

Communication on Progress **2019 - 2020**



Revolutionize Agriculture Industry
with Access to **Capital & Technology Innovation**

CROWDE, founded in 2016, is an agriculture-focused fintech platform which provides one-stop solution to farmers: a financing ecosystem that puts capital to grow, create employment, and support local communities.

Beyond connecting to financing, CROWDE provides the farmers with steady input products, farming expertise, and access to market.

Furthermore, CROWDE aggregates the much-needed agri data to support agribusiness decision making.

By providing access to financing, agri-monitoring, and end-to-end supply & market support, CROWDE envisions to be the biggest agriculture fintech platform in Indonesia, with the missions to improve financial inclusion, provide sustainable impact to farmers nationwide, and making farmers invest better in their businesses.



CROWDE has a lending platform to connect smallholder farmers to financing access, in which we develop a robust credit scoring engine based on their historical experiences in farming, current farm condition, and farmer's plan including budgeting for the upcoming project. This technology is closely being listed and monitored by OJK, Indonesia's financing service authority and Indonesia's fintech association.



CROWDE has point-of-sale embedded in agri supply shops in rural areas to help farmers getting their capital in input form such as fertilizers, seeds, and optionally pesticides. This technology also help the small shops to digitized their transaction and inventory to be able to better manage their business.



CROWDE has Farmer Assistance app where farmers getting access to financing and agri knowledge to support their projects and get access to (especially new) market so they can detach themselves from loan shark who bought their produces with extremely low price.



CROWDE collects agri-data in which we can have lenders appetite, product trends, farmer behaviours, and supply-demand data then use it to support better agri decision making in the future projects.

Human Rights

- Principle 1 Businesses should support and respect the protection of internationally proclaimed human rights
- Principle 2 Business should make sure they are not complicit in human rights abuses

CROWDE really protects its employees from human rights abuses and ensures that employees get their human rights. During pandemic, CROWDE was required to work from home by maximizing the use of technology and other media to continue to be able to coordinate all work and express complaints related to their duties, also everything that happened in our office that lead to abuses and injustice. CROWDE upholds the rights of employees by providing salaries according to standards and allowances, freedom of opinion, and obtaining security while working, both for themselves and their work documents.

On agricultural land, CROWDE provides salaries to agricultural workers, both male and female. CROWDE minimizes the salary gap between male and female workers so that in the future there is no gap in wages and salaries between the two of them are equal.

Labour Standard

- Principle 3 Business should uphold the freedom of association and the effective recognition of the right to collective bargaining
- Principle 4 Business should uphold the elimination of all forms of forced and compulsory labor.
- Principle 5 Business should uphold the elimination of all forms of forced and compulsory labor.
- Principle 6 Business should uphold the elimination of discrimination in respect of employment and occupation.

CROWDE employs its employees regardless of gender. All job promotions are carried out based on employee performance so every employee has the same opportunity. CROWDE has established policies covering standard labor such as salaries, allowances, leave and permits, and matters relating to employee welfare.

in agribusiness, CROWDE applies a minimum price limit for a commodity to stabilize the price that should be received by farmers. For example, in the commodity chili, CROWDE sets a minimum standard at the price of IDR 10,000 per kilo, even though the price of chili is falling, farmers will still get IDR 10,000 per kilo. Meanwhile, if the price increases, CROWDE will follow the market price to improve the welfare of farmers. CROWDE does not apply a forced labor system for labor in agriculture. Farmers and their workers have working hours as they normally do. CROWDE also does not impose restrictions on women farmers to propose projects and become CROWDE partners.

Environment

- Principle 7 Business should support a precautionary approach to environmental responsibility.
- Principle 8 Business should undertake initiatives to promote greater environmental responsibility.
- Principle 9 Business should encourage the development and diffusion of environmentally friendly technologies.

The availability of gallons, cutlery, and the obligation to bring your own drinking bottles are CROWDE's efforts to contribute to reducing plastic waste. CROWDE has also implemented digitization in almost all documents to minimize paper usage. The use of technologies greatly impacts work efficiency and effectiveness without wasting paper.

On agricultural land, CROWDE has SOPs for cultivation according to the type of commodity to achieve maximum productivity. SOPs also function to control pesticides and chemical elements that are used so that they are not excessive and are able to reduce the intensity previously used by farmers. Currently, CROWDE is carrying out Impact Research with the topic Climate Resilience in Agriculture to ensure that farmers are willing and able to transform into sustainable agriculture. In addition, CROWDE also uses the Internet of Things (IoT) to control water levels in the soil and seeks to carry out risk mitigation to be able to apply weather-based insurance.

Anti-Corruption

Principle 10 Business should work against corruption in all its forms, including extortion and bribery.

Transaction and cash flow activities need to include invoices or supporting documents as evidence of each transaction. Every transaction and cash flow activity, CROWDE is supervised by the Financial Services Authority (OJK) and AFPI. CROWDE also emphasized the rule that if an employee commits corruption, he will be immediately fired.

Anti-Corruption is also enforced on agricultural land through a document that cannot be less. This anti-corruption effort was also carried out by CROWDE by channeling capital to farmers by means of a cashless mechanism in the form of agricultural inputs so that farmers could not misuse the capital they had obtained. Each project is also audited by authorized parties.

Measurement of Outcomes



HUMAN RIGHTS

So far, 100% of employees and partners get their human rights. There have been no reports related to violence and injustice from employees. In agriculture, each partner farmer has an increase of 5% per cycle or 15% per year. and 88.24% of farmers stated that CROWDE is more farmer friendly compared to other access to capital they have chosen. Access to capital is a human right that must be upheld, because all human beings have the right to be financially independent.

Women have been empowered in office jobs with 38% of the employees being women and 62% being men. 100% of employees are paid a salary including paid interns. While in agriculture, CROWDE partners with 81.4% male farmers and 18.6% female farmers. As we can see from the age range, 37.04% of CROWDE farmers are 46 - 55 years old, which means that our agriculture is faced with the difficulty of regenerating farmers to the younger generation.



Measurement of Outcomes



ENVIRONMENT

During a pandemic, 100% of office document exchanges are done digitally to reduce paper usage. In agriculture land, the number of failed projects has decreased by 51%. CROWDE will provide loans to projects that pass a predetermined minimum score. Project analysis is based on budget plans and real conditions in the field, such as agricultural land conditions, irrigation access, surrounding land conditions, and access to agricultural land.

100% of transaction activities have followed the established regulations from OJK and AFPI. Meanwhile, in agriculture, 100% of farmers who have submitted projects have complete documents. 9 out of 10 farmers use the cashless system because it is safer and more effective for farming. Digital use for cashless management has reached 65%. 8 out of 10 farmers have been able to manage their finances better after joining CROWDE and 7 out of 10 farmers have access to financial literacy.



ANTI-CORRUPTION





Increasing **5% of income** per 3-months-average cycle, with a 50% faster process than financing from banks



Increasing harvest **production that's successfully sold by 700% in one year**, allowing farmers to invest better on their business sustainably



There are 9 out of 10 farmers who have friendlier access to financing, in total there are **118 new farmers who managed to kick-start their own business** after joining other's project in prior cycles



UNITED NATIONS GLOBAL COMPACT, REAFFIRMATION

Sept 15th, 2020

To our stakeholders:

I am pleased to confirm that CROWDE reaffirms its support of the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labor, Environment and Anti-Corruption.

In this annual Communication on Progress, we describe our actions to continually improve the integration of the Global Compact and its principles into our business strategy, culture and daily operations. We also commit to sharing this information with our stakeholders using our primary channels of communication.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Yohanes'.

Yohanes Sugih-tononugroho
Chief Executive Officer

A woman wearing a floral patterned shirt is carrying a large, dark, rounded bundle on her head. She is standing in a field of green plants. The image has a green tint and a semi-transparent dark green overlay.

It's a long journey
worth the struggle
for Indonesia

www.CROWDE.co