

Optimizing Digital, for Strengthening Sustainability



Disclaimer

This Sustainability Report contains information on plannings, projections, strategies, and objectives of the Company, which are not historical facts and must be regarded as future affirmations. Nevertheless, there is no guarantee that the anticipated and indicated results stated in the Company's affirmations will be fulfilled.

Sustainability Report 2022



Optimizing Digital, for Strengthening Sustainability

The theme describes of Bank Mega's continued commitment to improving and optimizing digital technology as an innovation. Technology is carried out through more than just the implementation of digitization. However, it needs to be accompanied by capabilities and competencies, both from the Company's point of view and the wider community. Digital technology has become part of people's lives today and is a challenge, as well as an opportunity for improving banking services. On the other hand, digital technology is expected to strengthen sustainability, enhancing the quality of life in the future.



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Sustainability Strategy [2-22] [2-23] [2-24]



Committing to the Company's Vision and Mission to be National's proud Bank, PT Bank Mega Tbk (Bank Mega) ensures its business operations are not only focused on income (profit), but also driven to increase the quality of human capital (people) and nature preservation (planet). For sustainable businesses, Bank Mega considers internal and external aspects by implementing:

- Internal strategy aims to further enhance efficient operations productivity.
- External strategy aims to improve innovation and services, including financing Sustainable Business Activities Category (KKUB).

In 2022, we continued strengthening the Sustainable Business Activities Category (KKUB) financing through credit distribution for Micro, Small, and Medium Enterprises (MSME) by collaborating with CT Corpora ecosystem, accelerating digital transformation as well as mitigating Environmental, Social, and Governance (ESG) risk.

Bank Mega is committed to preserving the environment and supporting the Sustainable Development Goals (SDGs) achievements. The Company has identified several programs that are in line with SDGs, namely goal 3, 4, 5, 8, 9, and 12.



Initiatives to Support Sustainable Development Goals (SDGs)



Target 2022

- Creating a healthy, decent, and safe work environment for all employees
- Improving the welfare and health of employees and their families
- Providing booster vaccine facilities to the general public

Achievement 2022

- Creating a healthy, safe, and comfortable work atmosphere
- Promotion of safety standards
- 100% implement occupational health and safety standards
- Carry out socialization and disaster response simulations on a regular basis
- Implement Medical Check Up (MCU)
- Carry out webinars on health that are attended by employees
- Collaborate with the COVID-19 Control Group to help coordinate the implementation of health protocols, both at the head office and all regional offices
- Providing booster vaccines to the general public.



Target 2022

- Organize introductory training on sustainable financial actions for all Bank employees through the e-learning platform
- Provide mandatory certification and training in accordance with regulatory provisions, technical training, and risk control
- Develop the e-learning module Introduction to Sustainable Finance Action
- Develop material for Introduction to Sustainable Finance Action in the Development Program curriculum

Achievement 2022

- Conduct online training through the application
- Participate in Employee Capacity Building Training
- Follow the E-learning Sustainable Finance Action Plan
- Participate in the Introduction to Sustainable Finance Action program for Development Program participants
- Participate in training on Guidelines for Implementation and Reporting of Indonesian Green Taxonomy
- Has attended public training on Sustainable Finance Action with a total of 466 hours of training

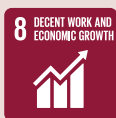


Target 2022

Create gender equality for the highest position and admitting equal treatment

Achievement 2022

- 3,269 female employees or equivalent to 53.32%
- 2 women or 28.57% who occupy positions as Directors
- Implement equality policy for all employees to advance their career and enable them to occupy executive positions



Target 2022

- Improve the welfare of employees
- Improve the local economy
- Support and help the independence of MSMEs

Achievement 2022

- Conduct community empowerment through Social and Environmental Responsibility (TJSL) activities
- Implement policies to improve employee welfare in accordance with work performance and the condition of the Bank
- Provide credit financing to MSMEs of Rp66 billion
- Rp18.25 trillion Loan disbursement that integrates economic, social, and environmental interests and is included in the sustainable finance category
- Fundraising in accordance with sustainable finance of 90% or Rp519 billion



Target 2022

- Build digital infrastructure
- Innovate products and services to improve service quality
- Maintain the security of confidential data of all customers

Achievement 2022

- Organize socialization and education on digital usage in banking processes
- Implement the Indonesian Standard Quick Response Code (QRIS) for transfer, cash withdrawal, deposit (TTS), and Cross Border Thailand transactions
- Customers of other banks who already have QRIS can also make transactions at Bank Mega ATM machines throughout Indonesia that have implemented QRIS-TTS
- Obtain ISO 27001:2013 certification from CBQA Global
- Develop digital-based e-learning modules



Target 2022

Save energy and water use

Achievement 2022

Emission reduction to 2,349 tons of CO₂ or 15% compared to last year





Achievements of the 2022 Sustainable Finance Activities

The Company performs various sustainable finance activities in accordance with the targets stated in the Sustainable Finance Action Plan (RAKB). The following are several sustainable finance activities conducted by the Company in 2022:

Main Activity

Growth of credit disbursement in accordance with KKUB



Achievement in 2022

Growth in lending that aligns economic, social and environmental interests and is included in the sustainable finance category of **Rp18.25 trillion** or grew by around **9.68%**.



Main Activity

Fuel Efficiency

Achievement in 2022

Pertalite fuel efficiency is as much as **99.098 liters** during 2022 or contributes to a reduction of around **232.83 ton CO₂**

Main Activity

Provision of training related to Sustainable Finance



Achievement in 2022

Bank Mega continuously and sustainably has carried out internal capacity building, namely:

- **185** participants took part in the Inhouse Training in the field of Sustainable Finance Action and Indonesia's Green Taxonomy with a total of **850** hours of training
- **5,429** participants participated in the Sustainable Finance Action E-Learning, with **10,858** hours of training.



Main Activity

Social and Environmental Responsibility Activities (TJSL) through the Mega Berbagi and Mega Peduli

Achievement in 2022

- Through Mega Berbagi, Bank Mega spent **Rp6,75 billion** to provide financial assistance in school building renovations, school infrastructure, and teaching activities in remote areas
- Through Mega Peduli, Bank Mega spent **Rp2,82 billion** to assist the community, such as health, community welfare, and the environment.



Main Activity

Paper efficiency at Credit Cards and head office

Achievement in 2022

Contributed to reducing HVS paper by **10.198.900 sheets** (**20,398 reams**) and **15.000 copies of newspapers**, or reducing the felling of trees by **923 trees**

Main Activity

- Provision of training related to Sustainable Finance
- Providing insight/literacy related to Sustainable Finance



Achievement in 2022

- Sustainable Finance Action ELearning, attended by **5,429 participants**.
- Dissemination of the Indonesian Green Taxonomy (THI) conducted to the credit business team
- Introduction of Sustainable Finance Action to **120** Bank Mega Development Program participants.



Main Activity

Fundraising by Sustainable Finance

Achievement in 2022

Achievement of raising funds in accordance with sustainable finance of **Rp519 billion** or **90%** from the financial position as of December 31, 2021.

Sustainability Performance Highlights



Economic Aspect

Net Interest Income
(Trillion Rp)

5.87

| | |
|------|------|
| 2021 | 4.84 |
| 2020 | 3.91 |

Non-Interest Income
(Trillion Rp)

2.50

| | |
|------|------|
| 2021 | 3.14 |
| 2020 | 2.92 |

Net Profit
(Trillion Rp)

4.05

| | |
|------|------|
| 2021 | 4.01 |
| 2020 | 3.01 |

Products and/or Services' Nominal
Meeting the Sustainable Business
Activities Category (KKUB)
Criteria (Trillion Rp)

18.25

| | |
|------|-------|
| 2021 | 16.63 |
| 2020 | 12.72 |

Percentage of Total KKUB
Financing Portfolio to Total
Portfolio (%)

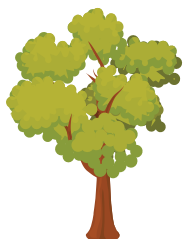
29

| | |
|------|-------|
| 2021 | 29.05 |
| 2020 | 26.70 |

Credit for MSMEs Financing
(Billion Rp)

66

| | |
|------|-------|
| 2021 | 70.61 |
| 2020 | 28.70 |



Environmental Aspect



Electricity use (MWh)

1,184.9

| | |
|------|---------|
| 2021 | 1,053.1 |
| 2020 | 1,150.6 |



Total paper waste (Ton)

22.05

| | |
|------|-------|
| 2021 | 18.69 |
| 2020 | 34.13 |



Emission generated
from fuel use (tCO₂)

2,349

| | |
|------|-------|
| 2021 | 2,772 |
| 2020 | 2,211 |



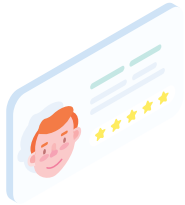
Water use (m³)

85.15

| | |
|------|-------|
| 2021 | 76.50 |
| 2020 | 78.98 |



Social Aspect



Customer Satisfaction Level

| 2022 |
|---|
| Achievement by MRI - Top 10 Satisfaction Loyalty Engagement (SLE) Index 2022 (KBMI III) |

| 2021 |
|--|
| 1 st Rank for 6 Categories from The 4 th Satisfaction Loyalty Engagement (SLE) Awards 2021 |

| 2020 |
|--|
| <ul style="list-style-type: none"> • Best Bank Award 2020 for core capital group banks with Rp5 – 30 trillion range from Investor Magazine. • Achievement by MRI (Experience Index & Loyalty Index 2020 of Buku III Bank Category) |



Employee Turnover Rate (%)

40

| | |
|------|----|
| 2021 | 32 |
| 2020 | 33 |



Percentage of Female Employees to Total Employee (%)

53

| | |
|------|----|
| 2021 | 51 |
| 2020 | 50 |



Total Training Hours

364,651

| | |
|------|---------|
| 2021 | 261,747 |
| 2020 | 216,507 |



Total Hours of Sustainable Finance Hours

1,316

| | |
|------|-------|
| 2021 | 522 |
| 2020 | 5,038 |



Realization of Social and Environmental Responsibility Fund (Billion Rp)

MEGA Berbagi

6.75

| | |
|------|------|
| 2021 | 1.11 |
| 2020 | 5.27 |

MEGA Peduli

2.82

| | |
|------|-------|
| 2021 | 4.32 |
| 2020 | 31.59 |

Message from President Director ^[2-22]



Bank Mega continues to carry out the digital transformation that has been carried out to improve and optimize digital utilization as a form of innovation that can improve the quality of service that is safe and comfortable for every customer.

Kostaman Thayib
President Director

Dear Respected Stakeholders,

On behalf of the Board of Directors, I would like to present the 2022 Sustainability Report of Bank Mega, detailing our contributions to the Sustainable Development Goals (SDGs) in Indonesia. This report embodies the continuation of the sustainable finance implementation stated in our sustainable finance action plan (RAKB).

Policies for Responding to Challenges

Bank Mega realizes that sustainable economic growth can be obtained with the involvement of various parties, including financial institutions. In addition to trying to achieve profit optimally, Bank Mega also realizes harmony in its activities with the community (people) and builds awareness for the environment (planet).

Bank Mega has developed an Environmental, Social and Governance (LST)-oriented financing policy to respond to sustainability challenges and reduce risks, especially in controlling the negative impacts of climate change. The value of sustainability is realized by constantly trying to build long-term relationships with all customers through continuous innovation in providing financial service solutions that offer convenience and security,

improving the quality of Human Resources (HR), and implementing good governance. The Bank also actively drives Indonesia's sustainable growth to consistently generate high returns for shareholders.

Throughout 2022, Bank Mega has the policy to carry out several socializations to increase opportunities for sustainable financial financing. We also select the financing process through credit requirements considering ESG aspects and map debtor business categories based on the Indonesian Green Taxonomy.

In line with the ESG aspect, Bank Mega focuses on digital transformation as one of the Bank's responses to the challenges of changing business systems. Currently, most customers are accustomed to using various digital-based platforms, so digitalization has become part of the sustainability aspect for improving services, banking processes, and preserving the environment.



Opportunities in implementing technological innovations also provide challenges to which we must pay close attention. The widespread use of technology makes data security increasingly vulnerable to cybercrime. To prevent this, Bank Mega implements the ISO 27001:2013 standard, an international standard, as a guide in the Information Security Management System (ISMS). In addition, Bank Mega continues to hold various sessions on understanding, education, and increasing public awareness to jointly maintain the confidentiality and security of their data.

Implementation of Sustainable Finance

As a form of commitment to support the achievement of sustainable finance implementation, Bank Mega has a Sustainable Finance Team structure. This team is responsible for the Strategic & Business Development (SBDV) Division, which heads the Sustainable Finance Team. Fifteen other divisions also assist the Sustainable Finance Team. The Director of Compliance & Human Capital monitors team performance. Throughout 2021, the Sustainable Finance Team has evaluated the implementation of a culture of sustainability and developed online sustainable finance training. The version of implementing sustainable finance in 2022 includes economic, social, and environmental aspects.

In 2022, Bank Mega recorded a positive performance with an increase in pre-tax profit of Rp5.03 trillion. This profit increased by 1.52% compared to 2021, Rp4.95 trillion. The achievement of this economic performance is the basis for us to continue to improve our ESG performance in a more balanced and sustainable manner.

Financing based on KKUB consists of funding for environmentally sound business activities and MSME financing, with the composition of the green financing portfolio of 99.6% and MSME financing of 0.4%. Throughout 2022, Bank Mega's disbursed KKUB loans reached Rp18.25 trillion, an increase of 9.7% from 2021 of Rp16.63 trillion, with a green financing portfolio composition of 99.6% and MSME 0.4%. This achievement was contributed by the Environmentally Friendly Business Activities business category by 69% or Rp12.55 trillion.

Digitalization, of course, also positively impacts the environment and sustainability. Throughout 2022, digital transformation will focus on adding features to the existing M-Smile application. M-Smile is an application-based banking service that integrates a customer's financial transaction needs, from opening new accounts online, payment transactions, and connecting with the marketplace ecosystem to investment. Through M-Smile, retail customers get a customer experience like branch services in their hands. Until 2022, M-Smile has 90 features to make 699 types of transactions. With these features, banking transactions made by customers through the M-Smile application have reached 68%.

This digitization step also reduces fuel use for customers who have to come to the branch to carry out banking transactions and the use of paper used in the branch.

From an environmental perspective, Bank Mega continues the efficiency program for using fuel oil (BBM) and automation in all operational activities. Throughout 2022, efficiency programs will be obtained from fuel cost savings. This effort reduced the use of pertalite fuel from 943,687 litres in 2021 to 844,389 liters in 2022. The fuel efficiency that was successfully carried out throughout 2022 was as much as 99,098 liters or contributed to a reduction of around 232.83 tons of CO₂.

Bank Mega also continues the HVS Paper usage efficiency program in all work units. Throughout 2022, the use of HVS paper was 4,454 reams, which decreased compared to the use of HVS paper in 2021 of 6,263 reams. If one tree produces 23 reams of paper, then the efficiency of the paper is equivalent to reducing the felling of about 78 trees.

Along with digitization which is also implemented in the printing industry, Bank Mega also makes savings in subscribing to print media (Newspapers and Magazines)—use of Magazines & Newspapers in Regional Offices, KC and KCP. News can be accessed digitally, so the use of printed newspapers & magazines will be replaced with digital newspapers & magazines so that by 2022 the use of print media will drop to 75,108 copies from 103,200 copies. Through the efficiency of this print media, the Bank contributed to reducing the felling of around 52 trees.

In addition, Bank Mega also supports efforts to preserve biodiversity by actively contributing to planting trees. In 2022, Bank Mega and the Financial Services Authority planted 50 mangrove seedlings in Bali. In addition, with FKDKP (Compliance Director Communication Forum), Bank Mega planted 100 bamboo tree seedlings in Ngargoretno village, Magelang, Central Java. This effort is expected to provide benefits for reducing carbon emissions, restoring nature, and climate regulation.

From the social aspect, Bank Mega also provides added value to the community by implementing social and environmental responsibility activities (TJSL), including Mega Sharing and Mega Care activities, as well as financial literacy and inclusion. Throughout 2022, Bank Mega has distributed funds for TJSL (Mega Berbagi dan Mega Peduli) activities of Rp9.57 billion, an increase from 2021 which amounted to Rp4.32 billion.

Strategies for Target Achievements

Bank Mega manages various risks in implementing sustainable finance, such as credit risk, operational risk, liquidity risk, and market risk. To address these risks, we assume the prudential approach by map the ESG risk, adjust the credit lending that focuses on the ESG aspect, and debtors' risk profile.

In 2022, Bank Mega will update The Bank's Credit Risk Management Policy, among others regulate efforts/actions in identifying, measurement, monitoring, and risk control over implementation of Sustainable Finance and regulated roles Board of Commissioners and Board of Directors in management, regular review and review of the effectiveness risk management, especially related to the implementation of Finance Sustainable.

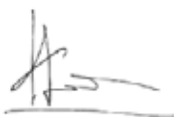
We also carry out Risk Awareness training as a means of socialization and implementation of management comprehensive risk to all employees done offline.

Aside from risk management, Bank Mega has mapped opportunities and business prospects. The banking sector plays a significant role in reinforcing the national economy, achieving the GHG emission reduction target, and opening opportunities for us to give added value to all stakeholders. The thriving new environmentally friendly industries and changes in technology result in more business prospects for the banking sector to promote its business growth. Meanwhile, the rising number of MSMEs bring in more new business prospects both in the country and overseas. We will benefit from these opportunities to support the MSMEs to 'level up' through various international transaction services.

Appreciation

We would like to appreciate the support, cooperation, and trust given by all stakeholders and Bank Mega's personnel throughout 2022. All of support from insan Bank Mega and stakeholders interest is the driving force for us to continue to improve the achievement of financial performance sustainable. We hope Bank Mega's business activities can bring positive impacts to the quality of people's lives, not just today, but for a more prosperous future ahead.

Jakarta, 02 Februari 2023



Kostaman Thayib
Direktur Utama



Statement from the Members of the Board of Commissioners on the Accountability to the 2022 Sustainability Report of PT Bank Mega, Tbk

We, the Board of Commissioners, hereby state that all information mentioned in the Sustainability Report of PT Bank Mega, Tbk of the 2022 fiscal year has been presented according to regulations, and We are fully accountable for the accuracy of this Sustainability Report content. We certify that this statement is true to the best of our knowledge.

Jakarta, 02 February 2023

Chairul Tanjung
President Commissioner

Yungky Setiawan
Vice President Commissioner

Achjadi Ranuwisatra
Independent Commissioner

Lambock V. Nahattands
Independent Commissioner

Statement from the Members of the Board of Directors on the Accountability to the 2022 Sustainability Report of PT Bank Mega, Tbk

The sustainability report of PT Bank Mega Tbk of the 2022 fiscal year has been presented according to regulations, and We are fully accountable for the accuracy of this Sustainability Report content. We certify that this statement is true to the best of our knowledge.

Jakarta, 02 February 2023

Kostaman Thayib
President Director

Madi Darmadi Lazuardi
Credit Director

Lay Diza Larentie
Consumer Banking Director

Martin Mulwanto
Treasury & International
Banking Director

Yuni Lastianto
Compliance and
Human Capital Director

Indivara Erni
Risk Director

C. Guntur Triyudianto
Operations & Information
Technology Director

About the Report [2-2] [2-3] [2-4] [2-5]



The sustainability report published annually with the previous report was issued on 3rd February 2022. Dated from the period of 1 January up to 31 December 2022, this report adheres to Financial Services Authority Regulation (POJK) No. 51/POJK.03/2017, Circular Letter Financial Services Authority (SEOJK) No. 16/SEOJK.04/2021, Global Reporting Initiative (GRI) 2021 standards, with conformity: 'reference to the GRI Standards', and GRI Financial Services Sector Supplement.

There are no changes or restatements of information stated in this report. The financial data is accrued from financial statements that have been audited and consolidated from all work units of Bank Mega across Indonesia. Conversely, electric power consumption data is based on the use at the headquarter, whereas water and fuel consumption data refer to those of Bank Mega's headquarter and all branch offices.

This report does not include other entities as Bank Mega does not have any subsidiaries. This sustainability report has yet undergone external verification, but all the financial data has been audited by the public accounting firm. All information disclosure stated in this report has been approved and verified by an accountable external party, including the company's executives.

Feedback Response from the Previous Report

As of the end of 2022, the Company has received inputs to further disclose information on sustainable finance and start identifying debtors in accordance with the sustainable business activities categories (KKUB). Now, Bank Mega provides more comprehensive sustainable finance information.

Defining Report Content and Quality [3-1]

The Sustainability Report is presented based on the principles of accuracy, balance, clarity, comparability, comprehensiveness, sustainability context, promptness, and verifiable. Series of defining report content and development are conducted internally and have gained approval from Compliance & Human Capital Director, who is responsible for all sustainable finance activities.

Contact for Reporting [2-3]

Name : Christiana Maria Damanik
Position : Corporate Secretary
Email : corsec@bankmega.com
Phone : (62-21) 7917 5000 (hunting)





Material Topics and Topic Boundaries [3-3]



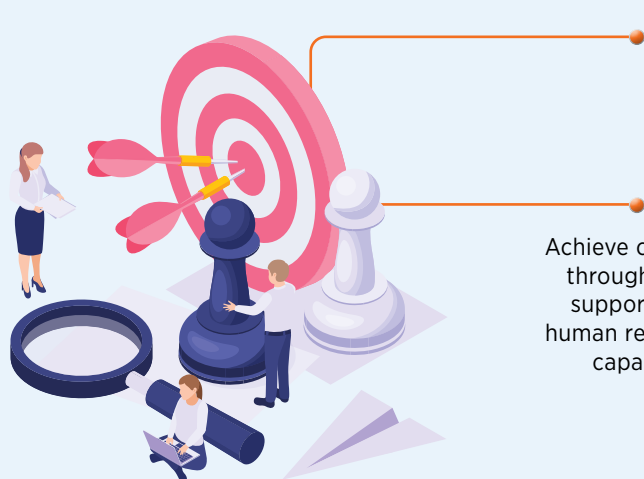
The material topics different from the previous year due to a new material topic addition arising from Bank Mega's business operational condition in 2022. These new material topics is credit portfolio. The defining process of material topics is discussed internally by the Company. [3-1] [3-2]

Material Topic and Sustainability Issue

| Material Topic | Sustainability Issue |
|---|--|
| Economic Performance   | <ol style="list-style-type: none"> 1. Resilience in economic performance 2. Operational cost efficiency 3. Credit growth 4. KKUB portfolio growth 5. Anti-Fraud and Anti-Corruption, Anti-Money Laundering, and Counter-Terrorism Financing (APU-PPT) 6. Compliance with regulations and corporate governance |
| Training, Education, and Technology     | <ol style="list-style-type: none"> 1. Sustainable Finance Training 2. Competence development and career path training 3. Competence development training for customers and the public 4. Training on financial inclusion and financial literacy |
| Customer Privacy and Services Quality   | <ol style="list-style-type: none"> 1. Implementing technology digital innovation 2. Maintaining the security of information and transaction 3. Increasing the best services' quality and ease of access for customers |
| Credit Portfolio  | <ol style="list-style-type: none"> 1. The achievement of disbursing funds (credit) by the Sustainable Business Activity Category exceeded the target in the 2022 RAKB, mainly coming from the Corporate segment, both from new loans and credit facility utilization 2. Implementation of sustainable finance in terms of business criteria that can be given credit |
| Occupational Health and Safety  | <ol style="list-style-type: none"> 1. Implementing occupational health and safety as per standards |

Company Profile ^[2-1]

Vision, Mission, and Corporate Values

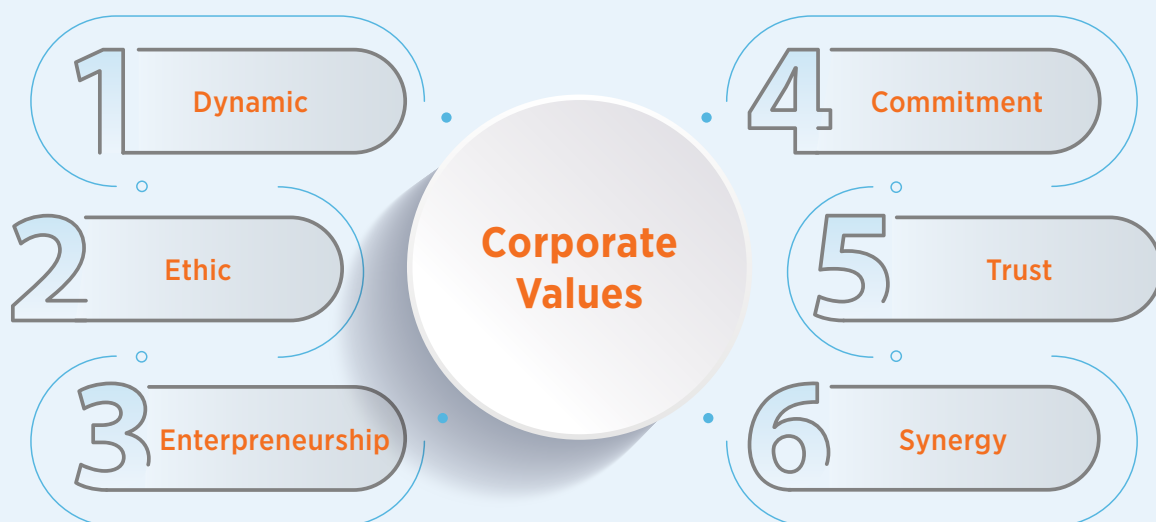


Vision

To be the Nation's pride

Mission

Achieve continuous good relationships with customers through innovative banking services and synergies supported by integrated ecosystems, professional human resources and best organizational performance capabilities to provide high added value to all stakeholders.



Sustainability Culture

Bank Mega builds sustainability culture by encouraging environmentally friendly behaviors, saving energy and water, and applying zero plastic bottles. These activities are exercised under the responsibility of Corporate Culture & Change Management (CCCM), which is a part of Corporate Affairs Work Unit. This unit is in charge of overseeing and evaluating the Company's sustainability culture implementation which results to be reported to the President Director.





Company's Public Information



Name of Company [2-1]

PT Bank Mega Tbk

Initial Operation Year

1969

Legal Basis of Establishment

- Deed of Establishment of PT Bank Karman No. 32 of 15 April 1969, Juncto
- Deed of Amendment No. 47 of 26 November 1969

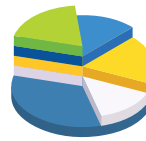


Line of Business [2-6]

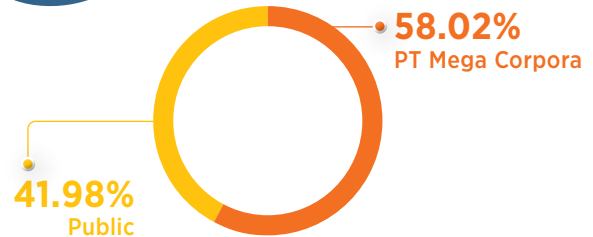
Banking

Business License

Decree of Minister of Finance of the Republic of Indonesia No. D.15.6.5.48 of 14 August 1969



Share Ownership



Address of Headquarter

Menara Bank Mega,
Jl. Kapten Tendean No. 12-14A
Jakarta, 12790, Indonesia.

Telp : (+6221) 7917 5000

Fax : (+6221) 7918 7100



Areas of Operation [2-6]

As of the end of 2022, Bank Mega has owned 8 Regional Offices across Indonesia which oversees 381 branch offices and 2 functional offices as follows:

1. Medan (Sumatera area, except Lampung)
2. Jakarta 1 (DKI Jakarta, Bekasi, Karawang)
3. Jakarta 2 (South Jakarta, Lampung, Bogor, Depok, Tangerang, Banten)
4. Bandung (West Java, except Bogor, Depok, Bekasi, and Karawang)
5. Semarang (Central Java, DI Yogyakarta)
6. Surabaya (East Java, NTB, NTT, Bali)
7. Makassar (Sulawesi, Maluku, Papua)
8. Banjarmasin (Kalimantan)



Office Network and Bank Mega ATM [2-1]

| Description | 2022 | 2021 | 2020 |
|-----------------------|------|------|------|
| Office Network | | | |
| Headquarter | 1 | 1 | 1 |
| Regional Office | 8 | 8 | 8 |
| Branch Office | 55 | 54 | 54 |
| Sub Branch Officer | 326 | 322 | 283 |
| Functional Office | 2 | 2 | 2 |
| Total | 392 | 387 | 348 |
| ATM Bank Mega | | | |
| Total | 636 | 668 | 684 |

Company Scale [2-6]

| Description | Unit | 2022 | 2021 | 2020 |
|---------------------------|-------------|--------|--------|--------|
| Total Permanent Employees | Male | 2,230 | 2,403 | 2,544 |
| | Female | 2,505 | 2,549 | 2,657 |
| Net Interest Income | Trillion Rp | 5.87 | 4.84 | 3.91 |
| Net Profit | | 4.05 | 4.01 | 3.01 |
| Total Capitalization | | | | |
| Total Liabilities | Trillion Rp | 121.12 | 113.73 | 94.00 |
| Total Equities | | 20.63 | 19.14 | 18.21 |
| Total Assets | | 141.75 | 132.88 | 112.20 |

Products and Services [2-6]

Bank Mega offers digitalized products and services. Several of which are savings, loans, trade finance, international transactions, and payment transactions with cards. Any transaction services of the Company can be accessed through M-Smile, Mega Internet, Mega Pass, Mega ATM, Mega Cash, and M-Money. Further information on the products and services are presented in the 2022 Annual Report and Company's website: www.bankmega.com.





Services Transaction

| Services Transaction | Unit | 2022 | 2021 | 2020 |
|----------------------|---------------------------|---------|---------|---------|
| Mega ATM | Customer | 143,086 | 182,295 | 242,286 |
| | Value (billion Rp) | 3,112 | 4,524 | 7,074 |
| Mega Pass | Total Cards | 256,499 | 313,934 | 415,864 |
| | Value (billion Rp) | 407.0 | 398.8 | 412.3 |
| Internet Banking | Customer | 26,094 | 29,301 | 34,266 |
| | Value (billion Rp) | 47,693 | 49,786 | 55,290 |
| Mobile Banking | Customer | 581,311 | 394,564 | 286,977 |
| | Value (billion Rp) | 20,967 | 10,737 | 4,894 |
| Uang Elektronik | Number of Cards (million) | 4.6 | 4.4 | 4.2 |
| | Value (billion Rp) | 0.4 | 0.4 | 3.7 |
| Safe Deposit Box | Box | 4,257 | 5,510 | 8,465 |
| | Value (billion Rp) | 5.6 | 5.1 | 4.7 |

Product Quantity

Savings



Customer
323,088 People

| | |
|------|---------|
| 2021 | 316,001 |
| 2020 | 362,241 |



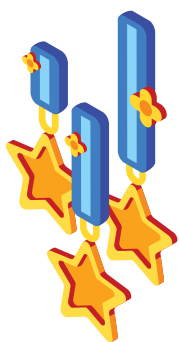
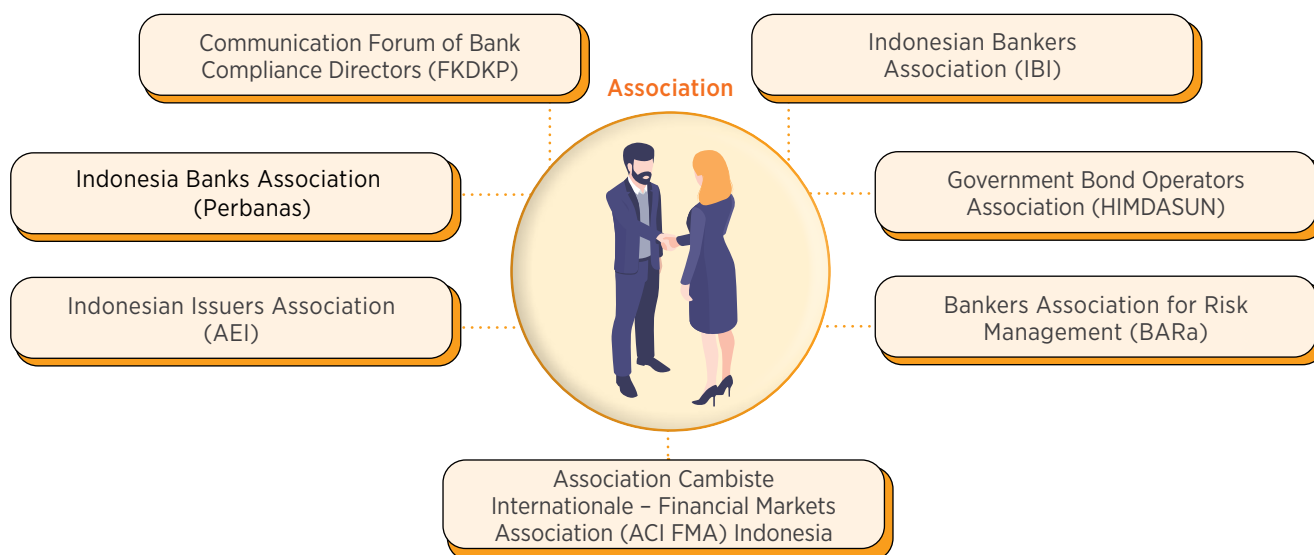
Value (Trillion Rp)
103.03

| | |
|------|-------|
| 2021 | 98.91 |
| 2020 | 79.19 |

Treasury

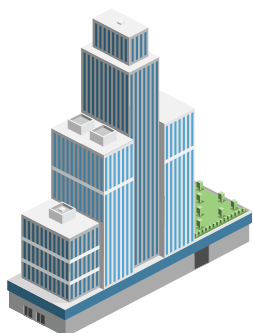
| Product and Service | Unit | 2022 | 2021 | 2020 |
|--|-----------------------|---------|---------|---------|
| Foreign Exchange Transactions (Spot, Forward & Swap) | Customer (people) | 82 | 68 | 71 |
| | Transaction Frequency | 9,958 | 7,110 | 5,873 |
| | Value (Trillion Rp) | 390,324 | 201,376 | 214,414 |
| Money Market Transactions | Customer (people) | 60 | 56 | 66 |
| | Transaction Frequency | 1,449 | 1,793 | 2,251 |
| | Value (Trillion Rp) | 194,855 | 261,790 | 238,446 |
| Bonds Trading Transactions | Customer (people) | 6,210 | 5,998 | 4,266 |
| | Transaction Frequency | 12,302 | 12,465 | 10,893 |
| | Value (Trillion Rp) | 120,439 | 125,440 | 95,482 |
| Total | Customer (people) | 6,352 | 6,122 | 4,403 |
| | Transaction Frequency | 23,709 | 21,368 | 19,017 |
| | Value (Trillion Rp) | 705,618 | 588.61 | 548.34 |

Membership in Associations [2-28]



Awards [2-28]

| Award | Organizer |
|--|--|
| Corporate Emissions Transparency Award 2022 • Emission Reduction Transparency Category Green Degree • Silver Degree Emission Calculation Transparency Category | Investor and BGK Foundation Magazine |
| Infobank SME Financing Awards 2022 | The Best Bank in SME Financing KBMI III - Infobank |
| The 13 th Corporate Governance Conference and Award - Top 50 Big Capitalization Public Listed Company | Indonesian Institute for Corporate Directorship |



Significant Changes [2-6]

In 2022 there will be changes due to the realization of the development of the Bank's Office Network, including: opening 7 offices, 3 changes of office addresses, and closing 2 offices.

| No | Description | Total (Offices) |
|----|--------------------------|-----------------|
| A | Opening Offices | |
| | Branch Offices | 1 |
| | Sub-Branch Offices | 6 |
| B | Status Change | - |
| C | Change of address | |
| | Sub-Branch Offices (KCP) | 2 |
| | Regional Offices | 1 |
| D | Closing Offices | |
| | Sub-Branch Offices | 2 |



**Our
Sustainability
Performance**

Improving Environmental Performance

Bank Mega is consistently moving towards green banking by using electricity and water efficiently and applying digital technology in all operational activities.



Company's Commitment in Protecting Environment

Bank Mega preserves the environment through efficiency in energy use as well as emission and waste paper reduction. The following are some of the efforts:

- Encouraging to minimize the use of operational vehicles;
- Providing operational vehicles that have passed the emission test;
- Implementing digitalization to reduce the use of paper;
- Regulating the use of air conditioning (AC);
- Using environmentally friendly lights in Bank Mega offices;
- Issuing Memo of Assignment (No.MD.1638/PRFS/19) on the Discontinuation of Consuming Bottled Drinking Water (AMDK) in Bank Mega to reduce plastic waste;
- Implement printer quotas with a pilot project at the Head Office.



Environmental Performance Achievements in 2022



E-Learning

Supporting training and socialization process to each Human Capital (HC) effectively and efficiently.

Efficiency Dimension

Cost, HC, and paper



Mobile onboarding

Supporting customers' onboarding process effectively and efficiently.

Efficiency Dimension

Cost, HC, and paper



Card Initiation System

Supporting customer origination process for credit card customers.

Efficiency Dimension

HC and paper



Process Automation and Digitalization

Supporting the management process of company vehicles use.

Efficiency Dimension

Operating cost and HC



Tangible Monitoring System

Supporting the management process of goods and assets stationed in branch offices for the Bank to effectively plan the procurement and replacement.

Efficiency Dimension

Operating cost and HC



QR Payment

Supporting a more efficient payment process.

Efficiency Dimension

Operating cost



Web Policy & Procedure Management System

Supporting the management and paperless storage of policy and procedure documents.

Efficiency Dimension

HC and paper



Content Management

Supporting the paperless document management of customer profiles and account data.

Efficiency Dimension

HC and paper





E-Doc

Supporting the paperless document management of customer profiles and account data.

Efficiency Dimension
HC and paper



Enterprise Data Warehouse

Supporting any paperless needs for various reports.

Efficiency Dimension
HC and paper



Chatbot

Supporting a more efficient customer service process.

Efficiency Dimension
Operating cost and HC



Collection System

Supporting the collection process via mobile apps for improvements in efficiency.

Efficiency Dimension
Operating cost, HC, and paper



Mobile Appraisal

Supporting the appraisal process via mobile apps for improvements in efficiency.

Efficiency Dimension
Operating cost, HC, and paper



Mega Employee Mobile (MeMo)

Supporting operational activities that are carried out independently and paperless.

Efficiency Dimension
Operating cost, HC, and paper



Branch Delivery System (BDS)

Supporting customer service activities without using physical forms (paperless).

Efficiency Dimension
Operating cost, HC, and paper



BI Fast

Supporting transactions in real time (24/7) with more economical transaction fees.

Efficiency Dimension
Operating cost



Open API

Supporting the efficiency and ease of the connection process between applications between the Bank and partners.

Efficiency Dimension
Operating cost, HC, and paper



Payment Gateway

Supporting financial transactions between merchants and Bank Mega partners.

Efficiency Dimension
Operating cost, HC, and paper



Reconciliation System

Supporting efficiency in the reconciliation process.

Efficiency Dimension
Operating cost, HC, and paper



Talkbot

Supporting efficiency in terms of human resources, time, and optimizing HR performance.

Efficiency Dimension
Operating cost, HC



HC - Employee Self Service (adding new modules)

Supporting process efficiency and speed of HC services so as to optimize HR performance and also be paperless.

Efficiency Dimension
Operating cost, HC, and paper



Update HC System (adding new modules)

Supporting the efficiency and speed of work processes in HC so that it can optimize HR services and also be paperless.

Efficiency Dimension
Operating cost, HC, and paper



Energy Usage

Bank Mega harnesses electricity as the main energy source for operational activities, aside from other fuels, such as diesel, oil, and gasoline. A generator is also used an energy alternative if power outage occurs to ensure zero downtime ace to maintain banking transactions.

Throughout 2022, Bank Mega has spent Rp10.57 billion on electricity costs decrease of 13.72% compared to 2021 of Rp12.02 billion. Moreover, the fuel used for operational vehicles reached 844,389 liters in 2022, which was converted with the price of Pertalite fuel type at Rp10,000 per liter, or equivalent to 2,349 ton CO₂. [302-4]

Electricity Use Intensity [302-3]

| Description | 2022 | 2021 | 2020 |
|--|---------|---------|---------|
| Total energy use (MWh) | 1,184.9 | 1,053.1 | 1,150.6 |
| Land area (m ²) | 57,595 | 57,595 | 57,595 |
| Energy use intensity (MWh/m ²) | 0.00206 | 0.01828 | 0.01998 |

Electricity, Water, and Fuel Cost (Billion Rp)

| Description | 2022 | 2021 | 2020 |
|-------------------|-------|-------|-------|
| Electricity Cost* | 10.57 | 12.02 | 14.19 |
| Water Use Cost** | 1.07 | 0.86 | 1.10 |
| Fuel Use Cost*** | 8.4 | 9.02 | 10.29 |

Note:

* The data derives from Bank Mega headquarter

** The data derives from all branch offices of Bank Mega (KC, KCP, KK)

*** The data derives from all National Areas of Bank Mega (Operational Vehicles and Online Taxi)

Greenhouse Gas Emission (GHG) Calculation [305-1] [305-5]

Bank Mega has calculated scope 1 emissions originating from the use of fuel. Given the increase in fuel costs as of September 2022, until the reporting period, the total energy use for official vehicles was 844,389 liters, down 10.50% compared to 2021 of 943,487 liters. Meanwhile for the benefit of online taxis using the same calculation as service vehicles if converted to fuel prices in 2022,

Bank Mega uses 155,300 liters or a 31% decrease compared to 2021 of 226,586 liters. Thus, the resulting emission is 2,349 tons CO₂ or down 15.27% compared to 2021's 2,772.2 tons CO₂. This calculation is done using the emission conversion method 1 liter of fuel consumption will produce 2.35 kg of CO₂ emissions.



Bank Mega aspires to reduce its carbon footprint in all operational activities through digital technology applications so that customers can access the Bank without transportation. Transactions can be executed at any time and anywhere. [305-5] [FS8]

Water Use [303-1]

We use water to meet the domestic needs and preserve the environment around the headquarter and all branch offices of Bank Mega. In 2022, the Bank used 85.15 m³ water, showing an increase compared to the previous year.



Water Use in the Company (m³)

85.15

| | |
|------|-------|
| 2021 | 76.50 |
| 2020 | 78.98 |

Waste Management

Bank Mega continues to lower the amount of paper waste, the most waste generated in the banking sector. We hand over the paper waste to a third party certified for waste management. In 2022, the amount of paper waste transferred to the authority reached 22.05 tons, increased compared to 2021. Property & Facility (PRFS) Work Unit is responsible for reducing paper waste to its maximum efficiency limit. [2-25][306-1][306-2][306-3]



Total Waste Paper (Ton) [306-3]

22.05

| | |
|------|-------|
| 2021 | 18.69 |
| 2020 | 34.13 |

Technology and digitalization prove to have a significant role in reducing paper waste as well as enhancing banking products and services to meet the customers' needs. We continuously give education on the use of M-Smile, E-Learning, Mobile Onboarding, Card Initiation System, Web Policy & Procedure Management System, Content Management, E-Doc, and Enterprise Data Warehouse. These technology-based services have become the foundation for banking transformation towards the digitalization era.

In 2022, Bank Mega succeeded in making efficient use of HVS paper of **4,454 reams**, down from 2021 of **5,127 reams**. If **1 tree** produces **23 reams** of paper, then the paper efficiency is equivalent to reducing the cutting of **8 trees**. In the Future, Bank Mega seeks to reduce the use of HVS paper by **4,276 reams**.

Biodiversity Preservation

The banking sector is an industry that indirectly connects with nature. Our office is not situated in a conservation area or in an area with high-level of biodiversity. Nevertheless, we believe that biodiversity is fundamental to all living things. We take financing activities into consideration to support the existence of biodiversity.

In July 2022, Bank Mega became one of the companies supporting the Government's programs and efforts to encourage green economic growth through the "Eco-Concerned Financial Services Industry for Sustainable Development" activities. Purpose of this activity is to help the success of the Government's program to rehabilitate mangrove ecosystems as Indonesia's effort and contribution in handling climate change, as well as encouraging green economic growth in Indonesia. Several activities carried out by Bank Mega to support this activity include planting, caring for, and monitoring 50 mangrove seedlings, as well as conducting community empowerment.

The implementation of community empowerment is carried out to increase awareness and the desire of the community to protect mangrove plants so that empowerment through education and training is needed.

- Education and training are carried out in the form of seminars or workshops conducted by mangrove experts, practitioners, and business actors who have successfully utilized and processed mangroves to become economically valuable.
- Education and training participants are members and family members and the surrounding community.



Bamboo Planting Activities in Ngargoretno Village, Magelang Regency

Bank Mega supports the Bamboo Planting program in the Bukit Manoreh Geotourism Area, Ngargoretno Village-Magelang Regency, which the Kehati Foundation initiated.

This program is hoped to provide more educational tourist attractions, preserve several endangered bamboo species, and create parks to learn about them. Bank Mega is committed that it will support this program for the next five years by providing financial assistance of Rp14,500,000/year and helping plant 100 bamboo seedlings.

Complaints on Environmental and Social Aspects [3-3]

Bank Mega provides a complaint mechanism for customers and the public to accommodate their complaints related to environmental and social aspects. As of the end of 2022, there have been zero complaints from the customers and the public and there were no lawsuits filed on environmental and social issues.

Complaints filed by the customers and the public can be submitted through:

- Customer Service based in all branch offices of Bank Mega
- Mega Call at 08041500010 or +6221 2960 1600 (from abroad)
- Customer Complaint Form, which is accessible on the website

www.bankmega.com



Supports for Employees and the Communities

Bank Mega promotes an inclusive and fair work environment for employees to have a good career path. Human Capital (HC) policy advocates diversity and equality among employees, including in training and capacity building.



Our Employees [2-7] [2-8] [406-1]

Bank Mega is committed to manage social performance, both internally and externally, by creating quality and professional Human Capital with high integrity, including nurturing them to develop and grow as well as providing them with a decent and safe work environment. All employees are entitled to training, education, and performance appraisal as per their needs and talents. These initiatives show our intent in upholding Human Rights (HAM), to give equal opportunity to all employees without discriminating against their ethnicity, religion, race, class, and gender.

The principle of equality has been implemented since the recruitment process in accordance with Decree No. 083/DIRBM/21 on Employee Recruitment and Selection. Each employee candidate has an opportunity to assume

a certain position as long as it meets their competency, capacity, and work achievements. This principle is our keystone in selecting the best individual to be a part of Bank Mega.

Respecting equality and diversity, there are 3,269 female employees or equivalent to 53.32% comprise the company, and 2 women or 28.57% visibly occupy the positions of Director. Overall, the composition of male and female employees is relatively balanced with the majority is in the productive age from 25 to 39 years old. This age group is expected to become HC that is competent in adapting to changes, open to knowledge and experience, and able to make innovations with technology.

In 2022, Bank Mega did not receive any complaints concerning employment practices, including discrimination against ethnicity, religion, gender, race, or class. [405-1]

As of the end of 2022, Bank Mega has had a total of 6,131 employees and there are no part-time employees. Of the total, 1,396 employees or 22.77% are non-permanent employees.

Employees Based on Employment Status

| Status | Gender | 2022 | | 2021 | | 2020 | |
|--------------------|--------|-------|-------|-------|-------|-------|-------|
| | | Total | % | Total | % | Total | % |
| Permanent Employee | Male | 2,230 | 36.37 | 2,403 | 38.02 | 2,544 | 39.15 |
| | Female | 2,505 | 40.86 | 2,549 | 40.33 | 2,657 | 40.89 |
| | Total | 4,735 | 77.23 | 4,952 | 78.35 | 5,201 | 80.04 |
| Contract Employee | Male | 632 | 10.31 | 663 | 10.49 | 688 | 10.59 |
| | Female | 764 | 12.46 | 705 | 11.16 | 609 | 9.37 |
| | Total | 1,396 | 22.77 | 1,368 | 21.65 | 1,297 | 19.96 |
| Total | | 6,131 | | 6,320 | | 6,498 | |

Employees Based on Regions

| Region | Gender | 2022 | | 2021 | | 2020 | |
|-------------------|--------|-------|-------|-------|----|-------|----|
| | | Total | % | Total | % | Total | % |
| Headquarter | Male | 1,994 | 32.52 | 2,035 | 32 | 2,103 | 32 |
| | Female | 1,185 | 19.33 | 1,088 | 17 | 1,052 | 16 |
| | Total | 3,179 | 51.85 | 3,123 | 49 | 3,155 | 49 |
| Regional & Branch | Male | 868 | 14.16 | 1,031 | 16 | 1,129 | 17 |
| | Female | 2,084 | 33.99 | 2,166 | 34 | 2,214 | 34 |
| | Total | 2,952 | 48.15 | 3,197 | 51 | 3,343 | 51 |
| Total | | 6,131 | | 6,320 | | 6,498 | |

Employees Based on Age Group

| Age | Gender | 2022 | | 2021 | | 2020 | |
|-------|--------|-------|-------|-------|-------|-------|-------|
| | | Total | % | Total | % | Total | % |
| 20-24 | Male | 97 | 1.58 | 128 | 2.03 | 108 | 1.66 |
| | Female | 322 | 5.25 | 375 | 5.93 | 324 | 4.99 |
| | Total | 419 | 6.83 | 503 | 7.96 | 432 | 6.65 |
| 25-29 | Male | 469 | 7.65 | 550 | 8.70 | 621 | 9.56 |
| | Female | 962 | 15.69 | 968 | 15.32 | 1,004 | 15.45 |
| | Total | 1,431 | 23.34 | 1,518 | 24.02 | 1,625 | 25.01 |
| 30-34 | Male | 568 | 9.26 | 608 | 9.62 | 654 | 10.06 |
| | Female | 679 | 11.07 | 698 | 11.04 | 788 | 12.13 |
| | Total | 1,247 | 20.34 | 1,306 | 20.66 | 1,442 | 22.19 |
| 35-39 | Male | 616 | 10.05 | 674 | 10.66 | 772 | 11.88 |
| | Female | 663 | 10.81 | 623 | 9.86 | 613 | 9.43 |
| | Total | 1,279 | 20.86 | 1,297 | 20.52 | 1,385 | 21.31 |
| 40-44 | Male | 559 | 9.12 | 561 | 8.88 | 531 | 8.17 |
| | Female | 322 | 5.25 | 289 | 4.57 | 258 | 3.97 |
| | Total | 881 | 14.37 | 850 | 13.45 | 789 | 12.14 |
| 45-49 | Male | 269 | 4.39 | 293 | 4.64 | 318 | 4.89 |
| | Female | 170 | 2.77 | 165 | 2.61 | 159 | 2.45 |
| | Total | 439 | 7.16 | 458 | 7.25 | 477 | 7.34 |
| 50-54 | Male | 239 | 3.90 | 218 | 3.45 | 193 | 2.97 |
| | Female | 131 | 2.14 | 122 | 1.93 | 113 | 1.74 |
| | Total | 370 | 6.03 | 340 | 5.38 | 306 | 4.71 |
| 55-59 | Male | 37 | 0.60 | 27 | 0.43 | 30 | 0.46 |
| | Female | 17 | 0.28 | 13 | 0.21 | 6 | 0.09 |
| | Total | 54 | 0.88 | 40 | 0.63 | 36 | 0.55 |
| >60 | Male | 8 | 0.13 | 7 | 0.11 | 5 | 0.08 |
| | Female | 3 | 0.05 | 1 | 0.02 | 1 | 0.02 |
| | Total | 11 | 0.18 | 8 | 0.13 | 6 | 0.09 |
| Total | | 6,131 | | 6,320 | | 6,498 | |

Employees Based on Education Level

| Education | Gender | 2022 | | 2021 | | 2020 | |
|------------------------|--------|-------|-------|-------|-------|-------|-------|
| | | Total | % | Total | % | Total | % |
| Master's and Doctorate | Male | 122 | 1.99 | 121 | 1.92 | 114 | 1.75 |
| | Female | 76 | 1.24 | 69 | 1.09 | 71 | 1.09 |
| | Total | 198 | 3.23 | 190 | 3.01 | 185 | 2.85 |
| Bachelor's | Male | 2,131 | 34.76 | 2,271 | 35.93 | 2,369 | 36.46 |
| | Female | 2,596 | 42.34 | 2,585 | 40.90 | 2,562 | 39.43 |
| | Total | 4,727 | 77.10 | 4,856 | 76.84 | 4,931 | 75.88 |
| Diploma 3 | Male | 408 | 6.65 | 441 | 6.98 | 478 | 7.36 |
| | Female | 562 | 9.17 | 551 | 8.72 | 576 | 8.86 |
| | Total | 970 | 15.82 | 992 | 15.70 | 1,054 | 16.22 |
| Diploma 1 and 2 | Male | 15 | 0.24 | 13 | 0.21 | 16 | 0.25 |
| | Female | 12 | 0.20 | 13 | 0.21 | 15 | 0.23 |
| | Total | 27 | 0.44 | 26 | 0.41 | 31 | 0.48 |
| Senior High School | Male | 186 | 3.03 | 220 | 3.48 | 255 | 3.92 |
| | Female | 23 | 0.38 | 36 | 0.57 | 42 | 0.65 |
| | Total | 209 | 3.41 | 256 | 4.05 | 297 | 4.57 |
| Total | | 6,131 | | 6,320 | | 6,498 | |

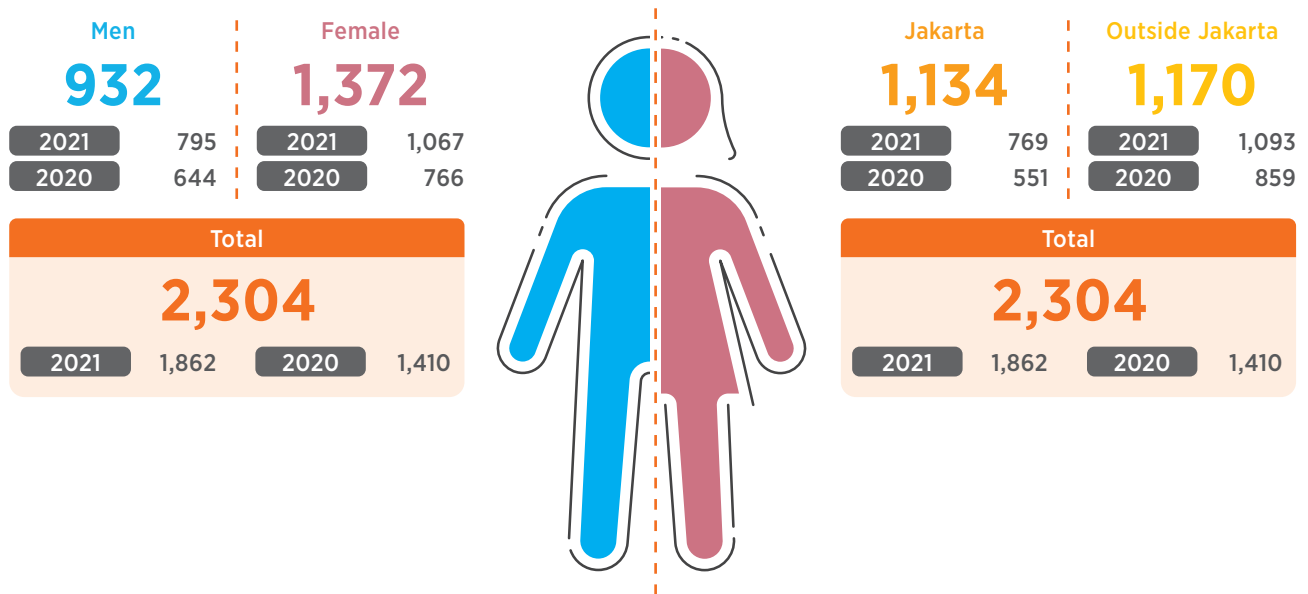
Employees Based on Position

| Position | Gender | 2022 | | 2021 | | 2020 | |
|----------------|--------|-------|-------|-------|-------|-------|-------|
| | | Total | % | Total | % | Total | % |
| Vice President | Male | 188 | 3.07 | 175 | 2.77 | 175 | 2.69 |
| | Female | 127 | 2.07 | 109 | 1.72 | 96 | 1.48 |
| | Total | 315 | 5.14 | 284 | 4.49 | 271 | 4.17 |
| Manager | Male | 679 | 11.07 | 641 | 10.14 | 611 | 9.40 |
| | Female | 528 | 8.61 | 475 | 7.52 | 477 | 7.34 |
| | Total | 1,207 | 19.69 | 1,116 | 17.66 | 1,088 | 16.74 |
| Officer | Male | 1,188 | 19.38 | 1,380 | 21.84 | 1,422 | 21.88 |
| | Female | 1,165 | 19.00 | 1,271 | 20.11 | 1,219 | 18.76 |
| | Total | 2,353 | 38.38 | 2,651 | 41.95 | 2,641 | 40.64 |
| Administration | Male | 807 | 13.16 | 870 | 13.77 | 1,024 | 15.76 |
| | Female | 1,449 | 23.63 | 1,399 | 22.14 | 1,474 | 22.68 |
| | Total | 2,256 | 36.80 | 2,269 | 35.90 | 2,498 | 38.44 |
| Total | | 6,131 | | 6,320 | | 6,498 | |

Employee Turnover Rate [401-1]

In 2022, Bank Mega enrolled 2,304 new employees, consisting of 932 men and 1,372 women. The total number of employees decreased by 2.99% from the previous year. This decrease was related to HR optimization and supported by several automation and digitalization processes by the Bank. All employees of Bank Mega (100%) are included in the Collective Labor Agreement (CLA). [2-30]

Total New Employees Based on Gender, Age Group, and Area



| Age Group (years old) | 2022 | 2021 | 2020 |
|-----------------------|--------------|--------------|--------------|
| <30 | 1,613 | 1,334 | 975 |
| 30-50 | 681 | 520 | 428 |
| >50 | 10 | 8 | 7 |
| Total | 2,304 | 1,862 | 1,410 |

Employee Turnover Rate Based on Gender, Age Group, and Area

| Gender | 2022 | 2021 | 2020 |
|--------------|--------------|--------------|--------------|
| Male | 1,134 | 958 | 1,088 |
| Female | 1,359 | 1,082 | 1,213 |
| Total | 2,493 | 2,040 | 2,301 |

| Area | 2022 | 2021 | 2020 |
|-----------------|--------------|--------------|--------------|
| Jakarta | 1,015 | 760 | 826 |
| Outside Jakarta | 1,478 | 1,280 | 1,475 |
| Total | 2,493 | 2,040 | 2,301 |

| Age Group (years old) | 2022 | 2021 | 2020 |
|-----------------------|--------------|--------------|--------------|
| <30 | 1,496 | 1,110 | 1,184 |
| 30-50 | 944 | 871 | 1,043 |
| >50 | 53 | 59 | 74 |
| Total | 2,493 | 2,040 | 2,301 |

| Employee Turnover Rate (%) | | |
|----------------------------|-------|-------|
| 2022 | 2021 | 2020 |
| 39.71 | 32.07 | 33.47 |



Employee Welfare and Recruitment

The recruitment of Bank Mega's employees adheres the government stipulations, including minimum working age and working time. This commitment is written in Decree No. 83/DIRBM/21 on Employee Recruitment and Selection. We do not involve child labor and forced labor. The Company ensures employees' rights are respected and met, among which are salary, working time, and leave. All employees, permanent and outsourced, receive religious holiday allowance, position allowance, attendance incentive, pension benefits for retiring employees, health insurance, and annual leave compensation. [401-2]

Bank Mega also complies with laws and regulations on Regional and Provincial Minimum Wage (UMR and UMP) with 1:1 ratio. Additionally, all employees (100%) receive an amount of remuneration above the stipulated minimum wage. The remuneration is defined from work achievements, position level, performance, and zero discrimination related to gender or other backgrounds. This defining remuneration aligns with the remuneration policy under Human Capital Committee based on Decree Number 047/DIRBM/19 on Human Capital Committee. [2-19]

Maternity Leave

Female employees who have entered the due date period will be entitled to three-month maternity leave, whereas male employees whose wife is in labour will be given two days leave. This right for leave is regulated in Company Regulations of 2021-2023 Article 40. The policy also states other rights for leave for all employees, including annual leave, religious leave, wedding leave, baptism leave, and child circumcision leave. In 2022, 238 female employees and 136 male employees took maternity leave and returned to work per their initial position. [401-3]

Healthy, Decent, and Safe Work Environment [3-3]

Bank Mega strives to become a healthy, decent, and safe work environment that complies with Occupational Health and Safety (OHS) Management policy is made available for all employees in each work unit. The policy is effectively applied to all Bank Mega employees and those who enter the Bank's office building. The OHS management system has already been integrated with the Bank's management system in accordance with prevailing laws and regulations. Each employee can report or consult on the implementation, development, and evaluation of OHS to the Property & Facility (PFRS) Work Unit and respective head unit. The evaluation results of OHS implementation will be improved and adjusted to the Bank's needs. [403-1][403-4][403-8]

Among the OHS activities conducted by Bank Mega are routine emergency response socialization and simulation as well as aid provision for disaster victims. Other facilities given for the employees are healthcare services, such as first aid kit, health insurance facilities appointed by the Company, and mandatory insurance from Social Security Agency (BPJS) for employees and their families. In 2022, there were zero fatal accidents across all Bank Mega offices. [403-3][403-5][403-6] [403-9] [403-10]

To train employee preparedness in dealing with disasters, the Bank organizes a fire emergency response simulation so that the Bank's Business Continuity Management (BCM) can be effective. In addition, trials on the readiness of IT infrastructure and networks have also been carried out based on the Disaster Recovery Plan (DRP) coordinated by the Recovery Team.

As a form of Bank Mega's initiative to raise employee awareness of health, it regularly holds health checks and webinars. The free health checks organized by the Bank in cooperation with third parties are the IVA Test, blood pressure, and blood sugar at any time. Asuransi Umum Mega manages a general Medical Check Up program for certain employees. Meanwhile, the theme of the webinar being held this year is "Maintaining a Healthy Lifestyle & Good Nutrition to Prevent Metabolic Diseases".

Healthcare services were also provided by the Bank for all employees during the COVID-19 pandemic as a means to mitigate any health risks. Task Force for COVID-19 Handling helps coordinate health protocols, both at headquarter and throughout regional offices.

For better health awareness among employees, Bank Mega routinely holds a webinar attended by all of the employees. Additionally, we consistently share health protocol socialization through the email blast, a guidebook on the Bank's internal site, and a reminder at certain hours.

From January to April 2022, Bank Mega is still implementing a hybrid work system (online and offline) every week with the support of Information Technology (IT) innovation according to the Business Continuity Management (BCM) pillar in dealing with the COVID-19 pandemic. Work from Home and Split Operations systems at alternate sites can still run properly using Virtual Private Network (VPN) and applications available on Business Continuity Plan (BCP) sites. Tests on the Disaster Recovery Center (DRC) infrastructure's availability are also routinely carried out every year.

Since the Government relaxed the Implementation of Community Activity Restrictions (PPKM) to Level 1, Bank Mega has started implementing 100% Work From Office (WFO) since May 2022 while still implementing strict health protocols. Employees must wear masks, wash their hands with soap in the space provided, and keep their distance. Examination of the body temperature of employees and visitors is also carried out before entering the building.

If employees are suspected of being exposed to COVID-19, Bank Mega will continue to perform Testing, Tracing, and Treatment (3T) optimally in the office environment through Swab Tests. Bank Mega is also actively collaborating with third parties (State Intelligence Agency and Kimia Farma) in organizing and notifying COVID-19 booster vaccination activities. For employees who are confirmed positive for COVID-19, Bank Mega continues to provide health assistance such as vitamin packages, milk, and medical masks. Disinfectants are sprayed in the work environment to break the chain of the spread of COVID-19. [403-6] [403-7]

Employee Development

We increase Human Capital (HC) quality by having periodical training and providing insight. The training is held online and offline for all employees, including the Board of Directors and Board of Commissioners. The results of employees' competency development are monitored by Human Capital & Compliance Director (CHC). Throughout 2022, apart from training on Sustainable Finance literacy conducted through e-learning applications, we will also provide an introduction to Development Program participants regarding Sustainable Financial Action.

Aside from the Sustainable Finance training, other training programs are held, namely mandatory certification and training based on regulator provisions, technical training, and risk control, including soft competency-based training, such as leadership and communication skills. In 2022, we had 1,000 training which were joined by 46,910 participants.

Employee Performance Appraisal

Bank Mega conduct periodic performance appraisal is held for all employees to measure work results and achievements based on the established target. The appraisal also aims to give opportunity for employees to rise up their career path or measure their interest in and requirements of the job. In 2022, all employees (100%) received performance review and participated in all career development activities. [404-3]

Performance appraisal is conducted in accordance with Decree Number 085/DIRBM/21 on Performance Appraisal. Any competent employees will receive promotion to a higher level with position promotion mechanism based on Decree Number 079/DIRB-HCRO/21 on employee promotion. In 2022, 13.78% of employees received position promotion.

Composition and Percentage of Employees Receiving Promotion

| Assessment | Gender | 2022 | | 2021 | | 2020 | |
|--------------------|--------|-------|-------|-------|-------|-------|-------|
| | | Total | % | Total | % | Total | % |
| Position Promotion | Male | 52 | 6.40 | 53 | 6.38 | 51 | 8.19 |
| | Female | 60 | 7.38 | 66 | 7.94 | 51 | 8.19 |
| | Total | 112 | 13.78 | 119 | 14.32 | 102 | 16.37 |
| Rank Promotion | Male | 128 | 15.74 | 89 | 10.71 | 52 | 42.28 |
| | Female | 109 | 13.41 | 86 | 10.35 | 71 | 57.72 |
| | Total | 237 | 29.15 | 175 | 21.06 | 123 | 19.74 |
| Rotation/ Transfer | Male | 238 | 29.27 | 267 | 32.13 | 249 | 62.56 |
| | Female | 226 | 27.80 | 270 | 32.49 | 149 | 37.44 |
| | Total | 464 | 57.07 | 537 | 64.62 | 398 | 63.88 |
| Total | | 813 | | 831 | | 623 | |

Responsibility in Sustainable Finance Products and/or Services Development

Products and/or Services Innovation and Developments

Bank Mega always maintains quality in providing equal products and services to all customers and partners is the Bank's commitment to ensuring excellent services, including convenience in transactions. In 2022, Bank Mega became the first private bank that implements Quick Respond Code Indonesia Standard (QRIS) for transfer, withdrawal, deposit (TTS), and Cross Border Thailand. Through this new innovation, Bank Mega offers faster and more practical services which will facilitate cash withdrawal at ATM and other merchants. Bank Mega is also the first private bank that has provided interbank transfer services through BI Fast with a transfer fee of Rp0 without conditions.

Performing QRIS-TTS at Bank Mega's ATM is not limited to Bank Mega's customers, but other banks' customers who own QRIS also have the access to all Bank Mega's ATM with QRIS-TTS across Indonesia. If their ATM card is not with them, customers may still do transactions through mobile banking. Therefore, customers can perform transactions at any time and anywhere.

Bank Mega also constantly improves the quality & quantity of services by continuing to add payment & purchase billers to mobile banking channels, ATMs, or Internet Banking as a solution to customer transaction needs. Therefore, it becomes easier for customers to make payments and purchase transactions. In addition, Bank Mega continues improving the ease of buying and selling bonds in the secondary market through mobile banking. Thus, customers can enjoy the practicality of various types of banking transactions in one hand.

Customer Data Security [3-3] [418-1]

Information technology is advancing rapidly with even more transactions are conducted digitally for its speed and convenience. However, digitalization still poses shortcomings, one of which cybercrime, which stresses the need for better data security. To manage such risk, we have established Circular Letter of PT Bank Mega Tbk



Number 159/DIRBM-CPPC/15 on Consumer Protection in the Confidentiality and Security of Consumer Personal Data/Information, Decree No. 042/DIRBM/17 on Consumer Protection Policy, and Circular Letter No. 230/DIRBM-PMOC/21 on Self-Assessment on Consumer Education and Protection, including SK Decree No. 041/DIRBM/22 concerning Information Security Policy.

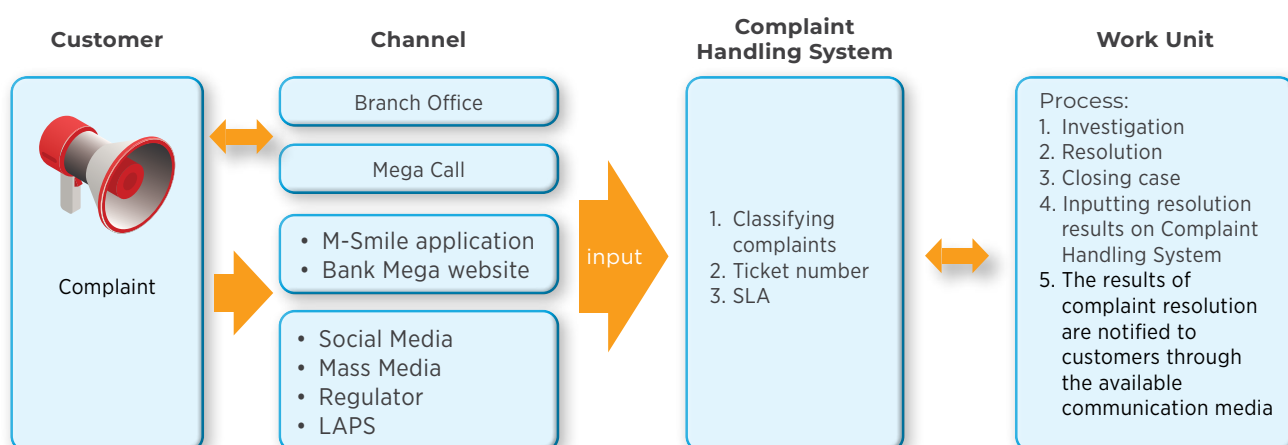
These policies embody the Company's commitment to protecting the confidentiality and security of customer data. Customer data can only be accessed by employees with special authority, or authorities enforced with a warrant as regulated in Law No. 10 of 1998 Article 40 Paragraph 1 on the Bank's obligation to protect customer information.

For our optimal endeavors, Bank Mega get certified with ISO 27001:2013 from CBQA Global. ISO 27001:2013 is an international standard in Information Security Management System (SMKI). In ISO 27001, Banks are required to always build, implement, maintain and continuously improve information security management systems according to their scope. This is a form of our commitment that Bank Mega can plan, manage, review, and enhance customer data security by the scope of ISO 27001:2013, namely Data Center Physical Security. In the future, we will always strive to improve the safety of customer data and follow up if there are complaints according to the evaluation results carried out by the IT & Cyber Risk Work Unit and the IT Infrastructure Service & Operations Work Unit regularly.

Customer Complaint Mechanism [3-3]

We open various channels for customer/public complaints through Branch Offices, Mega Call, complaint input on the website (online complaint form), social media, and complaint form via M-Smile. All incoming complaints will be followed up by the relevant unit according to the type of complaint reported by the customers.

Complaint Handling & Resolution Mechanism



In 2022, Customer Care recorded a total of 6,172 incoming reports concerning Bank Mega's products and/or services. This number experienced 7.75% increase from previously 5,728 reports. The most reported complaints are the use of credit card and ATM debit card. All complaints (100%) have been successfully followed up by Bank Mega.



Call Center

08041500010

+6221 2960 1600 (from abroad)

Website

www.bankmega.com

Social Media

@BankMegaID (Twitter)

@bankmegaid (Instagram)

Bank Mega Indonesia (Facebook dan Youtube)

M-Smile application

Complaint Form

Number of Customer Complaints

| Description | 2022 | 2021 | 2020 |
|------------------------|-------|-------|-------|
| Received complaints | 6,172 | 5,728 | 6,870 |
| Followed-up complaints | 6,172 | 5,728 | 6,870 |
| Resolved complaints | 5,844 | 5,595 | 6,621 |

Impacts from Sustainable Finance Products and/or Services

In the long term, sustainable products and/or services bring positive impacts to customers. They will help create global economic competitiveness, ones that may contribute to environmental preservation, efficiency, and supporting the sustainable development goals. On the other hand, the sustainable finance implementation can cause negative impacts if debtors fail to comply with the regulations, causing the risk of being penalized/fined. Thus, Bank Mega continue encouraging all customers to be compliant and together preserve the nature.

Products and/or Services Safety Evaluation [418-1]

All products and/or services (100%) available for customers have undergone security technology evaluation and strict monitoring prior to launching. We also give information and education on the products, such as secured transactions and cybercrime prevention.

External parties, Bank Indonesia and Financial Services Authority, are involved during the evaluation process on product safety. The evaluation procedure refers to Law No. 10 of 1998 on the Amendment of Law No. 7 of 1992 on Banking; and Financial Services Authority (OJK) No.1/POJK.07/2013 on Consumer Protection in the Financial Services Sector.

Bank Mega also continues to bolstering the security of its products and services by strengthening the information technology system. Throughout 2022, there were no products and/or services retracted after launching, and nor were there financial penalties nor other legal sanctions due to allegations of noncompliance in presenting banking products and/or services information. We always maintain customer trust where Bank Mega is included in the top 10 in the level of customer satisfaction Satisfaction Loyalty Engagement (SLE) Index 2022 (KBMI III) by MRI.

Corporate Social Responsibility (CSR) Activities

In order to increase public understanding of banking activities, Bank Mega has conducted financial literacy and financial inclusion programs. Financial literacy activities that Bank Mega routinely carries out consist of two programs, namely:

1. Ayo ke Bank Program
Banking introduction program and financial management education for school-age children.
2. Edukasi Nasabah Program
Programs are carried out to improve customers' abilities in financial management and increase customer awareness of fraud attempts.

Throughout 2022, the Ayo ke Bank Program will be held in South Tangerang, attended by 50 school-age children. The Edukasi Nasabah Program is carried out through a digital campaign on the bank's social media, which 23,109 netizens have followed.

The Financial Inclusion Program is implemented online through the Ngobrol Bareng Mega Program and National QRIS Week. The Financial Inclusion Month Program is carried out face to face and is held at financial talk shows at the Jakarta and Cibubur Mega Travel Fair events. This activity aims to introduce banking products to the public and increase the use of banking products and services more broadly.



Mega Berbagi [FS7]

Bank Mega has a Mega Berbagi Savings product that invites the public to carry out social activities to improve the quality of education through the assistance of school infrastructure and other infrastructure. Donation funds come from the provision for interest that customers should receive a minimum of 1% and an additional 1% from Bank Mega. Donations are distributed through the Mega Peduli Program, which has been running since 2008. The funds are allocated to schools in need throughout Indonesia.

Management of donations is the responsibility of the Mega Peduli Committee, which consists of various parties, including customer representatives. The committee was formed to ensure the program can be implemented based on the principles of accountability and transparency. Until the end of 2022, Bank Mega has distributed funds of Rp6.75 billion to 6 schools.

Since 2008, Bank Mega has channeled funds of **Rp107.21 billion** to **78** schools across Indonesia.

Bank Mega and CT ARSA carried out the Education and Teaching Service Program (PIJAR) activities to develop teacher abilities and increase student motivation in financial literacy. Bank Mega sent volunteer teachers who had been given special training to schools in remote areas of Indonesia for one year. Through this activity, Bank Mega hopes that the quality of education in the targeted schools can increase.

In the future, Bank Mega will continue to carry out the Mega Berbagi Program to achieve educational equity throughout Indonesia



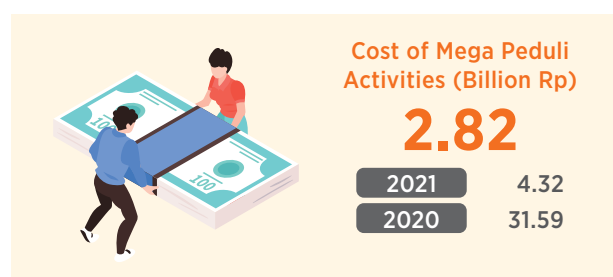
Mega Peduli

Bank Mega strives to contribute to the nation's welfare by supporting Sustainable Development Goals, namely a healthy and prosperous life. Some of the activities carried out by Bank Mega are:

1. Cooperating with the State Intelligence Agency (BIN) by channeling vaccine doses for the community.
2. Providing essential food assistance to the community around Bank Mega branches throughout Indonesia ahead of the Eid Al-Fitr holiday.
3. Collaborating with CT ARSA to distribute iftar packages to children from underprivileged families in the South Tangerang area and basic food packages for disadvantaged people on the island of Sangiang, Banten.
4. Collaborating with the Regional Government of Bogor Regency, Indonesian Notary Association (INI), and Association of Land Deed Officials (IPPAT) appreciate Indonesian Veterans in Bogor, one of which is providing shopping vouchers that can be used to buy daily needs.

5. Collaborating with OJK on the Mangrove Tree Planting program in Bali.
6. Collaborating with Communication Forum of Bank Compliance Directors (FKDKP) and Financial Services Industry Communication Forum (FKIJK) in planting bamboo tree seedlings.

In carrying out CSR activities, Bank Mega always provides understanding and education to the community so that the assistance provided can be utilized as best as possible.



Sustainability Governance



Bank Mega believes that the achievement of Company's goals can be achieved more effectively and efficiently through the implementation of the best practices of Good Corporate Governance.

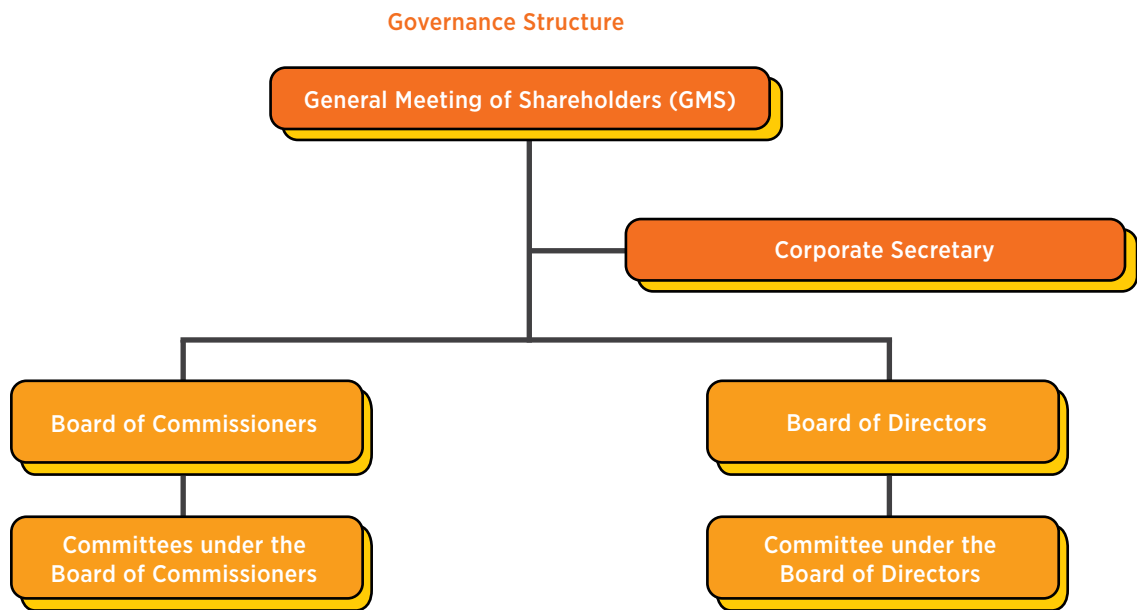
Sustainability Governance Structure [2-9]

Bank Mega's governance structure adheres to the Limited Liability Law (UU) with the General Meeting of Shareholders (GMS) as the highest organ, the Board of Directors as the management, and the Board of Commissioners as the trustee. The nomination and appointment of the Board of Directors and Board of Commissioners fall into the Shareholders' authority and are legalized in the GMS by considering the achievements in the economic, environmental, social, and governance performance.

The remuneration of the Board of Commissioners and Board of Directors is also established in the GMS based on considerations made by the shareholders and the Remuneration and Nomination Committee. Further information on the GMS, Board of Directors, and Board of Commissioners along with the functions they managed, nomination and selection process as well as the remuneration ratio of the Board of Directors and Board of Commissioners are presented in the 2022 Annual Report.

[2-9][2-10][2-11][2-20]

Corporate good governance is applied according to PT Bank Mega Tbk’s Articles of Association No. 7 of 2021, Financial Services Authority Regulation No. 55/POJK.03/2016 on the Implementation of Governance for Commercial Banks, and Financial Services Auathority Regulations (POJK) No. 21/POJK.04/2015 on the Implementation of Corporate Governance Guidelines for Public Companies. The Company annually publishes a report on governance implementation for information transparency. Throughout 2022, no fines nor other legal sanctions were imposed concerning the governance implementation by the authorities and other regulators. [2-15][2-27]



A Sustainable Finance Team with several work units was established based on the Decree of the Board of Directors No. 153/DIRBM/19 of 20 June 2019 on the Membership Structure of Sustainable Finance Team. The team is responsible for developing RAKB, sustainability report, and reporting the sustainability performance in a periodical manner to Compliance & Human Capital Director, who will then extend the information to President Director to review, evaluate, and approve the sustainability report content. [2-12] [2-13] [2-14]

In 2022, the Sustainable Finance Team socialized sustainability culture and organized training on sustainable finance. These activities were aimed to build competence and awareness in the Environmental, Social, and Governance (ESG) aspects, which would impact

financial performance. Additionally, the team evaluated the KKUB portfolio and started mapping debtors’ businesses in accordance with the Indonesian Green Taxonomy (THI).

Sustainable Finance Policy [FS1]

During 2022, Bank Mega implemented business criteria that can be given credit, including the completeness of documents such as certification that must be fulfilled in specific sectors. In addition to the Sustainable Finance policy, the Bank has anti-fraud, anti-corruption, anti-money laundering, and prevention of terrorism financing (APU & PPT) policies. These policies are tools to ensure the implementation of good governance and can be accessed on the Company’s website.

Competency Development on Sustainable Finance ^[2-17]

The Company has developed an e-Learning module on the Introduction of Sustainable Finance Action has been made available as a method for digital competency development, so that all employees can access the training effectively and efficiently. The module will continue adapting to the ESG aspect development, THI, and stakeholders' needs. ^[FS4]

Bank Mega continuously and sustainably has carried out internal capacity building for Bank Mega personnel regarding sustainable awareness and Sustainable Development Goals (SDGs). Even though it is still affected by the conditions of the COVID-19 pandemic since 2020, Bank Mega continues to develop conversions to training methods that utilize access to information technology. This also encourages employees to adapt to the digitalization era by using online training applications so that employee capacity and competency development can continue and be sustainable.

In 2022 Bank Mega will continue to carry out refreshments regarding awareness of sustainable financial actions for employees, including new employees, through the e-learning platform, which has been developed since 2020. More than 5,200 employees have attended introductory material on sustainable financial actions until December 2022.

Since 2022 Bank Mega has added material Introduction to Sustainable Financial Action in the Development Program curriculum, which is an accelerated program for candidates for managerial-level employees. As many as 50 participants divided into two batches have participated in the Sustainable Finance Action training agenda, so it is hoped that through this

activity, prospective employees can accelerate Bank Mega's future business development program, which is also based on Environment, Social, and Governance (ESG). The agenda will continue to be carried out in other Development Programs.

Along with the Implementation and Reporting of the Indonesian Green Taxonomy (THI) implemented by the OJK, Bank Mega seeks to increase internal capacity through a socialization agenda related to the Implementation of the Indonesian Green Taxonomy, which was held in July 2022, which was attended by 90 credit team employees who are directly related to managed debtors targeted in THI applications.

In addition, Bank Mega encourages employees to participate in external activities related to sustainable finance or Sustainable Development Goals (SDGs), especially in facing the challenges of economic change and recovery and the increasingly massive digitalization dynamics of the financial services industry. During 2022, Bank Mega has already done 20 public training about Sustainable Finance Action were carried out, which were attended by more than 150 employees with a total duration of 466 hours of training organized by several institutions online and offline. The topics of these activities include Financial & Macropprudential Inclusion, ESG Impact on Banking Institutional Performance, Implementation & Reporting of Indonesia's Green Taxonomy, Sustainability Reports, Green Financing Support for several KKUB sectors, and Climate Finance & Carbon Market for the Green Economy.

Realization of Sustainable Financial Literacy Training in 2022 ^[404-1] ^[404-2] ^[FS4]

| Training Topic | Number of Participants | Average of Hours of Training/ Employee | Average of Hours of Training/ Employee |
|---|------------------------|--|--|
| Employee Capacity Building Training | 46,967 | 364,651 | 8 |
| E-Learning: Sustainable Finance Action Plan | 5,429 | 10,858 | 2 |
| Introduction to Sustainable Finance Action for Development Program participants | 120 | 590 | 5 |
| Guidelines for Implementation and Reporting of Indonesia's Green Taxonomy | 65 | 260 | 4 |
| Public Training about Sustainable Finance Action -29 Agenda for activities | 174 | 466 | 3 |

Note: List of training conducted internally

Sustainable Finance Risk Management [FS2]

Bank Mega has identified credit risk, operational risk, liquidity risk, and market risk to be a challenge in implementing sustainable finance. To address each risk, the Bank practices the prudential approach through four pillars:



Bank Mega has also mapped ESG risk into the company's risk profile. Environmental risk shows extreme weather changes that may impact the banking and debtors' business activities, such as floods and windstorms. Social risk relates to internal and external human capital competency that may affect the Bank's sustainability and debtors' businesses. Digitalization in industrial transformation has made the risks more serious as the need for quality competence and solid integration is more significant now more than ever. [201-2]

As the implementation of sustainable finance in credit, Bank Mega has its risk management complied with the Bank Credit Policy stated in SK 088/DIRBM/20 with the first amendment to SE 165/DIRBM/22 for corporate, indirect channel, commercial, MSME, and consumer segments. Credit requirements have also been adjusted based on the ESG aspect and debtor risk profile. This ESG risk monitoring is directly led by the Compliance & Human Capital Director, which findings are then reported to the President Director.

The risk management is also monitored by the Internal Audit Work Unit, tasked to assess and oversee the implementation of the internal control system, risk management, governance, and sustainable finance. Internal auditors have the responsibility of reporting all of their findings to the President Director.

Risk Management Procedure in Implementing Sustainable Finance [FS9]

Efforts are made to ensure that sustainable finance is aligned with the risk management procedure. There is a process of identifying, measuring, monitoring, and controlling the credit risk that includes ESG impacts arising from the debtors' business activities. Effectiveness in risk management, especially in credit lending, is expected to sustain Bank Mega in achieving the Sustainable Development Goals (SDGs).

The risk management procedure in sustainable finance takes Environmental, Social, and Governance (ESG) aspects into account by:

1. Identifying debtors' business profile:
 - Listing the risk in business activities to determine the ESG risk level.
 - Potential social and environmental damage from the debtors' business activities.
 - Social and environmental impacts/issues from credit applications' purposes.
2. Measuring the credit risk relating to the ESG risk:
 - Identifying environmental risk that is related to the project safety, such as contaminated areas around the business premises, technology obsolescence (zero eco-friendly technology), and hazardous waste.
 - Identifying social risk that is related to the project safety, such as customary land in the project site, local manpower, land exemption, and the local's health that may have been affected by the business' negative impacts.
3. Monitoring the ESG risk in the debtors' business using key instruments, such as performance or compliance report on ESG standards.
4. Performing ESG risk management on the debtors' businesses, particularly those related to the environmental covenant, which attributes to the Credit Agreement between the Bank and the Debtor.

Problems Relating to Sustainable Finance Implementation

Implementing sustainable finance requires process and commitment in coping with internal and external challenges. Bank Mega recognizes the need to increase awareness of all employees to stimulate sustainability culture, a fundamental element in understanding the need for sustainability in all business lines, mainly in credit. Debtors should join in a collective drive with the employees for sustainability as they bear significant roles in embracing eco-friendly economics.

Upon facing such challenges, Bank Mega provides education to all employees and debtors. The importance of implementing sustainable finance is not only discernable in short term, but it also lies in the responsibility of maintaining the business in the long term by strengthening the efficiency of natural resources use.

Support and collaboration from various regulators for eco-friendly business climate also vital in achieving sustainable finance. Vague and overlapping regulations, particularly in green projects, are one of many challenges that need to be pursued. As environmentally-safe industry demands for acceleration in infrastructure developments which absorbs cost, time, and competence, the parties' willingness to cooperate and their adaptability are key in the face of rapid changes and the stakeholders' needs.

Digital transformation, a part of sustainability performance, poses another challenge. With the escalating number of cybercrime due to digital transactions, Bank Mega reinforced its data security system with three-layer defense and implemented ISO 27001 as well as encouraged customers to help guarded their data confidentiality. Additionally, the Bank provides an open channel through a whistleblowing system for complaints/information.



Since October 2022, Bank Mega has obtained ISO 27001:2013 certification, which was issued by CBQA Global. By gaining the ISO 27001:2013 standards, the Bank has complied with prevailing laws and regulations, among which are Bank Indonesia Regulation Number 23 of 2021 on Payment System Service Providers (PJP), Communication and Informatics (Kominfo) Regulation Number 4 of 2016 on Information Security Management System, and BSSN Regulation Number 8 of 2020 on Security System for Electronic Systems.

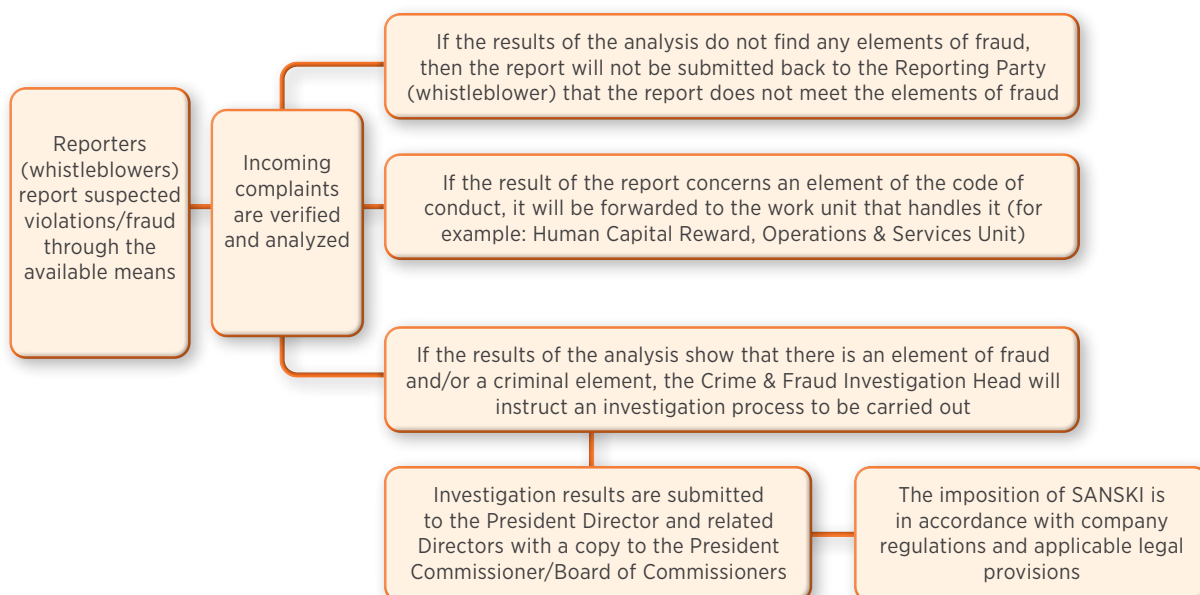
Whistleblowing System [205-3] [2-26]

To implement the principles of Good Corporate Governance, Bank Mega has committed to implementing a Whistleblowing System. The application of this system aims to create a clean, safe, and transparent business environment. It is expected to encourage the awareness of employees and other stakeholders in disclosing violations that may occur without fear.

This is regulated in Decree Number 084/DIRBM/2022 concerning the Implementation of an Anti-Fraud Strategy to facilitate complaints of fraud incidents and provide encouragement/awareness to Bank employees and officials to report fraud incidents. The work unit responsible for implementing the whistleblowing system is the Crime and Fraud Investigation (CFIN) Work Unit. In 2022, 9 whistleblowing reports were received and have been followed up by applicable laws and regulations.




Whistleblowing System Application can be accessed through Bank's internal site (Megaweb)




| | |
|-------------------------|--|
| E-mail | : fbi@bankmega.com |
| Phone | : +6221-7915000 through ext. 15.112, 15.115, 15212 and 15215. |
| Telephone/ SMS/Whatsapp | : 0822-0822-0500 dan 0822-0822-1999 |
| Address | : Crime & Fraud Investigation (CFIN) Work Unit, Menara Bank Mega 15 th floor Jl. Kapten Tendean No. 12-14 A Jakarta, 12790 |



Stakeholder Engagement [2-29]

Bank Mega, through an internal discussion, identifies significant groups of stakeholders based on the level of communication, proximity, impact/influence, response, and participation.

| | | | |
|--|--|---|--|
|  <p>Stakeholder Investor and Shareholder</p> | <p>Means of Engagement and their Frequency</p> <ul style="list-style-type: none"> • General Meeting of Shareholders (GMS): once a year • Extraordinary General Meeting of Shareholders (EGMS): if necessary • Quarterly Report • Annual Report • Sustainability Report | <p>Significant Topic and Stakeholders' Needs</p> <ul style="list-style-type: none"> • Financial performance • Sustainability performance | <p>Bank Mega Response</p> <ul style="list-style-type: none"> • Organizing GMS and EGMS • Reporting on financial performance (Public Expose) |
|  <p>Stakeholder Customer</p> | <p>Means of Engagement and their Frequency</p> <ul style="list-style-type: none"> • Banking activities: at any time • Via contact center: Mega Call 08041500010/(+62) 29601600 (overseas number), website, and social media: at any time • Customer satisfaction survey: every year | <p>Significant Topic and Stakeholders' Needs</p> <ul style="list-style-type: none"> • Response and solution over inputs, complaints, and information requests • Banking products development, including digitalization • Privacy protection and data security • Education and training • Excellent services • Financial literacy and inclusion | <p>Bank Mega Response</p> <ul style="list-style-type: none"> • Providing 24-hour communication media and services • Following up complaints received, • Exploring customer needs, and developing product innovation and services, including digital banking • Performing customer satisfaction survey • Protecting data privacy and security • Providing financial literacy and inclusion program |
|  <p>Stakeholder Regulator</p> | <p>Means of Engagement and their Frequency</p> <ul style="list-style-type: none"> • Compliance reporting: at least once a year • Submission of proof on AGMS and EGMS announcement, consolidated financial statements summary: at least once a year • Monthly report, Public Expose planning: at least once a year | <p>Significant Topic and Stakeholders' Needs</p> <ul style="list-style-type: none"> • Compliance regulations and prudential principle and corporate governance • ESG risk analysis in credit lending • Anti-Fraud, Anti-Corruption, Anti-Money Laundering, and Counter Terrorism Financing (APU - PPT) | <p>Bank Mega Response</p> <ul style="list-style-type: none"> • Compliance report • Developing RAKB • Preparing annual report and sustainability report • Other meetings such as pre-exit meeting and exit meeting |

| | | | |
|---|--|---|---|
|  <p>Stakeholder Employee</p> | <p>Means of Engagement and their Frequency</p> <ul style="list-style-type: none"> Internal communication media: at any time Ad-hoc internal meeting: at any time Sharing session per policies of respective work unit Banking services and/or facilities that can be accessed at any time | <p>Significant Topic and Stakeholders' Needs</p> <ul style="list-style-type: none"> Industrial relationship Employees' rights and obligations Career development opportunities, competency, training, and education Occupational health and safety | <p>Bank Mega Response</p> <ul style="list-style-type: none"> Providing whistleblowing channel Protecting employees' rights per the Company's Regulations, Providing trainings and developments Managing work assessment, promotion, and mutation |
|  <p>Stakeholder Business Partner/ Supplier/Vendor</p> | <p>Means of Engagement and their Frequency</p> <ul style="list-style-type: none"> Interaction via the website: at any time Code of conduct related to vendors Meeting with Goods Procurement Committee: if needed, at least once a year | <p>Significant Topic and Stakeholders' Needs</p> <ul style="list-style-type: none"> Transparent goods and/or services procurement Fair work contract Timely payment Mutually profitable work relationship | <p>Bank Mega Response</p> <ul style="list-style-type: none"> Providing necessary information to accelerate the procurement and work process Socializing policies and code of conduct Establishing business communication Ensuring timely payment |
|  <p>Stakeholder Media</p> | <p>Means of Engagement and their Frequency</p> <p>Press Release: if needed, or incidental by nature</p> | <p>Significant Topic and Stakeholders' Needs</p> <p>Company information and data, among which are company's finance, products, and corporate actions</p> | <p>Bank Mega Response</p> <ul style="list-style-type: none"> Holding a press/developing a press release Publishing media content and reports |



Economic Performance



Economic Performance Achievements in 2022

Distribution of funds for CSR activities in the amount of **Rp9.57 billion**

Distribution of KKUB credit funds amounting to **Rp18.25 trillion**

Financing to MSMEs of **Rp66 billion**

Management Approach ^[3-3]

Bank Mega was able to sustain its economic performance post COVID-19 pandemic and even recorded positive performance for 1.52% increase in profit before tax. This is resulted from the growth in net interest income, fee-based income, and efficiency. Moreover, in 2022, Bank Mega distributed Rp70.29 trillion in credit sector, showing 15.84% increase compared to Rp60.68 trillion in the previous year.

The composition of credit is dominated by three credit segments, namely 73% corporate credit, 17% joint finance, and 10.47% credit card. The Bank preserves the credit quality intensively by reviewing debtors' financial capacity and performing periodical analysis for a well-maintained profit stability and credit quality. A policy has been issued to uphold the Loan-to-Deposit Ratio (LDR) at approximately 68.04% for better liquidity. These efforts have been evaluated regularly by Financial Control Work Unit, which reports are then submitted to President Director.

Direct Economic Value Generated and Distributed (Trillion Rp) [201-1]

| Description | 2022 | 2021 | 2020 |
|--|---------------|---------------|---------------|
| Direct Economic Value Generated | | | |
| Total Assets | 141.75 | 132.88 | 112.20 |
| Credit Distributed | 70.29 | 60.68 | 48.49 |
| Third-Party Fund | 102.95 | 98.91 | 79.19 |
| Net Interest Income | 5.87 | 4.84 | 3.91 |
| Non-Interest Income | 2.50 | 3.14 | 2.92 |
| Net Operating Income | 5.00 | 4.94 | 3.74 |
| Net Profit | 4.05 | 4.01 | 3.01 |
| Total Direct Economic Value Generated (A) | 332.41 | 309.40 | 253.46 |
| Direct Economic Value Distributed | | | |
| Other Operating Expenses | 1.67 | 1.48 | 1.59 |
| Salary and Allowance for Employees and Directors | 1.36 | 1.32 | 1.27 |
| Dividend Payment | 2.80 | 2.10 | 1.00 |
| Total Economic Value Distributed (B) | 5.83 | 4.90 | 3.86 |
| Total Economic Value Retained (A-B) | 326.58 | 304.50 | 249.60 |

Financial Ratio (%)

| Description | 2022 | 2021 | 2020 |
|--|-------|-------|-------|
| Minimum Capital Adequacy Ratio | 25.41 | 27.30 | 31.04 |
| Non-performing productive assets and non-performing non-productive assets to total productive assets and non-productive assets | 1.13 | 1.04 | 1.30 |
| Non-performing productive assets to total productive assets | 0.78 | 0.66 | 0.67 |
| Allowance for Impairment of Credit Losses (CKPN) of financial assets to productive assets | 0.49 | 0.46 | 0.46 |
| NPL Gross | 1.23 | 1.12 | 1.39 |
| NPL Nett | 0.91 | 0.81 | 1.07 |
| Return on Asset (ROA) | 4.00 | 4.22 | 3.64 |
| Return on Equity (ROE) | 23.15 | 23.49 | 19.42 |
| Net Interest Margin (NIM) | 5.42 | 4.75 | 4.42 |
| Efficiency Ratio (BOPO) | 56.76 | 56.06 | 65.94 |
| Loan to Deposit Ratio (LDR) | 68.04 | 60.96 | 60.04 |



Financial Performance Realization in 2022 (Trillion Rp)

| Description | 2022 | 2021 | 2020 |
|-----------------------------|-------|-------|-------|
| Net Operating Income | | | |
| Target | 5.31 | 4.31 | 2.57 |
| Realization | 5.00 | 4.94 | 3.74 |
| Net Profit (Loss) | | | |
| Target | 4.30 | 3.50 | 2.04 |
| Realization | 4.05 | 4.01 | 3.01 |
| Total KKUB credit/financing | | | |
| Target | 67.73 | 13.36 | 13.02 |
| Realization | 18.25 | 16.63 | 12.72 |



Factors affecting economic performance are not only quantifiable but also come in the form of others, such as climate and social conditions, which significantly impact the resilience of economic performance. The increasingly warming earth changes our consumptive behavior, business activities, and the ways we manage risks. There have been no significant losses due to the climate change recorded in 2022; still, the Bank believes such risk should be heeded, including analyzing financing risks in industries bearing negative impacts to climate change. [201-2]

Sustainable Finance Performance

In implementing sustainable finance, Bank Mega performs financing filtration on sectors that may have negative impacts of causing great natural destruction, such as transportation, palm oil, or manufacturing. The Bank will gradually reduce or practice a corrective plan in a certain timeline period for sectors with high environmental risks.

To support sustainable finance, Bank Mega provides KKUB credit financing for the corporate segment. Total credit value reached Rp18.25 trillion, showing 9.68% increase from Rp16.63 trillion in 2021. As of now, the Bank has mapped debtors financing portfolio into 5 KKUB. The increase in the KKUB credit percentage was noticed in Sustainable Management of Biological Natural Resources and Land Use sector, reaching Rp4.1 trillion.

Total Sustainable Finance Financing Realization (Billion Rp)

| Uraian | 2022 (December) | | 2021 (December) | |
|--|--------------------|---------|--------------------|---------|
| Total products meeting the sustainable business activities categories (KKUB) | | | | |
| a. Funds Acquisition | NoA | Billion | NoA | Billion |
| | 23,749 | 519 | 30,051 | 577 |
| b. Funds Distribution | CIF | Billion | CIF | Billion |
| | 98 | 18,245 | 108 | 16,634 |
| Total Productive Assets of Sustainable Business Activities | | 18,245 | | 16,634 |
| a. Total KKUB Loan/Financing (IDR) | | 18,245 | | 16,634 |
| b. Total Non-Loan/Financing of Sustainable Non-Business Activities (IDR) | | - | | - |
| Percentage of total loan/financing of sustainable business activities to total bank loan/financing (%) | | 26% | | 27% |
| Total and quality of loan/financing based on KKUB | (Rp) | NPL (%) | (Rp) | NPL (%) |
| a. Renewable energy | 0 | 0 | 0 | 0 |
| b. Energy efficiency | 0 | 0 | 0 | 0 |
| c. Pollution Prevention and Control | 0 | 0 | 0 | 0 |
| d. Sustainable Management of Biological Resources and Land Use | 4,111 | 0 | 3,129.67 | 0 |
| e. Terrestrial and Aquatic Biodiversity Conservation | 0 | 0 | 0 | 0 |
| f. Environmentally Friendly Transportation | 465 | 0 | 369.47 | 0 |
| g. Sustainable Water and Wastewater Management | 0 | 0 | 0 | 0 |
| h. Climate Change Adaptation | 0 | 0 | 0 | 0 |
| i. Eco-efficient Products | 0 | 0 | 0 | 0 |
| j. Eco-friendly Buildings that Comply with National, Regional, or International Standards or Certification | 1,058 | 0 | 1,127.56 | 0 |
| k. Other Business Activities/Other Environmentally Friendly Business Activities | 12,545 | 0 | 11,936.90 | 0 |
| l. MSMEs Activities | 66 | 0.59 | 70.61 | 0 |



Credit Distribution per Segment (Billion Rp) [FS6]

| Description | 2022 | 2021 | 2020 |
|---|--------|-----------|-----------|
| Corporate Credit | 17,904 | 16,012.86 | 11,889.59 |
| Sustainable Management of Biological Resources and Land Use | 4,066 | 3,105.28 | 957.88 |
| Eco-friendly Transportation | 465 | 369.47 | 259.32 |
| Eco-friendly Buildings that Comply with National, Regional, or International Standards or Certification | 870 | 938.07 | 937.88 |
| Other Business Activities/Other Eco-friendly Activities | 12,503 | 11,600.04 | 9,734.50 |
| Commercial Credit | 256 | 526.26 | 783.67 |
| Sustainable Management of Biological Resources and Land Use | 20 | 0 | 66.76 |
| Eco-friendly Transportation | 188 | 189.50 | 336.07 |
| Eco-friendly Buildings that Comply with National, Regional, or International Standards or Certification | 40 | 336.76 | 380.84 |
| Retail Credit (MSME & Consumer) | 8 | 95 | 51.25 |
| Sustainable Management of Biological Resources and Land Use | 83 | 24.39 | 16.12 |
| Eco-friendly Transportation | 24 | 0 | 0 |
| Eco-friendly Buildings that Comply with National, Regional, or International Standards or Certification | 1 | 0 | 6.42 |
| MSME Activities | 58 | 70.61 | 28.71 |



Credit Distribution Based on the Economic Sector in 2022 [FS6]

| Economic Sector | Customer Information File (CIF) | Loans Outstanding (Billion Rp) |
|--|---------------------------------|--------------------------------|
| Social, Culture, Entertainment, Public Service | 3 | 1 |
| Processing Industry | 13 | 1,480 |
| Construction | 8 | 9,055 |
| Accommodation and Food and Beverages Provision | 12 | 235 |
| Wholesale and Retail | 41 | 70 |
| Mining and Excavation | 4 | 1,457 |
| Agriculture, Hunting, and Forestry | 8 | 4,964 |
| Real Estate, Rental, and Corporate Services | 5 | 513 |
| Transportation, Warehouse, and Communication | 2 | 466 |
| Individual Services Serving Households | 0 | 2 |
| Fishery | 0 | 0 |
| Household | 2 | 2 |
| Total | 98 | 18,245 |

In 2022, the credit distribution growth that aligned with the ESG aspect or was included in KKUB amounted to **Rp18.25 trillion** or increasing by **9.68%** compared to 2021.

ESG-based Credit Portfolio

Management Approach [3-3]

Bank Mega promotes sustainable finance implementation in Indonesia by optimizing ESG-based credit portfolio management. This starts from identifying credit portfolio that is in accordance with the Sustainable Business Activities Categories (KKUB), weighing on the environmental and social impacts from the activities conducted, as well as performing regular measurement per the determined target.

The credit portfolio is managed through a management approach by establishing a policy on credit guidelines and determining the credit portfolio target for sustainable finance up to 5% for 1 a year. The ESG-based credit portfolio management target and objectives are performed in accordance with the Government's advice and the Sustainable Development Goals.



The industry sector category prioritized in the credit financing includes construction and agriculture, hunting, and forestry industries. Credit financing will be granted to debtors that meet the requirements and the Bank will continue to control and evaluate periodically. If breach occurs, further investigation will be conducted to assess and decide on the credit continuity. These efforts are expected to strengthen the commitment made by the debtors and prospective debtors for better ESG performance, as a means to minimize and mitigate the negative impacts arising from business activities of each industry. [FS3]

Credit Portfolio Mapping of Sustainable Business Activities Categories

Bank Mega mapped the credit portfolio into KKUB per OJK Regulation No. 51/POJK.03/2017. The Bank maintains good relationships with debtors by regularly communicating information on ESG-related opportunities and risks and encouraging them to include their business into KKUB. The debtors are expected to be aware of, make use of opportunities from as well as mitigate the ESG risks to expand their business activities sustainably. [FS5]

- KKUB that Supports Sustainable Management of Biological Resources and Land Use [FS10]
We have 1 debtor with Indonesian Sustainable Palm Oil (ISPO) certification and/or Roundtable on Sustainable Palm Oil (RSPO) certification.
- KKUB Supports Eco-Friendly Transportation
Loans are provided through joint financing with other banks to finance the investment needs of the Jabodebek LRT project facilities and infrastructure.
- KKUB Supports Other Business Activities and/or Other Eco-Friendly Business Activities
Given to debtors who meet the criteria of a sustainable financial business and are oriented toward improving the quality of the environment.
- KKUB Supports Other Business Activities and/or Other Business Activities from Micro, Small, and Medium Enterprises (MSMEs)
To finance the working capital/investment needs of debtors who meet the MSME criteria.

Credit Distribution Based on the Sustainable Business Activities Categories [FS11]

| Sustainable Business Activities Categories | 2022 | 2021 | 2020 |
|---|--------|--------|--------|
| Biological Resources Management | 4,111 | 3,130 | 1,041 |
| Eco-Friendly Transportation | 465 | 369 | 259 |
| Building with Eco-Friendly Standards | 1,058 | 1,128 | 1,274 |
| Environmentally-related Business Activities | 12,545 | 11,937 | 10,122 |
| MSME Activities | 66 | 71 | 29 |
| Total | 18,245 | 16,634 | 12,725 |

Supply Chain [2-6]

All sustainable activities are closely related to suppliers, who is among the stakeholders. For sustainable finance, the Bank continues to strengthen the supply chain process to be better in quality, transparency, professionalism, and safety.

This supply chain includes all goods and services procurement process, which performance is under the responsibility of the Goods Procurement Committee that will report to the Board of Directors. Until the end of the reporting period, all of Bank Mega's 25 vendors came from local suppliers. [204-1]

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| Statement of use: | PT Bank Mega Tbk has reported the information cited in this GRI content index for the period 1 January – 31 December 2022 with reference to the GRI Standards. |
| GRI 1 used: | GRI 1: Foundation 2021 |

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Feedback Sheet [POJK.G.2]

PT Bank Mega Tbk 2022 sustainability report provides an overview a description to the financial and sustainability performance. We welcomes your comments on this sustainability report via email or this form.

Your Profil

Name (on your consent) :
Institution/Corporate :
Email :
Phone/Mobile Number :

Categories of Stakeholder

- | | |
|--|--|
| <input type="radio"/> Shareholder and Investor | <input type="radio"/> Media |
| <input type="radio"/> Customer | <input type="radio"/> Business Partner |
| <input type="radio"/> Employee | <input type="radio"/> Community |
| <input type="radio"/> Government | <input type="radio"/> Others, please mention: |

Choose the Best Response Below

- | | Yes | No |
|--|--------------------------|--------------------------|
| 1. This report is easy to be understood | <input type="checkbox"/> | <input type="checkbox"/> |
| 2. This report is useful for you | <input type="checkbox"/> | <input type="checkbox"/> |
| 3. This report describes the Company's performance in sustainability performance | <input type="checkbox"/> | <input type="checkbox"/> |

Give Score to the Level of Material Topics Deemed Significant for you for the Sustainability of PT Bank Mega Tbk (nilai 1 = least significant up to 5 = most significant)

| | |
|---------------------------------------|--|
| Economic Performance | |
| Training and Education and Technology | |
| Customer Privacy and Service Quality | |
| Credit Portfolio | |
| Occupational Health and Safety | |

Other suggestions or information related to the report:

.....
.....

Thank you very much for your input. Kindly send this feedback form to the following email address or directly.

Corporate Secretary

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