

Empowering Progress for  
Greater Impact

# Building Impact Through Digital Transformation

2023  
Impact Report



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# A Note from MDI Ventures



Aligned with MDI Ventures' commitment to a sustainable future, this 2023 Impact Report highlights how our investments reflect our dedication to positive impact. We aim to ensure our portfolio companies make decisions that support sustainable development. By showcasing Amarta's contributions to their industry and communities, we hope to inspire others to adopt similar practices in sustainability. The United Nations Sustainable Development Goals (SDGs) guide both our mission and Amarta's ongoing efforts to drive sustainable progress.

Amartha empowers women entrepreneurs by providing financial resources and educational support, helping grow new businesses and unlocking potential in underserved communities. Their initiatives, including financial aid and leadership development for young women in rural areas and top universities, demonstrate a strong commitment to

increasing female participation in Science, Technology, Engineering, Arts, dan Mathematics (STEAM) fields. Beyond offering financial services, Amarta drives meaningful change by promoting gender equality and leadership in these key sectors.

We are committed to contributing to a sustainable future by partnering with companies that share this vision. Doing good for the people around us is also a smart business strategy, as sustainability benefits both society and long-term success. By driving positive change in the communities we engage with, we ultimately create value for ourselves.

"Our journey towards sustainability is about making a meaningful difference-growing responsibly for the benefit of people and the planet."

DONALD WIHARDJA,  
CEO OF MDI VENTURES

## Our Priority Focus Areas: United Nation Sustainable Development Goals

Our commitment to the United Nations Sustainable Development Goals (SDGs) is deeply embedded in everything we do, serving as a guiding framework for our actions and the foundation of our impact-driven initiatives. In this report, we outline our efforts to create meaningful digital impact across Indonesia, demonstrating how we leverage technology and innovation to drive positive change. Central to our mission is the belief that education, equality, and social inclusion are not only fundamental human rights but also key pillars for fostering long-term sustainable development.

By addressing these critical areas, we aim to empower communities, bridge social gaps, and contribute to a more equitable and prosperous future for all.

### Environmental



### Social



### Governance





# Letter from the Founder/CEO [D.1]

## Dear Respected Stakeholders,

Since Amarta began in 2010, our mission has always been to empower rural communities by providing affordable funding and improving the quality of life. By 2015, we leveraged technology to streamline financial access, enhancing risk management and offering attractive returns. As a pioneer in modernizing microfinance in Indonesia, we introduced a marketplace enabling direct funding for small businesses and Small Medium Enterprises (SMEs) in rural areas.



Today, we are scaling our microfinance platform by developing digital financial infrastructure for the grassroots economy. Our goal remains to build stronger communities, create a resilient nation, and achieve equitable prosperity for all. Sustainability has been integral to this journey. Since 2022, We have set Environmental, Social, and Governance (ESG) goals to ensure transparency and accountability, aligning our business growth with economic, social, and environmental benefits.

As we expand, we adapt and strengthen our ESG programs to meet new sustainability challenges. However, balancing growth with our sustainability objectives remains a key focus. We manage sustainability risks by focusing on ESG factors while pursuing opportunities that align with our goals. Our governance framework ensures equal opportunities and supports sustainable financial performance alongside community development.

In 2023, our customers experienced a 65% increase in annual revenue, driven by our efforts to help scale their businesses. At the same time, we expanded community engagement through the Amarthia Cendekia Scholarship and Fellowship programs, offering financial aid and leadership coaching to girls in rural areas and top university students pursuing STEAM fields. In terms of environmental initiatives, we implemented carbon reduction programs, improved waste management, and adopted green building practices, though balancing growth with environmental responsibility remains a challenge.

While we are proud of our accomplishments in 2023, we acknowledge that much more remains to be done in creating lasting value for our stakeholders and the planet. We invite you to explore this report and welcome your feedback to help us improve and evolve on this journey.

Yours sincerely,



**Andi Taufan Garuda Putra**  
**Founder/CEO Amarthia**

## About the Report



Amartha 2023 Impact Report demonstrates our commitment towards our stakeholders, reflecting our accountability to sustained, long-term growth, and its responsibility towards ESG and sustainability through a holistically integrated, multi-stakeholder approach.

## Reporting Principles and External Assurance

This Report has been prepared with reference to Financial Services Authority Regulation (POJK) No. 51/POJK.03/2017 and Circular Letter Financial Services Authority (SEOJK) No. 16/SEOJK.04/2021, and Impact Reporting and Investing Standards (IRIS) Framework. This Report has also been developed in accordance with key reporting principles, including stakeholder inclusiveness, relevance,

completeness, accuracy, balance, clarity, comparability, reliability, and timeliness. It reflects the collaborative efforts of discussions held throughout 2023. The theme presented in this Report have already been aligned with the Company's corporate strategy and have received approval from the Board of Directors. No restatements of information were made in the previous report.

Amartha did not engage external independent assurance services for this report. However, we have prepared this Impact Report accordance with sustainability reporting principles. The content has been reviewed by our internal team to ensure the accuracy of the data and

information presented. Additionally, this report was developed in collaboration with external consultants and relevant stakeholders to enhance its comprehensiveness and relevance. In addition, no significant changes occurred during 2023. [C.6][G.1]

## Scope and Reporting Period

This report's scope is Amartha's operations across Indonesia. The reporting period spans from January 1, 2023 to December 31, 2023.


## Limitations

MDI Ventures and Amartha have engaged Grant Thornton Indonesia as an independent consultant to assist us in the preparation of this impact report. Grant Thornton Indonesia's responsibility is limited to the preparation of the report based on the data provided by MDI Ventures and its reporting portfolio company. All data, figures and explanations presented in this report are the sole responsibility of MDI Ventures and its reporting portfolio company. Thus, Grant Thornton Indonesia shall not be liable for the accuracy or completeness of such data, figures and explanations. Please note that the work of Grant Thornton Indonesia in this report differs from an audit or review as defined by Indonesian Standards on Auditing or any assurance standards; therefore, no assurance opinion is expressed in this report.


"Grant Thornton" refers to the brand under which the Grant Thornton member firms provide services to their clients and/or refers to one or more member firms, as the context requires. Grant Thornton Indonesia is a member firm of Grant Thornton International Ltd (GTIL). GTIL and the member firms are not a worldwide partnership. GTIL and each member firm is a separate legal entity. Services are delivered by the member firms. GTIL does not provide services to clients. GTIL and its member firms are not agents of, and do not obligate, one another and are not liable for one another's acts or omissions.

## Report Feedback [G.2]

Amartha is committed to continually enhancing the quality of its Impact Report. We welcome any queries, suggestions, or feedback, which can be directed to:



**Katrina Inandia**  
Email: [katrina.inandia@amartha.com](mailto:katrina.inandia@amartha.com)  
[info@amartha.com](mailto:info@amartha.com)



For further information on Amartha's sustainability performance, please refer to **Amartha's Sustainability Report 2023**.

# Amartha at a Glance

PT Amarta Mikro Fintek (Amartha or the Company) began its journey in 2010 with a deep commitment to empowering underserved rural communities, starting from a small village in Bogor, West Java. Recognizing the vital role women play in these communities, Amarta focused on providing working capital loans to

women-led ultra-micro and micro enterprises. In 2016, Amarta evolved into a financial technology company, launching a peer-to-peer (P2P) lending model as PT Amarta Mikro Fintek, with the mission to bring digital financial services to the unbanked in rural Indonesia.



**Headquarters**  
Indonesia



**Sector**  
Financial Technology  
(Fintech)



**Established**  
2010



**Funding**  
Series C



## Operating Area [0-3]

**Sumatra**  
224 Points  
23,739 Villages  
846,129 Borrowers

**Java**  
337 Points  
37,138 Villages  
1,113,660 Borrowers

**Sulawesi**  
140 Points  
10,553 Villages  
358,575 Borrowers

**Kalimantan**  
74 Points  
64 Villages  
741 Borrowers

**Bali & Nusa Tenggara**  
83 Points  
2,124 Villages  
60,644 Borrowers



## Address [0-2]

### Head Office

Jl. TB Simatupang Kavling 18, West Cilandak Village, Cilandak District, City Adm. South Jakarta, DKI Jakarta Province, Zip Code: 12430



## Associations, Memberships and Partnerships [0-4]

### Associations



Women's World Banking



SME Finance Forum



Indonesia Global Compact Network (IGCN)



Indonesia Business Coalition for Women Empowerment (IBCWE)



Indonesia Business Council for Sustainable Development (IBCSD)

### Partnerships



Blue Forest



Jejakin



Junglo

### Memberships



Ministry of Communication and Information (Kominform)



Ministry of Women Empowerment and Child Protection (KPPPA)





## Vision and Mission [C.1]

### Vision

- We create accessible and trusted financial products through technology
- We empower grassroots communities and their families to fulfill their potential equitably
- We promote promoting a sustainable way of making a profit

### Mission

Realizing equitable prosperity by building digital financial infrastructure for the grassroots economy

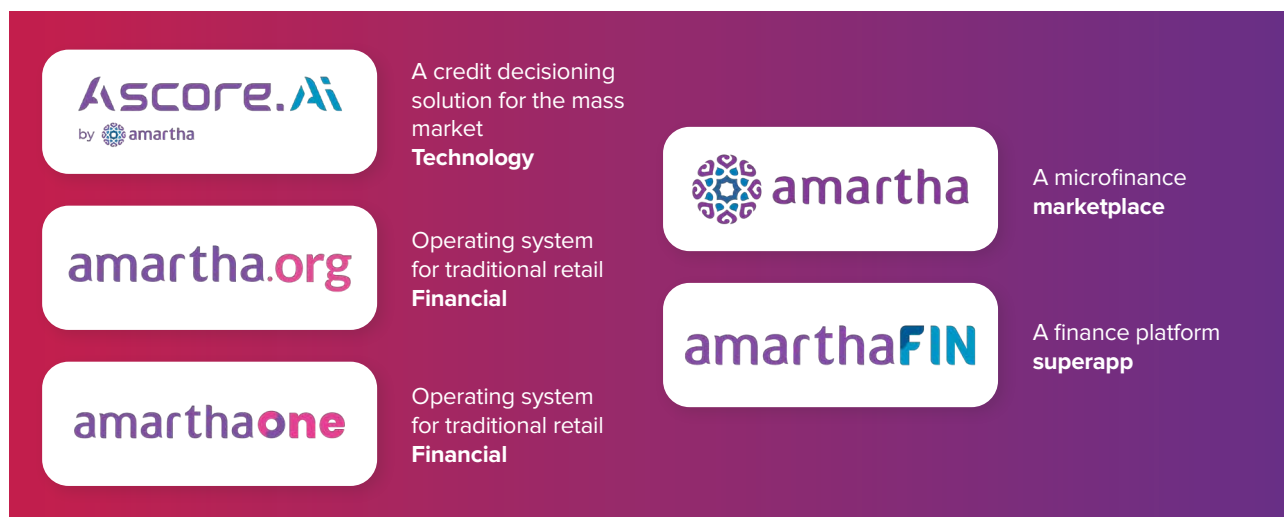


### Values/Purpose

- Get things done and never settle
- Collaborate and communicate effectively
- Be customer-driven and make an impact

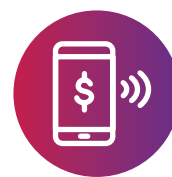
## Core Offerings [C.4][IRIS OI5657]

With its multi-service ecosystem model, Amartha offers a wide range of services.



### Lending/Investment

- Individual loan
- Group loan
- Direct or embedded (efishery, Flip, etc)



### Financial and Digital Payment Ecosystem

- Cash in cash out channel
- Billing & digital payment
- Groceries commerce
- Investment
- Loan
- Commerce

# Retail Borrower Profile

Amartha is committed to empowering socio-economically marginalized communities, focusing on women with limited access to education. Notably, 38.5% of borrowers have only completed elementary school, reflecting the challenges faced in these areas. Despite

mandatory and government-funded high school education, only 30.7% of borrowers hold a high school diploma. Amartha's loans support women-led entrepreneurship, helping to significantly improve household income and uplift these families.

**699,851**

Registered  
Retail Lenders

**32**

Institutional  
Channeling  
Lenders

**2.2 Million**

Woman-led  
MSMEs

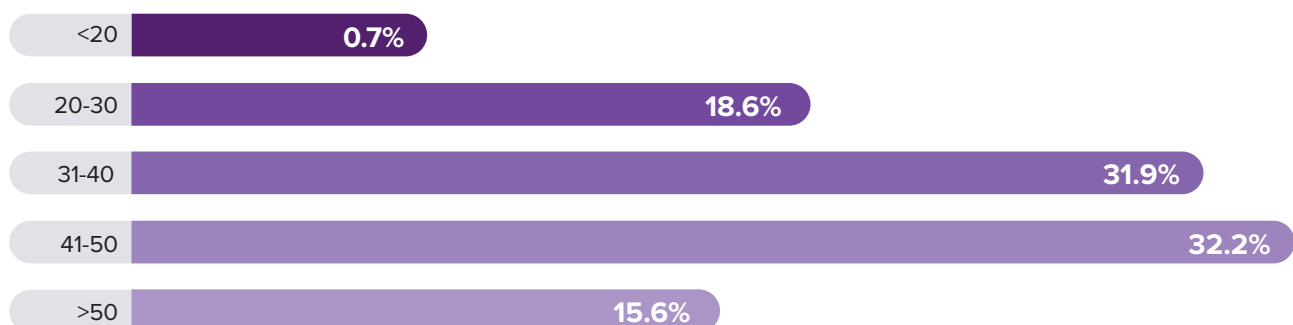
**9,397**

Strong Team  
MSMEs



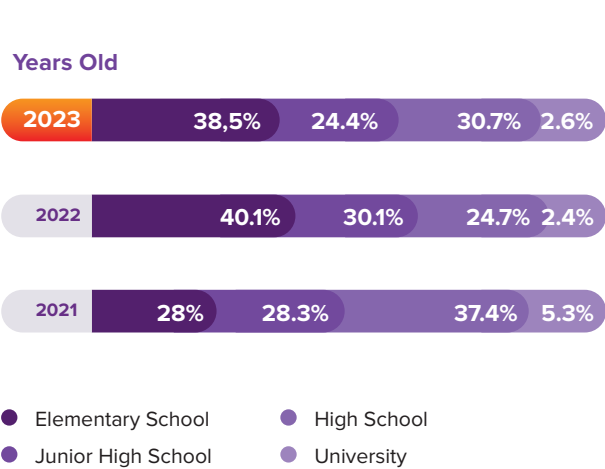
## Borrower Age Group

Years Old

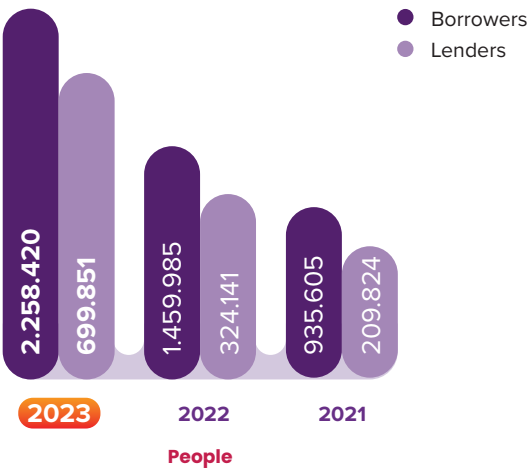




Borrower Education Level



Lender and Borrower Growth Over the Years



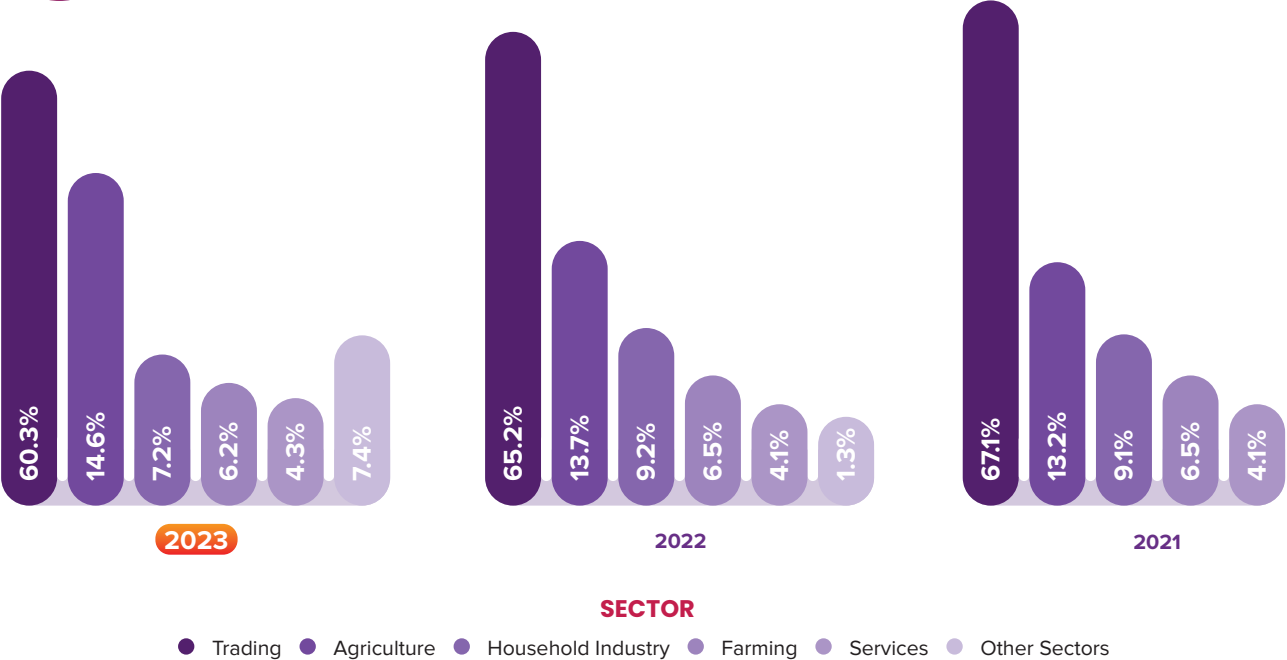
Borrower Profile

The majority of Amarth's borrowers are engaging in trading (60.3%), often running small stores from their homes and selling goods to fellow villagers. Additionally, 14.6% of borrowers are involved in smallholder agriculture, while 7.2% participate in home

industries. Community trading plays a vital role in maintaining economic stability in these villages, especially in rural areas, due to its low risk, high adaptability, and ability to generate daily income.



Borrower Business Sectors



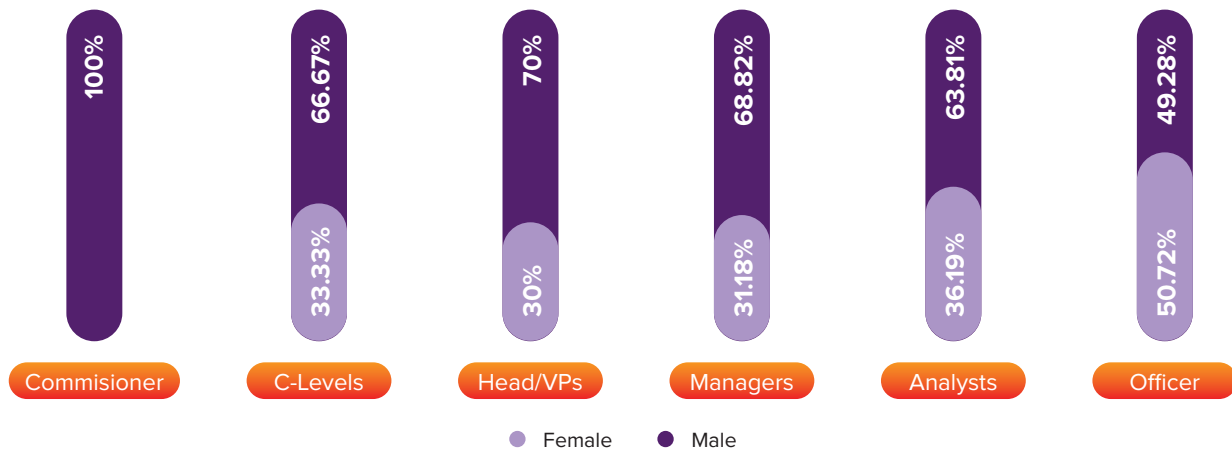
# Our People

Amartha is dedicated to creating a lasting impact through collective effort. In 2023, the team grew to 9,397 members, including engineering, product, and support teams at the Head Office, alongside 8,708 field team members serving villages across Indonesia. The workforce comprises 58.93% male and 41.07% female employees, with nearly

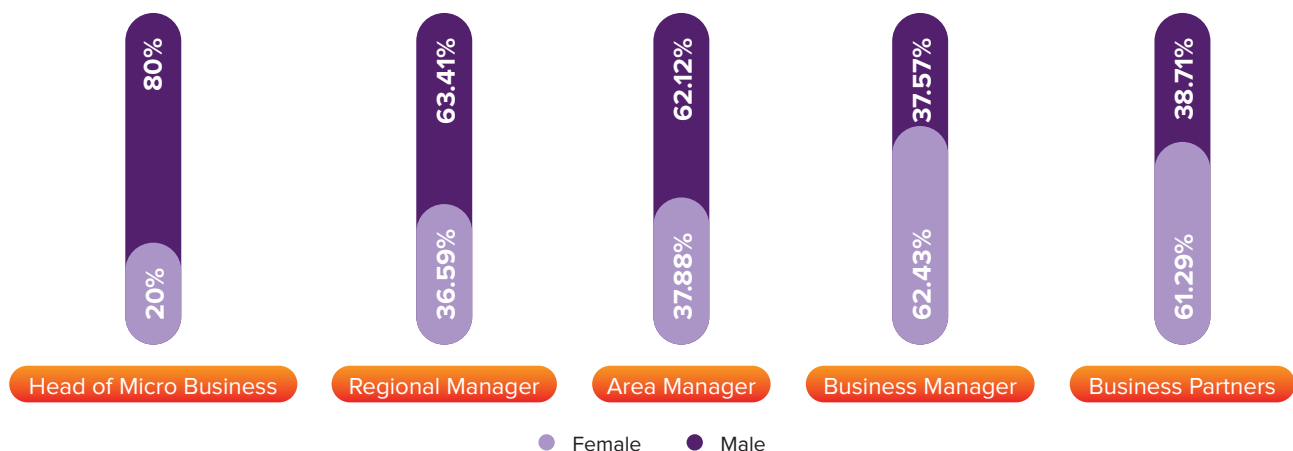
93% based in the field. To promote local job creation, field staff are recruited locally. In 2023, Amaritha reinforced its commitment to female leadership by appointing an additional female leader, 28 female analysts at the Head Office, and 191 female business managers in the field.



## Employee Composition Based on Level (Head Office)



## Employee Composition Based on Level (Field Office)



In 2023, Amaritha also hired 5,156 personnel for both the head office and field offices, with approximately 59% being female. Notably, the majority of these new hires are under 25 years old, with females outnumbering males.

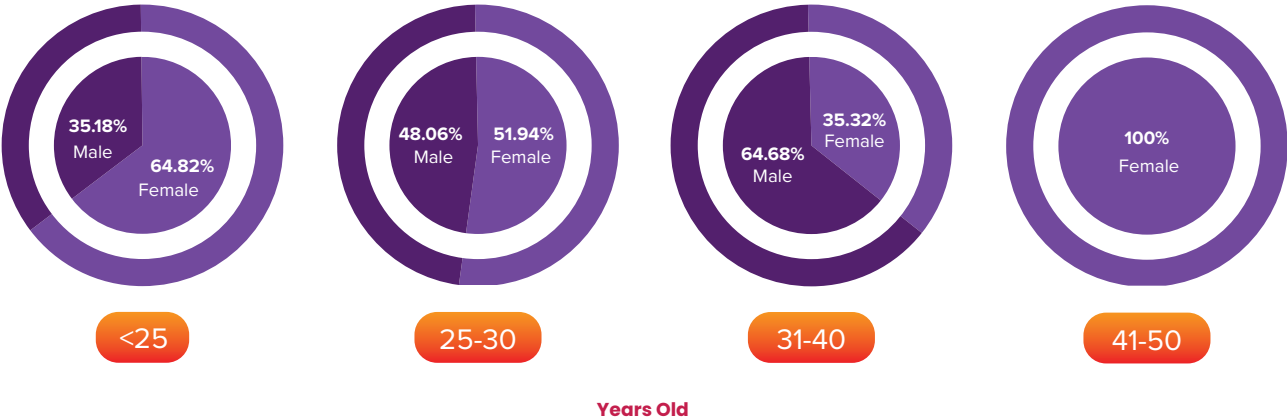




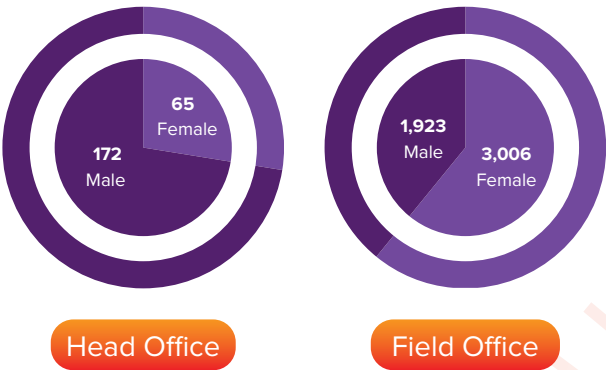




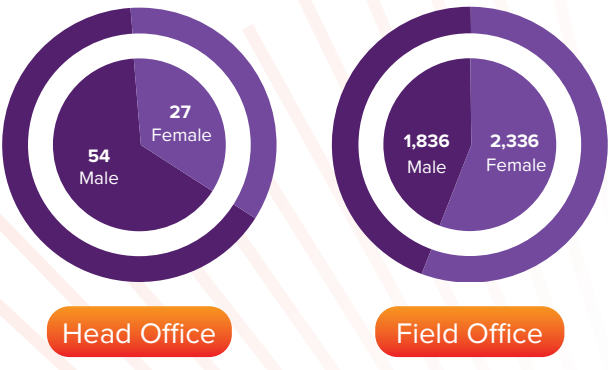
New Employees Hired Based on Age Group



New Hires by Branch



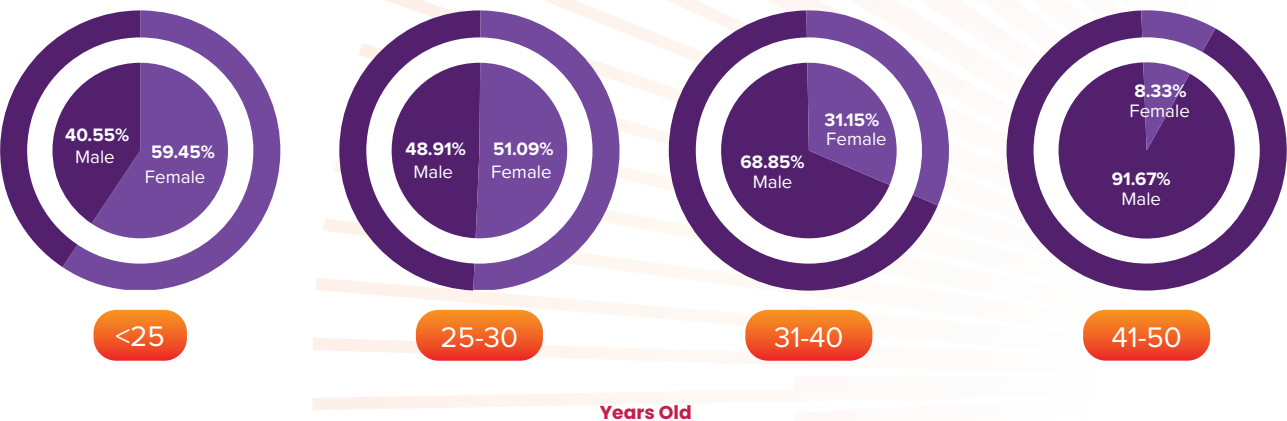
Employee Turnover by Branch



Note: According to the data presented above, the highest turnover percentage in 2023 occurred among those under 25 years old, particularly among women (59.45%).



Employee Turnover by Age Group



## Diversity, Equality, and Inclusion [F.18][F.21]

Amartha values diversity and inclusion, ensuring that company policies prohibit discrimination based on gender, ethnicity, religion, or other non-skill-related factors in the hiring and promotion processes. The Company is committed to providing equal growth opportunities for all employees free from discrimination.

In 2022, Amartha established its Diversity & Inclusion Committee and formalized the Diversity & Inclusion Charter, approved by the Board of Directors, Board of Commissioners, and shareholders. The committee is chaired by the Independent President Commissioner and co-chaired by the CEO, with responsibilities of overseeing and monitoring the company's diversity, inclusion, and gender equality initiatives.

### Employee Welfare

Amartha offers flexible benefits to enhance employee well-being, including financial and insurance coverage, as well as dental benefits for staff and their families. The program also includes company-sponsored recreational and athletic activities. To further boost employee engagement, Amartha provides various interest-based activities such as sports, arts, and mindfulness. Additionally, the Company offers free counseling sessions with licensed psychologists and psychiatric specialists to support mental health.

To promote a safe and inclusive work environment, Amartha has implemented a grievance mechanism that allows employees to confidentially report concerns. For the 2023 reporting year, no complaints of workplace discrimination were reported at the Head Office or Field Offices.



**We have implemented several programs in alignment with the objectives outlined in its Diversity & Inclusion Charter:**

- 1 Promoting and encouraging female leadership within the company.
- 2 Ensuring strict adherence to non-discrimination policies in hiring, promotions, and equal pay.
- 3 Providing and maintaining a support system for mental health and whistleblowing.



#### Parental Leave

Parental leave is a key benefit at Amartha, available to both men and women. Women receive three months of paid leave and six weeks of flexible working hours. In 2023, **311 employees—146 women (47%) and 165 men (53%)**—took parental leave. Notably, more men utilized this benefit as part of the "*Lelaki Turut Serta*" project, or "He for She" campaign, which encourages men to actively support women both at home and in the workplace.

# Training and Education [F.22][IRIS 014229]



Amartha places great importance on training and leadership development to foster a positive work environment. To support this, the Company established a dedicated learning team under Amarth Academy, offering employees access to a comprehensive digital learning platform called Amarthapedia. This platform provides a wide range of online classes, attendance tracking, and assessments, educating over 7,000 employees and supporting their individual development. The training programs are inclusive, allowing all employees, regardless of location, to participate.

To further promote a culture of continuous learning and enhance team communication, Amartha organizes both formal and informal sharing sessions led by employees. These include the formal Friday Learning and Sharing (FLASH) sessions and informal Coffee Time gatherings with C-levels and leaders. Additionally, Amartha also offers exclusive training tailored to the unique needs of headquarters and field office employees. In 2023, Amartha held 85 training programs, a substantial increase from the 31 programs conducted in 2022.

Total Average Training Hours 2023 (Hours/ Person)



589.5

Female

560.5

Male

Total Training Participants by Gender and Branch (People)



5,027 Female

Field Office

3,225 Male

253 Female

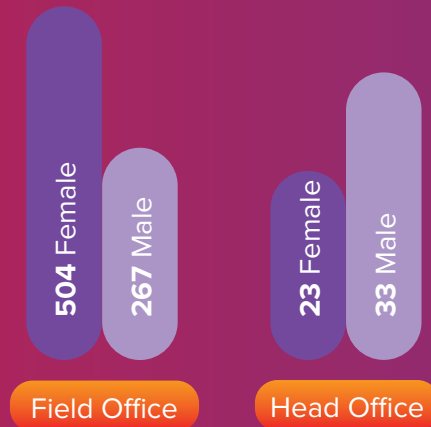
Head Office

435 Male





### Employee Promotions in 2023



### Career Promotion

In 2023, a total of **827 employees** from both field offices and headquarters received career promotions, with **527 (64%)** being female and 300 (36%) being male. This indicates that female employees were promoted more frequently than their male counterparts. Specifically, **504 female field officers (65.37%)** and **23 female headquarters employees (41.07%)** received promotions and career reviews.

## Human Rights [F.19]

Amartha upholds human rights protection and governance by benchmarking against international standards. As signatories of the Indonesian Global Compact Network (IGCN), Amartha is committed to the ten principles of the Global Compact Network. The Company submits an annual Communication on Progress (COP) declaration, overseen by the United Nations Global Compact Network, demonstrating its dedication to corporate sustainability, the UN-GCN Ten Principles, and the UN Sustainable Development Goals. This annual reporting ensures transparency, accountability, and consistent implementation of these principles.

Amartha also voluntarily participated in the Ministry of Law and Human Rights' self-assessment on human rights in the workplace (PRISMA). Human rights commitments are embedded in internal policies, including non-discrimination in hiring and promotion, comprehensive employee benefits and protection, mental health and well-being initiatives, and a people development strategy promoting both professional and personal growth. In addition to our internal policies, Amartha extends its commitment to human rights to our consumers through ethical lending practices. This includes our participation as a signatory to the code of conduct for lending companies established by Indonesia's fintech lending association.



## Sustainability at Amarth

Since its establishment, Amarth has been unwavering in its commitment to delivering value to communities through sustainable business practices. Guided by our core values, we believe that building a scalable business grounded in ethics and integrity is crucial for achieving lasting economic, social, and environmental benefits.

# 2023 ESG Highlights



## ECONOMIC PERFORMANCE (B.1)

**71%**  
increase in revenue

**IDR429.7** billion  
operating expenses



## SOCIAL PERFORMANCE (B.3)

**93%**  
of Amartha's borrowers can be classified as  
'empowered' due to their engagement with  
Amartha

More than **84,000**  
borrowers started hiring their first employees

Providing **150** scholarships  
to girls in villages

Held **85** training programs

**827**  
field office and headquarters employees  
received career promotions



## GOVERNANCE PERFORMANCE

Hired **5,156** new employees  
for head office and field office, of which **59%**  
are female

Appointed **one** more female leader, **28** female  
analysts in the Head Office, and **191** more  
female business managers in the field office

Comply with **ISO 27001 Standard** and  
**POJK No. 10/2022** to protect customer  
data and privacy



## ENVIRONMENTAL PERFORMANCE (B.2)

**16,727.07** metric tons of CO<sub>2</sub>  
total carbon emissions generated

**69%**  
of waste recycled

Established its own **Mini 'Miyawaki'**  
**Forest** in the head office area, in  
collaboration with Junglo



# Sustainability Strategy and Values [A.1][F.1]

In 2022, we initiated the integration and implementation of Environmental, Social, and Governance (ESG) aspects across the enterprise. As our business expands, we are proactively adapting and deepening the scope of our ESG programs, reaffirming our commitment to adaptive sustainability. In 2023, Amartha enhanced its ESG initiatives, events, partnerships, and reporting by

collaborating with leading sustainability stakeholders across the country. Additionally, Amartha advanced the establishment of the Amartha Foundation, aimed at implementing sustainability initiatives nationwide through three key areas: education, women empowerment, and sustainable digital transformation.

**To maintain Amartha's** sustainable performance and fulfill our ESG commitment, we have developed an ESG Roadmap that will serve as our future strategy. In carrying out this commitment, Amartha adheres to various ESG goals, which are composed of three primary ESG objectives:

## Environmental Goals

Protect the Environment while Promoting Economic Growth

- Reduce greenhouse gas emissions
- Promote sustainable consumption and production



## Social Goals

Deliver impact in the Lives of Our Customers, Team Members, and Communities

- Promote sustainable financing
- Promote ethical lending
- Drive women empowerment
- Improve well-being through education

## Governance Goals

Establish a Secure Platform through an Accountable Governance Approach

- Protect customer data privacy
- Respect equal rights
- Maintain trustworthy partnerships





# Our Support For Sustainable Development Goals (SDGs)



We are dedicated to doing our part in contributing to the United Nations (UN) SDGs. To this end, we have integrated these SDGs into our business strategies and operations, focusing on poverty reduction and economic empowerment through financial products tailored to the needs of rural women.

## Our SDGs Achievements [IRIS PI4940][IRIS PI7318][IRIS OI6213]

### 2023 Achievements

### Achievement Strategies



On average, the income of borrowers increased by 61.56%.

Providing financial access to the unbanked and the underserved.



Amartha granted 150 scholarships to young women in villages among 5,000 applicants via Amartha Foundation's Cendekia Scholarship.

- Promotes awareness on the importance of children's education to borrowers.
- Our concern for education is formalized through our SOP, which states that field officers always encourage borrowers to prioritize their children's education during weekly meetings in Ikrar Amartha (Amartha Pledges).
- Provides scholarship programs for borrowers' and employees' families as well as for the public to promote quality education.



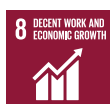
99% of Amartha's 2.2 million borrowers are women from vulnerable groups, i.e., rural villagers from low-income and low-educational backgrounds.

Amartha supports women leadership in micro-business and rural economy. By promoting women to have their own income and building personal assets, Amartha helps women to participate and lead in the economic life of their families, thus reducing the gap between men and women.



In 2023, Amartha's operations generated emissions from motorcycle usage of 11,131.57 metric tons CO2eq and electricity usage of 5,595.30 metric tons CO2eq

- We are in initial planning stages of carbon footprint calculation produced by borrowers.
- Amartha has started to calculate the energy usage and emissions generated from Amartha's satellite offices in Bandung, Yogyakarta, Surabaya, and Bekasi.
- We have planted 1,000 mangroves in Demak, Central Java and 4,000 mangroves in Tanakeke Island, South Sulawesi
- Amartha has also established its own Mini "Miyawaki" Forest in the head office area.



Working capital from Amartha enabled 84,522 borrowers in rural areas to hire their first employees.

Amartha supports employment and job creation in rural areas.



Amartha's financial services have assisted over 73,000 villages.

Amartha strengthens women's economic capacity at the bottom 40% of the population by ensuring that the majority of our borrowers are women. We focus on rural villages and peri-urban areas where the financial access disparity is prominent.



Recycled 5,863 kilograms of waste, which accounts for 69% of total waste generated.

Amartha promotes sustainable consumption and production practices, integrating these principles into the lives of our borrowers and employees by assessing their business process based on ESG policy. Through our data collection, we gain insights into the lifestyle of our borrowers, enabling us to develop targeted programs that promote sustainable living practices.



- Partners with international organizations such as the UN-IGCN, IBCSD, UN Women's WEP, IBCWE, and G20 EMPOWER.
- Collaborates with governmental bodies like the Ministry of Law and Human Rights, the Ministry of Women's Empowerment and Child Protection, and the Ministry of Communication and Information (Kominfo).
- Works with development finance institutions, including the Australian Department of Foreign Affairs and Trade and the US International Development Finance Corporation.
- Partners with esteemed universities and research centres such as Institut Pertanian Bogor, Universitas Indonesia, Universitas Gadjah Mada, Institut Teknologi Bandung, and Universitas Brawijaya.
- Collaborates with multinational institutions like the World Bank, IFC, Lendable, Accion, Norfund, Triple Jump, Incofin, Community Investment Management, Blue Orchard, ResponsAbility, and BRED to enhance its ESG framework and secure essential funding.

To amplify its impact and advance a common goal, Amarthia actively engages with diverse external stakeholders, including government entities, funders, academic institutions, and international organizations.

## Our Economic Performance

Amartha seeks to foster prosperity for all, particularly for Indonesia's underserved communities. To realize this vision, the organization is dedicated to providing inclusive financial access to Micro and Small Enterprises (MSEs) in remote villages. By implementing an inclusive finance framework, Amarthia opens up pathways to prosperity for millions of micro-SMEs,

all while ensuring a sustainable and profitable business model. In 2023, Amarthia's revenue reached IDR1,145.9 billion, a 71% increase compared to the previous year. The increase in revenue was due to expansion of both customer base and service areas, mainly in mainly in the Island of Borneo and the eastern part of Indonesia.



**71%**  
Increase in  
revenue

# Our Environmental Performance

Amartha is committed to addressing environmental aspects through various initiatives, including carbon reduction programs, waste management, and green building practices, all aimed at mitigating the environmental impact of our operations. Actively contributing to the global fight against climate change, we focus on gradually reducing carbon emissions and promoting

green financing. Our commitment to circularity is reflected in our waste management policy, which emphasizes waste reduction. In 2023, we initiated the planning phase to calculate the carbon footprint generated by our borrowers, further integrating green financing principles into our operations.

## Energy and Emission Management [F.6][F.7]

Amartha's activities primarily generate carbon emissions from operations that include the daily mobilization of field officers and electricity consumption at both field offices and the head office. Consequently, we calculate the carbon footprint generated from these activities using the Scope 2 Principles of the Greenhouse Gas Protocol. Scope 2 GHG emissions refer to indirect emissions resulting from outside the organization's operational boundaries but are directly related to its consumption of purchased electricity. To take a more conservative approach in our carbon footprint calculation, we also include the travel activities of our field officers.

In 2023, motorcycle travel related to operations totaled 127,780,752 kilometers, with field officers using 5,583 motorcycles with 125cc engines and 1,337 motorcycles with 150cc engines. This resulted in total carbon emissions of 11,131.57 metric tons per year. Carbon emissions from electricity consumption between January and December 2023 amounted to 5,595.50 metric tons of CO<sub>2</sub>, bringing the total emissions from Amartha's activities to 16,727.07 tons of CO<sub>2</sub>. The increase in emissions compared to the previous year is due to the expanded scope of calculation, now including emissions from field offices and the establishment of new satellite offices in cities such as Bandung, Yogyakarta, Surabaya, and Bekasi, as well as business expansion to 1,009 locations.

Energy Sources	Unit	2023	2022	2021
Travel Distance by Motorcycle	Km	127,780,752	75,227,008	7,449,600
<b>Emission Produced from travel</b>	<b>Metric Tons of CO<sub>2</sub></b>	<b>11,131.57</b>	<b>6,459.29</b>	<b>638.54</b>
Energy Usage (Electricity)	kWh	7,213,479	1,401,985	1,409,639
Decrease (Increase) in Energy Consumption <span>[IRIS OI6697]</span>	kWh	(5,811,494)	7,654	N/A*
<b>Emission Produced from electricity consumption</b>	<b>Metric Tons of CO<sub>2</sub></b>	<b>5,595.50</b>	<b>1,087.52</b>	<b>1,093.46</b>
<b>Total Emission Produced</b>	<b>Metric Tons of CO<sub>2</sub></b>	<b>16,727.07</b>	<b>7,546.81</b>	<b>1,732.00</b>

\*Note: Amartha has not calculated energy consumption in 2021.

## Waste [F.13][F.14][F.15]

We acknowledge that Amarth's operations inevitably generate waste, including trash and debris from business processes, produced at our headquarters and field offices. To manage this waste effectively, we have partnered with Waste4Change, a waste recycling organization. Together, we measure and track our waste production and reduction on a monthly basis with the goal of minimizing waste.

According to our tracking report, in 2023, we collected 8,486 kilograms of organic and non-organic waste at the head office alone. Of this total, 5,863 kilograms (69%) were recycled, transforming them into valuable products such as home appliances, PET presses, and plastic flakes. The organic waste was converted into compost and Black Soldier Fly (BSF) larvae, while other residues were recycled into briquettes using Refuse Derived Fuel (RDF) technology provided by Waste4Change.

### Waste Impact

Description	Unit	2023	2022	2021 *
Waste Generated and Disposed (Organic & Non-organic) <span>[IRIS OI2535]</span>	kg	8,486	1,540	N/A
Waste Recycled <span>[IRIS PD9364]</span>	kg	5,863	939.3	N/A
	%	69	61	N/A
Waste Reduced (Increased) <span>[IRIS OI7920]</span>	kg	(6,946)	N/A	N/A

Note: \*Amartha has not impact assessment in 2021. As for waste reduction, data tracking will only be conducted in 2023 because in 2022 because Amarth only began to engage with Waste4Change in 2022

## Water Consumption [F.8]

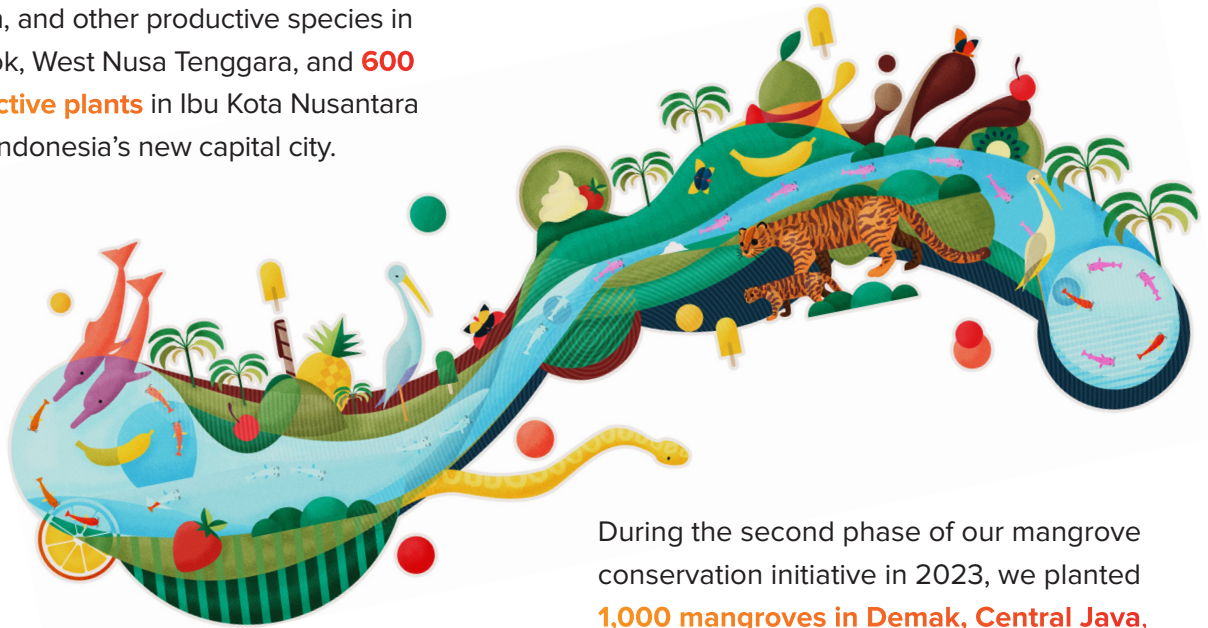
Amartha recognizes that water consumption plays a critical role in environmental conservation, and we are committed to contributing to its preservation. For the 2023 reporting year, Amarth is still in the process of identifying the parameters and scope for measuring the Company's water consumption. As a result, water consumption and conservation have not been included in our current measurements due to the absence of data. Although regulations do not require such disclosure from a financial services company like Amarth, we are dedicated to making this information available in the subsequent reporting year.



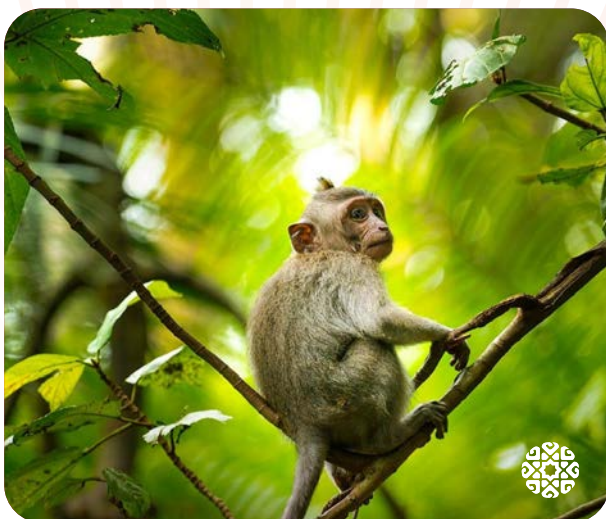


## Biodiversity <sup>[F.9]</sup>

**Biodiversity** is a key concern for **Amartha, as it directly impacts the rural communities we serve**. In 2023, we donated monkey pod trees (*Samanea saman*) and various shrub seedlings to Krecek Village in Central Java to further expand our biodiversity initiatives. We also planted **200 plants**, including jackfruit, longan, and other productive species in Lombok, West Nusa Tenggara, and **600 productive plants** in Ibu Kota Nusantara (IKN), Indonesia's new capital city.



To align our carbon footprint with the interests of key stakeholders, **we collaborated with Jejakin and Blue Forests Foundation in designing a program to preserve mangroves in disaster-prone regions of South Sulawesi and Central Java**.



During the second phase of our mangrove conservation initiative in 2023, we planted **1,000 mangroves in Demak, Central Java**, in collaboration with Jejakin, and **4,000 mangroves on Tanakeke Island**, a small island off the coast of Makassar in South Sulawesi, in collaboration with the Blue Forests Foundation.

In line with our **commitment to becoming a net-zero company and reducing carbon emissions**, Amartha established its own **Mini 'Miyawaki' Forest** at the head office, in collaboration with Junglo, an organization dedicated to preserving native forest ecosystems. This effort allows Amartha to recreate an original forest ecosystem on-site, thereby preserving the environment and sustaining groundwater availability. Through this initiative, Amartha planted **19 tree seedlings**, including needle wood (*Schima wallichii*), blackboard tree (*Alstonia scholaris*), red sandalwood (*Adenanthera pavonina*), weeping fig (*Ficus benjamina*), and other native species.

# Our Social Performance

Amartha is committed to improving the social well-being of its borrowers through a variety of programs and impact measurement initiatives. Our social initiatives include promoting impact investing for lenders, measuring the financial

and personal well-being of our borrowers, empowering rural women entrepreneurs, and helping girls in villages access higher education through our signature program, Amartha Cendekia Scholarships.

With the support of Amartha's working capital, our borrowers are beginning to expand their businesses in these villages, leading to the hiring of additional personnel to assist in their operations. In 2023, **84,522 borrowers hired** their first employee, representing **4.97% of Amartha's** active borrowers. By creating jobs and economic opportunities in these villages, Amartha is helping to reduce the income gap between urban and rural areas while providing more substantial work opportunities for the underprivileged in rural communities.

## Community Development [F.25]

Amartha's community development impact in 2023 is highlighted by a 65% increase in the annual revenue of its customers, along with expanded community engagement through scholarships for young women in rural areas and talented students from top Indonesian universities to pursue STEAM studies. With support from nearly 700,000 retail lenders and 32 institutional partners, Amartha disbursed over **IDR17 trillion** to **2.2 million women-led MSMEs**, primarily benefiting women in the 31-50 age range.



### Amartha Cendekia Scholarship

Amartha launched the Amartha Cendekia Scholarship in September 2023 for **150 female** students in their final year of high school. The scholarship provides stipends of **IDR3 million per student**, distributed quarterly. The scholarship was made available to the daughters and relatives of both Amartha's borrowers and Amartha team members themselves, as well as the general public. In addition to the stipends, the awardees received eight development classes focused on leadership, self-development, and personal coaching from senior leaders at Amartha and other companies.

## Impact Investing

As a formal communication channel, we host "Impact Talk," a signature talk show led by our CEO featuring inspiring individuals from various disciplines. Additionally, the "Martha Talk" podcast helps spread awareness and encourages public participation in our impact investment movement. To further empower our lenders, Amarthā classifies and labels investment

portfolios into three impact categories—economic, social, and environmental—corresponding to the business types of the borrowers they invest in. This allows lenders to choose the specific area of impact they wish to focus on with their investments. In 2023, Amarthā was supported by 699,851 registered retail lenders and over 32 institutions that channeled their funds to our rural communities.

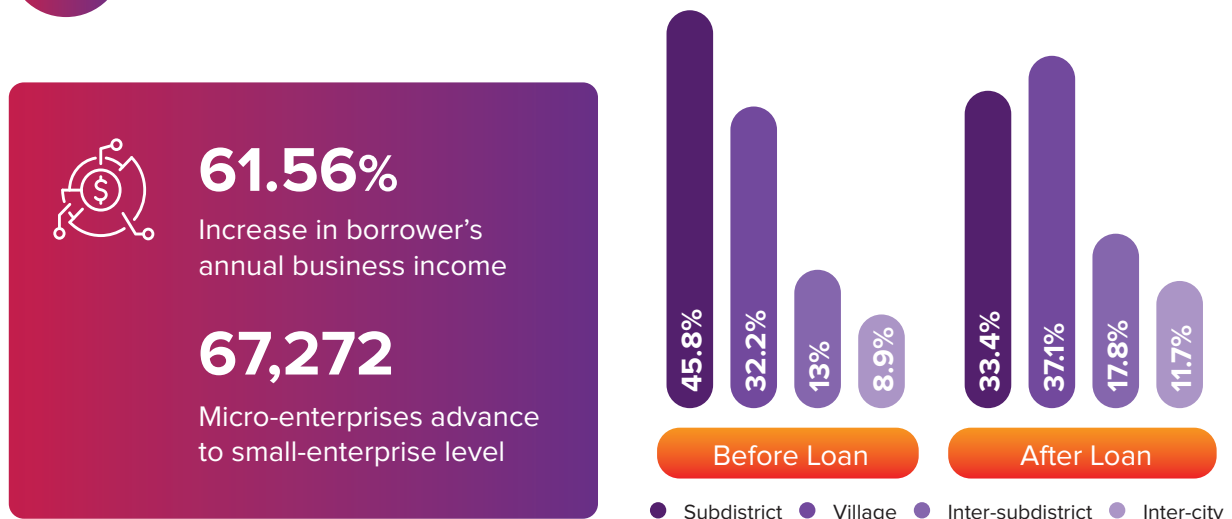
## Income Improvements

Amarthā periodically evaluates the impact of our economic support by monitoring the income growth of our borrowers as a proxy for their financial health. This evaluation is conducted explicitly during the second year of the loan cycle to better understand how our one-year assistance influences borrower income. In 2023, we collected data on the economic impact from 705 samples representing 2,258,420 borrowers, with a margin of error of 3.69% and a confidence level of 95%. Last year, 67,272 (2.9%) of Amarthā's ultra-micro borrowers graduated to small enterprises (MESO level) as their annual business income exceeded the required threshold.

The working capital loan from Amarthā enables our MSMEs to expand their businesses. Within one year of receiving support from Amarthā, many borrowers have expanded their market share from being village-focused to reaching inter-city markets. This growth is often driven by the digitalization of their businesses, which allows them to offer goods and services to a broader market through online platforms.



### Percentage Before and After Loan



## Women's Empowerment

Amartha's mission includes promoting female leadership both within the Company and among our customers, particularly rural women entrepreneurs. By providing women with opportunities to pursue careers, earn their own income, and develop personal assets, we help them improve their quality of life while also narrowing the gaps between men and women, as well as between urban and rural areas.

As part of our long-term mission to achieve shared prosperity, Amartha is committed to empowering five million women in rural areas with USD2.3 billion in working capital by 2026. To date, we have empowered **1.7 million women** with funds totaling USD810 million. As part of our commitment to leading initiatives for women's empowerment and inclusivity, Amartha voluntarily participates as a signatory and member of various international organizations' initiatives.

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

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

## Disaster Relief

In 2023, Amartha contributed a total of IDR102.35 million to disaster relief efforts. Natural disasters near Amartha's operational areas impacted 1,998 of our borrowers, including a number of our own employees. To mitigate the risk of natural disasters, Amartha aligns its environmental conservation initiatives,

such as mangrove preservation, with efforts to reduce the harm caused by rising seawater and flooding in our operational areas. Additionally, these conservation efforts help strengthen coastal wetlands' resistance to abrasion and tsunami risks.



## Product and Service Responsibility [F.27]

Our ethical lending practices act as our safeguard mechanism and are an essential part of delivering services to our customers. These standards protect clients from unjust, deceptive, or abusive practices and equip them with the knowledge, steps, and tools needed to make sound financial decisions.

Our lending practices adhere to the Cerise+SPTF Standard for Responsible Financial Services. Additionally, we have developed an exclusion list aligned with IFC standards, detailing the types of businesses that Amarthartha will not fund. In 2022, we conducted a self-assessment using the Universal Standards for Social and Environmental Management (USSEPM), which encompasses seven dimensions, and received a score of 88.2, earning "Silver" status.

Furthermore, we underwent the Global Impact Investing Rating System (GIIRS) Ratings & Analytics by B-Corp, which provides the impact standards and rating system necessary to create a scalable and transparent marketplace for institutional investors, financial services

intermediaries, and organizations seeking mission-aligned growth capital. GIIRS offers company and fund impact evaluations, along with current and historical analyses of impact performance and comparable data. GIIRS awarded Amarthartha a "Platinum" rating.



## Customer Well-being

At Amarthartha, the well-being of our customers is central to our sustainability objectives. Beyond monitoring the financial progress of our borrowers, we prioritize assessing their quality of life, as this is crucial in helping them secure the resources needed to achieve their life goals. We regularly evaluate borrower well-being through key performance indicators, focusing on the enhancement of skills, knowledge, and other attributes that signal progress toward empowerment.

These metrics are collected annually through our Borrower Well-being Survey, which measures the level of empowerment among borrowers across Indonesia, with respondents from Java, Sulawesi, Sumatra, and Nusa Tenggara—regions where Amarthartha operates in. According to the 2024 Well-being Survey, 93% of Amarthartha's borrowers are classified as 'empowered' as a result of their engagement with Amarthartha.





The Key Well-being and Empowerment Metrics

Based on the survey results, there are several achievements borrowers fulfilled after joining Amarth, including:



Customer Data Privacy and Security

As a financial institution, collecting our customers' private information is essential to meeting our product requirements. Therefore, we recognize and ensure consumer information is never leaked or misused. To mitigate customer data privacy risks, we comply with the ISO 27001 Standard and POJK 10/2022. In 2023, two incidents involving

lenders' data security breaches occurred. Both incidents were fully resolved, with official statements issued and settlements provided to the affected borrowers. Additionally, we are continuously enhancing our systems to prevent similar data breaches in the future.

Digital and Financial Literacy

Recognizing the gap in digital literacy and access between rural and urban areas, particularly for women, Amarth integrates financial literacy education with digital literacy initiatives. To address this issue, Amarth has developed various programs to ensure that everyone, especially women-owned and women-led MSMEs in rural villages nationwide, can acquire essential digital skills.

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

1. Launching of **Afin** apps for borrowers to familiarize rural MSMEs with digital platforms. Afin apps is a super app for borrowers in which they can pay the bills and monitor their repayment progress.
2. Development of appropriate digital financial products for rural communities, such as cashless disbursement, digital bill payment, including Social Security Agency (BPJS) and phone credits, embedded into Afin apps.
3. Launching of **AmarthaOne agent network**, to enable cash-in cash-out (CICO) points in rural villages that support digitalization. By training and activating 54,046 of our borrowers as agents, we have enabled CICO services in rural areas across our operational areas (Java, Sumatra, and Sulawesi).
4. Financial management and digital literacy training for field officers (frontliners who help out borrowers in adopting digital products), as part of Training for Trainers (ToT) programs.



**43% or 958,221**  
of borrowers have  
bank accounts



**67% or 967,937**  
of borrowers use the  
Amarthafin app for  
their daily financial  
needs



**49% or 1,091,925**  
of borrowers save with  
non-bank institutions



**54,046**  
AmarthaOne agents

## Our Governance

Our corporate governance practices strongly emphasize providing equal opportunities for everyone to achieve greater prosperity through our accountability and transparency, grounded in ethical and equitable business practices.

## Organizational Structure (IC 1)

In 2023, Amartha established an ESG Management Committee to ensure the alignment and oversight of its ESG programs

and materiality. This committee plays a key role in aligning the company's sustainability initiatives with its long-term goals.



**RUDIANTARA**  
President Commissioner  
Independent



**ANDI TAUFAN GARUDA  
PUTRA**  
Founder/CEO



**ARIA WIDYANTO**  
Chief Risk and  
Sustainability Officer



**BUDHI SISWOADJI**  
Chief Operating Officer



**RINE**  
Chief People Officer



**RAMDHAN  
ANGGAKARADIBRATA**  
Chief Financial Officer



**KATRINA INANDIA**  
Head of Impact & Sustainability  
Member

## Good Corporate Governance

Amartha is committed to establishing a secure platform through an accountable governance approach. This includes a strong focus on protecting customer data privacy, ensuring equal rights for all, and maintaining trustworthy partnerships. These principles ensure stakeholders can rely on the platform's security and integrity.

### Risk Management

Amartha conducts risk assessments across economic, environmental, social, and governance sectors to evaluate potential impacts on sustainability. Involving the Board of Directors, Impact & Sustainability Division, and key teams, these assessments guide the company's five-year ESG priorities. Through materiality assessments, Amartha also surveys stakeholders to identify the most relevant ESG topics, ensuring a focus on critical factors affecting operations and long-term sustainability.

### Code of Conduct

Amartha is currently finalizing its Code of Conduct, which will establish the expected ethical standards and principles for all employees and partners. The document will also include provisions on conflict of interest and outline the company's approach to addressing such matters.

### Anti-Fraud

As a financial institution, we recognize that employee fraud is one of the most significant risks in our industry. Preventing and mitigating fraudulent activities within our organization is a top priority. Fraud can occur at both our headquarters and field offices, which is why we have developed comprehensive programs to address these risks.

We have integrated anti-fraud initiatives into our Standard Operating Procedures (SOP) and utilize advanced fraud prevention tools such as digital signatures, contactless disbursements, OCR biometrics, and tele caller teams. To strengthen our efforts, we have established a dedicated Fraud Control Unit responsible for detecting and resolving fraud cases. This unit also leads the dissemination of anti-fraud initiatives across the organization, with oversight from Senior Management and leadership from a senior team member. In 2023, we conducted 11 dissemination sessions to reinforce our anti-fraud efforts.

### Grievance Mechanism

In 2023, Amartha established a grievance system to ensure that all employees, whether at the head office or field offices, feel safe and supported when addressing work-related issues. Our employees can easily reach out to the People Care team through multiple channels, including E-mail and WhatsApp, providing a secure and confidential platform for voicing concerns and seeking assistance. This system is managed directly by our People and Care (PnC) division.



**"People Care Ready to Help You!"**

People Care



**(+62)81110017310**



**peoplecare@amartha.com**

# Reporting Reference and Index













## Financial Services Authority Regulation (POJK) Number 51/POJK.03/2017 and Financial Services Authority Circular Letter (SEOJK) Number 16/SEOJK.04/2021 References <sup>[G.4]</sup>

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**Head Office**

Jl. TB Simatupang, Kavling 18, West Cilandak  
Village, Cilandak Subdistrict, Adm. South Jakarta  
City, DKI Jakarta Province

**Office Hours:**

Office: Monday - Friday 09.00 - 18.00 WIB

CS: Monday - Sunday 06.00 - 21.00 WIB

- 
-  <https://www.Amartha.com/>
  -  [support@amartha.com](mailto:support@amartha.com)
  -  150170 / 0811 1915 0170 / 0853 1111 1010
  -  @amarthaid
  -  amartha
  -  @amarthaid
  -  amarthaid
  -  @amarthaid
  -  amartha

# 2023

## Impact Report