



**PT Bank Mandiri (Persero) Tbk.**

# **Sustainable Finance Framework**

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**October 2024**

Version 1.1

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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 Indonesia’s leading financial institution with current overseas presence in 7 countries. Bank Mandiri plays a crucial role in supporting the country’s economic growth and significantly contributes to the financial sector’s development. Bank Mandiri provides a full suite of services in Corporate Banking, Commercial Banking, Treasury and International Banking, Government & Institutional, and Retail & Consumer Banking supported by various subsidiaries to further strengthen the bank's position as a prominent financial 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 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, sustainable practices and good corporate governance.

### 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 sustainability targets. Bank Mandiri has demonstrated its commitment to implementing sustainability initiatives through the development of a Sustainable Finance Action Plan accordance with OJK Regulation No. 51/POJK.03/2017.

Bank Mandiri is embarking on the crucial endeavor of crafting a Sustainable Finance Framework (“SFF”) to align with Indonesia's sustainability targets, while evaluating and addressing the bank's substantial sectoral exposure, sustainability risk and opportunities in addition to inlining pre-established ESG commitments. Bank Mandiri SFF not only emphasizes 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 Bank Mandiri SFF provides a structured approach to integrate ESG commitments and national sustainability targets into financial decision-making, outlines the bank's sectoral priorities, and guides both internal and external stakeholders on the bank's stance and actions in sustainable financing. This is a strategic step towards responsible banking and supporting Indonesia's sustainability objectives.

Alongside the SFF, Bank Mandiri is also advancing the development of a Transition Finance Framework (“TFF”). This separate framework broadens the scope and definition of transition financing, reinforcing Bank Mandiri’s commitment to support just transition.

### 1.3 Objectives

Bank Mandiri SFF has been developed to align the bank's business strategies with Indonesia's sustainability objectives and the United Nations' Sustainable Development Goals (SDGs), ensuring that its financial offerings, services, and operations contribute positively to the environment, societal advancement, and economic prosperity.

Particularly, the SFF serves to:

- Set out Bank Mandiri's methodology to classify eligible and exclusion activities on sustainable financing.
- Define a science-based approach criteria and processes for selecting, verifying, and reporting on sustainable projects align with global & national sustainability principles and industry practices.
- Provide transparency and accountability on Bank Mandiri's sustainable financing activities to mitigate potential greenwashing risks.
- Engage with customers to adopt sustainability in their business activities to contribute positive impact on environment and society.

## 2. Sustainable Finance Framework Overview

Bank Mandiri has established the SFF as part of our sustainability strategy. It demonstrates guidance for internal and external stakeholders (regulators, clients, and investors) 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 and socially responsible projects. The SFF was developed to issue Green, Social, Sustainable or Sustainability-linked financial products and services including loan, bond, and trade finance. Additional products may be developed and added on an ongoing basis.

The SFF reflects Bank Mandiri's goal to contribute to the United Nations' Sustainable Development Goals (SDGs)<sup>1</sup> and align with the following standards and principles:

- Green (2023), Social (2023), and Sustainability-linked (2023) Loan Principles administered by the Loan Market Association (LMA), the Asia Pacific Loan Market Association (APLMA) and the Loan Syndications and Trading Association (LSTA);
- Green (2021, with June 2022 Appendix I), Social (2023), Sustainability (2021), and Sustainability-linked (2023) Bond Principles administered by the International Capital Markets Association (ICMA);
- 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; EU Taxonomy (2021 & 2022) administered by the European Commission;
- Climate Bonds Taxonomy (2021) administered by the Climate Bonds Initiative (CBI);
- POJK No. 51/2017<sup>2</sup> and POJK No. 18/2023<sup>3</sup> 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)

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

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

<sup>3</sup> Regulation on issuance and requirements for debt and sukuk securities based on sustainability

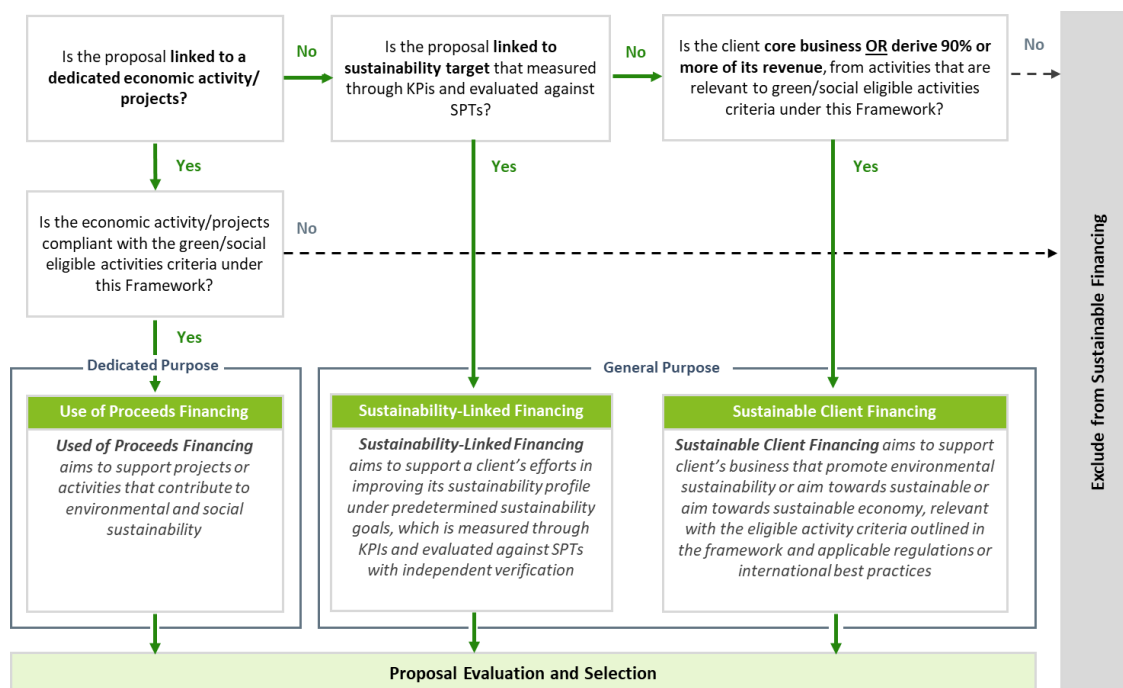
Alignment of sustainable financing with the standards and principles is presented in the SFF through the following structures:

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

The SFF is forward looking and applies to transactions proposed after its publication. In addition, the SFF is a living document and will be periodically reviewed; any potential changes with regards to the standards, principles, and applicable regulatory requirements will be incorporated in future versions of the SFF. Additionally, this SFF should be read alongside with Bank Mandiri Transition Finance Framework, which provides detailed guidance toward transition financing. These financing will also be acknowledged as Bank Mandiri’s contributions to achieve low carbon economy.

### Sustainable Finance Flowchart

The first step in defining the eligibility of sustainable financing is identifying the nature of the financing proposal. Additionally, the approaches taken with regards to different governance should be in accordance with the flowchart below.



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

### Green Activity

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

### ***Social Activity***

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

#### ***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 contribute to sustainability objectives. It is classified as sustainable finance if the activities meet one of the Eligible Activities criteria, whether it is green or social activity as defined in "Section 3. Eligible Activities" of Bank Mandiri SFF. Net proceeds raised under this framework will be exclusively allocated to finance or refinance new and/or existing eligible green and/or social projects.

#### ***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, or financing that is not allocated for a specific sustainable project or activity. Clients and Bank should align 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 and/or 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 their 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***

SPTs per each of the selected KPIs should ensure material improvement, ambitious, and be beyond both a "business as usual" trajectory and regulatory required targets. The SPTs settings should be based on its recent performance levels, or be based on a combination of benchmarking approaches below:

- a. Align with the client's performance over time-period that agreed between client and Bank Mandiri on the selected KPI(s);
- b. Comparison of the client's SPT with comparable client peers where available (average performance, best-in-class performance) or compared to the current industry or sector standards; and/or
- c. Refer to 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

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<sup>4</sup> 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](https://sdgs.bappenas.go.id/website/wp-content/uploads/2021/02/Roadmap_Bahasa-Indonesia_File-Upload.pdf)



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, 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; 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 a Second-Party Opinion or Internal Expertise for the 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 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 SFF, and applicable regulations or international best practices.

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

## **3. Eligible Activities**

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

### **3.1 Eligible Green Activities**

This section sets out eligible green activities including any specific excluded activities that would render a specific activity ineligible as a green 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. Green Technologies
8. Sustainable Water and Wastewater Management;
9. Climate Change Adaptation;
10. Circular Economy;
11. Green Buildings; and
12. Other Sustainable-related Activities.

The SFF is developed based on principles of scientific and credible, interoperable and supporting national interests, and inclusive by adopting four Environmental Objectives (EO) as the priority environmental performance target to be achieved, align with the Indonesian Taxonomy for Sustainable Finance (*Taksonomi Untuk Keuangan Berkelanjutan Indonesia*) (2024):

1. **Climate Change Mitigation (EO1):**

Focuses on the decarbonization pathway, which is an Activity that is align with the commitment to keep the global temperature rise to well below 2°C and pursuing efforts to limit the increase to 1.5°C, as outlined in the Paris Agreement. An activity is considered to fulfill EO1 if it contributes to one or more of the following: Avoids GHG emissions, reduces GHG emissions; or enables others to avoid or reduce GHG emissions.

2. **Climate Change Adaptation (EO2)**

The objective of this EO is to lower the negative effects caused by climate change and increase resilience to withstand adverse physical impact of current and future climate change.



### 3. Protection of Healthy Ecosystems and Biodiversity (EO3)

EO3 focuses on the incorporation of conservation, restoration, and protection mechanisms of the natural ecosystem and biodiversity. EO3 is location and context specific, typically relevant for activities related to the agriculture, forestry and fisheries, real estate and manufacturing sectors.

### 4. Resource Resilience and the Transition to a Circular Economy (EO4).

EO4 focuses on the materiality of Activities, and their impacts to business operations, through adoption of the following principles of circularity: Minimising resource use, optimising resource yield and closing resource loops through effective waste management.

Bank Mandiri has provided detailed criteria on several economic activities in **Appendix 8.1** for eligible green activities. Additionally, the SFF specifies the SDGs associated with each topic to the best of its ability, emphasizing the primary SDGs impact of each activity.

## 3.2 Eligible Social Activities

Social activities considered eligible within this SFF are promoting social benefits and are aligned with standards and principles. These activities prioritize the improvement of affordable basic infrastructure; access to essential services; affordable housing; employment generation; food security and sustainable food system; and socioeconomic advancement & empowerment to target populations or target areas. Examples of target populations or target areas include but are not limited to:

1. Living below the national poverty line<sup>5</sup> as defined by the Indonesian National Statistic Body;
2. Excluded and/or marginalized populations, those who lack of economic, educational<sup>6</sup>, and cultural support, those whose have lack of support in economy, education, and culture, and belong to an ethnic/religious minority;
3. Vulnerable groups, those whose conditions are determined by physical, social, economic and environmental factors or processes that increase the susceptibility of an individual, a community, assets or systems to the impacts of hazards<sup>7</sup>;
4. Unemployed; and
5. Underserved, which is defined as areas located in municipalities with a Human Development Index ranking that is below the national average<sup>8</sup>.

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

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<sup>5</sup> Referring to Badan Pusat Statistik (BPS), The Poverty Line is a minimum expenditure value for food and non-food needs that must be met in order not to be categorized as poor. Poor people are people whose average monthly per capita expenditure is below the Poverty Line. According to BPS, Indonesia’s Poverty Line in 2023 is Rp550,458/person/month. Sources: <https://www.bps.go.id/en/pressrelease/2023/07/17/2016/profil-kemiskinan-di-indonesia-maret-2023.html>

<sup>6</sup> Lack of education defined as those who do not meet the nine-year compulsory education requirements. As cited from PP No 47/2008 that Indonesia has a nine-year compulsory education program that encompasses elementary and junior high school education.

<sup>7</sup> Vulnerable populations definition is based on UU No 39/1999 about Human Rights. This population including people as a result of natural disasters, elderly, children, the poor, pregnant women, people with disabilities, refugees, indigenous peoples and migrant workers.

<sup>8</sup> As reference, Badan Pusat Indonesia mentioned Indonesia’s Human Development Index in 2023 is 74.39.

### 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 as prohibited as per Bank Mandiri’s Exclusion List, as follows:

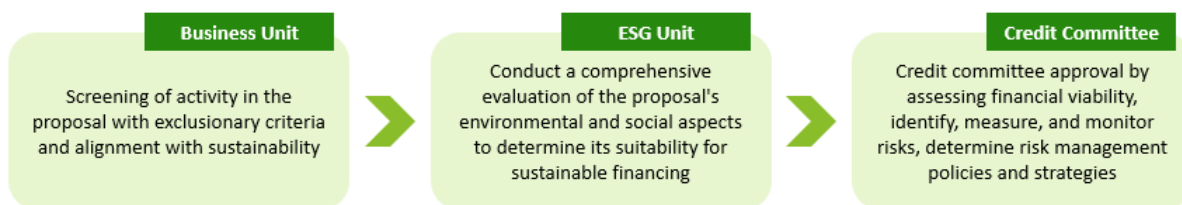
- Projects that endanger the environment;
- Illegal logging;
- Peatland financing;
- Gambling business;
- Pornography & Human Rights Violations; and
- Drugs and Narcotics.

## 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 client’s 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, manages, and mitigates the potential risks perceived social and environmental risks associated with the relevant proposal. 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. The business units will be responsible for nominating projects to finance or re-finance after screening these projects themselves with the eligibility and exclusionary criteria mentioned in Section 2 and 3. Projects that do not meet fundamental ESG standards are immediately excluded from Sustainable Financing scheme;
2. ESG unit will then review whether the proposal qualify as sustainable financing through a comprehensive evaluation of the proposal's environmental and social aspects. If required, the

client has to provide justification, third-party verification, and additional supporting information to complete the process; and

3. Credit Committee will then review the eligible sustainable projects to assess financial viability, identify, measure, and monitor risks, determine risk management policies and strategies. This will determine whether the proposal is approved for sustainable financing.

## 5. Monitoring & Management of Transactions

To ensure the continued eligibility of projects within the sustainable portfolio, Bank Mandiri will implement a robust monitoring and evaluation process. This process will begin with the establishment of a dedicated register its sustainable portfolio to meticulously track the allocation of proceeds through Bank Mandiri's internal information systems.

Periodic monitoring of sustainable finance transactions will be conducted to assess their progress and adherence to the SFF's criteria. This monitoring will utilize a combination of information provided by clients, third-party verification, desk reviews, and field visits if needed. By engaging with project developers and beneficiaries, Bank Mandiri aims to proactively identify any potential issues, risks, or challenges, enabling timely corrective action to be taken and ensuring that projects maintain alignment with the SFF's objectives throughout their lifecycle.

Bank Mandiri will monitor the proceeds allocation to the eligible asset list. If there are unexpected variations on projects' outstanding amount, Bank Mandiri will replace such assets on a timely basis. As long as the instrument is outstanding, Bank Mandiri aims to allocate an amount equivalent to the instrument's net proceeds toward Eligible Assets. Unallocated proceeds will be invested in cash or high-quality, marketable instruments such as government bonds, following Bank Mandiri's liquidity management strategy until appropriate uses are identified for the proceeds. The bank will continue to comply with the prohibitions list outlined in its Exclusion List (section 3.3).

## 6. Reporting

Bank Mandiri upholds the value of transparency and accountability, hence commits to provide comprehensive reports on its sustainable finance activities. The reports provide quantitative and qualitative information about the Bank Mandiri's efforts in maintaining and enhancing economic, social, and environmental performance.

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 units and subject to reviewed by the ESG unit.

Bank Mandiri's sustainable financing activities are reported in its Annual and/or Sustainability Report, in compliance with POJK No. 51/2017. The report includes information on a list of the green/social themes to which the Bank Mandiri's sustainable finance instrument proceeds have been allocated.

It includes brief description of the projects, the amount of allocated, the use of proceeds until the loan is fully drawn or the bond is fully allocated (includes the remaining balance of un-allocated proceeds for bonds instrument), on a timely basis if any material developments occur and where their expected and achieved impact which includes the target population for social instruments. Where confidentiality, agreements, competitive considerations, or a large number of underlying projects limit the amount of detail that can be made available, the information is presented in generic terms or on an aggregated portfolio basis.

Bank Mandiri use the qualitative performance indicators and, where feasible, quantitative performance measures (for example, energy capacity, electricity generation, greenhouse gas emissions reduced/avoided, resource efficiency etc.) to report on the environmental and social impact or efficiency of projects which refer to market guidance, such as the ICMA’s ‘Harmonised Framework for Impact Reporting for Green and Social Bonds’. Examples of relevant quantitative impact indicators will include as follow, but are not limited to:

<b>Eligible Green and Social Asset Theme</b>	<b>Impact Indicators</b>
Renewable Energy	<ul style="list-style-type: none"> <li>• Installed capacity MW;</li> <li>• Expected annual generation MWh;</li> <li>• Estimated annual Greenhouse Gas (GHG) emission avoided;</li> <li>• Number of households benefitting from affordable and clean energy;</li> <li>• Transmission lines miles.</li> </ul>
Energy Efficiency	<ul style="list-style-type: none"> <li>• Automated meters modules or number of smart meters provided;</li> <li>• Amount energy saved (MW);</li> <li>• Estimated GHG emissions reduced or avoided</li> </ul>
Green Building	<ul style="list-style-type: none"> <li>• Total loan amount / number of loans disbursed to green buildings</li> <li>• Type and number of certified green buildings financed</li> <li>• Annual energy savings</li> <li>• Annual avoidance/reduction of GHG emissions</li> </ul>
Education	<ul style="list-style-type: none"> <li>• Number of educational institution funded</li> <li>• Number of students supported</li> <li>• Number of years of education provided which is otherwise not accessible</li> </ul>
Healthcare	<ul style="list-style-type: none"> <li>• Number of hospital and other healthcare facilities built/upgraded</li> <li>• Number of beds</li> <li>• Number of residents benefitting from healthcare</li> </ul>
Decent Work and Economic Growth	<ul style="list-style-type: none"> <li>• Number of SMEs financed</li> <li>• Estimation of the number of employees of the financed SMEs</li> </ul>



## 7. External Review

Bank Mandiri Sustainable Finance Framework has received a second party opinion (SPO) for the eligible green and social activities by S&P Global Ratings, an independent leading provider of SPO.<sup>9</sup> Internally, Bank Mandiri ensures that all sustainable finance transactions adhere to the most current version of the SFF.

<sup>9</sup> The SPO covers the Use of Proceeds financing part of the SFF, as described in sections 3, 4, 5, 6 and 8 of the document, and its alignment with the Green Bond Principles 2021 (with June 2022 Appendix I), Social Bond Principles 2023, Sustainability Bond Guidelines 2021, Green Loan Principles 2023, and Social Loan Principles 2023.

## 8. Appendix

### 8.1 Eligible Green Activities


Sector	Topic	Eligible Activities	Theme - EO	SDGs
Electricity, Gas, Steam and Air Conditioning Supply	Electricity Generation	Operational activities of electricity generation from: <ol style="list-style-type: none"> <li>1. Solar energy</li> <li>2. Wind power (onshore/offshore)</li> <li>3. Ocean energy (tidal, wave)</li> <li>4. Hydropower:               <ol style="list-style-type: none"> <li>a. The electricity generation facility is a run-of-river plant; <b>OR</b> The power density of the electricity generation facility is above 4 W/m<sup>2</sup>; <b>AND</b></li> <li>b. The GHG emissions lower than 100 g CO<sub>2</sub>e/kWh.</li> </ol> </li> <li>5. Geothermal energy with GHG emissions are lower than 100 g CO<sub>2</sub>e/kWh during the PPA term;</li> <li>6. Bioenergy:               <ol style="list-style-type: none"> <li>a. The GHG emissions are lower than 100 g CO<sub>2</sub>e/kWh;</li> <li>b. Certified in the sustainability of bioenergy according to applicable provisions and regulations such as ISPO and ISSC Certification;</li> <li>c. If the energy source comes from biogas, there should be management and monitoring procedures as well as contingency plans in case of methane gas leakage; <b>AND</b></li> <li>d. If the energy source comes from an energy plantation under control, there should be sustainable management of biomass fuel supply following applicable regulations and provisions.</li> </ol> </li> <li>7. Hydrogen with lifecycle GHG emissions by the entire facilities &lt;100 gCO<sub>2</sub>e/kWh</li> <li>8. Waste-to-energy from Municipal Solid Waste (MSW) where majority of recyclables are segregated before incineration. The use of MSW for electricity generation in Garbage Power Plant (PLTSa) and the use of MSW for RDF (refuse-derived fuels)<sup>10</sup>. Bank Mandiri ensure the client demonstrate a commitment to the waste management hierarchy,</li> </ol>	Renewable energy - Climate Change Mitigation	 

<sup>10</sup> Aligned with Presidential Regulation No. 35 of 2018 on Accelerating the Construction of Waste Processing Installations into Electrical Energy Based on Environmentally Friendly Technology **AND** Regulation of the Minister of Environment and Forestry of the Republic of Indonesia number 15 of 2019 on Emission Quality Standard of Thermal Power Plants

Sector	Topic	Eligible Activities	Theme - EO	SDGs
		<p>which prioritizes waste prevention, reduction, reuse, and recycling efforts before resorting to waste-to-energy solutions.</p> <p>Excluded from eligibility are bioenergy derived from non-sustainably produced crops and the use of conventional food or feed crop-based feedstocks</p> <p>Manufacture of renewable energy technologies, including equipment for renewable energy generation connected to renewables as defined under the “Electricity generation”. Examples could include wind turbines, solar panels, hydrogen, technology and equipment for the development of eligible hydro projects as defined above</p>		
	Transmission and Distribution	<p>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.</p> <p>Excluded from eligibility are district heating or cooling system generated from bioenergy derived from non-sustainably produced crops, the use of conventional food or feed crop-based feedstocks, the use of fossil fuel and if these pipes carry natural gas or blended mixtures</p> <p>The development, manufacture, installation of technologies/components that enable more efficient Transmission and Distribution and/or end-user demand management, in particular, smart grid – smart meters, Wide Area Monitoring System, and monitoring and control automation devices</p>	Renewable energy - Climate Change Mitigation	
	Co-generation of heat/cool and power	<p>Construction and operation of facilities co-generating electricity and heat/cool from Renewable Energy including Bioenergy (biomass, biogas, biomethane, or bioliquids).</p> <p>Excluded from eligibility are bioenergy derived from non-sustainably produced crops and the use of conventional food or feed crop-based feedstocks</p>	Energy efficiency - Climate Change Mitigation	
	Energy Efficiency	<p>Development and implementation of products or technology that reduce energy consumption or mitigate GHG emissions by 20% or more over the baseline. Examples include, but are not limited to:</p> <ol style="list-style-type: none"> <li>1. Energy-efficient lighting (e.g., LEDs)</li> <li>2. Improvement in energy services (e.g., smart grid meters)</li> </ol>		

Sector	Topic	Eligible Activities	Theme - EO	SDGs
		3. Efficiency improvements for transmission and distribution of energy (e.g., smart grids) 4. Centralized energy control system  Excluded from eligibility are energy efficiency improvement in fossil fuel assets		
	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”). Excluded from eligibility are CCS application from fossil fuel process, CCU where captured carbon is intended for enhanced oil recovery (EOR), and bioenergy derived from non-sustainably produced crops and the use of conventional food or feed crop-based feedstocks and is not eligible	Green technologies - Climate Change Mitigation	
	Energy storage technologies	Planning, design, manufacture, 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: <ol style="list-style-type: none"> <li>1. Electrochemical, such as battery storage, hydrogen storage (such as hydrogen storage tanks), supercapacitors or ultracapacitors, green hydrogen fuel cells</li> <li>2. Mechanical, such as pumped hydro, flywheels, compressed air energy storage (CAES)</li> <li>3. Thermal, including Underground Thermal Energy Storage (UTES) or Aquifer Thermal Energy Storage (ATES)</li> <li>4. Power-to-gas (such as power-to-green hydrogen, or power-to-synthetic gas, ‘syngas’)</li> </ol>		
	Bioenergy	Operational of facilities producing liquid biofuel, solid and gaseous biomass for heating, cogeneration, and electricity production. Excluded from eligibility are bioenergy derived from non-sustainably produced crops and the use of conventional food or feed crop-based feedstocks	Renewable energy - Climate Change Mitigation	



Sector	Topic	Eligible Activities	Theme - EO	SDGs
	Early retirement of Coal Fired Power Plant (CFPP)	Acceleration of CFPP phase-out that aligned with criteria specified in Taxonomy <sup>11</sup> or applicable Regulation. The replacement of the power capacity should be coming from renewable sources	Pollution prevention and control - Climate Change Mitigation	
Agriculture and Farming	Sustainable Agriculture	<ol style="list-style-type: none"> <li>Agricultural production of low emission rice variety<sup>12</sup> and organic agriculture product and supporting service<sup>13</sup></li> <li>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 technique<sup>14</sup> and disease resistant, high yield, and low methane crop seed<sup>15</sup></li> </ol> <p>Excluded from eligibility are 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</p>	Environmentally sustainable management of living natural resources and land use - Protection of Healthy Ecosystems and Biodiversity	
	Sustainable Farming	<ol style="list-style-type: none"> <li>Development, maintain and improvement of Animal waste management system, biogas production, and organic fertilizer from cattle manure<sup>16</sup></li> <li>Practice of Organic Farming or livestock production and or integrated agriculture-farming-forestry activity. Bank Mandiri ensure the commitment to focus on improving productivity through better management practices</li> </ol>		

<sup>11</sup> Refer to Indonesia Taxonomy for Sustainable Finance (2024) and ASEAN Taxonomy for Sustainable Finance (2024)



<sup>12</sup> 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

<sup>13</sup> 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

<sup>14</sup> These activities are eligible if meeting Good Agricultural Practices Global GAP Certification

<sup>15</sup> 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

<sup>16</sup> 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	Theme - EO	SDGs
	Sustainable Plantation	Sustainable plantation activity of cultivation, plantation, and harvesting of fruits, vegetables, and agri-commodities (such as rubber, coffee, cocoa, coconut, tea, coffee) including implementation of organic fertilization. <sup>17</sup>		
Forestry	Afforestation, Reforestation, Rehabilitation, Restoration, Reclamation	<ol style="list-style-type: none"> <li>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.</li> <li>Maximizing the use of unproductive lands (idle lands) for the establishment of forest, agriculture, or plantations</li> <li>Any intentional activity that initiates or accelerates the recovery of an ecosystem/land coverage from a degraded state<sup>18</sup></li> <li>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</li> </ol>	Environmentally sustainable management of living natural resources and land use - Protection of Healthy Ecosystems and Biodiversity	
	Protection and Restoration of Peatland	Restoration of upland and lowland peatlands to enhance the sequestration and long-term storage of carbon from the atmosphere		
	Terrestrial and Aquatic Biodiversity Conservation	<ol style="list-style-type: none"> <li>Preservation, conservation and/or restoration of biodiversity and valuable natural habitats (e.g., peatland, wetlands, mangrove swamp)</li> <li>Preservation and/or restoration of biodiversity in urban areas<sup>19</sup></li> <li>Wildlife habitat management (including planting and expanding hedgerows), rehabilitation, restoration, and conservation of ecosystems from a degraded state and rewilding projects</li> </ol>		
	Sustainable Commercial Forest Management	<ol style="list-style-type: none"> <li>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 certification<sup>20</sup></li> </ol>		

<sup>17</sup> 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

<sup>18</sup> MoFE Regulation No. 23 of 2021 about Implementation of Forest Land and Rehabilitation







<sup>19</sup> It is required to comply Ministry of Agrarian and Spatial Planning No. 14 of 2022 about Open and Green Space Regulation

<sup>20</sup> 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

Sector	Topic	Eligible Activities	Theme - EO	SDGs
		2. Practice of social forestry ( <i>hutan adat and hutan desa</i> ) <sup>21</sup> 3. Any enhancement of current forest management and utilization to improve productivity such agroforestry or tumpangsari <sup>22</sup>  Excluded from eligibility are new natural forest and peatland conversion for land use change		
Transportation	Low-carbon Land and Water Transport	1. Development, manufacture, purchase, financing, leasing, rental, and operations of low-carbon passenger or freight transportation (Electric, Hydrogen, and Hybrid Engine) through land, sea, and electrified train.  2. Production of technologies/equipment that support the above, in particular, EV batteries and its specialized parts.  Excluded from eligibility are activities dedicated to the transportation of fossil fuel	Clean transportation - Climate Change Mitigation	
	Low-carbon Infrastructure	Planning, design, manufacture / construction / development / installation, maintenance, and repair of Supporting Facilities and Infrastructure for low-carbon transportation (road, rail, water, aviation) for example charging stations for electric vehicles, hydrogen fueling stations, Infrastructure related for electrified freight rail		
	Vehicle Energy Efficiency	Planning, design, manufacture / construction / development, procurement, and operations of: 1. 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) 2. Hybrid engines and technologies  Excluded from eligibility is efficiency improvements involving conventional fossil fuel combustion engine		 

<sup>21</sup> FOLU Net Sink 2023. Ministry of Environment and Forestry




<sup>22</sup> Aligned with APHI (*Asosiasi Pengusaha Hutan Indonesia*) about Production Forest Development Roadmap

Sector	Topic	Eligible Activities	Theme - EO	SDGs
	Transportation System Development	<p>Planning, design, development, procurement, and operations of activity that deliver substantial GHG emissions savings:</p> <ol style="list-style-type: none"> <li>1. ICT that improves asset utilization, flow and modal shift</li> <li>2. Intermodal freight facilities</li> <li>3. Terminals to improve journey times</li> <li>4. Multi-modal logistics hubs</li> <li>5. Integration of transport and urban development planning</li> </ol>	Energy efficiency - Climate Change Mitigation	
	Biofuel	<p>Planning, design, construction/ development, procurement, and operations of facilities producing biofuel, biomass, biogas including fuel preparation process facilities for transport sourced from a sustainable feedstock.</p> <p>Excluded from eligibility are bioenergy derived from non-sustainably produced crops and the use of conventional food or feed crop-based feedstocks</p>	Renewable energy - Climate Change Mitigation	 
Construction	Green buildings <sup>23</sup>	<p>Construction of new development or renovation of existing buildings must meet one of the following conditions:</p> <ol style="list-style-type: none"> <li>1. Receive “<i>Sertifikat Bangunan Gedung Hijau</i>”<sup>24</sup> with Category “Utama”; OR</li> <li>2. 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"> <li>a. BREEAM: "Very Good" or above</li> <li>b. LEED: "Silver" or above</li> <li>c. Greenship: "Silver" or above</li> <li>d. EDGE: Certified</li> <li>e. Building and Construction Authorities (BCA): Gold or above</li> </ol> </li> </ol> <p>Excluded from eligibility is Green building in direct fossil fuel production activity i.e. green building in oil drilling activity or refinery</p>	Green buildings - Climate Change Mitigation	 
	Residential, Commercial, Institutional,	<p>Renovation / refurbishment / retrofit of existing buildings: construction and civil engineering works including the preparation<sup>25</sup>.</p> <p>These activities are eligible if meeting the following criteria:</p>	Energy efficiency - Climate Change Mitigation	


<sup>23</sup> Green buildings are environmentally friendly buildings that meet the national, regional, or international standards and/or certifications

<sup>24</sup> In alignment with Performance Assessment of Green Building decreed by Ministry of Public Works and Housing Regulation No. 21 of 2021

<sup>25</sup> 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








Sector	Topic	Eligible Activities	Theme - EO	SDGs
	Public, and Non-Infrastructure Buildings	<ol style="list-style-type: none"> <li>The building renovation must comply with the applicable requirements for major renovations</li> <li>Alternatively, the construction should lead to a reduction of primary energy demand (PED) of at least 30%</li> <li>If the building has already achieved a credible level of certification, then the retrofit expenditures that result in improvement of energy efficiency is considered eligible</li> </ol>		
		Manufacture, installation of energy efficiency technologies and/or enabling use/production of renewable energies such as efficient appliances, LED lighting, smart meters, high efficiency windows, energy-efficient HVAC systems, building management systems etc.		
		Development/construction of new Green Residential Community (Hunian Hijau Masyarakat (H2M)) <sup>26</sup>		
	Network Infrastructure	Telecom towers upgrades and modernization of broadband network infrastructure, including cooling systems to enhance energy efficiency	Energy efficiency - Climate Change Mitigation	
Oil and Gas Industry	CO <sub>2</sub> Transport and Storage – from Hard to Abate Industry	<p><b>CO<sub>2</sub> Transport</b></p> <ol style="list-style-type: none"> <li>CO<sub>2</sub> transported from the capture point to the injection point does not cause leakage above 0.5% of the CO<sub>2</sub> mass per year</li> <li>CO<sub>2</sub> is conveyed directly or indirectly to a permanent storage location that meets the criteria for underground geological CO<sub>2</sub> storage</li> <li>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</li> </ol> <p><b>Underground Permanent Geological CO<sub>2</sub> Storage</b></p> <ol style="list-style-type: none"> <li>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 CO<sub>2</sub> storage site</li> </ol>	Green technologies - Climate Change Mitigation	

<sup>26</sup> 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










Sector	Topic	Eligible Activities	Theme - EO	SDGs
		<ol style="list-style-type: none"> <li>2. For the operation of underground geological CO<sub>2</sub> storage sites, including closure and post-closure obligations: a leakage detection system is implemented to prevent releases during operations</li> <li>3. 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</li> <li>4. Exploration and operation of storage sites comply with applicable standards</li> </ol> <p>Excluded from eligibility are CO<sub>2</sub> comes from coal power generation, oil and gas refining/extraction processes, EOR and new coal activity.</p>		
	Supporting Activities	<p><b>Research, development, and innovation for CCS-related technologies, for examples:</b></p> <ol style="list-style-type: none"> <li>1. Advanced Materials for CO<sub>2</sub> Capture: Developing materials like metal-organic frameworks (MOFs) for efficient CO<sub>2</sub> absorption from flue gases</li> <li>2. Direct Air Capture (DAC): Developing large-scale systems to capture CO<sub>2</sub> directly from the ambient air using advanced chemical processes</li> <li>3. Bioenergy with Carbon Capture and Storage (BECCS): Researching the feasibility of combining biomass energy production with CCS for negative emissions</li> <li>4. Geological Storage: Conducting large-scale CO<sub>2</sub> injection projects to study long-term underground storage safety and stability</li> </ol> <p>Activities that meet criteria 1 and 3 or criteria 2 and 3:</p> <ol style="list-style-type: none"> <li>1. Research, development, or innovation activities for technologies, products, or other solutions dedicated specifically to CCS;</li> <li>2. Implementation of technologies, products, or other solutions under research for CCS, with the potential to overall reduce GHG emissions when commercialized;</li> <li>3. If technologies, products, or other solutions under research, development, or innovation:               <ol style="list-style-type: none"> <li>a. At Technology Readiness Level (TRL) 1 to 7, then the lifecycle GHG emissions are calculated by the researching party; or</li> </ol> </li> </ol>		








Sector	Topic	Eligible Activities	Theme - EO	SDGs
		<p>b. 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.</p> <p>Excluded from eligibility are EOR and new coal activity.</p>		

## 8.2 Eligible Social Activities

Theme	Sub-theme	Eligible Activities	SDGs
Affordable basic infrastructure	Telecommunication infrastructure and services	<ol style="list-style-type: none"> <li>Development of telecommunication infrastructure and services to connect the rural areas and the smaller islands to such services for underserved and marginalized communities</li> <li>Subsidized internet access</li> </ol> <p>Target population: underserved and marginalized communities</p>	
	Transportation infrastructure	<ol style="list-style-type: none"> <li>Development of roads or other transportation infrastructure to improve connectivity in underdeveloped rural areas, or areas where road infrastructure is clearly inadequate. Excluded from eligibility are development and improvement of highways in both urban and rural areas, and toll booths construction.</li> <li>Subsidized access to public transportation infrastructure in underdeveloped rural areas</li> <li>Development of sidewalks for public, including accessibility improvements for people with disabilities</li> </ol>	   
	Energy infrastructure	<ol style="list-style-type: none"> <li>Development, expansion, or improvement of access to clean drinking water, sanitation and sewers. Excluded from eligibility is Desalination plants with dedicated onsite fossil fuel power.</li> <li>Development and expansion of transmission and distribution infrastructure that improves access to electricity, where there is no access or access is substantially inadequate.</li> </ol> <p>Target population: underserved and marginalized community</p>	 



Theme	Sub-theme	Eligible Activities	SDGs
	Public infrastructure	<ol style="list-style-type: none"> <li>1. Strengthening Community Resilience through Disaster Control Infrastructure (e.g. early warning systems, flood control measures, and storm shelters)</li> <li>2. Empowering Coastal Communities through Ecosystem Restoration. This includes rehabilitation and restoration of coastal habitats and ecosystems to mitigate the effects of coastal disasters</li> </ol> <p>Target population: communities affected by natural disasters, including low-income households, marginalized groups, and those living in high-risk areas.</p>	 
Access to essential services	Healthcare	<ol style="list-style-type: none"> <li>1. Construction, development, or maintenance of public healthcare facilities, such as hospitals, clinics, health care center, pharmacies, etc</li> <li>2. Development/maintenance of eldercare facilities that are publicly owned or private not-for-profit</li> <li>3. Operational of community-based healthcare, mental health care or social services, such as Posyandu, Polindes, Poskesdes</li> <li>4. Supply the healthcare equipment</li> <li>5. Program focusing on women's health, such as awareness programs of <i>Keluarga Berencana</i> (KB) services</li> </ol> <p>Target population: underserved community</p>	 
	Education	<ol style="list-style-type: none"> <li>1. Construction or development of education facilities, such as public kindergartens, schools, vocational schools, training sessions, colleges and/or universities for target populations.</li> <li>2. Subsidized public education programs particularly low-income students, and educators</li> <li>3. Construction or development free or public libraries</li> </ol>	
	Financing and financial services	<ol style="list-style-type: none"> <li>1. Provision of access to banking and financial services</li> <li>2. Implementation of financial literacy program</li> </ol> <p>Target population: underserved and marginalized population</p>	 
	Cultural and Recreational	Construction or development of cultural centers, recreational centers, museums, parks, and other public spaces in underserved areas	 

Theme	Sub-theme	Eligible Activities	SDGs
Affordable housing	Affordable Housing	Development and/or provision of affordable and low-income housing, shelters, community housing, student housing for low-income or marginalized communities according to local government definitions <sup>27</sup> .	
Food security and sustainable food systems	Food security	<ol style="list-style-type: none"> <li>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</li> <li>2. Investment in the manufacture, logistics, provision and distribution of food and nutritional supplements in rural areas or target populations</li> <li>3. Educational programs focusing on nutrition, healthy eating habits, and food preparation skills to promote healthier lifestyles</li> </ol>	 
	Sustainable food systems	<ol style="list-style-type: none"> <li>1. Provision of technical capacity building and agricultural training programs for smallholder farmers<sup>28</sup> to improve nutritional quality and adoption of efficient farming practices from latest technology</li> <li>2. Provision of equipment and facilities that help to prevent food loss and waste, improve productivity, and increase market access to smallholder producers</li> </ol>	
Socioeconomic advancement and empowerment & employment generation	Socioeconomic advancement and empowerment & employment generation	<ol style="list-style-type: none"> <li>1. Program that supports micro, small, and medium-sized enterprises (MSME) growth and market competitiveness, including SME financing and micro financing<sup>29</sup>, residing in socioeconomically disadvantaged</li> <li>2. Programs that promote gender equality, women's rights, and economic empowerment</li> <li>3. Training and development programs aimed to improve the employability and upskilling of target population, Focused on underserved populations, including females and youth borrowers</li> </ol> <p>Target population: underserved and marginalized population</p>	  

<sup>27</sup> Regulation of Minister of Public Works and Public Housing No 1/2021, about criteria for low-income communities and requirements for acquisition of houses

<sup>28</sup> Based on Constitutional Court (MK) Decision Number MK 99/PUU-X/2012, small farmers are defined as those who work daily in the agricultural sector with an income that is just enough to meet their living needs

<sup>29</sup> MSME definition adheres to the Law No. 20 of 2008 on MSMEs. This definition categorizes businesses based on factors like annual sales and net worth. Microfinance refers to providing financial services like loans, savings accounts, and money transfer services to low-income entrepreneurs or individuals who wouldn't qualify for traditional bank loans



PT Bank Mandiri (PERSERO) Tbk.

# Sustainable Finance Framework

