



ESG Strategy Handbook

PT Pegadaian

2025



About Handbook

This ESG Strategy Handbook offers a comprehensive overview of Pegadaian's Environmental, Social, and Governance (ESG) performance, highlighting the company's ongoing efforts, commitments, and successes in promoting sustainable and responsible business practices. The creation of this document follows widely accepted ESG principles to ensure the information stays relevant, comparable, and aligned with major global standards.

The Handbook aims to provide clear, accurate, and measurable information for both stakeholders and shareholders. It outlines Pegadaian's governance structures, key ESG topics, performance indicators, and risk management strategies. By clarifying the company's strategic priorities, this report strengthens Pegadaian's commitment to integrating ESG considerations into

decision-making, operational frameworks, and overall value creation. Each section is designed to enhance readers' understanding of how ESG principles are consistently incorporated throughout the organization.

Throughout this document, Pegadaian aims to strengthen accountability and demonstrate its long-term commitment to sustainability. The report not only highlights the company's key achievements so far but also presents future goals, including planned initiatives and ongoing improvement efforts that support national priorities and global sustainability goals. Pegadaian remains committed to increasing transparency, building stakeholders trust, and promoting responsible business practices that enable resilient and sustainable growth.







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About Pegadaian



Pegadaian

Mengatasi Masalah Tanpa Masalah

PT Pegadaian



Short Name

Pegadaian



Business Sector

Financial Services



Establishment Date

1 April 1901



Legal Basis of Establishment

Deed of Establishment No. 01 dated April 1, 2012, notarized by Nanda Fauz Iwan, S.H., M.Kn., in South Jakarta, and approved by the Minister of Law and Human Rights of the Republic of Indonesia under Decree No. AHU-17525.H.01.01 of 2012, dated April 4, 2012, regarding Company Legal Entity Approval. The Deed of Establishment has been amended, with the latest amendment documented in Deed No. 01 dated July 5, 2023, notarized by Nanda Fauz Iwan, S.H., M.Kn., based in Jakarta. This amendment was acknowledged by the Minister of Law and Human Rights through Letter No. AHU-AH-01.09-0134416 dated July 5, 2023.



Authorized Capital

Rp25.000.000.000.000



Issued and Fully Paid-in Capital

Rp6.250.000.000.000



Ownership

- Government of the Republic of Indonesia (Series A Dwiwarna Shares): 0,00002%
- PT Bank Rakyat Indonesia (Persero) Tbk (Series B Shares): 99,99998%



Office Network

- | | |
|--------------------------|---|
| 1 Head Office | 642 Branch Offices |
| 12 Regional Offices | 3.450 Sub-Branch Service Offices |
| 61 Area Offices | 637 Co-location Ultra Micro Service Center (SENYUM) |
| 4.092 Outlet consist of: | 78.436 Pegadaian Agents |



Number of Employees

12.530 People



Information Access

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www.pegadaian.co.id



Social Media

Pegadaian

@Pegadaian

Pegadaian_id

Pegadaian Official

Vision



The Leader In Gold Ecosystem and Accelerator of Financial Inclusion For Sustainable Future



Mission



1 Provide benefits and profits with an optimal customer focus for all stakeholders by developing core business



2 Expand MSME service coverage through Ultra Micro synergies to enhance value proposition to customers and stakeholders



3 Providing excellent service with customer focus

Summary of Revenue Figures & Number of Employee



Desc	Unit	2024	2023	2022	2021	2020
Revenues	Million Rp	38,615,988	24,433,794	22,876,587	20,639,861	21,964,403
Revenues in US Dollars	Million USD	2,405	1,522	1,425	1,285	1,37
Total Employees	people	12,530	13,519	12,950	14,371	14,237

20
24

Revenue
Rp 38.61 Billion

Total Employees
12,530

ESG Policy & Objective

Pegadaian has developed the Long-Term Corporate Plan (RJPP) for 2025–2029 as the primary reference for the company’s strategic direction. This plan outlines targets for business growth, competitiveness enhancements, and the transformation of the business model to adapt to changing economic dynamics and customer needs. The RJPP serves as a guideline for all directorates and functions, helping them formulate strategies, policies, and priority programs, including the management of Environmental, Social, and Governance (ESG) aspects. To inform this plan, Pegadaian conducted internal and external analyses using a 4D approach to identify market trends, assess diagnostic conditions, and understand their implications for the company. These insights were then translated into ESG policies and work programs. Based on the strategic initiatives outlined in the RJPP, further internal and external analyses were undertaken to identify specific initiatives for the period 2025–2029.

Strategic Initiatives

The analysis was conducted through internal and external assessments of the Company for 2025–2029 using the 4D methodology. The results of the analysis are as follows :

01 Market Trends	02 Diagnostics	03 Implications for Pegadaian
Economic growth in Indonesia, with GDP expected to increase by approximately ~6% CAGR over the next 10 years.	Pawnshop growth is slowing, leaving room for product innovation and entry into new business areas.	Pegadaian should leverage new business opportunities, such as in the gold ecosystem, multifinance, insurance, and other related sectors to drive growth.
Rising macroeconomic uncertainty in 2022 caused volatility in gold prices.	Digital data and analytics are not yet optimally utilized for managing prospects and customers.	To enhance customer experience and accelerate the sales process, a transition to a technology-supported sales operation model is necessary.
Indonesia’s financial inclusion gap stands at 85%, with a target of reaching 90% by 2024.	Customer perception of Pegadaian as primarily an “emergency fund provider.”	In expanding into new businesses, Pegadaian must attract new customer segments, requiring brand repositioning.
Increasing digital penetration across both individuals and MSMEs.	Branches still rely on walk-in customers, with limited cross-selling of products.	As part of the Ultra Micro (UMi) Holding, there is an opportunity to utilize the BRI Group ecosystem as a revenue generator and for operational synergies.
Intensifying competition, as the number of private pawnshops has nearly doubled since 2019.	Products and customer journeys remain largely manual and paper-based.	

Based on the analysis results, the Company’s strategy will continue to focus on four key business drivers: concentrating on the core pawnshop business, developing microfinance products, other financial products (such as digital lending), and expanding Bullion Services to support the gold ecosystem. In addition, Pegadaian will also strengthen its focus on Sharia-compliant business in every product development.

Key Success Factors for Strategy Implementation

To support future business, the Company has several functions acting as enablers, including :

- | | | | |
|--|--|---|---|
| <p>01</p> <p>Strengthening synergy with the BRI Group</p> | <p>02</p> <p>Realigning Pegadaian’s operating model and value proposition</p> | <p>03</p> <p>Reimagining the Sharia business</p> | <p>04</p> <p>Streamlining HR systems and enhancing talent management</p> |
| <p>05</p> <p>Improving IT architecture</p> | <p>06</p> <p>Transforming the corporate culture across Pegadaian</p> | <p>07</p> <p>Strengthening the risk framework, including digital risk and fraud prevention</p> | <p>08</p> <p>Enhancing a comprehensive ESG strategy</p> |



Policy Framework for ESG Compliance



The determination of strategic initiatives and their alignment with the RJPP 2025-2029 affirm that the success of Pegadaian's business transformation depends on a policy framework consistent with prevailing sustainability regulations and best practices. In line with the Regulation of the Minister of State-Owned Enterprises PER-1/MBU/03/2023 on Special Assignments and Corporate Social and Environmental Responsibility (TJSL) Programs for SOEs, Pegadaian is committed to

aligning its policies, work programs, and TJSL implementation with ESG principles and the Sustainable Development Goals (SDGs). To ensure that all sustainability initiatives operate within a strong legal and governance framework, Pegadaian has established a Policy Framework for ESG Compliance that is anchored in national legislation and regulatory requirements and serves as an operational reference for all business units.

The following are references for national regulations that are used as guidelines for Pegadaian



- Law of the Republic of Indonesia Number 40 of 2007 concerning Limited Liability Companies
- Law No. 6 of 2023 concerning the Stipulation of Government Regulations in Lieu of Law Number 2 of 2022 concerning Job Creation into Law
- Law Number 32 of 2009 concerning Environmental Protection and Management
- Law No. 1 of 1970 concerning Occupational Safety and Health
- Law Number 17 of 2023 concerning Health
- Law of the Republic of Indonesia No. 8 of 1999 concerning Consumer Protection
- Law No. 31 of 1999 Jo. Law No. 20 of 2001 concerning the Eradication of Corruption
- Law No. 21 of 1999 concerning the Ratification of ILO Convention No. 111 Concerning Discrimination in Respect of Employment and Occupation, as well as Guidelines for Equality and Non-Discrimination in the Workplace in Indonesia (Ministry of Manpower and Transmigration of the Republic of Indonesia)
- Government Regulation Number 73 of 2021 concerning the Participation of State Capital into the Company's Share Capital of PT Bank Rakyat Indonesia (Persero) Tbk
- Financial Services Authority Regulation No. 33/POJK.04/2014 concerning the Board of Directors and Board of Commissioners of Issuers or Public Companies
- Regulation of the Financial Services Authority Number 34/POJK.04/2014 concerning the Nomination and Remuneration Committee of Issuers or Public Companies
- Financial Services Authority Regulation Number 55/POJK.04/2015 concerning the Establishment and Guidelines for the Implementation of the Audit Committee's Work
- Financial Services Authority Regulation No. 31/POJK.05/2016 concerning Pawn Business
- Financial Services Authority Regulation Number 42/POJK.04/2020 concerning Affiliate Transactions and Conflicts of Interest Transactions
- Regulation of the Minister of State-Owned Enterprises Number: PER-1/MBU/03/2023 concerning Special Assignments and Social and Environmental Responsibility Programs for State-Owned Enterprises
- Regulation of the Minister of State-Owned Enterprises Number: PER-2/MBU/03/2023 concerning Guidelines for Governance and Significant Corporate Activities
- Regulation of the Minister of State-Owned Enterprises Number: PER-3/MBU/03/2023 concerning Organs and Human Resources of State-Owned Enterprises
- Financial Services Authority Regulation 39 of 2024 concerning Pegadaian

In addition, Pegadaian also ensures that all Pegadaian business processes are in accordance with international standards, including:



- ISO 31000:2018 on Risk Management
- ISO 37001:2016 on Anti-Bribery Management System (SMAP)
- ISO 9001:2008 on Quality Management System
- ISO 27001:2022 on Information Security Management System
- ISO 37301:2021 on Compliance Management Systems
- ISO 20000-1:2018 Information Technology Service Management System

Furthermore, the following are the policies owned by Pegadaian, including:



- Risk Management Policy
- Anti-Corruption Policy
- Financial Policy and Strategic Planning
- Customer Personal Data and Privacy Policy
- Product Operational Policy
- Tax Policy
- Business Continuity Management System (BCMS) Guidelines
- Sustainability Committee Guidelines
- Credit Committee Guidelines
- Guidelines for the Procurement of Goods and Services
- Guidelines for the Implementation of Anti-Money Laundering, Terrorism Financing Prevention, and Prevention of Proliferation of Weapons of Mass Destruction (AML, PPT, and PPPSM) Programs
- Guidelines for Occupational Safety and Health Management System (OHS Management System)
- Gratification Control Guidelines
- Standard of Business Ethics and Conduct (Code of Conduct)
- Good Corporate Governance Code
- Board of Commissioners Work Ethics Charter (BOC Charter)
- Board of Directors Work Ethics Charter (BOD Charter)


PT Pegadaian as part of State-Owned Enterprises (SOEs) in the field of mortgage-based financing and financial services continues to strengthen its position as a market leader through various innovations. These innovations also need to be accompanied by sustainability efforts. The application of

sustainability principles is implemented through the social and environmental responsibility (CSR)/ESG program as stipulated in the Regulation of the Board of Directors No. 40 of 2025 concerning ESG Guidelines.

ESG Commitments and Principles ▼

In the environmental aspect, PT Pegadaian is committed to managing environmental impacts responsibly through energy efficiency, emission reduction, waste management, and the implementation of green initiatives throughout the company's network. The following are some of the implementations of PT Pegadaian's commitment in environmental aspects:

- 

PT Pegadaian is committed to implementing a decarbonization and climate change adaptation strategy by fostering 425 waste banks spread throughout Indonesia through 12 Regional Offices.
- 






PT Pegadaian is committed to the concept of green building through the reuse of used water that is drained to the Sewerage Treatment Plant (STP) into water for plants.
- 

There are 298.4 tons of waste recycled in collaboration with the CSR-assisted Waste Bank for all operational areas. The waste that has been processed will then be reused
- 





Pegadaian's commitment to saving energy sourced from non-renewable energy. Energy consumption decreased by 1.49 gigajoules/billion rupiah, from 5.57 gigajoules/billion rupiah in 2023 to 4.08 gigajoules/billion rupiah in 2024.



On the social aspect, the company emphasizes the importance of human rights protection, diversity and inclusion, occupational health and safety, consumer protection, and community empowerment through the CSR (Social and Environmental Responsibility) program through several policies. The following are some of the implementations of PT Pegadaian's commitment in the social aspect:

-  Uphold Human Rights in the workplace through several policies.
-  To enhance human resources, PT Pegadaian provides each employee with an average of 188 hours of training, in line with General Policy No. 10 on Human Resources Development.
-  More than 10,000 MSMEs are involved in the empowerment program.
-  Pegadaian also focuses on developing the Golden Generation in Higher Education by providing access to facilities and infrastructure to support education, namely by presenting The Gade Creative Lounge at 23 universities throughout Indonesia.
-  Pegadaian conducts a Customer Satisfaction Index (CSI) survey to assess customer satisfaction, loyalty, engagement, retention, and acquisition levels and identify areas for improvement. The survey results showed a CSI score of 87, down slightly from 88.4 in 2023, in line with rising expectations and market competition.

In terms of governance, Pegadaian upholds the principles of Good Corporate Governance (GCG) which includes transparency, accountability, independence, and fairness, as well as strengthening integrity through several policies in terms of governance, including:

-  Effective anti-fraud, anti-corruption, whistleblowing system, and risk management policies.
-  Pegadaian is committed to realizing sustainable finance in Indonesia.
-  Pegadaian strengthens governance through the application of business ethics, sustainable reporting, international certification, and ESG rating.
-  Pegadaian is committed to carrying out tax obligations in an honest, transparent, and auditable manner by the public. Tax contributions to the state increased by 38.49% to IDR 2,562,021,000,000 in 2024, from IDR 1,849,817,000,000 in 2023.

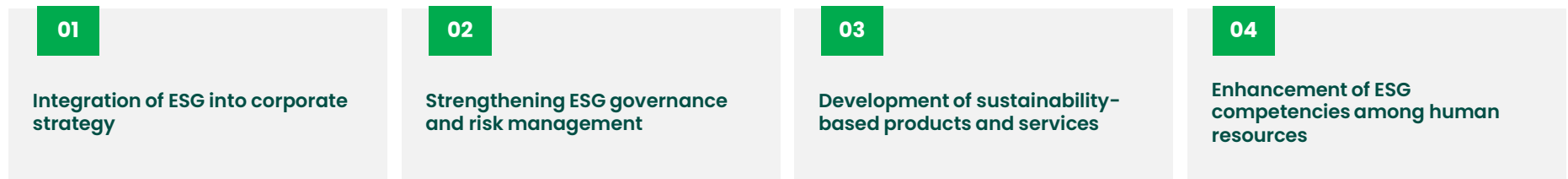
ESG Strategy

As a concrete manifestation of its role as a corporation, PT Pegadaian implements sustainable finance and integrates it into the Company's strategies and business processes. The framework at PT Pegadaian encompasses Environmental, Social, and Governance (ESG) aspects, which

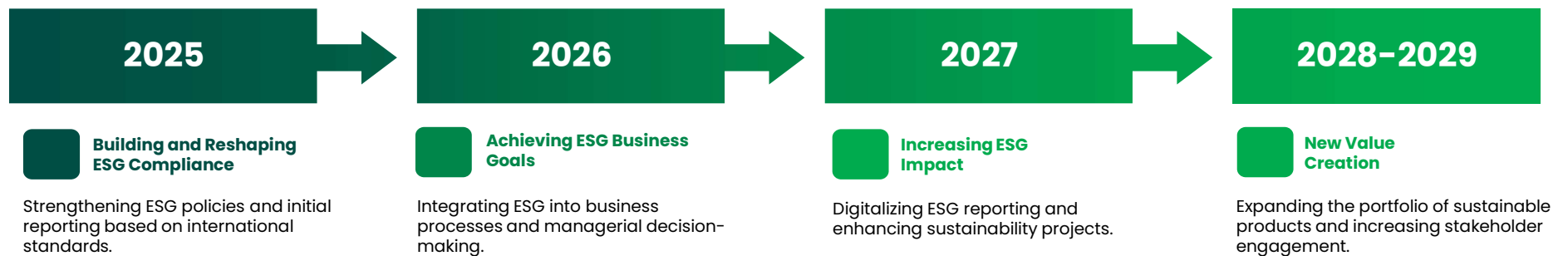
serve as the foundation for formulating the Company's strategies. This integration of sustainability values is further supported by the development of the Environmental, Social, and Governance (ESG) Roadmap 2025–2029.

PT Pegadaian ESG Roadmap 2025–2029

Based on Pegadaian's vision and mission, supported by several company policies, an ESG roadmap can be developed as a guide for medium-term strategic and operational planning. The main focus areas of the roadmap include:



The ESG roadmap stages at Pegadaian are divided into four phases as follows:



Implementation of the ESG Roadmap Strategy



The 2025 ESG Roadmap of Pegadaian is titled **“Building and Reshaping ESG Compliance.”** The following outlines the ESG strategic plan based on the 2025 ESG Roadmap.

<p>Establishing the Sustainability Committee and defining its roles and responsibilities</p>	<ul style="list-style-type: none"> Board of Directors Regulation Number 43 of 2024 concerning the Sustainability Committee Guidelines Board of Directors Decree Number 126/KEP-DIR/2025 concerning the Appointment of the Sustainability Implementation Taskforce of PT Pegadaian for 2025
<p>Developing sustainability governance, including policies, frameworks, and the sustainability roadmap</p>	<ul style="list-style-type: none"> Preparation of PT Pegadaian’s 2025 Sustainability Policy, Number 40 of 2025, concerning ESG Guidelines
<p>Strengthening ESG awareness and internalizing the ESG culture within Pegadaian</p>	<ul style="list-style-type: none"> Conducting internal ESG campaigns through Pegadaian’s “Life at Pegadaian” social media platform, focusing on electricity and water efficiency, and waste segregation Implementing the Green Life Action Movement (GLAM) across all PT Pegadaian work units through Letter Number: 81/SK-00026.03/2025 dated February 21, 2025
<p>Enhancing sustainable financial literacy and financial inclusion among Pegadaian employees and customers</p>	<ul style="list-style-type: none"> Conducting financial literacy programs in collaboration with PT Pegadaian partners, such as 425 fostered Waste Banks (Gold Savings) and The Gade Integrated Farming Community Issuing a letter on the implementation of financial literacy programs to all PT Pegadaian Regional Offices, Number: 93/SK-00026.-00/2025, dated March 3, 2025
<p>Developing a sustainable finance action plan in accordance with the Financial Services Authority (OJK) regulations</p>	<ul style="list-style-type: none"> Submission of PT Pegadaian’s 2024–2029 Sustainable Finance Action Plan (RAKB) to the OJK through Letter Number 742-S/00026.00/2024 Preparation and implementation of PT Pegadaian’s Social Loan framework in 2024

Creating Shared Value (CSV) that impacts the SDGs through Social and Environmental Responsibility (CSR) programs

The minutes of the Sustainable Development and Social Responsibility Program (RKA) of the Ministry of SOEs for 2025, PT Pegadaian, Number: RIS-10/DSI.MBU.B/12/2024, include two CSV programs in the 2025 RKA that provide direct impacts to both the company and the community :

1. Pande Emas Pegadaian
 - Benefit for Pegadaian: Increase in active customers
 - Benefit for the Community: Growth in gold value (IDR)
2. Gadepreneur
 - Benefit for Pegadaian: Increase in active customers
 - Benefit for the Community: MSMEs advance to higher and superior levels

Conducting an inventory of Scope 1, 2, and 3 emissions and mapping net zero emission (NZE) scenarios

Pegadaian’s Energy Practice has taken steps to monitor its energy consumption across various scopes:

- Scope 1: Fuel used for generators and operational vehicles
- Scope 2: Electricity consumption from PLN
- Scope 3: Energy used for official travel and the procurement of raw materials for Gade Coffee

Conducting **ESG performance assessments** by ESG rating agencies

The 2025 ESG rating will be conducted in October 2025, with the following preparatory steps undertaken:

- Collection of PT Pegadaian’s GHG data for Scopes 1, 2, and 3
- Conducting assurance of the 2024 Pegadaian Sustainability Report and implementing necessary improvements
- Updating the “Sustainability Report” section on the website
- In-depth gap analysis review of the previous year’s ESG rating

The 2025 ESG rating will be carried out by S&P Global in accordance with BRI Letter Number: B.115.e-SBM/LRS/07/2023 regarding the implementation of Non-Regulatory Sustainability.

“To enhance the quality of sustainability implementation, subsidiaries may refer to global standards, including S&P or Sustainalytics.”

Sustainability **capacity building**

ESG knowledge enhancement training has been conducted for employees, including:

- IFRS 1 & IFRS 2 training
- CSRS certification
- Training on Social Return on Investment (SROI) calculation
- Training for the ESG Task Force on Enhancing ESG Practices & Certified Sustainability Development Specialist

Material Topics

The Company analyzes the actual and potential impacts of issues related to sustainability. These are then grouped into material topics to enable mitigation of potential impacts that may arise. The results of the actual and potential impact analysis are categorized based on an assessment of the significance of their impact on the Company's activities and business relationships. The Company prioritizes material topics according to their level

of significance, including those with high severity and/or broad scope and scale, as they may affect the Company's reputational risk. After obtaining feedback from external stakeholders, the selected material topics are submitted to the Board of Directors for approval to be disclosed in the Company's 2024 Sustainability Report. The following table presents the prioritization of the Company's 2024 material topics.

Material Topics	Key Issues	Affected Stakeholders	Material Reasons	SDG's
Financial Literacy	Initiatives to improve financial literacy based on beneficiary type	<ul style="list-style-type: none"> Customer Community 	Financial literacy is a material topic because financial literacy has a positive impact on society through the development of an Ecosystem for Financial Inclusion and increasing the understanding of low-income communities regarding Pegadaian products.	
Anti-Corruption	<ul style="list-style-type: none"> Pegadaian operational activities having fraud risk Anti-corruption socialization and training Proven corruption incidents and real steps taken by Pegadaian 	<ul style="list-style-type: none"> Employee Investor Shareholder Government 	Anti-corruption shows the Company's commitment to implementing anticorruption management. Anti-corruption management that was implemented well during the reporting year had a positive impact in the form of no corruption incidents in the Company's environment.	
Customer Privacy	Customer privacy includes customer complaints resulting from privacy violations and loss of customer data.	<ul style="list-style-type: none"> Customer Community 	Customer privacy shows the Company's commitment to manage customer data in order to minimize potential risks to data security. The Company's commitment has a positive impact. It has been showed that during 2024 there were no complaints and incidents related to customer data privacy.	

Material Topics	Key Issues	Affected Stakeholders	Material Reasons	SDG's
Economic Performance	<ul style="list-style-type: none"> Direct-Economic Value Generated and Shared Financial implication, risk, and other opportunities due to climate change Defined Pensions Benefit Obligation and Other Retirement Programs Government Financial Assistance 	<ul style="list-style-type: none"> Shareholder Government Employee Work Partner/Supplier 	Economic performance shows the Company's commitment to managing economic aspects well. Good economic performance management has a positive impact on the achievement of the company's financial and business performance.	
Energy	<ul style="list-style-type: none"> Energy consumption in Company Company's attempt to make energy efficiency and utilization of renewable energy 	<ul style="list-style-type: none"> Employee Community 	Ineffective energy utilization has the potential for negative impacts in the form of increased emissions. However, the Company continues to make efforts to save energy, including through the use of solar panels, the use of electric cars and the use of sunlight as lighting during the day.	
Emission	<ul style="list-style-type: none"> Direct (Scope 1) GHG emissions Indirect (Scope 2) GHG energy emissions Other indirect (Scope 3) GHG energy emissions GHG emission intensity GHG emission reduction Ozone deterioration substances (ODS) Nitrogen oxide (NOx), Sulphur oxide (SOx), and other significant air emissions 	<ul style="list-style-type: none"> Employee Employer Community Government Work Partner 	Due to energy utilization from the Company's operational activities, it produces emissions that have potentially negative impact on the environment. Therefore, the Company has established efforts to reduce the emissions produced in line with energy efficiency efforts and has a net zero emission roadmap whose achievement is constantly evaluated.	

The determination of the material topics above aligns with Pegadaian's environmental, social, and governance aspects. The issues included in the material topics under the environmental aspect are as follows:

- 1 The Company's energy consumption
- 2 The Company's efforts in energy efficiency and the use of renewable energy
- 3 Direct GHG emissions (Scope 1)
- 4 Indirect GHG emissions (Scope 2)
- 5 Other indirect GHG emissions (Scope 3)
- 6 GHG emission intensity
- 7 GHG emission reduction
- 8 Ozone-depleting substance emissions control
- 9 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions

The issues included in the material topics under the social aspect are as follows:

- 1 Initiatives to improve financial literacy based on the type of beneficiaries
- 2 Customer privacy, including complaints arising from privacy breaches and loss of customer data
- 3 Anti-corruption awareness and training
- 4 Obligations related to defined benefit pension programs and other pension schemes

The issues included in the material topics under the governance aspect are as follows:

- 1 Pegadaian's operational activities that carry the risk of fraud
- 2 Proven corruption incidents and the concrete measures taken by Pegadaian
- 3 Direct economic value generated and distributed by the Company
- 4 Financial implications, as well as other risks and opportunities arising from climate change
- 5 Financial assistance received by Pegadaian from the Government



Sustainability Committee

Pegadaian has established a formal governance structure to ensure effective oversight and coordination of Environmental, Social, and Governance (ESG) matters across the organization. ESG responsibilities are embedded at the executive level through the formation of the Sustainability Committee, which functions as an executive-level committee reporting directly to the Board of Directors and was formally established in 2024 through the Board of Directors Regulation No. 43/2024 on Sustainability Committee Guidelines. The Sustainability Committee is mandated to oversee the implementation of ESG strategies, monitor progress, evaluate performance, and provide policy recommendations to management.

In fulfilling this mandate, the committee ensures that the company's environmental responsibilities are effectively integrated into business processes. This includes climate change mitigation and adaptation, assessment, and management of climate-related risks, implementation of net-zero emission commitments, and measures to monitor and reduce greenhouse gas (GHG) emissions. These efforts support the company's transition toward low-carbon and environmentally resilient operations.

The committee also oversees Pegadaian's social and governance responsibilities. In the social domain, this includes supervision of labor practices, protection of human rights, human capital development, occupational health and safety (OHS), financial inclusion initiatives, customer relations, and privacy protection. From a governance perspective, the committee strengthens corporate integrity through transparency and reporting, adherence to corporate governance principles, materiality assessments, risk and crisis management, business ethics, responsible policy influence, tax strategy oversight, information security, and the advancement of sustainable finance initiatives. ESG governance is therefore fully institutionalized at the executive management level through this dedicated committee, with the composition of Pegadaian's Sustainability Committee outlined in the following table.

Position	Role
Leader	Chief Executive Officer
Co-leader	Director of Network, Operations, and Sales
Members (Voting Members)	<ol style="list-style-type: none"> Chief Executive Officer Director of Marketing and Product Development Director of Network, Operations, and Sales Director of Finance and Strategic Planning Director of Human Capital Director of Information Technology and Digital Director of General Affairs Director of Risk Management, Legal, and Compliance Head of Transformation Office Head of Internal Audit Unit
Secretary	Head of Corporate Social and Environmental Responsibility Division
Members (Non-Voting Members)	Senior Management level leaders heading business units and business support units, one level below the Board of Directors.

The duties and responsibilities of the **Sustainability Committee** are as follows :

<p>No. 1</p> <p>Supervising, determining, and providing guidance on ESG & CSR objectives, strategies, roadmap, policies, initiatives, and KPIs.</p>	<p>No. 2</p> <p>Providing ESG & CSR outreach/training to employees.</p>	<p>No. 3</p> <p>Developing an impact-based ESG reporting framework aligned with SDGs.</p>	<p>No. 4</p> <p>Reviewing disclosures of ESG/CSR in reports, website, and media.</p>
<p>No. 5</p> <p>Reviewing information to be disclosed to public and regulators.</p>	<p>No. 6</p> <p>Building cooperation with ESG rating agencies, SROI verifiers, and government bodies.</p>	<p>No. 7</p> <p>Benchmarking ESG & CSR with peer companies.</p>	<p>No. 8</p> <p>Providing input for sustainability-based financing (green, linked, transition).</p>
<p>No. 9</p> <p>Identifying and managing ESG-related risks.</p>	<p>No. 10</p> <p>Reviewing and recommending improvements to ESG risk management.</p>	<p>No. 11</p> <p>Advising Board and parent company on conflict of interest related to Sustainability.</p>	<p>No. 12</p> <p>Preparing Sustainable Financing and determining carbon budget toward Net Zero 2050.</p>
<p>No. 13</p> <p>Calculating Scope 1, 2, and 3 emissions and planning reduction actions.</p>	<p>No. 14</p> <p>Conducting analysis of ESG/CSR-related products and services.</p>	<p>No. 15</p> <p>Determining material ESG issues and stakeholder/investor concerns.</p>	<p>No. 16</p> <p>Following up on ESG performance assessment recommendations.</p>

The duties and responsibilities of the **Leader of the Sustainability Committee** are as follows :

- 1 Formulating targets and work plans for the Sustainability Committee.
- 2 Coordinating directly with the Director of Operations Network and Sales regarding the review results and accountability of ESG initiatives.
- 3 Leading the annual meetings to review performance with all committee members.

The duties and responsibilities of the **Co-leader of the Sustainability Committee** are as follows :

- 1 Coordinating directly with the CEO regarding the work results and accountability of ESG initiatives.
- 2 Acting as a substitute for the Chair of the Sustainability Committee in the event the Chair is unavailable.
- 3 Coordinating all objectives, strategies, roadmaps, policies, initiatives, and performance indicators (KPIs) related to ESG and CSR aspects.

The duties and responsibilities of the **Secretary of the Sustainability Committee** are as follows :

- 1 Coordinating the implementation of precommittee meetings and Sustainability Committee meetings, including reviewing and distributing meeting materials, preparing meeting agendas, organizing meeting execution, and coordinating meeting participants.
- 2 Coordinating Sustainability Committee meeting initiatives, such as preparing minutes of meetings, distributing the minutes to relevant units, monitoring, and coordinating the follow-up of meeting results with the relevant Work Units.
- 3 Assisting and representing the duties of the Chair and Vice Chair based on the directions and approvals given.
- 4 Recording all internal and external company meetings and activities, including meetings and ESG and CSR activities.

The duties and responsibilities of the **Members of the Sustainability Committee** are as follows :

- 1 Attending the annual meetings for Sustainability performance review.
- 2 Providing suggestions to the Sustainability Committee team during the annual performance review meetings.
- 3 Providing strategic direction to the Sustainability team through a voting-right mechanism.



ESG Best Practice

Environmental

01 Our Commitment in Environmental Aspect

Energy

Energy Consumption & Efficiency



In supporting energy efficiency, Pegadaian utilizes three primary energy sources: electricity, fuel (BBM), and solar energy. Electricity is used to support office operational activities, while fuel is utilized for operational vehicles and backup generators in case of electricity supply disruptions. As part of its commitment to the clean energy transition, Pegadaian has implemented solar panels at several locations, including the Head Office, Bekasi Utama Branch Office, Tangerang, and Kebon Nanas, each with a capacity of 3.4 kWp. Starting in 2025, the use of solar panels will be gradually expanded to other branch offices.

Until the end of 2024, energy consumption measurement is limited to operations within the company's scope. Pegadaian does not consume or

trade energy in the form of heat, cooling, or steam, nor does it sell electricity. The energy consumption coverage includes the entire operational network, which consists of one head office, 12 regional offices, 61 area offices, and 642 branch offices.

The table is a breakdown of the company's energy consumption over several years, which includes both non-renewable and renewable energy consumption. The data also includes a measurement of data coverage, which is fully representative of the group-wide operations. The targets for energy consumption are in alignment with Pegadaian's ongoing energy management and sustainability goals.

Description	Unit	2021	2022	2023	2024
Total non-renewable energy consumption (Electric & Fuel)	MWh	45,925.6182	34,380.51411	37,820.464284	43,720.314012
	Gigajoules	165,319	123,759.95	136,142,78	157,380.54
Total renewable energy consumption	MWh	-	-	-	-

Pegadaian's energy is not entirely renewable, which limits its availability. The company's initiatives to promote energy conservation have been outlined in Circular Letter No. 74/LG.100311/2011, which addresses Electricity and Water Energy Conservation, and Circular Letter No. 22/Bg.200312/2008, which focuses on the implementation of workplace cleanliness, living space, and energy conservation, as well as sustainability efforts. Pegadaian is committed to enhancing energy efficiency in the use of fuel and electricity.

Waste & Pollutant

Waste & Pollutant Management



Pegadaian is committed to managing the waste generated from all operational activities responsibly, including disclosing the quantity, types, and processing methods of waste. Pegadaian’s operational activities generate two categories of waste: hazardous and toxic waste (B3) and non-B3 waste. B3 waste includes used vehicle oils and batteries, unused electronic waste, and chemical packaging such as air freshener bottles. Meanwhile, non-B3 waste consists primarily of office domestic waste, including food waste and paper waste. As of the end of 2024, Pegadaian has not yet measured the volume of B3 waste or effluent generated across all operational units.

The waste data presented in the table reflects only the waste generated and managed at Pegadaian’s Head Office, as data collection from branches and other operational locations is still under development. Therefore, the figures shown represent head office level waste volumes, including recycled/reused waste, total waste disposed, and disposal pathways such as landfill, incineration, and other methods. Broader enterprise wide waste measurement will be implemented progressively as Pegadaian enhances its environmental data management systems.

Item	Unit	2021*	2022*	2023	2024
Total waste recycled/reused	metric tonnes	0	0	88.8	298.4
Total waste disposed	metric tonnes	0	0	372.96	445.92
Waste landfilled	metric tonnes	0	0	0	0
Waste incinerated with energy recovery	metric tonnes	0	0	0	0
Waste incinerated without energy recovery	metric tonnes	0	0	0	0
Waste otherwise disposed, please specify	metric tonnes	0	0	0	0
Waste with unknown disposal method	metric tonnes	0	0	372.98	445.92



*The Company has not calculated the data for that year

Water

Water Consumption & Efficiency



The company uses water supplied by a third party, namely PDAM, for its operations. The water supplied by PDAM is used for the company’s operational activities,

including for office purposes such as toilets, ablution, and kitchens. In addition, the company also manages PDAM water to be processed into drinking water.

Description	Units	2021	2022**	2023*	2024*
A. Water withdrawal (excluding saltwater)	Million cubic meters	0.003424	0.018816	0.123459	0.2687
B. Water discharge (excluding saltwater)	Million cubic meters	–	–	–	–
Total net fresh water consumption (A–B)	Million cubic meters	0.003424	0.018816	0.123459	0.2687

*Water usage at Head Office and 12 Regional Offices
**Water usage at Head Office



Climate Strategy

Emission Management



Pegadaian calculates greenhouse gas (GHG) emissions to ensure that the company’s operations are conducted responsibly towards the environment. The company’s GHG emission sources include direct emissions (Scope 1) from the use of operational vehicle fuel (mobile combustion), generators (stationary combustion), and air conditioning refrigerants, as well as indirect emissions (Scope 2) from electricity consumption.

Scope 1 emissions are calculated based on the Intergovernmental Panel on Climate Change (IPCC) guidelines using a Tier 1 approach. The emission factors used are 69,300 kg/TJ for vehicle fuel and 74,100 kg/TJ for generator fuel. Meanwhile, emissions from refrigerants (HFC) are calculated based on the GHG Protocol method, with a global warming potential (GWP) of 2,256 for the R-410A type.

Description	Unit	2021	2022*	2023*	2024
Total direct GHG emissions (Scope 1)	metric tonnes CO₂e	3,754.28	3,619.97	5,819.97	5,935.61
Mobile combustion	metric tonnes CO ₂ e	3,754.28	3,592,37	3,986,38	3,852,17
Stationary Combustion	metric tonnes CO ₂ e	-	27,60	31,49	65,04
Refrigerant	metric tonnes CO ₂ e	-	-	1,802,10	2,018,40

*Re-presented after changed the method

The calculation of Scope 2 greenhouse gas (GHG) emissions for Pegadaian is derived from electricity consumption across the company’s entire office network, which serves as the primary energy source. The calculation is conducted by multiplying total operational electricity usage by the applicable emission factor based on ISO 14064-1 guidelines, namely 790 gCO₂/kWh.

In 2024, Pegadaian’s electricity consumption increased significantly due to the operation of a new office building, which contributed to higher overall energy demand. The table below presents the total Scope 2 GHG emissions resulting from Pegadaian’s electricity usage.

Description	Unit	2021	2022*	2023*	2024
Total indirect GHG emissions (Scope 2)	metric tonnes CO₂ equivalents	14,448.00	15,967.54	14,454.91	22,433.54
Location-based	metric tonnes CO ₂ equivalents	14,448.00	15,967.54	14,454.91	22,433.54
Market-based	metric tonnes CO ₂ equivalents	-	-	-	-



Pegadaian calculates Scope 3 greenhouse gas (GHG) emissions from Category 1 and Category 6. Category 1 emissions cover the purchase of goods and services, including all upstream emissions (cradle-to-gate) from the extraction, production, and transportation of goods and services used by the company, with an emission factor of 790 gCO₂/kWh.

Meanwhile, Category 6 emissions come from business travel using vehicles not owned or operated by the company, with an emission factor of 90.95 gCO₂e per passenger-kilometer.

The details of Pegadaian’s Scope 3 GHG emissions from operations are presented below.

Description	Unit	2021	2022	2023	2024
Total indirect GHG emissions (Scope 3)	metric tonnes CO₂e	0.00	1,420.09	2,729.74	395.14
Scope 3 GHG Emission – Category 1	metric tonnes CO ₂ e		26.64	39.15	167.62
Scope 3 GHG Emission – Category 6	metric tonnes CO ₂ e		1,394.35	2,690.59	227.52

Climate Governance



Pegadaian has established a comprehensive governance structure to ensure strong oversight and effective coordination of Environmental, Social, and Governance (ESG) matters across the organization. Climate-related governance is institutionalized at both the Board-level and Executive management-level, ensuring that climate risks, opportunities, and transition pathways are embedded into strategic decision-making.



<https://bucket.pegadaian.co.id/cms-webcorp-bucket/cmge12tbt000401pbgjj85fsp.pdf>

1. Board-Level Oversight

Oversight of climate-related issues is exercised by the Board of Directors and further reinforced by the Sustainability Committee, which reports directly to the Board. In line with Board of Directors Regulation No. 43/2024 on Sustainability Committee Guidelines, the Committee provides structured, periodic updates to the Board, enabling the Board to oversee climate risk management, climate strategy alignment, and progress toward emission reduction commitments. To strengthen its oversight function, the Board reviews climate-related agendas at least annually, including updates on transition risks, adaptation initiatives, and progress on greenhouse gas (GHG) reduction programs.

2. Executive Management Responsibility

At the executive level, climate governance is embedded through the Sustainability Committee, an executive-level governance body chaired by the Chief Executive Officer (CEO) and co-led by the Director of Network, Operations, and Sales. The Committee includes voting members consisting of all Directors and senior leadership responsible for key operational, strategic, digital, risk, HR, and finance domains.

The Committee is mandated to:

- Oversee implementation of ESG and climate strategies
- Assess climate change mitigation and adaptation measures
- Supervise climate-related risk assessments and response mechanisms
- Monitor and review GHG emission reduction initiatives
- Evaluate performance and provide policy recommendations to management
- Ensure alignment with national commitments, sustainability regulations, and global standards
- Management responsibility for climate-related matters is further delegated to the Director of Risk Management, Legal, and Compliance; Director of Human Capital; Director of IT & Digital; and the Head of Corporate Social and Environmental Responsibility Division, who serves as Committee Secretary and operational coordinator for climate initiatives.

This structure ensures that climate governance extends beyond CEO-level accountability and is embedded into key executive roles, consistent with S&P Global CSA expectations that climate responsibility must be held by specific management positions, not solely by the CEO.



TCFD Disclosure

Pegadaian is dedicated to ensuring the continuity of its business operations, even in the face of unexpected disruptions, through a comprehensive Business Continuity Plan (BCP). This plan addresses a range of potential disaster scenarios that could impact systems, infrastructure, and human resources, ensuring that Pegadaian can maintain operations and continue delivering services to its customers, regardless of unforeseen events. In addition to its focus on operational continuity, Pegadaian is actively integrating climate-related risks into its business planning, aligning its efforts with the Task Force on Climate-related Financial Disclosures (TCFD) framework. This is part of the company's ongoing commitment to climate resilience and sustainability.

As Pegadaian integrates climate risks into its business continuity planning, the company is in the early stages of applying the TCFD framework. This framework will guide Pegadaian in evaluating and managing climate-related risks and opportunities, ensuring alignment with the company's financial planning and long-term strategy. Currently, Pegadaian has begun using TCFD sub-indicators in internal sustainability and risk discussions and has calculated Scope 1 and 2 emissions, as well as selected Scope 3 emissions. However, the company has not yet conducted a fully structured TCFD analysis that links these climate risks and opportunities to its specific business model and financial planning.

As we advance, Pegadaian intends to align its climate disclosures with IFRS S1 and IFRS S2, using the TCFD framework as the primary reference for integrating climate-related disclosures into its operational and financial strategies. This will allow Pegadaian to align its business continuity efforts with climate risk considerations, ensuring that it is well-prepared for future challenges and opportunities.





Climate Risk Management

Pegadaian has established a company-wide risk management framework in which climate-related risks are considered as part of overall sustainability and operational risk assessments. Climate risks are incorporated into the Risk & Threat Assessment and the Business Continuity Management System (BCMS), which are reviewed periodically. The company evaluates transition and physical risks mainly through the lenses of regulatory changes, market and reputational risk,

and potential disruptions to operations and service networks (for example due to extreme weather). At present, climate risks are managed within the integrated enterprise risk management (ERM) process rather than through a separate, dedicated climate-risk process. The assessment primarily covers Pegadaian’s own operations and financial exposures, with plans to gradually deepen analysis across the value chain.



Financial Risks of Climate Change

In its Sustainability Report and Risk & Threat Assessment, Pegadaian identifies climate change as one of the sustainability risks that could affect business continuity and financial performance. The company recognises that more frequent extreme weather events, changes in rainfall patterns, and increasing temperatures could disrupt branch operations, damage physical assets, or affect customer repayment capacity in certain regions. Transition risks are also

acknowledged, including potential changes in regulation, market expectations, and stakeholder perception related to GHG emissions and energy use. While these risks have been qualitatively assessed, Pegadaian has not yet completed a detailed, quantitative estimation of financial impacts at branch or asset level, nor a full mapping of service points most exposed to physical climate risks.



Financial Opportunities Arising from Climate Change

Pegadaian recognises that the transition to a low-carbon and climate-resilient economy also creates business opportunities, particularly through sustainable finance, green/sustainable products, and community-based programs that support adaptation and resilience. The company’s sustainable finance action plan and ESG programs aim to expand financial inclusion for micro and small enterprises, including sectors that contribute to climate resilience (for example urban farming,

waste management, and circular-economy initiatives). However, Pegadaian has not yet conducted a formal, quantitative analysis that estimates the annual financial benefits or revenue uplift specifically attributable to climate-related opportunities. Opportunities are currently managed and reported within broader ESG and sustainable finance initiatives rather than under a dedicated “climate opportunity” framework.



Climate-Related Scenario Analysis

Pegadaian has not yet performed a formal climate-related scenario analysis that uses specific 1.5°C / 2°C or “above 2°C” transition and physical scenarios (such as those published by the IEA, IPCC, or NGFS). At present, climate risk assessment is carried out qualitatively through the company’s enterprise risk and business continuity processes, considering potential

regulatory, market, and physical changes without modelling multiple climate pathways. Pegadaian plans to enhance its climate-risk methodology in the medium term, taking into account guidance from IFRS S2 and the TCFD framework, and may adopt scenario-based analysis once internal capacity and data availability have been further developed.



Physical Climate Risk Adaptation

Pegadaian has identified exposure to physical climate risks, particularly extreme weather events that could impact branch offices, IT infrastructure, and service continuity. These risks are addressed through the Business Continuity Management System, which includes contingency planning, backup systems, and disaster recovery procedures. However, the company has not yet developed a quantified, location-specific adaptation

plan that links climate scenarios to the share of existing or new operations covered, nor has it set explicit implementation timelines (for example “less than five years” or “five to ten years”) for physical adaptation measures. At this stage, adaptation is embedded in general operational risk and continuity planning rather than managed through a dedicated climate adaptation program.



Emissions Reduction Targets

Pegadaian has begun to measure and report its GHG emissions for Scope 1, Scope 2, and selected Scope 3 categories, and has established an emissions baseline for recent years. Nevertheless, the company has not yet set formal, corporate-level GHG reduction targets for any scope (absolute or intensity-based), nor has it sought validation by the Science Based Targets initiative (SBTi).

Current climate actions focus on improving data quality, understanding emissions drivers, and integrating energy efficiency and sustainable finance initiatives into business planning. Setting quantified, time-bound emissions reduction targets aligned with national and global climate goals is identified as a future development area in Pegadaian’s climate strategy.



Pegadaian has not yet implemented internal carbon pricing, but plans to adopt it in the future by referencing the carbon price applicable in the Indonesia carbon market through IDX Carbon. Based on the latest information, Pegadaian may consider using shadow carbon price within the range IDR 96,000 per ton CO₂-e on the trading prices recorded on IDX Carbon. The carbon prices traded through IDX Carbon reflect the rapidly growing Indonesian carbon market and encompass a broader emissions sectors, including offsetable emission reduction projects. Using IDX Carbon's carbon price as a reference would allow Pegadaian to implement internal carbon pricing that aligns with dynamics of the domestic carbon market. This would also provide a solid foundation for investment decisions and risk management related to climate change.

Therefore, Pegadaian can adopt the carbon price derived from Indonesia's carbon market to ensure that the company's decisions are in line with global trends in carbon emissions management while supporting sustainability efforts in accordance with the evolving carbon market regulations in Indonesia. The adoption of internal carbon pricing would also help Pegadaian achieve its objectives of driving low-carbon investments, conducting cost-benefit analyses, incentivizing the consideration of climate-related issues in decision-making and risk assessments, and identifying and seizing low-carbon opportunities. Additionally, Pegadaian will be able to influence its strategy and financial planning, navigate regulations, and set and achieve carbon-related policies and targets, all while ensuring that its investments align with a sustainable, low-carbon future.

Internal Carbon Pricing

The screenshot shows a news article on the IDX website. The title is "Detail Siaran Pers" (Press Release Details). The main headline is "Peresmian Perdagangan Internasional Karbon Indonesia, Peluncuran ESG Reporting, dan Pencatatan Obligasi Mewarna Pekan Ini" (International Carbon Trading, ESG Reporting, and Colored Bond Issuance This Week). The article is dated 24 Jan 2025 and is categorized as a "PRESS RELEASE" with ID "PR No: 008/BEI.SPR/2025". The text discusses the official launch of the Indonesia Carbon Market, the introduction of ESG reporting, and the issuance of green bonds. It mentions that the carbon market will be a platform for trading carbon credits, and the green bonds will be used to fund sustainable projects. The article also notes that the carbon market will be the largest in Southeast Asia and will help Indonesia achieve its net-zero target by 2062.

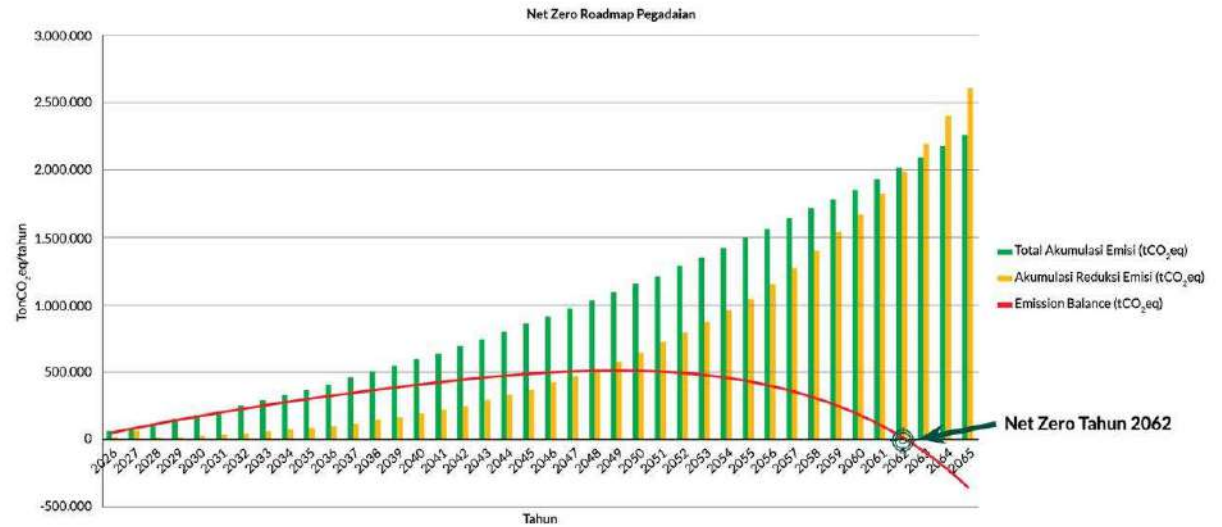
<https://www.idx.co.id/id/berita/siaran-pers/2308>

Decarbonization Strategy

Financed Emissions Strategy

The roadmap is a strategic and planned step to reduce Greenhouse Gas (GHG) emissions from all operational activities. In its implementation, Pegadaian adopts an adaptive decarbonization approach while awaiting improvements to the ministry's policies, particularly in relation to the carbon offset mechanism in the Agriculture, Forestry, and Other Land Use (AFOLU) sector.

To achieve the Net Zero target, Pegadaian has formulated several key decarbonization initiatives for the following companies.



01

The company is starting to switch to electric vehicles as a replacement for its fossil-fueled fleet, beginning in 2024 with the operation of eight units of the Omoda E5 EV electric vehicle.

02

Pegadaian is gradually installing solar panels, starting from the head office to all regions of Indonesia, to increase the portion of renewable energy.

03

Third, through the "Sorting Waste Saving Gold" program, the company promotes waste management by establishing waste banks, facilitating waste recycling, and contributing to emission reduction, while also providing social and economic benefits to the community.

04

Fourth, the application of Aerobic Composting for organic waste treatment is carried out in the company's operational environment, which not only helps reduce emissions but also produces organic fertilizers of value for use.



ESG Best Practice

Social

02 Our Commitment in Social Aspect



Labor Practices

Labor Practices Commitment



Pegadaian upholds a strong commitment to fair, safe, and responsible labor practices that align with national regulations, the Collective Labor Agreement (PKB), and international expectations on decent work and human rights. This commitment is reflected in the Company's policies on remuneration, working hours, employee welfare, and non-discrimination, all of which are implemented consistently across its operational areas. Supported by comprehensive employment guidelines, Pegadaian ensures that its labor practices, particularly regarding living wages, equal treatment, working-hour limits, and employee leave entitlements. The key components of Pegadaian's commitment to labor practices are as follows.

- **Living wage**

Pegadaian implements Employee Remuneration Guidelines as set out in the Board of Directors Regulation Number 12 of 2024, which refers to the Collective Labor Agreement (PKB) 2023–2025. The Company ensures that basic salary complies with and consistently exceeds the Regional Minimum Wage applicable in each province. This policy guarantees that all employees receive wages that support a decent standard of living across all operational areas.

- **Excessive working hours**

Pegadaian strictly regulates overtime to prevent excessive working hours. Overtime is only permitted for specific employee levels, and all overtime work must receive compensation as stipulated in the PKB. Through this policy, the Company ensures that additional working hours remain within acceptable limits and that all extra time worked is properly compensated.

- **Maximum working hours**

In accordance with PKB provisions, Pegadaian sets a clear limit on standard working hours: 8 hours per day. This ensures that working conditions remain safe, reasonable, and compliant with national labor regulations. The policy applies consistently to all employees, regardless of their location or function.

- **Equal remuneration**

Pegadaian guarantees non-discriminatory pay practices. The Remuneration Guidelines state that there is no difference in remuneration between male and female employees performing the same roles or responsibilities. This reinforces the Company's commitment to equality, fairness, and equal opportunities in line with global labor standards.

- **Annual leave entitlement**

Beyond statutory maternity or paternity leave, Pegadaian provides employees with the right to apply for annual leave for family care, including caring for children, spouses, or parents. This provision supports employee well-being, strengthens family responsibility practices, and promotes a healthy work-life balance.

Labor Practices Program



Pegadaian is committed to ensuring fair and responsible labor practices across its operations. This commitment is reflected in the company's adherence to relevant labor laws, employee rights, and the creation of a respectful, inclusive work environment. The following table outlines the specific programs implemented by Pegadaian to manage its labor practices:

Program Type	Program Name	Program Description
Wages and Working Conditions	Adequate Wages and Overtime Payment	Ensures that employees are compensated in accordance with the regional minimum wage and for overtime work.
Employee Benefits	Maternity and Paternity Leave	Provides maternity leave for female employees and paternity leave for male employees with full pay.
Equal Employment Opportunity	Non-Discrimination and Equal Hiring	Ensures equal opportunity for all employees, regardless of ethnicity, religion, or gender, in recruitment and career development.
Health and Safety	Occupational Health and Safety	Monitors and implements safety standards to ensure a safe working environment for all employees.
Social Protection	Employee Support Programs	Provides support through various initiatives, including counseling and wellness programs.

These programs ensure that Pegadaian not only complies with local and international labor standards but also fosters a positive work culture that supports the wellbeing and development of all employees.





Discrimination & Harassment

Pegadaian is committed to ensuring a respectful, safe, and inclusive workplace where all employees are protected from discriminatory practices and harassment. This commitment is reinforced through the Company's Anti-Discrimination and Anti-Harassment Policy, which is publicly available and applies to all employees across the organization. The policy serves as Pegadaian's formal declaration of its zero-tolerance stance toward discrimination and harassment, and aligns with the expectations outlined in the S&P Global CSA. Pegadaian's commitment includes the following core elements.

1. Explicit Prohibition of Discrimination

Pegadaian strictly prohibits all forms of discrimination, including unequal treatment based on race, color, gender, religion, disability, age, marital status, sexual orientation, or other legally protected characteristics. Employment decisions at Pegadaian must be based solely on merit, qualifications, and performance.

2. Explicit Prohibition of Harassment

Pegadaian's policy explicitly prohibits both sexual and non-sexual harassment. This includes unwelcome verbal, non-verbal, physical, or visual conduct that humiliates, intimidates, or threatens employees. Sexual harassment encompasses any behavior with a sexual component, while non-sexual harassment includes bullying, mobbing, intimidation, and psychological abuse.

3. Zero-Tolerance Commitment

Pegadaian enforces a zero-tolerance policy toward discrimination and harassment. Any allegation is taken seriously, investigated confidentially, and handled with empathy. Confirmed violations result in proportionate remedial and disciplinary actions, up to and including termination, reflecting the Company's firm stance against misconduct.

4. Defined Reporting and Escalation Mechanism

Pegadaian provides a formalized and confidential reporting and escalation mechanism that enables employees to report discrimination or harassment incidents without fear of retaliation.

The grievance process specifies the steps, responsible units, and timelines for receiving, reviewing, and resolving complaints. This aligns with CSA requirements that escalation procedures must explicitly refer to discrimination and harassment cases.

5. Corrective and Disciplinary Actions

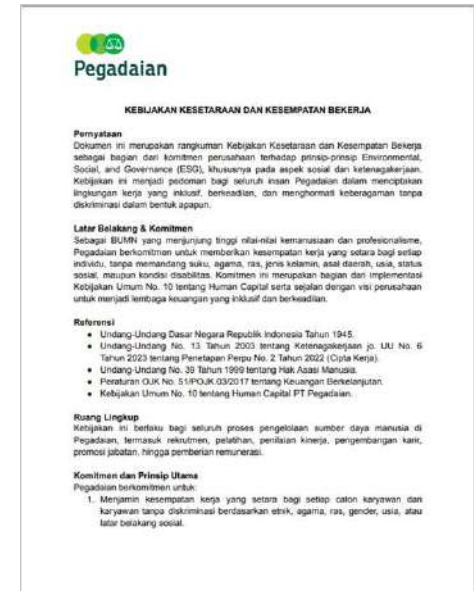
The policy outlines clear **corrective and disciplinary measures** for confirmed cases, ranging from coaching and written warnings to demotion or termination, depending on the severity.

This fulfills CSA's indicator requiring explicit mention of disciplinary action specific to discrimination and harassment.

6. Employee Training and Awareness

Pegadaian conducts training and awareness activities on nondiscrimination and anti-harassment as part of the broader culture-building program and Code of Conduct implementation.

These learning initiatives reinforce employee understanding of prohibited behaviors, rights and responsibilities, and available reporting mechanisms.



<https://bucket.pegadaian.co.id/cms-webcorp-bucket/cmgos3q660000lr8a3wllhv.pdf>

7. Public Disclosure and Transparency

Pegadaian publicly discloses its Anti-Discrimination and Anti-Harassment Policy on its corporate website and in its sustainability disclosures. This ensures compliance with CSA's requirement for publicly available evidence and demonstrates the Company's commitment to transparency and accountability.

Workforce Breakdown: Gender

Pegadaian monitors the representation of women at different levels of the organization, including overall workforce, junior, middle, and top management, revenue-generating functions, and STEM-related positions. The company sets public targets that mirror current percentages in order to maintain or gradually increase gender balance. Continuous monitoring of these indicators supports initiatives to improve women's participation in key functions and leadership roles.

Diversity indicator	Total Women Employee (person)	Women's share 2024 (%)
Share of women in total workforce (as % of total workforce)	8,758	69%
Share of women in all management positions, including junior, middle, and top management (as % of total management positions)	3,179	85%
Share of women in junior management positions, i.e. first level of management (as % of total junior management positions)	2,418	38%
Share of women in top management positions, i.e. executive level positions up to two levels below the CEO (as % of total top management positions)	4	7%
Share of women in management positions in revenue-generating functions (e.g. sales), excluding support functions	4,111	39%
Share of women in STEM-related positions (as % of total STEM positions)	48	19%



Workforce Breakdown: Race/ Ethnicity & Nationality



Pegadaian reports on the breakdown of its workforce based on ethnicity and nationality and discloses this information publicly. More than 75% of the workforce is covered by the reporting. As a company operating only in Indonesia, the workforce is predominantly Indonesian, both at overall and management levels, which reflects the national demographic composition.

Ethnic	Total Person	Ethnic	Total Person	Ethnic	Total Person	Ethnic	Total Person
Aceh	168	Banten	69	Jawa	3401	Riau	1
Arab	2	Batak	205	Lampung	131	Sasak	224
Asal Kalimantan	397	Betawi	1289	Madura	201	Sumbawa	67
Asal Maluku	132	Bima	126	Makassar	610	Sunda	1134
Asal NTT	334	Bugis	328	Mandar	24	Tionghoa	16
Asal Papua	167	Cirebon	145	Melayu	1042	Toraja	24
Asal Sulawesi	265	Dayak	89	Minahasa	414	Banjar	134
Asal Sumatera Selatan	375	Dusun	1	Minangkabau	463	Jambi	82
Bali	375	Gorontalo	65	Nias	11	Rejang	19

Total: 12.530



Gender Pay Indicators



Pegadaian conducts and discloses the results of equal pay analyses covering more than 75% of FTEs, with currency in IDR (Rupiah). The assessment compares average base salary and base salary plus other cash incentives for women and men across executive, management, and non-management levels. The results show no systemic pay gap, with remuneration levels for women and men broadly comparable within each grade, in line with the company's commitment that there is no difference in remuneration based on gender.

Employee Level	Average Women Salary (IDR)	Average Men Salary (IDR)
Executive level (base salary only)	2,646,560,000	2,704,940,000
Executive level (base salary + other cash incentives)	13,165,000,000	13,455,500,000
Management level (base salary only)	2,249,576,000	2,307,9956,000
Management level (base salary + other cash incentives)	12,769,016,000	13,059,516,000
Non-management level (base salary only)	369,406	369,406

Freedom of Association




Pegadaian respects and guarantees the right of every employee to freely associate and collectively express their aspirations as a fundamental pillar of harmonious industrial relations. This commitment aligns with the principles of ILO Conventions No. 87 and No. 98 on freedom of association and the right to collective bargaining, as well as the expectations of the S&P Global CSA, which require clear protection of employees' rights to unionize and coverage under collective bargaining agreements.

To uphold productive and balanced industrial relations, Pegadaian has established a Collective Labor Agreement (CLA/PKB) between the Company and the Pegadaian Workers Union for the 2023–2025 period (Agreement Numbers 1679/00028.02/2023 and 99/DPP-SP/14/2023). The CLA outlines the rights and obligations of both parties, including provisions for facilities to support union activities, dispensation time for Workers Union members to carry out organizational responsibilities, and explicit prohibitions against pressure, discrimination, or intimidation by management toward union members or representatives.

Consistent with CSA data requirements, Pegadaian ensures that all employees who are eligible for collective bargaining are fully covered under the CLA. This means that there are no eligible employees outside the scope of the agreement, and therefore, the percentage of employees covered by collective bargaining agreements is 100%. This coverage ensures equal protection, representation, and access to the collective bargaining framework for all employees across the organization.

As of December 31, 2024, membership in the Pegadaian Workers Union reached 12,538 employees, an increase of 981 members or 7.25 percent compared with the previous year. This growth reflects the strengthening of collective representation and the Company's commitment to open, constructive social dialogue. Through comprehensive CLA coverage and active union participation, Pegadaian ensures that employment issues can be resolved fairly, transparently, and through a mutually agreed mechanism.

By guaranteeing full freedom of association and universal coverage under the CLA, Pegadaian meets national legal standards, international labor conventions, and S&P Global CSA requirements, demonstrating its commitment to protecting workers' rights and fostering a supportive, participatory work environment.



KEBEBASAN BERSERIKAT

Pernyataan
Dokumen ini merupakan rangkuman "Arahan Kebebasan Berserikat PT Pegadaian" yang menegaskan komitmen perusahaan dalam menghormati hak-hak karyawan untuk membentuk, bergabung, dan berpartisipasi dalam organisasi pekerja. Pengaturan ini disusun sesuai dengan Undang-Undang No. 6 Tahun 2023 tentang Penetapan Perppu No. 2 Tahun 2022 tentang Cipta Kerja menjadi Undang-Undang, serta Konvensi International Labour Organization (ILO) No. 87 tentang Kebebasan Berserikat dan Perlindungan Hak untuk Berorganisasi.

Latar Belakang & Komitmen
Pegadaian percaya bahwa hubungan industrial yang harmonis merupakan prasyarat penting bagi keberlangsungan operasional perusahaan. Oleh karena itu, perusahaan menghargai hak karyawan untuk berserikat sebagai wadah perlindungan hak-hak pekerja, sarana komunikasi dengan manajemen, serta media mencari solusi bersama terhadap persoalan ketenagakerjaan. Pegadaian berkomitmen mematuhi seluruh peraturan perundang-undangan, memastikan tidak ada diskriminasi atau intimidasi terhadap anggota dan pengurus serikat pekerja, serta menyediakan fasilitas yang diperlukan dalam mendukung kegiatan organisasi pekerja.

Referensi

- Undang-Undang No. 6 Tahun 2023 tentang Penetapan Perppu No. 2 Tahun 2022 (Cipta Kerja).
- Konvensi ILO No. 87 tentang Kebebasan Berserikat dan Perlindungan Hak untuk Berorganisasi.
- Perjanjian Kerja Bersama (PKB) PT Pegadaian dengan Serikat Pekerja Pegadaian periode 2023–2025 (Surat Perjanjian No. 1679 Tahun 2023 dan No. 99/DPP-SP/14/2023).
- Anggaran Dasar PT Pegadaian beserta seluruh perubahannya.

Lingkup Penerapan
Arahan perserikatan ini berlaku bagi seluruh karyawan PT Pegadaian tanpa terkecuali. Keanggotaan Serikat Pekerja Pegadaian menganut sistem stelsel pasif, yaitu setiap karyawan otomatis menjadi anggota serikat pekerja. Hingga 31 Desember 2024, jumlah anggota tercatat sebanyak 12.538 orang, menurun 981 orang atau 7,25% dari tahun sebelumnya, dari total 13.519 karyawan. Penurunan ini terjadi karena adanya

<https://bucket.pegadaian.co.id/cms-webcorp-bucket/cmgemrcj9000701pe4ow8bwf.pdf>

Human Rights

Human Rights Commitment



Pegadaian is committed to upholding and protecting human rights across all aspects of its business activities, applying this commitment equally to employees, partners, suppliers, customers, and the communities in which the Company operates. This commitment is guided by internationally recognized human rights principles, including the Universal Declaration of Human Rights and the core conventions of the International Labour Organization (ILO). Pegadaian's Human Rights Policy, publicly disclosed and applicable to all employees and business units, establishes a comprehensive framework to ensure dignity, equality, and fairness throughout its operations.

Pegadaian's Human Rights Policy outlines clear expectations and responsibilities for preventing, addressing, and remediating any adverse human rights impacts. The Company ensures that human rights considerations are embedded into its employment practices, procurement processes, stakeholder engagement, and operational decision-making. Pegadaian's commitment includes the following key principles:

1. Prohibition of Forced Labor and Modern Slavery

Pegadaian strictly prohibits forced labor, bonded labor, involuntary work, human trafficking, or any employment practice involving coercion, intimidation, fraud, or the withholding of personal documents. The Company ensures that all employment is entered into freely and based on informed consent.

2. Prohibition of Child Labor

Pegadaian forbids the employment of individuals below the legal working age and ensures that no job duties interfere with a child's right to safety, education, or healthy development. This principle extends to all operational areas and business partners.

3. Non-Discrimination and Equal Opportunity

Pegadaian maintains a strong commitment to equal treatment and strictly

prohibits discrimination based on race, color, gender, religion, age, disability, marital status, national or social origin, political opinion, sexual orientation, gender identity, health status, or economic background. This principle applies to recruitment, employment conditions, promotion, remuneration, and all aspects of the employment lifecycle.

4. Freedom of Association and Collective Bargaining

Pegadaian respects the right of employees to freely form or join labor unions of their choice and to engage in collective bargaining without intimidation or retaliation. The Company's Collective Labor Agreement (CLA) clearly establishes the rights and obligations of both employees and management and ensures they are mutually respected.

5. Respect for Employee Dignity, Safety, and Well-being

Pegadaian ensures that all employees work in conditions that uphold personal dignity, health, and safety. The Company prohibits all forms of harassment, abuse, degrading treatment, and unsafe working conditions, while promoting wellness, fair working hours, and balanced workloads.

6. Expectations for Suppliers and Business Partners

Pegadaian encourages suppliers, contractors, and other business partners to uphold the same human rights standards that the Company applies internally. Supplier engagements, contractual agreements, and procurement processes integrate ethical conduct and respect for human rights as core expectations.

7. Access to Remedy and Grievance Mechanisms

Pegadaian provides accessible, confidential, and non-retaliatory grievance channels for employees and stakeholders to raise concerns related to human rights. Every reported issue is handled promptly, transparently, and in accordance with established procedures, ensuring appropriate remedy and corrective action.

Human Rights Due Diligence Process



Pegadaian has begun implementing a company-wide human rights due diligence process as part of its broader enterprise risk management framework. Human rights-related risks are identified primarily in the company's own operations, including branches and head-office functions, and are embedded in assessments of operational, human capital, and compliance risks. The Respectful Workplace Policy, recruitment and remuneration regulations, and the whistleblowing mechanism serve as key instruments for identifying, reporting, and addressing potential human rights concerns.

The due diligence process focuses on actual and potential risks related to non-discrimination, freedom of association and collective bargaining, fair employment conditions, and

the right to a safe and healthy working environment. The main groups at risk considered include Pegadaian's own employees, women, third-party workers, and local communities that may be indirectly affected by the company's activities or programs.

While these elements are already in place, Pegadaian recognizes that its human rights due diligence is still at a developing stage. The company plans to formalize and expand the process, including more systematic mapping of value-chain risks and clearer documentation of specific human rights issues and vulnerable groups, in line with emerging best practices and the future stand-alone Human Rights Policy.

<https://bucket.pegadaian.co.id/cms-webcorp-bucket/cmgemrtb000601pelm6s4ic2.pdf>

Human Rights Assessment



Pegadaian has conducted an assessment of potential human rights issues in its business activities during the last three years. The assessment focuses on its own operations, where the company has direct management control, and treats human rights as part of operational and human capital risk.

For own operations, 100% of the activities within the selected reporting scope have been assessed for human rights risks over the last three years. Within this scope, risks were identified in all assessed operations, primarily related to non-discrimination, workplace conduct, and fair treatment. Mitigation actions have been implemented for a substantial majority of the risk-exposed sites.

Category	A. % of total assessed in the last three years	B. % of total assessed (column A) where risks have been identified	C. % of risk (column B) with mitigation actions taken
Own operations (including joint ventures where the company has control)	100%	100%	78.19%
Contractors or Tier 1 suppliers	Not yet systematically assessed	–	–
Joint ventures (stakes above 10%, without management control)	Not applicable – Pegadaian has no such JVs	–	–

Human Rights Mitigation & Remediation



Human rights risk is treated as part of Pegadaian's operational and human capital risk profile. In response to identified or potential risks, the company has implemented a range of mitigation and remediation measures, including:

01

Establishing and socializing the Respectful Workplace Policy, which explicitly prohibits discrimination, bullying, harassment, and violence, and sets behavioural expectations for all employees.

02

Ensuring fair and non-discriminatory recruitment, promotion, and remuneration practices through Directors' Regulations on talent sourcing and employee remuneration, aligned with the Collective Labor Agreement.

03

Providing access to training and awareness-raising on respectful behaviour, workplace ethics, and grievance procedures.

04

Operating a whistleblowing system that enables employees and stakeholders to report alleged human rights violations, discrimination, or misconduct confidentially and without retaliation.

05

Undertaking corrective and disciplinary actions, as required by internal regulations, in cases where breaches of conduct are substantiated

These measures are designed to prevent violations, address incidents in a timely and fair manner, and remedy negative impacts where they occur. In 2024, Pegadaian reported that no human rights violations were recorded within the company, reflecting the effectiveness of its preventive approach while acknowledging that continuous improvement is still required.

Human Capital Management

Training & Development Inputs



Pegadaian views employee capability building as a strategic investment to support business transformation and long-term sustainability. Throughout 2024, the company enrolled 13,800 employees in various training and development programs, ranging from technical and functional courses to leadership and behavioral programs. In total, Pegadaian delivered 2,589,318 training hours, averaging 187.63 hours of training per employee, well above the corporate plan of 90 hours per employee. Training participation is monitored by gender and job category to ensure equal access to development opportunities and to strengthen the leadership pipeline across all levels of the organization.

Description	Number of employees trained (employee)	Training hours (hour)	Average hours per employee (hour)
Gender			
Men	8,549	1,624,136	189.98
Women	5,251	965,182	183.81
Category			
Middle management	2,330	483,177	207.37
Executive management	7,399	1,505,431	203.46
Staff	3,051	499,591	163.75
Fixed-term employees (PKWT)	1,020	101,119	99.14



Employee Development Programs



To continuously enhance employees' skills and support business transformation, Pegadaian implements structured employee development programs that combine classroom training, blended learning, and large-scale digital learning. The programs cover leadership and strategy, business and functional skills, IT and finance, as well as operations and service excellence. Additionally, Pegadaian has significantly expanded e-learning and other digital formats such as MOOCs and certification programs, allowing employees across all regions and job levels to access learning flexibly. Participation is tracked by gender and over time to ensure that men and women benefit equally from development opportunities.

Training category	Men (hours)	Women (hours)
Leadership & Strategy	6,348	3,281
Business	2,103	822
IT & Finance	2,953	1,307
Operations & Service	2,507	661
E-learning	237,196	146,094
Others (MOOC, learning weeks, certifications)	105,610	66,774
Total	356,717	218,939

Human Capital Return on Investment



Pegadaian monitors human capital return on investment (HC ROI) to understand how effectively people-related spending translates into value creation. The indicator is calculated using the standard formula:

$$\text{HC ROI} = (\text{Total Revenue} - \text{Total Operating Expenses} - \text{Total employee-related expenses}) / \text{Total employee-related expenses}$$

Metric	2021	2022	2023	2024
a) Total Revenue (IDR)	20,839,881,000,000	22,878,687,000,000	24,433,794,000,000	38,161,988,000,000
b) Total Operating Expenses (IDR)	17,403,139,000,000	18,551,282,000,000	18,747,934,000,000	30,958,216,000,000
c) Total Employee-Related Expenses (IDR)	3,896,562,000,000	4,531,892,000,000	4,632,772,000,000	5,175,704,000,000
Resulting HC ROI ((a - b) ÷ c)	1.83	1.95	5.87	2.48
Total Employees	14.371	12.95	13,519	12,530

Hiring



Pegadaian applies a structured hiring policy that ensures fairness, equal opportunity, and compliance with labor regulations. In line with the Collective Labor Agreement (PKB), the minimum age for new employees is 20 years, which supports the company's commitment to decent work standards and human rights.

New recruitment is conducted based on competence, without discrimination

on ethnicity, religion, race, inter-group differences, or gender. Over the period 2021–2024, Pegadaian continuously monitors the number of new hires, the proportion of positions filled by internal candidates, and the average hiring cost per full-time equivalent (FTE). These indicators are used to evaluate the effectiveness of the recruitment process and to support workforce planning across all business units.

Indicator	Unit	2021	2022	2023	2024
Total number of new employee hires	Number of employees	600	72	616	32
Percentage of open positions filled by internal candidates (internal hires)	% of total open positions	0.26%	4.56%	0.56%	4.18%
Average hiring cost per FTE	IDR – Rupiah	-	1,952,000	4,090,000	4,015,500

Employee Turnover Rate



Pegadaian monitors employee turnover as one of the key indicators of workforce stability and organizational health. The company calculates both the total employee turnover rate and the voluntary turnover rate as a percentage of total employees for each financial year. These metrics help management evaluate the effectiveness of talent management, retention strategies, and employee engagement initiatives across all operating units.

At present, Pegadaian's turnover calculation is performed at aggregate

company level and does not yet distinguish between different categories such as age group, gender, job level, or the proportion of employees resigning voluntarily versus non-voluntary departures. Going forward, Pegadaian is committed to enhancing data granularity so that turnover statistics can be analysed by demographic and employment segments, thereby improving the company's ability to assess workforce stability and design more targeted retention programs.

Indicator	Unit	2021	2022	2023	2024
Total employee turnover rate	% of total employees	2.49	4.40	3.30	3.00
Voluntary employee turnover rate	% of total employees	2.30	3.90	2.60	0.43

Long-Term Incentives for Employees



Pemberian Penghargaan Masa Kerja Karyawan

Latar Belakang

Kebijakan pemberian penghargaan masa kerja karyawan PT Pegadaian diatarkembang oleh beberapa pertimbangan penting, di antaranya:

1. **Loyalitas dan Kontribusi Karyawan**: Banyak karyawan yang telah mengabdikan seluruh bertahun-tahun di perusahaan, dan perusahaan merasa penting untuk memberikan apresiasi terhadap dedikasi mereka.
2. **Mendukung Budaya Perusahaan Kerja yang Apresiatif**: Penghargaan ini diharapkan dapat mendukung budaya perusahaan yang lebih positif, di mana kontribusi setiap karyawan diakui dan dihargai.
3. **Strategi Retensi Karyawan**: Melalui penghargaan ini, perusahaan berupaya mempertahankan tenaga kerja berpengalaman dan meningkatkan motivasi kerja jangka panjang.

Tujuan

- Apresiasi Non-Cash: Penghargaan untuk kontribusi karyawan dengan tujuan meningkatkan motivasi dan engagement.
- Pedoman: Menentukan panduan dalam pemberian penghargaan berdasarkan masa kerja karyawan.

Ketentuan

- Penghargaan diberikan sebagai bentuk apresiasi atas masa kerja.
- Penghargaan berupa piagam dan medali dengan kandungan emas 24 karat.

Jenis Penghargaan

Setiap tahap masa kerja akan mendapatkan jenis penghargaan yang berbeda, antara lain:

- Piagam: Penghargaan diberikan pada karyawan dengan masa kerja minimal 15 tahun - 35 tahun atau lebih.
- Medali (setara emas 24 karat) Denom 5 - 20 gram, dengan masa kerja 20 tahun - 35 tahun atau lebih.

Pegadaian recognizes that rewarding employees for their long-term commitment is key to maintaining a motivated and engaged workforce. Company’s long-term incentive program is designed to recognize employees’ continuous contributions, foster a culture of appreciation, and encourage sustained commitment to the company’s long-term success. These incentives not only enhance employee performance but also strengthen loyalty and alignment with the company’s strategic objectives.

The long-term incentive program at Pegadaian aims to foster a work environment where employees are motivated and recognized for their consistent contributions over the years. This initiative supports the company’s goal of maintaining a dedicated workforce by promoting long-term career growth and reinforcing positive employee engagement through tangible rewards.

In line with Pegadaian’s commitment to appreciating long-term service, employees who reach milestones such as 5, 10, or 20 years of service are awarded recognition, including gold medals and commemorative plaques. These awards represent the company’s commitment to valuing employees who contribute to its growth and sustainability over the long term. The gold medal awards, for instance, serve as symbols of achievement and loyalty within the organization.

This recognition program is a central part of Pegadaian's broader efforts to retain talent, ensure job satisfaction, and encourage a long-term career path within the company.



<https://pegadaian.co.id/keberlanjutan/tcf0592e-42f0-459b-8986-6a580565e795>

Employee Support Programs



Pegadaian is committed to creating a supportive work environment that prioritizes the well-being of its employees. As part of this commitment, the company has implemented several employee support programs designed to help employees manage work-life balance, health, and personal well-being. These programs include:

Category	Program / Facility	Description
Employee benefits	Workplace stress management programs	Through its Employee Support Programs, Pegadaian offers counseling services to employees who are facing emotional stress, ensuring they have access to the psychological support they need. The company also fosters a healthy work environment through activities that support mental well-being, such as physical and spiritual activities via the Gade Community.
Work conditions	Flexible working hours (where relevant to role and function)	Employees are given the flexibility to manage their work hours, ensuring they can fulfill personal commitments, such as childcare, without compromising their professional responsibilities.
Family benefits	Childcare facilities or financial contributions	Pegadaian provides support for employees with children by offering childcare facilities or contributing towards the cost of childcare services, which directly supports working parents. The company has made an effort to ensure that its employees can focus on their work knowing that their children are well cared for.
	Breast-feeding / lactation facilities or benefits	Pegadaian provides dedicated, private lactation rooms to support mothers who need to breastfeed or pump breast milk during their workday. These comfortable and well-equipped rooms allow mothers to maintain their child's nutrition while continuing their professional responsibilities. This facility reinforces Pegadaian's commitment to supporting employees' health and family responsibilities, promoting gender equality and ensuring the workplace is conducive to all employees' needs.

Type of Performance Appraisal



Pegadaian operates an integrated Performance Management System (PMS) that combines quantitative KPIs with qualitative work-culture metrics. Individual and unit-level performance targets are cascaded from corporate objectives, and evaluations are carried out through a mix of management-

by-objectives, multidimensional (including 360-degree) feedback, team-based reviews, and agile performance conversations. Formal assessment is conducted at least annually, with ongoing check-ins to align performance, development, and reward decisions.

Trend of Employee Wellbeing



Pegadaian conducts an annual employee engagement and culture survey that measures engagement, satisfaction, and overall wellbeing. The survey consistently achieves high response rates, above 88 percent over the last three years, demonstrating strong employee participation. The questionnaire covers aspects such as job satisfaction, sense of purpose, happiness at work, and stress levels.

Survey results are used by management to identify priority areas for improvement in leadership, work environment, communication, and well-being programs, and are integrated into action plans at corporate and unit level.

Core focus / Metric	Unit	2021	2022	2023	2024
Employee Engagement score (e.g. top-level engagement / satisfaction / wellbeing / eNPS)	Score (company scale)	4.12	4.29	4.49	4.5
Data coverage – percentage of employees who responded to the survey	% of employees who participated in the survey	98.7	88.8	99.4	98.4



Occupational Health & Safety

OHS Policy



Pegadaian

KEBIJAKAN SISTEM MANAJEMEN KESELAMATAN DAN KESEHATAN KERJA

Pernyataan
 Dokumen ini merupakan rangkuman "Ketijakan Sistem Manajemen Keselamatan dan Kesehatan Kerja (SMK3) Pegadaian" sebagaimana diatur dalam Surat Edaran No. 248/SE/2021. Kebijakan ini disusun sesuai dengan Peraturan Pemerintah No. 50 Tahun 2012 tentang Penerapan SMK3 dan menjadi pedoman perusahaan untuk menjamin keselamatan, kesehatan, dan kenyamanan kerja bagi seluruh insan Pegadaian.

Latar Belakang & Komitmen
 Sebagai BUMN yang telah beroperasi lebih dari seratus tahun, Pegadaian memegang komitmennya untuk melaksanakan prinsip zero accident dan memastikan setiap lingkungan kerja aman, sehat, serta produktif. SMK3 hadir sebagai kerangka sistematis yang memudahkan struktur organisasi, pencaharian, tanggung jawab, prosedur, hingga sumber daya guna mengentalkan risiko kerja. Pegadaian memandang penerapan SMK3 bukan sekadar kepatuhan hukum, tetapi juga wujud tanggung jawab moral untuk melindungi karyawan, kontraktor, mitra kerja, dan masyarakat di sekitar perusahaan.

Referensi
 Peraturan ini mengacu pada Peraturan Pemerintah No. 50 Tahun 2012, Panduan Audit SMK3 (ISO 19011:2011), serta dokumen dan ketentuan perundang-undangan terkait keselamatan dan kesehatan kerja yang berlaku di Indonesia.

Lingkup Penerapan
 Kebijakan ini berlaku di Kantor Pusat PT Pegadaian dan mencakup seluruh aktivitas kerja yang memiliki potensi bahaya maupun risiko. Ruang lingkupnya meliputi aspek komitmen, perencanaan, pelaksanaan, pemantauan, evaluasi, serta peningkatan berkelanjutan. SMK3 menjadi acuan untuk seluruh prosedur, instruksi kerja, dan dokumen pendukung lainnya.

Komitmen & Prinsip Utama
 Pegadaian menetapkan Kebijakan K3 yang dibangun secara bertahap, difundamentasi pemisahan, dan dikomunikasikan kepada seluruh karyawan, tamu, kontraktor, pelanggan, dan pemasok. Komitmen ini mencakup penyediaan sarana dan prasarana pendukung tujuan zero accident, pencegahan penyakit akibat kerja, perlindungan khusus bagi perempuan dan penyandang disabilitas, terapan penggunaan narkoba dan alkohol, hingga langkah pencegahan penyakit menular.

<https://bucket.pegadaian.co.id/cms-webcorp-bucket/cmge1861p000201nn7edbc25h.pdf>

In the context of Occupational Health and Safety (OHS), Pegadaian is committed to implementing the zero-accident principle and fostering a safe, healthy, and productive work environment. Pegadaian's OHS policy aligns with Government Regulation No. 50 of 2012 concerning OHS Management System (ISO 19011:2011) and other relevant laws and regulations. The OHS Management System follows the Plan-Do-Check-Act (PDCA) cycle, emphasizing continuous improvement. The company's commitments include:

- A** Improving the OHS management system;
- B** Worker consultation and participation;
- C** Setting quantitative targets to enhance OHS performance.

OHS implementation is carried out holistically through risk identification, action plan development, OHS training for employees, and providing facilities to achieve zero accidents. Policies and procedures are governed by Regulation of the Board of Directors No. 112 of 2013 on OHS Management System and No. 139 of 2017 regarding Guidelines for OHS in Operational Offices. National policies and company standards guide Pegadaian's OHS program. The implementation guidelines include:

01	02	03
Law No. 1 of 1970 on Occupational Safety;	Law Number 17 of 2023 on Health;	Law No. 6 of 2023, which ratifies Government Regulations in Lieu of Law Number 2 of 2022 concerning Job Creation;
04	05	06
Board Regulation No. 112 of 2013 on Guidelines for the Occupational Safety and Health Management System;	Circular Letter No. 249/SE/2021 on Procedures for the OHS Management System;	Circular Letter No. 248/SE/2021 on the Manual of the OHS Management System.

OHS Programs

Pegadaian has implemented various integrated Occupational Health and Safety (OHS) programs. These programs are designed to maintain a safe working environment and reduce health and safety risks. The core components of the OHS program include:

01

OHS Risk and Hazard Assessments

Pegadaian regularly conducts assessments to identify potential risks and hazards in the workplace. This ensures that the company can proactively manage health and safety issues and prevent accidents or injuries.

02

OHS Risk and Hazard Assessments

Based on the risk assessments, Pegadaian develops action plans with specific, measurable targets to address identified hazards and improve overall workplace safety. These plans are continuously monitored to track progress and effectiveness.

03

OHS Risk and Hazard Assessments

Pegadaian ensures that all employees and relevant external parties receive regular training on OHS protocols. This includes training on risk management, emergency response, and compliance with safety regulations, empowering employees to work safely and responsibly.

Absentee Rate



<https://bucket.pegadaian.co.id/cms-webcorp-bucket/cmilqalxe000801s9f88w3dg6.pdf>

Pegadaian systematically monitors absentee rates for employees and contractors as part of its commitment to safeguarding health, safety, and employee well-being. Absence data for the past four years are recorded at unit level and consolidated at corporate level, with calculations based on the total number of employees across all PT Pegadaian offices in Indonesia. For 2023–2024, absentee data are managed and extracted through the Human Capital Management System (HCMS), which captures daily attendance and absence information for all employees. Absenteeism is treated not only as an administrative indicator but also as a reflection of working conditions and the effectiveness of occupational health and safety programs. The absentee rate figures reported in this questionnaire are based on internal records and have not been verified by an independent third party.

Absentee rate	Unit	2021	2022	2023	2024
Employees	% of total days scheduled	0	0	0.30	0.41

Financial Inclusion

Financial Inclusion Commitment



Pegadaian is committed to expanding financial access to underserved groups, focusing on developing services that are accessible, affordable, and appropriate for those traditionally excluded from formal financial systems. Our financial inclusion efforts are designed to meet the needs of underserved communities, improve financial literacy, and offer support in accessing critical financial services.

1. Innovating and Expanding the Range of Financial Services Available to Underserved Groups

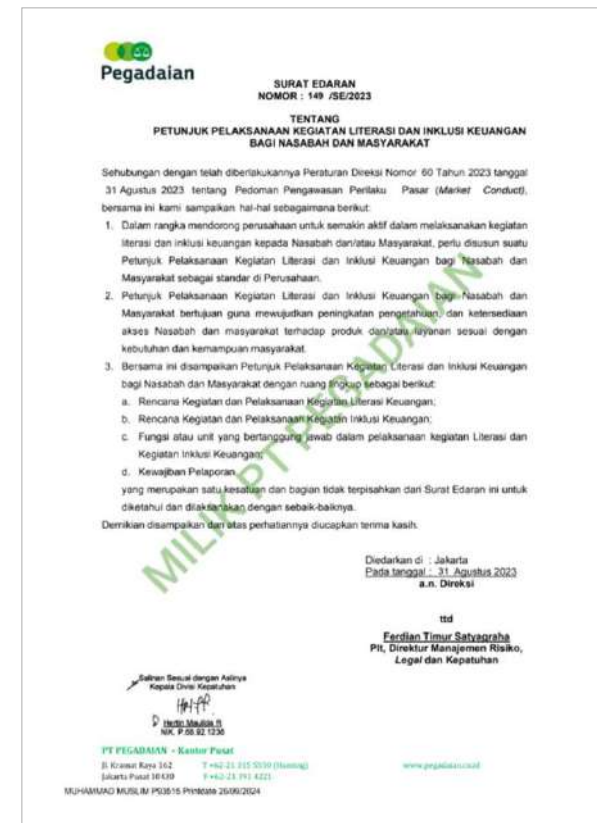
Pegadaian constantly strives to expand and innovate its financial offerings, focusing on services that cater to underserved populations. This includes micro-loans, savings products, and insurance designed for those with limited access to traditional banking.

2. Training Staff to Prevent Aggressive Sales Techniques and Disrespectful Treatment of Targeted Groups

Pegadaian ensures that all staff undergo regular ethical sales training. Employees are instructed on how to treat clients with respect, ensuring that no client is pressured into purchasing products or services they do not need.

3. Establishing a Dedicated Role or Committee at the Board/Executive or Operational Level to Oversee Financial Inclusion

Pegadaian has a dedicated role within the company, with oversight by the Board of Directors, to ensure the ongoing commitment to financial inclusion. This ensures that financial inclusion remains a key focus at the highest level of the company's strategy.





Financial Inclusion Product & Services

Pegadaian translates this commitment into concrete financial inclusion offerings aimed at underserved communities across Indonesia. The Company provides accessible pawn-based financing and Sharia-compliant micro-financing products that are designed for microbusinesses and low-income customers who often have limited access to traditional banking. One of the flagship products is the Fiduciary Micro loan, which offers small-ticket financing with simple requirements and flexible collateral structures so that micro-entrepreneurs and vulnerable households can meet working-capital needs, manage cash-flow, and avoid reliance on informal lenders. In 2024, the Fiduciary Micro product served 186,357 clients nationwide, illustrating Pegadaian’s role in expanding formal financial services to mass and underserved segments.

Products & Services	Targeted clients	Number of clients reached	Number of transaction/contract (IDR)
Loans – Social Financing Implementation	<ul style="list-style-type: none"> • Microbusiness • Poor and/or low-income individuals • Individuals in rural or hard-to-reach areas • Women 	23,683,149	30,129,016,000,000
Loans – Fiduciary Micro Finance	<ul style="list-style-type: none"> • Microbusiness • Poor and/or low-income individuals • Unchooled Individuals 	176,865	6,661,123
Loans – Sustainable Business	<ul style="list-style-type: none"> • Microbusiness 	-	7,025,520,000,000

Financial Inclusion – Non-Financial Support

Pegadaian translates this commitment into concrete financial inclusion offerings aimed at underserved communities across Indonesia. The Company provides accessible pawn-based financing and Sharia-compliant micro-financing products that are designed for microbusinesses and low-income customers who often have limited access to traditional banking. One of the flagship products is the Fiduciary Micro loan, which offers small-ticket financing with simple requirements and flexible collateral structures so that micro-entrepreneurs and vulnerable households can meet working-capital needs, manage cash-flow, and avoid reliance on informal lenders. In 2024, the Fiduciary Micro product served 186,357 clients nationwide, illustrating Pegadaian’s role in expanding formal financial services to mass and underserved segments.

Non-financial support	Targeted clients	Quantitative social impact KPI
Tring!	<ul style="list-style-type: none"> Microbusinesses Poor and/or low income individuals Women 	-
Financial Literacy	<ul style="list-style-type: none"> Microbusinesses Individuals in rural or hard-to-reach areas Women Unschooling Individuals 	-
GadePreneur	<ul style="list-style-type: none"> Microbusinesses Women Migrant Unschooling Individuals 	9.67



Customer Relations

Customer Satisfaction Measurement



Pegadaian as part of the Company, Pegadaian strives to promote transparency of public data related to sustainability responsibility. This sustainability responsibility is shown by the existence of sustainability reports that are carried out every year. The Sustainability Report is published on the Pegadaian website directly. The publication was carried out in order to strive to maintain good relations with the public and promote high data transparency.

In 2024, Pegadaian will measure the quality of service through a customer satisfaction survey (Customer Satisfaction Index) conducted by PT Neurosensum Technology International involving 3,030 Pegadaian customers and 1,516 competitor customers. The customer satisfaction survey was conducted at 12 Pegadaian Regional Offices throughout Indonesia. There are 2 (two) methods used in this survey, including:

- 01** Quantitative method with CATI (Computer-Assisted Telephone Interview), CAPI (Computer Assisted Personal Interview), and F2F (Face to Face Interview) interview techniques using a structured questionnaire
- 02** Qualitative method with Focus Group Discussion (FGD) and In-Depth Interview (IDI) interview techniques to respondents to dig deeper information.

The following are the results of the customer satisfaction and loyalty index

Information	2024	2023	2022	2021
Customer Satisfaction Index (CSI)	87	88.4	86.7	85.5
Customer Loyalty Index (CLI)	84.04	87.7	87.3	85.4
Net Promotor Score (NPS)	76.4	66.6	67	65
Hassle Free Index (HFI)	97.7	95.4	93.4	93.4
Customer Engagement Index (CEI)	82.03	84.3	82.7	81
Customer Retention Index (CRI)	85.8	80.2	82.3	87.9
Customer Acquisition Index (CAI)	36.4	28.5	24	31.1

Privacy Protection

Privacy Policy: Systems/Procedures



https://drive.google.com/file/d/1uAUy_5CmJbl_8Uw7TKuTvyGMC_xxJisC/view

Pegadaian is dedicated to protecting the privacy of both employee and customer data through its Personal Data and Customer Privacy Policy and Board of Directors Regulation No. 71 of 2023, which outlines the company's Personal Data Protection Guidelines. This policy applies to all employees, suppliers, and third parties, ensuring that data is managed responsibly throughout the organization.

Customers and employees alike can access, review, and request the correction or deletion of their personal data. Pegadaian ensures that all personal information is securely stored and protected in accordance with its stringent security standards. Furthermore, customer data is not shared with third parties without their prior consent, demonstrating Pegadaian's commitment to respecting privacy.

Key Commitments in Privacy Protection:

Comprehensive Privacy Policy Across All

Pegadaian's privacy policy applies to every aspect of its operations, including its relationships with suppliers and third parties. This ensures consistent protection of personal data across the company, maintaining privacy standards at every touchpoint.

Designated Privacy Oversight

Pegadaian has established a Personal Data Protection Officer (DPO), also known as the Data Protection Officer (PPDP), to oversee the handling and security of personal data. This role ensures that the company adheres to the highest standards of data protection and handles any concerns related to privacy effectively.

Integration into Risk and Compliance Management:

Data protection is fully integrated into Pegadaian's overall risk management and compliance systems. This integration ensures that privacy is managed proactively and that personal data is safeguarded within the broader operational risk framework.

Disciplinary Actions for Privacy Breaches:

Pegadaian has implemented clear sanctions and disciplinary actions for any breaches of its privacy policies. This includes enforcing a zero-tolerance policy for privacy violations, ensuring that any data breaches are addressed promptly and appropriately.

External and Internal Audits for Privacy Compliance:

Pegadaian regularly conducts both external audits and internal audits through the Internal Supervisory Unit (SPI) to ensure compliance with its privacy policy. These audits are an essential part of the company's effort to maintain the security and reliability of its products and services, providing transparency and accountability.



Aspect

Please provide supporting evidence for the aspect and indicate page numbers:



Privacy policy applies to the entire operations, including suppliers

1



Designated person or department responsible for privacy issues

1



Privacy policy system embedded in group-wide risk/compliance management

1

<https://bucket.pegadaian.co.id/cms-webcorp-bucket/cmgeispsu000101prgdire6gi.pdf>

Customer Privacy Information



Pegadaian is committed to maintaining privacy and providing full control to customers over their personal data. Customers have access to view, correct, or delete their personal data at any time. The information is stored and protected in accordance with the company's security standards, and is not shared with third parties without prior consent.

Pegadaian is dedicated to protecting the privacy of employee and customer data through the Personal Data and Customer Privacy Policy and Board of Directors Regulation No. 71 of 2023 regarding Personal Data Protection Guidelines. This policy applies to all employees, suppliers, and third parties, with oversight by the Personal Data Protection Officer (DPO), also known as the

Data Protection Officer (PPDP). Data protection is integrated into risk management and compliance systems, with sanctions enforced against violations. Compliance with the privacy policy is regularly audited by the Internal Supervisory Unit (SPI) to ensure the security and reliability of Pegadaian's products and services. In 2024, to uphold the rights of data subjects (customers), the company has established customer data access standards through Circular Letter No. 184/SE/2024 regarding Guidelines for Implementing Data Subject Access Requests. As a demonstration of our commitment, there will be no incidents, complaints, or violations related to customer privacy throughout 2024, and no cases of leakage, theft, or loss of customer data have been identified.



ESG Best Practice

Governance

03 Our Good Corporate Governance



Transparency & Reporting

Sustainability Reporting Boundaries



Pegadaian, as a state-owned enterprise, prepares its Sustainability Report in accordance with the relevant regulations governing sustainable finance and corporate disclosure. The report is prepared referencing the Financial Services Authority Regulation (POJK) No. 51/POJK.03/2017 on the Implementation of Sustainable Finance for Financial Service Institutions, Issuers, and Public Companies, as well as Circular Letter of the Financial Services Authority No. 16/SEOJK.04/2021 concerning the Form and Content of Annual Reports for Issuers or Public Companies.

In developing the report, Pegadaian applies globally recognized sustainability reporting frameworks, including the Consolidated Set of GRI Standards, GRI G4

Sector Disclosure for Financial Services, the Sustainability Accounting Standards Board (SASB) Standards for Consumer Finance, and the International Financial Reporting Standards (IFRS) S1 and S2.

The Sustainability Report encompasses disclosures on economic, environmental, social, and governance performance across all operational areas of Pegadaian, excluding data at the subsidiary level. The reporting period covers 1 January 2024 to 31 December 2024, consistent with the Company's Consolidated Financial Statements. Pegadaian also ensures that relevant sustainability information is publicly accessible to stakeholders through designated communication channels.

Sustainability Reporting Assurance



To strengthen the credibility and transparency of its sustainability disclosures, Pegadaian hires an independent external party, PT Surveyor Carbon Consulting Indonesia (SCCI), to conduct a Type 1 assurance in line with the AA1000 Assurance Standard (AA1000AS v3). This assurance level involves reviewing the completeness, structure, and compliance of the Sustainability Report's content with relevant reporting guidelines.

The Type 1 assurance offers a moderate level of confidence in the procedures and supporting evidence used to prepare the report. This level of assurance

lessens the risk of errors in the information and conclusions presented, but not to a very low level, since the scope stays limited to content review rather than verifying or validating the underlying performance data.

While SCCI reviews and provides recommendations to improve disclosure quality, the Board of Directors and relevant internal units retain full responsibility for the accuracy, integrity, and accountability of all information disclosed in the report.

Pegadaian's assurance approach is guided by the AA1000 Accountability Principles Standard (2018), which forms the basis for assessing the strength of its sustainability disclosures. These principles include:



01 Inclusivity, engaging stakeholders in identifying relevant sustainability issues;

02 Materiality, identifying and prioritizing sustainability topics of highest significance to stakeholders and the Company;

03 Responsiveness, addressing stakeholder concerns through appropriate strategies, actions, and disclosures;

04 Impact, assessing and communicating transparently the effects of the Company's activities on stakeholders and sustainability outcomes.

The screenshot displays a professional assurance statement. Key sections include:

- NATURE OF ASSURANCE:** States that the assurance was performed in accordance with the AA1000 Accountability Principles Standard (2018).
- INTENDED USERS OF THIS ASSURANCE STATEMENT:** Identifies the primary users as investors, analysts, and other stakeholders.
- RESPONSIBILITIES:** Clarifies that management is responsible for the accuracy of the information, while the assurance provider is responsible for the assurance.
- SCOPE OF ASSURANCE SERVICE:** Lists the specific areas covered by the assurance, such as environmental, social, and governance (ESG) disclosures.
- INDEPENDENT, IMPARTIALITY, AND COMPETENCY:** Details the qualifications and independence of the assurance provider.
- PORTING INITIATIVES REPORTING CONCLUSIONS, FINDINGS, AND ACTION:** Provides a summary of the findings and the assurance provider's recommendations.

Corporate Governance

Board Independence



Board independence is a vital element of strong corporate governance. It guarantees that supervisory duties are performed impartially and without undue influence, allowing the board to act in the best interests of shareholders and other stakeholders.

PT Pegadaian publishes a publicly available independence statement that outlines the principles and expectations for its board members. This statement affirms that board members must remain free from financial ties, ownership

interests, affiliations, or business relationships that could compromise their ability to exercise unbiased oversight. It also emphasizes the need for board members to uphold integrity, avoid conflicts of interest, and maintain professional judgment in all supervisory activities.

Through transparent disclosure of its independence standards, PT Pegadaian shows a strong commitment to accountability, ethical governance, and protecting stakeholder trust.

Board Type



Pegadaian adopts a two-tier governance system, in which supervisory responsibilities are clearly separated from executive management functions. This structure reinforces accountability, ensures effective checks and balances, and aligns with Indonesia’s corporate governance requirements. The Board of Commissioners serves as the supervisory body that provides oversight and strategic guidance, while the Board of Directors is responsible for managing day-to-day operations and executing the company’s strategic priorities.

In implementing this governance structure, Pegadaian ensures that both boards operate with clearly defined roles, professional integrity, and adherence to regulatory expectations. The Board of Commissioners consists of Independent Commissioners and other Non-Executive Commissioners who oversee management performance, risk management processes, compliance, and the alignment of corporate activities with stakeholder expectations. The Board of Directors comprises Executive Directors who lead operational functions, implement strategies, and ensure that business activities are conducted responsibly, effectively, and in accordance with applicable standards.

To support clarity and accountability in governance, the structure of Pegadaian’s boards is outlined below:



Category	Number of Members
SUPERVISORY BOARD	
Independent Directors	4
Other Non-Executive Directors	3
Employee Representatives	0
MANAGEMENT BOARD / EXECUTIVE MANAGEMENT	
Senior Executives	8
Total Size of Both Boards	15



This composition reflects Pegadaian's commitment to strong oversight, professional management, and a balanced governance framework that distributes supervisory and executive responsibilities in a manner consistent with good corporate governance principles.

It is important to note that the Employee Representatives category is not present in Pegadaian's board structure. Employee representatives refer to

members who are directly elected by the employees themselves to represent their interests in the supervisory board. However, in Pegadaian's governance structure, the members of the supervisory board are appointed based on official decisions, such as through Decree or appointment by regulatory bodies like the Financial Services Authority (OJK). As such, Pegadaian does not have employee representatives as part of its supervisory board composition.

Non-Executive Chairperson/Lead Director



Pegadaian states that the Chairperson role is held by the President Commissioner, who serves as a non-executive board member and is not classified as an Independent Commissioner. The company also confirms that the CEO role is held separately by the CEO, ensuring a clear separation

between supervisory leadership and executive management. Pegadaian publicly discloses this structure through its official website and annual governance reports, and reports that no changes have been made to this arrangement from previous years.

Board Diversity Policy



Pegadaian upholds diversity principles in the appointment of members of the Board of Commissioners and the Board of Directors, ensuring that the board composition aligns with the organization's needs, size, and complexity. Although a specific written policy solely dedicated to board diversity has not yet been issued, the company's governance practices consistently include diversity considerations as part of its leadership selection process.

work experience. These factors help ensure that the board benefits from a wide range of perspectives and skills relevant to the company's operational and strategic context. The implementation of these principles is supported by the provisions detailed in the Board of Directors Regulation No. 98 of 2020 on Human Resource Guidelines within the Squad framework.

Diversity at Pegadaian is reflected through multiple dimensions, including age, educational background, cultural and national origins, professional expertise, and

This approach demonstrates Pegadaian's commitment to inclusive leadership, improves decision-making quality, and supports the company's long-term strategic and organizational goals.



<https://bucket.pegadaian.co.id/cms-webcorp-bucket/cmho75btb000101qs3cvehvgn.pdf>

Board Gender Diversity



Pegadaian shows a consistent commitment to gender inclusivity in its governance. As of 2025, 3 of the 7 Commissioners is a woman, all serving in non-executive and independence roles. These female commissioners are Loto Srinaita Ginting, Umiyatun Hayati Triastuti, and Martina. The percentage of women on the Supervisory Board remains steady compared to previous periods, with no changes to the methodology or counting criteria.

Beyond the Supervisory Board, Pegadaian also promotes gender diversity within the Board of Directors. Within the executive structure, one out of eight

Directors is a woman, specifically Elvi Rofiqotul Hidayah, who serves as Director of Marketing and Product Development. This representation reflects Pegadaian’s broader commitment to inclusive leadership across both oversight and executive roles.

Overall, the composition of Pegadaian’s boards highlights the company’s commitment to increasing gender diversity, improving governance quality, and ensuring women remain involved in strategic decision-making at various levels of leadership.

Board Accountability



Pegadaian maintains strong board accountability through transparent governance practices, structured oversight mechanisms, and ongoing compliance with regulatory standards. Throughout 2024, the Board of Commissioners showed full dedication to its supervisory roles, evidenced by a **100 percent average meeting attendance among all Commissioners**. A total of 15 meetings were conducted during the year, with each Commissioner actively participating in strategic oversight. Each member of the Board of Commissioners is required to attend a minimum of 75% (seventy-five percent) meetings in one year.

The meetings covered key governance topics, including reviews of company performance, human capital progress, internal audit results, risk and compliance measures, remuneration considerations, and other strategic issues relevant to the company’s oversight and direction.

Pegadaian also confirms that no members of the Board of Commissioners own shares in the company, and none serve on external boards of publicly

listed companies, ensuring independence and reducing potential conflicts of interest.

Performance evaluation is carried out annually through a formal self-assessment, with results reported to the General Meeting of Shareholders (GMS). **For 2024, the Board received a performance score of 115.01 percent**, demonstrating strong execution of its governance responsibilities.

The tenure of Commissioners is five years, but the GMS can dismiss members at any time with stated reasons. After their term, Commissioners may be reappointed for one more term, depending on governance considerations and company needs.

Through these mechanisms, Pegadaian maintains a governance structure that is accountable, transparent, and aligned with long-term stakeholder interests.



Board Average Tenure

Pegadaian establishes a five-year term for members of the Board of Commissioners, calculated from their appointment at the General Meeting of Shareholders (GMS) until the conclusion of the fifth subsequent GMS. In line with the Company's two-tier governance structure, the average tenure calculation is applied only to non-executive of the Board of Commissioners, while executive directors, employee representatives, and shareholder or government representatives are excluded from the calculation.

The tenure measurement is based on the most recent appointment date, and in cases of reappointment, only the service period following the latest appointment is counted. The calculation is performed in calendar years using total days divided by 365, with standard rounding conventions applied. Only members serving at the assessment cut-off date are included, while those who have resigned before the assessment date are excluded. However, members who have announced a resignation but continue to serve remain included, and nominated individuals are not counted unless officially

appointed. The tenure period is calculated from each member's appointment date through 31 December 2024.

Based on this methodology, the average tenure of the Board of Commissioners for the 2024 reporting period is 3.46 years, calculated from each applicable member's appointment date through the end of the 2024 calendar year. The resulting average reflects a combination of long-serving members and newly appointed commissioners, demonstrating a balance between continuity and renewal within Pegadaian's supervisory body.

While the detailed tenure records per individual commissioner are maintained internally for verification purposes, they are not publicly disclosed. Nevertheless, the application of a consistent tenure calculation approach reinforces Pegadaian's commitment to transparency, governance maturity, and board effectiveness through structured succession and sustained oversight capacity.

Name	Appointment	Duration (days)	Tenure
Loto Srinaita Ginting	27-Feb-20	1777	4,86
Sudarto	17-Oct-19	1903	5,21
Umniatun Hayati Triastuti	25-Apr-22	981	2,69
Makmur Keliat	27-Feb-20	1777	4,86
Nezar Patria	25-Apr-22	981	2,69
Yudi Priambodo P.	25-Apr-22	981	2,69
Muhammad Isnaini	11-Oct-23	446	1,22
Total Tenure			24,22
Average Tenure			3,46

Board Industry Experience

The Board of Commissioners of Pegadaian is strengthened by members with extensive industry experience, enabling informed decision-making and effective strategic oversight. Their backgrounds include financial services, government institutions, risk management, and public-sector leadership, all of which are directly relevant to Pegadaian’s role as a state-owned financial enterprise. Several Commissioners bring substantial expertise aligned with the

company’s business model and regulatory environment. This broad range of experience enhances the Board’s collective ability to guide the company through changing industry dynamics, regulatory expectations, and strategic priorities. The presence of Commissioners with relevant sector expertise ensures that Pegadaian benefits from informed oversight aligned with its long-term sustainability and growth goals.

Number of independent or non-executive members with industry experience (e.g., excludes executives):

1. Loto Srinaita Ginting

2. Umiyatun Hayati Triastuti

CEO Compensation – Success Metrics

As part of the Company’s governance structure, the Board of Directors is subject to a structured performance evaluation based on predefined Key Performance Indicators (KPI). The assessment is conducted by the Board of Commissioners, with support from its committees, and the results are submitted to the General Meeting of Shareholders to ensure shareholder oversight and accountability. The performance of the Board of Directors is evaluated on a collegial basis and covers the following criteria:

A	B	C	D	E
Economic and Social Value for Indonesia • Financial • Operational • Social	Business Model Innovation	Technology Ownership	Investment Enhancement	Talent Development • Professional and high-performing human capital • Development of millennial and female talent

The following section presents the overall performance results of the Board of Directors.

No	KPI Component	Unit	Weight	Target	Actual	Achievement	KPI Score
A. ECONOMIC AND SOCIAL VALUE FOR INDONESIA							
Financial							
1	Net Profit	Rp (Billion)	10	5,306.81	5,851.80	110.27%	11.00
2	ROIC > WACC	%	5	3,49	4.34	124.40%	5.50
3	ROE	%	10	15.90	17.23	108.39%	10.84
Operational							
4	LAR Coverage Ratio	%	10	86.93	112.37	129.70%	11.00
5	Cost of Credit	%	5	1.00	0.86	115.85%	5.50
6	BRI Disbursement	%	5	75.00	78.12	104.16%	5.21
7	Composition of Operational Giro in BRI	%	5	1.50	11.69	779.33%	5.50
Social							
8	Total Loan Outstanding (OSL Gross)	Rp (Billion)	10	74,757.35	85,378.81	114.21%	11.00
Total Economic & Social Value for Indonesia					65.55		
B. BUSINESS MODEL INNOVATION							
9	UMi Holding KPI	%	9	100	106.67	106.67%	9.60
10	Implementation of Risk Management Improvement Roadmap	%	6	100	100.00	100.00%	6.00
Total Business Model Innovation					15.60		

No	KPI Component	Unit	Weight	Target	Actual	Achievement	KPI Score
C. TECHNOLOGY LEADERSHIP							
11	Cyber Security Breach (Zero Incident)	Score	5	100	100.00	100.00%	5.00
Total Technology Leadership					5.00		
D. INVESTMENT ENHANCEMENT							
12	Alignment of IT, Risk, Compliance & HC Policies and Framework with Holding	%	2.5	100	100.00	100.00%	2.50
13	Implementation of RAKB (ESG) Roadmap	%	2.5	100	100.00	100.00%	2.50
Total Investment Enhancement					5.00		
E. TALENT DEVELOPMENT							
Excellent and Professional Human Capital							
14	Qualification Fulfillment Ratio of Risk Management Officers	%	4.5	100	107.20	107.20%	4.82
15	Development of Roadmap for Defined Benefit Pension Fund Recovery	%	4.5	85	98.53	115.92%	4.95
Millennial and Female Talent Development							
16	Female Representation in Nominated Talent	%	3	20.99	29.70	141.50%	3.30
17	Ratio of Young Top Talent (\leq 42 years) in Nominated Talent	%	3	25.00	71.20	284.80%	3.30
Total Talent Development					16.37		
GRAND TOTAL					107.52		

Source: Pegadaian's Annual Report, 2024

CEO Compensation – Long-Term Performance Alignment



According to the company’s public remuneration disclosure, Pegadaian offers only fixed salary and fixed allowances to the CEO, with no long-term performance-based compensation, no vesting period, no deferred shares, and no clawback mechanism. Therefore, this question is marked as Not Applicable.

The remuneration structure for the Board of Directors is established in accordance with the Regulation of the Minister of State-Owned Enterprises (SOE) No. PER-03/MBU/03/2023 concerning the Organs and Human Resources

of State-Owned Enterprises, which also applies to subsidiaries of SOEs, including PT Pegadaian as a subsidiary of BRI. Under this regulation, the remuneration components for the Board of Directors include :

1. Honorarium
2. Benefits
3. Facilities
4. Tantiem / Performance Incentives / Special Incentives

No	Name	Salary (IDR)	Religious Holiday Allowance (IDR)	Bonus for the 2023 Fiscal Year (IDR)	Housing Allowance (IDR)	Official Vehicle Operational Allowance (IDR)	Post-employment Insurance (IDR)
1	Damar Latri Setiawan	✓	✓	✓	✓	✓	✓
2	Teguh Wahyono	✓	✓	✓	✓	✓	✓
3	Gunawan Sulisty	✓	✓	✓	✓	✓	✓
4	Ferdian Timur Satyagraha	✓	✓	✓	✓	✓	✓
5	Eka Pebriansyah	✓	✓	✓	✓	✓	✓
6	Elvi Rofiqotul Hidayah	✓	✓	✓	✓	✓	✓
7	Udin Salahudin	✓	✓	✓	✓	✓	✓
8	E.R.A. Taufiq	✓	✓	✓	✓	✓	✓
9	Ridwan Arbian Syah	-	-	-	-	-	-
Total		24,286,080,000	2,023,840,000	85,779,880,827	2,640,000,000	1,219,200,000	4,863,527,040

These components are structured as fixed forms of compensation and do not qualify as long-term variable compensation instruments like performance-vesting mechanisms, deferred equity incentives, or clawback provisions.

Ownership Structure & Requirements



Pegadaian’s ownership structure shows full government control, with 99.99998 percent of shares owned by PT Bank Rakyat Indonesia (Persero) Tbk and 0.0002 percent held directly by the Government of the Republic of Indonesia. This setup places Pegadaian clearly within the state-owned enterprise system and guarantees complete alignment with national priorities, regulatory standards, and public-sector governance.

Within this structure, Pegadaian does not implement share ownership schemes for the Board of Directors or the executive management team. Compensation is regulated by the Regulation of the Minister of State-Owned Enterprises No. PER-03/MBU/03/2023, which states that director remuneration

includes salary, fixed allowances, facilities, and performance-based incentives rather than equity-based instruments. Therefore, equity holdings are not part of Pegadaian’s compensation scheme.

In line with this governance model and Pegadaian’s status as a government-owned enterprise, there are no stock ownership requirements for the CEO or other members of the executive committee. The regulatory framework for SOEs does not require management to hold shares or accumulate stock, focusing more on performance accountability, transparency, and compliance rather than using equity participation as an incentive.



CEO-to-Employee Pay Ratio



The ratio of total compensation for the Board of Directors to the average annual salary of all employees reflects the comparison between the compensation received by the Board of Directors and the average compensation of all employees within the company. This ratio provides an overview of how the Directors' earnings compare to the average earnings of employees. The total compensation for employees includes all types of compensation, such as base salary, allowances, bonuses, and other incentives. According to the table presented, this ratio stands at **21.91%**.

The following ratio measures the percentage increase in total annual salary for the highest-level employee, compared to the median percentage increase in total salary for all employees. This ratio reflects how the compensation increase for the highest-level position compares to the average salary increase for other employees. This ratio is **17.66%**.

It is important to note that these monetary values cannot be monetized.



The ratio of total compensation for the Board of Directors to the average annual salary of all employees

Rasio

21,91%



The percentage increase ratio of the highest-level employee's total annual salary compared to the median percentage increase in total salary for all employees

Rasio

17,66%

Materiality

Materiality Analysis



Pegadaian consistently conducts Materiality Analysis aimed at identifying and evaluating sustainability issues relevant to the creation of long-term value for the company. This process also includes assessing environmental and social impacts and how these issues relate to the achievement of Pegadaian’s business objectives.

- Frequency of materiality analysis conducted/reviewed:**

Conducted annually (At-least annually). Pegadaian performs materiality analysis on an annual basis, which allows the company to continuously update and adjust sustainability priorities based on both internal and external dynamics.

- Involvement of external stakeholders in identifying material issues:**

In Pegadaian’s materiality analysis process, external stakeholder involvement is not explicitly involved in identifying material issues. However, the company ensures that the priorities selected reflect the overall needs and expectations of stakeholders.

- Material issues are prioritized in a materiality matrix or any other form:**

Material issues are prioritized and presented in a materiality matrix or other structured formats. Pegadaian assesses and organizes material issues in a clear and structured manner, both through internal annual evaluations and transparent public disclosures.

- Materiality assessment is conducted based on the principle of double materiality or considers internal impact on the business and external impact on society and the environment:**

The assessment is conducted based on the principle of double materiality. Pegadaian considers not only the external impact on the environment and society but also the internal impact that is relevant to the creation of long-term business value.

- Materiality assessment process verified by a third-party assurance provider:**

The materiality assessment process is not verified by a third party. Currently, Pegadaian conducts internal assessments related to sustainability issues without involving a third-party assurance provider.

Material Issues for Enterprise Value Creation & Materiality Metrics for Enterprises Value Creation



Pegadaian has undertaken a materiality analysis to identify and address the three most significant material issues that impact its long-term business sustainability. This analysis highlights the critical economic, environmental, and social factors that drive Pegadaian’s performance and value creation. These material issues are tied to the company’s business strategy, with specific targets and metrics aligned to mitigate associated risks and capitalize on opportunities.

The following table outlines the three material issues identified: Financial Literacy, Anti-Corruption, and Customer Privacy & Data Protection. Each of these issues has been thoroughly analyzed for its impact on the company’s operations, and Pegadaian has set clear metrics to track progress toward meeting its goals.

Section	Material Issue 1	Material Issue 2	Material Issue 3
Material Risk or Opportunity	Financial Literacy	Anti-Corruption	Customer Privacy & Data Protection
Why Material	Essential to Pegadaian’s mission in financial inclusion, it directly affects customer protection, credit quality, operational sustainability, and long-term enterprise value.	Critical for a nationwide financial institution with cash-handling operations; corruption risks undermine reputation, compliance, governance integrity, and stakeholder trust.	Digital expansion increases cyber risk exposure; data breaches create regulatory penalties, erode trust, and negatively impact customer retention and enterprise value.
Target	Reach ≥100,000 beneficiaries per year.	Zero confirmed corruption cases annually.	Zero customer data breaches annually.
Metric	Total number of participants reached through literacy programs (Gadepreneur, Gadai Peduli, community literacy, school/campus programs).	% SMAP training completion, number of WBS reports, number of corruption-related findings, ISO 37001 compliance.	Number of cybersecurity incidents, SOC maturity, incident response time, % of employees trained in data security, ISO 27001 alignment.
Target Year	On-going (annual recurring target)	On-going (zero-case target)	On-going (zero-breach target)
Progress	31,579 beneficiaries (Semester 1 2024), with annual totals historically exceeding the 100,000 target.	Zero confirmed corruption cases (2024); 100% SMAP certification; surveillance audit maintained.	Zero confirmed data breaches in 2024; strengthened SOC monitoring; enhanced encryption, access control, and security governance.
Executive Compensation Link	Integrated into ESG-related social impact and customer protection KPIs that influence executive evaluation and variable remuneration.	Directly linked via compliance, integrity, and governance KPIs in executive scorecards; failures reduce bonus eligibility.	Incorporated into operational risk, IT risk management, and cybersecurity KPIs used for evaluating executive performance.

Material Issues for External Stakeholders & Materiality Metrics for External Stakeholders



Pegadaian recognizes the importance of addressing material issues that impact both its external stakeholders and overall sustainability. These issues play a critical role in the company's long-term value creation and operational strategies. In the context of external stakeholders, the company has identified financial literacy and GHG emissions as two key material issues. Financial

literacy directly impacts customer decision-making and portfolio health, while GHG emissions primarily affect environmental sustainability and contribute to national goals. The following table provides a detailed breakdown of these material issues, their associated impacts, and how Pegadaian evaluates and tracks progress on them.

Section	Impact 1	Impact 2
Material Issue for External Stakeholders	Financial Inclusion & Access to Responsible Credit	Customer Privacy & Digital Protection
Output (Quantitative) Metric	<ul style="list-style-type: none"> ✓ Number of beneficiaries accessing responsible financing ✓ Number of individuals trained in financial literacy 	<ul style="list-style-type: none"> ✓ Number of customer data records secured ✓ Number of cyber incidents detected and mitigated
Impact Valuation	Conducted	Conducted
Impact Method Valuation	<ul style="list-style-type: none"> ✓ Increase in household-level income ✓ Social Return on Investment (SROI) ✓ Access to essential services enabled 	<ul style="list-style-type: none"> ✓ Social cost avoided from data breaches ✓ Health and stress costs avoided ✓ Quality of life improvement ✓ Customer Satisfaction Index (CSI)
Description of Impact Assessed	Increased economic resilience, enhanced financial capability, reduced vulnerability to loan sharks, and expanded micro-enterprise productivity.	Avoided financial fraud, protected digital identity, reduced stress and harm, and improved community trust in digital services.
Impact (Quantified) Metric	<ul style="list-style-type: none"> ✓ % increase in household financial resilience ✓ % income uplift among program participants 	<ul style="list-style-type: none"> ✓ Estimated social cost avoided per prevented breach ✓ % improvement in digital safety for the customer population ✓ % Customer Satisfaction Index (CSI)



Risk & Crisis Management

Risk Governance



Pegadaian has established a comprehensive risk governance framework that follows ISO 31000:2018 and is formalized through the Board of Directors Regulation No. 11/2024 on the General Risk Management Policy. This policy applies to all business units and subsidiaries and outlines the company's overall approach to risk review, risk functions, structural independence, internal audit assurance, and risk culture. Risk oversight is conducted at the board level through the Risk Management Committee.

In addition, Pegadaian applies a three-lines-of-defense model, where operational management forms the first line, the risk management and compliance function forms the second line, and internal audit provides independent assurance as the third line. This structure ensures that risk oversight remains independent, systematic, and aligned with regulatory and industry best practices.



Position	Role
Chairman	CEO
Vice Chairman	SEVP Risk Management
Members (Having voting rights)	<ol style="list-style-type: none"> CEO Marketing & Product Development Director Network Operations and Sales Director Finance & Strategic Planning Director Information & Digital Technology Director Human Resources & Legal Director SEVP Risk Management
Secretary	Head of Operation & ERM Division
Members (No voting rights)	<ol style="list-style-type: none"> Officials one level below the Board of Directors (Head of Division) Who leads the Business Work Unit, Business Support Work Unit, Corporate Support Work Unit and Internal Audit Unit The presence of officials one level below The Board of Directors in Risk Management Committee meetings are adjusted to the issues discussed

Risk & Crisis Management

Risk Management Process



Pegadaian has formal and structured processes to promote an effective risk culture across the organization. The risk management process includes the identification, measurement, monitoring, control, and reporting of risks at the enterprise level. Regular risk reviews are performed to evaluate Pegadaian's risk exposure, including the likelihood and severity of key risks, supported by defined risk appetite parameters and mitigation plans. Internal audits and external assessments are conducted periodically to evaluate the effectiveness of risk management implementation. Pegadaian also incorporates risk management principles into decision-making through mandatory training, integration of risk metrics into product and service development, and incentives that account for risk performance. As part of sustainability-related risk considerations, Pegadaian assesses and quantifies the financial impacts from climate change. In 2024, the company recorded an estimated climate-related financial impact of IDR 185 million, demonstrating the integration of environmental and sustainability risks into its enterprise-wide risk assessment.



Emerging Risks



Section	Emerging Risks 1	Emerging Risks 2
Name of the emerging risk	Gold Price Movement	Rupiah Exchange Rate
Category	Economic	Economic
Description	<p>Gold prices significantly influence Pegadaian’s business, as over 95% of the collateral pledged by customers is gold. Fluctuations in gold prices impact the value of collateral and the estimated valuation, affecting Pegadaian’s revenue. Several factors influence gold prices, such as global economic uncertainty, supply and demand imbalances, monetary policies, inflation, and exchange rates. For example, during global crises like inflation or economic slowdowns, gold is seen as a safe-haven asset, causing demand and consequently prices to rise. The relationship between the exchange rate of the Rupiah and the US Dollar also affects local gold prices.</p>	<p>The stability of the Rupiah exchange rate is closely influenced by global financial conditions, especially the strength of the US Dollar. The strong US Dollar, driven by high interest rates and substantial capital inflows into the US, has led to depreciation pressures on many global currencies, including the Rupiah. However, Indonesia’s central bank, Bank Indonesia, has taken stabilization measures to manage these pressures, including market interventions and policies to deepen the domestic Rupiah money market and foreign exchange market. The Indonesian Rupiah appreciated by 1.11% (ytd) against the US Dollar in 2023, outperforming many regional and global currencies that experienced depreciation.</p>
Impact	<p>The fluctuation of gold prices can lead to significant changes in the value of collateral and the overall valuation of Pegadaian’s loans. When gold prices rise, the collateral value increases, which could result in higher loan values and a potential increase in Pegadaian’s income. However, if prices fall, it may reduce collateral value, resulting in a potential decrease in loan values and affecting Pegadaian’s financial performance. Moreover, volatility can lead to uncertainty in revenue forecasts and impact loan collection efforts, especially during periods of price instability.</p>	<p>The depreciation of the Rupiah can have several effects on Pegadaian’s business. As Pegadaian deals with gold prices, which are denominated in US Dollars, a weaker Rupiah means higher gold prices in local currency terms. This can lead to increased collateral values, impacting Pegadaian’s loan portfolio. Additionally, a fluctuating exchange rate can affect Pegadaian’s foreign currency-denominated liabilities, increasing financial risk. The pressure on inflation due to a weaker Rupiah could also affect the purchasing power of customers, influencing loan demand and repayment capacity.</p>

Emerging Risks



Section	Emerging Risks 1	Emerging Risks 2
<p>Mitigating actions</p>	<p>Pegadaian mitigates the risks associated with gold price fluctuations by implementing several strategies: Monitoring and Analysis: Regular monitoring and adjusting gold valuation standards according to market volatility. Standardized Loan-to-Value (LTV) Ratios: Setting LTV and HDLE ratios based on historical customer data and adjusting with market trends using the Simple Moving Average (SMA) method. Enhanced Credit Risk Management: Accelerating the resolution of problematic loans and focusing on productive asset quality improvement through stimulus and restructuring programs. Diversification of Funding Sources: Pegadaian diversifies funding sources to reduce dependency on fluctuating gold prices and maintain a balanced financial structure. Strategic Partnerships: Securing low-cost funding commitments from banks to ensure financial stability. These mitigation measures help stabilize Pegadaian's financial operations and reduce the impact of gold price volatility on its business.</p>	<p>To mitigate risks associated with Rupiah exchange rate fluctuations, Pegadaian employs several strategies: Exchange Rate Monitoring: Continuous monitoring of currency fluctuations to assess impacts on foreign currency liabilities and collateral values. Hedging Strategies: Utilizing hedging instruments, where applicable, to manage exposure to foreign exchange risks. Diversification of Funding Sources: Pegadaian diversifies its funding sources, including seeking low-cost funding from domestic and international financial institutions, to reduce dependency on foreign exchange movements. Loan Valuation Adjustment: Adjusting collateral valuations based on exchange rate changes to ensure the Loan-to-Value (LTV) ratios remain aligned with market conditions. Collaboration with Bank Indonesia: Aligning with Bank Indonesia's stabilization policies and ensuring readiness to respond to shifts in the financial landscape.</p>

Business Ethics


UN Global Compact Membership



Pegadaian has not yet become a direct participant of the United Nations Global Compact (UNGC). However, its parent holding company, PT Bank Rakyat Indonesia (Persero) Tbk. (BRI), has been registered as an active UNGC participant since 2023, and serves as the main reference for the Group's commitment and reporting on UNGC principles.

BRI's membership in the UNGC reinforces the Group's dedication to the Sustainable Development Goals (SDGs) by aligning its business practices with the ten universal principles covering human rights, labor, environment, and

anti-corruption. As a subsidiary within BRI Group, Pegadaian benefits from this commitment through the adoption of group-wide policies, guidelines, and governance frameworks that embed these principles into its operations, products, and services. By leveraging BRI's experience and leadership in the UN Global Compact, Pegadaian can further strengthen its role in inclusive and responsible finance, enhancing its contribution to sustainable development while creating positive social and economic impact for the communities it serves.



Type:
Company

Country:
Indonesia

Sector:
Banks

Ownership:
Publicly Listed

Global Compact Status:
Active

Participant Since
12 March 2023

Letter of Commitment
Next Communication on Progress (COP) due on:
31 July 2026



Codes of Conduct



Pegadaian demonstrates a strong commitment to implementation of business ethics through the Code of Conduct (CoC) outlined in the Board of Directors Regulation Number 144/2024. This CoC applies to all levels of the organization from the Board Commissioners and Directors to employees serving as a guideline for conducting business with integrity, transparency, and accountability. Based on the principles of Good Corporate Governance (GCG), this Code of Conduct emphasizes the importance of maintaining harmonious relationships with all stakeholders, both internal and external.

In its implementation, the Code of Conduct highlights several core principles, including honesty, integrity, transparency of information, and anti bribery. The company ensures that every individual within the organization adheres to legal compliance, avoids conflicts of interest, and protect confidential data and information. Pegadaian also focuses on principles such as fair employment opportunities, health and safety, and intellectual property protection, all of which contribute to fostering a healthy and sustainable business environment.

The CoC also includes a stringent oversight mechanism through the role of the Board of Commissioners, who approve and monitoring the implementation of policies while the Board of Directors sets relevant policies and serves as role models. Every employee is required to understand and sign an integrity pact, and the company has provided Whistleblowing System (WBS) as a secure channel for reporting violations. This policy is complemented by ongoing evaluations to ensure its relevance with evolving business dynamics. Through these measures, Pegadaian is committed to conducting business ethically, fairly, and transparently, while maintaining its reputation as a trusted financial institution.



<https://bucket.pegadaian.co.id/cms-webcorp-bucket/cmgem1oso00601nn336d3s89.pdf>


Crime Prevention: Business Policy/ Procedures



Pegadaian has implemented a robust framework to prevent financial crimes, focusing on Anti Money Laundering (AML), Counter Terrorism Financing (CTF), and Counter Proliferation Financing (CPF). The company's commitment to these programs is outlined in the Board of Directors Regulation Number 20/2025, with a comprehensive risk based approach that ensures ongoing compliance with both national and international regulations. Pegadaian's approach emphasizes rigorous Customer Due Diligence (CDD), Enhanced Due Diligence (EDD) for high risk customers, and consistent monitoring of suspicious transactions. This policy is crucial for mitigating financial crime risks and protecting the company's operations and reputation.

The program is grounded in five key pillars: active oversight by the Board of Directors and Board of Commissioners, the continuous update of policies and procedures, strong internal controls to prevent misuse, comprehensive risk management systems, and ongoing employee development and training. All business processes related to customers including those in outlets, branches, digital distribution networks, and subsidiaries are required to adhere to these guidelines. The company also takes proactive measures such as Know Your Customer (KYC), Know Your Employee (KYE), and monitoring large or cross border transactions to ensure full regulatory compliance.

By embedding these principles into its operations, Pegadaian demonstrates a strong commitment to integrity, transparency, and legal compliance in all aspects of its business. This framework not only protects the organization from legal and reputational risks but also ensures it remains a trustworthy financial institution in the eyes of regulators and the public.



Pegadaian

PEDOMAN PENERAPAN PROGRAM ANTI PENCUCIAN UANG, PENCEGAHAN PENDANAAN TERORISME, DAN PENCEGAHAN PENDANAAN PROLIFERASI SENJATA PEMUSNAH MASSAL (APU, PPT, DAN PPPSPM)

Pernyataan
Dokumen ini merupakan rangkuman "Pedoman Penerapan Program Anti Pencucian Uang, Pencegahan Pendanaan Terorisme, dan Pencegahan Pendanaan Proliferasi Senjata Pemusnah Massal (APU, PPT, dan PPPSPM)" PT Pegadaian sebagaimana diatur dalam Peraturan Direksi No. 20 Tahun 2025. Kebijakan ini merupakan implementasi prinsip kehati-hatian dan tata kelola yang baik untuk melindungi perusahaan dari risiko kejahatan keuangan, serta mendukung stabilitas sistem keuangan nasional.

Latar Belakang & Komitmen
Sebagai perusahaan pegadaian dan penyedia jasa pembayaran, Pegadaian menyadari bahwa operasionalnya rentan dimanfaatkan untuk tindak pidana pencucian uang, pendanaan terorisme, maupun pendanaan proliferasi senjata pemusnah massal. Oleh karena itu, perusahaan menegaskan komitmen untuk menerapkan pedoman APU, PPT, dan PPPSPM secara efektif dengan mengedepankan pendekatan berbasis risiko (risk-based approach), memperbarui kebijakan sesuai dinamika ancaman, serta memastikan kepatuhan penuh terhadap regulasi nasional maupun standar internasional.

Referensi

- UU No. 8 Tahun 2010 tentang Pencegahan & Pemberantasan TPPU.
- UU No. 9 Tahun 2013 tentang Pencegahan & Pemberantasan TPPT.
- UU No. 27 Tahun 2022 tentang Pelindungan Data Pribadi.
- UU No. 4 Tahun 2023 tentang Pengembangan & Penguatan Sektor Keuangan.
- PP No. 43 Tahun 2015 tentang Pihak Pelapor TPPU.
- Perpres No. 13 Tahun 2018 tentang Prinsip Beneficial Ownership.
- Peraturan & Surat Edaran PPAJK, OJK, dan BI terkait pelaporan, risk management, serta pencegahan TPPU, TPPT, dan PPSPM.
- Anggaran Dasar PT Pegadaian beserta seluruh perubahannya.

Lingkup Penerapan
Kebijakan ini berlaku pada seluruh proses bisnis Pegadaian yang terkait dengan calon nasabah maupun nasabah, termasuk di outlet, kantor cabang, kantor wilayah, kantor

<https://bucket.pegadaian.co.id/cms-webcorp-bucket/cmgem0tyl000201preqip4fsf.pdf>


Anti-Bribery & Anti-Corruption Policy



Pegadaian maintains a strict Anti-Bribery and Anti-Corruption framework that is deeply integrated into the company's corporate governance system. Guided by the principles of zero tolerance for corruption, this policy is rooted in national legislation and reinforced by its Anti-Corruption Management System (SMAP) since 2020. The policy's scope includes prevention of bribery, kickbacks, and fraudulent practices, while emphasizing the importance of clear guidelines regarding gifts and hospitality, political contributions, and sponsorships. Pegadaian upholds these standards through consistent enforcement and adherence to regulatory compliance requirements.

The company's Code of Conduct enforces the "4 Nos" principles: No Bribery, No Kickbacks, No Gift, and No Luxurious Hospitality, all of which are prominently communicated through the Annual Report and internal channels. Pegadaian further strengthens its stance by implementing a Gratification Control Policy, which includes mechanisms to reject, control, and report inappropriate practices. In line with the policy, Pegadaian operates a Whistleblowing System regulated by the Board of Directors' Regulation Number 83/2023, providing secure channels for reporting misconduct and ensuring confidentiality.

By integrating these anti-bribery and anti-corruption measures with ongoing employee training, risk management systems, and internal auditing, Pegadaian is committed to creating a corporate culture of integrity and transparency. This approach not only mitigates the risk of financial crime but also ensures that Pegadaian maintains its reputation as a trusted financial institution, steadfast in its dedication to legal compliance and ethical conduct.



Pegadaian

PEDOMAN PENERAPAN PROGRAM ANTI PENCUCIAN UANG, PENCEGAHAN PENDANAAN TERORISME, DAN PENCEGAHAN PENDANAAN PROLIFERASI SENJATA PEMUSNAH MASSAL (APU, PPT, DAN PPPSPM)

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<https://bucket.pegadaian.co.id/cms-webcorp-bucket/cmgem0tyl000201preqjp4fsf.pdf>

Whistleblowing Mechanism



Pegadaian has established a Whistleblowing System (WBS) supported by a formal internal regulation that defines the dedicated party responsible for administering and overseeing the mechanism. The appointed function manages report intake, coordination, assessment, follow-up processing, and documentation of whistleblowing cases, ensuring that employees and other stakeholders have a clear point of contact when reporting potential misconduct.

The reporting channel operates through an independent medium that functions separately from operational and managerial structures, allowing reports to be submitted without interference or influence. The system enables individuals to submit reports anonymously, without the requirement to disclose their identity or personal contact details, ensuring protection for those who raise concerns in good faith.

Details of received reports are treated as confidential and are not disclosed to unauthorized parties. Information related to the whistleblower, alleged parties, incident details, and follow-up handling is safeguarded to prevent misuse,

breaches of privacy, or exposure that could deter reporting. Pegadaian also upholds a zero-tolerance stance toward retaliation, supported by explicit statements prohibiting unfavorable treatment of whistleblowers. Disciplinary action may be taken against anyone who engages in retaliation or obstructs proper reporting.

Training and socialization are provided to ensure personnel understand how to use the reporting channel and are aware of their rights and obligations when submitting or handling reports. The company also communicates the procedures for investigating reported breaches, including steps followed from intake to resolution, ensuring transparency, clarity, and accountability in the process.

Through these measures, Pegadaian reinforces a culture of integrity, ethical conduct, and responsible reporting, while providing a structured and protective mechanism for addressing suspected violations within the organization.



whistle.blower@pegadaian.co.id

<https://wbs.pegadaian.co.id/>

0811 2250 0569

Reporting on Breaches



To strengthen its governance and compliance framework, Pegadaian provides dedicated channels for reporting alleged misconduct through its Whistleblowing System (WBS), regulated under Board of Directors Regulation No. 83 of 2023 on the Guidelines for the Whistleblowing System dated 11 December 2023. Reports can be submitted via email, corporate website, WhatsApp, or confidential letters. The company is committed to protecting the confidentiality of both the report and the whistleblower's identity, whether reports are submitted openly or anonymously.

Throughout 2024, Pegadaian received 97 reports of alleged violations, which included cases of fraud, ethical breaches, violations of laws and regulations, breaches of the Collective Labor Agreement and company policies, breaches of the Code of Conduct or corporate values, and conflicts of interest. These cases are mapped into the required reporting areas as follows.

Policy Influence

Contributions & Other Spending



Pegadaian maintains a strict position of political neutrality and does not participate in political activities, including party-political activities, nor does it provide donations or contributions in any form. This commitment is stipulated in Board of Directors Regulation No. 56 of 2022 on Standards of Business Ethics and Conduct (Code of Conduct), which prohibits the use of company funds, assets, facilities, or name for the benefit of political parties, campaigns, or candidates, as well as the display or use of political symbols, logos, or attributes in the workplace.

In line with this policy, Pegadaian made no monetary or in-kind contributions in FY 2024 to political campaigns or organizations, lobbyists, trade associations, or other tax-exempt groups whose primary role is to influence public policy or legislation. Reported figures for all contribution categories are therefore zero, and the data coverage is 100 percent of the company's business operations.

Largest Contributions & Expenditures



Consistent with its Code of Conduct and commitment to political neutrality, Pegadaian did not make any contributions or incur any expenditures in FY 2024 related to political campaigns, political organizations, lobbying entities, trade associations, or other groups engaged in public policy advocacy.

As disclosed in the company's sustainability reporting, Pegadaian abstains from political participation and refrains from providing donations or contributions for political purposes in any form. Consequently, there are no "largest contributions or expenditures" to report for FY 2024, and the company selects "No contribution" for all categories in this section.

Lobbying and Trade Associations - Climate Alignment



Pegadaian does not engage in direct political lobbying activities and does not report on any climate-related lobbying or trade association advocacy programs aligned with the Paris Agreement. The company, therefore, does not publicly report on a formal program to align lobbying activities or trade association memberships with its climate position.

Instead, Pegadaian supports Indonesia's climate and sustainable development agenda through its business strategy, including the Sustainable Finance Action Plan (Rencana Aksi Keuangan Berkelanjutan/RAKB) for 2024-2028, which outlines programs and financial products that contribute to the government's climate and sustainable finance objectives. These initiatives focus on business and risk-management alignment with climate goals rather than on public policy lobbying or political engagement.

Tax Strategy

Tax Strategy and Governance



Pegadaian’s tax policy is aligned with its role as part of the Ultra Micro Holding together with PT Bank Rakyat Indonesia (Persero) Tbk and PT Permodalan Nasional Madani. The company is committed to implementing sound corporate governance in taxation, as stipulated in Board of Directors Regulation No. 4 of 2021 on Tax Guidelines. This regulation serves as the main

reference for all work units regarding the fulfilment of tax obligations, including the collection, withholding, payment, and reporting of Value Added Tax (VAT) and Income Tax Article 22 (PPh 22), in accordance with applicable Indonesian laws and regulations.

01

Compliance with the spirit as well as the letter of Indonesian tax regulations, including Law No. 7 of 2021 on Harmonization of Tax Regulations and its implementing regulations.

02

A tax risk management approach that ensures all tax positions have clear commercial substance and are consistent with normal business activities.

03

The application of transfer pricing principles in line with Indonesian regulations for related-party transactions within the BRI Group, based on the arm’s length principle.

04

The absence of operations, branches, or structures in secrecy jurisdictions or so-called tax havens, since Pegadaian conducts all of its business exclusively in Indonesia.

05

The Tax Guidelines were approved by the Board of Directors and provide a comprehensive reference for all work units on tax obligations, controls, and risk management. Pegadaian also maintains constructive relationships with tax authorities, focusing on dialogue regarding regulation and compliance, while refraining from influencing tax policy decisions or engaging in tax-related public policy advocacy.



Tax Reporting



Pegadaian operates solely in Indonesia and therefore reports its key tax information within a single tax jurisdiction. The company discloses its tax obligations and payments in its Annual Report, including a breakdown of the main tax types and the corresponding amounts paid to the state.

The disclosure covers, among others:

1. Corporate income tax and various types of withholding taxes (e.g. Income Tax Article 21, 22, 23, 26, and Article 4 paragraph 2).
2. Value Added Tax (VAT).
3. Regional taxes.

These figures are presented as part of Pegadaian’s contribution to the state budget and reflect both tax accrued and tax paid on a consolidated basis for the Indonesian jurisdiction. As Pegadaian has no foreign branches and operates only in Indonesia, it is not required to prepare a country-by-country report; instead, the company submits a Notification Report to the tax authority due to affiliated transactions with its parent company within the BRI Group.

No	Tax Type	2024 (IDR million)	2023 (IDR million)	Tax Category
1	Corporate Income Tax (PPH Badan)	1,455,733	1,079,546	Corporate Income Tax
2	Income Tax Article 21 (PPH Pasal 21)	684,145	472,828	Income Tax Article 21
3	Income Tax Article 22 (PPH Pasal 22)	7,035	4,1	Income Tax Article 22
4	Income Tax Article 23 (PPH Pasal 23)	33,428	28,832	Income Tax Article 23
5	Income Tax Article 26 (PPH Pasal 26)	253	143	Income Tax Article 26
6	Income Tax Article 4 Section 2 (PPH Pasal 4 Ayat 2)	36,166	34,158	Income Tax Article 4 Section 2
7	Value Added Tax (VAT / PPN)	332,449	221,933	Value Added Tax
8	Regional Tax	12,812	8,277	Regional Tax
Total Tax Contribution		2,562,021	1,849,817	Total Tax Contribution (Total A)

Effective Tax Rate

Pegadaian enhances tax transparency by disclosing key financial reporting items that underpin both the effective tax rate and the cash tax rate. The following table presents earnings before tax, reported taxes, cumulative acceptable adjustments, cash taxes paid, and the resulting effective and cash tax rates for the 2023 and 2024 financial years, together with the calculated average rate for the period.

Financial reporting item	2023	2024	Calculated average rate
Earnings before tax	5,701,015,988,21		
Reported taxes	1,324,339,000,000	1,851,292,000,000	
Cumulative acceptable adjustments*	0	0	
Effective tax rate (in %)	23.22988	24.03311	23.69148
Cash taxes paid	1,887,132,000,000	2,562,020,000,000	
Cash tax rate (in %)	33.10168	33.25964	33.19246

The figures indicate that Pegadaian’s effective tax rate over the two-year period is broadly aligned with the applicable corporate income tax rate and that cash taxes paid are consistent with the reported tax expense. This pattern suggests that the company’s tax profile is driven mainly by underlying business performance rather than aggressive tax planning. It reflects Pegadaian’s continued commitment to making a fair and timely contribution to public finances.

Information Security

IT Security/Cybersecurity Governance



Pegadaian has governance mechanisms in place to oversee information security activities at both board and executive levels. At board level, responsibility for information security is exercised through a dedicated committee that oversees technology, risk, and cybersecurity issues and regularly reviews the implementation of the Information Security Management System (ISMS). The board includes at least one member with a professional background in information technology and/or information security who provides oversight and challenge on cyber-risk matters.

At executive level, information security is led by the Chief Information Security Officer (CISO) under the Information Technology and Digital Directorate. The Directorate applies a Governance, Risk & Compliance (GRC) approach and bases its IT governance on the COBIT 2019 framework. In 2024, Pegadaian conducted an assessment of IT governance maturity using COBIT 2019 and achieved a score of 4.66, exceeding the 2024 target of 4.55. Annual assessments are carried out as part of the company’s risk-mitigation efforts in technology and cybersecurity, including periodic reviews using NIST CSF 2.0 and CMMI, which reached a score of 3.53 in 2024.

IT Security/Cybersecurity Measures



Pegadaian has a formal Information Security Management System (ISMS) policy that is applied company-wide and is supported by ISO 27001:2022 certification. The policy commits the company to:

01	02	03	04	05
Continuously improve information security systems and controls in line with evolving cyber risks.	Ensure the integrity, confidentiality, and availability of data, including customer personal data and critical business information.	Monitor, detect, and respond to information security threats through established incident-handling procedures.	Define clear individual responsibilities and accountabilities for information security for all employees.	Establish information security requirements for third parties, including vendors and service providers that process or have access to Pegadaian’s information assets.

To strengthen customer data privacy, Pegadaian implements strict procedures for handling personal data in accordance with Circular Letter No. 184/SE/2024 on Data Subject Access Request, which governs how data subjects can access, correct, or request the deletion of their personal data.

IT Security/Cybersecurity Process & Infrastructure



Pegadaian operates a comprehensive information security management program that supports the implementation of its ISMS. Key elements include:

01	02	03	04	05	06
Information security-related business continuity and disaster recovery plans to ensure operational resilience.	Regular information security vulnerability assessments and cybersecurity risk reviews, including annual assessments using NIST CSF 2.0 and CMMI.	Internal audits of the IT infrastructure and information security management systems, coordinated with the Internal Audit and Compliance functions.	Independent external assessment and certification of the ISMS in line with ISO 27001:2022 standards.	Escalation procedures and channels for employees to report incidents, vulnerabilities, or suspicious activities related to information security.	Ongoing information security awareness and training programs, such as the “Digital Risk: Awareness and Mitigation for Corporate” training, which are delivered to employees across the organization.

For the last financial year (FY 2024), Pegadaian reported zero substantiated information-security breaches, reflecting the effectiveness of its governance, policy framework, and management programs in safeguarding information assets and customer data.



Sustainable Finance

Sustainable Financing Policy



<https://bucket.pegadaian.co.id/cms-webcorp-bucket/cmgedm2i6000701pbe09jg4fk.pdf>

Pegadaian has a formal sustainable financing policy that is aligned with POJK No. 51/POJK.03/2017 on Sustainable Finance for Financial Service Institutions, Issuers, and Public Companies, which became applicable to public corporations such as Pegadaian as of 1 January 2024. In line with this regulation, Pegadaian has prepared a Sustainable Finance Action Plan (Rencana Aksi Keuangan Berkelanjutan/RAKB) covering the period 2024–2028 as its long-term roadmap, complemented by short-term annual plans starting in 2024.

The Board of Directors delegates the implementation of sustainable finance to the Environmental, Sustainability, and Governance (ESG) Division, as stipulated in Board of Directors Regulation No. 71 of 2024 on the Organizational Structure and Working Procedures of the ESG Division. This division has a strategic mandate to formulate and manage ESG strategy, policies, and reporting, including the RAKB and Social & Environmental Responsibility (CSR) programs. It also coordinates ESG-related communication, literacy, and publication for internal and external stakeholders, manages CSR funds and programs, implements community empowerment and MSME

development initiatives, and oversees procurement within the ESG Division.

At executive level, information security is led by the Chief Information Security Officer (CISO) under the Information Technology and Digital Directorate. The Directorate applies a Governance, Risk & Compliance (GRC) approach and bases its IT governance on the COBIT 2019 framework. In 2024, Pegadaian conducted an assessment of IT governance maturity using COBIT 2019, achieving a score of 4.66, exceeding the 2024 target of 4.55. Annual assessments are carried out as part of the company's risk-mitigation efforts in technology and cybersecurity, including periodic reviews using NIST CSF 2.0 and CMMI, which reached a score of 3.53 in 2024.

For the last financial year (FY 2024), Pegadaian reported zero substantiated information-security breaches, reflecting the effectiveness of its governance, policy framework, and management programs in safeguarding information assets and customer data.

01	02	03	04	05
Integration of environmental, social, and governance (ESG) factors into the assessment and approval of financing products, especially for micro, SME, and social-based loans that support financial inclusion and community development.	Identification of environmental and social factors considered in financing decisions, including alignment with national priorities under POJK 51 and the Sustainable Development Goals (SDGs).	Governance considerations such as compliance, business ethics, and anti-corruption standards as part of creditworthiness and counterparty assessment.	Engagement with customers and project partners on sustainability-related risks and opportunities, particularly for social financing products.	Periodic evaluation and reporting of the implementation of the RAKB to the Board of Directors on a quarterly, semi-annual, and annual basis, with continuous oversight by the Board of Commissioners on ESG implementation across the company.

Pegadaian’s sustainable financing focus is primarily on consumer and micro/retail segments, rather than large corporate lending, reflecting its core business model as an ultra-micro financial institution.

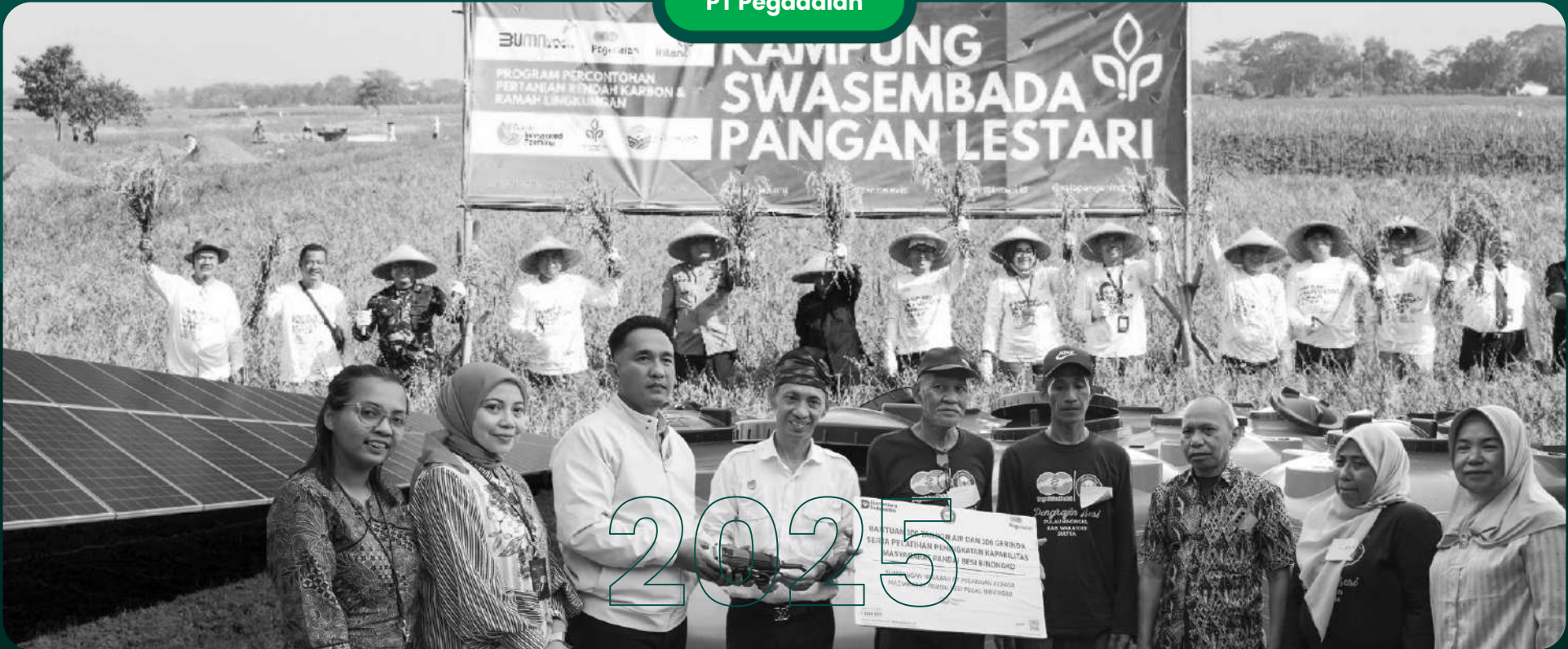
Sustainable Financing Products & Services



In line with its sustainable financing policy and RAKB, Pegadaian offers sustainable financing products for consumers, particularly sustainable loans and mortgages that meet social-finance criteria disclosed in the Annual Report and Social Loan Report. These products support, among others, access to education, MSME development, and inclusive financial services.

ESG Strategy Handbook

PT Pegadaian



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