

## B. Sustainability and Resilience

Number	Principles and Recommendations	Answer
B.	Sustainability and Resilience	
B.1	Sustainability-related disclosure should be consistent, comparable and reliable, and include retrospective and forward-looking material information that a reasonable investor would consider important in making an investment or voting decision	
	<i>Material Sustainability-related information should be specified</i>	
B.1.1	Does the company identify/report ESG topics that are material to the organization's strategy?	BCAS identifies and discloses 7 material ESG topics that are strategic for the company, including: <ol style="list-style-type: none"> <li>1. Economic Performance</li> <li>2. Anti-Corruption</li> <li>3. Customer Data Privacy and Security</li> <li>4. Product and Service Responsibility</li> <li>5. Education and Training</li> <li>6. Service Accessibility and Affordability</li> <li>7. Financing Portfolio Based on KUB Categories</li> </ol> Document: <a href="#">- sustainability report page 99</a>
B.1.2	Does the company identify climate change as an issue?	BCAS responds to the impact of climate change by accelerating the disbursement of financing to environmentally sustainable sectors. Document: <a href="#">- sustainability report page 53</a>
B.1.3	Does the company adopt an internationally recognized reporting framework or standard for sustainability (i.e. GRI, Integrated Reporting, SASB, IFRS Sustainability Disclosure Standards)?	BCAS has compiled the Sustainability Report based on GRI Standards. Document: <a href="#">- sustainability report page 105</a>
	<i>If a company publicly sets a sustainability-related goal or target, the disclosure framework should provide that reliable metrics are regularly disclosed in an easily accessible form</i>	
B.1.4	Does the company disclose quantitative sustainability target?	BCAS reveals its sustainability targets and achievements in 2023. Document: <a href="#">- sustainability report page 49</a> <a href="#">- sustainability report page 89</a>

B.1.5	Does the company disclose sustainability-related performance progress in relation to its previously set targets?	BCAS reveals its sustainability targets and achievements in 2023 Document: <a href="#">- sustainability report page 49</a> <a href="#">- sustainability report page 89</a>
B.1.6	Does the company confirm that its Sustainability Report / Reporting is reviewed and /or approved by the Board or Board Committee?	BCAS has formulated a Sustainable Finance implementation strategy that has been approved by the Board of Commissioners and the Board of Directors through the issuance of Decree No. 042/SK/DIR/2023. Document: <a href="#">- sustainability report page 29</a>
B.2	Corporate governance frameworks should allow for dialogue between a company, its shareholders and stakeholders to exchange views on sustainability matters	
B.2.1	Does the company engage internal stakeholders to exchange views and gather feedback on sustainability matters that are material to the business of the company?	BCAS engages stakeholders related to ESG performance. Document: <a href="#">- sustainability report page 102</a>
B.2.2	Does the company engage external stakeholders to exchange views and gather feedback on sustainability matters that are material to the business of the company?	BCAS engages stakeholders related to ESG performance. Document: <a href="#">- sustainability report page 102</a>
B.3	The corporate governance framework should ensure that boards adequately consider material sustainability risks and opportunities when fulfilling their key functions in reviewing, monitoring and guiding governance practices, disclosure, strategy, risk management and internal control systems, including with respect to climate-related physical and transition risks	
	<i>Boards should assess whether the company's capital structure is compatible with its strategic goals and its associated risk appetite to ensure it is resilient to different scenarios</i>	
B.3.1	Does the company disclose that the board reviews on an annual basis that the company's capital and debt structure is compatible with its strategic goals and its associated risk appetite?	BCAS is committed to maintaining strong and adequate capital as a precautionary measure against credit, market, and operational risks. In 2023, BCAS achieved a Capital Adequacy Ratio (CAR) of 34.8%. BCAS evaluates debt servicing capacity by considering solvency, liquidity, and profitability levels. Document: <a href="#">- annual report page 16</a> <a href="#">- annual report page 101</a>

B.4	The corporate governance framework should recognise the rights of stakeholders established by law or through mutual agreements and encourage active co- operation between corporations and stakeholders in creating wealth, jobs, and the sustainability of financially sound enterprises.	
	<i>Does the company disclose a policy and practices that address :</i>	
B.4.1	The existence and scope of the company's efforts to address customers' welfare?	BCAS is committed to operating a company that meets Sustainable Financial standards. Document:  - <a href="#">sustainability report page 26</a> - <a href="#">annual report page 43-44</a> - <a href="#">annual report page 276</a>
B.4.2	Supplier/contractor selection procedures?	BCAS has Supplier/Contractor Selection Procedures Document:  - <a href="#">Main Guidelines for Procurement of Goods and/or Services at BCA Syariah</a>
B.4.3	The company's efforts to ensure that its value chain is environmentally friendly or is consistent with promoting sustainable development?	BCA Syariah ensures that its value chain is environmentally friendly and consistent by promoting sustainable development. Document:  - <a href="#">sustainability report page 54</a> - <a href="#">annual report page 276</a>
B.4.4	The company's efforts to interact with the communities in which they operate?	BCAS engages in community-based activities with CSR and financial training. Document:  - <a href="#">sustainability report page 19</a> - <a href="#">annual report page 276</a>
B.4.5	The company's anti-corruption programmes and procedures?	Programs and procedures for corporate anti-corruption are detailed in the report: Document:  - <a href="#">Anti-Corruption Policy and Gratuity Control</a>
B.4.6	How creditors' rights are safeguarded?	BCA Syariah has not conducted an IPO yet.
B.4.7	Does the company have a separate report/section that discusses its efforts on environment/economy and social issues?	BCA Syariah has a separate report/section detailing the company's efforts on environmental, economic, and social issues. Document:  - <a href="#">sustainability report page 84 - 95</a> - <a href="#">annual report page 276</a>

B.5	Where stakeholder interests are protected by law, stakeholders should have the opportunity to obtain effective redress for violation of their rights.	
B.5.1	Does the company provide contact details via the company's website or Annual Report which stakeholders (e.g. customers, suppliers, general public etc.) can use to voice their concerns and/or complaints for possible violation of their rights?	<p>BCA Syariah provides detailed contact information through its website or Annual Report, allowing stakeholders (such as customers, suppliers, the community, etc.) to raise issues and/or complaints regarding potential violations of their rights.</p> <p>Document:</p> <ul style="list-style-type: none"> <li>- <a href="#">annual report page 85</a></li> <li>- <a href="#">annual report page 253</a></li> </ul>
B.6	Mechanisms for employee participation should be permitted to develop.	
B.6.1	Does the company explicitly disclose the policies and practices on health, safety and welfare for its employees?	<p>BCA Syariah explicitly discloses policies and practices for the health, safety, and welfare of its employees.</p> <p>Document:</p> <ul style="list-style-type: none"> <li>- <a href="#">sustainability report page 73</a></li> <li>- <a href="#">sustainability report page 81</a></li> <li>- <a href="#">annual report page 276</a></li> </ul>
B.6.2	Does the company explicitly disclose the policies and practices on training and development programmes for its employees?	<p>BCAS has disclosed and maintains policies for employee training and development.</p> <p>Document:</p> <ul style="list-style-type: none"> <li>- <a href="#">sustainability report page 9</a></li> <li>- <a href="#">sustainability report page 78 - 81</a></li> <li>- <a href="#">annual report page 276</a></li> </ul>
B.6.3	Does the company have a reward/compensation policy that accounts for the performance of the company beyond short-term financial measures?	<p>BCA Syariah has a remuneration/compensation policy.</p> <p>Document:</p> <ul style="list-style-type: none"> <li>- <a href="#">annual report page 200</a></li> </ul>
B.7	Stakeholders including individual employee and their representative bodies, should be able to freely communicate their concerns about illegal or unethical practices to the board and their rights should not be compromised for doing this.	
B.7.1	Does the company have a whistle blowing policy which includes procedures for complaints by employees and other stakeholders concerning alleged illegal and unethical behaviour and provide contact details via the company's website or annual report	<p>BCA Syariah has a whistleblowing policy.</p> <p>Document:</p> <ul style="list-style-type: none"> <li>- <a href="#">annual report page 253</a></li> <li>- <a href="#">Whistleblowing policy</a></li> </ul>
B.7.2	Does the company have a policy or procedures to protect an employee/person who reveals alleged illegal/unethical behaviour from retaliation?	<p>BCA Syariah has policies or procedures to protect employees who disclose illegal or unethical behavior from retaliation.</p> <p>Document:</p> <ul style="list-style-type: none"> <li>- <a href="#">Annual report page 253</a></li> <li>- <a href="#">Whistleblowing policy</a></li> </ul>