

Overview Anti-Corruption and Anti-Bribery Policy

Background

In conducting daily business activities, Bank Mandiri is committed to maintaining good cooperative relationships with business partners, collaborators, and all stakeholders based on ethics, mutual trust, and responsibility. In order to uphold these values, Bank Mandiri has signed a Joint Commitment with the Indonesian Corruption Eradication Commission (KPK) to control gratification and contribute to the eradication of corruption within the Bank.

Bank Mandiri has established an internal and detailed policy framework on anti-bribery and anti-corruption, encompassing the Anti-Gratification Policy, Corruption Prevention Policy, Gratification Policy, and Anti-Bribery Management Policy. This framework is supported by a comprehensive anti-fraud strategy, which includes operational standards and other regulations aligned with applicable laws.

This policy applies to all employees (including Board Members and Executives), subsidiaries and controlled affiliates, and agents, consultants, or third parties acting on behalf of the Bank. This policy is also in line with the Code of Conduct and the applicable laws and regulations governing anti-bribery and anti-corruption efforts in Indonesia. As part of this commitment, Bank Mandiri has established a management system for controlling gratification —which includes clear guidelines on reporting, acceptance, and rejection of gifts or benefits that could lead to bribery or corruption. The Gratification Control Unit (UPG) is responsible for monitoring and enforcing this policy. Any suspected violations must be reported through the Bank's Whistleblower channels. Violations may result in disciplinary action, up to and including termination.

The implementation of this anti-bribery management system is expected to achieve the following objectives:

1. **Building Governance and Integrity Values:** Foster a culture of integrity and ethical conduct across all levels of the Bank.
2. **Preventing Unethical Conduct:** Ensure that all levels of the Bank refrain from accepting or giving gifts or benefits related to their positions that conflict with their duties and responsibilities.
3. **Mandatory Reporting:** Establish a clear mechanism for reporting the rejection or acceptance of any form of gratification that conflicts with official duties and responsibilities.

Definition of Gratification

Gratification according to Law No. 31 of 1999 regarding Eradication of Corruption Crime as amended by Law No. 20 of 2001 is a receipt/gift in a broad sense, including the receipt/gift of money or which can be equated with money, goods, rebates (discounts), membership, commissions, interest-free loans, tickets (travels/tours/concerts, etc.), facilities lodging, travel packages (tourism/worship/service and others), scholarships, free medical treatment and other facilities, both domestically and abroad, which shall be carried out using electronic means or without electronic means. These can be categorized into two main types:

1. Gratification That Requires Reporting

a. Gratification categorized as bribery

Gratification related to position and contrary to the recipient's duties or obligations. These are considered bribery if:

- 1) The gratification is reasonably suspected of influencing the policies, decisions, or actions of the authority figure.
- 2) The gratification is received during the performance of duties, within the scope of authority or responsibility.
- 3) The gratification is provided during official visits but is not related to the official purpose of the visit.
- 4) The gratification occurs during the processes of employee recruitment, transfers, or promotions.
- 5) Facilitation Payments: small, often informal payment given to speed up or facilitate routine government or business processes.
- 6) Kickback: illegal payments or favors received in return for facilitating a transaction or relationship. In banking, this could occur when an employee or executive receives personal benefits for directing business to a vendor, partner, or third party.
- 7) Soft dollar: indirect payments or benefits received in exchange for directing business to a specific service provider, particularly in the context of investment or brokerage services. In banking, this may involve receiving research, consulting, systems, or other services from a broker in return for routing trades through them—rather than receiving direct payment.

b. Gratification Related to Celebrations

- 1) Gratification in connection with religious holiday celebrations from customers, debtors, partners, vendors, or other parties with potential conflicts of interest.
- 2) Gratification related to other celebrations, such as engagements, weddings, childbirth, or traditional/religious ceremonies, which exceeded the maximum value limit of one million rupiah.

2. Gratification Not Require Reporting

- a. Gratification related to official duties includes those received in the context of serving as a speaker or resource person, participating in official assignments, or undertaking official travel, as long as it adheres to internal regulations.
- b. Other forms of gratification are exempt from mandatory reporting as stipulated in the KPK Regulation on Gratification Reporting.

Some other types of gratification which is not required to be reported has general characteristics as follows:

- 1) Generally applicable, namely a condition of giving that is applied equally in terms of type, form, requirements or value for all participants and under the principle of reasonableness or propriety.
- 2) Does not have any conflict with the applicable laws and regulations.
- 3) It is seen as a form of expression, hospitality, respect in social relations between people within the limits of reasonable values.
- 4) There is no conflict of interest.

Examples of acceptable gratifications:

- 1) Gifts/presents in the family, namely grandfather/grandmother, father/mother/in-law, husband/wife, child/son-in-law, adopted child/legal guardian, grandchildren, in laws, uncle/aunt, brother/sister/in-law, cousin and nephew, as long as have no conflict of interest.
- 2) Benefits from cooperatives, personnel organizations or similar organizations based on generally accepted membership.
- 3) Devices or equipment provided to participants in official activities such as seminars, workshops, conferences, training or similar activities, which are generally accepted.
- 4) Gift is not in the form of money or other means of exchange, which is intended as a promotional or introduction tool using a logo or introduction message, as long as there is no conflict of interest and is generally accepted.
- 5) Bouquets as a greeting given in the events such as engagement, marriage, birth, death, aqeeqah, baptism, circumcision, tooth cutting, or other traditional/religious ceremonies, farewell, retirement, promotion.
- 6) Gifts in relation to engagement, marriage, birth, aqeeqah, baptism, circumcision, tooth cutting or other traditional/religious ceremonies, with a limit value of IDR 1,000,000.00 (one million rupiah) per giver.

Charitable Donations, Sponsorships and Political Contributions

- Bank does not make political contributions—whether in cash, in-kind, or services—on behalf of the institution to any political parties, candidates, or organizations whose primary purpose is political campaigning which can be perceived as an attempt to gain an improper business advantage. We are committed to maintaining independence from political interests and ensuring that our operations are free from undue influence.
- Extra caution should be exercised when evaluating requests for charitable donations and sponsorships to verify their legitimacy and ensure that the funds are not used to enable or hide bribery. Donations must not be made with the intention of influencing business decisions, securing an improper advantage, or as a means to disguise bribery. Due diligence must be conducted before approving any charitable contributions to ensure transparency and legitimacy.

Gratification Reporting and Management - ISO 37001:2016 Anti-Bribery Management System (ABMS)

To reinforce the anti-bribery and anti-corruption framework, Bank Mandiri also implements the ISO 37001:2016 Anti-Bribery Management System (ABMS). This system ensures that the Bank adheres to the following principles:

1. Prohibiting bribery and similar practices within the company;
2. Comply with laws and regulations and other applicable anti-bribery regulations;
3. Aligning anti-bribery policies with company objectives;
4. Applying good corporate governance that supports the achievement of the company's anti-bribery objectives;
5. Committing to compliance with the Anti-Bribery Management System requirements;
6. Encouraging an increase in anti-bribery awareness among relevant stakeholders;
7. Implementing the principle of continuous improvement in the Anti-Bribery Management System;
8. Assigning responsibility, authority and independence to the Anti-Bribery Compliance Function;
9. Imposing sanctions for violators of the provisions in the Anti-Bribery Management System policy.

In addition, to understand the requirements of ISO 37001:2016 and identify the implementation of anti-bribery policies and procedures, Bank Mandiri also held training & refreshment related to ISO 37001:2016 Anti-Bribery Management System (SMAP).

Sanctions for violations at Bank Mandiri are classified into three categories: minor, moderate, and severe. Each violation is addressed in accordance with the Bank's Employee Discipline Regulations, ensuring that the response is proportionate to the severity of the offense. In addition, violations that fall under the criminal law are subject to legal sanctions as stipulated in prevailing laws and regulations.

Conclusion

Bank Mandiri is committed to creating a culture of integrity and transparency by implementing a strict anti-bribery and anti-corruption policy. All employees, partners, and stakeholders must be aware of these guidelines and work together to prevent any form of corruption or unethical conduct. Any violations of these policies will be subject to disciplinary action, as outlined in the Bank's Employee Relations policies.

By clearly defining the different types of gratification and providing concrete examples, this policy helps employees and stakeholders better understand the expectations and legal obligations surrounding bribery.