

Embracing a Sustainable Digital Transformation



ESG & Sustainability Report 2022





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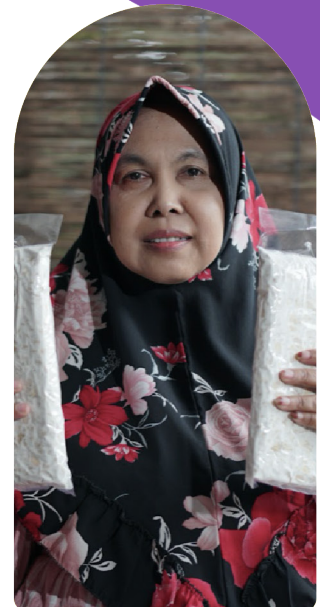
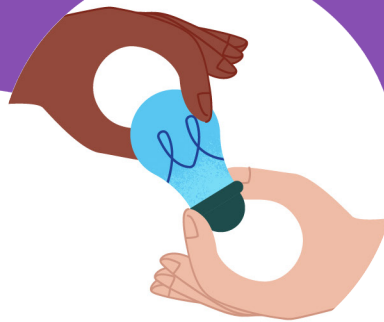
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Part 1

Introduction and Strategy





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I’m doing a business for helping the family, it doesn’t mean that I’m not grateful for the income from my husband, the reason why I’m doing business is because in the future there will be a lot of expenses like for our children’s education.

Ibu Eni, Makassar

Foreword

In the year 2020, in the midst of the pandemic that so challenged Amarthas and the microentrepreneurs it seeks to serve, Womens World Banking Capital Partners II, LP was honored to become a shareholder of Amarthas. For over a decade, Womens World Banking Asset Management (“WAM”) has invested in emerging market financial service providers that prioritize attracting and serving low-income women clients, expanding gender diversity within their staff and management teams, and utilizing innovative solutions to enhance customer reach and engagement. Amarthas mission to connect rural Women with the capital markets to access financial resources to grow their businesses, and create employment opportunities, is directly in line with WAM’s mission to increase womens financial inclusion.

At the time we invested, Amarthas was already looking beyond financial inclusion, grasping that its mission to create impact for its communities by improving income and household economy for Indonesias low-income rural women had to also include considerations of their environmental health and human rights. Amarthas was an early adopter of global reporting standards to measure its environmental and societal impacts and hold itself accountable. We are grateful for this partnership and to be sharing in Amarthas learning journey.

As an investor, we ask all of our portfolio companies to undergo a Gender Performance Study (GPS), which includes a deep, research-driven assessment of womens experiences as customers and employees. The GPS culminates in a Gender Action Plan to realize opportunities to improve outreach to and experiences of such customers and employees. Amarthas GPS concluded in December 2022 and throughout the process we were continually impressed by the best-in-class policies and practices already in place, as well as Amarthas readiness to learn and implement change to better meet the needs of women staff and customers uncovered by the GPS.

Through its impact initiatives and detailed reporting efforts, as highlighted in this beautiful report, Amarthas has become an important thought-partner to WAM. Amarthas efforts have allowed us to share initiatives that have resulted in reduced attrition rates in field offices and increased safety for women loan officers with the larger gender-lens investing community, adding to their knowledge base of best practices to support women employees. We look forward to assisting and learning from Amarthas broader sustainability agenda to better support and protect the communities and holistic life experiences of the women we seek to reach.

I have thoroughly enjoyed and learned much from reading Amarthas inspirational sustainability report and hope to incorporate many of the lessons, practices and reporting standards outlined here across our entire portfolio of companies. This report exemplifies Amarthas leadership in and commitment to corporate social responsibility.

Christina (CJ) Juhasz

Managing Partner & Chief Investment Officer
Womens World Banking Asset Management



Founder and CEO Oversight



Since the founding year of Amarth, it has always been our commitment to creating a sustainable impacts for our communities. As a business, we understand the there is strong alignment between achieving financial performance and building resilience in our markets. Therefore, Amarth sees impact creation and sustainability interventions are part of our business models and means to achieve our long-lasting value in the society.

Through this report, we would like to share our practices, insights and lesson learned during the process of fulfilling our sustainability goals, based on our sustainability pillars in the area of economic, social, and environmental sustainability, and particularly highlighting our journey in digitizing the grassroots communities.

On the socio-economic aspect, we design our business model to address the importance of improving income and strengthen household economy through financial literacy and provision of financial products that specifically designed for families in the grassroots level. Through channeling working capital to rural villages, we also help create employment where women play significant part in building workforce that stimulate growth and better prosperity for their families, children and village communities. With the help of our Business Partners (BP) who provide financial and entrepreneurial mentorship and trainings, our customers are also benefited from an improved living conditions and one step closer to better prosperity, as indicated by the improvement of average income by 69,7% throughout the year of 2022.

We also accelerate digital inclusion by designing and introducing digital apps for villagers, and facilitate the adoption by deploying our Business Partners stationed in more than 55,460 villages across Indonesia as their facilitators. By the end of 2023, we anticipate having digitized more than 80% of our clients, ushering a million women-led MSMEs into the digital age sustainably.

Seven years in a row now, Amarth has consistently published an annual sustainability report, placing us at the forefront of the ESG initiative. We hope this publication share our excitement and optimism to all stakeholders and public in general, in our efforts to bring shared prosperity one village at a time, sustainably.



Andi Taufan Garuda Putra
Founder and CEO Amarth

Amartha's Sustainability Reporting Journey

2016 marked the publication of Amartha's first sustainability report, titled Amartha Social Accountability Report, to demonstrate our commitment to the environment and social responsibility. Our strategy and impact measurement continue to evolve over time in order to meet global reporting standards. For this purpose, Amartha started to implement global sustainability reporting guidelines and standards beginning in 2021.

With the new standard, Amartha aligned the sustainability objectives with its risk mitigation strategy, considers sustainability as part of its core business process. The global standard that we use as part of our sustainability management and reporting are among others:



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- Global Reporting Initiative (GRI 2021) (with reference reporting).
- ISO 26000.
- IFC's Corporate Governance Performance Indicators for Capital Markets Financial Institutions (FIs) (IFC-G).
- IFC's Environmental and Social (E&S) Performance Indicators for Capital Markets Financial Institutions (FIs) (IFC-E&S).
- Women's Empowerment Principles (WEP).
- Client Protection Principles (CPP).
- Sustainability Accounting Standards Board (SASB): Consumer Finance.
- Morgan Stanley Capital International (MSCI): Financials.
- Sustainalytics Material ESG Issues.



About Amarth



Amartha began its journey of servicing underserved rural communities in 2010 from a small village in Bogor, West Java. In light of the fact that the majority of informal businesses are operated by women in rural villages, Amarth designed its product by offering working capital loans to ultra-micro and micro enterprises (MSMEs).

Amartha transformed into a financial technology company in 2016 when it introduced the peer-to-peer (P2P) lending model as PT Amarth Mikro Fintek, with the objective of making digital financial services more accessible to unbanked and underserved rural villages. Since then, Amarth has maintained a high-quality portfolio while expanding exponentially.

As of December 2022, Amarth has disbursed more than IDR 10.1 trillion of funds from mostly urban lenders to 1.5 million women ultra-micro entrepreneurs across more than 55,460 villages in Java, Sulawesi, and Sumatra.

To promote better equity in financial inclusion and empower rural communities, Amarth disbursed 53% of the working capital outside of Java. This affirmative intervention is aimed at reducing the gap between urban and rural, and stimulating economic growth in the underdeveloped villages.



Sumatra

308 Points
20,009 villages
504,392 borrowers



Java

334 Points
28,475 villages
796,082 borrowers



Sulawesi

134 Points
7,112 villages
227,357 borrowers



As an impact-oriented business, Amartha integrates its business model with its strategy to deliver value to the community. In this regard, Amartha's product development, market expansion, and segmentation are always geared towards the improvement of customer well-being.

We believe that doing good is always compatible with business expansion and generating a profit that can be sustained. Therefore, Amartha's primary mission is to promote shared prosperity through financial inclusion and the empowerment of women.

With the peer-to-peer model, Amartha's funding comes from the general public via institutional channeling (primarily commercial and rural banks) and from individual retail investors. The model is intended to democratize the lending

process in order to provide subprime borrowers with a second opportunity to improve their financial standing and credit score. To determine the risk level and creditworthiness of our prospective consumers, we have developed Amartha Score (A-Score), a proprietary credit scoring engine powered by artificial intelligence logic.

As serving the grassroots market require a hybrid model to ensure inclusivity, Amartha maintains a network of over 5,000 field officers (Business Partners) who facilitate offline transactions and assist rural communities in joining the digital society. With this strategy, Amartha ensures that digital financial services can be provided to all customers, regardless of their level of digital literacy, making our approach more inclusive and the digital transformation more sustainable and equitable for all.



Our Network of Impact Makers



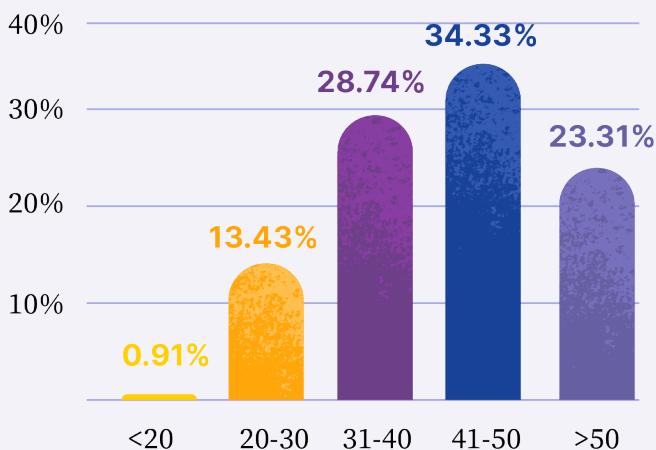
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Amartha believes that all hands must be on deck to create a lasting impact.

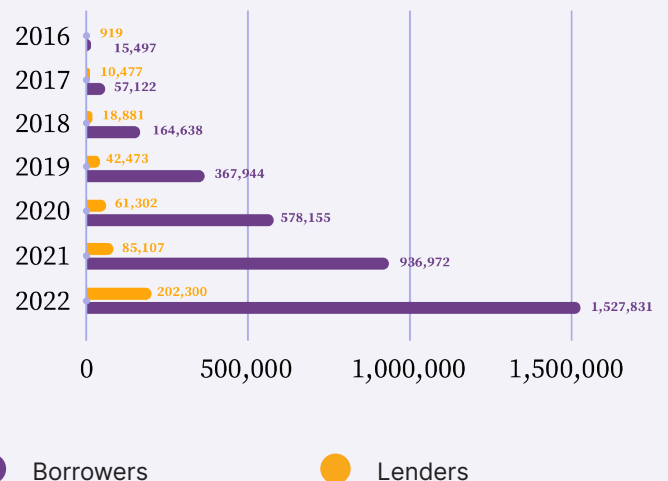
Amartha believes that all hands must be on deck to create a lasting impact. In 2022, Amarthas team of impact makers have grown to more than 6,400 strong team members, including engineering, product, and functions team at our Head Office, as well as more than 6,000 field teams serving thousands of villages across Indonesia on a daily basis.

Our external stakeholders, in addition to our internal team, have played significant roles in delivering impact to our communities. With the support of **202,300 registered retail lenders** and over 40 institutional channeling partners Amarthas was able to disburse over IDR 10.1 trillion to 1.5 million women-led MSMEs in 2022. Our **1.5 million borrowers** are in productive around 41-50 years old (34%) and 31-40 years old (28%). The figure shows that loan from Amarthas supports women at productive ages to thrive and prosper.

Borrower's Age Group



Growth of Lenders and Borrowers



202,300

Individual
Lenders

30+

Institutional
Lenders

1.5 million

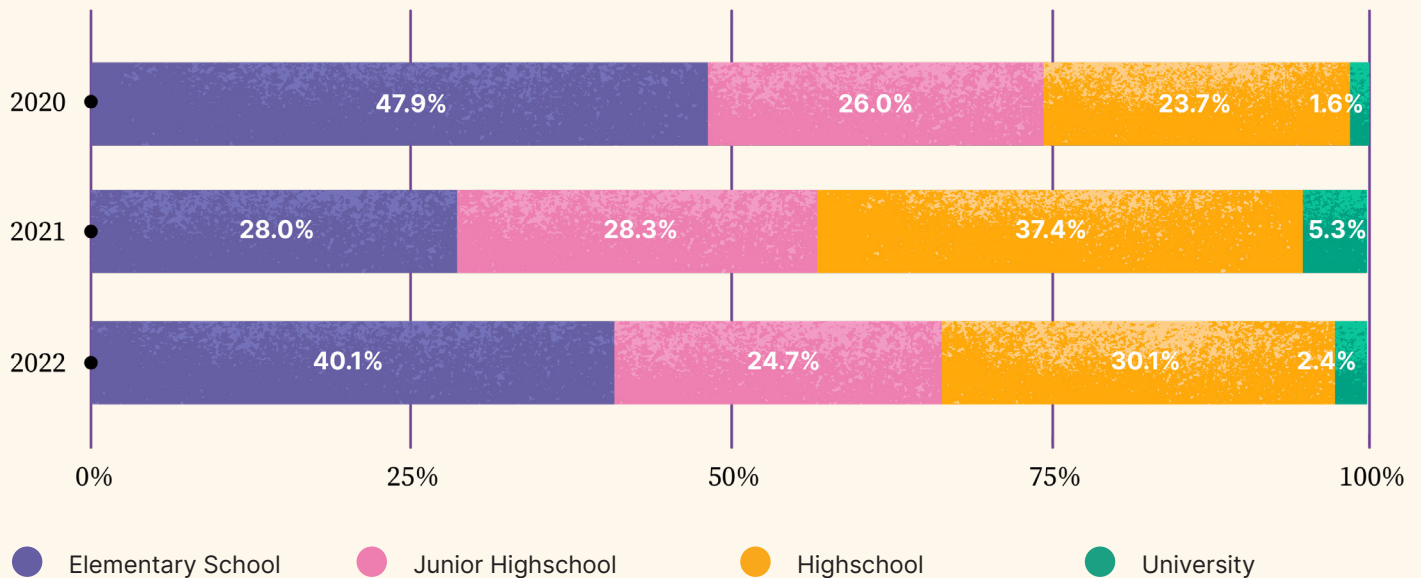
Borrowers

6,400

Team



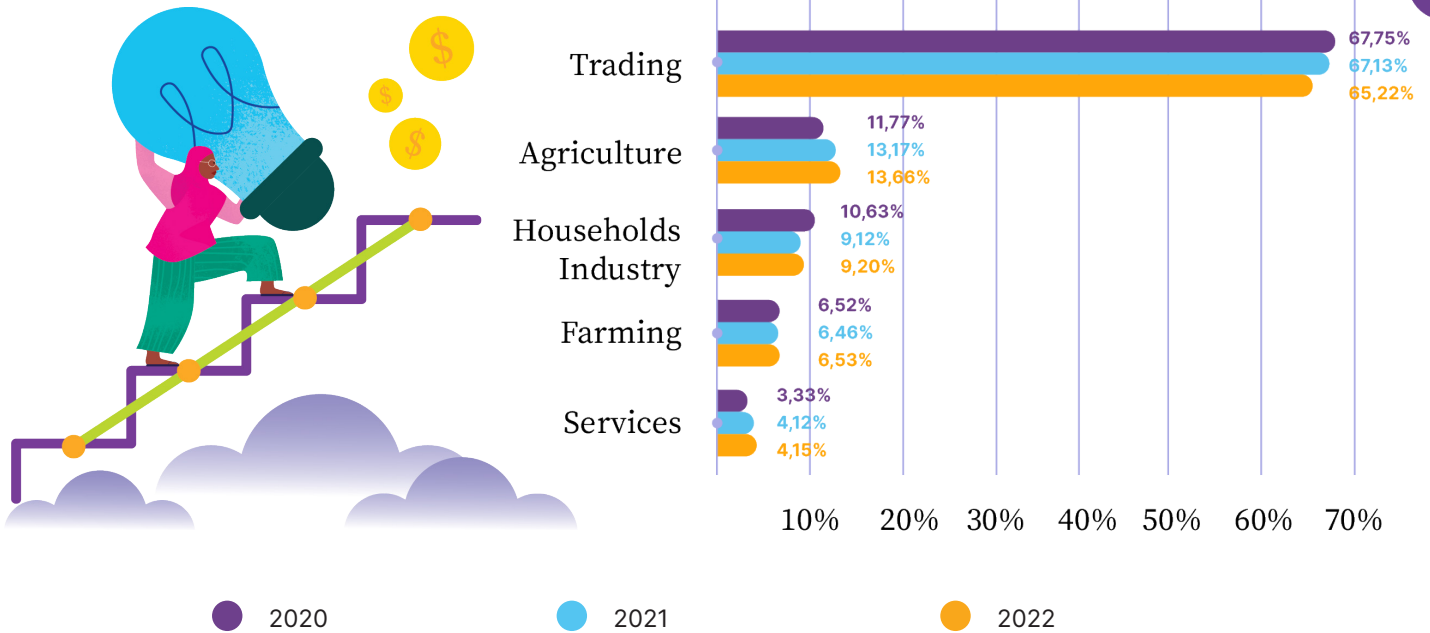
Borrowers Education Level



According to the chart presented above, the majority of our borrowers have only completed elementary school (40.06%). As lower education levels may be considered “deprivation”, Amarthas focuses on targeting this segment as part of our empowerment program through women-led entrepreneurship.

Although high school education is mandatory and its tuition fee is funded by the government, but only 30% of our borrowers held a high school diploma. With the loan that Amarthas provides, one of our primary objectives is to increase the educational level of children in the family, as a result of an improved income from the business. Therefore, the future generation could afford higher education which leads to the betterment of their livelihood in the future.

Business Sector of Borrowers



Regarding the business sector, the majority of our borrowers are engaged in trading (65.2%), operating small stores from their homes and selling their wares to the villagers, followed by smallholder agricultural activities (13.6%) and home industries (9.2%). Community trading is the most popular activity in villages due to its low risk, high adaptability, and ability to generate daily financial income.

With the spirit of building partnerships in sustainability and enhancing value creation to the community, Amarta is also collaborating with the regulators, multilateral development agencies and other private sector partners to implement our sustainability initiatives.



Economic Performance



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Amartha aims to create prosperity for everyone, especially Indonesia's bottom of the pyramid.

To achieve that vision, Amartha is committed to bringing inclusive financial access to micro and small enterprises (MSEs) who are underserved financially and digitally in remote villages to achieve prosperity.

Through an inclusive finance framework, Amartha introduces pathways to prosperity for millions of Indonesia's micro SMEs, particularly those operating at the grassroots levels in rural villages, while maintaining a sustainable and profitable business model.

Economic performance in 2022 exhibits the overall business performance of Amartha. Throughout the year, Amartha

booked IDR 673.4 billion in revenue, or an increase of 106% compared to previous year. The revenue is contributed from the expansion of customer base and areas of services mainly in the Eastern part of Indonesia. In terms of the operating expense, Amartha spent IDR 309.4 billion in 2022, an increase from IDR 131.4 billion last year.

Amartha's financial performance is also supported by strong confidence from our lenders. Throughout 2022, we raised IDR 4.78 trillion from public funds, of which 65% is contributed by more than 35 institutions, mainly commercial banks, state owned banks, and rural banks (BPR).



Amartha's Sustainability Strategy

In carrying out this commitment, Amartha adheres to the ESG objectives, which are comprised of three primary objectives pertaining to Environment, Social, and Governance:

Social Goals

Deliver Impacts on the Lives of Our Customers, Team Members, and Communities

- Promote Sustainable Financing
- Promote Ethical Lending
- Drive Women Empowerment
- Improve well-being through education

Environmental Goals

Protect the environment while promoting economic growth

- Reduce Greenhouse Gas Emission
- Promote Sustainable Consumption and Production

Governance Goals

Establish a secure platform through an accountable governance approach

- Protect Customer Data Privacy
- Respect Equal Rights
- Maintain Trustworthy Partnership

“

We understand that our business operations are exposed to several risks, both for internal and for external stakeholders. Adopting the ESG standard is our strategy to mitigate the threats and promote the opportunities and therefore support the business to grow more sustainably.

2022 Instigating



2023 Performing



As part of our governance to maintain Amarth's sustainabel performance and fulfil our ESG commitment, we have developed an ESG Roadmap that will serve as our future strategies.

Accordingly, as the roadmap suggests, we began integrating and implementing ESG across the enterprise strated in 2022. Further, beginning 2023, Amarth will enhance its ESG initiatives, reporting, event, and partnerships by collaborating with the country's foremost Sustainability stakeholders. Amarth also launched Amarth Foundation as a vehicle to implement sustainability initiatives to the public and the nation at large through three pillars: (1) education, (2) women's empowerment, and (3) sustainable digital transformation.



2024 Achieving

2025 Inspiring



2026 Sustaining Improvement



Amartha's Contribution to Sustainable Development Goals (SDGs)



The Sustainable Development Goals (SDGs) will be attained through the collaboration of Indonesia and all other nations. The 2015-launched Sustainable Development Goals (SDGs) are expected to be met by 2030.

Amartha believes that all stakeholders must contribute to the attainment of SDG objectives, including business communities and non-governmental organizations. To achieve this, Amartha has integrated the SDGs into our business strategies and operational activities.

Specifically, during the COVID-19 pandemic, a significant impact on SDG 1 (No Poverty), SDG 8 (Decent Work and Economic Growth), and SDG 10 (Reduced Inequalities) were among the most severe areas reported by the Human Development Report 2020. As a consequences, the global public health crisis has led to an increase in unemployment,

which in turn increase the severity of poverty. As the pandemic prolonged, a global economic crisis started to emerge, which widened the welfare disparity among the vulnerable groups.

With such a reality, Amartha's focus in targeting vulnerable groups became more crucial. In this regard, poverty reduction and economic empowerment through the provision of financial products that fit with the needs of rural women along with promoting financial literacy to empower women economically are among the top priorities.

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SDG-1 | No Poverty

Amartha helps reduce poverty rate by providing financial access to the unbanked and the underserved. **On average, the income of borrowers increased by 69.61% during 2022.**

SDG-4 | Quality Education

Promoting children's education to borrowers. Amarthas embodies a concern for education in its SOP, which states that field officers always encourage borrowers to prioritize their children's education in a weekly meeting. In addition, Amarthas provides scholarship programs for borrower's & employee's families as well as for the public to promote quality education. **In 2022, 30 scholarships via Amarthas Foundation's Cendekia Scholarship were granted to girls in the villages, among 1,200 applicants.**



SDG-5 | Gender Equality

Supporting women's leadership in micro-business and rural economy. By promoting women to have their own income and build personal assets, Amarthas helps women to participate and lead in the economic life of their families thus reducing the gap between men and women. **99% of Amarthas's 1.5 million borrowers are women from vulnerable groups, i.e. rural villagers from low income and low educational backgrounds.**



SDG-8 | Decent Work & Economic Growth

Supporting employment and job creation in rural areas. Working capital from Amarthas enabled **156,298 borrowers in rural areas to hire their first employee within a year in 2022, creating jobs in the villages.**





SDG-10 | Reduce Inequalities

Strengthening women's economic capacity at the bottom 40% of population by ensuring that the majority of our borrowers are women. Focusing our target area in rural villages and peri-urban areas where disparity of financial access are prominent. **More than 52,000 villages are served by Amartha's financial service in 2022.**

SDG-12 | Responsible Consumption & Production

Promoting sustainable consumption and production practices by integrating these principles into the lives of our borrowers and employees. Through our data collection, we gain insights into the lifestyle of our borrowers, enabling us to develop targeted programs that promote sustainable living practices. **In 2022, we educate our employees on adopting sustainable behaviors, and initiated a waste recycling program at our Head Office as a tangible demonstration of our commitment.**



SDG-17 | Partnership for The Goals

Actively engage with external stakeholders, such as UN-IGCN, IBCSD, UN Women's WEP, IBCWE, and G20 EMPOWER, the government, such as MoLHR, Ministry of Women Empowerment and Child Protection, and the Ministry of Communication and Informatics (Kominfo), Australian DFAT, US DFC, academic communities such as Universities and Research Centers, and multinational institutions, such as the World Bank and IFC. **Several partnership projects were initiated in 2022, and we aimed to continue making more sustainable collaborations.**

Awards and Recognitions



HR Asia Award

The HR Asia Best Companies to Work for in Asia Awards is a recognition program for organizations identified by their employees as one of Asia's employers of choice and identifies the best companies to work for, that exhibit high levels of employee engagement and excellent workplace cultures.



WEPs (Women Empowerment Principles) Awards

WEPs is an initiative of UN Women and the UN Global Compact that aims to empower women to participate fully in the economy in all sectors and outlines seven steps for businesses to achieve in the workplace, marketplace, and community. More than 3,800 companies worldwide have signed WEPs, including 145 companies from Indonesia.

In WEPs Indonesia Awards 2022, Amarthas won the category of:

- Winner Gender Inclusive Workplace
- 1st Runner Up Gender Responsive Marketplace (2nd)

In WEPs Asia Pacific Awards 2022, Amarthas won the category of:

- 1st Runner Up Gender Inclusive Workplace



The Best Contact Center in Indonesia 2022

Indonesia Contact Center Association (ICCA) was established in 2003 and has grown membership from a wide range of industries. Industry coverage from Banking, Insurance, Retail, Manufacturing, Energy, Government, and Telecommunication industries. ICCA has annual award for Best Contact Center, and Amarthas has won in the Platinum Score Best Experience award.



Global SME Finance Awards 2022

Part of IFC, the SME Finance Forum works to expand access to finance for small and medium businesses. The Forum operates a global membership network of +240 members that brings together financial institutions, technology companies, and development finance institutions to share knowledge, spur innovation, and promote the growth of SMEs.





Flourish Prize 2022

The Flourish Prizes are each year's culminating event for AIM2Flourish, a Fowler Center initiative that recognizes the positive impact of today's business leaders while changing the way tomorrow's leaders are taught. Amarta has won the Flourish Prize 2022 in Gender Equality Category.



Indonesia Best Companies in Creating Leaders from within Award 2022 (SWA & NBO)

SWA & NBO holds the annual award for Best Companies in Creating Leaders and Amarta has won the 2022 title.



Sustainable Business Awards Indonesia 2022

GI is a Singaporean company specialising in Sustainability and Data Science. GI holds the annual Sustainable Business Awards as an effort to help companies start and accelerate their sustainability journey. Amarta has won the Sustainable Business Award in Stakeholder Management Category.



PRISMA Assessment 2022 by Ministry of Law & Human Rights

PRISMA is an independent program intended to assist companies in analyzing the risks of human rights violations caused by business activities. Amarta was given a score above >90 (Green Category).



B20 Sustainability 4.0 Awards - 2022 Winner

The "B20 Sustainability 4.0 Awards" is a joint European-Indonesian project and a side event of B20 Indonesia 2022. The Awards Program is organized by the Swiss Chamber of Commerce and co-organized by Kadin and Eurocham, along with partner chambers Britcham, Ekonid, IBAI and IFCCI. Amarta has been awarded the B20 Sustainability 4.0 Awards for its leading role in advancing livelihood of women MSMEs in rural Indonesia.

Sustainability Partnerships

As part of SDG 17, Amartha is actively engaged in partnership with external stakeholders, such as development agencies, governments, NGOs, academic institutions, private sectors and other non-governmental organization in promoting sustainability practices.

Some of the collaborations we conducted throughout 2022 are:

Government:



Ministry of Communication and Information

Throughout 2022, Amartha partnered with Kominfo in providing training and digital literacy workshops for rural villagers. This program aimed to train more than 20,000 MSMEs all over Indonesia. These MSMEs will be assisted in a 6 months development program with 110 facilitators appointed by the Ministry of Communication and Informatics. This collaboration is part of the Kominfo program entitled "UMKM Naik Kelas". The MoU for partnership between Amartha and the Ministry was signed early in 2023.



Ministry of Women Empowerment and Child Protection

The Minister of Women Empowerment and Child Protection appointed Amartha's CRSO as G20 EMPOWER Advocate for Women Empowerment to support Indonesia's presidency at G20, specifically to help formulate policies and strategies to empower women in the MSME sector. With KPPPA, Amartha also organized collaboration project such as being a part of the establishment of Women and Children Friendly Village (Desa Ramah Perempuan dan Anak) all across Indonesia.

Non-Governmental Organizations:



Blue Forest

Blue Forest is an organization that aligns communities with their respective environmental challenges by providing 'hands-on' experience in social, economic, and ecological watershed research.

Amartha and Blue Forest have conserved 2 hectares of mangroves on Tanakeke Island, South Sulawesi, by the year 2022. The initiative is a component of Amartha's strategy to offset its carbon emissions and become a carbon-neutral business.

Associations:



Women's World Banking

Women's World Banking is a non-profit organization that provides strategic support, technical assistance, and information to a global network of 55 independent microfinance institutions (MFIs) and banks that provide credit and other financial services to low-income women entrepreneurs in developing countries.

Amartha has collaborated with the WWB advisory team throughout 2022 to develop a gender assessment methodology and identify the gender initiative's gaps in order to ensure that Amartha's gender initiative is in accordance with market best practices and global standards.



SME Finance Forum

SME Finance Forum works to increase small and medium business access to capital. Through Amarta's membership with SME, we have participated in various knowledge-sharing sessions, surveys, and research on promoting innovation and financial inclusions, as well as attended the SME Finance Forum 2022 in Cambodia to share our experience in promoting rural finance by speaking on the Banking the Informal Sector panel.



IGCN (Indonesia Global Connect Network)

Indonesia Global Compact Network (IGCN) is a local network of the United Nations Global Compact in Indonesia, comprised of corporations and organizations that have mutually agreed to support, promote, and implement the United Nations Global Compact Principles. Through the network, Amarta declares an annual report through Communication on Progress (COP) that details our initiatives and strategies in protecting Human Rights, Labor, the Environment, and Anti-Corruption.



IBCWE (Indonesia Business Coalition for Women Empowerment)

The Indonesia Business Coalition for Women Empowerment (IBCWE) is a coalition of businesses committed to promoting the economic empowerment of women and gender equality. With the help of IBCWE, Amarta developed the Gender Equality Assessment Results and Strategies (GEARS) exercise as a voluntary effort among private sectors to understand the gap and design an action plan for gender initiatives within the organization using a standardized assessment instrument.



IBCSD (Indonesia Business Council for Sustainable Development)

The Indonesia Business Council for Sustainable Development (IBCSD) is a CEO-led association of Indonesian corporations committed to promoting sustainable development via economic growth, ecological balance, and social advancement. Amarta participated in a variety of knowledge-sharing sessions as both facilitators and participants in an effort to position ourselves in relation to the dynamics of private sector's sustainability in Indonesia.

Part 2

Sustainability Agenda





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I use the loan from Amarththa to add more variety of products for my pop shop, now it has more items to sell.

Ibu Fitri, Lubuklinggau

Damage Reduction

Overview

Amartha is committed to building a sustainable business practice in digital financial services for the grassroots economy by carefully implementing mechanisms for damage reduction, such as a standardized ethical lending practice and adherence to human rights protection.



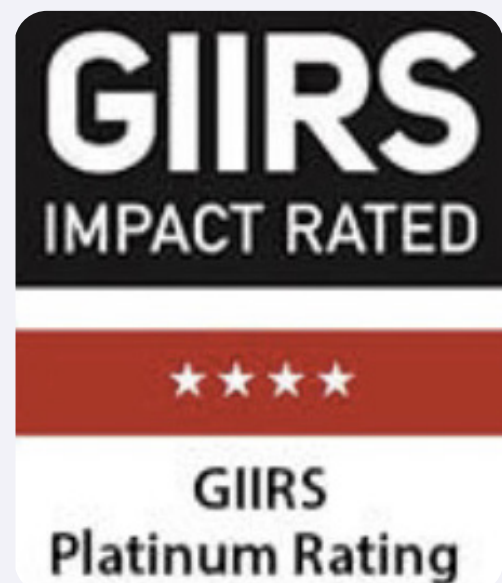
Ethical Lending and Client Protection

We implement ethical lending practices as an essential part in delivering our services to customers. These standards safeguard clients from unjust, deceptive, or abusive practices and provide them with the necessary knowledge, steps, and tools to make sound financial decisions. The lending practices adhere to Cerise+SPTF's Standard for Responsible Financial Services.

In 2022, we conducted a self-assessment using the Universal Standards for Social and Environmental Management (USSEPM), which encompass seven dimensions as depicted below, and received a score of 88.2 or "Silver" status.



In addition, we conducted the Global Impact Investing Rating System ("GIIRS") Ratings & Analytics by the B-Corp, which provides the impact standards and rating system necessary to facilitate a scalable and transparent marketplace for institutional investors, financial services intermediaries, and organizations seeking mission-aligned growth capital. GIIRS offers company and fund impact evaluations, as well as current and historical analyses of impact performance and comparable data. GIIRS awarded Amarth the "Platinum" rating.



Human Rights Protection

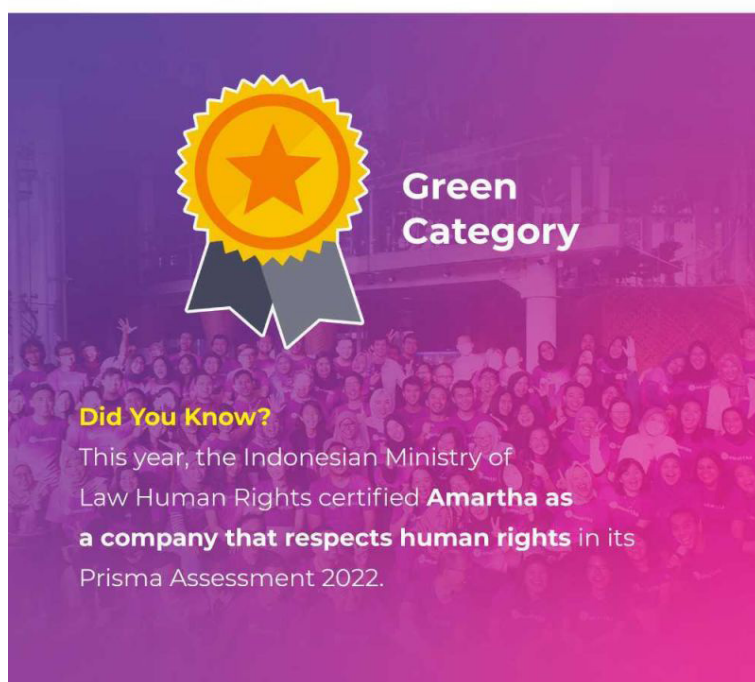
In terms of human rights protection and governance principles, we benchmark ourselves against international norms by joining the Indonesia Global Compact Network (IGCN), an initiative of the United Nations, as signatories and committers to the ten Global Compact Network principles.

Amartha submits a Communication on Progress (COP) declaration annually as part of our commitment to transparency and accountability in implementing the principles of human rights, labor protection, environmental initiatives, and anti-corruption. UN Global Compact Network administers the COP Questionnaire. The purpose of the declaration is to contribute value to Amartha in a variety of ways, such as by demonstrating our commitment to corporate sustainability, the UN-GCN Ten Principles, and the Sustainable Development Goals. In addition, the annual reporting will be used to measure and demonstrate the consistent and unified implementation of the Ten Principles.

In addition, Amartha voluntarily participated in the Ministry of Law and Human Rights' (MoLHR) self-assessment on human rights implementation in the workplace (PRISMA). Protection of human rights at Amartha is reflected in its internal policies, which include a non-discrimination policy in hiring and promotion, employee benefits and protections procedures, wellbeing and mental health enhancement, and a people development strategy that encourages self-actualization through professional and personal development. In addition, human rights principles are implemented for consumers through ethical lending practices, including Amartha's participation as a signatory to the code of ethics for lending companies established by Indonesia's fintech lending association.



KEMENTERIAN HUKUM DAN HAK ASASI MANUSIA
REPUBLIK INDONESIA



Environment

Overview

Amartha also draws attention to the global issue of climate change, and we demonstrate our commitment through our strategies, which aim for a gradual reduction in carbon emissions. Amartha also believes in circularity, which is why we implement a waste management policy that emphasizes waste reduction.



Tackling Climate Change (Net Zero)

Amartha has a strong commitment towards minimizing environmental damage by reducing CO2 emission and promoting green financing.



As a financial technology company, Amartha calculates our carbon footprint using the Scope 2 Principles of the Greenhouse Gas Protocol.

Scope 2 GHG emissions are indirect emissions caused by the purchase or use of electricity, steam, heat, or ventilation by

an organization. These emissions exceed an organization's operational limits, but are correlated with its use of purchased energy. Therefore, we also include the travel expenses of our field officers in our carbon footprint as a more conservative approach in exercising our carbon footprint calculation.

Below is the summary of Amartha carbon emission in 2022:

Emission source	Measurement	Emission (metric tons)
Travels	75,227,008 km/year	6,459.29
Energy usage	1,401,985 kWh/year	1,087.52
Total	7,546.81 metric tons of CO2 emission per year	

Eliminating Waste

We acknowledged that Amartha's operations generated unavoidable waste, such as trash and debris associated with business processes, like paper and other waste, produced in both the headquarters and the field offices. We collaborated with Waste4Change as our waste recycling partner in order to effectively manage our waste. Together with Waste4Change, we measure and track our waste production and reduction on a monthly basis with the goal of reducing it.

Internally, Amartha's Impact & Sustainability team together with Waste4Change perform campaign on the significance of waste management to all employees and stakeholders. This collaboration began in September 2022 at the Amartha headquarters.

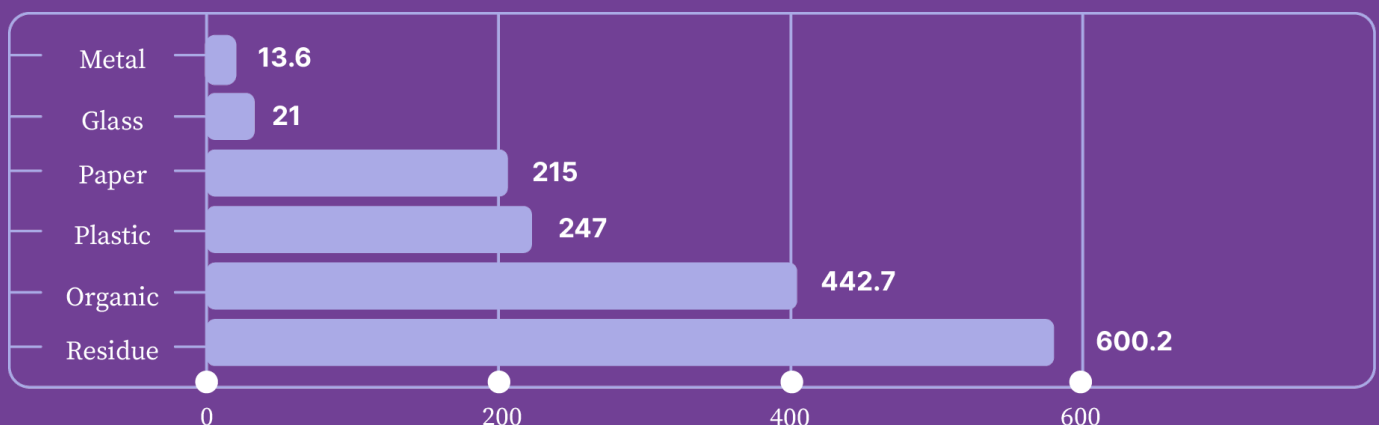
Based on our tracking report, during the September to December 2022, we have collected **1,540 kilograms** of waste in the head office area alone, consisting of organic and non-organic waste. The total waste of **939.3 kilograms** (or **61% of total waste**) were recycled, converted into valuable products such as home appliances, PET press, plastic flakes etc. The organic waste was recycled as compost and for BSF larvae. Other residues was recycled into briquette with RDF technology by Waste4Change.

Monthly Waste Generation



“61% of Amartha's waste in the Head Office was recycled, as part of our commitment to preventing solid waste dumping into landfills”.

Total Waste in 2022 (kg)



Carbon Emissions

Overview

Carbon footprint is an inevitable consequence of all business types. As a financial technology company, carbon emissions can be produced by any of Amartha's activities. The majority of Amartha's carbon emissions stem from the operation sector, which includes daily mobilization of field officers and electricity consumption (field office and head office).



Motorcycle travels related to our operation were counted 75,227,088 kilometers in 2022. To calculate the emission, we divided the types of motorcycles based on their engine size (125 cc and 150 cc). Our field officers' vehicle consists of 3,828 motorcycles with 125cc engines and 914 motorcycles with 150cc engines, consequently, the total carbon emissions produced were **6,495.29** metric tons per year.



Motorcycle Type	Number	Travel distance (km/year)	Efficiency (gram/km)	Metric tons/year
Motor 125cc	3,828	60,727,392	83.06	5,044.02
Motor 150cc	914	14,499,696	100.09	1,451.27
Total	4,742			6,495.29

In addition to calculating carbon emissions based on the distance our field officers travel, we also calculate carbon emissions based on our electricity consumption. For last year, we only track the electricity carbon in our headquarters because it is relatively difficult to monitor our electricity consumption in our field offices, without proper monitoring tools. The total carbon emissions from electricity usage in 2022 were equal to 119.32 tons CO2 per year. This result was decreased by 5.93 tons compared to the previous year.

Type	Electricity cost/month (IDR)	Tarif Dasar (Rp/kWh)	kWh/year	Efficiency (Kg/kWh)	Metric tons/year
HO	14,289,032	1,115	153,819	0.7757	119.32

“

To offset our carbon footprint and align it with other sustainability initiatives, we designed a program to preserve mangroves in a disaster-prone region of South Sulawesi in collaboration with a local NGO and an environmental women's activist group.

In addition to its carbon benefits, mangrove forests are crucial for preventing coastal erosion and enhancing resilience against tsunami threat.

In the long-term, mangroves will also generate economic benefits for coastal

communities through ecotourism and the advancement of biodiversity as a result of environmental protection.

We planted 4,000 mangroves in Tanakeke Island, a small island off the coast of Makassar in South Sulawesi, for the first phase of mangrove conservation.



Water Consumption

“

Although it is not required by regulations, as a financial services company, Amarthas believes that water consumption plays a critical role in environmental conservation, and therefore we want to take part in conserving it.

For the reporting year of 2022, Amarthas has not included water consumption and conservation in our measurement, due to the absence of data. However, we make the best effort to make it available in the subsequent reporting year.



Social

Overview

Amartha focuses on various aspects of improving the social wellbeing of its borrowers through various programs and impact measurement initiatives.

Mainstreaming Impact Investing

We always believe that money can do good to others, in addition to financial rewards for the investors. Therefore, it is our responsibility to provide information on the impact of our lenders' investments to the lives of our borrowers, such as through this annual ESG report and regular update on our social media.

For that reason, Amartha is actively socializing the benefits and importance of making impact investments to the community. Amartha campaigns for the importance of impact investment through various communication channels such as Impact Talk, Martha Talk podcast, and through publications in conventional media. In 2022, Amartha has over **202,348 individual lenders** that invest in women ultra-micro entrepreneurs in rural areas within Amartha portfolio.

Our social initiatives include promoting impact investing for lenders, measuring financial and personal wellbeing of our borrowers, empowering rural women entrepreneurs, and helping girls in the village to access higher education through our signature Amartha Cendekia Scholarships.



Income Improvements

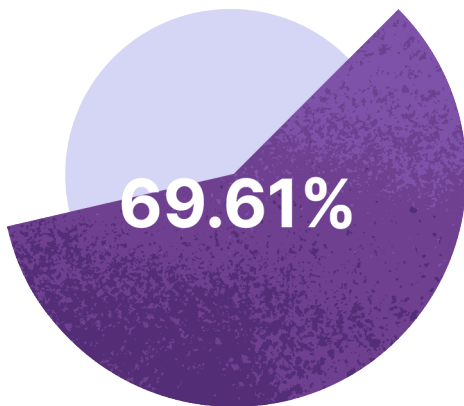
Earning a decent income is one of the keys to reaching prosperity. Therefore, Amarthas is committed to assisting financially underserved MSEs to prosper. However, the pandemic has severely impacted their economic growth. One of the economic sectors that has been severely impacted by the pandemic is micro and small business.

According to the data from the Ministry of Cooperatives and Small-Medium Enterprises, 56% of MSMEs have experienced a decline in sales, while 22% have encountered capital issues (MoCSME, 2020). Despite this, the majority of Amarthas borrowers managed to survive the economic crisis and even increased their income during the pandemic. The income of Amarthas borrowers increased progressively by

10.5% in 2020, 37.76% in 2021, and ultimately 69.6% in 2022. Following the pandemic, the data indicate an optimistic uptick in economic recovery at the local level.

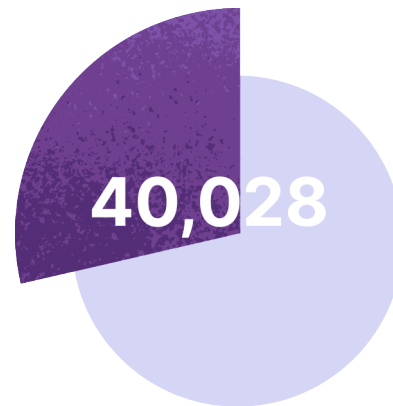
Amarthas periodically evaluates the effect of our economic intervention by monitoring the income growth of our borrowers as a proxy for their financial health. The evaluation is explicitly conducted during the second year of the loan cycle in order to better comprehend how our one-year intervention can increase borrower income. We have collected data on the economic impact on our borrowers from 626 samples representing 1,193,205 borrowers in 2022, with a margin of error of 3.84 percent and a level of confidence of 95 percent.

Furthermore, Amarthas economic impact describes as follows:



Increase in borrower's annual business income

The figure measures incremental business revenue as a direct result of working capital provided by Amarthas. The increase is measured 12 months after loan disbursement.

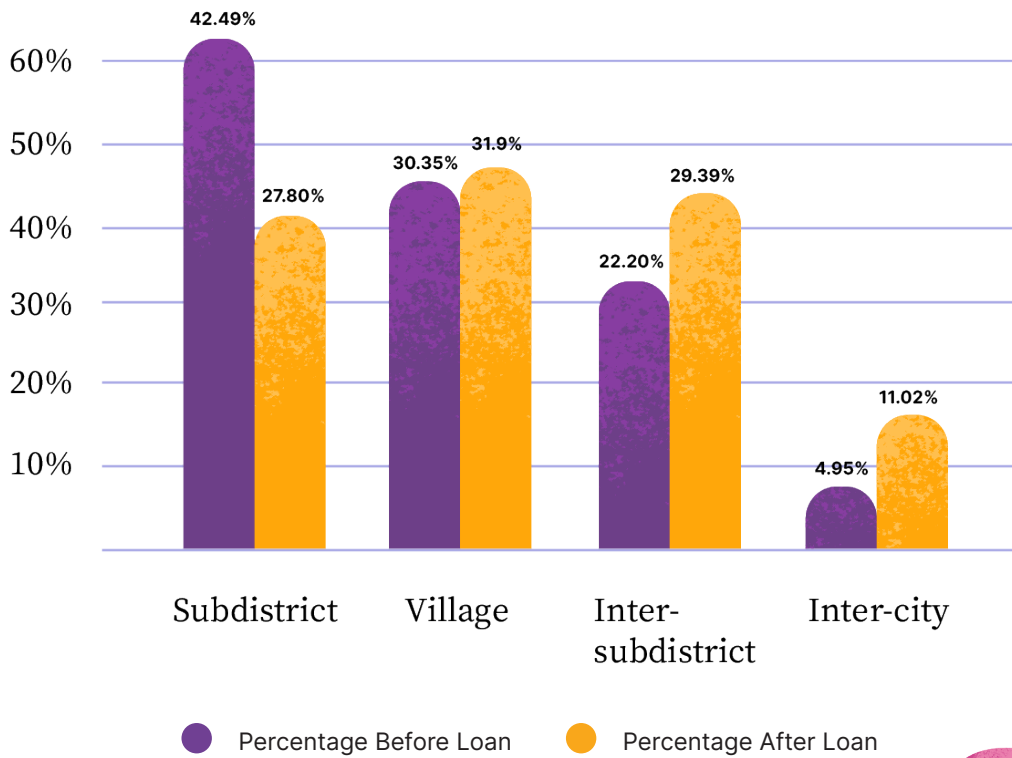


Micro-enterprises advance to small-enterprise level

The small enterprises category includes those generating annual income of at least IDR 300 million, based on Indonesian Law UU No. 20 of 2008. Last year, 40,028 or 3.4% of Amarthas ultra-micro borrowers graduated into small enterprises (MESO level), as their annual business income passed the threshold.

The working capital loan from AmarthA gives opportunity to our MSMEs to expand their businesses. After one year of obtaining support from AmarthA, many of the borrower's market share expands from village-only to inter-city. This change may occur as a result of the digitalization of businesses, which enables them to offer their goods and services to a larger market via online platforms.

Market Outreach of Borrowers



Wellbeing

Overview

Vital to Amarthas sustainability goals is the wellbeing of its customers. In addition to monitoring the financial progress of our borrowers, we also monitor their living conditions, which will ultimately lead them to acquire the resources necessary to achieve their life objectives.

To this end, Amarthas periodically assesses the well-being of our borrowers using key performance indicators, such as the enhancement of their skills, knowledge, and other functions that demonstrate their progress toward empowerment.

These indicators are collected via our annual Borrower Wellbeing Survey, which assesses the level of empowerment of our borrowers in Indonesia, as represented by respondents from Java, Sumatera, and Sulawesi, where Amarthas operates. According to the 2023 Wellbeing Survey, 81% of Amarthas borrowers can be classified as 'empowered' as a result of their engagement with Amarthas.

The key wellbeing and empowerment metrics, as a result of the survey, include the following findings.

- 1 After joining Amarthas, **87%** of our borrowers reported learning new skills relevant to their business activities and personal financial management.
- 2 **96%** of our borrowers attest that they have acquired new skills since joining Amarthas, as they experiment with new activities due to expanded businesses.
- 3 **97%** of Amarthas borrowers reported having more customers after receiving the working capital loans.
- 4 After joining Amarthas, **89%** of our borrowers acknowledged that they are now able to operate their smartphones more efficiently for business purposes, thanks to our training programs and digitalization initiatives.
- 5 After joining Amarthas, **89%** of our borrowers reported that they have begun tracking their income and expenses.
- 6 After joining Amarthas, **93%** of our borrowers have begun separating their business cashflow from their regular household cashflow.
- 7 **96%** of our borrowers acknowledged that they have expanded their businesses by adding new product lines and purchasing additional tools or working equipment.
- 8 After joining Amarthas, **94%** of our borrowers reported an increase in their profits.
- 9 Since joining Amarthas, **95%** of our borrowers have reported an increase in their total income, allowing them to save more money or acquire more assets.



Sustainable Digital Transformation

Realizing that there is a gap between rural and urban areas in terms of digital literacy and access, especially for women, Amarthas embeds financial literacy education with digital literacy interventions.

For this purpose, Amarthas has developed various initiatives to ensure that digital capabilities can be acquired by everyone, especially the women-owned and women-led MSMEs in rural villages across the country.



Several key activities to promote sustainable adoption of digital skills and products throughout 2022 include:

- 1 Launching of Afin apps for borrowers, to familiarize rural MSMEs with digital platform.
- 2 Development of appropriate digital financial products for rural communities, such as cashless disbursement, digital bill payment, including national insurance (BPJS), and phone credits, embedded into Afin apps.
- 3 Launching of AmarthasOne agent network, to enable cash-in cash-out (CICO) points in rural villages that support digitalization.
- 4 Financial management and digital literacy training for field officers, as part of training for trainers (ToT) programs. The field officers are the frontliners who help our borrowers adopt digital products.

As a result of those initiatives, rural villagers are now gradually transitioning into digital society and start using cashless products.



50.96%

Borrowers have bank accounts

To promote cashless transactions, we help our borrowers open a bank account with our banking partners.



831,556

Borrowers using Amarthasfin app

54% of our borrowers start using the Amarthasfin app for their daily financial needs, such as purchase of phone credit, pay the electricity bills, and national insurance fee.



67.89%

Borrowers saving in another account (except bank)

67,89% of our borrowers save their money with non-bank financial institutions, such as koperasi, religious groups, at home, and through *arisan*.



20,482

Numbers of AmarthasOne agents

To facilitate digital transformation, Amarthas trained and activated 20,482 agents, who are our borrowers, to enable cash in cash out service in rural areas across Amarthas area (Java, Sumatera, and Sulawesi).

Job Creation

With the support of Amarth's working capital and interventions, our borrowers start to expand their businesses in the villages, and as a result, they start hiring more people to help them operate their ventures.

In 2022 alone, we recorded that more than 150 thousand borrowers started hiring their first employees, and more than 33 thousand women added more employees to help run their businesses in the villages. By creating jobs and economic opportunities in the villages, Amarth's help reduce the income gap between cities and villages, as well as creating more decent work opportunities for the underprivileged in rural areas.



156,298

Borrowers hire their first employee

The number is equal to 13.10% of Amarth's active borrowers.



33,547

Borrowers add more employees in 2022

As a result of the expansion of their businesses, 2.81 percent of Amarth's borrowers who already have employees hire more this year.



“

I use the working capital from Amarth to purchase fertilizer and grow vegetables, that's how I started my business.



Ibu Euis, Bandung

Women Empowerment

Amartha's mission includes the promotion of female leadership both within the company and in the lives of our customers, particularly rural women entrepreneurs. We believe that by providing women with the opportunity to pursue a career, earn their own income, and develop personal assets, we help them participate in society and live their best lives, while also closing the gap between men and women and between urban and rural areas.

As part of our long-term mission to provide shared prosperity, Amartha is committed to empowering 5 million women in rural areas with USD 2.3 billion in working capital by 2026. To date, we have empowered 1.7 million women with funds totaling \$810 million.

Regarding women's empowerment, diversity, and inclusion throughout 2022, Amartha has implemented numerous internal and external initiatives.

Our year long internal initiatives include the following:

- 1 Establishment of Diversity & Inclusion Committee in Q3-2022, and subsequently the charter was officially approved by BOD, BOC, and shareholders during the Board Meeting on March 6, 2023. The Committee is chaired by the Independent President Commissioner, and co-chaired by the CEO. The roles of the committee include establishing and reviewing the company's initiatives and programs on diversity, inclusion, and gender.
- 2 Establishment of the company's vision and statement to promote female leadership.
- 3 Stipulation of non-discrimination policy in hiring, promotion, and equal pay policy.
- 4 Establishment of support system for mental health and whistleblowing system.

As part of our endeavor in leading the initiative for women empowerment and inclusivity, we also voluntarily participate as signatories and members of various international organizations' initiatives.

- 1 Amartha is a member of the Indonesia Business Council for Women Empowerment (IBCWE) and implements UN Women's Women Empowerment Principles (WEP)-based programs and regulations.
- 2 Amartha also participates in the IGNITE Women Networking and Mentorship Program in order to collaborate with other IBCWE members on the women's leadership and empowerment mentorship program.
- 3 Continue being the signatory of UN-Global Compact Network (UN-GCN) and perform annual Communication on Progress (CoP) report to the UN.
- 4 Sign up as the new member of IFC SME Finance Forum (SMEFF).
- 5 New member of Women's World Banking (WWB) Global Network.

Girls and Children Education

Life expectancy, standard of living, and education are the three most important comparative measures for assessing the quality of life.

Poverty has far-reaching effects on girls and children and can lead to lifelong struggles, particularly when young people do not receive a complete education.

Poverty and education are inextricably linked due to the fact that people living in poverty may cease attending school to work, leaving them without the literacy and numeracy skills necessary to advance their careers. Years later, their children, particularly the girls, are in a similar situation, with little income and few options other than to abandon school and work.

As part of our sustainability agenda, Amartha is committed to addressing the issue by launching the Amartha Cendekia Scholarship for female students in their final year of high school. The scholarship covers stipends of IDR 3 million per student and will be distributed quarterly, starting from July 2022 to July 2023. The scholarship was offered to the daughters of Amartha's borrowers and relatives, Amartha team's family members, as well as the general public. The program finally selected **30 (thirty) scholarship awardees out of 1,224 applicants**. In addition to the stipends, the selected awardees were also given a total of an 8-hour workshop in leadership, self-development, and personal coaching from Amartha's senior leaders.



Disaster Relief

Amartha has contributed a total of IDR 96,745,061 to disaster relief in 2022. The natural disaster occurred in the vicinity of Amartha's operational areas and affected 2,899 Amartha borrowers, including a number of employees.

As part of our program to mitigate the risk of natural disasters, Amartha aligns its environmental conservation initiatives, such as the preservation of mangroves, with the aim of mitigating the harm caused by seawater rising and causing flooding in our operational areas. In addition, conservation helps strengthen the coastal wetland's resistance to abrasion and tsunami risk.



Governance

Diversity and Inclusion

Amartha emphasizes the value of diversity and inclusiveness. The journeys of Amartha employees reflect this. The company's regulations prohibit discrimination based on gender, ethnicity, religion, and other non-skill-related factors at all stages of the hiring and promotion processes.

We are also committed to forming a diversity and inclusion team that will monitor and evaluate the implementation of related programs. We also recognized the significance of female leadership, particularly at the executive level; therefore, in 2022, Amartha appointed **two female C-Levels**.

At Amartha, we prioritize equal opportunity for all employees so that they may optimally grow and develop without racial, ethnic, religious, or gender discrimination. Amartha also refers to the eighth point of the SDGs global sustainability development outline, "Economic Growth and Decent Work, promote inclusive and sustainable economic growth, creating full and productive employment opportunities and decent work for all."

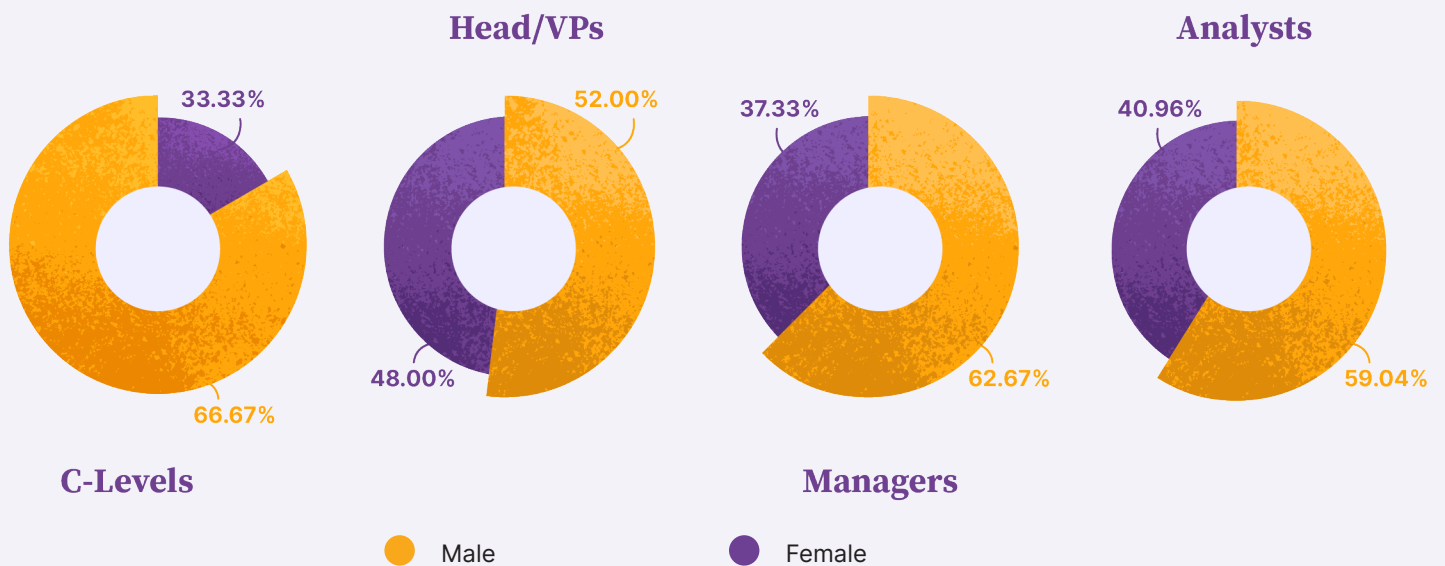


Employee Composition

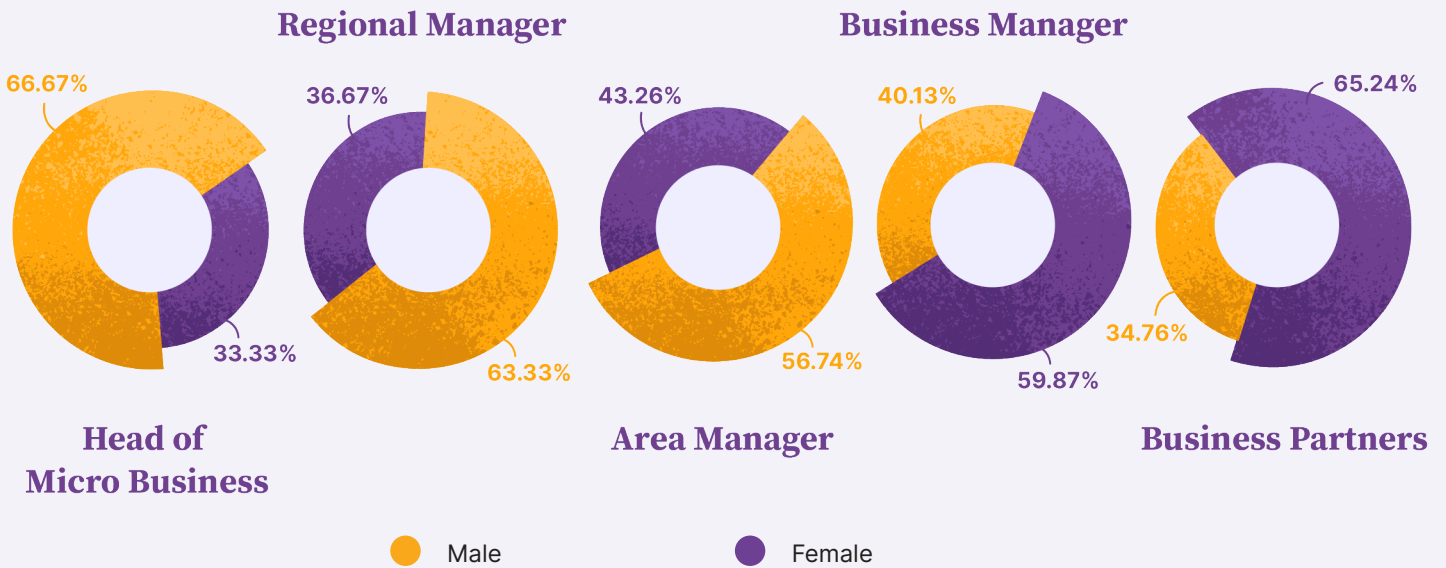
Employee Composition Based On Gender



Employee Composition Based on Level (Head Office)



Employee Composition Based on Level (Field Office Level)

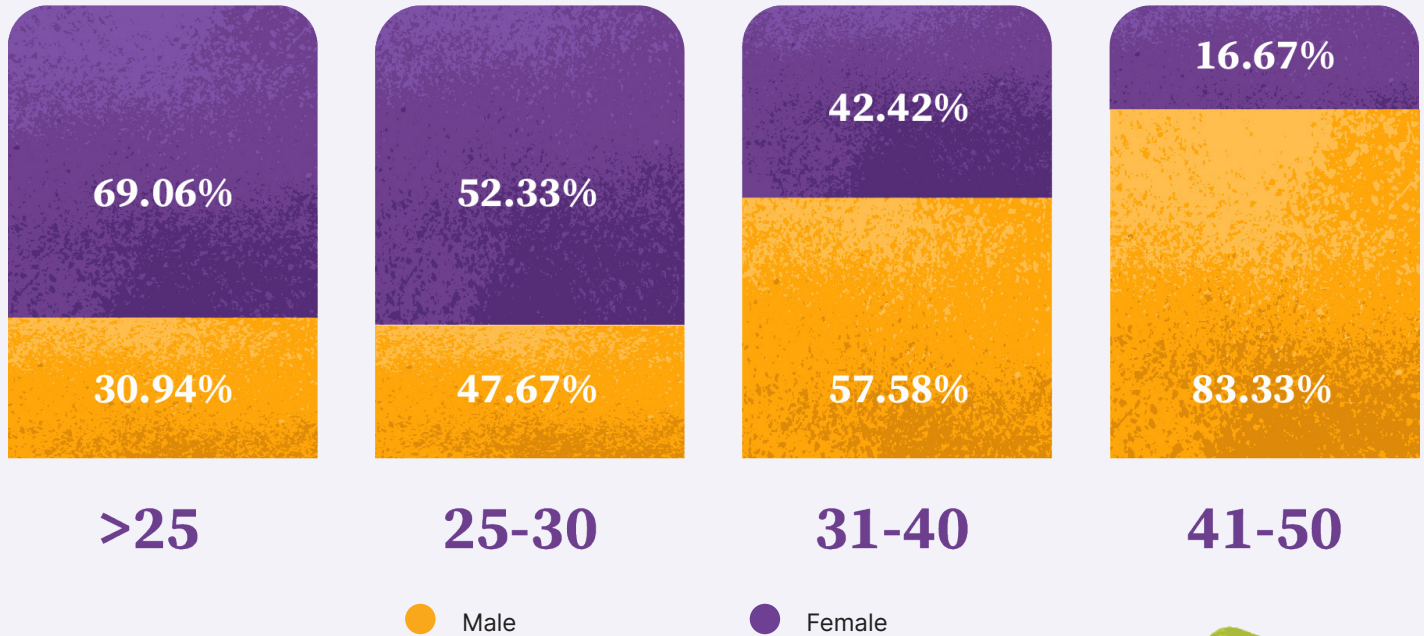


62% of Amartha's personnel are female, demonstrating the company's commitment to women's professional success. 92% of the entire workforce consists of field officers located in 24 provinces throughout Indonesia. To encourage the creation of jobs in the villages, we recruit our field staff locally.

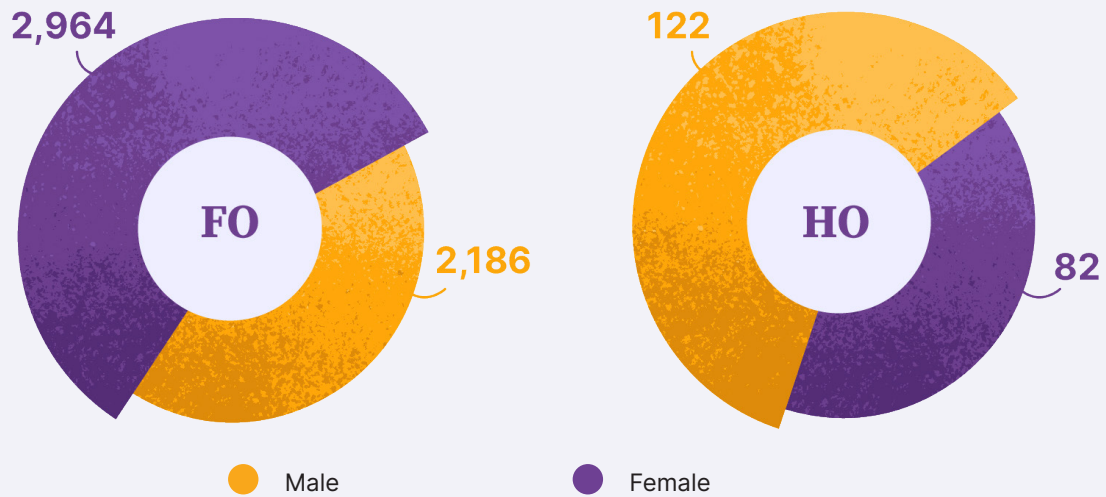


Employment

New Employees Hires Based on Age

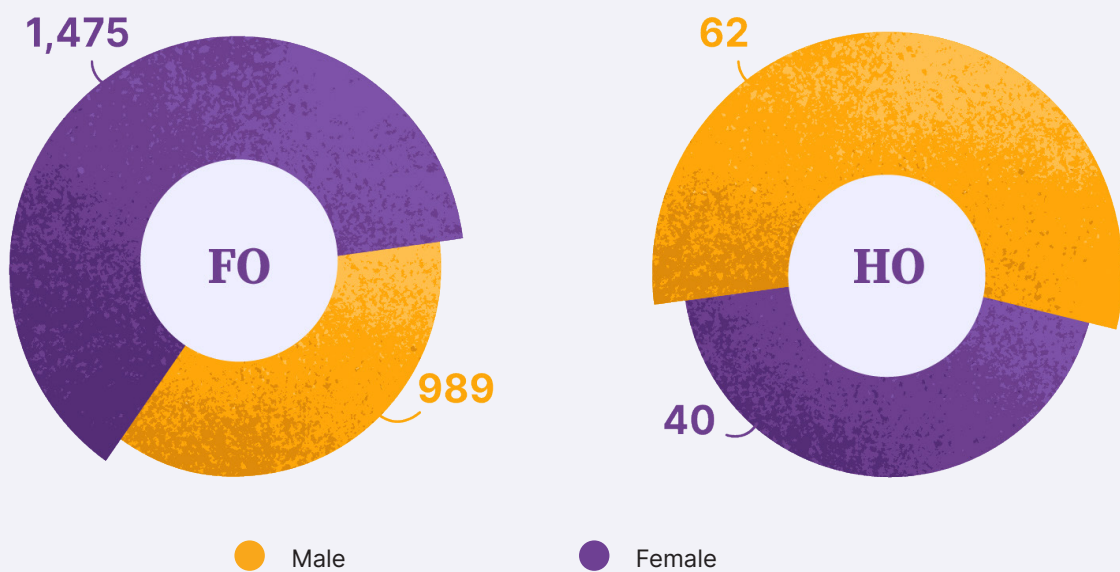


New Employees Hires Based on Region

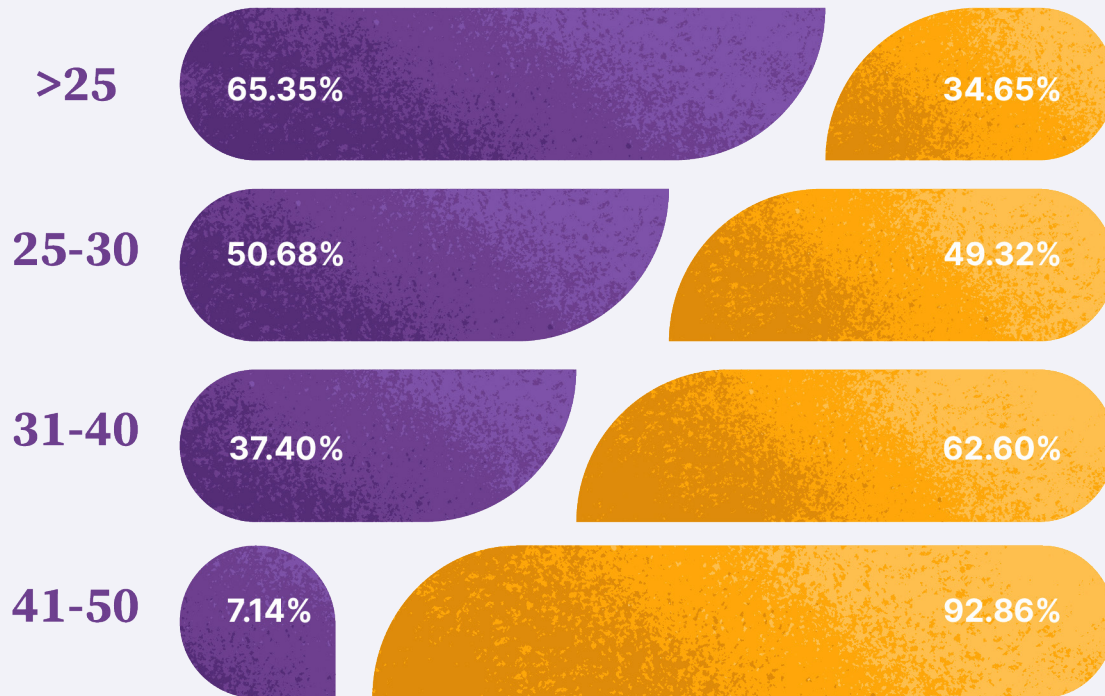


Based on the data presented above, we hired a total of 5,354 employees in 2022, including both field officers and head office personnel. The majority of our employees are under 25 years old, and women outnumber males in this recruitment.

Employee Turnover Based on Region



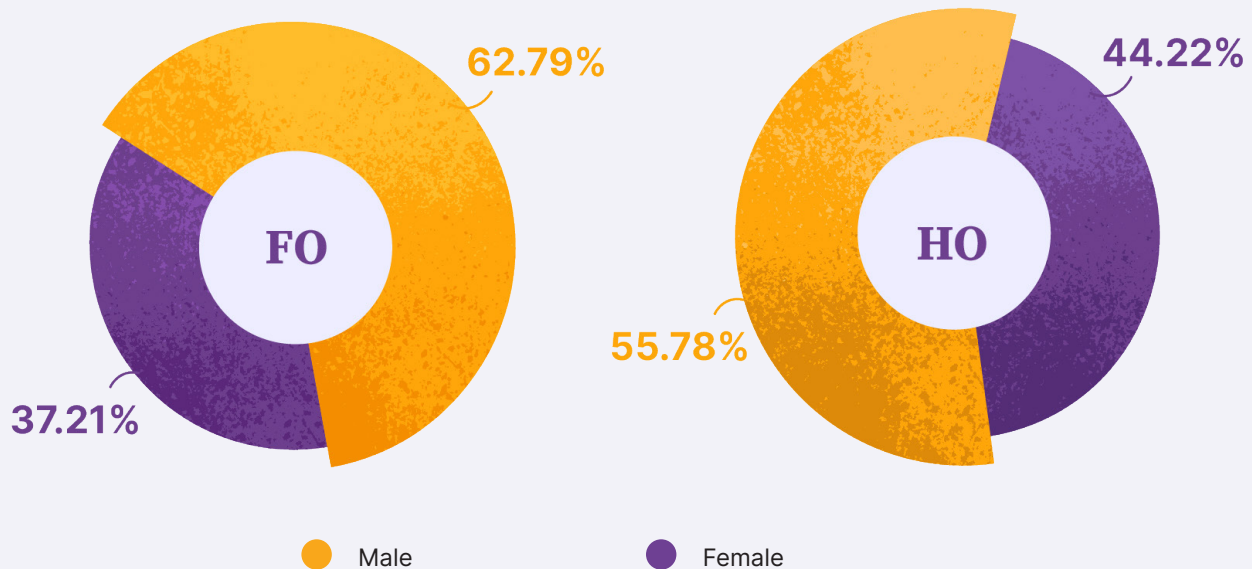
Employees Turnover Based on Age



According to the data presented in the table above, the highest percentage of turnover occurred among those aged 41 to 50, particularly among men (92.86%) during 2022.



Parental Leave, Wellbeing and Flexible Benefits



Parental leaves are one of the benefits offered by Amarththa to expectant women. In Amarththa, both men and women are eligible for parental leave, while women are eligible for three-months paid leave and six weeks of additional flexible working hours. In 2022, there were 127 (or 37%) women and 167 (or 62%) men on parental leave. The data suggest that more men took more parental leaves as part of our “Lelaki Turut Serta” or He for She campaign, where we encourage men to participate in supporting women in their families and in the workplace.

Amarththa provides flexible benefits to enhance the well-being of its employees, in addition to financial benefits and insurance coverage for staff and their families. The program includes company-sponsored recreational and athletic activities. In addition, to increase employee engagement, there are a variety of activities based on the employee’s interests, such as sports, arts, and mindfulness activities. To promote mental health, the company also offers free counseling sessions with licensed psychologists and psychiatric specialists.

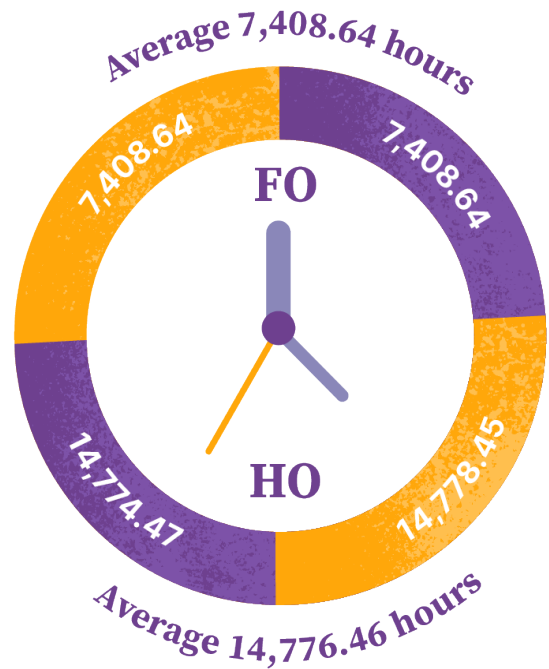


Employee Training and Leadership Program

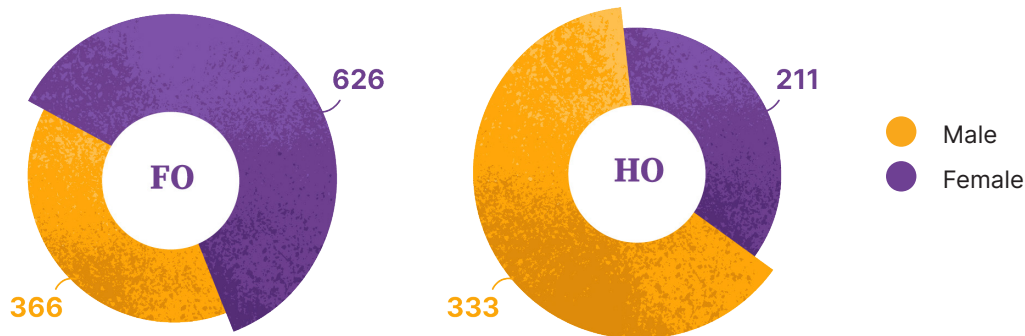
Amartha believes that training and leadership development can help mitigate our impact on society.

Therefore, Amartha develops a dedicated learning team under the Amartha Academy that is equipped with our own curriculum for all levels of employees and supported by a robust digital learning platform, Amarthapedia, for the purpose of educating more than seven thousand of our employees. To promote learning habits among all employees, Amartha also run employee-run sharing sessions, both formal through FLASH (Friday Learning and Sharing) sessions, or through Coffee Time with C levels and Leaders.

Total Average Training Hours 2022



Total Training Based on Gender



Training Programs during 2022

Programs	Batch	
	HO	FO
Flash Sharing Session		12
Flash Expert Class		3
Amartha For Better Indonesia 1 (AMBI 1)	1	
Amartha For Better Indonesia 2 (AMBI 2)	1	
RMDP		1
AMDP		2
BMDP		11
Leadership Enhancement 1		3
AFPI	1	
Agile at Scale	1	
Analisis Pembiayaan Syariah - Tingkat Lanjut	1	
BNSP Industrial Relationship	1	
Cloud Security	1	
COBIT 2019	1	
Contract Management Strategy	1	
Financial Auditing for Internal Audit by IIA	1	
IT & Cybersecurity: Data Analysis For Internal Auditors	1	
Mini MBA	1	
Risk based auditing: The Best Approach For Alligning with Strategies	1	
Root Cause Analysis	1	
Refreshment Training		3
Bulan Belajar Amartha (BBA)		1
Mandatory Course 1: Above & Beyond, 3 Values & 8 DNA Introduction		1

Programs

Batch

Mandatory Course 2: Problem Solving, Decision Making & PDCA
Mandatory Course 3: Conversation, Feedback & Recognition
Mandatory Training 4: How to Become Lifelong Learner & Resilience
Mandatory Training 5: Design Thinking
FLASH Tips for Leaders
FLASH Tips for A-Team
Learning Playlist
Training for Non Discrimination & Anti Harassments

HO

FO

1

1

1

1

24

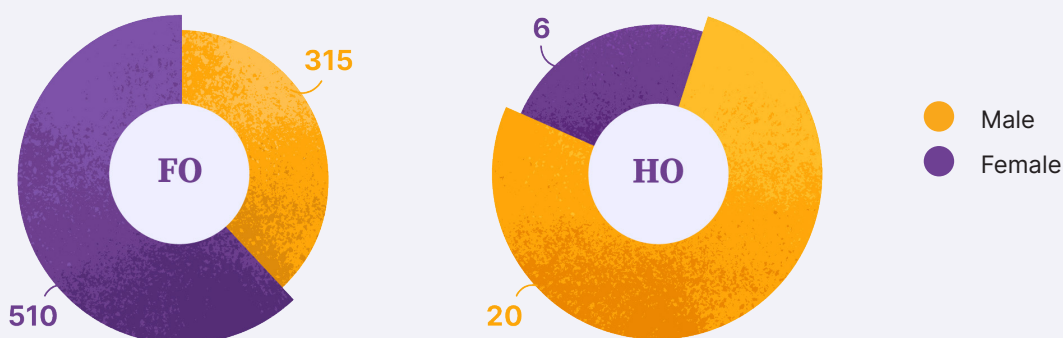
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1

The following table outlines our training schedule for 2022. We offer training that every employee, regardless of region, can attend, as well as training that is exclusive to employees of the headquarters or field offices. FLASH is the most frequently held training per year, with the majority of our lecturers coming from within Amarthia. This training is held every Friday and focuses on skill enhancement. As evidence that Amarthia completely supports individual development, we have developed a learning platform called Amarthapedia, which every employee can access at any time and from which they can select an online class, along with attendance records and assessments.

Promotion and Career Review



In 2022, a total of 851 field office and headquarters employees received promotions for their careers. For field officers, female employees are promoted more frequently than male employees. There are 26 employees in the headquarters who receive promotions and career reviews.

Customer Data Privacy & Protection

Amartha is committed to ensuring that consumer information is never leaked or used inappropriately.

To mitigate the risk, Amarththa is compliant to the ISO27001 standard and certification, as well as the POJK 10/2022. As a financial institution, we are aware that collecting private information is a requirement for our product. During the reporting period, there were no incidents involving lenders' data security breaches.



Anti-fraud

As a financial institution, we are aware that employee fraud is one of the greatest hazards associated with our line of work. All the risks for fraudulent activities that we can prevent and mitigate will allow us to minimize and eliminate fraud in our organization. Because fraud can occur in either the headquarters or the field offices, we have developed programs to mitigate these risks.

Regularly, in the field office and at the headquarters, we conduct a program to remind our employees of the causes or behaviors that contribute to fraud. Typically, the programs include training in fraud awareness and point audits. Amarththa

also declared a policy on the prohibition of bribery and developed the reporting and whistleblowing mechanism.

Developing fraud prevention tools, such as digital signatures, contactless disbursement, OCR biometrics, and telecaller teams, is a further measure we have taken to prevent fraudulent activities. Our new employees in both the field office and the headquarters will receive comprehensive training on daily operational procedures, including the implementation of internal controls. During this reporting period, **we conducted 107 activities for the field office, including audit investigations and fraud awareness.**



Social Dialogue

Amartha desires that the relationship between a leader and their staff or other personnel is always positive and open. Our People and Culture division creates a program to achieve this objective.

The program seeks to give employees the opportunity to communicate with C-level executives. “Ngopi Brader” is one of the signature programs where our C-level and employees can discuss freely and casually, therefore, it could promote constructive feedback mechanisms across functions and structural levels.



Work Flexibility

We have implemented a work-from-anywhere policy for our Head Office employees as of 2020.

The Management decided to make the work-from-anywhere policy permanent after determining that it had no effect on the overall productivity of the employee. We also learned from employee feedback that the policy improved their well-being, time management with family matters, and productivity by allowing them to set their own work rhythm.



Part 3

Our Sustainability Vision





“

After I got divorced and my husband left me, I was anxious about my children's education. Then I met Amarta, and received working capital loan to start my poultry business. Now I am ready to take up more orders from my customers.

Ibu Erni, Jawa Tengah

ESG Strategy : Materiality, Stakeholder Engagement and Risk Assessment



How we integrate ESG into business operations



ESG materiality is the articulation of potential Environmental, Social, and Governance (ESG) effects on the organization and its stakeholders. The ESG Risk Assessment analyzes the identification of ESG Materiality with the primary objective of devising a strategy to maintain the company's sustainability and create a competitive advantage. ESG materiality may be modified or updated annually based on the results of a performance evaluation of the program's accomplishment and efficacy.

To determine materiality, Amarthas surveyed key stakeholders, including the Board of Directors, employees, investors, and customers, as well as state policymakers, to determine which ESG topics this group deems most pertinent to our business. In addition, Amarthas conducts risk assessments in the economic, environmental, social, and governance sectors, which may have an impact on the sustainability of businesses. The Board of Directors, Impact & Sustainability Division, and other relevant divisions participate in the risk assessment. The results of the risk assessment serve as the foundation for the company's five-year ESG program priorities.



“

With Amarthafin, it's convenient to buy an electricity credit and it's cheaper compare to other apps.

Ibu Erni, Jawa Tengah

The Future We Share



Since the day Amartha was founded, our mission has remained the same: to create shared prosperity in Indonesia. Through a sustainability approach, we believe that our business practices will become more ethical, transparent, and firmly anchored in the hearts of our customers, as their preferred digital financial services that share the same vision of prosperity.

The first full-scale implementation of our ESG initiatives occurred in 2022. Although we began with a baby step, our ambitions are high: reducing our indirect carbon emissions by 30 percent by 2030, developing a green financing initiative that contributes to carbon offsetting, and supporting customers who wish to transition their businesses to renewable energy resources. Along with these planned initiatives, we also celebrate our past achievements, such as those in the areas of employee protection, wellbeing, diversity, and inclusion, which have resulted in the highest level of team engagement ever. We have faith that investing in a diverse team will propel the organization toward its impact-driven objectives.

Amartha is always there for customers during the most difficult times and helps our rural MSMEs recover from pandemics. In two consecutive years, both income and employment creation in the villages have increased, indicating that the economic recovery has begun.

All of our accomplishments are the result of a shared future that we envision together with our stakeholders. Amartha is what it is today due to the leadership of our CEO, the steadfast support of our shareholders and Board Members, the A-Team members across Indonesia, our institutional and retail lenders, non-governmental partners in Indonesia and worldwide, our supportive regulators, and all other stakeholders.

This report is dedicated to those who have faith in us, our vision, and our efforts to create shared prosperity for all Indonesians.



Aria Widyanto
Chief Risk and Sustainability Officer

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9	Waste generated	GRI306, ISO 26000 (6.5.3; 6.5.4), Amarth, MSCI: Financing Environmental Impact, Sustainalytics MEI.7	Waste	26
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Project Leader: Aria Widyanto (Chief Risk and Sustainability Officer)

Researcher: Katrina Inandia, Nistria Harsolumakso, Kasimirus Johan, Fachruriza Mubarok,

Layout & Design: : Mikaela Clarissa

Contact: katrina.inandia@amartha.com info@amartha.com

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