



**PT. ARTHAASIA FINANCE (AAF)**

**SUSTAINABILITY REPORT**

**2021**

**JAKARTA**

**April 2022**

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**1. Sustainability Strategy Explanation**

Along with the merger between Hitachi Capital Corporation and Mitsubishi UFJ Lease & Finance Co. Ltd. became Mitsubishi HC Capital Inc., PT. Arthaasia Finance supports the mission of Mitsubishi Capital Inc's head office which focuses on “contributing to a prosperous and sustainable future by creating social value by maximizing asset potential”. To realize this mission, we follow the vision that has been launched by Mitsubishi HC Capital Inc through:

- a. Solving social problems by developing a unique and progressive business considering the global environment.
  - Promoting an energy-efficient/decarbonated society
  - Realizing a sustainable economy
- b. Sustainable development through shared value creation with stakeholders around the world.
  - Build a resilient social infrastructure
  - Collaborating with local and global partners
- c. Increase company value by developing business models through the use of digital technology data.
  - Creating a business by leveraging the latest technology
- d. Cultivate a creative and attractive open company culture that shapes the motivation and pride of every employee.
  - Realizing a healthy lifestyle through positive habits

The above aims to become a trusted company by complying with laws and regulations and implementing ethical company management.

## 2. Sustainability Aspect Performance Overview

### 2.1. Economic Aspect

Description	Years		
	2019	2020	2021
Operating income*	486.865.443.359	432.718.613.438	425.276.776.130
Net profit*	5.088.578.473	-31.130.555.884	-74.390.637.355
Performance of Economic Aspects Related to Sustainability			
Number of products that meet the Sustainability business activity criteria *	14.253	12.500	11.682
Nominal products and/or services that meet the criteria for Sustainability business activities *	2.600.948.922.970	2.366.459.409.454	2.515.280.587.047
Percentage of total Sustainability business activity portfolio to total portfolio (%)	99,06%	98,86%	98,59%
a. Financing Disbursement *	1.472.422.988.342	903.946.817.703	1.061.401.836.063
b. Total Portfolio	2.625.623.234.962	2.398.565.144.818	2.551.311.534.219
Involvement of local parties/ Literacy & Education	50	50	25
Number of local parties	50	50	25
Nominal products and/or services provided by local parties	-	-	-

Note: \* Not included in the mining and quarrying sector

## 2.2. Environmental Aspect

### a. Energy Usage

PT. Arthaasia Finance in carrying out its business activities always pays attention to environmental aspects, such as:

- Efficiency in the use of electricity during break times by turning off lighting/lights.
- Minimizing the use of paper (paperless) by using used paper.
- During the pandemic, PT Arthaasia Finance has implemented a work from home (WFH) policy to reduce fuel costs for employees' vehicles and reduce electricity, paper and water consumption.

### b. Reduction of Produced Emissions

In 2021 PT. Arthaasia Finance has implemented several policies related to the impact of the Covid-19 Pandemic, namely the implementation of working from home, and a shifting system that automatically reduces fuel emissions.

### c. Reduction of Waste and Effluent Produced

PT. Arthaasia Finance in carrying out its business activities always pays attention to every consumer loan application whose business application in the field of waste and recycling must have a special permit regarding the management of B3 waste (hazardous and toxic materials) which is regulated in government regulation Number 74 of 2001 concerning the management of hazardous and toxic materials.

### d. Biodiversity Conservation

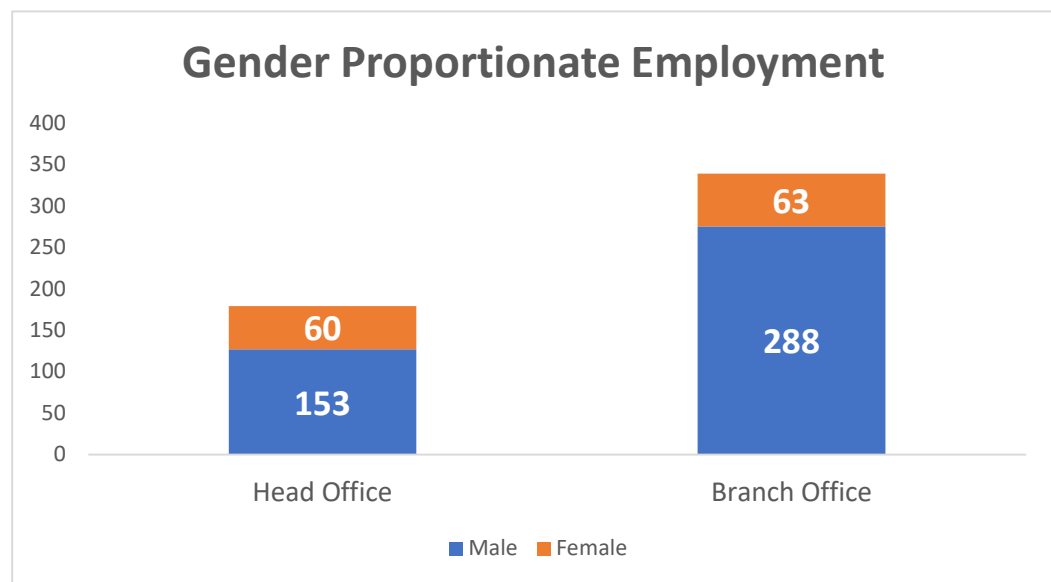
PT. Arthaasia Finance supports Biodiversity Preservation by financing business sectors that support the implementation of Biodiversity.

## 2.3. Social Aspect

### a. Internal Performance

In every branch of PT. Arthaasia Finance provides an opportunity for the local community to become a part of our HR. The proportional number of employees by gender is as follows:

Gender	Male	Female	Percentage
Head Office	153	60	38%
Branch Office	288	63	62%
Total	441	123	100%



### b. Allocation of Social and Environmental Responsibility (TJSL) Funding for Activities with High Social Impact

Implementation of Social Responsibility (TJSL) activities in 2021.

Office	2020	2021
First semester	28.825.000	-
Second semester	-	21.243.319
Total cost	28.825.000	21.243.319

### c. Social and Environmental Responsibility Activities (TJSL) Supports Core Business

During the Covid-19 Pandemic PT. Arthaasia Finance cannot carry out this activity.

### **3. Company Brief Profile**

#### 3.1. Sustainability Vision and Mission

##### a. Company Vision

To contribute to development of Indonesian economy and improvement of Indonesian living standard by developing a unique and only one financing business as a social value creating company.

##### b. Vision of Sustainability Finance

- Sustainable Growth

We will achieve Sustainability growth supported by high quality management with trust as our top priority.

- Respect Human Rights

We will improve ourselves as disciplined individuals and seek to enhance our corporate strength by treating one another with respect.

- Practicing Company Ethics

We will voluntarily act according to law and ethics and contribute to the development of a wise society.

##### c. Company Mission

To realize the vision above, the company sets the following mission:

- We shall creatively contribute for the affluent mobility society by providing unique and attractive financing products with high value which meet the detailed needs of our customers
- We shall proactively provide financing to companies which have excellent technology and/or outstanding services, resulting in indirect contribution to welfare of Indonesian society and the people through the activities of our customers
- We shall commit to sales financing in the form of provision of funds for consumers for the purchase of goods with payment in installments with fast process, optimal service but with high quality.

- We shall secure the company, customers, employees, creditors and other stakeholders by conducting business in accordance with Good Corporate Governance and the applicable laws and regulation.

d. Sustainability Finance Mission

Companies that create social values PT. Arthaasia Finance is sensitive to the environment and aims to become a social value creation company that provides new values to realize social development and a richer community life.

e. Corporate Culture

In accordance with the direction of the President Director, implementing 3 (three) work cultures, as follows:

- Basic Principles and Ethics.
- Customer Oriented.
- Responsible.

3.2. Head Office & Branch Address

a. Head Office

Company name	PT. Arthaasia Finance
Address	Kencana Tower 5 <sup>th</sup> & 6 <sup>th</sup> Floor, Business Park Kebon Jeruk, Jl. Raya Meruya Ilir No. 88, Kebon Jeruk Jakarta Barat 11620
No phone	+62-21 5890 8189 /5890 8190
Facsimile	+62-21 5890 8153
Website	www.aaf.co.id



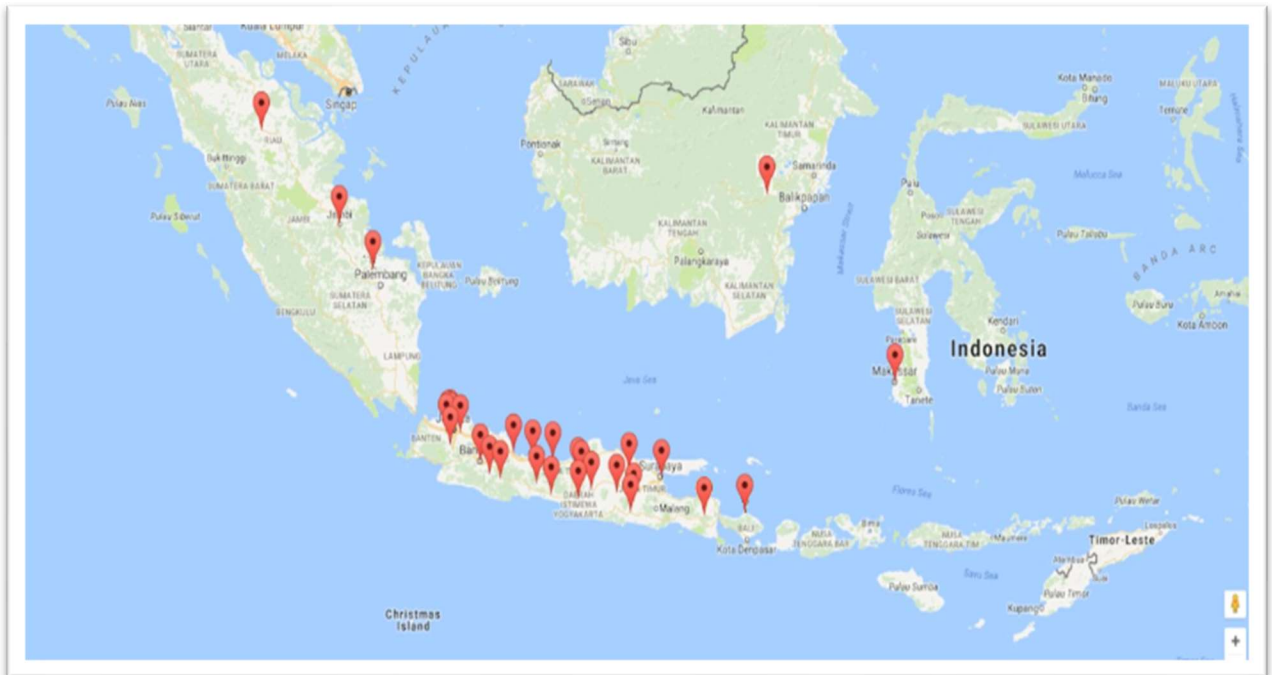
b. Branch Office

Branch	Address
Tegal	Jl. Kolonel Sugiono No. 221. Ruko Graha Mulia Griya Niaga Blok B7. Tegal, Jawa Tengah (0283) 322400 / 340.805 / 340.806, fax: (0283) 322.410.
Purwokerto	Jl. Gerilya Ruko Karang Pucung No.1, Depan Perumahan Griya Karang Indah, Kel. Karang Pucung, Kec. Purwokerto Selatan, Kab. Banyumas, Jawa Tengah (0281) 621.370 / 625.407, fax: (0281) 621.551
Bandung	Jl. BKR No. 102, Lingkar Selatan, Bandung, Jawa Barat (022) 520.4782 / 520.1362, fax: (022) 520.4781/520.2051
Cirebon	Jl. Jenderal Ahmad Yani No.35, Harjamukti, Larangan Perumnas (0231) 246.808/ 246.806, fax: (0231) 246.824
Bogor	Jl. Tajur Raya No. 162 E, Bogor, Jawa Barat (0251) 8384.791 / 8347.386, fax: (0251) 832.9621
Karawang	Jl. Arteri Karawang Barat, Ruko Karawang Hijau Blok B No. 23, Kelurahan Purwadana, Kecamatan Teluk Jambe, Karawang. (0267) 408.588 / 408.573, fax: (0267) 408.646
Bekasi	Jl. Cempaka (Inspeksi) Ruko Niaga Kalimas Blok A No. 23, Kalimalang, Bekasi Timur, Jawa Barat (021) 882.3259/883.54.520, fax: (021) 883.577.08
Serpong	Jl. Gunung Rinjani II Sektor IV Blok RG No. 19, BSD, Tangerang (021) 537.6371/ 537.7052, Fax : (021) 537.6270
Yogyakarta	Casa Grande Real Estate Ruko No. 102, Jl. Ringroad Utara, Desa Maguwoharjo, Kec. Depok Kab. Sleman, Yogyakarta (0274) 8711.75, fax: (0274) 8711.74
Tasikmalaya	Jl. Ir. H. Juanda RT. 003, RW. 014, Kelurahan Cipedes, Kecamatan Cipedes, Kota. Tasikmalaya, Jawa Barat (0265) 344.735,
Solo	Jl. K.H. Agus Salim No. 8, Ruko Laweyan Square, Sondakan, Laweyan, Kota Surakarta, Jawa Tengah (0271) 738.577 / 738.578, fax: (0271) 722.378
Kediri	Jl. Dr. Sahardjo No. 298, Kelurahan Pojok, Kec. Mojoroto, Kota Kediri (0354) 778.830 / (0354) 778.831, fax: (0354) 778842
Madiun	Komplek Ruko Pusat Grosir Madiun Blok B No 9 & 10, Jl. Serayu Timur, Kel. Pandean, Kec. Taman, Kota Madiun, Prov. Jawa Timur (0351) 498808/4472030, fax: (0351) 461.772

Branch	Address
Semarang	Jl. Brigjend Sudiarto No. 462 C, Rt. 001, RW. 01, Kel. Pedurungan Tengah, Kec. Pedurungan, Kota Semarang, Jawa Tengah (024) 6700.786 / 6700.787, Fax : (024) 6733191
Bojonegoro	Jl. M.H Thamrin No. 305, Kelurahan Ledok Wetan, Kecamatan Bojonegoro, Jawa Timur (0353) 893.200 / 893.202, fax: (0353) 893.201
Pekalongan	Jl. Dr. Sutomo Ruko Dupan Square Blok B2 No. 2, Kel. Baros, Kec. Pekalongan Timur, Kota Pekalongan, Jawa Tengah (0285) 441.6360, fax: (0285) 441.6460
Salatiga	Ruko Wijaya Square No. B4, Jl. Diponegoro, Kel. Sidorejo Lor, Kec. Sidorejo, Kota Salatiga, Jawa Tengah (0298) 312.500, fax: (0298) 312.521
Jambi	Jl. Hayam Wuruk No. 12, Rt.22, Kel. Jelutung, Kec. Jelutung, Jambi (0741) 360.8866, 360.8403
Pekanbaru	Komplek Royal Platinum, Jl. Mr. Sm. Amin No. 89 F (Arengka Ii), Kel. Simpang Baru, Kec. Tampan, Kota Pekanbaru, Riau (0761) 563.041, fax: (0761) 563.043
Surabaya	Ruko Icon 21 Kav. R-6, Jl. Dr. Ir. H. Soekarno, Kel. Klampis Ngasem, Kec. Sukolilo, Surabaya, Jawa Timur (031)99005121, (031) 99005225, fax: (031)-99005368
Jakarta Pusat	Perkantoran Duta Merlin, Jl. Gadjah Mada No. 3 - 5, Blok C No. 14 A, Kel. Petojo Utara, Kec. Gambir, Jakarta Pusat (021) 6338203/ (021) 6338204, fax: (021) 633.8201
Makassar	Jl. Sultan Alauddin Ruko Alauddin Plaza Off Ba 20 Kel. Gunung Sari Kec. Rappocini, Kota Makassar, Sulawesi Selatan (0411) 8984931
Palembang	Jl. Torpedo Ruko No 6, RT. 009, RW. 003, Kelurahan 20 Ilir D II, Kec. Kemuning, Kota Palembang (0711) 5556399
Malang	Jl. Letjen Sutoyo 37A, RT. 001, RW. 002, Kel. Lowokwaru, Kec. Lowokwaru, Malang (0341) 4371817
Balikpapan	Komplek Balikpapan Baru, Ruko Little China II, Blok Ab6 Nomor 31, Kel. Damai, Kec. Balikpapan Selatan, Kota Balikpapan, Kalimantan Timur (0542) 8707289, fax: (0542) 7204249
Denpasar	Ruko Kompleks Pertokoan Dan Perkantoran Graha Mahkota Blok A.7, Jalan Teuku Umar Nomor 208 - 210, Desa Dauh Puri Kauh, Kec. Denpasar Barat, Kota Denpasar, Bali (0361) 4781601

Branch	Address
KSKC Tulungagung	Ruko Panggungrejo Permai No. 07 Jl. Abdul Fatah, Desa Panggungrejo, Kauman, Tulungagung 65163 (0355) 332466 Fax. (0355) 336407
KSKC Kebumen	Jl. Ahmad Yani No. 54C RT. 001 RW. 001 Kebumen 54311 (0287) 382867 Fax. (0287) 3870122

Map of the Head Office and Branches of PT. Arthaasia Finance



### 3.3. Company Business Scale in Brief

#### a. Assets & Liabilities

Based on financial reports

Pos-Pos <sup>1)</sup>	Value
<b>ASSET</b>	
1. Cash and Cash Equivalentents	32.716.743.213
2. Derivative Receivable Assets	0
3. Financing Receivables - Net	2.551.311.534.219
4. Operating Lease – Net	116.289.016.741
5. Fixed Assets and Inventory – Net	47.417.259.382
6. Deferred Tax Assets	10.505.774.839
7. Miscellaneous Assets	92.813.398.226
<b>Total assets</b>	<b>2.851.053.726.620</b>
<b>LIABILITY</b>	
1. Taxes Payable	1.336.296.878
2. Loans Received	2.398.444.107.636
3. Subordinated Loans	74.750.000.000
4. Miscellaneous Liabilities	99.582.853.152
<b>Total Liabilities</b>	<b>2.574.113.257.666</b>
<b>EQUITY</b>	
1. Capital	364.000.000.000
2. Reserve	0
3. Retained Profit (Loss)	-69.340.984.019
4. Net Profit (Loss) After Tax	-74.390.637.355
5. Other Equity Components	56.672.090.328
<b>Total Equity</b>	<b>276.940.468.954</b>
<b>Total Liabilities and Equity</b>	<b>2.851.053.726.620</b>

b. Number of employees

- By Type of Education

Level of education	Permanent employee			Contract employee			Outsourcing			Total
	M	F	Total	M	F	Total	M	F	Total	
Head Office	120	55	175	18	4	22	15	1	16	213
Diploma	9	4	13	0	1	1	0	0	0	14
Postgraduate	2	1	3	1	0	1	0	0	0	4
Bachelor	82	48	130	17	3	20	1	0	1	151
High school	27	2	29	0	0	0	13	1	14	43
Other	0	0	0	0	0	0	1	0	1	1
Branch Office	207	56	263	26	7	33	55	0	55	351
Diploma	36	7	43	6	0	6	0	0	0	49
Postgraduate	0	0	0	0	0	0	0	0	0	0
Bachelor	97	43	140	19	7	26	0	0	0	166
High school	73	6	79	1	0	1	52	0	52	132
Other	1	0	1	0	0	0	3	0	3	4
TOTAL										564

Information:

M : Male

F : Female

- By Position

Position	Permanent employee			Contract employee			Outsourcing			Total
	M	F	Total	M	F	Total	M	F	Total	
Board of Commissioners	0	0	0	4	0	4	0	0	0	4
President Director	0	0	0	1	0	1	0	0	0	1
Director	0	0	0	6	0	6	0	0	0	6
General Manager	13	0	13	2	0	0	0	0	0	15
Senior Manager	9	3	12	0	0	0	0	0	0	12
Area Manager	4	0	4	0	0	0	0	0	0	4
Manager	29	6	35	0	0	0	0	0	0	35
Branch Manager	24	1	25	0	0	0	0	0	0	25
Assistant Manager	7	5	12	1	1	1	0	0	0	13
Supervisor	28	17	45	2	0	3	0	0	0	48
Head	55	25	80	0	0	0	0	0	0	80
Senior Staff	9	5	14	1	10	1	0	0	0	15
Staff	149	49	198	27	10	37	70	1	71	306
TOTAL										564

Information:

M : Male

F : Female

- By Age

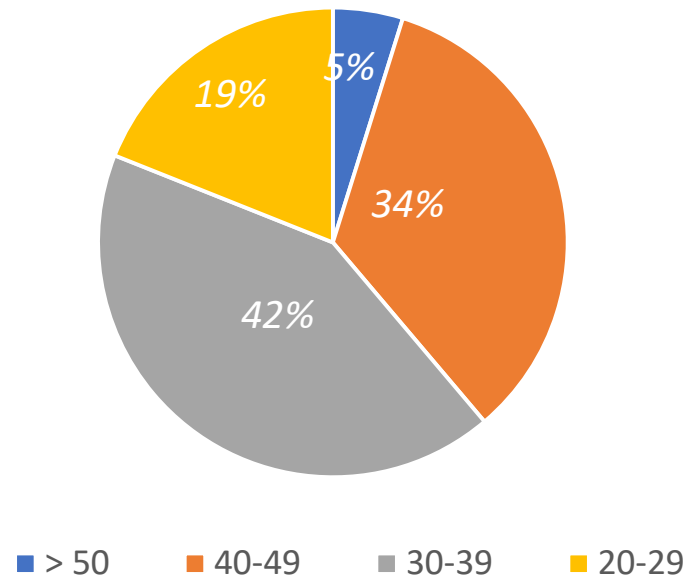
Age	Permanent employee			Contract employees			Outsourcing			Total
	M	F	Total	M	F	Total	M	F	Total	
○ >50 Year	19	0	19	7	0	7	3	0	3	29
○ 40-49 Year	152	16	168	10	0	10	12	0	12	190
○ 30-39 Year	134	52	186	22	2	24	29	0	29	239
○ 20-29 Year	22	43	65	5	9	14	26	1	27	106
○ <20 Year	0	0	0	0	0	0	0	0	0	0
<b>TOTAL</b>										<b>564</b>

Information:

M : Male

F : Female

Number of Employees by Age



- Percentage of Share Ownership

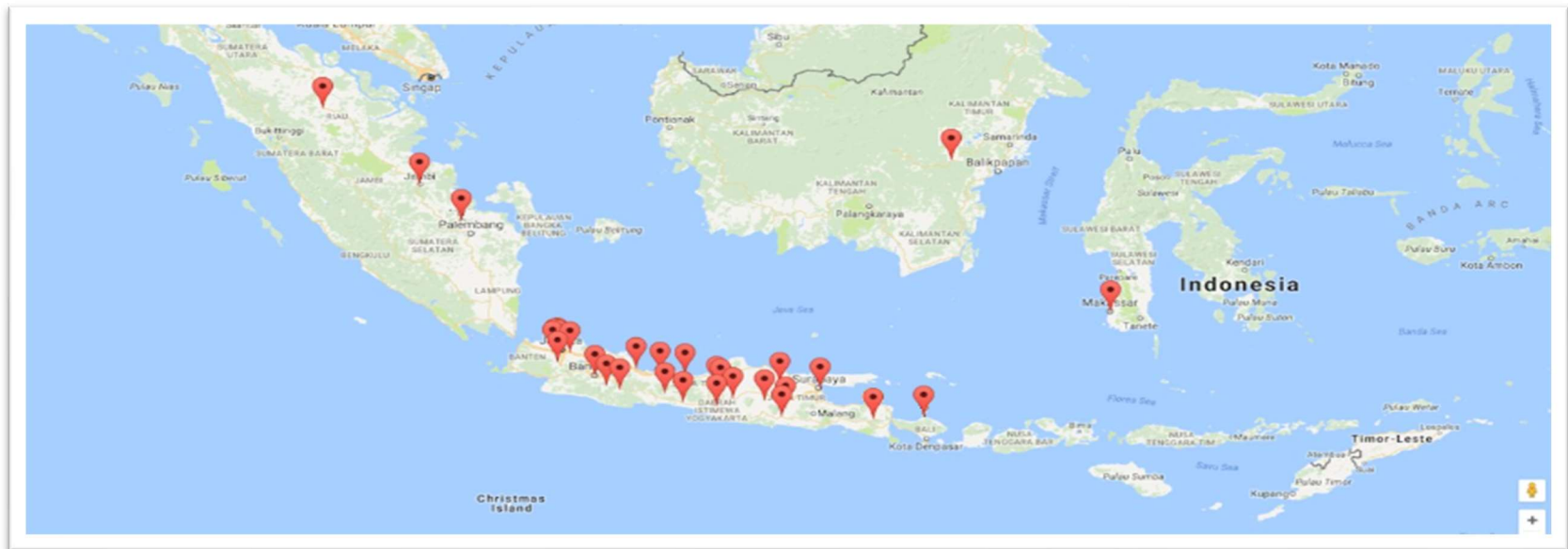
In 2021 PT. Arthaasia Finance has no change in share ownership. The composition of share ownership is as follows:

Information	Paid-up capital	Percentage (%)
1. Mitsubishi HC Capital Asia Pacific Pte. Ltd	226.400.000.000	79,72%
2. PT. Ambar Kejora	15.000.000.000	5,28%
3. PT. Buana Sejahtera	2.500.000.000	0,88%
4. PT. Multifortuna Asindo	15.100.000.000	5,32%
5. PT Bumiputera - BOT Finance	25.000.000.000	8,80%
Additional Paid-in Capital		
Capital Grant		
1. Mitsubishi HC Capital Asia Pacific Pte. Ltd	30.000.000.000	-
Other Paid-in Capital		
1. Mitsubishi HC Capital Asia Pacific Pte. Ltd	50.000.000.000	-
Total Paid-in Capital	364.000.000.000	100.00%



- Operational Area

Area 1	Area 2	Area 3	Area 4
o Jakarta Pusat	o Bandung	o Pekalongan	o Balikpapan
o Jambi	o Bekasi	o Purwokerto	o Bojonegoro
o Palembang	o Bogor	o Salatiga	o Denpasar
o Pekanbaru	o Cirebon	o Semarang	o Kediri
o Serpong	o Karawang	o Solo	o Madiun
	o Tasikmalaya	o Tegal	o Makassar
		o Yogyakarta	o Surabaya
		o KSKC Kebumen	o Malang
			o KSKC Tulungagung



### 3.4. Brief Description of Products, Services & Business Activities carried out.

#### a. Products and Services

Individual Customers	Corporate Customers
<ul style="list-style-type: none"><li>▪ Passenger Car Financing</li><li>▪ Commercial Car Financing</li><li>▪ Agricultural Equipment Financing</li></ul>	<ul style="list-style-type: none"><li>▪ Finance Lease<ul style="list-style-type: none"><li>- Fleet Financing</li><li>- COP (Car Ownership Program) financing</li></ul></li><li>▪ Operating Lease</li><li>▪ Sale and Lease back</li></ul>

#### b. Business activities

Based on the deed of amendment to the company's articles of association before Notary Jimmy Tanal, S.H., M.Kn., No. 155 dated June 21, 2021, which has obtained the approval of the Ministry of Law and Human Rights No. AHU-0013682.AH.01.10. 2021. In accordance with POJK No.35/POJK.05/2018, PT Arthaasia Finance carries out the following business activities:

- Investment Financing
- Multipurpose Financing
- Working Capital Financing and
- Operating Lease Activities

### 3.5. Membership of the Association

PT. Arthaasia Finance is registered as a member of the Association of Indonesian Financing Companies (APPI) with member number 1168/JKT/03 for the period January 1, 2021 – December 31, 2021.

The benefits of membership in APPI are as the main forum for exchanging ideas and information, as well as collecting, conducting research, and processing informational materials related to issues regarding Financing Institutions in the broadest sense.

### 3.6. Significant Changes

PT. Arthaasia Finance has merged with PT. Hitachi Capital Finance Indonesia effective July 1, 2021. And PT. Arthaasia Finance has received OJK letter Number S-3008/NB.111/2021 dated 20 August 2021 regarding the recording of the General Meeting of Shareholders (RUPS) and the implementation of the business merger of PT. Hitachi Capital Finance Indonesia into PT. Arthaasia Finance.

#### **4. Director Explanation**

The year 2021 is the 2nd year in which PT. Arthaasia Finance is adapting to the Covid-19 "new normal" life. Starting on July 1, 2021, PT. Arthaasia Finance has effectively merged the company with PT. Hitachi Capital Finance Indonesia. In these uncertain times, the company's move to merge is expected to strengthen the company and be the only right step to support all interests. In line with the company's visions and missions and the policies of Mitsubishi HC Capital Inc.'s head office, PT. Arthaasia Finance always strives to achieve a transformation towards a more sustainable lifestyle and the business will be focused on creating social, environmental and economic value by maximizing potential assets.

PT. Arthaasia Finance in implementing the implementation of Sustainability finance already has a vision, mission and strategy as well as targets that are appropriate and clear with the company's performance. The implementation of the implementation of sustainability finance will continue to be carried out by PT. Arthaasia Finance with sustainability finance targets 17 social problems that need to be solved by 2030, these goals are collectively referred to as the sustainable development goals or SDGs while maintaining the company's main goal of improving performance to get the targeted profit or profit.

PT. Arthaasia Finance views the SDGs as an important initiative to create a sustainable society and improve people's quality of life through solving global social and environmental problems. We significantly contribute to achieving the SDGs through Business that focuses on social, environmental, and economic values by maximizing potential assets. PT. Arthaasia Finance will also strive to reduce the negative social and environmental impacts resulting from the business of PT. Arthaasia Finance and seek a deeper understanding of business risks arising from social and environmental changes to ensure better resilience to them.

PT. Arthaasia Finance will contribute to society through the development of products and services to find solutions to environmental problems that are of serious concern to the community, through business operations and promotion of environmental management from a long-term perspective, innovations that reduce environmental problems and present our main business opportunities.

Jakarta, 9 May 2022

PT. Arthaasia Finance

The image shows a handwritten signature in blue ink that reads "H E PE". Above the signature is a red ink stamp that says "ASIA FINANCE" in a stylized font. Below the signature is a black ink stamp that says "PT. ARTHAASIA FINANCE" in a rectangular box.

**Ryuichi Inoue**

*President Direktur*

## **5. Sustainability Governance**

### **5.1. Job Description of the Board of Directors, Board of Commissioners and Employees in Charge of Sustainability.**

In accordance with Law no. 40 of 2007 concerning Limited Liability Companies, the organization of PT. Arthaasia Finance consists of the General Meeting of Shareholders (RUPS), the Board of Commissioners and the Board of Directors. The Board of Commissioners and the Board of Directors have clear authorities and responsibilities according to their respective functions as mandated in the Articles of Association and laws and regulations. The Board of Commissioners and the Board of Directors have the responsibility to manage the business sustainability of PT. Arthaasia Finance in the long term. The Board of Commissioners and the Board of Directors must have the same perception of the vision, mission, and sustainability values of PT. Arthaasia Finance.

### **5.2. Competency Development of Directors, Board of Commissioners and Employees**

Prior to the merger, all the Directors and the Board of Commissioners had passed the Fit and Proper (Feasibility, Capability and Proper Test) from the Financial Services Authority (OJK), and also all Directors and Board of Commissioners attended training and passed the certification of expertise in the field of financing from the SPPI. Every year the entire Board of Directors and Board of Commissioners have attended seminars held by the Association of Indonesian Financing Companies (APPI) and the Financial Services Authority (OJK) on a regular basis as a condition of sustainability and have been reported to the Financial Services Authority (OJK).

All employees from one level below the Board of Directors to the staff level, especially the billing section, have obtained the certification determined by the Financial Services Authority (OJK), namely the staff level to the billing supervisor at the billing section already has a financing collection profession certification and all managers have basic managerial certification. .

### 5.3. Company Procedures in Identifying Sustainability Actions

During this pandemic, PT. Arthaasia Finance in its business activities, always applies the principles of sustainability finance through:

a. Principles of sustainability finance through good corporate governance.

- Governance (GCG)

Commitment to the Implementation of Governance, in accordance with POJK Number 30/POJK05/2014, namely that PT. Arthaasia Finance is committed to always referring to the applicable rules in every process of the activities of the Board of Directors and the Board of Commissioners in carrying out sustainable business practices and submitting reports according to the schedule determined to the OJK. The principles of good corporate governance are transparency, accountability, responsibility, independence, and fairness.

- Governance Strategy

Management of PT. Arthaasia Finance in implementing sustainable governance applies zero misconduct and emphasizes punishment and rewards for violators so that the achievement of the company's mission and vision can still be sustainable for the implementation of the sustainability report with a process that refers to the rules.

- Implementation of Governance

The ultimate goal of an effective and sustainable Governance Strategy is to support the achievement of prudent business transformation goals through smart and measurable risk management. System effectiveness and GCG PT. Arthaasia Finance is expected to be able to create value for stakeholders in order to realize sustainable company growth in accordance with GCG principles. In every operational activity, Management ensures that the Compliance component-KYC-Code of Ethics and anti-fraud have been implemented on an ongoing basis and internal audit control controls are monitored. In implementing this sustainability report PT. Arthaasia Finance has implemented:

- CSR program, providing assistance in the form of digital scales, lawn mowers and carpets for places of worship.
- Development of digital software products to support WFH employees.

- Development of GPS products to support business activities and targets for customers with anti-pollution/go green businesses.
- Development of programs for providing credit to customers for business types that do not have an environmental impact.

- Governance Structure

Based on the Organizational Structure of PT. Arthaasia Finance consists of: Director of compliance who is under the President Director, assisted by the compliance work unit. Also includes the activities of the General Meeting of Shareholders, the Board of Directors and the Board of Commissioners. The GMS, the Board of Directors and the Board of Commissioners respect each other, their respective duties, responsibilities and authorities are in accordance with the laws and regulations and the Articles of Association. Each Section/Work Unit of PT. Arthaasia Finance was built to ensure that the implementation of corporate governance principles can run effectively with clear roles and responsibilities so as to create a check and balance control mechanism. GCG implementation has been carried out effectively based on the principles of Transparent, Accountable, Reliable, Independent, Fairness.

- b. Controlled Risk Management

Self Assessment for the Assessment of Risk Profile factors in 2021, has been carried out well and PT. Arthaasia Finance is still able to maintain its risk profile rating of 1, which is Low. The assessment for the Risk Profile includes 8 (eight) risk profiles, namely: Strategic Risk, Operational Risk, Credit Risk, Market Risk, Liquidity Risk, Legal Risk, Compliance Risk and Reputational Risk. In addition to the assessment of each risk profile which is carried out by assessing the Inherent factor, there is also the Quality of Risk Management Implementation (KPMR) factor with the results of the Strong / Strong assessment.



Implementation of the Risk Management Function at PT. Arthaasia Finance organizational structure is run by the Compliance & Risk Management department where the implementation is carried out effectively based on the process, as Follows: Identification, Measurement, Control and Risk Monitoring. Currently the application of risk management at PT. AAF has also submitted to the implementation regulated in the POJK. 44/POJK.05/2020 concerning the Implementation of Risk Management for Non-Bank Financial Services Institutions. So that in its application, PT. AAF has always been guided by the 5 main pillars and these guidelines have been implemented actively – effectively, one of which is the establishment and active activities of the Risk Monitoring Committee.

#### 5.4. Stakeholders

In carrying out its business activities PT. Arthaasia Finance always pays attention to the interests of all stakeholders. We have mapped out the interests of stakeholders to the company as follows:

Stakeholders	Relevance to Stakeholders	Interest for the Company	Communication media
Shareholders <ul style="list-style-type: none"> <li>o Mitsubishi HC Capital Asia Pacific Pte. Ltd.</li> <li>o PT. Ambar Kejora</li> <li>o PT. Buana Sejahtera</li> <li>o PT. Multifortuna Asindo</li> <li>o PT. Bumiputera-BOT Finance</li> </ul>	<ul style="list-style-type: none"> <li>o Business continuity</li> <li>o Implementation of corporate governance</li> <li>o Performance growth</li> <li>o Company dividends</li> </ul>	Support and feedback for the company	<ul style="list-style-type: none"> <li>o RUPS</li> <li>o Annual Report</li> </ul>
Employee	<ul style="list-style-type: none"> <li>o Have the same rights and obligations to advance the company</li> <li>o Collaboration between sections or divisions is more solid</li> <li>o Career development opportunities are open to all employees</li> </ul>	The establishment of working relationships and partnerships has an important role as actors and goals for the progress of the Company.	<ul style="list-style-type: none"> <li>o Website</li> <li>o Email</li> <li>o LKS Bipartite</li> <li>o Gathering</li> </ul>
Customer	Customer satisfaction from the company's services and services	Company business continuity	<ul style="list-style-type: none"> <li>o Website PT. AAF</li> <li>o Customer Care Unit</li> </ul>
Regulator	Financial Services Authority (OJK)	Compliance with established regulations.	<ul style="list-style-type: none"> <li>o Implementation of good corporate governance for the company.</li> <li>o Supervision for the company.</li> </ul>
Association	Association of Indonesian Financing Companies	Transparency, transparency and information on finance companies	<ul style="list-style-type: none"> <li>o Means of communication media for finance companies</li> <li>o Monthly Bulletin</li> <li>o APPI Seminar</li> </ul>

5.5. Problems faced in the development and impact on the implementation of sustainability

The planned distribution of financing that supports sustainable sectors in 2021 has decreased due to the impact of Covid 19, such as in the agriculture, forestry, and fishery sectors, which only reached 93% of what was planned. The water supply sector, wastewater management, waste management and recycling, and remediation activities only reached 11.2% of the planned. In the education sector it only reached 56% and in the human health and social activity sector it reached 56% of the target

## **6. Sustainability Performance**

6.1. Activities to Build a Culture of Sustainability

In line with the policy of Mitsubishi HC Capital Inc, which is a member of the Mitsubishi Corporation Group. Mitsubishi HC Capital Inc.'s head office views that in order to achieve the SDGs, it must support 3 main sustainable issues, namely environmental, social and economic issues. Mitsubishi HC Capital Inc. realizes the role that is expected to be carried out to achieve the SDGs with the thoughts of Mitsubishi HC Capital Inc. and PT. Arthaasia Finance will make every effort to help make progress on the goals of the SDGs.

## 6.2. 3 Years Economic Performance

### a. Activities to Build a Culture of Sustainability in the Company's Internal

In building a culture of sustainability at PT. Arthaasia Finance has activities every year, as follows:

#### 1. President Award

The implementation is carried out 2 times in 1 year, this is done as an appreciation of the company to employees, this activity is carried out to motivate other employees so that the work atmosphere is more competitive and productive.

#### 2. Training

Aims to provide training and development of human resources (HR) related to work so that the quality/performance of employees increases so as to contribute to the progress of the company.

#### 3. Employee Gathering

The implementation of employee gatherings is carried out to eliminate boredom with busyness and daily work routines so that employee performance does not decrease due to the workload given. However, during the pandemic, this activity cannot be implemented following the government's restriction policy.

### b. Production Performance

Description	Year		
	2019	2020	2021
Total Asset	2.859.780.820.976	2.684.283.696.405	2.851.053.726.620
Earning Assets	2.859.780.820.976	2.684.283.696.405	2.851.053.726.620
Credit/Financing	2.616.372.056.088	2.398.565.144.818	2.551.311.534.219
Third-party funds	2.466.564.821.927	2.430.580.269.514	2.473.194.107.636
Operating Income	486.865.443.359	432.718.613.438	425.276.776.130
Operating Expenses	476.762.976.243	463.951.240.579	501.439.629.163

Description	Year		
	2019	2020	2021
Net profit	5.088.578.473	-31.130.555.884	-74.390.637.355
Performance Ratio			
Minimum Capital Adequacy Ratio	12,54%	14,32%	18,99%
Troubled Earning Assets and non-productive non-productive assets to total productive assets and non-productive assets	0,80%	2,16%	4,33%
Non-performing productive assets to total productive assets	0,80%	2,12%	3,35%
Allowance for Impairment Losses Financial Assets	236.528.610	1.622.609.279	41.453.377.712
NPF Gross	0,80%	2,16%	4,33%
NPF Net	0,80%	2,12%	3,35%
Return on asset (ROA)	1,61%	-1,10%	-2,73%
Return on Equity (ROE)	15,81%	-17,79%	-28,46%
Net Interest Margin (NIM)	7,47%	5,62%	6,38%
Rasio Efisiensi (BOPO)	91,47%	107,22%	117,91%
Loan to Deposit Ratio (LDR)	1,61%	-1,10%	-1,10%

c. Portfolio Performance

Description	Year		
	2019	2020	2021
Number of Products that meet the criteria for sustainable business activities			
a. Financing Distribution Plan	1.360.600.000.000	1.473.273.221.463	1.280.850.000.000
b. Financing Distribution	1.472.422.988.342	903.946.817.703	1.061.401.836.063
c. Portfolio Performance	2.625.623.234.962	2.398.565.144.818	2.551.311.534.219
Percentage of planned distribution of company financing/financing	108,22%	61,36%	82,87%
Total productive assets of sustainable business activities			
a. Total credit/financing of sustainable business activities	2.600.948.922.970	2.366.459.409.454	2.515.280.587.047
b. Total Non-credit/financing of non-sustainability business activities	24.674.311.992	27.386.639.656	36.030.947.172
Percentage of total credit/financing of sustainable business activities to total credit/financing of the company.	99,06%	98,86%	98,59%

### 6.3. Social Performance

#### a. Company Commitment

PT. Arthaasia Finance is committed to providing the best service to customers and business partners quickly, accurately and transparently. We collaborate with business partners in the form of marketing programs such as:

1. Interest Subsidy Program
2. Insurance Subsidy Program
3. Dealer Reward Program
4. Program Auto Approve
5. Dealer Gathering Program

#### b. Employment

PT. Arthaasia Finance has 26 branch offices and 2 offices Apart from Branch Offices (KSKC) and in carrying out its business activities there are no human rights violations (such as forced labor, child labor, discrimination against those who are socially vulnerable, or actions that violate human dignity) . All employees/I at PT. Arthaasia Finance is a valuable partner who plays an important role in supporting the company, we strive to build a work environment where diverse groups of employees can actively take advantage of differences in their attributes, work experience and values and fully showcase their capabilities. This work environment will lead to the sustainable growth of PT. Arthaasia Finance.

By making proactive efforts to ensure workplace safety, promote the physical and mental health of our employees, adopt a flexible work style, and invest in education to develop our employees' capabilities, we will create an environment that can maximize our employees' abilities. In addition, we consider it important to make efforts to create a workplace that respects diverse values, and where all employees can feel purpose, passion and satisfaction as they strive to showcase their abilities.

- Employee training and development table, especially to support the implementation of sustainability finance.

No	Training Materials	Training Method	Training Time	The place	Resource Person/ Training Institute	Total Participants
1	Training Recruitment	Online	Jan-21	Jakarta	M-Knows Consulting	2
2	Employee Assessment	Online	Mar-21	Jakarta	Bipi Consulting	38
3	SPPI Managerial	Online	Jan-21	Jakarta	SPPI	1
4	SPPI Managerial	Online	Feb-21	Jakarta	SPPI	16
5	Seminar Multifinance 2021	Online	Feb-21	Jakarta	APPI	3
6	SPPI Penagihan	Online	Mar-21	Jakarta	SPPI	24
7	Employee Assessment	Online	Mar-21	Jakarta	Bipi Consulting	12
8	Training Basic Accounting	Online	Mar-21	Jakarta	Ikatan Akuntan Indonesia	1
9	Certification Human Resources Professional (CHRP)	Online	Mar-21	Jakarta	ATMAJAYA	1
10	Sertifikasi Financial Risk Analyst Corporation (FRAC)	Online	Jun-21	Jakarta	PT. Rajawali Konsulindo	1
11	Certification Risk Professional (CRP)	Online	Jun-21	Jakarta	PT. Rajawali Konsulindo	1
12	Seminar APPI	Online	Jun-21	Jakarta	APPI	4
13	SPPI Managerial	Online	Jun-21	Jakarta	SPPI	1
14	Training BNSP HR Manager	Online	Jun-21	Jakarta	M-Knows Consulting	1
15	Training new employee orientation (NEO)	Online	Jun-21	Jakarta	Internal Trainer	16
16	Training Tableau	Offline	Jul-21	Jakarta	Cybertrend	2
17	SPPI Managerial	Online	Jul-21	Jakarta	SPPI	20
18	SPPI Penagihan	Online	Aug-21	Jakarta	SPPI	10



No	Training Materials	Training Method	Training Time	The place	Resource Person/ Training Institute	Total Participants
19	Training Excel Advance	Offline	Aug-21	Jakarta	Internal Trainer	6
20	SPPI Managerial	Online	Sep-21	Jakarta	SPPI	16
21	Employee Assessment	Online	Sep-21	Jakarta	Bipi Consulting	2
22	Seminar Online Economic Outlook 2022	Online	Sep-21	Jakarta	APPI	4
23	Self Assessment Tata Kelola (GCG) Perusahaan Pembiayaan (POJK No.29/Pojk.05/2020)	Online	Sep-21	Jakarta	Risk Management Guard (RMG)	3
24	SPPI Managerial	Online	Oct-21	Jakarta	SPPI	19
25	SPPI Penagihan	Online	Oct-21	Jakarta	SPPI	4
26	Employee Assessment	Online	Nov-21	Jakarta	Bipi Consulting	13
27	Seminar Bootcamp Hukum Online	Online	Nov-21	Jakarta	Hukum Online	3
28	Seminar Mengembangkan SDM dan Digitalisasi di Tengah Pandemi	Online	Nov-21	Jakarta	APPI	3
29	SPPI Managerial	Online	Nov-21	Jakarta	SPPI	5
30	SPPI Penagihan	Online	Nov-21	Jakarta	SPPI	10
31	Brevet Pajak A & B	Online	Nov-21	Jakarta	Ikatan Akuntan Indonesia	1
32	Training Collection	Offline	Nov-21	Jakarta	HRD & Internal Trainers	92
33	Training Sales	Offline	Dec-21	Jakarta	HRD & Internal Trainers	102
34	SPPI Managerial	Online	Dec-21	Jakarta	SPPI	1
35	Sertifikasi Financial Management	Offline	Dec-21	Jakarta	Prasetya Mulya	1
36	SPPI Managerial	Online	Dec-21	Jakarta	SPPI	2

c. Public

- Information on Activities that Generate Positive and Negative Impacts on Society

PT. Arthaasia Finance has carried out financial literacy and education activities in collaboration with village officials in Sengare Village, Talun District, Pekalongan Regency, Central Java with the aim of increasing knowledge and confidence for the community to have the ability to better manage personal finances

Table of information on activities that have an impact on the community.

Name of Group/ Business Partner	Location	Type of Activity	Number of participants
Group UMKM	Pekalongan, Central Java	Financial Literacy and Education	25 Participant

- Public Complaints

Category	Number of Complaints	Reasons for Complaints
Financial Information Service System (SLIK)	23	Consumer Negligence and/or Interference/damage to information technology devices and systems
Elimination of Fines	2	Consumer negligence
Billing Activity	8	Consumer negligence
Clearance Certificate	3	Consumer negligence
Compensation	1	Consumer negligence
Restructuration	4	Consumer negligence
Objection to the bill	1	Consumer negligence

In 2021 there were no public complaints in general either at the head office or at branch offices, but in accordance with government regulations and the Financial Services Authority (OJK) we have received consumer complaints such as the data we conveyed above. We have also submitted the complaint report either through the SiPEDULI system or a direct complaint to the Financial Services Authority (OJK).

d. Social and Environmental Responsibility Activities (TJSL)

PT. Arthaasia Finance is committed to social and community development by implementing several programs in the fields of education, health and other programs.

- Field of education

In order to improve the skills of human resources (HR) PT. Arthaasia Finance has conducted trainings for employees both online and offline. In addition, in 2021 PT. Arthaasia Finance also implements a Corporate Social Responsibility (CSR) program in the field of education in the form of Financial Literacy and Education which is an activity to increase knowledge and confidence for the community to have the ability to manage personal finances better. On September 30 to October 1, 2021, PT. Arthaasia Finance in collaboration with the Sengare Village apparatus, Talun District, Pekalongan Regency held literacy and educational activities with the theme “Creating a Smarter and Inclusive Society in the Digital Finance Era.

- Health

In the health sector in 2021 PT. Arthaasia Finance did not provide free medical treatment for the underprivileged as was usual in previous years due to the impact of the Covid-19 Pandemic. However, PT Arthaasia Finance supports the government's program in preventing the spread of covid-19 by providing vitamins or supplements to employees regularly, encouraging every employee to take part in the covid-19 vaccination and providing masks and hand sanitizers according to the health protocol.

- Social Affairs

CSR activity program in the social sector in 2021 PT. Arthaasia Finance by providing lawn mowers, electric scales to UMKM and providing carpets to places of worship in Sengare Village, Talun District, Pekalongan Regency, Central Java.

- Table of Social and Environmental Responsibility (TJSL) related to Community Empowerment

No	Types of CSR Activities	Goals of the SDGs	Explanation
1	Giving a Lawn Mower to a Village in Central Java	Life on Land	Supporting the sustainability of terrestrial ecosystems
2	Giving Carpets for Places of Worship	Peace and Justice Strong Institutions	For the sake of convenience in worship, which can support a peaceful and inclusive society for sustainable development
3	Financial Literacy	Partnerships to achieve the Goal	Done to educate the public about the importance of managing finances
		Quality Education	

#### 6.4. Environmental Performance

##### a. Environmental costs incurred

PT. Arthaasia Finance budgets TJSL costs from the Corporate Social Responsibility (CSR) Program budget and the company's operational funds.

##### b. Use of Environmentally Friendly Materials

- Amount and Intensity of Energy Used

The company does not record the use of paper, water and electricity in volume form, the recording is carried out in the form of expenses incurred every month at the branch office or head office. Here we present the costs incurred in the use of electricity at the head office.

Head Office Electricity Cost Table

Description	2019	2020	2021
Electricity cost	Rp 446.899.732	Rp 437.764.616	Rp 389.955.549

- Energy Efficiency Efforts and Achievements

PT. Arthaasia Finance has always supported sustainable financial actions during the Covid-19 Pandemic by making efficient use of fuel oil (BBM), paper, water, electricity by implementing work from home (WFH), reducing working hours, implementing shifting and transitioning. face-to-face meeting policy becomes online (online). By following this policy, we have adapted to the new normal during the Covid-19 pandemic.

6.5. Environmental Performance for Financing Companies whose business processes are directly related to the environment.

a. Environmental Performance

Commitment in the environmental field is realized through the use of energy and materials in operational activities, the company does not record the use of paper, water and electricity in volume form, the recording is carried out in the form of costs incurred every month at the branch office or head office.

b. Activities or Operational Areas that Generate Positive and Negative Impacts on the Environment.

PT. Arthaasia Finance continues to support the 17 SDGs, especially on the goals of Infrastructure, Industry, and Innovation. This objective is reflected in the financing that we disburse to sectors that support the SDGs. Indeed, until now PT. Arthaasia Finance is still disbursing financing to the mining sector, but we are still trying to increase financing in sectors that support the SDGs.

c. Biodiversity

PT. Arthaasia Finance supports the Conservation of Biodiversity by financing business sectors that support the implementation of Biodiversity, in the Agriculture, Forestry and Fisheries sectors in the Water Supply, Wastewater Management, Waste Management and Recycling, and Remediation Activities sectors.

d. Emission

As we explained earlier, in terms of emissions, we have made efficiency in the use of electricity during breaks by turning off lighting/lights, reducing the use of water and paper.

e. Waste and Effluent

PT. Arthaasia Finance will continue to encourage the implementation of non-cash payments/transactions Given the positive impact of non-cash transactions is reducing the use of paper.

6.6. Responsibility for the Development of Sustainable Financial Products or Services

We are committed to developing products and services that support sustainability programs:

a. Innovation and Development of Sustainable Financial Products and Services.

Innovation and development of our products and services as follows:

1. Interest Subsidy Program

Provide interest relief to prospective customers in collaboration with Brand Holder Sole Agents (ATPM), such as:

- Krama Yudha Tiga Berlian Motors (KTB)
- Isuzu Astra Motors Indonesia (IAMI)
- Hino Motor Sales Indonesia (HMSI)

2. Insurance Subsidy Program

Provide relief on insurance premium payments to prospective customers in collaboration with Brand Holder Sole Agents (ATPM), such as:

- Isuzu Astra Motors Indonesia (IAMI)
- Hino Motor Sales Indonesia (HMSI)

3. Dealer Reward Program

PT. Arthaasia Finance provides rewards to business partners in the form of Incentive Dealers, Shopping Vouchers, Tours, and electronic goods with the provisions of achieving the set targets.

4. Program Auto Approve

Provide fast service for the financing application process to customers so as to increase customer trust and satisfaction.

5. Dealer Gathering Program

Provide support or participation in events organized by Dealers who intend to promote programs or products and services of PT. Arthaasia Finance.

b. Number and Percentage of Evaluated Products and Services

We work with insurance companies such as Sampo Insurance and MSIG to mitigate the risk of loss and accidental assets that are already covered 100% by insurance.

The following is a list of consumers who submit insurance claims in 2021:

Insurance company	Lost	Accident
Sampo	8	16
MSIG	1	6

c. Positive and Negative Impacts from Products and Services

For Companies	For Customers
<p>Develop a cashless payment system, namely through:</p> <ul style="list-style-type: none"> <li>- Via Banking Transaction</li> <li>- Via Third Party Payment Services</li> </ul> <p>PT. Arthaasia Finance does not accept installments in cash, a positive impact for the company is that there is no installment form slip which has an impact on reducing paper usage</p>	<p>By expanding cashless payments, we reduce crime (eg theft, burglary, robbery), which is a social problem.</p>

d. Number of Products Recall

In 2021 we have no recalled products because these products are still significant and tested according to consumer needs.

e. Customer satisfaction survey

Throughout 2021 we have received 42 complaints from a total of 12,367 accounts. From this data, we conclude that it is 0.3% of the total customers, so there is no need for a survey on customer satisfaction. We are planning a customer satisfaction survey starting in 2022.

**7. Written Verification from an Independent Party (if any)**

There has been no written verification from an independent party.



## 8. Feedback Sheet for Readers (if any)

Thank you for reading the PT. Arthaasia Finance in 2021. In order to realize a better reporting quality in the coming year, we expect suggestions, criticisms and suggestions from readers and users of this report. PT. Arthaasia Finance will be committed to continuously improve its sustainability performance and provide the best for stakeholders.

### Profil

Name :

Address :

No. Telp/ Handphone :

Please choose the most appropriate answer to the questions below:

1. Was this report useful to you?

- Agree
- Disagree
- Don't know

2. Is this report understandable/easy to understand?

- Agree
- Disagree
- Don't know

3. Does this report reflect the performance of PT. Arthaasia Finance in its contribution to sustainable development?

- Agree
- Disagree
- Don't know

We appreciate the feedback and suggestions you give us.

Please send this sheet to:

### **PT. Arthaasia Finance**

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**9. Company Response to Previous Year's Report Feedback (if any)**

From the publication of the reports that we have published, so far there has been no response or feedback.