

Sustainability Report 2022

PT Sampo Insurance Indonesia



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COMPANY PROFILE OVERVIEW 2022

1. **Company Name** : PT Sampo Insurance Indonesia (“SII”)
2. **Head Office Address** : Mayapada Tower II, 19th Floor. Jl. Jend. Sudirman Kav 27, Jakarta 12920
3. **Telephone & Facsimile No** : T: (021) 2500890 F: (021) 2500891/2
4. **Website & E-mail** : Website : <https://www.sompo.co.id/>
Email : customer@sompo.co.id
5. **Tax No** : 01.308.509.7-062.000
6. **Business License No** : KEP-299/NB.11/2016
7. **Number of Branches / Representatives** : 3 Branch Offices dan 18 Marketing Offices

8. Shareholders

| Shareholders Name | Shareholdings | |
|--------------------------------------|------------------------------|----------------|
| | In Rupiah | Percentage (%) |
| 1. Sampo International Holdings Ltd. | Rp 395.952.000.000,00 | 80% |
| 2. PT Mayapada Pratama Kasih | Rp 98.988.000.000,00 | 20% |
| Total | Rp 494.940.000.000,00 | 100% |

9. Board of Directors (BoD) and Board of Commissioners (BoC)

| Directors Name | Positions | Commissioners Name | Positions |
|---------------------|-------------------------|------------------------|--------------------------|
| 1. Eric Nemitz | President Director | 1. Ronald Kumalaputra | President Commissioner |
| 2. Tatsuya Kuroki | Vice President Director | 2. Susandarini | Independent Commissioner |
| 3. Ismoyo Subandrio | Director | 3. Rahardja Alimhamzah | Independent Commissioner |
| 4. Erixon Hutapea | Director | | |
| 5. Naoki Inoue | Director | | |
| 6. Yolanda Widjaja | Director | | |

10. **Membership in Association** : Asosiasi Asuransi Umum Indonesia (AAUI)

11. **Number of Workers**
(Including BOD & BOC) : 592 Person (as of 31 Dec 2022)

Jakarta, 13 April 2022

On Behalf of The Board of Directors,
PT Sampo Insurance Indonesia



Eric Nemitz
President Director

LETTER FROM THE **BOARD OF DIRECTORS**

Dear Stakeholders,

On behalf of Sompo Insurance Indonesia (“SII”), we would like to express our utmost gratitude for the trust and support you have given us throughout the years. We are pleased to present our 2022 Sustainability Report, conducted based on *Rencana Aksi Keuangan Berkelanjutan* (“RAKB”), reflecting our efforts to implement sustainable practices within the general insurance sector.

As we continuously develop our capabilities, expand our product and service portfolio, and meet the needs of our customers and partners, our company achieved significant premium income growth by 24%. This allowed us to improve our resiliency and financial strength further to always be able to meet our customers' and partners' needs continuously in the future.

Last year marked our full return to the office after implementing hybrid work for the previous two years. We reconnected with each other and strengthened our relationship with our stakeholders. While we remain committed to implementing sustainable finance efforts and practices, with the increased working time at the office, we saw a slight increase in operational utility. In this report, we will share our sustainable finance efforts and practices.

Sustainable Finance and Social Responsibility

It is important for us to consistently implement sustainable financial practices and take social responsibility in the society we serve in Indonesia. Throughout the year, we carried out financial literacy and inclusion programs, to environmental and social activities together with our partners.

As part of Sompo Group, we are proud to announce that we have joined the Net-Zero Insurance Alliance (NZIA). Sompo Group is the first Asian insurer to rule out insurance and investment in coal companies and companies involved in energy exploitation in the Arctic National Wildlife Refuge. This cemented our commitment to ruling out underwriting and investment in coal companies without transition plans by 2025. With this new initiative, we participate in collaborative sustainability efforts to help shape a carbon neutral society.

For the 4th year, our company continues to collaborate with the Sompo Welfare Foundation, Japan Environmental Education Forum, and the Ministry of Environment and Forestry of the Republic of Indonesia to foster Indonesian youth in understanding environmental issues and conducting activities dedicated to solving such issues through the NGO Learning Internship Program. We also initiated the Sompo Alumni Idea Fund as a follow-up program for graduate students to practically apply their knowledge and ideas in new sustainability projects.

Last year, once again, we partnered with Sompo Welfare Foundation and supported OHANA, a non-profit that advocates for the disabled community, in providing adaptive wheelchairs to increase mobility and independent living to those in need.

At Sompo, we are committed to continue pushing boundaries, providing peace of mind to our customers, partners, and our employees through innovative, high-quality products and an uncompromising level of service. Our proven resilience and financial strength allow us to support our customers and partners to their full satisfaction.



Sustainability is an ongoing effort; we will continue to strive towards achieving our sustainable finance goals and look forward to your continued support and partnership in this endeavor.

Eric Nemitz
President Director,
PT Sampo Insurance Indonesia

CHAPTER I SUSTAINABILITY STRATEGY

Sompo Insurance Indonesia (SII) believes that business growth and sustainability are interconnected and inseparable. Economic, social, and environmental factors must all be considered. Based on this fundamental thinking, we believe that we can empower stakeholders to make a difference by inspiring action every day in our interactions with customers, partners, and colleagues, with the goal of creating the meaning of sustainability as a fundamental principle deeply rooted as values and ideas, and eventually manifested into paradigms and real actions.

As one of Indonesia's general insurance companies, we are dedicated to being a company that makes people feel safe from risks by providing direct protection to the community and aspects that support people's lives. This is accomplished by consistently providing unique and innovative insurance products and services, such as developing and promoting electric vehicle insurance products as one of the renewable energy strategies, in accordance with the issuance of regulations for electric vehicle insurance as an expansion of the types of vehicles that can be insured, and health insurance so that people are aware of the importance of living a healthy lifestyle.

SII strives to carry out the process of integration and alignment of economic, social, environmental, and governance aspects in the Company's business processes in order to realize the Sustainable Development Goals in Indonesia, in addition to focusing on the insurance business or economic aspects, which are the Company's main business. The Traffic Education and Safety Socialization (SELAMAT) program, supported by the Parent Company in Japan, Sompo Holdings, Inc., and the Save the Children Indonesia foundation, aims to reduce the number of traffic accidents against children in the school environment. A Sompo Welfare Foundation international grant program to the Harapan Nusantara Organization (OHANA) to advocate for a sustainable service system in the form of wheelchair physical aids and wheelchair service workshop training for people with disabilities in Indonesia.

Furthermore, the Company's environmental support includes the NGO Learning Internship Program, which annually supports the capacity building of young talents in collaboration with the *Sompo Environment Foundation (SEF)*, and the *Sompo Alumni Idea Fund program*, which encourages alumni of the NGO Learning Internship Program to take environmental action by inviting the community to participate and contribute in confronting and solving environmental problems. SII remains dedicated to ensuring that the Company's business activities have a long-term positive impact on the existence of insurance and stakeholders in a comprehensive and integrated manner.

SII has a sustainability strategy in place to implement Sustainable Finance in accordance with the initial implementation stage of the Company's Sustainable Finance Action Plan (RKAB) in the Company's 2022 Business Plan, namely: (1) Design, development, and innovation of sustainable finance products, (2) Adjustment of the Company's Systems and Technology related to the design of sustainable finance products, and (3) Implementation of CSR, Financial Literacy, and Inclusion with them.

To achieve this, the Company emphasizes on product development and expanding business activities through digital platforms, innovative products and solutions to strengthen its position in the Indonesian general insurance market while taking into account economic, social and environmental aspects.

CHAPTER II

OVERVIEW OF SUSTAINABILITY ASPECT PERFORMANCE

2.1. Performance of Economy Aspect

The following is an overview of the Company's performance in an economic aspect over the past 3 years:

| Description | Unit | 2020 | 2021 | 2022 |
|-----------------------------------|---------------------------|-----------|-----------|-----------|
| Premium Income | Million IDR | 1,902,612 | 2,073,399 | 2,567,235 |
| Nett Profit / (Loss) | Million IDR | 103,755 | 84,290 | 73,083 |
| Quantity of Products | Product approval from OJK | 61 | 70 | 76 |
| Environmentally Friendly Products | Line of Business | 2 | 2 | 2 |

Table 1| Overview of Sustainability Aspect Performance

2.2. Performance of Social Aspect

The following is an overview of the Company's performance in an economic aspect over the past 3 years:

| Description | Unit | 2020 | 2021 | 2022 |
|--|-------------|-------|-------|-------|
| Number of Employee Training Participants | Person | 593 | 592 | 592 |
| Total Employee Training and Education Costs | Million IDR | 1,682 | 3,061 | 6,239 |
| Number of Participants in Financial Literacy Education | Person | 75 | 62 | 30 |
| Number of Participants in Financial Literacy Education | Million IDR | 25 | 20 | 15 |
| Number of Participants in Financial Literacy Education | % | 41.98 | 51.76 | 54.71 |
| Number of Participants in Financial Literacy Education | Customer | 231 | 328 | 492 |

Table 2| Performance of Social Aspect

2.3. Performance of Environmental Aspect

The following is an overview of the Company's performance in an economic aspect over the past 5 years:

| Deskripsi | Satuan | 2018 | 2019 | 2020 | 2021 | 2022 |
|---|------------------------|-------|-------|-------|------|------|
| Use of Electrical energy | Million IDR | 1,945 | 1,621 | 1,154 | 854 | 868 |
| Use of BBM - Head Office Operational Vehicles | Kilo Liter | 70 | 71 | 48 | 56 | 66 |
| Paper Usage at Head Office | Ton | 10.32 | 10.56 | 5.61 | 5.06 | 5.94 |
| ⁽¹⁾ Emission reduction | CO2eq | - | - | - | - | - |
| ⁽¹⁾ Reduction of waste | Ton | - | - | - | - | - |
| ⁽¹⁾ Biodiversity preservation | Types of Flora / Fauna | - | - | - | - | - |

Table 3| Performance of Environmental Aspect

⁽¹⁾ Applies to companies whose business processes are related to the environment

CHAPTER III COMPANY PROFILE

3.1. Brief History of the Company

PT Sampo Insurance Indonesia (Sampo Insurance, SII) is part of the global insurance group Sampo Holdings, Inc., one of the largest general insurance companies in Japan. Sampo Insurance has been protecting the security, health, and wellbeing of its customers in Indonesia for more than 47 years. With 2 branch offices and 16 marketing offices spread across Indonesia and nearly 600 employees, Sampo Insurance provides a variety of insurance products as a solution for protecting companies and individuals from risks that include property, earthquakes, motor vehicles, personal accidents, marine cargo, health, travel, and many others.

PT Sampo Insurance Indonesia (Sampo Insurance, SII) is part of the global insurance group Sampo Holdings, Inc., one of the largest general insurance companies in Japan. Sampo Insurance has been protecting the security, health, and wellbeing of its customers in Indonesia for more than 46 years. With 2 branch offices and 18 marketing offices spread across Indonesia and nearly 600 employees, Sampo Insurance provides a variety of insurance products as a solution for protecting companies and individuals from risks that include property, earthquakes, motor vehicles, personal accidents, marine cargo, health, travel, and many others.

PT Sampo Insurance Indonesia is the new registered name for PT Asuransi Sampo Japan Nipponkoa Indonesia and has been effective since March 17, 2016. Previously, the company was formed following the merger of the respective parent companies, Sampo Japan Insurance Inc. and Nipponkoa Insurance Co. Ltd. Its two representatives in Indonesia, PT Sampo Japan Insurance Indonesia and PT Asuransi Nipponkoa Indonesia, were also integrated. Since first started their business activities in 1975, both companies have been engaged in the general or non-life insurance financial services business.

SII as one of the financial services institutions in the insurance sector in Indonesia realizes the importance of support and the role of financial institutions in conducting sustainable business activities and integrating the harmony of economic, social, and environmental aspects and ultimately being able to support the realization of Sustainable Development Goals (SDGs) in Indonesia. In addition, with a comprehensive strategic target to become one of the leading general insurance companies in Indonesia, in terms of customer appreciation, SII aims to continue to grow and contribute to the development of society.

Sampo Insurance's audited financial performance in 2021 was certified as 'Excellent' by Infobank Media in 2022, due to its ability to earn gross premiums of IDR 1-2.5 Trillion. During 2022 Sampo Insurance also received the following awards: Infobank Top 100 CEO 2022, Insurance Market Leader 2022 by Insurance Media, Top Best Financial Performance and Diversified General Insurance Products and Services with Asset Category 1-5T by Warta Ekonomi.

With a sound financial condition, experience, and a long history, SII will always maintain its commitment to provide maximum protection and service solutions to all customers.

3.2. Vision and Mission, and Company Values

Vision



To be the top 3 preferred general insurance company in Indonesia within five years where customer centricity is at the core.

Mission



Pushing boundaries and innovating to provide security and peace of mind to society.

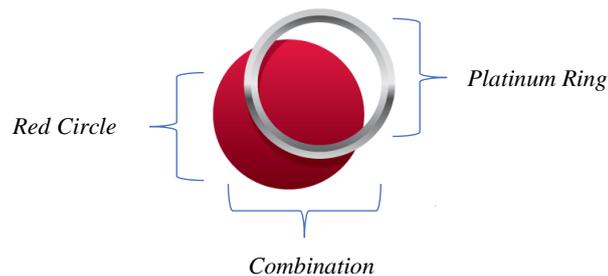
Values



- We strive for excellence in everything we do.
- We put our customers first.
- We are trustworthy.

3.3. Corporate Mark Philosophy

SOMPO Mark is a symbol of the SOMPO Holdings Group, which serves as a core element of its brand communication. The nickname for the symbol mark is “The Global Ring.”



SOMPO logo consists of three elements with the following explanation:

- The red sphere symbolizes perfect harmony and stability, while simultaneously representing our nation of Japan.
- The overlaid platinum ring is a leader guiding towards our future, representing SOMPO HOLDINGS’ s future in connecting with people of the world to create a “new level of trust.”
- Dynamic combination of the sphere and ring is an expression of our vision to build a globally competitive company, as a leading brand in Japan.

3.4. Business Fields

In accordance with the most recent amendment of Company's Articles of Association as stated in the Deed No. 40 dated January 22nd, 2020, made by Notary Mala Mukti, S.H., LL.M. Notary in Jakarta, according to Article 3 of the Articles of Association of the Company, the objectives and objectives of the Company are to carry out business activities of Conventional Non-Life Insurance, Sharia Non-Life Insurance, Reinsurance, and Sharia Reinsurance business activities.

3.5. Financial Products / Services Offered

In its development and growth, SII products are developed innovatively by prioritizing customer

needs through the following distribution channels but not limited to Direct Marketing, Agency, Bancassurance and Non-Bank Business Entities (“BUSB”).

As an outline the products offered by SII can be grouped into seven lines of business as follows:

Property Insurance

This type of insurance provides coverage for financial losses incurred by a fire accident and other risks that are guaranteed in the policy against the assets owned by the insured.



Property Insurance Products include:

- Fire and Allied Perils
- Property All Risk
- Earthquake Insurance

Motor Vehicle Insurance

This type of insurance provides coverage for losses due to damage or loss of motorized vehicles, legal liability to third parties and compensation for drivers and passengers.



Motor Vehicle Insurance Products include:

- Auto First
- Comprehensive/All Risk
- Total Loss Only / TLO
- Long Term Motor Protection

Marine Cargo Insurance

This type of insurance provides coverage for loss or damage to goods during transportation either by land, sea, and air within or outside the country.



Marine Cargo Insurance include:

- Export/Import
- Inter-island
- Road Trip

Engineering Insurance

This type of insurance provides coverage for technical / engineering industry activities during construction, machine installation and operations.



Engineering insurance products include:

- Contractor’s All Risk (CAR)
- Erection All Risk (EAR)
- Machinery Insurance
- Electronic Equipment (EEI)

Health Insurance

Group Health Insurance provides coverage for medical and surgical expenses.



Produk Asuransi Kesehatan antara lain:

- HealthCare+, Asuransi Kesehatan Kumpulan
- WorldCare
- SimpleCare
- Cancer Critical Illness

Travel Insurance

Types of insurance that exist to help minimize the potential risk of the insured and all its consequences, when traveling abroad.



Travel insurance products include:

- TravelFirst
- TravelFirst Indonesiana
- TravelFirst Edu

Miscellaneous Insurance

Consists of several insurance products that provide coverage, including the risk of Personal Accident, legal liability to third parties, Trade Credit, and others.

Miscellaneous Insurance Product include:



- Personal & Group Accident
- Burglary / Theft
- Movable All Risk
- Money Insurance
- General Liability
- Public Liability
- Employers’ Liability
- Directors, Officers Liability and Company Reimbursement
- Trade Credit Insurance

3.6. Organization Scale

| Uraian | Satuan | 2021 | 2022 |
|------------------------------|-------------|-----------|-----------|
| Total of Permanent Employees | Person | 592 | 592 |
| Total Operation | Office | 18 | 22 |
| Premium Income | Million IDR | 2,073,399 | 2,567,235 |
| Total Asset | Million IDR | 3,610,812 | 3,853,877 |
| Total Equity | Million IDR | 1,136,432 | 1,126,062 |
| Total Liability | Million IDR | 2,474,380 | 2,727,815 |

Table 4| Organization Scale

Employee Information

Employees are essential element for SII, because they are the driving force as well as the main asset in all the Company's sustainability programs. As of December 31, 2022, the Company had 592 permanent employees.

The composition of SII employees differentiated based on gender, age group, education level, position, and employment status. For the company, the diversity of employees is a strength so that SII can continue to survive and record its best performance. The full diversity and demographics of employees presented in the following tables:

Table 5| Composition of Permanent Employees Based on Gender

| Gender | 2021 | | 2022 | |
|--------------|------------|-------------|------------|-------------|
| | Total | Percentage | Total | Percentage |
| Male | 319 | 54% | 320 | 54% |
| Female | 273 | 46% | 272 | 46% |
| Total | 592 | 100% | 592 | 100% |

Table 6| Composition of Permanent Employee by Age Group

| Age Group | 2021 | | 2022 | |
|-------------------|------------|-------------|------------|-------------|
| | Total | Percentage | Total | Percentage |
| ≤ 25 Years Old | 14 | 2% | 19 | 3% |
| 26 - 30 Years Old | 125 | 21% | 112 | 19% |
| 31 - 35 Years Old | 176 | 30% | 163 | 28% |
| 36 - 40 Years Old | 119 | 20% | 131 | 22% |
| 41 - 45 Years Old | 75 | 13% | 71 | 12% |
| 46 - 50 Years Old | 47 | 8% | 52 | 9% |
| > 50 Years Old | 36 | 6% | 44 | 7% |
| Total | 592 | 100% | 592 | 100% |

Table 7| Composition of Permanent Employees Based on Level of Education

| Level of Education | 2021 | | 2022 | |
|--------------------|------------|-------------|------------|-------------|
| | Total | Percentage | Total | Percentage |
| > S2 | 38 | 6% | 32 | 5% |
| S1 | 424 | 72% | 438 | 74% |
| D1-D3 | 78 | 13% | 69 | 12% |
| < =SLTA | 52 | 9% | 53 | 9% |
| Total | 592 | 100% | 592 | 100% |

Table 8| Composition of Permanent Employees by Position

| Jabatan | 2021 | | 2022 | |
|-----------------------|------------|-------------|------------|-------------|
| | Total | Percentage | Total | Percentage |
| Direktur | 5 | 1% | 6 | 1% |
| Executive Officer | 6 | 1% | 5 | 1% |
| Manager - Senior GM | 94 | 16% | 90 | 15% |
| Staff - Asst. Manager | 457 | 77% | 457 | 77% |
| Non-Staff | 30 | 5% | 34 | 6% |
| Total | 592 | 100% | 592 | 100% |

Table 9| Employee Composition Based on Employment Status

| Status | 2021 | | 2022 | |
|---------------------|-------|------------|-------|------------|
| | Total | Percentage | Total | Percentage |
| Permanent Employees | 592 | 94% | 592 | 92% |
| Outsource Employees | 40 | 6% | 49 | 8% |

Distribution of Company Operational Office Areas

22 offices throughout Indonesia



Table 10| Distribution of Company Operational Office Areas

| No. | Office Name | Address | Phone |
|-----|--------------------|---|---------------|
| 1 | Head Office | Mayapada Tower 2, 19th Fl. Jl. Jend. Sudirman Kav. 27 Jakarta 12920 Indonesia | (021) 2500890 |

Branch Office

| No. | Office Name | Address | Phone |
|-----|-----------------|---|----------------------------------|
| 2 | Medan | Josephine Building 3rd Fl. Jl. H. Adam Malik No. 25A. Medan. 20114 | (061) 4153309 (061) 4156882 |
| 3 | Jakarta Selatan | Komplek Ruko 72 Unit F Pejaten Timur. Jl. Raya Pasar Minggu Km 18. Pasar Minggu, Jakarta Selatan. 12510 | (021) 79189151 (021) 79189152 |
| 4 | Surabaya | Mayapada Complex 8th Fl. Unit 01 Jl. Mayjend Sungkono No. 178, Surabaya 60225 | (031) 99534833 |

Marketing Office

| No. | Office Name | Address | Phone |
|-----|----------------|--|-----------------------------------|
| 5 | Balikpapan | Komplek Ruko Balikpapan Baru. Blok AA 1A No.05. Balikpapan 76114 | (0542) 8505111 |
| 6 | Bandar Lampung | Jl. Jend. Sudirman No. 65C, Rawa Laut Enggal Bandar Lampung 35127 | (0721) 5600077 |
| 7 | Bandung | Gedung MIR 3rd Fl. Jl. Lembong No. 34, Bandung 40111 | (022) 4211577 |
| 8 | Batam | Komplek Goldhill Blok A No.1 Jl. Laksamana Bintan, Sei Panas Batam 29456 | (0778) 466234 |
| 9 | Denpasar | Jl. Raya Puputan No. 122 E Denpasar, Bali 80239 | (0361) 236236, (0361) 228392 |
| 10 | Kelapa Gading | Ruko Inkopal Blok C No. 16 Jl. Boulevard Barat Raya. Kelapa Gading, Jakarta Utara 14240 | (021) 29375433 |
| 11 | Makassar | Komplek Rukan Pettarani Business Center Blok E.11 3rd Fl. Jl. AP. Pettrani Makassar 90222 | (0411) 4677838 (0411) 4677880 |
| 12 | Malang | Jl. WR Supratman C3 Kav. 16, Malang 65111 | (0341) 336136 |
| 13 | Palembang | Komplek Ruko PTC Mall, Blok G 37, Jl. R. Sukanto, Kelurahan 8 Ilir, Kecamatan Ilir Timur Tiga, Palembang 30114 | (0711) 376 277 |
| 14 | Pekanbaru | Jl. Arifin Achmad, Sidumulyo Timur Marpoyan Damai, Pekanbaru, 28125 | (0761) 8416886 |
| 15 | Pontianak | Komplek A. Yani Sentra Bisnis, Jl. A. Yani Blok AA No.17. Akcaya Pontianak 78116 | (0561) 743733 |
| 16 | Semarang | Jl. D.I. Panjaitan No.27A, Kav. A Semarang 50134 | (024) 3552839, (024) 86577744 |
| 17 | Solo | Ruko Bhayangkara, Jl. DR Radjiman No 341 Blok D, Kelurahan Panularan - Kecamatan Laweyan. Surakarta - Jawa Tengah | (0271) 7462631 |
| 18 | Tangerang | Ruko Palmyra Square, Jl. Jalur Sutera 26 A No. 6 Alam Sutera, Tangerang Selatan 15325 | (021) 29315306, (021) 29315310 |
| 19 | Yogyakarta | Ruko Sumber Baru Square Kav-H, Ringroad Utara Jombor Sendangadi, Mlati, Sleman 55285 | (0274) 2812200, (0274) 8609844 |

Marketing Representative Office

| No. | Office Name | Address | Phone |
|-----|-------------|--|-------|
| 20 | Banjarmasin | Hotel Banjarmasin Internasional. Jl. Jendral A. Yani Km 4,5 Banjarmasin 70234 | - |
| 21 | Bogor | Gedung Setyajaya. Jl Raya Pajajaran No.23 Bogor 161143 | - |
| 22 | Bekasi | Ruko Emerald Commercial. Jl. Boulevard Selatan Blok UB No.50. Marga Mulya Summarecon, Bekasi 17142 | - |

CHAPTER IV SUSTAINABILITY GOVERNANCE

4.1. Implementation of Corporate Sustainability Governance

To support business sustainability, SII believes in the importance of implementing Sustainable Governance by referring to the principles of Good Corporate Governance (GCG) at every level of the organization and every activity of the Company. In this regard, SII always ensures the implementation of Good Corporate Governance in the Company based on the laws and regulations in the Insurance business sector and other related laws and regulations. The implementation of GCG in the Company refers to OJK Regulation (“POJK”) No.73/POJK.05/2016 concerning Good Corporate Governance for Insurance Companies and its amended regulations in POJK No.43/POJK.05/2019 which was promulgated on 31 December 2019.

The objectives of Sustainability Governance implementation at SII are:

- a. Maintain and improve the implementation of Company Sustainable Finance
- b. Supporting the vision and mission of the Company's Sustainable Finance
- c. Providing benefits and added value for shareholders and stakeholders related to Company's Sustainable Finance

The implementation and implementation of GCG have been conducted by the Company along with efforts to improve each line deemed necessary gradually and continuously in accordance with the laws and regulations in the Insurance business. The Company believes that the consistent and effective application of GCG principles in every aspect of the Company's activities will improve the Company's performance in implementing sustainable finance on an ongoing basis and achieve the vision and mission set by the Company.

4.2. GCG Principles

SII applies the principles of GCG, namely Transparency, Accountability, Responsibility, Independence, and Fairness which is called T.A.R.I.F. with the following explanation:

▪ **Transparency**

Namely openness in the decision-making process and openness in disclosure and provision of relevant information about the Company, which is easily accessible to Stakeholders in accordance with the provisions of laws and regulations in the field of insurance as well as the standards, principles, and practices of a sound insurance business. This means that the Company guarantees the disclosure of material and relevant information regarding performance, financial conditions and other information in a clear, adequate, and timely manner and is easily accessible to stakeholders in accordance with their rights.

The principle of transparency adopted by the Company does not reduce the obligation to protect confidential information about the Company, the Insured or Policyholders and Stakeholders, in accordance with laws, regulations, and information that can affect the competitiveness of the Company.

▪ **Accountability**

Namely the clarity of functions and the implementation of accountability of the Company's Organs so that the Company's performance can run in a transparent, fair, effective, and efficient manner. This means that the Company guarantees the clarity of the functions, implementation, and accountability of each Company Organ (General Meeting of Shareholders (GMS), the

Board of Commissioners (BOC) and the Board of Directors (BOD)) which allows the management of the company to be conducted effectively.

The principle of accountability emphasizes the function and role of each organ to run well, so every organ and employee of the company must have the competence in accordance with their responsibilities and understand their role in the implementation of GCG. The company ensures that there is a structure, system, and Standard Operating Procedure (SOP) that can ensure the implementation of a check and balance mechanism in achieving the Vision, Mission, and Corporate Culture.

- **Responsibility**

Namely, the conformity of the management of the Company with the provisions of laws and regulations in the field of insurance and ethical values as well as standards, principles, and practices of sound insurance business operation. In relation to the principle of responsibility, the Company must comply with laws and regulations and fulfill responsibility for the community and the environment so that business continuity can be maintained in the long term and gain recognition as a good corporate citizen, by complying with laws and regulations. applicable and adhering to the principle of prudence, including provisions related to insurance, employment, taxation, business competition, and others.

- **Independence**

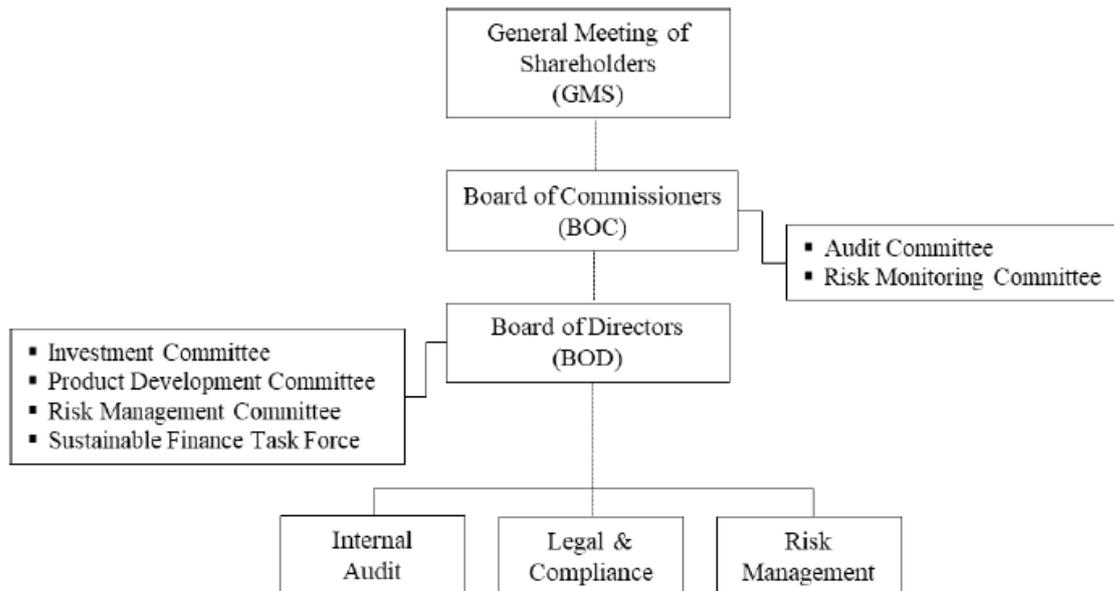
Yaitu keadaan Perusahaan yang dikelola secara mandiri dan profesional serta bebas dari benturan kepentingan dan pengaruh atau tekanan dari pihak manapun yang tidak sesuai dengan ketentuan peraturan perundang-undangan di bidang perasuransian dan nilai-nilai etika serta standar, prinsip, dan praktik penyelenggaraan usaha perasuransian yang sehat. Artinya Perusahaan menjamin pengelolaan Perusahaan secara profesional tanpa benturan kepentingan dan pengaruh/tekanan dari pihak manapun yang tidak sesuai dengan peraturan Perundang-undangan yang berlaku dan prinsip-prinsip korporasi yang sehat.

- **Fairness**

Namely equality, balance, and fairness in fulfilling the rights of Stakeholders that arise based on agreements, provisions of laws and regulations in the field of insurance, and ethical values as well as standards, principles, and practices of sound insurance business administration. This means that the company guarantees fair and equal treatment in fulfilling the rights of stakeholders based on the provisions and regulations of the prevailing laws and regulations.

4.3. GCG Structure

SII has a corporate governance structure or organs that play a role in supporting the implementation of GCG. Included in the corporate governance structure are the GMS, BOC, BOD, Committees and Work Units. The following is a Governance structure that supports the implementation of sustainable finance in the Company.



4.3.1. General Meeting of Shareholders

GMS is the highest organ of the company which functions as a forum for shareholders to make decisions related to the company. In the GMS, the shareholders exercise their rights, express their opinions, and cast their votes in the decision-making process. The GMS consists of the Annual GMS (AGMS) and Extraordinary GMS (EGMS). The AGMS is held annually, not later than June after the closing of the Company's books. Meanwhile, EGMS is held if deemed necessary by BOD and/ or BOC and/ or Shareholders. Summons and convening of the EGMS are carried out by means of a written invitation by informing the agenda for the discussion.

GMS has exclusive authority which is not granted to BOD or BOC or the Sharia Supervisory Board within the limits stipulated in the laws and / or the Articles of Association. The authority of the Company's GMS includes:

- Appoint, replace, or dismiss BOD or BOC or the Sharia Supervisory Board
- Provide decisions needed to maintain the sustainability of the Company's business in the long and short term in accordance with the laws and regulations and the Company's Articles of Association
- Approve the Annual Report including the ratification of the Financial Report and supervise BOC and the Sharia Supervisory Board.
- Implement Good Corporate Governance in accordance with the authorities and responsibilities.

Implementation of GMS 2022

During 2022, SII held 1 AGMS and 1 EGMS as shown in the following table:

| No. | GMS Name | Day/Date/Place /Type of GMS |
|-----|--|--|
| 1 | AGMS Approval of the 2021 Financial Year Annual Report and other regular agendas | Tuesday/ 14 June 2022/ Circular Resolution |
| 2 | EGMS Approval of the Company's Business Plan 2023 and other agendas. | Tuesday/29 November 2022/ Circular Resolution |

Table 11| Implementation of GMS in 2022

4.3.2. Board of Commissioners

BOC is a company organ whose job is to supervise the implementation of the management of the Company by the BOD, provide advice to the BOD without prejudice to the provisions of the prevailing laws and regulations and the Company's Articles of Association and ensure that the Company implements GCG. However, BOC may not participate in making operational decisions. The position of each member of the BOC including the President Commissioner is equal, and each member of BOC cannot act individually but based on a collective decision of BOC. The duty of the President Commissioner as *primus inter pares* is to coordinate the activities of BOC.

Regarding the implementation of sustainable finance, the duties and responsibilities of BOC include but are not limited to:

- Discuss and provide input on the exposure to sustainable financial aspects delivered by BOD.
- Approved the RAKB prepared by BOD, to be submitted to the OJK.

The following is the composition and number of the Company's BOC as of Dec 31, 2022:

| No. | Name | Position | Fit & Proper Test No | Appointment Date by GMS | Terms of Office | Citizenship | Domicile |
|-----|---------------------|--------------------------|----------------------|-------------------------|-----------------|-------------|-----------|
| 1. | Ronald Kumalaputra | President Commissioner | KEP-523/BL/2011 | 29 November 2022 | s/d RUPST 2023 | Indonesia | Indonesia |
| 2. | Rahardja Alimhamzah | Independent Commissioner | KEP-365/NB.11/2020 | 29 November 2022 | s/d RUPST 2023 | Indonesia | Indonesia |
| 3. | Susandarini | Independent Commissioner | KEP-309/NB.11/2017 | 29 November 2022 | s/d RUPST 2023 | Indonesia | Indonesia |

Table 12| BOC Composition

4.3.3. Direksi

BOD is a Company Organ that is authorized and fully responsible for the management of the Company for the benefit of the Company, in accordance with the aims and objectives of the Company, implementing GCG at all levels or levels of the organization and representing the Company, both inside and outside the court in accordance with the provisions of the articles of association. BOD as a corporate organ has the duties and responsibilities collegially. Each member of BOD can carry out his duties and make decisions in accordance with the division of duties and authorities. However, the implementation of the duties of each member BOD remains a joint responsibility. In carrying out its functions, BOD is responsible to the GMS. The accountability of BOD to the GMS is a manifestation of the accountability of the management of the company in accordance with the principles of GCG.

Regarding the implementation of sustainable finance, the duties and responsibilities of the BOD include but are not limited to:

- Ensure that the sustainability strategy is in accordance with the Company's overall Business Plan.

- Approve policies and procedures related to the implementation of sustainable finance.
- Prepare a RAKB to be submitted to the OJK after obtaining approval from BOC.

In carrying out its duties and responsibilities related to the implementation of sustainable finance, BOD is assisted by Sustainable Finance Task Force.

The following is the composition and number of the Company's BOD as of Dec 31, 2022:

| No. | Name | Position | Fit & Proper Test No | Appointment Date by GMS | Terms of Office | Citizenship | Domicile |
|-----|------------------|-------------------------|-----------------------------------|-------------------------|-----------------|-------------|-----------|
| 1. | Eric Nemitz | President Director | KEP DK OJK No. KEP-142/NB.11/2016 | 14 June 2022 | s/d RUPST 2023 | German | Indonesia |
| 2. | Tatsuya Kuroki | Vice President Director | KEP DK OJK No. KEP-398/NB.11/2016 | 14 June 2022 | s/d RUPST 2023 | Japan | Indonesia |
| 3. | Ismoyo Subandrio | Director | KEP DK OJK No. KEP-638/BL/2011 | 14 June 2022 | s/d RUPST 2023 | Indonesia | Indonesia |
| 4. | Erixon Hutapea | Director | KEP-321/NB.11/2017 | 14 June 2022 | s/d RUPST 2023 | Indonesia | Indonesia |
| 5. | Naoki Inoue | Director | KEP-479/NB.11/2022 | 14 June 2022 | s/d RUPST 2023 | Japan | Indonesia |
| 6. | Yolanda Widjaja | Director | KEP-740/NB.11/2022 | 14 June 2022 | s/d RUPST 2023 | Indonesia | Indonesia |

Table 13| BOD Composition

4.3.4. Sustainable Finance Task Force

Sustainable Finance Task Force is a special unit formed by SII in October 2020, to assist BOD in implementing sustainable finance within the Company.

Sustainable Finance Task Force has the following authority, duties, and responsibilities:

- Request and obtain all information and/ or documents related to the implementation and principles of sustainable finance.
- Carry out the necessary research and development in connection with the implementation of sustainable finance.
- Provide input, recommendations, and analysis of feasibility studies in connection with the preparation of RAKB and the Sustainability Report prepared by BOD, as well as ensuring the reporting to OJK.
- Monitor and ensure the realization of the plans prepared in the RAKB.
- Evaluating the Sustainable Finance Task Force charter periodically in line with developments in applicable regulations related to sustainable finance.

In carrying out the above powers, duties and responsibilities, the task force cooperates with related departments deemed necessary and maintains the confidentiality of Company information and/ or documents, both from internal and external parties.

4.4. Competency Development for BOC and BOD

BOC and BOD are always active in developing competencies related to business continuity in accordance with the principles of sustainable finance. Competency development is carried out either through in-house training or seminars delivered by third parties. During 2021, BOC and BOD have participated in competency development as shown in the following table:

Table 14| BOC Training

| Total Participant | Training Name | Facilitator |
|-------------------|--|-------------------|
| 2 | Managing Reputational Risk in Time of Crisis | PT. RAP Indonesia |
| 1 | Event Bali Rendezvous 2023 | AAUI |
| 1 | Seminar AAMAI (APU - PPT) | AAMAI |
| 2 | LSPMR Conference ESG (Environmental, Social, Governance) Investing and Risk Mitigation | LSMPR & RAP |
| 1 | Training & Certification of Risk Management (CRGP) | LSMPR & RAP |

Table 15| BOD Training

| Total Participant | Training Name | Facilitator |
|-------------------|--|-----------------------------------|
| 1 | Managing Reputational Risk in Time of Crisis | PT. RAP Indonesia |
| 1 | DRiM – Insurance Forum 2022 | AAJI |
| 1 | 18th SIRC and UW meeting | Singapore Reinsurance Association |
| 2 | Seminar AAMAI (APU - PPT) | AAMAI |
| 1 | LSPMR Conference ESG (Environmental, Social, Governance) Investing and Risk Mitigation | LSMPR & RAP |

4.5. Risk Management for the Implementation of Sustainable Finance

Risk Management is an inseparable part of the Company's management, SII as one of the General Insurance financial services institutions, is well aware that the Company not only manages the risk of other parties / insureds as an Insurance Company, but also has to manage the Company's risk corporately. Integration of sustainability principles in risk management on sustainable finance is carried out by integrating sustainability principles in the Company's risk management activities, this is by considering environmental, social, and corporate governance impacts in business decisions and strategies, including strategies that can include the implementation of sustainable business practices, investment in environmentally friendly technology, and sustainable product development. In identifying, measuring, monitoring and controlling risks in the implementation of Sustainable Finance, the Company always refers to the Guidelines for the Implementation of Corporate Risk Management made based on applicable regulations, among others, OJK Regulation Number 44 /POJK.05/2020 concerning the Implementation of Risk Management for Non-Bank Financial Services Institutions, and OJK Circular Letter Number 1/SEOJK.05/2021 concerning Health Level Assessment of Non-Bank Financial Services Institutions.

Based on the approach of the two rules above, there are 9 types of risks exposed to Insurance Companies, namely strategic risk, operational risk, insurance risk, credit risk, market risk, liquidity risk, legal risk, compliance risk, and reputation risk.

To effectively implement Risk Management, the Company establishes a risk management implementation policy based on 4 (four) pillars as follows:

- Active supervision of the Board of Directors and Board of Commissioners.
- Adequacy of policies, procedures, and risk limit setting.
- Adequacy of risk identification, measurement, control and monitoring processes and risk management information systems.
- Comprehensive internal control system.

The role of BOC and BOD regarding the Implementation of Risk Management

The Board of Commissioners and Board of Directors have full responsibility for the effectiveness of Risk Management implementation in the Company. The Board of Directors manages the Company's activities and risks and ensures that Risk Management policies and processes are implemented effectively and integrated in the overall Risk Management process, and the Board of Commissioners is assisted by the Risk Monitoring Committee in monitoring the implementation of Risk Management prepared by the Board of Directors. To ensure the realization of such effectiveness, the steps and policies established by the Board of Commissioners and the Board of Directors in carrying out active supervision are as follows, but not limited to:

- Board of Commissioners performs supervisory and advisory duties to the Board of Directors regarding the effectiveness of Risk Management implementation.
- Board of Directors provides clear direction in the implementation of risk management.
- Board of Directors actively supervises and mitigates the risks faced by the company and develops a risk management culture in the company.
- Evaluate and ensure the adequacy of the quantity and quality of human resources to support the effective implementation of Risk Management.
- Developing Risk Management culture in the company.

Company's Risk Level Assessment

Company has carried out an assessment of the risk level/ risk profile as part of the Company's Soundness Rating report for the 2022 Financial Year with the following details:

| Type of Risks | Inherent Risk Level | KPMR | Risk Level |
|-------------------------|---------------------|-------------|-------------|
| Strategic Risk | 2.05 | 2.06 | 2.06 |
| Operational Risk | 2.00 | 2.09 | 2.05 |
| Insurance Risk | 1.84 | 2.03 | 1.94 |
| Credit Risk | 2.06 | 2.07 | 2.07 |
| Market Risk | 2.21 | 2.08 | 2.15 |
| Liquidity Risk | 1.31 | 2.10 | 1.70 |
| Legal Risk | 1.50 | 2.09 | 1.80 |
| Compliance Risk | 1.00 | 2.10 | 1.55 |
| Reputation Risk | 1.25 | 2.04 | 1.64 |
| Composite Rating | 1.71 | 2.07 | 1.89 |

Table 16| Company's Risk Level Assessment

The determination of the risk level of each risk is obtained from the assessment of the Inherent Risk Level and the Quality of Risk Management Implementation (KPMR) of each type of risk, while the

determination of the Composite Rating results from a combination of the Inherent Risk Level and KPMR by considering the significance of each risk to the overall risk level.

The assessment of each type of risk can be categorized into the following ranks: rank 1 (low), rank 2 (medium low), rank 3 (medium), rank 4 (medium high) and rank 5 (high). The lower the rating value, the better the implementation of risk management in the Company.

Based on the assessment results in table 16 above, it is concluded that the company's composite risk rating is ranked 2 (medium low) which is a rounding of the value of 1.89. Rating 2 (medium low) can be interpreted by considering the business activities carried out by the Company, the possibility of losses faced by the company from composite inherent risks is low over a certain period of time in the future and the quality of risk management implementation is compositely adequate, in the event that there are minor weaknesses, these weaknesses have received management attention..

4.6. Stakeholders Involvement

Stakeholders of the Company are parties that significantly influence the sustainability of the Company because they are related to business activities. SII defines stakeholders as entities or individuals who are affected by the Company's activities, products, and services. On the other hand, their existence also influences the Company in realizing the successful implementation of its strategy and achieving goals. Stakeholder involvement is directed at the Company's business interests by prioritizing harmony between economic, social, and environmental aspects.

The approach taken by the Company in stakeholder involvement is designed to be able to obtain valuable input continuously on SII products and services as well as to increase the Company's understanding of stakeholder expectations, including in the implementation of sustainable finance. Companies work together and interact with stakeholders through an engagement process that suits their needs and is carried out formally.

| Stakeholders | Frequency | Topic |
|--------------------|----------------------------------|---|
| Customers | Anytime | Feedback, complaints, and requests for information regarding various services in the Company's business processes. Customer expectations are obtained from various satisfaction and interaction surveys conducted through various communication channels of the Company. |
| Business Partners | Anytime | Fulfillment of rights and obligations in business relations |
| Shareholders | AGMS and EGMS at any time needed | Discussion of business plans, financial accountability reports, appointment and dismissal of BOD and BOC |
| Employees | Anytime | Industrial relations and matters related to the welfare, rights and obligations of workers are conducted through several means of communication or meetings |
| Community/ Society | Anytime | Company information, including financial information, products, and corporate actions, is conveyed when needed through media releases and company reports |
| Government | Anytime | <ul style="list-style-type: none"> - Compliance with prevailing laws and regulations - Support the realization of SDGs in Indonesia by actively participating and cooperating in the government's effort to promote them. |

Table 17| Stakeholders Involvement

4.7. Problems, Developments and Effects of Sustainable Finance Implementation

The implementation of sustainable finance has entered a new phase with the issuance of POJK No. 51/POJK.03/2017 concerning the Implementation of Sustainable Finance for Financial Service Institutions, Issuers and Public Companies which is then also supported by POJK Number 60/POJK.04/2017 concerning Issuance and Requirements Green Bond. Both form the basis for the implementation of sustainable finance.

The opportunities and problems faced by SII in the implementation of sustainable finance are as follow:

- There is still a lack of understanding from stakeholders regarding the concept, principles and importance of implementing sustainable finance activities.
- The low penetration rate of the insurance industry in Indonesia which impacts the sales of sustainable finance insurance products.
- The Company's technical skills in the implementation of sustainable finance are relevant to be developed in Indonesia in accordance with market segmentation.
- Supervision and guidance from the government or relevant authorities regarding the implementation of sustainable finance in the insurance sector.

For the existing problems or obstacles, SII has made various solutions so that the problems can be resolved or the negative impacts minimized. These efforts include:

- The Sustainability Finance Task Force in the Company actively assists the Board of Directors in fulfilling the obligation to implement Sustainable Finance.
- Conduct an evaluation system for the implementation of sustainability programs on a regular basis and review the effectiveness as outlined in the internal work guidelines of the Sustainable Finance Action Unit.
- Continue to encourage employee understanding through regular training and consumers through financial literacy and inclusion of the principles of sustainable finance and its added value as stipulated in OJK regulations.

BAB V

SUSTAINABILITY PERFORMANCE

5.1. Building a Culture of Sustainability

SII is committed to implementing Sustainable Finance principles that integrate economic, social and environmental aspects in the Company's daily operations. This commitment is realized by preparing a Sustainable Finance Action Plan (RAKB) every year.

Furthermore, to realize this commitment, SII gradually builds a culture of sustainability starting from the Company's vision, namely "Sustainable business and financial growth by creating long-term business impact and focusing on sustainable innovation while being resilient to crises". Then followed up with the Company's mission, namely "To be a holistic and comprehensive provider of solutions and services in terms of risk protection, health and well-being for customers, business partners, and communities in Indonesia". SII believes that through this vision and mission, the Company can build a culture of sustainability in accordance with the principles of sustainable finance.

5.2. Economic Aspect Performance

Indonesia's economy in 2022 managed to experience growth and remained strong despite challenges such as the COVID-19 pandemic, the Russia-Ukraine conflict, climate change, inflation, and rising commodity prices. In the fourth quarter of 2022, Indonesia's economic growth was recorded at 5.01% (yoy), remaining high amidst global economic growth that is on a slowing trend. Growth in 2022 was much higher than the previous year's achievement of 3.70% (yoy). The Indonesian economy in 2022 calculated based on Gross Domestic Product (GDP) at current prices reached Rp19,588.4 trillion, an increase of 15.4% from the previous year of Rp16,970.8 and GDP per capita reached Rp71.0 million or US\$4,783.9, an increase of 14.1% from the previous year of Rp62.2 million or US\$4,349.5. Strong economic growth was supported by almost all components of GDP from the expenditure side. Household consumption grew by 4.48% (yoy) in line with increased community mobility, including the activities of the Christmas and New Year's National Religious Holidays (HBKN) celebrations, as well as the continued distribution of social assistance. Exports remained high at 14.93% (yoy), driven by strong demand from major trading partners.

Indonesia's improving economic situation has greatly impacted the premium growth of the general insurance industry. General insurance premium income until the fourth quarter of 2022 was recorded at Rp90.1 trillion, growing by 15.3% compared to the same period in the previous year (Rp78.1 trillion). The largest market share in the premium record of the General Insurance Industry in the fourth quarter of 2022 was still dominated by Property Insurance with a proportion of 29% and experienced premium growth of 17.3%, followed by Motor Vehicle Insurance managed to achieve a market share proportion of 20% and premium growth of 15.7% compared to last year in the same period.

As Indonesia's economic condition and the general insurance industry improved in 2022, the Company managed to book a comprehensive income of Rp44 billion from conventional business. The Company's premium income reached Rp2,567 billion at the end of 2022, growing by +24% from the previous year. Total premium income was dominated by the property and motor vehicle business unit from the improving corporate business and retail business. In terms of the sharia unit, the company succeeded in developing the sharia unit in 2022, this can be seen through the gross

contribution of the sharia unit which reached Rp224 billion, growing by +47% compared to the previous year. This achievement came from the motor vehicle business. The company continues to innovate by introducing various new products to meet market needs. During 2022 the company has developed 7 products and approved by OJK. In sustainability efforts, the company has placed green bond investments in the 2nd quarter of 2022 which can provide optimal returns.

The following is the Company's financial performance in the last 3 (three) years:

| Description | Unit | 2020 | 2021 | 2022 |
|--------------------|-------------|-----------|-----------|-----------|
| Premium Income | Million IDR | 1,902,612 | 2,073,399 | 2,567,235 |
| Net Profit/ (Loss) | Million IDR | 103,755 | 84,290 | 73,082 |
| Total Asset | Million IDR | 3,977,183 | 3,813,210 | 4,182,576 |
| Total Equity | Million IDR | 1,105,132 | 1,152,024 | 1,143,205 |
| ROE | Percentage | 9.4% | 7.3% | 6.4% |

Table 18| Company Financial Performance in the Last 3 Years

5.3. Social Aspect Performance

In order to fulfill the company's mission, namely "Always pushing the boundaries and innovating to provide a sense of security and tranquility for the community, SII is committed to providing good service for the company's products and/or services as well as accurate product and/or service information to maintain and increase the trust of customers, business partners and the public.

The success of the Company's performance cannot be separated from the support and cooperation of various stakeholders, both internal and external. Internal stakeholders are management and employees, while external stakeholders include customers, business partners and the community. On the internal side, SII is committed to providing equal opportunities and career paths in accordance with competence without distinguishing gender, ethnicity, religion and race with the principles of equality and non-discrimination in the workplace and not hiring underage employees in accordance with labor regulations.

For the Company, employees are the most important asset as the driver and executor of daily operations. The competence and capacity of employees will determine the sustainability of the Company. SII always improves employee capacity through regular education and training programs with the principle of equality and is supported by the provision of a healthy and safe work environment. As a form of internal capacity building related to the implementation of sustainable finance, in 2022 in collaboration with the Indonesian Banking Development Institute (LPPI), the Company has held Sustainable Finance Awareness training for relevant employees.

The following is a recapitulation of the number of employee training participants and costs incurred by the Company for the last 3 years:

| Description | Unit | 2020 | 2021 | 2022 |
|---|-------------|-------|-------|-------|
| Number of Employee Training Participants | Person | 592 | 592 | 592 |
| Total Employee Training and Education Costs | Million IDR | 3,044 | 3,061 | 6,239 |

Table 19| Recapitulation of Employee Training for the Last 3 Years

In relation to employee remuneration policy, the Company always adapts to the provisions of the law, including the Provincial Minimum Wage (UMP) or Regency Minimum Wage (UMK) given to employees in all work units in Indonesia. There is no difference or discrimination between male and female employees in terms of basic salary or remuneration. If there is a difference, it is based

on the function of the position, length of service, and performance achievements of each employee. The following is the percentage of remuneration of permanent employees at the lowest level against UMP or UMK in all operational areas of the Company in Indonesia

| Company Area (1) | Amount UMP/UMK (2) | Lowest Wages (3) | Ratio (3:2) |
|---------------------|-----------------------|---------------------|----------------|
| DKI Jakarta | 4,453,935 | 4,521,673 | 102% |
| Surabaya | 4,375,479 | 4,485,900 | 103% |
| Medan | 3,370,645 | 3,481,751 | 103% |
| Balikpapan | 3,118,397 | 4,340,000 | 139% |
| Bandar Lampung | 2,770,794 | 3,053,662 | 110% |
| Bandung | 3,774,861 | 3,893,506 | 103% |
| Batam | 4,186,359 | 6,120,340 | 146% |
| Denpasar | 2,802,926 | 4,079,186 | 146% |
| Makassar | 3,294,467 | 3,649,041 | 111% |
| Malang | 3,068,275 | 3,220,341 | 105% |
| Palembang | 3,289,409 | 3,421,744 | 104% |
| Pekanbaru | 3,049,676 | 3,256,927 | 107% |
| Pontianak | 2,434,328 | 3,773,745 | 155% |
| Semarang | 2,835,021 | 2,978,522 | 105% |
| Solo | 2,034,810 | 2,893,778 | 142% |
| Tangerang | 4,285,798 | 4,571,889 | 107% |
| Yogyakarta | 2,153,970 | 4,237,724 | 197% |
| Banjarmasin | 3,000,371 | 11,083,000 | 369% |
| Bogor | 4,330,249 | 11,193,260 | 258% |
| Bekasi | 4,816,921 | 10,043,000 | 208% |

Table 20| Percentage of Employee Remuneration at Lowest Level

On the external side, SII's commitment is carried out through financial literacy and inclusion education, as well as corporate social responsibility (CSR) activities. The following are SII's social aspect activities to the community during 2022:

| Activity | Description | Time |
|---------------------|--|----------------------|
| Financial Literacy | Provide basic insurance knowledge and understanding of the importance of financial management. Target Participants: Intinusa Olah Prima Football Academy (ASIOP) Coaches | 27 January 2023 |
| Financial Inclusion | Serial publication activities for financial inclusion on Sompo Indonesia's social media are carried out to provide information and product access to the public. With the theme: Instagram Posting Series for Financial Inclusion Month and Improving Financial Health through Stocks and Mutual Funds. | 14 - 31 October 2022 |
| CSR | SELAMAT (Socialization of Traffic Education and Safety) program is fully supported by Sompo Holdings, Inc. the ultimate shareholder of Sompo Insurance Indonesia and in collaboration with Save the Children Indonesia Foundation, this program aims to reduce the number of traffic accidents against children in the school environment. Various activities derived from this program include Stop Mudik Campaign (Temporary Digital Mudik), Facilitator Training for | Apr 2017 - Feb 2022 |

| Activity | Description | Time |
|----------|---|---------------------|
| CSR | Parents, Training of Peer-Facilitators, Parenting Sessions and Children Participation Training. An international grant program from Sompo Welfare Foundation to Organisasi Harapan Nusantara (OHANA) for sustainable service system advocacy activities in the form of providing wheelchair physical aids and wheelchair service workshop training to people with disabilities in Indonesia. | Aug 2021 - Feb 2022 |

Table 21| Social Aspect Activities in 2022

| Description | Unit | 2020 | 2021 | 2022 |
|---|-------------|------|------|------|
| Number of Financial Literacy Education Participants | Person | 75 | 62 | 30 |
| Total Cost of Financial Literacy Education | Million IDR | 25 | 20 | 15 |
| Total CSR Cost | Million IDR | 10 | 57* | 10 |

*) Total CSR fee for 2021 is valid until 2022.

Table 22| Recapitulation of Social and Environmental Activities for the Last 3 Years

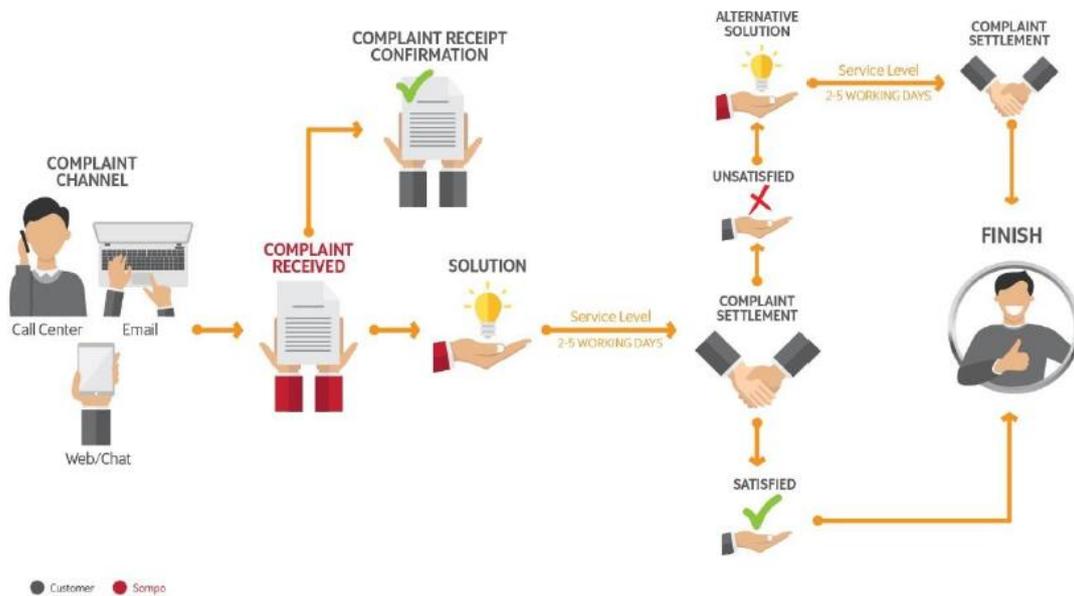
Complaint Mechanism and Numbers of Received Complaints

SII strives to manage every complaint submitted by customers and the public to the Company. For this reason, SII has a Call Center service that is ready to serve 24 hours, 7 days a week. The process for handling complaints is received and managed quickly and accurately. SII pays serious attention to customer input and complaints. This is feedback to improve excellent service for customers and society.

The following are the media that can be used to submit complaints or complaints against the products and/ or services provided by the Company, namely:

1. Phone: 14051
2. WhatsApp: 081-113-14051
3. Live chat agent in website <https://www.sompo.co.id/>
4. Email: customer@sompo.co.id

Customer Complaint Procedures



During 2022, the Company did not receive any complaint reports on negative impacts caused by the Company's operational activities. However, there were a number of complaints received by the Company related to the Company's products and/or services. However, until the end of 2022 there were no complaints that were still in the process of being resolved.

Number of Customer Complaints

| Description | Unit | 2020 | 2021 | 2022 |
|-------------------------------|----------|------|------|------|
| Number of Customer Complaints | Customer | 231 | 328 | 492 |

Table 23| Recapitulation of Customer Complaints Number in the Last 3 Years

5.4. Environmental Aspect Performance

The Sampo Group ensures that each company in the group fulfills its corporate social responsibility by establishing rules on Environment, Social, and Corporate Governance (ESG). One of its rules is to advance the energy transition, committing to achieve net-zero emissions in the group's underwriting, investment, and operational processes by 2050. The Sampo Group will not underwrite insurance, make investments, or make loans to companies whose main business is coal, projected oil, and gas extraction, unless the company makes a greenhouse effect reduction plan by January 2025. Sampo Group has been part of the United Nation's Principles for Sustainable Insurance (PSI) and Principles for Responsible Investment (PRI) for several years, and to be more proactive in realizing the goals of the Paris Agreement, Sampo Group has joined the Net Zero Insurance Alliance (NZA), Net Zero Asset Owner Alliance (NZAOA), and Net Zero Asset Managers Initiative (NZAM). The Sampo Group aims to support consumers in their sustainability mission and work together with consumers to reduce their carbon footprint.

In supporting the Company's Sustainable Finance Action Plan, SII is committed to preserving the environment, including supporting the government's efforts to reduce the impact of environmental damage by starting from daily business activities. Commitment to environmental sustainability is realized by the Company through material savings in the form of paper and energy, as well as implementing adjustments to the company's systems and technology related to sustainable financial product design. Some of the activities that have been realized are as follows:

1. Reducing the use of paper in business activities by replacing it with electronic files.
2. Maximizing the system for work from home activities, so that employees can continue to work effectively which has an impact on reducing the company's electricity usage.
3. Conducting virtual meetings, including with employees at Branch Offices to reduce the use of transportation.
4. Preparing to move the data center system building to a cloud-based system to reduce the use of electricity, as well as the security and availability of a more effective backup system.
5. Replacing / reducing the use of desktop personal computers and replacing them with laptops that are more efficient in using electrical energy.
6. Extending the life of computer equipment beyond five years by prioritizing the convenience and security of user data.

Another form of support for the company's RAKB is the collaboration between SII and the Sompoo Environment Foundation to support activities and research related to environmental conservation and support the capacity building of young talents by holding an internship program for students under the NGO Learning Internship Program which is held annually. SII also has the Sompoo Alumni Idea Fund program which will continue until the end of 2022, which is a program for students who are alumni of the NGO Learning Internship Program with the objective of realizing environmental actions learned during the internship by inviting the community to participate and contribute in facing and finding solutions to environmental problems.



| Completion Ceremony - NGO Learning Internship Program 2022 in Oct 2022

The following is a recapitulation of the amount of energy and paper costs incurred by the Company for the last 5 years:

| Description | Unit | 2018 | 2019 | 2020 | 2021 | 2022 |
|---|-------------|-------|-------|-------|------|------|
| Electricity energy use | Million IDR | 1,945 | 1,621 | 1,154 | 854 | 868 |
| Fuel Usage - Head Office Operational Vehicles | Kilo Liter | 70 | 71 | 48 | 56 | 66 |

| Description | Unit | 2018 | 2019 | 2020 | 2021 | 2022 |
|----------------------------|------|-------|-------|------|------|------|
| Paper Usage at Head Office | Ton | 10.32 | 10.56 | 5.61 | 5.06 | 5.94 |

Table 24| Recapitulation of Environmental Aspects for the Last 5 Years

5.5. Responsibility for Development of Sustainable Financial Products and/or Services

Based on the five-year plan in the Company's RAKB submitted in 2019, SII has a plan to develop and promote products and/or services related to sustainable finance by 2023. Currently, the Company already has microinsurance products in two lines of business that fall into the sustainable finance category, namely weather index insurance that provides protection solutions related to the impact of climate change and microinsurance in the property business line that provides protection for property losses from fires and earthquakes. The Company is also developing and promoting electric vehicle insurance products as one of the renewable energy strategies in accordance with the issuance of regulations for electric vehicle insurance as an extension of the types of vehicles that can be insured, as well as offering a no claim bonus feature for cash plan health insurance so that people have an awareness of healthy living and can access coverage at a lower price to encourage social aspects.

Throughout 2022, there were no Company products that were recalled and/or stopped marketing for various reasons. In addition, the Company always ensures that all products and/or services have been evaluated and approved, both from the relevant work units, the Board of Directors, and OJK.

Customer Satisfaction Survey

The Company strives to understand the level of customer satisfaction with the Company to maintain and improve the quality of the Company's services on an ongoing basis. To determine the level of customer satisfaction with the Company's Claims Services, SII listens to the voice of the customer or Voice of Customer (VoC) through the implementation of an annual survey that measures Net Promoter Score (NPS). The following is the Company's NPS for the last 3 years:

| Description | Unit | 2020 | 2021 | 2022 |
|--|------|-------|-------|-------|
| Customer Satisfaction (NPS) - Claims Service | % | 41.98 | 51.76 | 54.71 |

Table 25| Customer Satisfaction Survey for the Last 3 Years

FEEDBACK SHEET

The company is committed to continuously improving the quality of its Sustainability Report in the future. All stakeholders can provide suggestions, ideas, criticism, or questions regarding the Company's Sustainability Report through the Feedback Sheet on this page.

Your Profile *(on your consent)*

Name : _____
 Company/ Institution *(if any)* : _____
 Email : _____
 Phone / Mobile Number : _____

Categories of Stakeholders: (please provide √)

- | | |
|---|--|
| <input type="checkbox"/> Shareholder | <input type="checkbox"/> Government |
| <input type="checkbox"/> Customer | <input type="checkbox"/> Non-Government Organization |
| <input type="checkbox"/> Business Partner | <input type="checkbox"/> Society / Community |
| <input type="checkbox"/> Employee | <input type="checkbox"/> Others, please mention: _____ |

Choose the best responses: (please provide √)

1. This report is easy to be understood : Agree Neutral Disagree
2. This report describes the Corporate's performance in sustainability development : Agree Neutral Disagree

Please provide your suggestions/ comments on this report:

Thank you for your participation. This sheet can be sent back to us at the following method:

1. Softcopy through email: customer@sompo.co.id , or
2. Hardcopy to the following address:
 Risk Management Department
 PT Sampo Insurance Indonesia
 Mayapada Tower II, Lantai 19. Jl. Jend. Sudirman Kav. 27 - Jakarta 12920