was observing the developing of mangroves planted in prior years.

In the other hand, Danamon planted various other of trees in Kediri, East Java in collaboration with Universitas Brawijaya as well as in Singaraja, Bali, in collaboration with Universitas Pendidikan Ganesha. None of Danamon's operational areas are located near or within conservation areas.

ACCUMULATED NUMBER OF TREES PLANTED

Mangrove


2024

Trees

53,500

2023

53,500

2022

21,500

Other trees


2024

Trees

9,555

2023

8,655

2022

3,055

ENVIRONMENTAL COMPLAINTS [POJK F.16] [POJK F.24] [GRI 2-26]

Danamon provides spacious rooms for environmental complaints, accessible through public complaint mechanisms such as branch offices and the Hello Danamon platform. Danamon receives, handles, and settles any complaints related to environmental impacts that may have been caused by its operational activities. There were no environmental complaints throughout the reporting period.

GIVING MORE, GROWING TOGETHER

[POJK F.25]

To contribute to the social aspect, Danamon is committed to consistently implementing programs of activities that support financial inclusion, financial literacy, contribution to society, and capacity development in internal and external. The programs are expected to not only provide added value and created inclusive environment to stakeholders, but also have a positive impact on Danamon's reputation and maintain stakeholders' trust in the Bank.

The implementation of Danamon's social programs is a collaborative effort of divisions and units with inseparable roles, namely the Branch Network, Human Capital, Group Marketing, Digital Banking Division, Sustainability Finance Division, and Sharia Business Unit. The achievement of Danamon's social programs is evaluated through Sustainability Sub-committee meetings to ensure they align with the objectives to achieve. All Danamon initiatives in the fields of sustainable finance have also been adjusted to the regulations issued by the OJK.

FINANCIAL LITERACY, FINANCIAL INCLUSION, AND CAPACITY DEVELOPMENT

In the final quarter of 2024, the Bank officially established a unit dedicated to coordinating literacy and inclusion initiatives. Under this unit, financial literacy activities are conducted as part of both CSR (Corporate Social Responsibility) and non-CSR programs, while financial inclusion serves as a support for the Bank's business.

In general, the main targets of these activities include the education, automotive, property, hajj, and umrah travel communities. However, we also open opportunities for other communities that previously have established strategic partnerships with the Bank. The materials delivered cover personal financial management and the selection of suitable Banking products. In addition, there was a new topic about financial management for 'afterlife investments that's expected to meet the needs and interests of various groups. Financial management for 'afterlife investment' such as hajj & umrah and alms-waqf, has become a new topic that helps raise the awareness of the beneficiaries.

FINANCIAL LITERACY

Financial literacy activities are carried out by Group Marketing, Sharia Business Unit, and Branch Network (Non-TJSP), as well as the Sustainability Finance Division (TJSP). During the reporting period, there were 5,582 participants who participated in face-to-face financial literacy activities and more than 43 million people benefited from Danamon's financial literacy delivered through mass media.

[SASB FN-CB-240a.4]

In the Non-CSR section, there were 38 literacy activities, the majority of which target the Hajj & Umrah travel community, cooperatives, automotive, journalists, and education. In addition, through the YouTube channel, Danamon has released 13 episodes of Danamon Financial Friday.

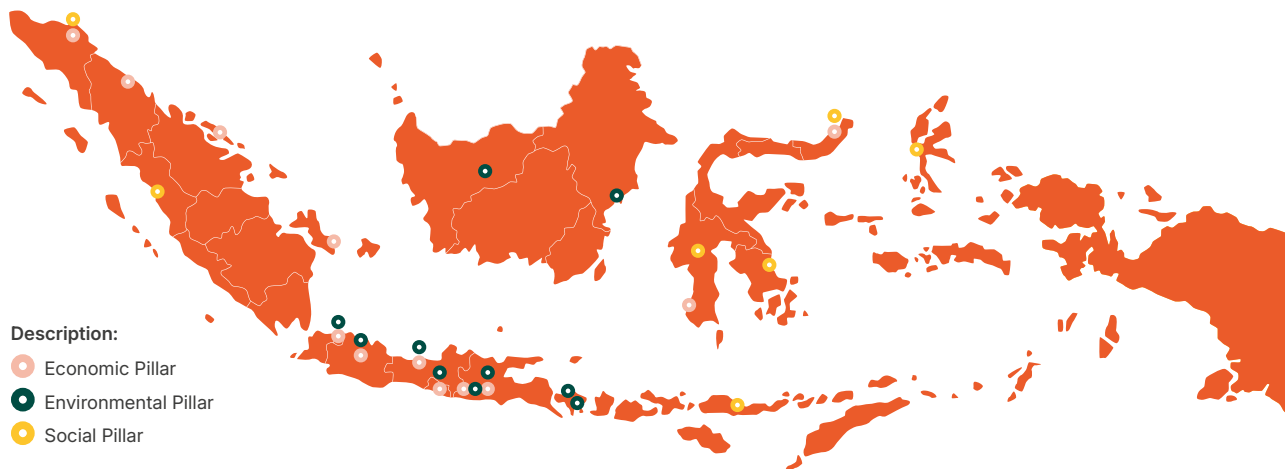
CONTRIBUTION TO THE COMMUNITY [GRI 3-3]

[IDX S-12]

Danamon implements a Corporate Social Responsibility (TJSP or CSR) program built on three main pillars: economic, environmental & society, and societal. Danamon's TJSP programs focus on providing real contributions to the economic and social development of the community while preserving the environment and supporting the Sustainable Development Goals (TPB or SDGs).

In planning the CSR program, Danamon analyzes community needs through social studies, dialogue with stakeholders, and evaluating previously running CSR programs. The Bank takes these steps to design the right on-target programs so they will make significant positive impacts. In 2024, Danamon spent Rp3.2 billion for the implementation of TJSP. [GRI 413-1]

CSR PROGRAM IN 2024



ECONOMIC PILLAR

Initiative	Achievement
Literasi Keuangan untuk Semua	<ul style="list-style-type: none"> 14 activities with 1,241 beneficiaries consisting of education communities (school students; college students; faculty members), MSME communities, and the disabled Locations: Bangka Belitung Province, Riau Islands Province, Jakarta, Lebak, Bekasi, Bandung, Solo, Yogyakarta, Kediri, South Sulawesi
Tour D'Banking	<ul style="list-style-type: none"> 19 activities involving 16 schools with 1,577 beneficiaries Locations: Medan, Jakarta, Bandung, Semarang, Yogyakarta, Malang, Makassar, Manado
Community Development	<ul style="list-style-type: none"> Barista Training for the Disabled in Jakarta and Bandung Sustainable Livestock Entrepreneurship Pilot Project in Aceh Besar

ENVIRONMENTAL PILLAR [POJK F.12]

Initiative	Achievement
Environmental Concern & Societal Affairs	<p>Activities related to the environment and society:</p> <ul style="list-style-type: none"> 4 waste management in South Jakarta, Bandung, Yogyakarta, Denpasar 2 solar panel construction in Pekalongan & Semarang Infrastructure rejuvenation for 2 school facilities and on in Malang & Denpasar 2 tree planting in Kediri & Singaraja Blood donation in the Nusantara Capital City Cataract surgery for underprivileged communities in Sintang

SOCIAL PILLAR

Initiative	Achievement
Disaster Mitigation and Response	<p>Disaster risk reduction activities in Padang and Aceh</p> <p>Six disaster response activities:</p> <ul style="list-style-type: none"> Landslides: Padang, Toraja Floods: Kendari, Manado, Ternate Volcanic eruptions: Flores

ECONOMIC PILLAR

Danamon's CSR program in the Economic Pillar focuses on financial literacy and capacity building to create community economic self-reliance.

There are two main financial literacy programs within CSR, namely the "*Literasi Keuangan untuk Semua*", which is aimed at all segments of the community and is enriched with sustainability literacy (environmental and disaster) as part of Danamon's commitment to Environmental, Social, and Governance (ESG) initiatives. Next, there is the Tour D'Banking Program, which specifically targets students. Students are given literacy about professions and activities in the Banking industry as well as other financial knowledge. They are allowed to visit Danamon branches directly or have Danamon teams visit their schools/campuses.

One of the Tour D'Banking activities in 2024 was a Financial Literacy Seminar at Gadjah Mada University with the theme "Learning Strategies to Navigate the Cycle of Financial Life." The seminar was held in collaboration with the MUFG Group (MUFG Jakarta, Danamon, Adira Finance, Home Credit, and Zurich).

In addition to developing financial literacy initiatives, Danamon continues its training program for disabled people to become baristas. Besides the Jabodetabek area, this program has been expanded to Bandung. The program, conducted in collaboration with Sunyi Academy, consists of several elements: financial training, barista skills, curriculum vitae writing, and certified internships. Furthermore, workshops and business competitions were held for disabled people who have small-scale businesses. A total of 68 participants took part in these activities.

ENVIRONMENTAL & SOCIETY PILLAR

In the Environmental Pillar, Danamon's CSR activities focus on environmental concerns and society issues. Several initiatives undertaken in 2024 include organic and non-organic waste management, tree planting, renewable energy utilization, blood donation, and cataract surgery.

Danamon collaborates with educational communities in implementing most of the above initiatives. For

example, the Program to Improve the Quality of Waste Management through Community Empowerment in Sanur Kauh Village, Denpasar, where the Directorate of Research and Community Service (DPPM) of Warmadewa University, Bali, initiated the program with a series of socialization and capacity building, while Danamon contributed to the provision of waste management facilities.

This year, Danamon collaborated with one of Danamon's pharmaceutical partners, PT Erela, to conduct free cataract surgery for 100 underprivileged people in Sintang Regency, West Kalimantan.

SOCIAL PILLAR

Danamon's CSR strategy under its social pillar is concentrated on activities that address disaster risk reduction and response. Continuing its commitment in previous years, Danamon contributed to disaster risk reduction activities carried out by the National Disaster Management Agency (BNPB). This year, the activities were held in two cities: Padang, West Sumatra and Banda Aceh, Nanggroe Aceh Darussalam.

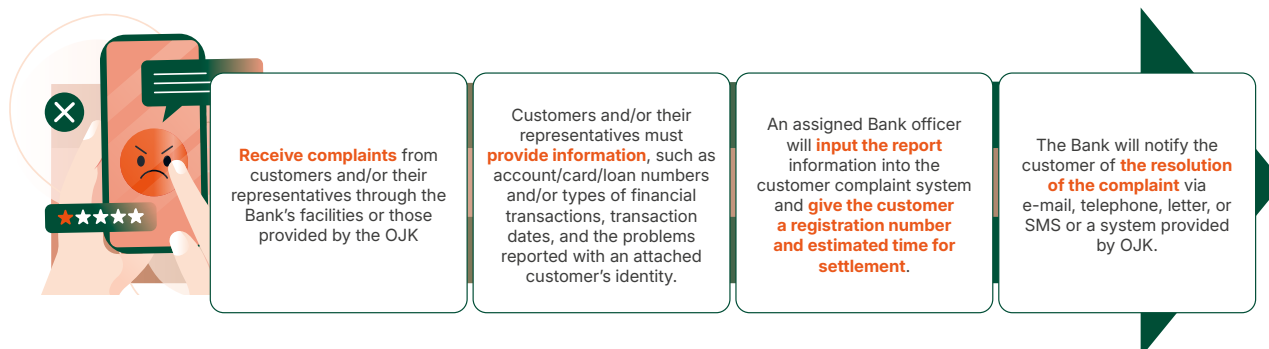
Disaster Response activities are open throughout the year to respond to natural and non-natural disasters that occur in the Bank's operating areas. The active participation of Danamon branch teams is key to ensuring that these initiatives are well-targeted and distributed to disaster survivors.

PUBLIC COMPLAINTS [POJK F.24] [GRI 2-25] [GRI 2-26]

Danamon is committed to always providing timely and professional services through branch offices and the Hello Danamon platform. Customer and public complaints management is run with reference to the Customer Protection Operational Reference Framework and the Customer Service Code of Ethics that have been designed in accordance with customer protection regulations issued by the OJK and Bank Indonesia.

Danamon provides various channels to receive questions, requests, and complaints/input from customers and the public. In addition, stakeholders can also visit Danamon branch offices directly to submit their complaints or feedback.

Public Complaint Mechanism



BANK DANAMON CONTACT CHANNEL

- Fixed line and cellular to 1-500-090 (without area code)
- International call to (+62) (21) 2354-6100
- E-mail: hellodanamon@danamon.co.id
- X : @HelloDanamon
- Live Chat (for inquiry only) : 085811500090

In 2024, Danamon received 24,373 complaints, all of which have been followed up according to the Bank's procedures. 96.27% of the total complaints received have been successfully resolved, while the remaining 3,73% are still in the resolution stage.

Number and Percentage of Complaint Resolutions

Description	2024	2023	2022
Total Complaints	24,373	24,825	14,192
Percentage of Complaint Resolution (%)	96.27	96.19	95.89

HUMAN CAPITAL

Danamon knows that employees are a key element in maintaining business continuity. Danamon's business success largely depends on the ability of employees to build harmonious relationships with stakeholders and create innovations that align with its sustainability vision and mission.

EQUAL AND FAIR EMPLOYMENT [GRI 3-3]

Danamon runs a recruitment process in accordance with legal standards and ethical principles to obtain high-quality employees, which guarantee respect for the rights and dignity of each individual. Recruitment goes through a comprehensive evaluation process to prevent forced labor practices and child labor. In addition, Danamon also runs various training and socialization programs to increase employee and management awareness and understanding of these principles. [POJK F.19] [IDX S-10] [GRI 2-24]

Danamon's 2024 employee Code of Conduct document contains a statement that Danamon prohibits all forms of sexual harassment. Danamon has also settled with the Workers' Union on the Collective Labor Agreement that any worker proven to have committed immoral acts or sexual harassment in the workplace will receive a termination penalty. [IDX S-08]

As part of its commitment to employee welfare, Danamon also respects their right to form unions. Danamon has three labor unions: *Serikat Pekerja Danamon*, *Ikatan Karyawan Danamon*, Union of Danamoners which play an important role in creating harmonious employee-Bank industrial relations.

Danamon Workers' Union [GRI 2-30]

Name of Union	Date of Establishment	Number of Members as of December 31, 2024
Serikat Pekerja Danamon	14 March 2005	3,348 employees
Ikatan Karyawan Danamon	9 March 2018	323 employees
Union of Danamoners	11 September 2024	789 employees

Danamon maintains a good and beneficial relationship with all employees, embodied in the Collective Labor Agreement (CLA). This agreement, which is subject to biannual review and renewal, was most recently updated in 2024 for the period spanning 1 August 2024 to 31 July 2026. The CLA is inclusive, applying to all employees at Danamon.

TRAINING AND EDUCATION [POJK F.22] [GRI 3-3]

Danamon places employee competency development as an important investment, consistent with the Company's strategic focus on people, digital, and branding aspects. Danamon designs all the training and development programs it runs in accordance with Human Resources Policy. The Human Capital Directorate adjusts these programs to accommodate the needs of each employee while supporting the improvement of their leadership skills.

The Learning, Engagement, and Corporate University Division is responsible for designing training strategies for employees. Training is one of obligatory yearly KPI to improve their personal skills and abilities.

All training programs are carried out routinely to ensure that employee skills remain relevant to Danamon's needs. Evaluation of the effectiveness of training programs is measured by determining Key Performance Indicators (KPIs). Further description of employee development programs can be found in the section on Training and Competency Development on page 277 of this Report.

Employee Training* [GRI 404-1] [IDX S-05]

Description	Nominal	2024	2023	2022
Training Programs	Programs	700	892	971
Training Participants	People	106,027	123,443	142,349
Average Training Hours	Hours	40.76	52.86	26.60
Training Investment	Rp Billion	91.9	90.6	101.1
Average Investment per Employee	Rp Million	0.95	0.73	0.71

Note:
Data only includes Danamon

DANAMON BANKERS TRAINEE PROGRAM [IDX S-05] [GRI 404-2]

To cultivate future leaders, Danamon organizes the Danamon Bankers Trainee (DBT) program. This initiative aims to recruit top-performing graduates from undergraduate and master's programs, equipping them with the essential skills and competencies to excel as future leaders.

In 2024, the DBT program was delivered in four batches, engaging a total of 105 participants. Over the course of one year, participants underwent an intensive learning journey designed to enhance their qualifications, covering diverse topics ranging from Banking fundamentals to leadership development.

PERFORMANCE ASSESSMENT [GRI 404-2]

Danamon's employee performance assessment mechanism consists of a series of processes, from Objective Setting, Mid-year Review, to End-year Review. Throughout these stages, the Work Unit Leaders (PUK) routinely conduct coaching, tracking, and development for employees to motivate employees to optimize their potential and achieve the best performance.

In 2024, Danamon continued to implement a High-Performance Culture as part of the Bank's DNA by encouraging innovation, improving service for internal customers, creating an inclusive work environment, and providing appreciation to employees in implementing BISA Values.

One form of commitment to an inclusive work environment is the application of the principle of gender equality in performance assessments. In 2024, 54% of 828 employees who received promotions, or 443 employees, were women. This reflects Danamon's commitment to building an inclusive work culture with a focus on gender equality and women's empowerment.

REMUNERATION

Danamon's remuneration strategy is designed to motivate, and retain top talent, irrespective of gender, race, age, disability, or other non-performance-related factors. Remuneration are set following the Operational Terms of Reference guidelines, which define minimum wages based on city where employees work. Minimum wages are regularly updated to align with the prevailing labor regulation.

Danamon ensures that all permanent employees are paid above the Provincial Minimum Wage (UMP) and Provincial Sectoral Minimum Wage (UMSP), in compliance with regulations. The Bank applies an applicable local minimum wage. Additionally, the Bank recognizes exceptional achievements with bonuses and incentives. [POJK F.20]

There is no difference in the basic salary and remuneration ratio between female and male employees. The ratio of basic salary and remuneration between genders is 1:1, reflecting Danamon's commitment to providing equal rewards based on competence, responsibility, and contribution, regardless of gender. This policy aligns with Danamon's values that support equality and inclusiveness in the workplace. [POJK F.20] [GRI 405-2]

In line with Indonesian law, Danamon provides worker protection programs, provides worker protection programs, including BPJS Kesehatan and BPJS Ketenagakerjaan. The latter includes retirement, occupational accident, and death insurance.

RETIREMENT PROGRAM [GRI 404-2]

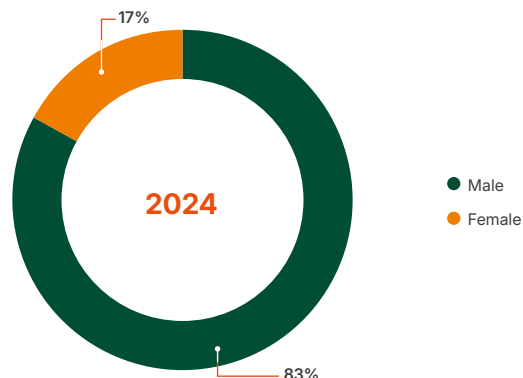
Danamon provides a preretirement program that includes training and provision, such as financial management, exploring business opportunities after retirement, and maintaining health. By the end of 2024, 237 employees had participated in this program.

DIVERSITY, EQUITY, AND INCLUSION

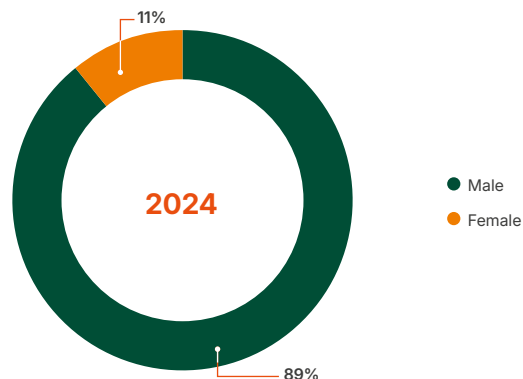
Danamon always strives to create an inclusive and fair work environment in accordance with the established Sustainability Policy. Danamon believes accommodating diverse backgrounds and individual competencies helps Danamon to get more useful ideas and perspectives to improve business performance. Therefore, Danamon provides equal employment opportunities for every employee regardless of gender, ethnicity, or other indicators of diversity. [POJK F.18] [GRI 3-3] [IDX S-01]

DIVERSITY OF THE BOARD OF COMMISSIONERS, DIRECTORS AND EMPLOYEES [GRI 405-1]

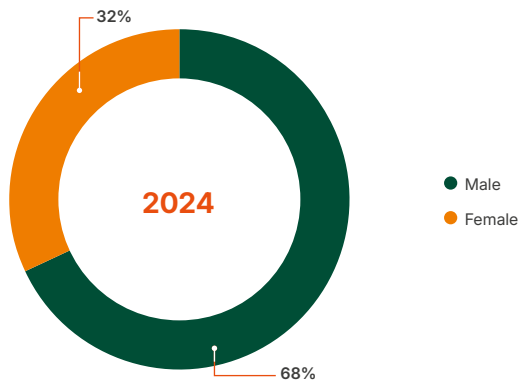
Board of Commissioners Diversity



Board of Directors Diversity



Employee Diversity



A HEALTHY, DECENT, AND SAFE WORK ENVIRONMENT [POJK F.21] [IDX S-11]

Danamon implements an Occupational Safety and Health Management System (OSHMS) in line with PP No. 50 of 2012 to ensure the implementation of best practices related to Occupational Health and Safety (OHS) for all employees. OHS management is a shared responsibility between the Human Capital Shared Services (HCSS) Division, CREM, and Health, Safety and Environment (HSE). In addition, the above work units are also responsible for providing adequate OHS facilities and infrastructure, implementing mitigation of occupational diseases, implementing mitigation of disaster or pandemic risks, increasing employee awareness of work safety, and handling work incidents.

Every employee bears the responsibility to maintain a safe, healthy, and responsible work environment, and is required to report incidents that occur. To strengthen OHS awareness, Danamon utilizes various communication platforms, including e-mail, WhatsApp, Telegram App, e-learning, and seminars or webinars. In terms of competency improvement, employees from the HSE and BCM Divisions receive special training with General OHS Expert certification, while all employees receive training and socialization regarding OHS periodically. Danamon also appoints HSE Officers at each level of the organization who are tasked with overseeing the implementation of OHS in their teams.

During the reporting period, there were no occupational related incident. [IDX S-06]

EMPLOYEE HEALTH PROGRAM

Danamon provides health benefits to all employees through the BPJS Kesehatan and Health Insurance programs in accordance with the Human Capital Policy. This benefit facilitates employees in accessing health services at various hospitals, clinics, and other health facilities. Danamon employees who are over 40 years old are given free medical check-up facilities once a year.

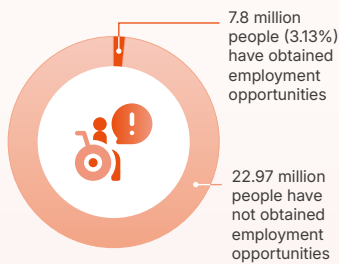
HUMAN RIGHTS IMPLEMENTATION [GRI 303] [IDX S-07] [IDX S-09]

Danamon, in line with MUFG policy, is committed to respecting human rights in accordance with the Universal Declaration of Human Rights and related international covenants. The implementation of respect for human rights is stipulated in the Code of Conduct which includes; freedom of association and participation in organizations; prohibition of all forms of harassment, slander, assault, persecution, and threats; and in the implementation of human resources policies including; legal protection of employees and wages. There were no cases of human rights violations that occurred within Bank Danamon throughout the reporting period.

Criteria related to human rights is one of the social aspect assessments in the implementation of the TKBI Pilot Project, following the direction of the Regulator.



Number of People With Disabilities Who Have Obtained Employment Opportunities in Indonesia



DAYATARA: Danamon's Initiative to Support Equality and Inclusion for People with Disabilities

The lack of inclusion in the workplace, especially for people with disabilities, remains a significant challenge in Indonesia. Some of the main obstacles faced by people with disabilities in achieving economic and social self-reliance include access to education, training, and the availability of decent jobs. Based on data from the Decent Work Indicator in Indonesia 2022 published by the Central Statistics Agency (BPS), only 3.13% or around 7.8 million of the total 22.97 million people with disabilities in Indonesia have had the opportunity to work.

As an effort to address this issue, Danamon launched the Danamon Berdaya Mengusung Kesetaraan (DAYATARA) program in early October 2024. This program is designed to build a diverse, equitable and inclusive work environment at Danamon. To achieve this, first initiative implemented is providing internship opportunities for people with disabilities, both at the head office and at Danamon branch offices in various cities in Indonesia.

By providing opportunities for individuals with disabilities, Danamon opens the door to new collaborations that may have not been encountered before. These partnerships bring fresh perspectives and innovative ideas that enrich our work environment and enhance our collective growth.

The name DAYATARA is the result of an internal competition involving employees, where all employees were given the opportunity to propose creative ideas related to the name of this inclusion and diversity program.

To support the success of the program, Danamon has partnered with Setara Berdaya Inklusif (Alun Jiva) in implementing workshops and onboarding programs, with the aim of preparing Danamon employees as mentors and buddies who can optimally assist interns.

The DAYATARA Internship program will take six months; it has started since October 1, 2024, and will end on March 31, 2025. This initiative is expected to not only strengthen inclusion in Danamon's work environment but also inspire other companies to create a more inclusive work environment in the future.



PRODUCT INNOVATION AND DEVELOPMENT

[POJK F.26]

Through 863 branches across Indonesia, Danamon serves a wide range of financial products and services, from savings, working capital loans, and investments for corporations, investment and treasury services, e-banking, credit cards, bancassurance, mortgages, motor vehicle loans, unsecured loans, trade finance, cash management, and Sharia financial products through a number of segments, such as Consumer, SME, and Enterprise Banking-Financial Institutions (EBFI). Danamon is committed to providing equal services to customers; and prioritizing convenience in transactions and transparent communication to keep the trust of its loyal customers. [POJK F.17]

IMPACT OF FINANCIAL SERVICES [POJK F.23] [POJK F.28]

The presence of various financial services also has a positive impact on national development. Danamon supports development initiatives that can support economic growth and community welfare through financing services. In addition, through environmentally friendly financing, Danamon supports sustainable development through financing for environmentally friendly projects that address the issues of climate change.

With technological advancement and system digitalization, the public now feels how easy it is to access Danamon's financial services. Daily transactions have become much more efficient, and Banking services are completed much faster. However, technological advancements bring various challenges for Danamon to face, especially in terms of ensuring customer data security. Danamon's approach to maintaining data confidentiality and preventing cybercrime is available for reading on page in the Data Security of this report.

PRODUCT DEVELOPMENT [GRI 3-3]

The quality of products and services is important for Danamon's operations since it has direct impacts on customer trust and the Bank's reputation. Danamon has in place a series of internal policies and guidelines that spell out how to develop Banking products and services. Prior to launching a new product or service, Danamon carries out a comprehensive evaluation process, which

encompasses a risk review, an assessment of ESG aspects, and ensuring user security to prevent the customers from having potential losses. In addition, the review process for new products and services must first obtain the regulator's approval and fulfill reporting obligations. Danamon's product and service security policy guidelines include:

1. M.006-DIR dated 31 October 2024 regarding Assessment Mechanism of Risk Exposure Increase Materiality from Bank Product Development;
2. Product Program Standard (Non-Credit) No. 2.6.0.0/RM/ORM/2/2023;
3. Credit Product Program and Guidelines Standard Number: 2.2.0.0/RM/CERM/2/2024;
4. Marketing Program Memorandum No. 2.5.37.0/RM/ORM/3/2024;
5. Digital Partnership Framework No. 2.2.14.0/GAS/GCO/3/2024.

Danamon can confirm that all (100%) of its new financial products and services align with all regulatory provisions and have received approval from regulators. [POJK F.27]

ESG-ORIENTED FINANCIAL PRODUCTS AND SERVICES [POJK C.4]

In addition to developing sustainable financial credit in accordance with regulations, Danamon provides ESG-oriented financial products and services for various customer segments, namely:

- **Sustainability-Linked Loan**

Danamon was one of the 12 lenders that signed the Sustainability Linked Loan (SLL) Syndicated Credit Agreement with PT Semen Indonesia (Persero) Tbk (SIG) and its business unit, PT Solusi Bangun Indonesia Tbk (SBI) since 2022. SLL is one of the programs that can improve the ESG rating and bring debtor companies back to the IDX ESG Leader Index while enhancing investor confidence. Under this agreement, SIG obtain a credit of Rp4.15 trillion, while SBI will obtain a credit of Rp2.74 trillion.

• Insurtech Financing

Danamon, in collaboration with MUFG Innovation Partners Co. Ltd (MUIP), has formed a strategic partnership to strengthen financial inclusion in Indonesia through an investment in Qoala, a startup Company in the insurance technology sector. This investment is made through the MUFG Innovation Garuda No. 1 Limited Investment Partnership, or MUIP Garuda Fund, a joint initiative between MUFG, MUIP, and Danamon, with a total allocation of US\$100 million to invest in Indonesian startups during the period 2023–2028.

The investment provided by Danamon and MUIP to Qoala is driven by a shared vision and mission to promote financial inclusion for the people of Indonesia. Qoala, as an insurtech Company, offers easily accessible insurance solutions through an integrated digital platform, machine learning technology, and innovative digital workflows.

This investment aligns with Danamon's commitment to growing alongside its customers and partners and supporting them at every stage of life with relevant financial solutions.

• Sharia Social Financing

Through its Sharia Business Unit, Danamon has signed a Sustainable Sharia Social Financing (PSSB) agreement with PT Permodalan Nasional Madani (PNM) and MUFG Bank. This is the first PSSB with woman empowerment in Indonesia and has a value of IDR500 billion, based on a Social Loan Financing Framework verified by an internationally-acclaimed Second Party Opinion.

The funds will be used to finance working capital for ultra-micro funding through the PNM program, Fostering a Prosperous Family Economy (Mekaar), in accordance with the principles and requirements set out in the Social Financing Framework. Mekaar is a capital loan service for empowering underprivileged women who are ultra-micro entrepreneurs.

This financing initiative reflects Danamon's commitment to supporting the Sustainable Development Goals, especially to eradicate poverty, create decent work and economic growth, and reduce inequality.

• Laku Pandai [SASB FN-CB-240a.3]

Laku Pandai is a financial inclusion program initiated by OJK that is aimed at offering IT-backed financial services through collaboration with Bank agents.

Until the end of 2024, Laku Pandai program has involved 2,207 customers with total funds collected amounting to IDR99.7 million. This program involves 35 agents, consisting of 33 individual agents and two legal entity agents.

Laku Pandai service uses a Unstructured Supplementary Service Data (USSD) connection facility which due to a strategic decision from the Danamon was discontinued because it was deemed technologically inadequate. Therefore, Danamon carried out an evaluation for one year to find a solution for the benefit of customers. By terminating the USSD connection, Laku Pandai will automatically stop.

Danamon remains committed to provide Laku Pandai alternative choices for Customers and Agents with D-Wallet which is a Danamon e-wallet application. D-Wallet provides ease for customers to carry out various transactions ranging from payments, purchases and QRIS.

• ESG-Based Investment Products

Danamon offers ESG-based investment products that can diversify their portfolio, which include:

1. BNP Paribas SRI - Kehati;
2. Eastspring IDX ESG Leaders Plus;
3. BRI MSCI Indonesia ESG Screened Class A.

Bank's customers can access these investment products through the D-Bank PRO application. Danamon also offers Wealth Advisory services that let customers get more in-depth investment guidance.

DIGITAL PRODUCT AND SERVICE DEVELOPMENT

Digital products and services have helped reduce our carbon footprint by minimizing the use of paper and the need for customers to visit branches. In 2024, Danamon launched several digital products and services, including:

1. Virtual Debit Card Creation

A feature to accommodate customer requests for replacing expired virtual debit cards or adding new virtual debit cards with the Mastercard logo.

2. Money Collection Feature with BI FAST API (Bank Indonesia Fast Payment Application Programming Interface)

A collection service initiated by the Collecting Customer to the Debtor Customer and/or the Debtor Party to pay a specific amount from the Source Account, which can be approved/denied by the Debtor Customer and/or Debtor Party. Payments are made through BI-FAST MT STP (Money Transfer Straight Through Process).

3. Digital Teller

A new machine where customers can make deposits and cash withdrawals in a teller-like capacity.

4. QRIS with Credit Cards as a Source of Funds

Customers can choose a credit card as a source of funds to conduct transactions using QRIS.

5. D-Wallet Replatform

An update to the D-Wallet application, making it easier for customers to enjoy a variety of financial, non-financial, and partnership-related features.

6. Cash Withdrawal at Other Bank ATMs

A feature that allows customers to make cash withdrawal transactions at other Bank ATMs after making a reservation through the D-Bank PRO application.

7. BPJS Employment Payment

A feature that provides ease for workers and employers to access employment social security services via D-Bank PRO.

8. Mutual Fund Online

Facilitates customers in purchasing various mutual fund products, including Asset Classes such as Money Market, Fixed Income, Balanced, and Equity in IDR and USD. Customers can also view their portfolio and purchase history on D-Bank PRO.

9. Travel Insurance

Customers can purchase travel insurance via D-Bank PRO, providing protection against various travel risks both domestically and internationally.

10. Account Opening via Mobile Banking

New customers can open accounts through the mobile banking app.

11. Physical Debit Card Request

A process to accommodate customer requests for replacing expired physical debit cards or adding new physical debit cards with the Mastercard or GPN logo.

12. Liveness-Face Recognition

Facilitates new customers to register through a face verification process to detect the authenticity of the customer's face and verify the customer's identity.

13. Danamon More Pro Account Creation for New-to-Bank at D-Bank PRO

For new customers who do not have a CIF at Danamon, they can open a Danamon LEBIH PRO account to conduct foreign exchange transactions.

WITHDRAWN PRODUCTS AND SERVICES

[POJK F.29]

In order to improve customer service, Danamon discontinued D-Bank Registration and recommended customers to switch to D-Bank PRO. Currently, the Bank continues to develop the D-Bank PRO service which is a digital service of Danamon and offers convenience and integration of various customer needs.

This is in line with the Bank's strategy to merge the Bank's services into one application, the D-Bank PRO application. This merger aims to increase the effectiveness and convenience of customers in conducting transactions after opening an account, as well as strengthening the Bank's brand awareness.

DIGITAL SERVICES

Danamon has been consistent in improving its digital Banking application. The D-Bank PRO application now comes with features and services for credit cards and personal loans, foreign exchange transactions, e-money top-ups, personal data updates, and biller option expansion. To improve transaction security, Danamon has adopted a Fraud Monitoring System that can detect potential fraud.

In 2024, Danamon continuously made improvements to the D-Bank PRO application, including:

- Online mutual funds transactions;
- Simplified customer onboarding process;
- BPJS-TK subscription fee payment;
- Money transfer with credit card as source of fund;
- Virtual debit card creation.

DIGITAL INFRASTRUCTURE ENHANCEMENT

In 2024, Danamon gathered from internal suggestions and customer feedback to enhance our digital infrastructures. The changes we made throughout the year are as follow:

1. Infrastructure and Data Enhancements

Enhancing infrastructure and optimizing data are crucial steps to ensuring operational efficiency and system resilience. Some of the initiatives undertaken by Danamon include:

- a. The relocation of data center to the premises of a provider that has adequate certifications;
- b. Machine learning adoption in IT service monitoring.

2. Cyber Security & Regulatory Compliance

As cyber threats grow more complex and regulations in the financial sector become more stringent, strengthening cybersecurity and ensuring regulatory compliance have become top priorities. Some of the strategic measures implemented by Danamon include:

- a. Vulnerabilities early detection (Advance Threat Protection);
- b. User behaviour analysis;
- c. End-point protection tool;
- d. ISO 27001 certification in the Application Development and Operations of D-Bank Pro and Danamon Cash Connect (DCC).

STRENGTHENING GOVERNANCE AND OPERATION MODEL

Danamon is enhancing its project management processes through regular reviews and updates to its prioritization framework. Project Development Life Cycle (PDLC) SOP has also been established to better govern project management. This ensures that projects are completed efficiently and on schedule.

Furthermore, the Bank encourages digital product development. This agile culture is supported using automated tools, which streamline the integration and deployment phases, facilitating a more dynamic and responsive work environment.

DATA SECURITY [GRI 3-3]

Customer data leakages are negative impacts that may occur alongside the increasing number of digitalization initiatives due to technological advancements. Danamon is committed to protecting the data of its customers, business partners, and employees by implementing strict data security standards and utilizing the latest technology.

CUSTOMER DATA SECURITY [SASB FN-CB-230a.2]

Danamon utilizes technology by implementing system security standards to create a more effective and efficient business. People can now utilize safe, practical and quick financial services wherever they are through the D-Bank PRO digital application.

Despite this, the use of technology in Banking operations is not without the risk of customer personal data breaches. Securing Personal Data is one of Danamon's main focuses when running a business. Danamon will continue to strive better implementation of Personal Data protection measures from time to time by also taking into account the standard practices prevailing in similar industries.

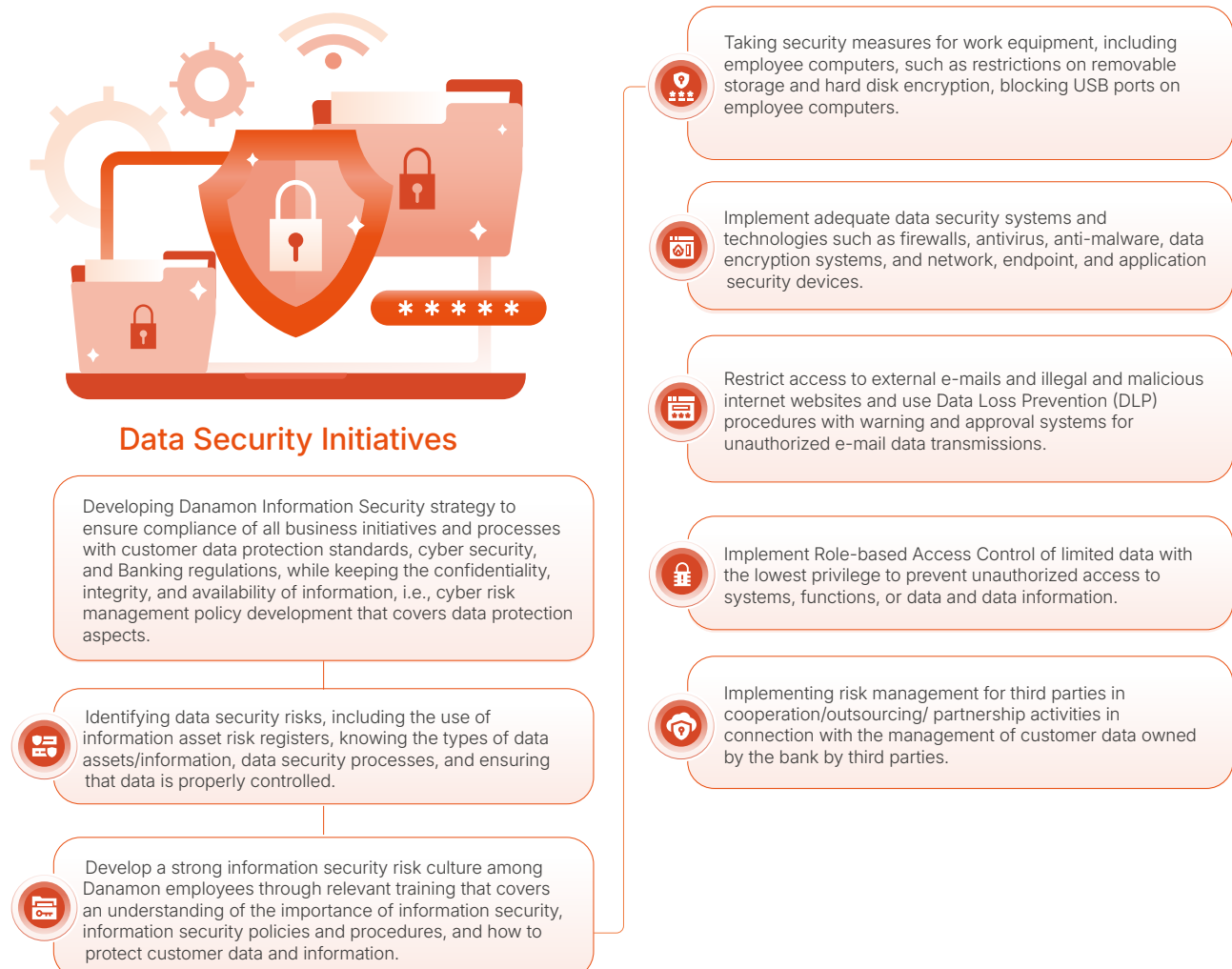
Danamon also regularly educates all its employees to ensure a comprehensive understanding of the importance of information security. This education is conducted through various methods, including e-mail broadcasts, social media broadcasts, simulations, training sessions, and e-learning. The use of technology to support Danamon's operations is ensured to be compliant with the following regulations:

1. POJK No. 11/POJK.03/2022 concerning the Implementation of Information Technology by Commercial Banks;
2. SEOJK No. 29/SEOJK.03/2022 concerning Cyber Resilience and Security for Commercial Banks;
3. Law No. 27 of 2022 concerning Protection of Personal Data;
4. Law No. 11 of 2008 concerning Electronic Information and Transactions and Law No. 19 of 2016 concerning Amendments to Law Number 11 of 2008 concerning Electronic Information and Transactions;
5. Regulation of the Minister of Communication and Information No. 20/2016 concerning Protection of Personal Data in Electronic Systems;
6. ISO 27001:2022 concerning Information Security Management Systems;
7. Internal Danamon Cyber Risk Management Policy.

Danamon has a working unit responsible for ensuring information security in all of the Bank's business processes. The IT Cybersecurity Division under the Information Technology (IT) Directorate is responsible for setting cybersecurity standards and monitoring and is independent of the IT management function. In addition, the Information Risk Management Division under the Risk Management Directorate is responsible for developing information technology and cyber risk management policies, while the Operational Risk Management Division develops policies for operational risks.

Oversight over compliance with regulatory requirements related to data security is exercised by the Compliance Division. Furthermore, the Internal Audit Working Unit (IAU) Division is responsible for conducting independent assessment on the implementation of regulation regarding data security.

The following are the steps taken by Danamon to ensure customer data security:



Danamon realizes that various data security threat trends such as data leakage and malware can occur. Danamon mitigates these threats by ensuring data shared with external parties is secure, ensuring malware does not disrupt Bank operations, and using antivirus and firewalls. In addition, Danamon has a Computer Security Incident Response Team (CSIRT) to detect, respond and recover responsively from cyber threats.

MECHANISM FOR COMPLAINT ON DATA BREACH

To anticipate data leak incidents, Danamon has a reporting mechanism both from the Company's internal side and customers. Internal reporting can be done through the IT Helpdesk or Security Operations Center while for customers through Hello Danamon. The report will be followed up by the relevant section and involve the IT Cybersecurity team if it is related to the system.

The internal reporting mechanism is communicated to all employees via e-mail broadcast, while for customers via available communication media such as e-mail or WhatsApp broadcast.

Danamon is open to and values feedback and complaints from customers, the community, and other stakeholders. For issues concerning customer data security, grievances can be delivered through Hello Danamon or at any branch office.

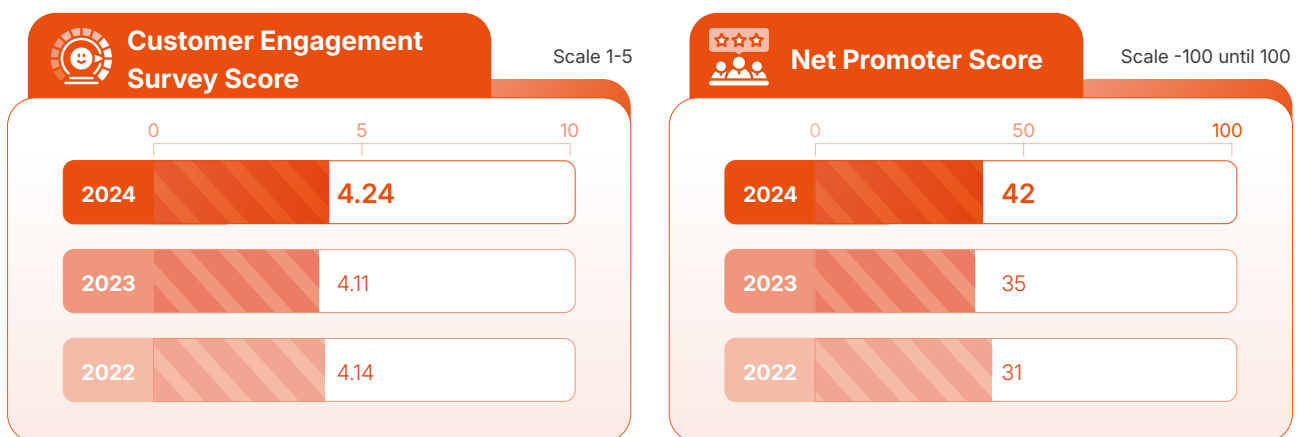
In 2024, Danamon did not received complaints regarding customer privacy/customer data. [SASB FN-CB-230a.1] [GRI 418-1]

CUSTOMER SATISFACTION [POJK F.30]

To evaluate the quality of services provided, Danamon conducts a customer satisfaction survey using the Customer Engagement Survey and Net Promoter Score (NPS) methods.

The survey results serve as a key benchmark for evaluating the Bank's service quality across various touchpoints and for comparing Danamon's performance with other Banks. This year's findings highlighted the CE Score of Danamon improves compared to previous year. Aspects of Main Bank and Net Promoter Score performs better for this year. Attributes that significantly improved on this year are "Keeping Promise", "Service According to Needs" and "Danamon Become Main Bank for Customer".

The Customer Engagement Survey measures several aspects of Bank service, assigning a Customer Engagement Score (CE Score) on a scale from 1 (extremely dissatisfied) to 5 (extremely satisfied). In 2024, Danamon's Customer Engagement Survey scored 4.24, Increase compared to the previous year. The Net Promoter Score (NPS), which indicates the likelihood of customers recommending Danamon, scored increase from 35% to 42% which showing 20% improvement from the previous year. This increase not only occurs in Branch but also from Danamon Digital Services.



SUSTAINABILITY REPORT PROFILE

Danamon's Sustainability Report 2024 presents comprehensive information on the Company's sustainability policies, initiatives, and performance for the January 1 to 31 December 2024 period. As a form of transparency commitment, this report is published annually, with this 2024 report it's the 6th report published. The previous report was published on 28th February 2024. [\[GRI 2-3\]](#)

Financial data presented in this report, including financial performance and total headcount, is consolidated data that includes ADMF as a subsidiary. There are several restatements in this report, namely related to financial and environmental performance. The report has been prepared in accordance with the Financial Services Authority Regulation (POJK) No. 51/POJK.03/2017 concerning the Implementation of Sustainable Finance and OJK Circular Letter (SEOJK) No. 16/SEOJK.04/2021 concerning the Form and Content of Annual Reports of Issuers or Public Companies.

As a financial services Company committed to sustainability, this report is prepared with reference to the Global Reporting Initiative (GRI) Standards 2021 issued by the Global Sustainability Standards Board (GSSB) and the Sustainability Accounting Standards Board (SASB) for the Commercial Bank sector, to ensure this report refers to global standards. [\[GRI 2-2\]](#) [\[GRI 2-4\]](#)

Through this report, Danamon seeks to provide a transparent and accountable picture to all stakeholders about the Company's increasingly active role in supporting sustainability and creating long-term value. There were no significant changes to Danamon's business throughout 2024. [\[POJK C.6\]](#)

Danamon appreciates any criticism and suggestions submitted by stakeholders on the published sustainability report. All feedback received will be used as evaluation material to improve the report in the following year. Danamon does not accept any responses to the previous year's report. [\[POJK G.3\]](#)

INDEPENDENT SUSTAINABILITY REPORT VERIFICATION

Danamon is committed to presenting a high-quality and accurate Sustainability Report, as a form of transparency and responsibility to all stakeholders. To ensure the quality of the report, Danamon's internal team has run a process of reviewing and verifying under direct oversight of the Board of Directors. The entire process includes strict and comprehensive stages, from data collection and analysis to report preparation. [\[GRI 2-14\]](#)

As a step to improve the credibility of the report, the Bank's financial statements have been audited by Liana Ramon Xenia & Partners Public Accountant. In addition, Danamon has appointed Decar Verite Asia as an independent third party, to conduct the external

verification process on Sustainability Report. Decar Verite Asia has no involvement in the preparation of this report nor does it have conflict of interest during the verification process. The external verification process was run based on the AA1000 statement Standard (AA1000AS) V3 type 1, with a guarantee level of moderate in accordance with the Accountability Principle. [\[GRI 2-5\]](#)

More detailed information about the results and methods used of the external verification process is available in the independent external assurance statement available on page 542 of this Report.