

Sustainability Report



SOMPO

INSURANCE

Sompo Care
14051



**PT Sompo Insurance Indonesia
Year 2021**



SOMPO

INSURANCE

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OVERVIEW OF COMPANY PROFILE PERIOD YEAR 2021

1. **Company Name** : PT Sampo Insurance Indonesia (“SII”)
2. **Head Office Address** : Mayapada Tower II, Lantai 19. Jl. Jend. Sudirman Kav. 27, Jakarta 12920
3. **Phone and 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** : 2 Branch Offices and 16 Marketing Offices

8. Shareholders

| Shareholders Name | Shareholdings | |
|--------------------------------------|------------------------------|----------------|
| | In Rupiah | Persentase (%) |
| 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. Yasuhiro Sasanuma | Vice President Commissioner |
| 3. Ismoyo Subandrio | Director | 3. Susandarini | Independent Commissioner |
| 4. Erixon Hutapea | Director | 4. Rahardja Alimhamzah | Independent Commissioner |
| 5. Hiroki Waki | Director | | |

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

11. **Number of Workers**
(Including BOD & BOC) : 592 Person (per 31 Dec 2021)

Jakarta, 27 April 2021

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

Eric Nemitz
President Directors

LETTER FROM THE **BOARD OF DIRECTORS**

Dear Valued Stakeholders,

On behalf of the Board of Directors of Sompo Insurance Indonesia ("SII"), it is an honor for me to convey and to express my deepest gratitude and sincere appreciation for your continuous support. Thank you for your commitment, support, and trust in us at Sompo Insurance Indonesia.

Herewith, we would like to submit our Sustainability Report year 2021 as the realization of Sustainability Finance Action Plan ("RAKB") which is published separately from the Company's Annual Report. This Report is published as our response and commitment to the Sustainable Development Goals ("SDGs") as stipulated in the Presidential Regulation No. 59 of 2017 concerning the Implementation of SDGs and Regulation of the Financial Services Authority ("POJK") No.51/POJK.03/2017 concerning the Implementation of Sustainable Finance for Financial Services Institutions, Issuers, and Public Companies.

Sustainable Finance Implementation in SII

Despite the business environment in 2021 was fraught with uncertainties, I am pleased to share that we ended the year on a strong note. We were able to achieve a significant growth in our revenue by recording a comprehensive profit of Rp 94 billion (unaudited). The Company's revenue reached Rp 2.0 trillion in 2021 (unaudited), a growth of +9% from the previous year.

Through our 46 years of presence in Indonesia, we have constantly been developing our capabilities and expanding our product and service portfolio to provide the excellent solutions to meet our customers' and partners' needs. We will continue to challenge ourselves to provide the best for our customers as life in the new normal will bring new challenges; quality products, outstanding customer service and effective claims handling continue to be the basis of our business.

Financial sustainability and social responsibility form an integral part of our business activities. Our ambition to be a responsible and impactful partner for our stakeholders inspires us to act in the communities where we live and work. This includes the implementation of financial literacy and inclusion programs, various social, wellbeing, and environmental activities. Our company collaborates with various partners, such as the Sompo Welfare Foundation, the Sompo Environment Foundation together with the Ministry of Environment and Forestry of The Republic Indonesia, Save the Children, and various stakeholders from NGO's, universities, schools, and communities.

Moving Forward

As we have embedded sustainability into all our activities, we are optimistic that we will achieve our sustainability ambitions in close cooperation with our customer, employees, partners, and communities.

In providing sustainable solutions for our stakeholders, we need to address several challenges related to infrastructure, technology our employees, but also externally from the market, regulation, business

partners, intermediaries, and customers. The understanding of and strict, continuous adherence to the concept and the principles of sustainable finance and its respective implementation have been in the core of such challenges.

We are committed to strengthen the footprint of the RAKB in our company, further increase respective capabilities and capacities, continuously promote a culture of sustainability, and collaborate closely with business partners, the market, and legislation.

Closing

The Board of Directors is strongly dedicated to the goals and principles of sustainable finance. We look forward to further growing our successful and prosperous insurance operations.

On Behalf of the Board of Directors,

Eric Nemitz
President Director,
PT Sampo Insurance Indonesia

CHAPTER I SUSTAINABILITY STRATEGY

To achieve one of the Company's visions, which included "Sustainable business and financial growth by creating long-term business impact and focusing on sustainable as well as crisis-resilient innovation." As a trusted general insurance company, Sompo Insurance Indonesia (SII) always provides unique and innovative insurance products and services to add value to stakeholders. As a leading insurance company, SII seeks to create economic value and contribute to solving every problem faced by society as the company grows through various activities. SII is dedicated to all stakeholders, including policyholders, shareholders, employees, and the community, and contributes to the achievement of Indonesia's Sustainable Development Goals.

In addition to focusing on the insurance business or the economic aspect, which is the company's main business, SII also strives to integrate and harmonize economic, social, environmental, and governance aspects into the company's business processes to realize the Sustainable Development Goals in Indonesia. The Traffic Safety and Education Socialization Program (SELAMAT), with the support of the parent company, Sompo Holdings, Inc., and Save the Children Indonesia foundation, is one example of the company's social and welfare support. This program aims to reduce the number of traffic accidents involving children in Indonesia's school environment. Then the international grant program from the Sompo Welfare Foundation to the Harapan Nusantara Organization (OHANA) for advocacy activities for a sustainable service system in the form of providing physical aids, namely wheelchairs and training for wheelchair service workshops for people with disabilities in Indonesia.

Furthermore, the company's support for the environment includes the NGO Learning Internship Program, an activity that supports the development of the capacity of young talent every year in collaboration with the Sompo Environment Foundation (SEF) and the Sompo Alumni Idea Fund program, which is a program for alumni of the NGO Learning Internship Program to act by inviting the community to participate and contribute to dealing with and finding solutions to environmental problems. SII continues to be committed to ensuring that the company's business activities have a positive impact on the existence of insurance and stakeholders in the long term in a comprehensive and integrated manner.

SII has a sustainability strategy in place in accordance with the initial implementation stage of the Company's Sustainable Finance Action Plan (RKAB) in the Company's 2021 Business Plan, notably: (1) Human Resource Development (HR) to manage the sustainable finance function, (2) Preparation of internal guidelines/internal memos that support environmentally friendly practices in the company's operational activities, (3) Implementation of CSR, Financial Literacy and Inclusion with themes related to sustainable finance.

To accomplish this, the Company prioritizes product development and expands business activities through digital platforms, innovative products, and solutions to strengthen its position in the Indonesian general insurance market while remaining mindful of economic, social, and environmental factors.

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 | 2019 | 2020 | 2021 (Unaudited) |
|---|------------------------------|-----------|-----------|------------------|
| Premium Income <i>(audited)</i> | Million IDR | 2,115,310 | 1,902,612 | 2,073,399 |
| Net Profit / (Loss) <i>(audited)</i> | Million IDR | 89,031 | 103,755 | 90,116 |
| Quantity of Products/ Services | Product Approval from OJK | 55 | 61 | 70 |
| Environmentally Friendly Products | Line of Business | 2 | 2 | 2 |

Table 1| Overview of Economic Aspects of Performance

2.2. Performance of Social Aspect

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

| Description | Unit | 201 | 2020 | 2021 |
|---|-------------|-------|-------|-------|
| Number of Employee Training Participants | Person | 589 | 593 | 582 |
| Total Employee Training and Education Costs | Million IDR | 7,387 | 1,682 | 670 |
| Number of Participants in Financial Literacy Education | Person | 70 | 75 | 62 |
| Total Financial Literacy Education Costs | Million IDR | 35 | 25 | 20 |
| Customer Satisfaction (NPS) - Claims Service | % | 40.21 | 41.98 | 51.76 |
| Number of Customer Complaints | Customer | 78 | 231 | 328 |

Table 2| Overview of Social Aspects of Performance

2.3. Performance of Environmental Aspect

The following is an overview of the Company's performance in environmental aspects for the past 3 years:

| Description | Unit | 2019 | 2020 | 2021 |
|--|---------------------------|-------|-------|------|
| Use of Electrical energy | Million IDR | 1,621 | 1,154 | 854 |
| Use of BBM - Head Office Operational Vehicles | Kilo Liter | 71 | 48 | 56 |
| Paper Usage at Head Office | Ton | 10.56 | 5.61 | 5.06 |
| ⁽¹⁾ Emission reduction | CO2eq | - | - | - |
| ⁽¹⁾ Reduction of waste | Ton | - | - | - |
| ⁽¹⁾ Biodiversity preservation | Types of Flora / Fauna | - | - | - |

Table 3| Overview of Environmental Aspects of Performance

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

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 2020 certified as "Very Good" by Infobank Media in 2021, due to its ability to earn a gross premium of IDR 1–2.5 trillion. In 2021, Sampo Insurance also received the following awards: Infobank Top 100 CEO 2021, Finance Top 20 Financial Institution Award 2021, Insurance Asia Award 2021, Media Asuransi Market Leaders Award 2021, and Warta Ekonomi Best Insurance Award 2021.

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

SII has a vision and mission which reviewed by management and to meet the needs of the sustainable financial aspects, namely:

Vision

- To achieve sustainable business and financial growth by creating lasting business impact and focusing on continuous innovation while being crisis resilience.
- Build a strong internal data analytic platform and business insight capabilities to empower all employees with the right information at the right time to lead to better, faster, and relevant decisions.

- Become the first-choice provider for customer and business partners in Indonesia, providing the fastest and easiest-to-use services in the industry.

To realize this vision, the Company has the following missions:

1. To achieve sustainable, profitable growth.
2. Transform into data-driven organization to enable future revenue models based on the analysis of big data.
3. Providing the holistic needs of our customer in Security, Health, and Wellbeing as a comprehensive solution provider.

3.3. Corporate Culture

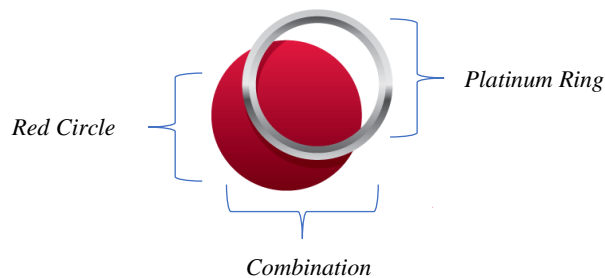


The corporate culture details are as follows:

| No. | Culture | Description |
|-----|------------------------|--|
| 1. | Customer First | We put customer first – We strive to understand what the customer needs and we act quickly in unity to solve their problems |
| 2. | Long Term Horizon | We focus on long-term horizon – We look beyond the curve and plan far ahead |
| 3. | Innovative & Effective | We are Innovative and effective – We embrace Kaizen philosophy and always think of ways it could be simpler, faster, better, more effective, and efficient |
| 4. | Teamwork | Teamwork – We work together as One Sompo, across boundaries to deliver best in class solutions faster |
| 5. | Fact Driven | We act based on facts and data |

3.4. Corporate Mark Philosophy

The 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.”



The 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.

3.5. 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.

3.6. 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
- Industrial All Risk
- Business Interruptions
- 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
- Land transit

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.



Health insurance products include:

- HealthCare+, Group Health Insurance
- WorldCare
- SimpleCare

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 and Officers Liability and Company Reimbursement
- Trade Credit Insurance

3.7. Organization Scale

| Description | Unit | 2020 | 2021 |
|------------------------------|-------------|-----------|-----------|
| Total of Permanent Employees | Person | 593 | 592 |
| Total Operation | Office | 18 | 18 |
| Premium Income | Million IDR | 1,902,612 | 2,073,399 |
| Total Asset | Million IDR | 3,977,183 | 3,610,812 |
| Total Equity | Million IDR | 1,105,132 | 1,136,432 |
| Total Liability | Million IDR | 2,874,147 | 2,474,380 |

Table 4| Organization Scale

Information About Employees

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, 2021, 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 | 2020 | | 2021 | |
|--------------|------------|-------------|------------|-------------|
| | Total | Percentage | Total | Percentage |
| Male | 319 | 54% | 319 | 54% |
| Female | 274 | 46% | 273 | 46% |
| Total | 593 | 100% | 592 | 100% |

Table 6| Composition of Permanent Employees by Age Group

| Age Group | 2020 | | 2021 | |
|-------------------|------------|-------------|------------|-------------|
| | Total | Percentage | Total | Percentage |
| ≤ 25 Years Old | 30 | 5% | 14 | 2% |
| 26 - 30 Years Old | 151 | 25% | 125 | 21% |
| 31 - 35 Years Old | 166 | 28% | 176 | 30% |
| 36 - 40 Years Old | 106 | 18% | 119 | 20% |
| 41 - 45 Years Old | 65 | 11% | 75 | 13% |
| 46 - 50 Years Old | 49 | 8% | 47 | 8% |
| > 50 Years Old | 26 | 4% | 36 | 6% |
| Total | 593 | 100% | 592 | 100% |

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

| Level of Education | 2020 | | 2021 | |
|-----------------------------|------------|-------------|------------|-------------|
| | Total | Percentage | Total | Percentage |
| > S2, Master Degree | 40 | 7% | 38 | 6% |
| S1, Bachelor Degree | 419 | 71% | 424 | 72% |
| D1-D3, Diploma | 80 | 13% | 78 | 13% |
| < =SLTA, Senior High School | 54 | 9% | 52 | 9% |
| Total | 593 | 100% | 592 | 100% |

Table 8| Composition of Permanent Employees by Position

| Position | 2020 | | 2021 | |
|-------------------------------------|------------|-------------|------------|-------------|
| | Total | Percentage | Total | Percentage |
| Director | 5 | 1% | 5 | 1% |
| Executive Officer | 6 | 1% | 6 | 1% |
| Manager - Senior GM | 91 | 15% | 94 | 16% |
| Staff - Asst. Manager | 452 | 76% | 457 | 77% |
| Non-Staff (Advisor, Committee, DPS) | 39 | 7% | 30 | 5% |
| Total | 593 | 100% | 592 | 100% |

Table 9| Employee Composition Based on Employment Status

| Status | 2020 | | 2021 | |
|---------------------|-------|------------|-------|------------|
| | Total | Percentage | Total | Percentage |
| Permanent Employees | 593 | 94% | 592 | 94% |
| Outsource employees | 36 | 6% | 40 | 6% |

Distribution of Company Operational Office Areas

18 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 | Bank Mandiri Building, 7th Fl. Jl. Imam Bonjol No. 7, Medan 20112 | (061) 4153309 (061) 4156882 |
| 3 | Surabaya | Mayapada Complex 8th Fl. Unit 01 Jl. Mayjend Sungkono No. 178, Surabaya 60225 | (031) 99534833 |

Marketing Office

| No. | Office Name | Address | Phone |
|-----|----------------|--|-----------------------------------|
| 4 | Bandar Lampung | Jl. Jend. Sudirman No. 65C, Rawa Laut Enggal Bandar Lampung 35127 | (0721) 5600077 |
| 5 | Bandung | Gedung MIR 3rd Fl. Jl. Lembong No. 34, Bandung 40111 | (022) 4211577 |
| 6 | Denpasar | Jl. Raya Puputan No. 122 E Denpasar, Bali 80239 | (0361) 236236, (0361) 228392 |
| 7 | Pasar Minggu | Ruko No. 72 Unit F, Pasar Minggu, Jl. Raya Pasar Minggu Km. 18, Jakarta Selatan 12510 | (021) 79189151 |
| 8 | Kelapa Gading | Ruko Inkopal Blok C No. 16 Jl. Boulevard Barat Raya. Kelapa Gading, Jakarta Utara 14240 | (021) 29375433 |
| 9 | Malang | Jl. WR Supratman C3 Kav. 16, Malang 65111 | (0341) 336136 |
| 10 | Pekanbaru | Komplek Ruko PTC Mall, Blok G 37, Jl. R. Sukamto, Kelurahan 8 Ilir, Kecamatan Ilir Timur Tiga, Palembang 30114 | (0711) 376 277 |
| 11 | Palembang | Komplek Ruko PTC Mall, Blok G 37, Jl. R. Sukamto, Kelurahan 8 Ilir, Kecamatan Ilir Timur Tiga, Palembang 30114 | (0711) 376 277 |
| 12 | Solo | Ruko Bhayangkara, Jl. DR Radjiman No 341 Blok D, Kelurahan Panularan - Kecamatan Laweyan. Surakarta - Jawa Tengah | (0271) 7462631 |
| 13 | Semarang | Jl. D.I. Panjaitan No.27A, Kav. A Semarang 50134 | (024) 3552839, (024) 86577744 |
| 14 | Tangerang | Ruko Palmyra Square, Jl. Jalur Sutera 26 A No. 6 Alam Sutera, Tangerang Selatan 15325 | (021) 29315306, (021) 29315310 |
| 15 | Balikpapan | Grand Sudirman Balikpapan Office Tower 2nd Fl. unit 201 Jl. Jend. Sudirman No. 7 Balikpapan – 76113 | (0542) 8505111 |
| 16 | Makassar | Wisma Kalla 5th Fl Unit 502 Jl. Dr. Ratulangi No. 8-10 Makassar 90125 | (0411) 8120886, (0411) 8120889 |
| 17 | Batam | Komplek Goldhill Blok A No. 1, Jl. Laksamana Bintan, Sei Panas Batam 29456 | (0778) 466234 |
| 18 | Yogyakarta | Ruko Sumber Baru Square Kav-H, Ringroad Utara Jombor Sendangadi, Mlati, Sleman 55285 | (0274) 2812200, (0274) 8609844 |

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**

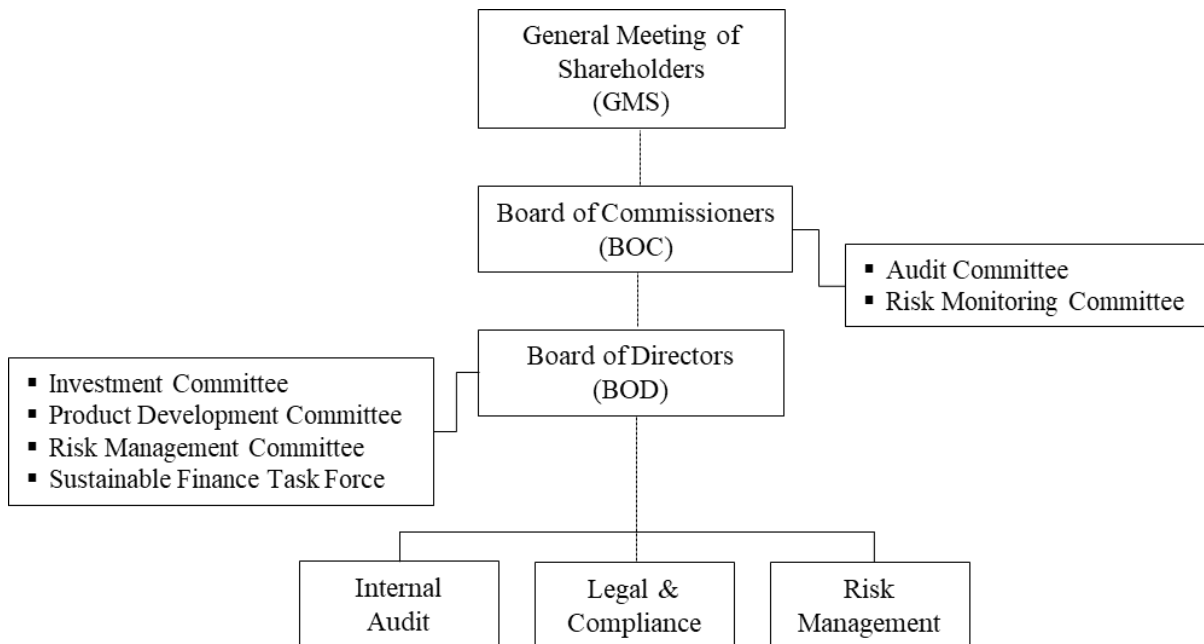
Namely the condition of the Company which is managed independently and professionally and is free from conflict of interest and influence or pressure from any party that is not in accordance with the provisions of laws and regulations in the field of insurance and ethical values as well as standards, principles, and practices of sound insurance business operation. This means that the company guarantees professional management of the company without conflict of interest and influence / pressure from any party that is not in accordance with the prevailing laws and regulations and sound corporate principles.

- **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 in 2021

During 2021, SII held 1 AGMS and 2 EGMS as shown in the following table:

| No. | GMS Name | Day/Date/Place /Type of GMS |
|-----|--|--|
| 1 | AGMS Approval of the 2020 Financial Year Annual Report and other regular agendas | Tuesday/ 22 June 2021/ Circular Decisions |
| 2 | EGMS - Re-appointment of members of the Board of Directors, Board of | Tuesday/22 June 2021/ Circular Decisions |

Commissioners, and Sharia Supervisory Board of the Company, each in their original positions for the next term of office.

- Approval of the Company's 2021 Business Plan and Sharia Business Units including the Corporate Sustainable Finance Action Plan

Friday/19 November 2021/
Circular Decisions

Table 11| Implementation of GMS in 2021

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, 2021:

| 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 | 25 May 2021 | until AGMS 2022 | Indonesia | Indonesia |
| 2 | Yasuhiro Sasanuma | Vice President Commissioner | KEP-266/NB.11/2019 | 25 May 2021 | until AGMS 2022 | Japan | Singapore |
| 3 | Rahardja Alimhamzah | Independent Commissioner | KEP-365/NB.11/2020 | 25 May 2021 | until AGMS 2022 | Indonesia | Indonesia |
| 4 | Susandarini | Independent Commissioner | KEP-309/NB.11/2017 | 25 May 2021 | until AGMS 2022 | Indonesia | Indonesia |

Table 12| BOC Composition

4.3.3. Board of Directors

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, 2021:

| 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 | 25 May 2021 | until AGMS 2022 | German | Indonesia |
| 2. | Tatsuya Kuroki | Vice President Director | KEP DK OJK No. KEP- 398/NB.11/ 2016 | 25 May 2021 | until AGMS 2022 | Japan | Indonesia |
| 3. | Ismoyo Subandrio | Director | KEP DK OJK No. KEP- 638/BL/ 2011 | 25 May 2021 | until AGMS 2022 | Indonesia | Indonesia |
| 4. | Erixon Hutapea | Director | KEP- 321/NB.11/ 2017 | 25 May 2021 | until AGMS 2022 | Indonesia | Indonesia |
| 5. | Hiroki Waki | Director | Kep- 844/NB.11/ 2018 | 25 May 2021 | until AGMS 2022 | Japan | 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:

- a. Request and obtain all information and/ or documents related to the implementation and principles of sustainable finance.
- b. Carry out the necessary research and development in connection with the implementation of sustainable finance.

- c. 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.
- d. Monitor and ensure the realization of the plans prepared in the RAKB.
- e. 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 |
|-------------------|---|-------------|
| 1 | Leadership Role in Managing Risk | RAP |
| 1 | Risk Tolerance | RAP |
| 1 | How to Manage Risk Through the Recession 2021 | RAP |
| 1 | Transformation Digital in Financial Industry | AAMAI |
| 1 | Strengthening the Reliability of General Insurance by Improving the Quality of Insurance Business Practice & Operations | AAUI & GIAJ |

Table 15| BOD Training

| Total Participant | Training Name | Facilitator |
|-------------------|---|-------------|
| 4 | Leadership Role in Managing Risk | RAP |
| 4 | Risk Tolerance | RAP |
| 2 | How to Manage Risk Through the Recession 2021 | RAP |
| 2 | Transformation Digital in Financial Industry | AAMAI |
| 1 | Strengthening the Reliability of General Insurance by Improving the Quality of Insurance Business Practice & Operations | AAUI & GIAJ |

4.5. Risk Management for the Implementation of Sustainable Finance

As risk management for a company is an integral part of managing the company, SII as a general insurance financial service institution, is fully aware that the company not only manages the risks of other parties/ insured as an insurance company, but also manage Company's risks in a corporate manner.

In identifying, measuring, monitoring, and controlling risks for the implementation of Sustainable Finance, the Company shall refer to the Company's Guidelines for the Implementation of Risk Management which established based on POJK No.28/POJK.05/2020 and OJK Circular Letter No 1/SEOJK.05/2021 concerning Soundness Rating Assessment of Non-Bank Financial Service Institutions.

Based on the approach of the two regulations above, there are nine types of risk that are 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:

- a. Active supervision by BOD and BOC.
- b. Adequacy of policies, procedures, and determination of risk limits.
- c. Adequacy of the process of identification, measurement, control, and risk monitoring as well as the risk management information system.
- d. Comprehensive internal control system.

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

BOC and BOD have full responsibility for the effectiveness of the implementation of Risk Management in the Company. To ensure the effectiveness of the measures and policies set by BOC and BOD in carrying out active supervision, are as follow but not limited to:

- BOC performs supervisory duties and provides advice to BOD regarding the effectiveness of Risk Management implementation
- BOD provides clear directions in the implementation of risk management.
- BOD actively monitors and mitigates the risks faced by the company and develops a risk management culture in the company.
- Evaluating and ensuring the adequacy of the quantity and quality of human resources to support the implementation of Risk Management effectively.

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 2021 Financial Year with the following details:

| Type of Risks | Inherent Risk Level | KPMR | Risk Level |
|-------------------------|---------------------|-------------|-------------|
| Strategic Risk | 2.21 | 2.06 | 2.14 |
| Operational Risk | 2.11 | 2.06 | 2.09 |
| Insurance Risk | 1.71 | 2.07 | 1.89 |
| Credit Risk | 2.12 | 2.07 | 2.10 |
| Market Risk | 1.58 | 2.09 | 1.83 |
| Liquidity Risk | 1.33 | 2.08 | 1.70 |
| Legal Risk | 1.55 | 2.05 | 1.80 |
| Compliance Risk | 1.05 | 2.05 | 1.55 |
| Reputation Risk | 1.23 | 2.05 | 1.64 |
| Composite Rating | 1.66 | 2.06 | 1.86 |

Table 16| Company’s Risk Level Assessment

Determination of the risk level of each risk is obtained from an assessment of the Inherent Risk Level and 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 overall risk level.

The ratings or level for each type of risk can be categorized into the following ratings, namely rating 1 (low), rating 2 (medium low), rating 3 (medium), rating 4 (medium high) and rating 5 (high). The lower the rating value, the better the implementation of risk management in the Company.

Based on the results of risk level assessment in table 16 above, it is concluded that the company's composite risk rating is ranked 1.86 (medium low), it can be interpreted that by considering the business activities carried out by the Company, the possible losses faced by the company from the

composite inherent risk are low during a certain period in the future and the quality of the implementation of risk management in an adequate composite, if 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:

- Lack of understanding of the principles of implementing sustainability finance from both the Company's employees and stakeholders.
- Indonesia has a great opportunity to perform green energy projects to achieve the Sustainable Development Goals which require insurance protection.
- There are still government policies that are not yet mandatory regarding the implementation of sustainable finance.
- Lack of technical knowledge and skills of Financial Services Institutions for sustainable business activities that are relevant to be developed in Indonesia in accordance with market segmentation.

Regarding the existing problems or constraints, SII makes various solutions so that the problems can be resolved, or their negative impacts can be minimized. These efforts were made, including:

- Sustainable Finance Task Force in the Company actively assist BOD in fulfilling the obligations of implementing Sustainable Finance.
- Organizing training/ socialization related to the implementation of Sustainable Finance for stakeholders.

CHAPTER V SUSTAINABILITY PERFORMANCE

5.1. Building a Culture of Sustainability

SII is committed to implement Sustainable Finance principles that integrate economic, social, and environmental aspects into the daily operations of the Company. This commitment is realized by the preparation of annual RAKB.

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 lasting business impact and focusing on continuous innovation while being crisis resilience". Then it is followed up with the Company's mission, namely "Providing the holistic needs of our customer in the area of Security, Health, and Wellbeing as a comprehensive solution provider 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. Performance of Economic Aspects

The growth of the Covid-19 pandemic has an impact on the Indonesian economy in 2021. The spread of the Covid-19 pandemic through Indonesia in 2021 is accelerating, with maximum cases exceeding 50,000 per day in mid-July 2021 due to the delta variant outbreak. The increased number of events caused by the Delta variant in July 2021 prompted the government to implement the Policy of Enforcement of Micro Community Activity Restrictions (PPKM), which was followed by PPKM based on the level of strictness implied throughout Indonesia. Aside from limiting community activities, the government has also implemented a Covid-19 vaccination program, which has been in place since early 2021 and has a target coverage of 208 million people. The rise in Covid-19 cases is under control, due to the implementation of pandemic-fighting policies. As August approached, the number of new cases continued to fall, accompanied by a drop in the positivity rate and bed occupancy ratio. Because of these positive developments, the government has been able to reduce the severity of the mobility restriction policy, allowing community activities to resume. The success of pandemic control and vaccination are the main factors in maintaining the sustainability of the national economic recovery; overall, the Indonesian economy grew by 3.69 percent in 2021; Indonesia's GDP per capita level increased from 57.3 million rupiah in 2020 to 62.2 million rupiah in 2021 (up 8.6 percent), or US\$4,349.5.

During Indonesia's improving economic conditions, the insurance industry, which is part of the financial sector, was able to survive the Covid-19 pandemic. According to the Indonesian General Insurance Association (AAUI), general insurance premiums in 2021 will reach Rp. 77 trillion, the same as in 2020. It was discovered that 9 out of 14 General Insurance business lines experienced growth, with the Property insurance business line (28.6%) and Motor Vehicle insurance business lines experiencing the greatest growth (20.1%).

In response to the general insurance industry's ability to survive the Covid-19 pandemic, the company has managed to record a comprehensive profit of IDR 94 billion from conventional business, exceeding the target by 107%. The Company's premium income reached IDR 2.1 trillion in 2021, up +9% year on year. Although the property and motor vehicle business lines continue to dominate total premium income, this growth is being driven by corporate and retail segments that are gradually recovering, such as the TCI, Engineering, Earthquake, Motorcycle, and Travel businesses. In addition, the company is concentrating its efforts on expanding its sharia business. Sharia units' gross contribution totals IDR 153 billion, exceeding the target by 240 percent. Most of this success can be attributed to the automobile industry. To meet the needs of the retail

segment, the company continues to innovate by introducing a variety of new products. The Company developed nine products that were approved by the OJK in 2021. Employee engagement has increased because of the Company's organizational development efforts. As a result, the Company's turnover ratio was 6.4 percent as of December 2021, a -0.5-point decrease from the same period the previous year.

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

| Description | Unit | 2019 | 2020 | 2021 |
|--------------------|-------------|-----------|-----------|-----------|
| Premium Income | Million IDR | 2,115,310 | 1,902,612 | 2,073,399 |
| Net Profit/ (Loss) | Million IDR | 89,031 | 103,755 | 90,116 |
| Total Asset | Million IDR | 3,778,141 | 3,977,183 | 3,610,812 |
| Total Equity | Million IDR | 998,779 | 1,105,132 | 1,136,432 |
| ROE | Percentage | 8.9% | 9.4% | 7.2% |

Table 18| Company Financial Performance in the Last 3 Years

5.3. Social Aspect Performance

To realize the Company's mission, namely "Providing the holistic needs of our customer in the area of Security, Health and Wellbeing as a comprehensive solution provider in Indonesia" SII is committed to providing equal services to the Company's products and/ or services, as well as delivering 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 according to competence without distinguishing gender, ethnicity, religion, and race with the principles of equality and non-discrimination in the workplace and not employing underage employees in accordance with labor regulations.

For the Company, employees are the most important asset because they are the movers and executors of daily operations. With such a strategic position, their competence and capacity will greatly determine the sustainability of the Company. SII continues to increase the capacity of employees 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 2021 in collaboration with the Indonesian Banking Development Institute ("LPPI"), the Company has held Sustainable Finance Awareness training for related employees.

In addition, during the Covid-19 pandemic, SII held a Stay-at-Home program as a form of Employee Engagement, by doing physical activity to help improve mental health, and reduce the risk of depression, cognitive decline, prevent dementia, keep employees creative and kill boredom because always at home.

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

| Description | Unit | 2019 | 2020 | 2021 |
|---|-------------|-------|-------|-------|
| Number of Employee Training Participants | Person | 589 | 593 | 592 |
| Total Employee Training and Education Costs | Million IDR | 7,387 | 1,682 | 3,044 |

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

Regarding employee remuneration policies, the Company always adjusts 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, the length of service, and the performance achievements of each employee. The following is the percentage of permanent employee remuneration at the lowest level of 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 | 4,416,187 | 4,416,187 | 100% |
| Surabaya | 4,300,479 | 4,384,840 | 102% |
| Medan | 3,329,867 | 3,380,068 | 102% |
| Bandar Lampung | 2,739,983 | 2,953,062 | 108% |
| Bandung | 3,742,276 | 3,792,276 | 101% |
| Denpasar | 2,770,300 | 3,977,624 | 144% |
| Malang | 2,970,503 | 3,118,299 | 105% |
| Pekanbaru | 2,997,971 | 3,155,433 | 105% |
| Palembang | 3,270,094 | 3,320,100 | 102% |
| Solo | 2,013,000 | 2,793,426 | 139% |
| Semarang | 2,302,798 | 2,877,661 | 125% |
| Tangerang | 4,262,015 | 4,466,397 | 105% |
| Balikpapan | 3,069,315 | 4,889,646 | 159% |
| Makassar | 3,191,270 | 3,495,805 | 110% |
| Batam | 4,150,930 | 6,015,025 | 145% |
| Yogyakarta | 2,069,530 | 4,135,862 | 200% |

Table 20| Percentage of Employee Remuneration at Lowest Level

On the external side, SII commitment is carried out through literacy education and financial inclusion, as well as corporate social responsibility (CSR) activities. The following are activities of the social aspects of SII to the community during 2021:

| Type of Activities | Description | Time |
|---------------------|---|-------------------|
| Financial Literacy | Introducing knowledge about general insurance and financial management for the future using webinars and animated videos. Target Participants: Junior High School Students | 11 Dec 2021 |
| Financial Inclusion | Promotion of Individual and Family Products with Online Purchases and Collaboration Webinars with AISEC Indonesia entitled: Facing the Future Through Financial Investment in Digital Era | 1-16 October 2021 |
| CSR | SELAMAT program (Traffic Safety and Education Socialization) is fully supported by Sompoo Holdings, Inc. The ultimate shareholder of Sompoo Insurance Indonesia and in collaboration with the Save the Children Indonesia Foundation, this program aims to reduce the number of traffic accidents for children in the school environment. Various derivative activities from this program include Stop Mudik Campaign (Digital Homecoming), Training of Facilitator for Parents, Training of Peer-Facilitators, Extracurricular & Parenting Sessions. | Apr – Sep 2021 |

| | | |
|-----|---|---------------------|
| CSR | International grant program from Sompo Welfare Foundation to Harapan Nusantara Organization (OHANA) for advocacy activities of a sustainable service system in the form of providing physical aids, namely wheelchairs and training for wheelchair service workshops for people with disabilities in Indonesia. | Aug 2021 – Feb 2022 |
|-----|---|---------------------|

Table 21| Social Aspect Activities in 2021

| Description | Unit | 2019 | 2020 | 2021 |
|--|-------------|------|------|------|
| Number of Participants in Financial Literacy Education | Person | 70 | 75 | 62 |
| Total Financial Literacy Education Costs | Million IDR | 35 | 25 | 20 |
| Total CSR Expense | Million IDR | 25 | 10 | 57.5 |

Table 22| Recapitulation of Social and Environment Aspect Activities of the Last 3 Years

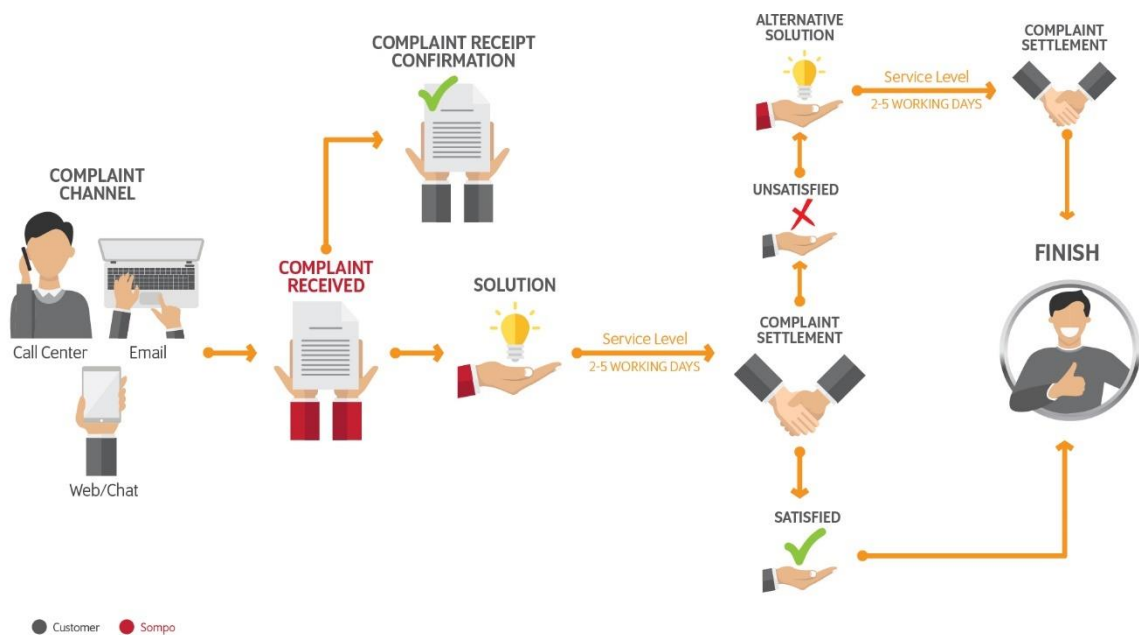
Complaint Mechanism and Numbers of Received Complaints

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 2021, the Company received no reports of complaints regarding negative impacts caused by the Company's operational activities. However, there are numbers of complaints received by the Company regarding the Company's products and / or services. However, until the end of 2021 there were no complaints that were still in the process of being resolved.

Number of Customer Complaints

| Description | Unit | 2019 | 2020 | 2021 |
|-------------------------------|----------|------|------|------|
| Number of Customer Complaints | Customer | 78 | 231 | 328 |

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

5.4. Environmental Aspect Performance

As part of the company's RAKB, SII is committed to taking part in preserving the environment, including supporting the government's efforts to reduce the impact of environmental damage by starting with daily business activities. The company's commitment to environmental sustainability is realized by saving materials in the form of paper and energy. In this case, SII adheres to the 3R principle, namely reduce, reuse, and recycle, in which the company has started a policy of implementing e-policy in the issuance of insurance policies that reduce paper use, implementing claim surveys through video calls to reduce fossil fuel consumption, and using a type of LED light in the workspace that saves electricity consumption. SII and the Sompo Environment Foundation also support activities and research related to environmental conservation and support the capacity development of young talents by holding an internship program among students called the NGO Learning Internship Program, which is held annually.

Currently, SII has the Sompo Alumni Idea Fund program, which will continue until the end of 2022, which is a program for alumni students of the NGO Learning Internship Program with the objective of realizing environmental actions learned during internships by inviting the community to participate and contribute to dealing with and finding solutions to problems. surrounding environment.



| Kick Off NGO Learning Internship Program in Feb 2021

The following is a recapitulation of the total cost of energy and paper incurred by the Company over the past 3 years:

| Description | Unit | 2019 | 2020 | 2021 |
|----------------------------|-------------|-------|-------|------|
| Use of Electrical energy | Million IDR | 1,621 | 1,154 | 854 |
| Use of BBM - Head Office | Kilo | 71 | 48 | 56 |
| Operational Vehicles | Liter | | | |
| Paper Usage at Head Office | Ton | 10.56 | 5.61 | 5.06 |

Table 24| Recapitulation of Environmental Aspects of the Last 3 Years

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

Based on the 5-year plan in the Company's RAKB submitted in 2019, SII has plans to develop and promote products and/ or services related to sustainable finance in 2023. However, currently the Company already has micro insurance products in two business lines which are included in the sustainable finance category, namely weather index insurance which provides protection solutions related to the impact of climate change and micro insurance in the property business line that provides protection against property losses from fires and earthquakes. In addition, currently SII is also continuing to develop insurance products and services in a digital platform and digitizing office operations to encourage a reduction in paper use that contributes positively to environmental sustainability and sustainable finance.

Throughout 2021, none of the Company's products were recalled and/ or stopped marketing for several reasons. In addition, the Company always ensures that all products and / or services have been evaluated and received approval, both from the related work unit, BOD, 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 in a sustainable manner. To determine the level of customer satisfaction with the Company's Claims Service, SII listens to the voice of the customer (VoC) through the implementation of an annual survey that measures the Net Promoter Score (NPS). The following are Company's NPS for the last 3 years:

| Description | Unit | 2019 | 2020 | 2021 |
|--|------|-------|-------|-------|
| Customer Satisfaction (NPS) - Claims Service | % | 40.21 | 41.98 | 51.76 |

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 | : <input type="checkbox"/> Agree | <input type="checkbox"/> Neutral | <input type="checkbox"/> Disagree |
| 2. This report describes the Corporate's performance in sustainability development | : <input type="checkbox"/> Agree | <input type="checkbox"/> Neutral | <input type="checkbox"/> 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 Sompo Insurance Indonesia
 Mayapada Tower II, Lantai 19. Jl. Jend. Sudirman Kav. 27 - Jakarta 12920