



PT Bank Mandiri (PERSERO) Tbk.

Sustainable Finance Framework

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Version 1.0

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1. Introduction

1.1 About Bank Mandiri

Established in 1998, state-owned enterprise PT Bank Mandiri (Persero) Tbk (“Bank Mandiri”) is the largest financial group in Indonesia with an overseas presence in 7 countries. Bank Mandiri provides a full suite range of services in Corporate Banking, Commercial & Business Banking, Micro & Retail Banking, Treasury & International Banking and Consumer Finance supported by various subsidiaries to further strengthen the bank's position as a prominent financial holding's institution in Indonesia.

Guided by the bank's vision to care for the interests of society and the environment, Bank Mandiri prioritizes the interests of society by implementing effective sustainability programs, namely: Sustainable Banking, Sustainable Operation, and Sustainable Beyond Banking (i.e., CSR and Financial Inclusion) that are detailed in Bank Mandiri Sustainability Report. Through these strategic priorities, Bank Mandiri will ultimately realize its aspirations as the *customers' preferred partner* by committing to ethical and sustainable practices, good corporate governance, quality human resources, and high shareholder returns.

1.2 Background

As a leading financial institution in Indonesia, Bank Mandiri recognizes the critical importance of sustainable finance and its role in contributing to Indonesia's national sustainability targets. Bank Mandiri has demonstrated its commitment to implementing sustainability initiatives through the development of a Sustainable Finance Action Plan (SFAP) according to OJK Regulation No. 51/POJK.03/2017.

As the bank has a substantial presence in various sectors of the economy, it is imperative for Bank Mandiri to develop a Sustainable Finance Framework that aligns with Indonesia's sustainability goals while addressing its own sectoral exposure and ESG (Environmental, Social, and Governance) commitments.

Bank Mandiri is embarking on the crucial endeavor of crafting a Sustainable Finance Framework to align with Indonesia's sustainability goals while addressing its substantial sectoral exposure and pre-established ESG commitments. With Indonesia's ambitious sustainability targets in mind, the bank seeks to systematically evaluate and manage sustainability risks and opportunities within its high-exposure sectors. This framework not only emphasize the bank's ESG pledges but also enhances transparency, guiding both internal and external stakeholders on the bank's sustainable financing approach. By establishing clear eligibility criteria for sustainable financing, Bank Mandiri aims to steer its resources towards projects and activities that contribute positively to environmental and social outcomes, furthering its role in responsible banking and supporting Indonesia's overarching sustainability objectives.

In summary, the development of a Sustainable Finance Framework for Bank Mandiri is vital because it provides a structured approach to implement sustainable finance, aligns the bank with national sustainability targets, addresses sectoral exposure and ESG commitments, and guides both internal and external stakeholders on the bank's stance and actions in sustainable financing. It is a strategic step towards responsible banking and supporting Indonesia's sustainability objectives.

1.3 Objectives

The Sustainable Finance Framework (“SFF” or “the Framework”) has been developed to align the bank’s business strategies with sustainable development goals, ensuring that its financial offerings, services, and operations contribute positively to the environment, societal advancement, and economic prosperity.

Particularly, the Framework serves to:

- Set out Bank Mandiri’s methodology to classify eligible sustainable financing activities, and set forth the criteria for the exclusion of activity to be identified as sustainable finance
- Provide a science-based approach criteria and processes for selecting, verifying, and reporting on sustainable projects to ensure transparency and accountability on Bank Mandiri’s sustainable financing initiatives
- Defining accountability mechanisms to ensure adherence to sustainability principles and in line with global regional and industry practices to mitigate potential greenwashing risks
- Engage with customers to adopt sustainable finance practices in their projects in the face of climate change, resource scarcity, and income inequality

The Framework is dynamic in nature and will be periodically reviewed and expanded as necessary to amend and/or add additional qualifying activities and/or criteria to meet any applicable regulatory requirements.

2. Sustainable Finance Framework Overview

Bank Mandiri has established the following Framework as part of our sustainability strategy. It demonstrates guidance for stakeholders including regulators, clients, investors, and internal Bank Mandiri on facilitating the classification, monitoring, and reporting of sustainable finance.

Driven by its commitment to sustainable progress, Bank Mandiri has committed to mobilizing capital for environmentally conscious and socially responsible projects. This Framework was developed to issue Green, Social, Sustainable loans or bonds, Sustainability Linked-loans or bonds, and other sustainable finance instruments in Bank Mandiri. For the issuance of Bonds, a separate, more specific framework aligned with the Green Bond Principles (GBP) will be established. This framework will be tailored to the specific purpose of the instrument’s issuance and developed in accordance with this Sustainable Finance Framework.

In developing this Framework, it reflects Bank Mandiri’s goal of contributing to the achievement of the United Nations’ Sustainable Development Goals (SDGs)¹ and align with the following standards and principles, but not limited to:

- Green (2021), Social (2023), Sustainability (2021), and Sustainability-linked (2023) Bond Principles, administered by the International Capital Markets Association (ICMA);
- Green (2023), Social (2023), and Sustainability-linked Loan Principles (2023) administered by the Loan Market Association (LMA);
- Climate Bonds Taxonomy (2021) administered by the Climate Bonds Initiative (CBI);
- EU Taxonomy (2021 & 2022) administered by the European Commission;
- ASEAN Green (2018), Social (2018), Sustainability (2018) Bonds, Sustainability-linked (2023) Bond Standards, and ASEAN Taxonomy for Sustainable Finance Version 2 (2023) administered by ASEAN Capital Markets Forum;

¹ <http://www.un.org/sustainabledevelopment/sustainable-development-goals/>

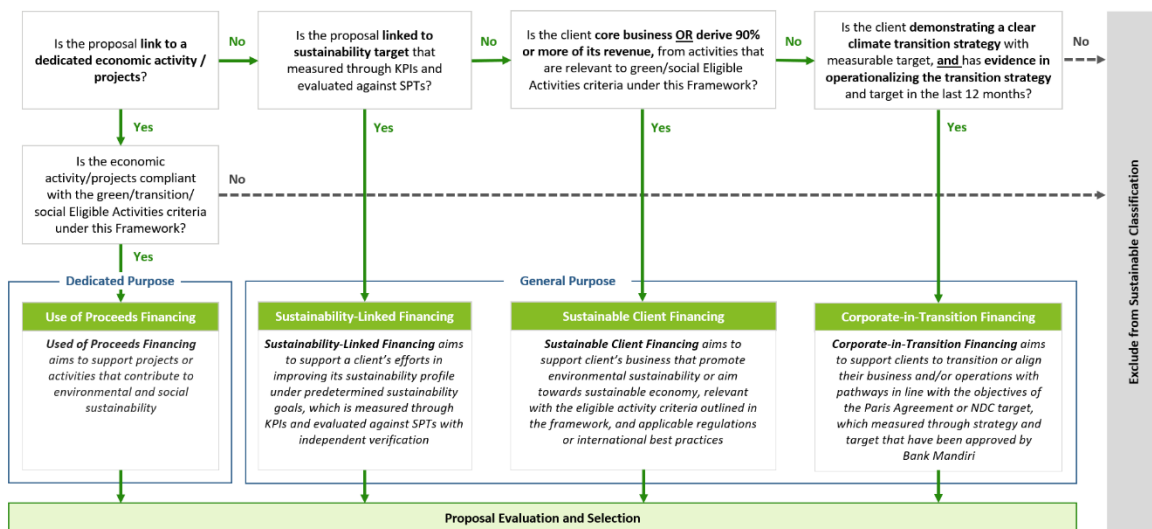
- POJK No. 51/2017² and POJK No. 18/2023³ administered by the Indonesia Financial Services Authority (OJK); and
- Taxonomy for Sustainable Finance in Indonesia (*Taksonomi Untuk Keuangan Berkelanjutan Indonesia*) (2024) administered by the Indonesia Financial Services Authority (OJK).

Alignment of sustainable financing with the standards and principles is presented in the Framework through the following structures:

- Use of Proceeds;
- Process for Proposal Evaluation and Selection;
- Management of Proceeds;
- Reporting; and
- External Review.

This Framework is forward looking and applies to transactions proposed after this framework is published. In addition, this Framework is a living document; any potential changes to this Sustainable Finance Framework with regards to the standards and principles will be incorporated in future versions of the Framework.

To be eligible for inclusion in sustainable financing, Bank Mandiri must first identify the nature of the proposal to be financed following the flowchart below, as different governance approaches should be taken to different financing purposes.



Bank Mandiri have defined the criteria and definition of eligible sustainable activity into Green, Transition, and Social as below:

Green Activity

Green activities are those that promote environmental sustainability or exhibit very low or zero emissions and are in alignment with the commitment to limit the global temperature rise to below 2°C, aiming ideally for a 1.5°C increase, inline with national target.

² *Pedoman Teknik POJK* No. 51/2017 provides technical guidance on definition and examples of *Kategori Kegiatan Usaha Berkelanjutan* (KKUB)

³ Regulation on issuance and requirements for debt and sukuk securities based on sustainability.

Transition Activity

Transition activity involves activities that currently not yet aligned with the commitment to limit the global temperature rise to below 2°C, aiming ideally for a 1.5°C increase, or inline with national target, but aim to achieve significant emission reductions in the short or medium term within a specified timeframe, by replacing carbon-intensive options or facilitate the broader use of less carbon-intensive alternatives.

Social Activity

Social activities are activities that directly aim to address or mitigate specific social issues and seek to achieve positive social outcomes, especially for target populations. The listed social activities are aligned with the nation's program.⁴

2.1 Use of Proceeds Financing

Use of Proceeds Financing means that the proceeds from the financing must be used for predetermined projects or initiatives that demonstrably contribute to sustainability objectives. It is eligible to be classified as sustainable finance if the activities meet one of the Eligible Activities criteria, whether it is green, transition, or social activity as defined in "Section 3. Eligible Activities" of the Framework.

2.2 Sustainability Linked Financing

Sustainability Linked Financing aims to support a client's efforts in improving its sustainability profile over the term of the loan, financing that isn't allocated for a specific sustainable project or activity. They do so by aligning loan terms to predetermined sustainability goals, which is measured through Key Performance Indicators (KPIs) and evaluated against Sustainability Performance Targets (SPTs).

The guideline for Sustainability Linked Financing is as below:

Selection of KPIs

KPIs must be linked to the core sustainability and business strategies of the client and address relevant environmental, social, and/or governance (ESG) challenges in the relevant industry sector. Client management must have control over the selected KPIs to ensure it is achievable by client actions

Client should provide a KPIs that have a clear definition, and include applicable scope or parameters, as well as calculation methodology that are measurable and able to be benchmarked against an industry standard and/or industry peers where feasible.

Calibration of SPTs

Client Sustainable Performance Targets (SPTs) per each of the selected KPIs should ensure material improvement in the respective KPIs. The defined SPTs should be ambitious and be beyond both a "business as usual" trajectory and regulatory required targets, consistent with the client's overall sustainability strategy on a predefined timeline, set before or concurrently with the origination of the

⁴ Indonesia is committed to the successful implementation of the Sustainable Development Goals (SDGs) by achieving the 2030 development agenda as published in https://sdgs.bappenas.go.id/website/wp-content/uploads/2021/02/Roadmap_Bahasa-Indonesia_File-Upload.pdf

loan. Where possible, the target should be able to be compared to a benchmark or an external reference.

Client SPTs settings should be based on its recent performance levels, or be based on a combination of benchmarking approaches of SPTs below:

- a. It is recommended to use client's own performance over time-period that agreed between client and Bank Mandiri on the selected KPI(s);
- b. Client's peers, i.e., the SPT's relative positioning versus client's peers' where available (average performance, best in class performance) and comparable, or versus current industry or sector standards; and/or
- c. Reference to the systematic reference, or official national/regional/international targets (Indonesia Sustainable Development Goals, Indonesia Long-Term Goal, Indonesia Net-Zero Target, etc.) or to recognized best-available-technologies or other proxies to determine relevant targets across ESG themes.

The client also needs to provide Bank Mandiri with information related to:

- a. The timelines for the target achievement, including the target observation date(s)/period(s), the trigger event(s) and the frequency of review of the SPTs;
- b. Where relevant, the baseline or reference point selected for improvement of KPIs as well as the rationale for that baseline or reference point to be used (including date/period);
- c. Where relevant, the situations where pro-forma adjustments or recalculations of baselines and/or recalculation of KPIs and subsequent SPTs will take place;
- d. Where possible and taking competition and confidentiality considerations into account, how the clients intend to reach the defined SPTs, e.g., by describing its ESG strategy, supporting ESG governance and investments, and its operating strategy, i.e. through highlighting the key levers or type of actions that are expected to drive the performance towards the SPTs as well as their expected respective contribution, in quantitative terms wherever possible; and
- e. Any other key factors and dependencies beyond the client's direct control that may affect the achievement of the SPTs.

Client also expected to obtain Second-Party Opinion or Internal Expertise for the proposed proposal before submitting to Bank Mandiri, to assess the relevance, robustness, and reliability of selected KPIs, the rationale and level of ambition of the proposed SPTs, the relevance and reliability of selected benchmarks and baselines, and the credibility of the strategy outlined to achieve them.

Loan Characteristic

Bank Mandiri financing structure and characteristic of Sustainability-Linked financing will be linked to whether the selected predefined SPT(s) are met. The achievement or non-achievement of SPTs will trigger a change in the financial or structural characteristics of the instrument that will be communicated and agreed between Bank Mandiri and the clients.

Reporting

Client should regularly report an up-to-date information to Bank Mandiri based on the agreed period, which must be sufficient to allow monitoring of SPTs performance and determine that the SPTs remain ambitious and relevant to the client's business. Sustainability confirmation statement with verification

report should be attached as part of the reporting, outlining the performance against the SPTs for the relevant year and the related impact, and timing of such impact on the loan's economic characteristics.

The report includes details of any underlying methodology of SPT calculations and/or assumptions taken, for Bank Mandiri to review the report.

Verification

Client must obtain independent and external verification of the performance level against each SPT for each KPI for any date/period relevant for assessing the SPT performance, Bank Mandiri will use this information to evaluate client's performance, that will lead to a potential adjustment of the loan economic characteristics, until after the last SPT trigger event of the loan has been reached.

The verification is a mandatory element to be completed by the client, and given to Bank Mandiri in timely manner, client should obtain the verification from a qualified external reviewer with relevant expertise, such as an auditor (by way of limited or reasonable assurance), environmental consultant and/or independent ratings agency.

2.3 Sustainable Client Financing

This type of financing is applicable for client entity-level financing, its purpose is to support client's business that promote environmental sustainability or aim towards sustainable economy, relevant with the eligible activity criteria outlined in the framework, and applicable regulations or international best practices.

Client's is eligible for financing if the **core business OR derived 90% or more of its revenue**, from activities that are relevant to eligible activities criteria under this Framework.

2.4 Corporate-in-Transition Financing

This type of financing is applicable for client entity-level financing, with the purpose to support clients to transition or align their business and/or operations with pathways in line with the objectives of the Paris Agreement or NDC target, which measured through strategy and target that have been approved by Bank Mandiri.

Client's is eligible for financing if **demonstrating a clear climate transition strategy with measurable target, and has evidence in operationalizing the transition strategy and target** in the last 12 months (e.g., divested from carbon-intensive assets, diversified from carbon-intensive activities, or decarbonized by demonstrated overall reduction in emission intensity)

3. Eligible Activities

Bank Mandiri embraces its responsibility as a leading player in transitioning our region towards a low-carbon, climate-resilient future. We conduct a comprehensive assessment to ensuring alignment with Eligible Green, Transition, and Social criteria. The client needs to fulfill the applicable eligibility criteria according to the selected activity label below:

3.1 Eligible Green and Transition Activities

This section sets out eligible green and transition activities including any specific excluded activities that would render a specific activity ineligible as a green or transition initiative. The activity should align with Green Theme, such as:

1. Renewable Energy;
2. Energy Efficiency;
3. Pollution Prevention and Control;
4. Environmentally Sustainable Management of Living Natural Resources and Land Use;
5. Terrestrial and Aquatic Biodiversity;
6. Clean Transportation;
7. Sustainable Water and Wastewater Management;
8. Climate Change Adaptation;
9. Eco-efficient Production;
10. Green Buildings; and
11. Other Sustainable-related Activities.

Additionally, it specifies the Sustainable Development Goals (SDGs) associated with each topic to the best of its ability, emphasizing the primary SDG impact of each activity. Bank Mandiri has provide several selected sectoral economic activities that can be labeled as “Green” or “Transition” in **Appendix 8.1: Eligible Green and Transition Activities**.

If the client submit proposal where the activities is not presented in the list on *Appendix 8.1*, Bank Mandiri will assess the alignment of the proposed project activity with relevant standards and principles used in the Framework.

3.2 Eligible Social Activities

Social activities considered eligible within this Framework are those promoting social projects aligned with standards and principles. These activities prioritize the improvement of basic infrastructure, access to essential services, affordable housing, employment generation, food security, and socioeconomic advancement to target populations or target areas. Examples of target populations and target areas include but are not limited to, those that are:

1. Living below the poverty line;
2. Excluded and/or marginalized populations and/or communities;
3. Vulnerable groups, including as a result of natural disasters;
4. Unemployed;
5. People with disabilities;
6. Migrants and/or displaced persons;
7. Undereducated; and
8. Underserved, owing to a lack of quality access to essential goods and services.

Bank Mandiri has identified several economic activities that can be labeled as “Social” in **Appendix 8.2: Eligible Social Activities**.

3.3 Exclusions

In managing our sustainability risks, we have set out minimum requirements that clients are expected to fulfill when seeking financing from Bank Mandiri. We restrict financing to clients who are found to be engaging in activities that Bank Mandiri has set out as prohibitions as per Bank Mandiri’s Exclusion List. For example:

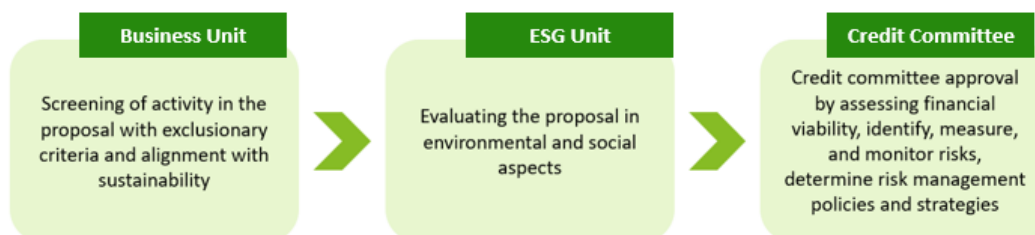
- Prohibit financing projects that endanger the environment;
- Illegal logging;
- Prohibit Peatland financing;
- Prohibit Gambling business;
- Prohibit Pornography & Human Right Violations; and
- Prohibit Drugs and Narcotics.

4. Process for Proposal Evaluation and Selection

The process of selection and evaluation for a proposal to qualify for sustainable finance is a critical component designed to ensure that all financed proposal meet and adhere to the highest standards of sustainability. Client should provide sustainable-related information in their proposal to communicate to Bank Mandiri the information below:

1. The environmental and social sustainability objectives of the proposal, within the context of the client’s business objectives, strategy, policy, and/or their business process relating to environmental and social sustainability;
2. The process on how the client determines the proposal can fits within the sustainability objectives, and its alignment with relevant official or market-based taxonomies, related eligibility criteria, including, if applicable, exclusion criteria, and disclose any standards or certifications referenced for the proposal. The client may involve third-party verification in their process as and when needed; and
3. Complementary information on the process where the client identifies and manages perceived social and environmental risks associated with the relevant proposal, and the process to identify the mitigants for the potential risk. The mitigants should include clear and relevant trade-off analysis as part of the information, and how the client monitors the potential risks.

The nominated proposal will be reviewed by Bank Mandiri by:



1. Preliminary screening of activity mentioned in the proposal with Bank Mandiri exclusionary criteria and alignment with sustainability criteria mentioned in Section 2 and 3. Projects that do not meet fundamental ESG standards are immediately excluded from Sustainable Financing scheme;
2. Based on the information provided in the proposal, Bank Mandiri will review whether the proposal qualify as sustainable financing through a comprehensive evaluation of the proposal's environmental and social aspects. If required, the client have to provide justification, third-party verification, and additional supporting information to complete the process; and
3. The eligible sustainable projects will then go through Bank Mandiri Credit Committee Review process to assess financial viability, identify, measure, and monitor risks, determine risk management policies and strategies. This will determine whether the proposal are approved for sustainable financing.

5. Monitoring & Management of Transactions

Bank Mandiri will track transactions of its sustainable financing through Bank Mandiri's internal information systems to ensure transparency and accountability.

Bank Mandiri will conduct periodic monitoring of the sustainable finance transaction to assess their progress and adherence to the Framework's criteria. This monitoring process will look at the information the client provided along with third-party verification as and when needed. This may involve desk reviews, field visits, and engagement with project developers and beneficiaries to identify any potential issues, risks, or challenges and ensure timely corrective actions are taken.

6. Reporting

Bank Mandiri upholds the value of importance of transparency and accountability in the bank's sustainable finance initiatives, and hence, commits to providing comprehensive and detailed reports on its sustainable finance activities. In reporting sustainability financing, the reports provide quantitative and qualitative information about the Bank Mandiri's efforts in maintaining and enhancing economic, social, and environmental performance, along with the impact of the efforts.

Bank Mandiri leverages both internal and external data to track and report progress on its sustainable financing activities. The reported data will be assessed and approved by relevant business teams and subject to reviewed by dedicated sustainable finance or sustainability teams if necessary.

The reporting of Bank Mandiri's sustainable financing activities is part of the Annual and Sustainability Report, in accordance with POJK No. 51/2017, where Bank Mandiri is obliged to submit a periodic report at least once a year.



7. External Review

Bank Mandiri has commissioned a Second Party Opinion to assess the Framework's alignment with relevant international standards. This Second Party Opinion is currently under development and will be updated after getting an opinion from Second Party Opinion.

To ensure continuous adherence to the methodology outlined in this Framework for all issued Sustainable Financing Instruments, Bank Mandiri will appoint Second Party Opinion provider as an annual verifier.

8. Appendix

8.1 Eligible Green and Transition Activities




Sector	Topic	Eligible Activities	Financing based on Use of Proceed Label		Theme	SDGs
			Green	Transition		
Electricity, Gas and Geothermal	Electricity Generation	Operational activities of electricity generation from renewable energy sources such as: <ol style="list-style-type: none"> Solar energy Wind power Ocean energy (tidal, wave) Hydropower Geothermal energy Bioenergy Waste-to-energy from Municipal Solid Waste (MSW)⁵ 	Yes		Renewable energy	 
		Operational activities of electricity generation from: <ol style="list-style-type: none"> Fossil gaseous fuels that emit low lifecycle GHG emissions align with applicable regulations or Taxonomy. Co-firing Biomass for Steam Power Plants (PLTU)⁶ 		Yes	Renewable energy	
	Transmission and Distribution	Businesses which facilitate electricity transmission and distribution based on renewables; repurposing gas networks for low carbon gases; constructing pipelines for transporting hydrogen or low carbon gases; and operating centralized heating/ cooling systems to promote decarbonization.	Yes		Renewable energy	

⁵ Aligned with Presidential Regulation No. 35 of 2018 on Accelerating the Construction of Waste Processing Installations into Electrical Energy Based on Environmentally Friendly Technology

⁶ In case the SNI is not yet available and/or does not comply with the required Biomass Fuel (B3m) standards, the Minister through the Director General can determine the B3m standards and quality for power plants by considering technological developments, producer capabilities, consumer capabilities and needs, specific conditions at each PLTU location and occupational safety and health as well as environmental management, as mentioned in Regulation of the Minister of Energy and Mineral Resources of the Republic of Indonesia (ESDM) No. 12/2023

Sector	Topic	Eligible Activities	Financing based on Use of Proceed Label		Theme	SDGs
			Green	Transition		
		Businesses which facilitate electricity transmission and distribution that are powered by both renewable energy sources and fossil fuels.		Yes	Renewable energy	
	Co-generation of heat/cool and power	Construction and operation of facilities co-generating electricity and heat/cool from Renewable Energy including Bioenergy (biomass, biogas, biomethane, or bioliquids).	Yes		Energy efficiency	
		Construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuel that emit low lifecycle GHG emissions align with applicable regulations or Taxonomy.		Yes	Energy efficiency	
	Energy Efficiency	Development and implementation of products or technology that reduce energy consumption or mitigate substantial GHG emissions over the baseline emissions. Examples include, but are not limited to: <ol style="list-style-type: none"> 1. Energy-efficient lighting (e.g., LEDs) 2. Improvement in energy services (e.g., smart grid meters) 3. Efficiency improvements for transmission and distribution of energy (e.g., smart grids) 4. Centralized energy control system 	Yes		Energy efficiency	
	Carbon Capture	Planning, design, development, implementation, and operations related to carbon capture, utilization and/or storage (“CCU”/ “CCS”), including bioenergy and carbon capture and storage (“BECCS”) and direct air capture (“DAC”). CCU where captured carbon is intended for enhanced oil recovery is excluded	Yes		Pollution prevention and control	
	Energy storage technologies	Planning, design, development, implementation, and operations related to all electrical storage systems which are available to provide power to electrical networks or loads, examples include, but are not limited to:	Yes		Energy efficiency	

Sector	Topic	Eligible Activities	Financing based on Use of Proceed Label		Theme	SDGs
			Green	Transition		
		<ol style="list-style-type: none"> 1. Electrochemical, such as battery storage, hydrogen storage (such as hydrogen storage tanks), supercapacitors or ultracapacitors 2. Mechanical, such as pumped hydro, flywheels, compressed air energy storage (CAES) 3. Thermal, including Underground Thermal Energy Storage (UTES) or Aquifer Thermal Energy Storage (ATES) 4. Power-to-gas (such as power-to-hydrogen, or power-to-synthetic gas, 'syngas') 				
		Storage of low-carbon gases, including the operation of facilities related to low carbon hydrogen, renewable-derived gases, fossil gases or mixtures		Yes	Energy efficiency	
	Bioenergy	Operational of facilities producing liquid biofuel, solid and gaseous biomass for heating, cogeneration, and electricity production	Yes		Renewable energy	
	Natural and Artificial Gas	Procurement and distribution of Natural and Artificial Gas that has an emissions reduction roadmap and achieved at least a Green PROPER rating or consistently met aspects of pollution control, environmental damage, and management of Hazardous and Non-Hazardous Waste as per the criteria of Green PROPER		Yes	Pollution prevention and control	
	Production of heat/cool	Construction or operation of facilities that produce heat/cool from renewable non-fossil gaseous and liquid fuels		Yes	Renewable energy	
	Coal phase-out acceleration	Acceleration of coal phase-out that aligned with criteria specified in Taxonomy or applicable Regulation		Yes	Pollution prevention and control	

Sector	Topic	Eligible Activities	Financing based on Use of Proceed Label		Theme	SDGs
			Green	Transition		
Agriculture and Farming	Sustainable Agriculture	<ol style="list-style-type: none"> 1. Agricultural production of low emission rice variety⁷ and organic agriculture product and supporting service⁸ 2. Agricultural techniques to improve productivity such as System Rice Intensification, vertical farming, hydroponics, green house farming, smart land use management and reduce agriculture emission through soil management, crop rotation, dry agriculture technique, drip irrigation technique⁹ and disease resistant, high yield, and low methane crop seed¹⁰ <p>Genetically modified organism (GMO) crops, dry agriculture practice in peatland area, and purchase of agriculture equipment that runs directly on fossil fuel such as those powered by diesel are excluded</p>	Yes		Environmentally sustainable management of living natural resources and land use	  
	Sustainable Farming	<ol style="list-style-type: none"> 1. Development, maintain and improvement of Animal waste management system, biogas production, and organic fertilizer from cattle manure¹¹ 2. Practice of Organic Farming or livestock production and or integrated agriculture-farming-forestry activity 	Yes		Environmentally sustainable management of living natural resources and land use	


⁷ Aligned with Indonesia Long Term Strategy for Low Carbon and Climate Resilient 2050, ENDC Section Agriculture, and Ministry of Agriculture Strategic Planning 2020-2024 to support GHG emission reduction by leverage low emission rice variety

⁸ These activities are eligible if meeting Indonesia National Standard for Organic Agriculture System SNI 6729: 2016 and Ministry of Agriculture Regulation no 64/Permentan/OT/.140/5/2013 about Organic Agriculture System

⁹ These activities are eligible if meeting Good Agricultural Practices Global GAP Certification

¹⁰ These activities should comply with crop seed regulation by Ministry of Agriculture No 990/HK.150/C/05/2015 about Technical Guidance for Crop Seed Production

¹¹ These activities are eligible if meeting Ministry of Agriculture Decree No. 261/KPTS/SR.310/M./4/2019 about minimum technical requirement of organic fertilizer, Indonesia National Standardization SNI 9107:2022 about Biogas Production, and Indonesia National Standard for Organic Farming System SNI 6729: 2016 section farming

Sector	Topic	Eligible Activities	Financing based on Use of Proceed Label		Theme	SDGs
			Green	Transition		
	Sustainable Plantation	<ol style="list-style-type: none"> 1. Sustainable plantation of palm oil cultivation, plantation, fertilization, and harvesting including implementation of organic fertilization¹² 2. Sustainable plantation activity of cultivation, plantation and harvesting of fruits, vegetables, and agri-commodities (rubber, coffee, cocoa, coconut, tea, coffee) including implementation of organic fertilization¹³ 	Yes		Environmentally sustainable management of living natural resources and land use	
Crude Palm Oil Processing and Cooking Oil Manufacturing	Fresh Fruit Brunches Collection and Milling	<ol style="list-style-type: none"> 1. Any activities of Fresh Fruit Brunches collection origination from certified plantation¹⁴ 2. Ecofriendly Palm Oil Milling¹⁵ 	Yes		Circular economy adapted products, production technologies and processes	
	Palm Oil Manufacturing	Palm oil manufacturing includes refineries processing and Production of palm oil derivatives such as cooking oil, margarine, and other product ¹⁶	Yes		Circular economy adapted products, production	




¹² These activities are eligible if meeting ISPO (Indonesia Sustainable Palm Oil) and or RSPO (Roundtable of Sustainable Palm Oil)) for upstream, proved by P&C certification. It is also stated in POJK 51 and Indonesia President Regulation no 44 of 2020 and Ministry of Agriculture regulation no 38 of 2020 about ISPO certification. Organic fertilization practices in plantation is encouraged since it is aligned with Indonesia Long Term Strategy for Low Carbon and Climate Resilient 2050 agenda

¹³ These activities are eligible if meeting Forest Stewardship Council (FSC) certification for rubber plantation; any plantation that eligible for one of following certification: organic, fair trade certified, UTZ certified, Rain Forest Alliance, Bird Friendly, 4C Association, CAFÉ. Organic fertilization practices in plantation is encouraged since it is aligned with Indonesia Long Term Strategy for Low Carbon and Climate Resilient 2050 agenda

¹⁴ Certified ISPO and or RSPO with Principle and Criteria Scheme (upstream)


¹⁵ Milling activity is eligible if comply with ISPO or RSPO with SCC (Supply Chain Certification) or ISCC (International Sustainability and Carbon Certification). Milling facility must obtain PROPER (Program Penilaian Peringkat Kinerja Perusahaan dalam Pengelolaan Lingkungan Hidup) minimum green level from MoFE. ISO 140001 certification and Green Industry Certification from Ministry of Industry is favorable

¹⁶ Manufacturing activity is eligible if comply with ISPO or RSPO with SCC (Supply Chain Certification) or ISCC (International Sustainability and Carbon Certification). Manufacturing facility must obtain PROPER (Program Penilaian Peringkat Kinerja Perusahaan dalam Pengelolaan Lingkungan Hidup) minimum green level from MoFE. ISO 140001 certification and Green Industry Certification from Ministry of Industry are favorable

Sector	Topic	Eligible Activities	Financing based on Use of Proceed Label		Theme	SDGs
			Green	Transition		
					technologies and processes	
Forestry	Afforestation, Reforestation, Rehabilitation, Restoration, Reclamation	<ol style="list-style-type: none"> 1. The establishment of forest through planting and/or deliberate seeding on land that, until then, was under a different land use, implies a transformation of land use from non-forest to forest or forest to forest 2. Maximizing the use of unproductive lands (idle lands) for the establishment of forest, agriculture, or plantations 3. Any intentional activity that initiates or accelerates the recovery of an ecosystem/land coverage from a degraded state¹⁷ 4. The re-establishment of forest through planting and/or deliberate seeding on land classified as forest. It implies no change of land use, includes planting/seeding of temporarily un-stocked forest areas as well as planting/seeding of areas with forest cover 5. Reclamation and post mining activity in forest area¹⁸ 	Yes		Terrestrial and aquatic biodiversity conservation	  

¹⁷ MoFE Regulation No. 23 of 2021 about Implementation of Forest Land and Rehabilitation

¹⁸ MoFE Regulation No. 3 of 2020 about Amendments to Law Number 4 of 2009 concerning Mineral and Coal Mining section strengthening policies related to environmental management in mining business activities, including the implementation of reclamation and post-mining and MoFE Regulation No. P.27/MENLHK/SETJEN/KUM.1/7/2018 about Guidelines for borrowing and using forest areas

Sector	Topic	Eligible Activities	Financing based on Use of Proceed Label		Theme	SDGs
			Green	Transition		
	Protection and Restoration of Peatland	Restoration of upland and lowland peatlands to enhance the sequestration and long-term storage of carbon from the atmosphere ¹⁹	Yes		Environmentally sustainable management of living natural resources and land use	
	Terrestrial and Aquatic Biodiversity Conservation	<ol style="list-style-type: none"> 1. Preservation, conservation and/or restoration of biodiversity and valuable natural habitats (e.g., peatland, wetlands, mangrove swamp) 2. Preservation and/or restoration of biodiversity in urban areas²⁰ 3. Wildlife habitat management (including planting and expanding hedgerows), rehabilitation, restoration, and conservation of ecosystems from a degraded state and rewilding projects 	Yes		Terrestrial and aquatic biodiversity conservation	
	Sustainable Commercial Forest Management	<ol style="list-style-type: none"> 1. The sustainable management, seeding, cultivation, harvesting, and mechanized utilization of forest resources for wood and non-wood products that comply with Indonesia policy and strengthen by eco-friendly certification²¹ 2. Practice of social forestry (<i>hutan adat and hutan desa</i>)²² 3. Any enhancement of current forest management and utilization to improve productivity such agroforestry or tumpangsari²³ 	Yes		Environmentally sustainable management of living natural resources and land use	





¹⁹ These activities are eligible if meeting Ministry of Forestry and Environment in Minister of Environment and Forestry Regulation No. 16/MENLHK/SETJEN/KUM.1/2/2017 concerning technical guidelines for peat ecosystem restoration





²⁰ It is required to comply Ministry of Agrarian and Spatial Planning No. 14 of 2022 about Open and Green Space Regulation

²¹ Commercial forestry products certified under one of the following schemes: Forest Stewardship Council (“FSC”), Indonesia Forestry Certification Cooperation (IFCC), Programme for the Endorsement of Forest Certification (PEFC), The Timber Legality Verification System, SVLK, certified projects that support the development of carbon offsets such as biological sequestration projects

²² FOLU Net Sink 2023. Ministry of Environment and Forestry

²³ Aligned with APHI (Asosiasi Pengusaha Hutan Indonesia) about Production Forest Development Roadmap





Sector	Topic	Eligible Activities	Financing based on Use of Proceed Label		Theme	SDGs
			Green	Transition		
		New natural forest and peatland conversion for land use change is excluded from Eligible Activities				
Transportation	Low-carbon Land and Water Transport	Purchase, financing, leasing, rental, and operations of low-carbon passenger or freight transportation (Electric, Hydrogen, and Hybrid Engine) through land, sea, and electrified train	Yes		Clean transportation	
	Low-carbon Aviation	Purchase, financing, leasing, rental, and operations of low-carbon energy efficient aircraft such as: <ol style="list-style-type: none"> Aircrafts with electric engines or hydrogen fuel cells Aircrafts powered by low GHG fuel (e.g. biofuel, synthetic fuels) 		Yes	Clean transportation	
	Low-carbon Infrastructure	Planning, design, construction / development, maintenance, and repair of Supporting Facilities and Infrastructure for low-carbon transportation		Yes	Clean transportation	
	Vehicle Energy Efficiency	Planning, design, construction / development, procurement, and operations of: <ol style="list-style-type: none"> Vehicle, rail, or boat fleet upgrades, which include replacement of engines with zero-emission technologies. The vehicles require to emitting Zero-Direct Emission (Including Electric or Green Hydrogen Technologies) Hybrid engines and technologies 	Yes		Clean transportation	 
	Transportation System Development	Planning, design, development, procurement, and operations of activity that deliver substantial GHG emissions savings: <ol style="list-style-type: none"> ICT that improves asset utilization, flow and modal shift Intermodal freight facilities Terminals to improve journey times Smart freight logistics Multi-modal logistics hubs Integration of transport and urban development planning 	Yes		Energy efficiency	

Sector	Topic	Eligible Activities	Financing based on Use of Proceed Label		Theme	SDGs
			Green	Transition		
	Biofuel	Planning, design, construction/ development, procurement, and operations of facilities producing biofuel, biomass, biogas including fuel preparation process facilities for transport	Yes		Renewable energy	 
Construction	Green buildings ²⁴	<p>Construction of new development or renovation of existing buildings must meet one of the following conditions:</p> <ol style="list-style-type: none"> 1. Receive “<i>Sertifikat Bangunan Gedung Hijau</i>”²⁵; OR 2. Receive “<i>Sertifikat Bangunan Ramah Lingkungan</i>”²⁶; OR 3. Have or are intended to meet the required certification rating of at least one of the following, but are not limited to: <ol style="list-style-type: none"> a. BREEAM: "Excellent" or above b. LEED: "Gold" or above c. Greenship: "Gold" or above d. EDGE: Certified e. Building and Construction Authorities (BCA): 85 or above <p>For building projects in developing but not high-income countries; Bank Mandiri may allow one level below the levels specified above (e.g., LEED Silver).</p> <p>As per the UN WESP report, Indonesia is classified as a Developing, Upper-Middle Income country.</p>	Yes		Green buildings	 

²⁴ Green buildings are environmentally friendly buildings that meet the national, regional, or international standards and/or certifications

²⁵ In alignment with Performance Assessment of Green Building decreed by Ministry of Public Works and Housing Regulation No. 21 of 2021


²⁶ In alignment with Green Building Requirements decreed by the Ministry of Environment Regulation No. 8 of 2010


Sector	Topic	Eligible Activities	Financing based on Use of Proceed Label		Theme	SDGs
			Green	Transition		
		Bank Mandiri may also consider other certification schemes if such schemes are evaluated to be equivalent and/or internationally recognized certification schemes				
	Residential, Commercial, Institutional, Public, and Non-Infrastructure Buildings	Renovation/refurbishment/retrofit of existing buildings: construction and civil engineering works including the preparation that leads to a reduction of primary energy demand (PED) ²⁷	Yes		Energy efficiency	 
		Application of measures to increase the energy efficiency of buildings and/or enabling use/production of renewable energies and energy-efficient technologies	Yes		Energy efficiency	
		Development/construction of new Green Residential Community (Hunian Hijau Masyarakat (H2M)) ²⁸	Yes		Green buildings	
	Green Road Infrastructure ²⁹	Construction of Road that aligned with Green Road criteria mentioned in relevant regulation, and received relevant Green Road rating or certification (e.g., Green Toll Road Indonesia certificate or other relevant certification)	Yes		Climate change adaptation	
	Network Infrastructure	Telecom towers upgrades and modernization of broadband network infrastructure, including cooling systems to enhance energy efficiency	Yes		Energy efficiency	



²⁷ If the building has already achieved a credible level of certification, then the retrofit expenditures that result in improvement of energy efficiency may be considered eligible

²⁸ In alignment with Ministry of Public Works and Housing's No. 21 of 2021, applies if the construction of H2M results to a collective reduction in Energy and Water consumption by 25% and 10% respectively from previous months

²⁹ In alignment with Ministry of Public Works and Housing's No. 05 of 2015, related to sustainable construction implementation and "SE Menteri PUPR No. 04/SE/M/2018". The project eligible if received certification related to green road implementation















Sector	Topic	Eligible Activities	Financing based on Use of Proceed Label		Theme	SDGs
			Green	Transition		
Oil and Gas Industry	Carbon Capture and Storage for Oil Mining	<p>Transport CO₂</p> <ol style="list-style-type: none"> CO₂ transported from the capture point to the injection point does not cause leakage above 0.5% of the CO₂ mass per year CO₂ is conveyed directly or indirectly to a permanent storage location that meets the criteria for underground geological CO₂ storage Implementation of a leakage detection system and the existence of a Measurement, Reporting, and Verification (MRV) plan that includes stages organized according to referenced standards and good engineering practices <p>Underground Permanent Geological CO₂ Storage</p> <ol style="list-style-type: none"> Conducting an assessment of the storage complex potential and its surroundings, or exploration is carried out to determine if the geological formation is suitable for use as a CO₂ storage site For the operation of underground geological CO₂ storage sites, including closure and post-closure obligations: a leakage detection system is implemented to prevent releases during operations There is a monitoring plan for injection facilities, storage sites, and the surrounding environment, with routine reports overseen by the relevant and competent national authorities Exploration and operation of storage sites comply with applicable standards 	Yes		Pollution prevention and control	
	Supporting Activities	<p>Research, development, and innovation for CCS-related technologies</p> <p>Activities that meet criteria 1 and 3 or criteria 2 and 3:</p> <ol style="list-style-type: none"> Research, development, or innovation activities for technologies, products, or other solutions dedicated specifically to CCS; 	Yes		Pollution prevention and control	











Sector	Topic	Eligible Activities	Financing based on Use of Proceed Label		Theme	SDGs
			Green	Transition		
		2. Implementation of technologies, products, or other solutions under research for CCS, with the potential to overall reduce GHG emissions when commercialized; 3. If technologies, products, or other solutions under research, development, or innovation: <ol style="list-style-type: none"> At Technology Readiness Level (TRL) 1 to 7, then the lifecycle GHG emissions are calculated by the researching party; or At TRL 8 or higher, then the lifecycle GHG emissions are calculated using ISO 14067:2018 or ISO 14064-1:2018 and verified by an independent third party. 				
Metal Ore Mining	Low-Carbon, Low Energy Mining	Activities in resulting Low-Carbon and Low Mining Activities, such as: <ol style="list-style-type: none"> Invest in minerals that are essential to driving green growth, for example copper and lithium Increase in recycling Energy and process efficiency Renewable power sources Fuel switch (such as hydrogen) and electrification of equipment Low carbon alternative technologies Carbon capture, utilization, and storage (CCUS) Carbon removal solutions 		Yes	Pollution prevention and control	
Basic Metal Industry	Low-Carbon, Low Energy Iron and Steel	Activities in resulting Low-Carbon and Low Energy Iron and Steel Industries, such as: <ol style="list-style-type: none"> Manufacturing of key components, equipment, and machinery for renewable energy technologies Development and manufacturing of low-carbon technologies that substantially reduce GHG emission Transition of industrial production to low-carbon and high-energy efficient production Electrification of ancillary equipment 		Yes	Energy efficiency	

Sector	Topic	Eligible Activities	Financing based on Use of Proceed Label		Theme	SDGs
			Green	Transition		
Processing Industry – Non-Metal	Manufacture of Cement ³⁰	<ol style="list-style-type: none"> Utilization of new cement chemistries or new concrete chemistries using less cement input Manufacture of cement clinker, cement, or alternative binder Recycling of un-hydrated cement and reuse of concrete Implementation of decarbonization technologies of cement manufacturing (e.g., switch to alternative fuels, carbon capture and storage, blended cement, kiln electrification from renewable energy source). Alternative fuels such as RDFs, plastic- or tire-derived fuels and/or other carbon rich waste inputs without sustainable sourcing policies is excluded. 		Yes	Pollution prevention and control	 

³⁰ In alignment with Regulation of the Minister of Industry of the Republic of Indonesia No. 26 of 2018 about Green Industry Standards (SIH) for the Portland Cement Industry, applies if manufacturing of cement resulting emission intensity less than 750 kg CO₂/ton cementitious

8.2 Eligible Social Activities

Theme	Sub-theme	Eligible Activities	SDGs
Affordable basic infrastructure	Telecommunication infrastructure and services	<ol style="list-style-type: none"> Development of telecommunication infrastructure and services to connect the rural areas and the smaller islands to such services Subsidized internet access 	
	Transportation infrastructure	<ol style="list-style-type: none"> Development of roads or other transportation infrastructure to improve connectivity in underdeveloped rural areas, or areas where road infrastructure is clearly inadequate. Development and improvement of highways in both urban and rural areas, and toll booths construction are excluded Subsidized access to public transportation infrastructure Development of sidewalks for public, including accessibility improvements for people with disabilities 	   
	Energy infrastructure	<ol style="list-style-type: none"> Development, expansion, or improvement of access to clean drinking water, sanitation and sewers. Desalination plants with dedicated onsite fossil fuel power is excluded Development and expansion of transmission and distribution infrastructure that improves access to electricity, where there is no access or access is substantially inadequate 	 
	Public infrastructure	<ol style="list-style-type: none"> Development and maintenance of natural disaster control infrastructures Rehabilitation of coastal habitats and ecosystems as a form of coastal disaster mitigation 	 
Access to essential services	Healthcare	<ol style="list-style-type: none"> Construction, development, or maintenance of public healthcare facilities, such as hospitals, clinics, health care center, pharmacies, etc. Development/maintenance of eldercare facilities that are publicly owned or private not-for-profit Operational of community-based healthcare, mental health care or social services, such as Posyandu, Polindes, Poskesdes Supply the healthcare equipment Program focusing on women's health, such as awareness programs of <i>Keluarga Berencana</i> (KB) services 	 
	Education	<ol style="list-style-type: none"> Construction or development of education facilities, such as public kindergartens, schools, vocational schools, training sessions, colleges and/or universities for target populations, underserved communities, and people with disabilities Subsidized public education programs Construction or development free or public libraries 	
	Financing and financial services	<ol style="list-style-type: none"> Provision of access to banking and financial services in underserved populations Implementation of financial literacy program 	 

Theme	Sub-theme	Eligible Activities	SDGs
	Cultural and Recreational	Construction or development of cultural centers, recreational centers, museums, parks, and other public spaces in underserved areas	 
Affordable housing	Affordable Housing	Provision of affordable housing and low-income housing to target populations	
Employment generation	Employment generation	<ol style="list-style-type: none"> 1. Employment generation through SME financing and micro financing 2. Training and development programs aimed to improve the employability and upskilling of target population 	  
Food security and sustainable food systems	Food security	<ol style="list-style-type: none"> 1. Program of enhancing access to nutrition, including food and clean drinking water, to address malnutrition concerns for target populations in areas experiencing significant challenges related to food security 2. Investment in the manufacture, logistics, provision and distribution of food and nutritional supplements in rural areas or target populations 3. Educational programs focusing on nutrition, healthy eating habits, and food preparation skills to promote healthier lifestyles 	 
	Sustainable food systems	<ol style="list-style-type: none"> 1. Provision of technical capacity building and agricultural training programs for smallholder farmers to improve nutritional quality and adoption of efficient farming practices from latest technology 2. Provision of equipment and facilities that help to prevent food loss and waste, improve productivity, and increase market access to smallholder producers 	
Socioeconomic advancement and empowerment	Socioeconomic advancement and empowerment	<ol style="list-style-type: none"> 1. Program that supports micro, small, and medium-sized enterprises growth and market competitiveness 2. Programs that promote gender equality, women's rights, and economic empowerment 	



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