

## Overview of Sustainable Project Finance Policy

### About this policy

Bank Mandiri provides project financing as a medium - to long-term credit facility for the development of infrastructure, industry or public services where credit repayment are sourced from cash flow generated by the project. Recognizing the complex nature of such infrastructure and development initiatives, Bank Mandiri acknowledges that large-scale projects can pose significant environmental and social risks, including potential adverse impacts on ecosystems and affected communities.

In alignment with our commitment to responsible and sustainable financing, Bank Mandiri upholds environmental and social risk management across all financing activities. This commitment is reflected in our internal policies, which require all financing decisions to consider environmental integrity, social responsibility, and regulatory compliance. As a general principle, Bank Mandiri applies its responsible financing policy across all financing types, incorporating due diligence that aligns with national requirements, particularly those related to Environmental Impact Assessments and other environmental approvals.

For project financing, Bank Mandiri upholds national regulatory requirements as the foundation for all project financing assessments, with particular attention to environmental and social compliance. Where projects present elevated environmental or social risks, Bank Mandiri may strengthen its due diligence by referencing internationally recognized frameworks, including the core principles of the Equator Principles and other relevant standards.

To learn more about Bank Mandiri's approach to responsible and sustainable financing policy, please refer to [Bank Mandiri Sustainable Financing Policy](#)

### Scope

Project Financing can be categorized based on the status and development stage of the project being financed:

- 'Greenfield' Projects: Refers to projects that are in the initial phase of development, where construction and operations have not yet commenced.
- 'Brownfield' Projects: Refers to projects that are substantially developed, nearing completion, or already operational.

### Due Diligence

In evaluating project financing proposals, Bank Mandiri gives priority to compliance with national regulations, especially those governing environmental and social aspects. Where heightened risks are identified or the nature of the project demands more rigorous scrutiny, Bank Mandiri may enhance its due diligence by referencing the core principles of the Equator Principles and other relevant international standards. In cases where the Equator Principles are referenced, Bank Mandiri follows a structured approach that includes the following key steps:

- Conduct an Environmental and Social Due Diligence for applicable projects
- Classify projects into risk categories and determine applicable Equator Principles requirements
- Review and approve mitigation plans, grievance mechanisms, and disclosure processes

- Monitor projects post-financial close to ensure compliance, including through independent environmental and social consultants where required
- Require clients to obtain applicable permits, certification (if available) and comply with Indonesian laws and international standards

**Independent Opinion**

To support robust project finance assessments, Bank Mandiri may engage independent or third-party consultants to conduct comprehensive due diligence covering environmental, social, legal, and technical aspects of proposed projects. This independent validation process enables us to ensure that each project aligns with regulatory requirements, internal standards, and internationally recognized best practices. The independent validation also acts to strengthen the credibility and integrity of our financing decisions by providing objective, expert-based insights into potential risks and mitigation measures.