

Supporting a Sustainable Future Through Green Investment

2023 SUSTAINABILITY REPORT



Supporting a Sustainable Future Through Green Investment

Bank Mandiri plays a crucial role in driving the green economic transition, an essential step towards creating a more sustainable future, mitigating environmental impact, and developing new economic opportunities in technology and sustainable sectors. In 2023, the bank issued a Sustainable Public Offering (SPO) of Sustainable Environmental Insight Bonds, also known as Green Bonds, with a target of Rp10 trillion. The proceeds from this offering will be utilized to finance or refinance activities falling under the Environmental Insight Business Activities (EIBA) category. Furthermore, Bank Mandiri has established an ESG unit serving as a control tower to oversee the implementation

of sustainable practices and an ESG financing desk capable of offering various innovative sustainable financial solutions to accelerate the low-carbon economy, such as green loans, transition financing, and Sustainability Linked-Loans (SLL). Additionally, Bank Mandiri is engaged in carbon trading and is the first bank in Indonesia to launch digital carbon tracking, aiming to achieve Net Zero Emissions (NZE) in operations by 2030. Through these programs, Bank Mandiri declares its readiness to support sustainable development and to become a pioneer of green banking in Indonesia.



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01

About

Bank Mandiri

Bank Mandiri is Indonesia's largest bank in terms of assets. It plays a crucial role in supporting the country's economic development and significantly contributes to the financial sector. Committed to continuous improvement, Bank Mandiri is actively enhancing innovation and transformation in its customer services.





We are advancing sustainability through our 2024-2028 Sustainability Framework with the aspiration of 'Becoming Indonesia's Sustainability Champion for A Better Future.'



Dear stakeholders,

Following the pandemic, business operations and social mobility have now returned to normal, signaling a global economic recovery. With gratitude to the Almighty, Bank Mandiri successfully concluded the year 2023 with robust business performance and contributed to Indonesia's efforts to transition to a low-carbon economy.

For over 25 years, we have been a partner to the Indonesian Government and have positively contributed to the economic and social impact by providing financial products and services to various segments of society. We are committed to continuously developing financial products and services that support the transition to a low-carbon economy, in compliance with Environmental, Social, and Governance (ESG) principles. Our goal is to provide the best benefits for stakeholders, the environment, and ensure a sustainable future for the next generations.

Message from the Board of Commissioners

SUPPORTING SUSTAINABILITY

As we enter 2024, the global economy has the opportunity to recover following the expectation of a decline in global interest rates, specifically in the United States, as the inflation becomes more controlled. This likely leads to a potential global interest rate reduction, which will have a positive impact on economic performance.

On the other hand, there are global risks posing challenges to the world economy, such as the slowdown in the economies of the United States, China, and ongoing geopolitical pressures in the Middle East. These geopolitical risks have the potential to disrupt economic growth and may impact energy supplies. As seen in previous years, when energy supplies are disrupted, issues of energy security and affordability take precedence over sustainability. Thus, causing a shift in our focus away from sustainability issues.

Therefore, Bank Mandiri is aiming to advance sustainability through our 2024-2028 Sustainability Framework with the aspiration of 'Becoming Indonesia's Sustainability Champion for A Better Future.' Through this framework, we are committed to leading Indonesia's transition to a low-carbon economy, achieving Net Zero Emissions in operations by 2030, and catalyzing inclusive growth with social impact to achieve the Sustainable Development Goals. We will implement these commitments through three main pillars: Sustainable Banking, Sustainable Operation, and Sustainability Beyond Banking.

Under the pillar of Sustainable Banking, we have managed sustainable portfolios, including Sustainability Linked Loans and Corporate-in-Transition Financing. Additionally, we offer Green Bonds, ESG Repo, and Sustainable Bonds. To ensure ESG aspects integration in lending, we have formulated credit policies that incorporate ESG principles and evaluate ESG risks in financing.

Initiatives to perform our green operations are implemented through the Sustainable Operation pillar by utilizing renewable energy and promoting the use of electric vehicles. To address cyber risks, we promote digitalization with potential risk mitigation mechanisms. In terms of data security, we maintain the highest standards and continuously enhance employee awareness.

Through the Sustainability Beyond Banking pillar, we provide productive microcredit and expand financial services through digital innovations such as Livin', Livin' Merchant, KOPRA, and Smart branch. We are also committed to increasing public

awareness of personal financial management through our annual financial literacy activities.

We are also accelerating the growth of the low-carbon economy in Indonesia through sustainability assessments carried out by the Mandiri Institute. This initiative promotes the adoption of sustainability values through policy advocacy and research related to the financial sector, sectoral trends, and regional and global standards.

NEXT PLANS

The establishment of sustainable finance is a complex endeavor that demands individuals with the necessary skills to fulfill the obligations and long-term objectives that have been established. We will continuously enhance our internal proficiency in ESG and cultivate a sustainable business mindset to expedite the development of a low-carbon business ecosystem. We will ingrain this culture into our business practices so that all Mandiri employees, the Board of Directors, and the Board of Commissioners recognize the significance of integrating ESG principles into our business operations.

Furthermore, we will optimize opportunities to develop sustainable financial products and services, both in terms of funding and financing, and promote digitalization to create fast and secure financial services with a lower carbon footprint.

APPRECIATION

On behalf of the Board of Commissioners of Bank Mandiri, we would like to express our appreciation to the Board of Directors of Bank Mandiri and all Mandiri employees for the dedication shown throughout the year 2023. We would also like to extend our gratitude to our customers, shareholders, and partners for the trust they have placed in us to continue contributing to a low-carbon and inclusive sustainable financial achievement.

On behalf of the Board of Commissioners,

MUHAMAD CHATIB BASRI

President Commissioner/Independent Commissioner



We play a crucial role in achieving the government's target to achieve Net-Zero Emission by 2060 or sooner and supporting the transition to a low-carbon economy through the implementation of sustainable finance by promoting financing for green business operations.



Message from the President Director [OJK D.1]

Dear stakeholders,

With gratitude to the Almighty, we are pleased to present the Sustainability Report for the reporting period of 2023, outlining the achievements and performance of Bank Mandiri in upholding sustainability principles throughout the business chain.

We have been a partner of the Indonesian government in creating positive economic and social impact for over 25 years by providing financial products and services for all segments of society. Currently, we also play a crucial role in realizing the government's target to achieve Net-Zero Emission by 2060 or sooner and support the transition to a low-carbon economy through the implementation of sustainable finance by promoting financing for green business operations.

We will continue to actively develop financial products and services that support the transition to a low-carbon economy, in line with environmental, social, and governance principles, to provide the best benefits to stakeholders, the environment, and ensure a bright future for future generations.

SUSTAINABILITY STRATEGY

Our contribution to the implementation of sustainable finance in Indonesia commenced with the introduction of the Sustainable Finance Action Plan 2019 – 2023 to the Financial Services Authority. Following the completion of the initial five-year sustainable finance agenda in 2023, we have laid out a sustainability framework for the subsequent five years to realize the vision of 'Becoming Indonesia's Sustainability Champion for A Better Future'.

Through this framework, we are committed to leading Indonesia's transition to a low-carbon economy, achieving Net Zero Emissions for the Bank's operational activities by 2030 and financing by 2060 or sooner, and catalyzing various growth with social impacts to achieve the Sustainable Development Goals. We will implement these commitments through three main pillars: Sustainable Banking, Sustainable Operation, and Sustainability Beyond Banking, along with eight key initiatives. These will be our main focus for the period 2024 – 2028.

In addressing climate change, we are pursuing two primary approaches: reducing greenhouse gas emissions from our operational activities and directing financing towards climate change mitigation and adaptation. This involves developing

bank offices that operate efficiently with minimal carbon emissions, assessing the greenhouse gas emissions associated with our financing activities, and expanding funding sources to tackle the impact of climate change through green loan disbursement and the issuance of green and sustainable bonds.

RESPONSE TO SUSTAINABLE FINANCE CHALLENGES

We recognize that the implementation of sustainable finance is a lengthy journey fraught with diverse challenges. Some of the obstacles we encounter in implementing sustainable finance include internal comprehension and capabilities, customer and partner understanding of ESG aspects, readiness of systems and processes to facilitate the integration of sustainable finance into the Bank's business activities, heightened cyber risks arising from the digitalization of processes, and evolving regulations related to sustainable finance.

For this reason, we are continuously cultivating ESG expertise and fostering a green business mindset to expedite the establishment of a low-carbon business ecosystem. We aim to incorporate these practices into our standard business operations, ensuring that the entire Bank Mandiri family comprehends the urgency and implements ESG aspects in their daily activities.

Additionally, we will develop sustainable financial products and services from both funding and financing perspectives, promote digitalization while implementing mechanisms to mitigate cyber risks, and engage in regular dialogue with regulators and other stakeholders to optimize the implementation of sustainable finance in Indonesia.

SUSTAINABLE FINANCE PERFORMANCE

Sustainable Banking

Through the pillar of Sustainable Banking, we are committed to leading Indonesia's transition to a low-carbon economy. We realize this commitment through funding and financing activities that take into account ESG aspects.

As of December 2023, Bank Mandiri has disbursed Sustainable Financing in accordance with the Sustainable Business Activities Category (KKUB) in POJK 51/2017 of Rp264.08 trillion, marking a 15.4% year-on-year increase.

The bank continues to expand its range of sustainable products to support customers, particularly those in high carbon-intensive sectors, by offering financial solutions such as Green Loans, Sustainability-Linked Loans, and Corporate-in-Transition Financing.

Furthermore, in 2023, Bank Mandiri introduced a sustainable fundraising instrument, Green Bonds Phase 1, with a value of Rp5 trillion.

To ensure the integration of ESG aspects in credit provision, we have developed and implemented credit policies that incorporate ESG aspects and have enforced sectoral credit policies as binding provisions for businesses deemed to have high ESG risks. In 2023, we reviewed and integrated sectoral credit policies for six new sectors: pulp & paper, telecommunications, transportation, other transport equipment industry (shipyards), pharmaceuticals & healthcare services, and oil and gas.

In terms of credit risk management, we have developed and implemented a risk management system to assess ESG risks in financing, as outlined in the Industry Acceptance Criteria (IAC) technical guidelines edition III 2022 (Internal Regulation No.B3.P1.T16.IAC) for Credit Provision. We use this document to conduct environmental analysis during credit analysis.

Our credit risk assessment adheres to the four-eyes principle, involving the Business Unit, Credit Risk Management Unit, and Legal and Compliance Group. The findings of ESG risk monitoring are reported to the Board of Directors through the Risk Management and Policy Committee and to the Board of Commissioners through the Risk Monitoring Committee on a quarterly basis.

In terms of social financing, we have recorded a Social Portfolio of Rp135 trillion, with disbursement of KUR (People's Business Credit) of Rp62.3 trillion to more than 2.88 million debtors. We also disbursed a loan of Rp3.58 trillion through Fintech that focused on sustainable financing, benefiting 245,000 women.

Sustainable Operation

We are committed to achieving Net-Zero Emissions in our operations by 2030 and from financing by 2060 or sooner. Currently, we have four buildings implementing energy efficiency initiatives; one is certified as a Green Building. Additionally, we utilize renewable energy from 727 units of solar panels installed in three buildings.

To minimize fuel consumption, we advocate 136 units of electrical vehicles for operational purposes. We have acquired several electric and hybrid vehicles, including cars and motorcycles and have established two electric vehicle charging stations. We are committed to collaborating with stakeholders

to further promote the use of electric vehicles, including procuring charging stations for our other operational areas.

Additionally, we are actively purchasing carbon credits through the Indonesian Carbon Exchange (IDX), established in 2023 as part of our commitment to support the national agenda on performing the Carbon Trading.

The emission reduction in 2023 is 295,713 tons of CO₂e or decrease of 18% from the baseline in 2019. All carbon reduction initiatives in operational activities have been mapped in the Operational Emission Roadmap Scope-1 and Scope-2 of Bank Mandiri to achieve Net-Zero Emission by 2030.

In 2023, we calculated Scope 3 emissions, the indirect emissions from financing activities (financed emissions), in accordance with the Partnership for Carbon Accounting Financials (PCAF) guidelines.

Based on calculations from debtor emission reports and other available data, covering 44% of the total financing portfolio (bank only), Bank Mandiri's financing and investment emissions were 18.1 million tCO₂e. This includes 13.5 million tCO₂e from Loan Assets and 4.6 million tCO₂e from Other Assets. The calculations for this reporting period will be further refined in accordance with relevant standards and regulations, taking into consideration the availability and quality of data.

The results of these calculations are a crucial basis for Bank Mandiri to comprehend the emission profile of the financing and investment portfolio, enabling the formulation of business strategies and risk management in the transition towards a low-carbon economy. We will continue to refine our calculation methodology to align with standard dynamics, regulatory directives, and data availability. The resulting calculations will form the foundation for developing a decarbonization strategy aimed at achieving Net-Zero Emissions from financing by 2060 or sooner.

Furthermore, we are implementing digitalization initiatives through the Livin' application for retail customers and Kopra for wholesale customers. We are also operating smart branches, which represent a digital transformation of traditional bank branch offices, aimed at providing customers with fast, easy, and secure financial services.

In addressing the risks of data and information security arising from business digitalization, we are committed to maintaining the highest standards in data security and privacy by proactively ensuring that customer information is securely managed following applicable regulations. We will continue to update data protection policies and practices to adapt to existing developments to ensure that customer and bank data are protected and minimize the risk of data breaches.

The Directors of Information Technology, Risk Management, and Compliance & HR are responsible for ensuring the

implementation of information security and personal data protection in our setting. We continuously enhance awareness of the importance of data protection through training and campaigns for both Mandiri employees and customers.

We constantly strive to be the preferred workplace for Mandiri employees, particularly women. Currently, 52% of our total employees are women, with 35% of them holding top-level management positions as Assistant Vice President or higher. We have established the Women Leadership Program and the Srikandi Mandiri Program, both of which offer leadership training and mentoring opportunities to female employees.

We are committed to creating a workplace free from discrimination and other unethical behavior. For this reason, we have developed a Respectful Workplace Policy, the implementation of which is overseen by the Board of Commissioners as part of its supervisory function and reported to the Minister of State-Owned Enterprises on a semester basis.

Sustainability Beyond Banking

As the largest bank in Indonesia, we are committed to catalyzing various growth with social impact to achieve the Sustainable Development Goals. Initiatives to realize this commitment are implemented under the pillar of Sustainability Beyond Banking. We aim to enhance community access to financial services, particularly for those included in the priority criteria set by the government, empower MSMEs through Digipreneurship, and conduct assessments on sustainability to accelerate the low-carbon economy in Indonesia.

We provide financial products and services tailored to the needs of the community, accessible through our bank branches, digital services, Mandiri Agents, and other partners working with the bank to provide financial services.

To broaden our service coverage, we have enlisted 130,100 individuals as Mandiri Agents. Mandiri Agents are our branchless banking initiative that aims to facilitate access to financial services for communities, particularly those in remote areas, without the need to visit physical bank branches. Customers can utilize Mandiri Agents for account opening, cash deposits and withdrawals, fund transfers, purchases, and bill payments. Moreover, Mandiri Agents are actively involved in community education, conducting activities related to financial literacy and digital literacy. In certain areas, Mandiri Agents are equipped with sign language skills to assist deaf or mute customers.

We are dedicated to enhancing the digital capabilities and reducing the carbon footprint of MSMEs in Indonesia. To support this, Bank Mandiri introduced the Livin' Merchant application, designed to assist MSMEs in managing sales, monitoring product inventory, and facilitating sales proceeds disbursement. Since its launch, the Livin' Merchant application has been adopted by 1,7 million MSME players. Additionally,

we empower MSMEs through the CSR program, including initiatives such as the Mandiri Sahabatku program, Mandiri Young Entrepreneur (WMM), and Rumah BUMN program.

To accelerate the low-carbon economy in Indonesia, we conduct sustainability research through the Mandiri Institute. The Mandiri Institute promotes the implementation of sustainability values through policy advocacy and research related to the financial sector, sectoral trends, and regional and global standards. The Mandiri Institute has been publishing annual reports regularly since 2022, providing an overview of the current implementation of ESG by the private sector in Indonesia and regional and global trends in the financial sector.

APPRECIATION

On behalf of the Board of Directors of Bank Mandiri, we express our appreciation to the Board of Commissioners, shareholders, all Mandiri employees who have dedicated themselves throughout 2023, and all customers who have entrusted and supported Bank Mandiri to continue contributing to realizing a low-carbon economy through the best financial services for the community.

On behalf of the Board of Directors of Bank Mandiri,

DARMAWAN JUNAIDI
President Director

Responsibility for the 2023 Sustainability Report

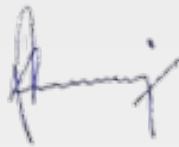
Statement of the Board of Directors on Responsibility for the 2023 Sustainability Report of PT Bank Mandiri (Persero) Tbk.

We, the undersigned, review and declare that all information in the 2023 Sustainability Report of PT Bank Mandiri (Persero) Tbk has been fully and responsibly submitted and that we are fully responsible for the accuracy of the contents of the company's Sustainability Report.

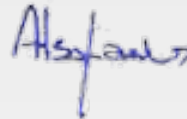
This statement was made with all truthfulness.

Jakarta, January 25, 2024

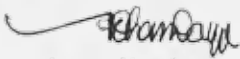
BOARD OF DIRECTORS



Darmawan Junaidi
President Director



Alexandra Askandar
Vice President Director



Agus Dwi Handaya
Compliance and HC Director



Riduan
Commercial Banking Director



Aquarius Rudianto
Network and Retail Banking Director



Toni E. B. Subari
Operation Director



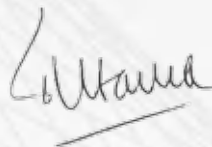
Susana Indah Kris Indriati
Corporate Banking Director



Rohan Hafas
Institutional Relations Director



Sigit Prastowo
Finance and Strategy Director



Timothy Utama
Information Technology Director



Eka Fitria
Treasury and International Banking Director

Statement of the Board of Commissioners on Responsibility for the 2023 Sustainability Report of PT Bank Mandiri (Persero) Tbk.

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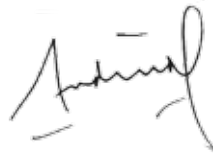
This statement is made in all truthfulness.

Jakarta, January 25, 2024

BOARD OF COMMISSIONERS



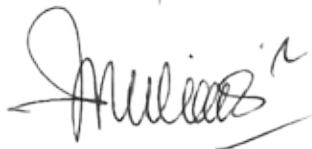
Muhamad Chatib Basri
President Commissioner/Independent



Andrinof A. Chaniago
Vice President Commissioner/Independent



Loeke Larasati Agoestina
Independent Commissioner



Muliadi Rahardja
Independent Commissioner



Heru Kristiyana
Independent Commissioner



Zainudin Amali
Independent Commissioner



Rionald Silaban
Commissioner



Arif Budimanta
Commissioner



Faried Utomo
Commissioner



Nawal Nely
Commissioner



Muhammad Yusuf Ateh
Commissioner



Vision [OJK C.1]

To Prosper the Nation, Bank Mandiri's long-term vision for 2020-2024 is **"to be your preferred financial partner"** with the following elaboration:

- a Commitment to building long-term relationships based on trust with both business and individual customers. Bank Mandiri serves all customers with international service standards through the provision of innovative financial solutions. Bank Mandiri aims to be recognized for its performance, human resources, and best team collaboration.
- b Taking an active role in driving Indonesia's long-term growth and consistently delivering high returns for shareholders.



Mission

To support the vision, Bank Mandiri has also established a mission **to offer reliable and simple digital banking solutions that become part of customers' lives - "Seamlessly integrate our financial products and services into our customers' lives by delivering simple, fast digital banking solutions"** with the following elaboration:

- a Oriented towards meeting market needs
 - 1. Prioritizing customer interests by providing the best service through building a professional and friendly attitude.
 - 2. Providing a one-stop financial solution to customers through synergy with subsidiary companies.
 - 3. Offering competitive and guaranteed products and focusing on the development of digital banking products and networks to accommodate customer needs.
- b Developing professional resources
 - 1. Recruiting, training, and developing human resources based on talent and abilities.
 - 2. Providing growth opportunities to all employees fairly and giving recognition and promotions based on performance and dedication.
- c Providing maximum benefits to stakeholders
 - 1. Providing maximum benefits to shareholders while still considering the interests of other stakeholders.
 - 2. Ensuring sustainable growth and profit improvement.
- d Implementing open management
 - 1. Having a high commitment to work and responsibility.
 - 2. Implementing open management and effective cooperation.
- e Caring for the interests of society and the environment.
- f Considering the interests of society and the environment in every decision-making process.

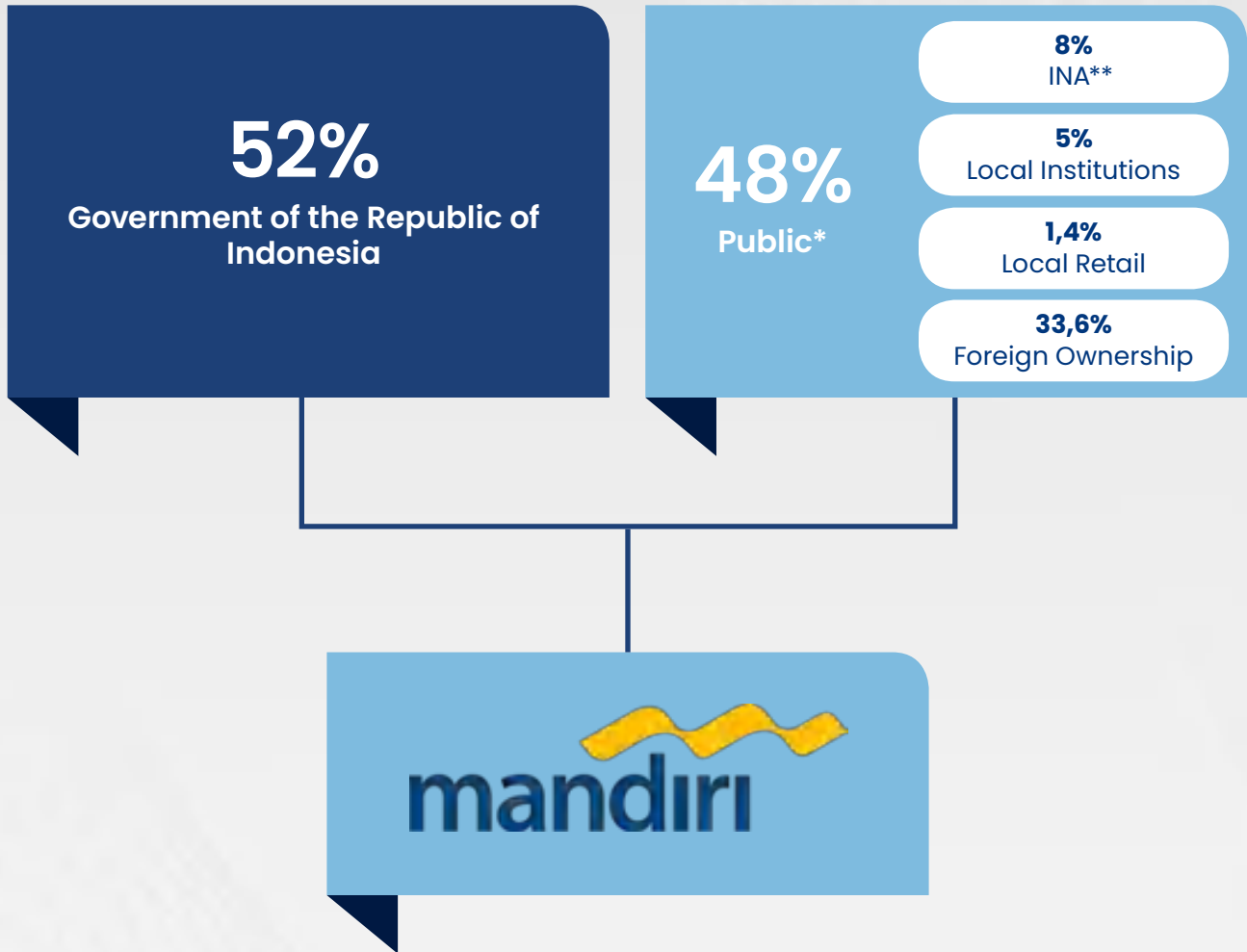
About Bank Mandiri





Bank Mandiri is one of the largest state-owned banks in Indonesia in terms of assets. With a dedicated team of over 37,000 employees, we cater to the financial needs of businesses and individuals across the nation, offering a diverse range of products and services. For more than 25 years, we have played a pivotal role in Indonesia's progress by providing support through loans, home ownership credit, transaction services, savings, investments, and the financing of national development projects.

We are strongly committed to supporting sustainable development in Indonesia and contributing positively to society. In addition to providing financial services, Bank Mandiri supports the achievement of development agendas through the implementation of sustainable social and environmental responsibilities. This is an inseparable commitment in our efforts to create value for all stakeholders.

Share Ownership Percentage



 Controlling shareholders
 Ownership structure

* In the composition of public shares as of December 31, 2023, The Board of Commissioners and Directors own 0.07% of Bank Mandiri's shares

** Indonesia Investment Authority

COMPANY IDENTITY

[OJK C.2], [GRI 2-1]

Company Name	PT Bank Mandiri (Persero) Tbk.
Legal Form	Limited Liability Company
Deed of Establishment	Deed No. 10 dated October 2, 1998, made before notary Sutjipto, S.H. and approved by the Minister of Justice of the Republic of Indonesia No. C2-16561. ht.01.01 th 98 dated October 2, 1998, and has been announced in the State Gazette of the Republic of Indonesia No. 97 dated December 4, 1998, additional State Gazette of the Republic of Indonesia No. 6859.
Business Field [OJK C.4]	Banking
Head Office Location	Plaza Mandiri Jl. Jenderal Gatot Subroto Kav. 36-38 Jakarta 12190 Indonesia
Operational Location	<ol style="list-style-type: none"> Domestic: All provinces in Indonesia Overseas: Singapore, Malaysia, Hongkong, Timor Leste, People's Republic of China, England, and Cayman Islands
Telephone	(62-21) 5265045
Facsimile	(62-21) 5274477, 527557
Website	www.bankmandiri.co.id
Call Center	14000 - (021) 52997777

Scale and Reach [OJK C.3]

OPERATIONAL AREA

Table of Office Network by Region in 2023

Region	Branch Office	Sub-Branch Office	Other Office Network
			ATM
Region I/Sumatera 1	15	196	1,107
Region II/Sumatera 2	14	211	845
Region III/Jakarta 1	12	235	1,727
Region IV/Jakarta 2	11	201	1,584
Region V/Jakarta 3	8	177	1,473
Region VI/Java 1	9	203	1,205
Region VII/Java 2	11	253	1,203
Region VIII/Java 3	13	281	1,661
Region IX/Kalimantan	12	149	748
Region X/Sulawesi and Maluku	19	165	679
Region XI/Bali and Nusa Tenggara	5	110	525
Region XII/Papua	10	44	254
Embassy	7	1	16
TOTAL	146	2,226	13,027

Table of Office Network for the Last 5 Years

Office Types	2023	2022	2021	2020	2019
Head Office	1	1	1	1	1
Branch Office	139	138	137	140	139
Overseas Office	7	7	7	7	7
Sub-Branch Office*)	2,104	2,225	2,465	2,280	2,304
Cash Office	-	-	-	90	140
Other Office Types:					
- Payment Point	36	42	-	113	145
- Mobile Cash	77	77	-	58	59
- Micro Mobile Cash	21	22	-	27	27
ATM	12,906	13,027	13,087	13,217	18,291

- In 2021, according to POJK No. 12/POJK.03/2021 dated July 30, 2022 on Commercial Banks, the Cash Office network, Payment Points, Mobile Cash, and Micro Mobile Cash are classified as Sub-Branch Offices.
- In 2022, according to the letter OJK No. S-30/PB.11/2022 dated March 6, 2022 on APOLO Reporting – Office Network in accordance with POJK No. 12/POJK.03/2021 on Commercial Banks, the Payment Point, Mobile Cash, and Micro Mobile Cash networks are no longer recorded as Sub-Branch Offices, but are only recorded as internal bank data.



OVERSEAS OFFICES

BANK MANDIRI SINGAPORE

12 Marina View,
#19-01 Asia Square Tower 2,
Singapore 018961
Phone: 65-6213-5688/65-6213-5680
Fax: 65-6844-9833/65-6844-9808
Website: www.ptbankmandiri.com.sg
SWIFT Code: BMRISGSG

BANK MANDIRI DILI – TIMOR LESTE

25 Rua de Abril No.10 Colmera Dili-Timor Leste
Phone: +670-331-7777/+6221-526-3769/
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Fax: 852-2529-8131/852-2811-0735
Website : www.bankmandirihk.com
SWIFT Code: BMRHKHH

BANK MANDIRI DILI-TIMOR PLAZA-TIMOR LESTE

Timor Plaza – Unit #/Unidade No. #203; 233; 204; 230; 231; 232
Jl. Nicolau Lobato. Comoro Dili - Timor Leste
Phone: +670-7307-7777

REMITTANCE OFFICE HONG KONG

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Fax: +852-2881-5386

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+86-21-5037-2509
Fax: +86-21-5037-2707/ +86-21-5037-2547
SWIFT Code: BMRICNSH

BANK MANDIRI CAYMAN ISLANDS

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KY 1 – 1002 Cayman Islands
Phone: +1-345-945-8891
Fax: +1-345-945-8892
SWIFT Code: BMRKYKY

SUBSIDIARIES OUTSIDE THE TERRITORY OF INDONESIA

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 London, E1W 1 YW, United Kingdom
 Phone: +44-207-553-8688
 Fax: +44-207-553-8599
 Website : www.bkmandiri.co.uk
 SWIFT Code: BMRIGB2L

MANDIRI INTERNATIONAL REMITTANCE SDN. BHD

Wisma MEPRO
 Ground & Mezzanine Floor 29 & 31
 Jalan Ipoh 51200 Kuala Lumpur
 Phone: +603-4045 4988/+603-4043 5988
 Website : www.mandiriremittance.com

BUSINESS UNITS INCLUDED IN THIS SUSTAINABILITY REPORT [GRI 2-2]

This sustainability report only contains data and information from Bank Mandiri's headquarters, excluding its subsidiaries and affiliates. However, Bank Mandiri has the following subsidiaries and affiliates:

SUBSIDIARIES:

Indonesia

1. PT Bank Syariah Indonesia Tbk ("BSI")
2. PT Bank Mandiri Taspen ("Bank Mantap")
3. PT Mandiri Tunas Finance ("MTF")
4. PT Mandiri Utama Finance ("MUF")
5. PT AXA Mandiri Financial Services ("AXA Mandiri")
6. PT Asuransi Jiwa Inhealth Indonesia ("Mandiri Inhealth")
7. PT Mandiri Capital Indonesia ("MCI")
8. PT Mandiri Sekuritas ("Mansek")

Malaysia

9. Mandiri Remittance Sdn. Bhd. ("MIR")

London, UK

10. Bank Mandiri (Europe) Ltd ("BMEL")

SECOND-TIER SUBSIDIARIES:

Indonesia

1. PT Mandiri Manajemen Investasi ("MMI")
2. PT Mitra Transaksi Indonesia ("MTI")
3. PT FitAja Digital Nusantara

Singapore

4. Mandiri Securities Pte. Ltd. ("MSPL")
5. Mandiri Investment Management Pte. Ltd. ("MIMS")

MEMBERSHIP IN ASSOCIATION [OJK C.5], [GRI 2-28]

Name of Association	Position in the Association (Member/Management)	Scope
Asosiasi Emiten Indonesia (AEI)	Member	National
Forum Komunikasi Direktur Kepatuhan Perbankan (FKDKP)	Management	National
Perhimpunan Bank Nasional (Perbanas)	Management	National
Himpunan Bank Milik Negara (Himbara)	Member	National
Ikatan Bankir Indonesia (IBI)	Member	National
Lembaga Alternatif Penyelesaian Sektor Jasa Keuangan (LAPS SJK)	Member	National
Bank Association for Risk Management (BARA)	Management	National
World Economic Forum (WEF)	Member	International
APEC Business Advisory Council (ABAC)	Member	Asia Pacific
Perkumpulan Chief Information Officer Indonesia (ICIO)	Management	National
Forum Human Capital Indonesia (FHCI)	Management	National
Indonesia Foreign Exchange Market Committee (IFEMC)	Management	National
Inisiatif Keuangan Berkelanjutan Indonesia	Management	National
Association Cambiste International - Financial Markets Association (ACI FMA) Indonesia	Management & Member	National
Himpunan Pedagang Surat Utang (HIMDASUN)	Management & Member	National
Forum Komunikasi Kearsipan Perbankan (FKKP)	Management & Member	National
Asosiasi Arsiparis Indonesia (AAI)	Management & Member	National
Indonesia Contact Center Association (ICCA)	Management	National
International Council of Museums (ICOM)	Member	International
Asosiasi Museum Indonesia (AMI)	Member	National
Asosiasi Museum Daerah (AMIDA)	Management & Member	National
International Chamber of Commerce (ICC) Indonesia	Management	International
Asosiasi Bank Agen Penjual Efek Reksa Dana Indonesia (ABAPERDI)	Management	National
Asosiasi Bank Kustodi Indonesia	Management & Member	National
Asosiasi Wali Amanat Indonesia	Member	National
Forum Human Capital Perbankan Indonesia	Management	National

Bank Mandiri is also a member of several relevant industry associations with strategic value for the bank's business. This is aimed at enabling the bank to monitor the latest developments in the banking sector and play a role in enhancing industry understanding and expertise. However, Bank Mandiri does not contribute financially except for regular membership fees.

NAME OF ASSOCIATION/ FORUM	PURPOSE OF ESTABLISHMENT
Himpunan Bank Milik Negara (HIMBARA)	>> Developing the capabilities of the Indonesian capital market to drive the national economy, consisting of 4 state-owned banks.
Perhimpunan Bank Umum Nasional (PERBANAS)	>> Formulating banking policies.
Inisiatif Keuangan Berkelanjutan Indonesia (IKBI)	>> Supporting the implementation of sustainable finance in Indonesia as a form of climate change risk mitigation and sustainable business opportunities to contribute to achieving the Sustainable Development Goals.
ESG Task Force Nasional	>> An integrated coordination platform to build a Sustainable Finance ecosystem in Indonesia (policy harmonization, capacity building enhancement, incentive development), including involvement in various national forums, consisting of regulators and 47 financial institutions.
Indonesia Contact Center Association (ICCA)	>> An organization that plays a role in developing the contact center industry and serves as a networking platform in the contact center industry to develop contact center services, technology improvement, and business process contact center.

01

Economic Performance Highlights [B.1]

Profit Before Tax
(in trillion Rupiah)

2023
74.68

2022
56.38

2021
38.36

Net Profit of the Bank
(in trillion Rupiah)

2023
55.1

2022
41.17

2021
28.03

Operating Income
(in trillion Rupiah)

2023
146.26

2022
112

2021
112.61

Dividend Payments
(in trillion Rupiah)

2023
24.70

2022
16.82

2021
10.27

Total Consolidated Assets
(in billion Rupiah)

2023
2.18

2022
1.99

2021
1.72

SUSTAINABLE FINANCING

Per December 2023 (Q4 2023)



Growth

SUSTAINABLE PORTFOLIO



GREEN PORTFOLIO



SOCIAL PORTFOLIO



By Category



MSMEs & Other Social

Rp134 trillion



Renewable Energy

Rp9.7 trillion



Clean Transportation

Rp3.9 trillion



Environmentally Sustainable Management of Living Natural Resources and Land Use

Rp102 trillion



Eco-efficient and/or circular economy Adapted Products, Technology, & Processes

Rp5.3 trillion



Green Buildings

Rp6.6 trillion



Sustainable Water & Wastewater Management

Rp1.1 trillion

Sustainable Financing Products

Green Loan

Rp3.5 trillion

Sustainability Linked Loan

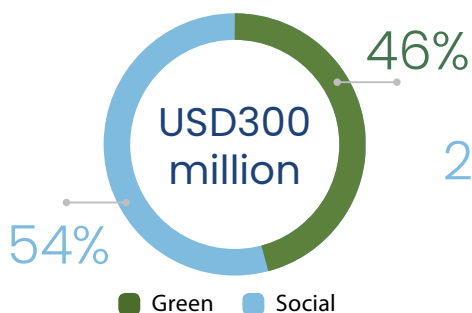
Rp2.1 trillion

Corporate in Transition Financing

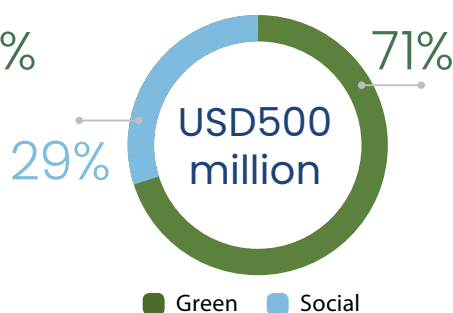
Rp736 billion

Sustainable Funding

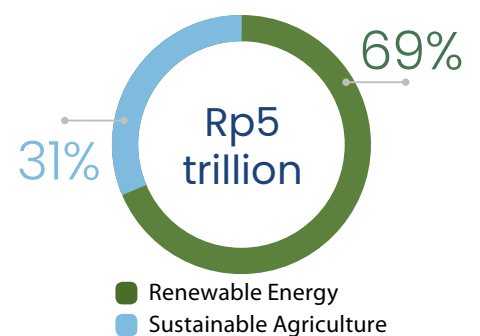
Sustainability Bonds (2021)



ESG Repo (2022)



Green Bonds (2023)



02

Social Performance Highlights [B.3]

To Our Customers



livin' Tap-to-Pay

First bank in Indonesia to provide tap to pay feature through smartphone

livin' Payment

Payment through QR with various funding sources

livin' Investment

Offers the convenience of mutual fund investment to customers

livin' Paylater

Paylater loan facility with lower interest and transaction fees compared to bank competitors. Livin' Paylater can be used as a payment option at merchants accepting QRIS payments



37 million downloads
23 million users

Mandiri's super app' to grow retail customer base and at the same time ensuring its stickiness through constant release of features



1.9 million downloads
1.7 million registered merchants

Cashier application that can make it easier for MSMEs actors, from recording sales, checking product stock, to disbursing sales in one application



4.2 million users

The first bank to consolidate the services of four leading e-wallet providers into a comprehensive banking app

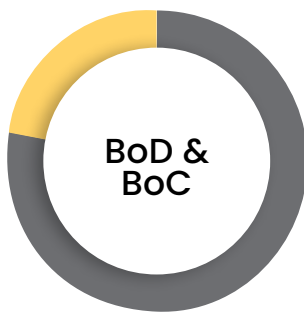
For Mandirian

Number of Employees
(Mandirian)



38,940

GENDER DIVERSITY



22%
 78%



35%
 65%



52%
 48%



5,339,236

Training hours followed by all Bank
Mandiri Employees



89.65%

Employee
engagement
rate

For the Community

130,100
Mandiri Agents

2.8
million
Bank Mandiri
accounts

successfully opened through
Mandiri Agents

17,935
Indonesian
Migrant Workers

have been mentored financial
management through Mandiri
Sahabatku

Rp62.3
Trillion

People's Business Credit
consisting of 2.88 million
debtors

5.9
million people

Beneficiaries of the CSR
program and financial
inclusion

12,522
farmers

in Pamarican and Kebumen
received training from the Rice
Milling Unit (RMU) program

14,139
MSMEs

Have received training through the
Rumah BUMN program

56,000
Entrepreneurs

mentored through Mandiri Young
Entrepreneur (WMM) Program

03


Environmental Performance Highlights [B.3]




The first bank in Indonesia to launch **Digital Carbon Tracking**




The first bank in Indonesia to launch an **eco-friendly card**



1
Certified Green Building



241
Smart Branches



727
Solar Panel Units

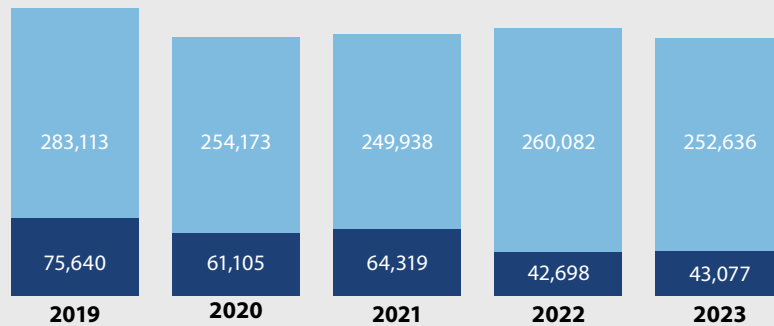


136
Operational Vehicles with Electric Vehicles (EV)

OPERATIONS

GHG Emission Scope 1 and 2 [OJK F.11]

Bank Mandiri has measured carbon emissions, including coverage 1 & 2 and made **2019 emissions as the baseline**



● Scope 1 ● Scope 2 Historical data on carbon emissions scope 1 & 2 Bank Mandiri (tCO₂e)

	2019	2020	2021	2022	2023
Total	358,753	315,278	314,257	302,780	295,713
Intensity per employee (tCO ₂ e)*	9.18	8.24	8.30	7.93	7.59

* Intensity per employee was calculated involving Bank Mandiri's employees and outsourcing employees

18%
 Reduction of Scope 1 and 2 emissions from the 2019 baseline

17%
 Reduction in emission intensity per employee from the 2019 baseline.

18,07
 Million Ton CO₂e
 Emission from financing (Scope-3)

WASTE REDUCTION [F.13]

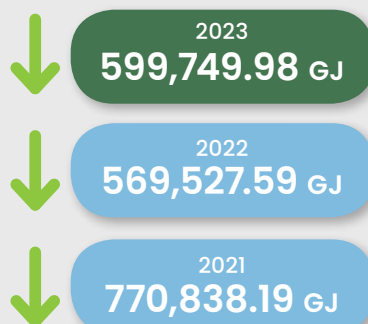
Description	Unit	2023	2022	2021
Hazardous Waste	Kg	1,520	4,400	1,200
Liquid Waste	m ³	10,200	63,693	78,480
Liquid Waste Treated Using Reverse Osmosis	m ³	31,610	28,104	45,360

WATER MANAGEMENT

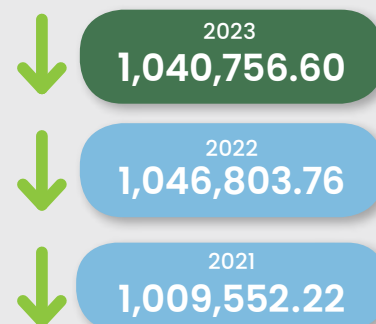
Recycle Water Utilization



FUEL ENERGY CONSUMPTION



ELECTRICITY CONSUMPTION



04

Governance Performance Highlights

GOVERNANCE

Most Trusted Company

95.22

Bank Mandiri has been recognized as one of the **top performers** in the **Corporate Governance & Perception Index (CGPI)**

*)Previous CGPI rating was 95.11

Strengthening of ESG Practices



1. Establishment of the ESG Group as the 'control tower' for the implementation of ESG at Bank Mandiri



2. ESG Governance Oversight by the Board of Commissioners and Directors, directly supervised by the Vice President Director, and reported to the Risk Management Policy and Committee (RMPC) and Risk Monitoring Committee (KPR)



3. Privacy Policy for Bank Mandiri products and all Subsidiaries



4. Whistleblowing System - Letter to CEO (WBS-LTC) managed by an independent external party.

Privacy and Data Security

OPTIMAL

(Highest Score)

For **Cyber Security Maturity (CSM)**



OPTIMAL

(Highest Score)

For **Incident Handling Maturity Level Measurement**



Liveness Detection & Face Recognition Features

To prevent **misuse of customer data**



COBIT 5 Update

To enhance trust and strategic information systems



Established ESG Strategy Pillar

ISO 27001

To manage cyber security and cyber operations risks

ISO 37001

For Anti-Bribery Management System

ISO 9001

For the contact center, Data Center operations, Disaster Recovery Center & IT Infrastructure

ISO 17025

For Digital Forensic Laboratory



Committed GHG emission disclosure through Partnership for Carbon Accounting Financials (PCAF) membership.

Sustainability Performance 2021-2023

[OJK F.2], [OJK F.6], [GRI 201-1], [GRI 204-1]

Description	Unit	2023	2022	2021
ECONOMIC ASPECT				
Operating income of the bank	Rp billion	146,266	126,762	112,607
Net income of the bank	Rp trillion	55.1	41.17	28.03
Economic Performance related to Sustainability				
Nominal products and/or services that meet sustainable business activity criteria	Rp billion	264,080	228,764	205,423
Percentage of total sustainable business activity portfolio to total portfolio	Percent	24.30%	24.5%	24.8%
Inclusive Financial Performance				
Development of Laku pandai				
Number of Mandiri Agents	Individual	130,100	156,191	162,416
Nominal products and/or services provided by Mandiri Agents	Account	2,870,000	2,287,036	1,808,173
Involvement of External Parties in Sustainable Finance				
Number of suppliers	Without unit	986	895	1049
Proportion of local suppliers	%	98.38	99.5	97.5
Purchase value	Rp trillion	5.45	4.8	4.4
Percentage of local purchases	%	99.29	97.78	91.8
ENVIRONMENTAL PERFORMANCE				
Energy Consumption	GJ	1,640,506	1,616,331	1,780,390
Reduction of Scope 1 and 2 emissions (Baseline 2019)	TonCO ₂ eq	(63,040.38)	(55,973.38)	(44,496.22)
Scope 3 emissions from financing	Million TonCO ₂ eq	18.1	NR	NR
SOCIAL PERFORMANCE				
Number of employees	People	38,940	38,176	37,840
Proportion of female employees	People	20,379	19,854	19,700
Proportion of female managers	Percent	48.7%	48.9%	49.2%
CSR Funds for community development	Rp billion	150	137.63	132.37

Our Contribution to Sustainable Development Goals

Bank Mandiri is strongly committed to supporting the achievement of the Sustainable Development Goals (SDGs) initiated by the United Nations, to ensure that no one is left behind in development by 2030. Through financial products and services, as well as social and environmental responsibility activities, the company directly and indirectly contributes to the 17 SDGs targets outlined in Bank Mandiri’s Sustainability Strategy.

The company’s significant contribution to the SDGs through financial products and services within the framework of sustainable finance can be seen in the following targets:

Bank Mandiri supports the Unlimited Health Service Program in Muara Tami District, Jayapura, as part of the State-Owned Enterprises’ Volunteer Service activities

SDGs Priorities:



11. Sustainable Cities and Communities



3. Good Health and Well-Being



4. Quality Education



1. No Poverty

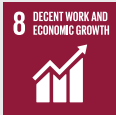
Category:

Social and Community Development



Mandiri Entrepreneur Expo

SDGs Priorities:



8. Decent Work and Economic Growth

Category:
Educational Facilities



Urban Festival Judging

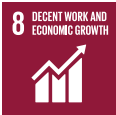


WMM Junior Judging



Kick Off Mandiri Young Entrepreneur

SDGs Priorities:



8. Decent Work and Economic Growth

Category:

Educational Facilities



WMM Junior 2023

SDGs Priorities:



4. Quality Education

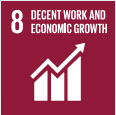
Category:

Educational Facilities



Urban Festival 2023

SDGs Priorities:



8. Decent Work and Economic Growth



4. Quality Education

Category:

MSME Empowerment

Kick Off Urban Festival 2023 at Mandiri University Wijaya Kusuma, August 21, 2023

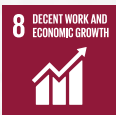


Field Trip of Urban Fest Participants to Sarinah



Mandiri Sahabatku in Hongkong

SDGs Priorities:



8. Decent Work and Economic Growth



10. Reduced Inequalities

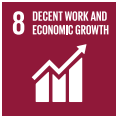
Category:

Social and Community Development



Assistance for SMEs Center in Religious Tourism Area, Purwakarta

SDGs Priorities:



8. Decent Work and Economic Growth



9. Industry, Innovation, and Infrastructure

Category:

Social and Community Development



Bank Mandiri Provides Aid in Equipment, Supplies, and Kitchen Renovation for Ghara, the Indonesian Children's Oncology Foundation in Jakarta

SDGs Priorities:



3. Good Health and Well-Being

Category:

Social and Community Development, Health Sector



Mandiri Education

SDGs Priorities:



4. Quality Education

Category:

Educational Facilities

Prima University of Indonesia, January 30, 2023



ABOUT BANK MANDIRI

- Message From The Board of Commissioners and The President Director
- Vision Mission
- About Bank Mandiri
- Scale and Reach
- Sustainability Performance Highlights



Bank Mandiri provides a Waste Processing Education and Cleanliness Campaign with the theme "Match Day Clean Up," involving volunteers and the local community at Glora Bung Tomo Stadium, Surabaya

SDGs Priorities:



4. Quality Education



15. Life on Land

Category:

Educational Facilities



Mandiri Waste Sorting activity with volunteers and the local community at the Mandiri Jogja Marathon

SDGs Priorities:



13. Climate Action



15. Life on Land

Category:

Social and Community Development



Ramadan Safari Assistance, providing 133,000 Ramadan food packages to foundations, institutions, and communities in need in various regions.

SDGs Priorities:



1. No Poverty



2. Zero Hunger

Category:

Social and Community Development



Long-awaited Homecoming, Homecoming on the Mind

SDGs Priorities:



16. Peace, Justice and Strong Institutions

Category:

Social and Community Development



CSR Assistance of Rebana Instrument in Dumai

SDGs Priorities:



11. Sustainable Cities and Communities

Category:

Community Development



CSR Assistance for Greening Residential Areas by Providing Infrastructure Support for Urban Farming Activities to Kenanga Women Farmers Group (KWT), Pela Mampang Village, South Jakarta

SDGs Priorities:



13. Climate Action



15. Life on Land



11. Sustainable Cities and Communities



8. Decent Work and Economic Growth

Category:

Environment



Bank Mandiri Fosters Farmer Entrepreneurship Ecosystem by Building an Integrated Rice Processing Center (SPBT) in Jembrana Regency, Bali Province

SDGs Priorities:

- 
8. Decent Work and Economic Growth
- 
1. No Poverty
- 
9. Industry, Innovation, and Infrastructure
- 
10. Reduced Inequalities

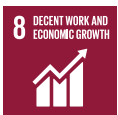


Category:

Social and Community Development

Soft Launching of Rumah BUMN in Medan and Bogor

SDGs Priorities:

- 
8. Decent Work and Economic Growth

Category:

Education Facilities

Soft Launching of Rumah BUMN in Medan, January 31, 2023



Soft Launching of Rumah BUMN in Bogor, February 9, 2023



Distribution of 2,600 Iftar Meals by 23 Rumah BUMNs to Orphanages, Prisons, and Communities in Need in Their Vicinity

SDGs Priorities:



1. No Poverty



2. Zero Hunger

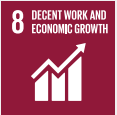
Category:

Social and Community Development



Training Program for MSME Entrepreneurs at Rumah BUMN

SDGs Priorities:



8. Decent Work and Economic Growth

Category:

MSME Empowerment

Training program on digital financial transaction recording with Qasir at the Rumah BUMN in Jakarta, TSC MBDC Reg V Melawai Building, January 9, 2023



"Packaging Makeover Training with Epac" at Rumah BUMN in Bogor, January 10, 2023



Training for MSME fostered by Rumah BUMN Bogor on Video Company Profile Production with Eijaz Studio at Rumah BUMN Bogor, January 11-12, 2023



Cooking Class and UMKM Bazaar Event by Rumah BUMN Ponorogo in Collaboration with Bogasari for Persit Kodim Ponorogo Members, Kodim Ponorogo Hall, February 14, 2023



Spotlight on Rumah BUMN Bogor's SME Mentorship Program: Sharing Session and Visit to Mochibo House Kitchen, Rumah BUMN Bogor, February 21, 2023



Dissemination and Training of PADI UMKM Application at Bank Mandiri Jakarta Trading Service Centre, February 21, 2023



Public Speaking & Digital Creative Content Workshop for MSMEs with Rio Garlio at Rumah BUMN Bogor, February 24, 2023



Cooking Class Workshop at Sriboga Baking Centre in South Jakarta, Rumah BUMN, March 7, 2023



ABOUT BANK MANDIRI

Message From The Board of Commissioners and The President Director

Vision Mission

About Bank Mandiri

Scale and Reach

Sustainability Performance Highlights

Cooking Class with Kukingklas at the Rumah BUMN in Bogor, March 9-10, 2023



Jar Decoration Training Workshop for MSMEs fostered by Rumah BUMN of Bank Mandiri, March 17, 2023



Training with Tokopedia at the Rumah BUMN in Ambon attended by SMEs, March 14, 2023



Millennial Entrepreneur Program featuring Mandiri Young Entrepreneur Alumni and Rumah BUMN Bogor-Fostered MSMEs at Rumah BUMN Bogor, March 30, 2023.



Open Shop training with Tokopedia at Rumah BUMN Kupang, March 29, 2023



Dissemination on Rumah BUMN and KUR for New SMEs at the Rumah BUMN Bogor, May 11, 2023



Graphic Design Training with Rumah BUMN South Jakarta to Create Posters, May 16, 2023.



Digital Payment Implementation Training through Qris at Rumah BUMN Medan, May 15, 2023



Cooking Class Program for Product Innovation at Rumah BUMN Bogor (Srikandi with SMEs Fostered by Rumah BUMN), May 19, 2023



BUMN Environmental Movement Event at Rumah BUMN Surabaya Attended by 100 Rumah BUMN Fostered SMEs and PNM (Waste Management Workshop at Rumah BUMN Surabaya), June 14, 2023



Familiarization of Padi UMKM & Livin Merchants at the Rumah BUMN in Bogor, June 23, 2023



Public Speaking & Leadership Training with IWAPI at the Rumah BUMN Bogor, June 22, 2023



Livin' Merchant Dissemination at 3 Rumah BUMN in Medan, Surabaya, and Bogor.

Bogor



Surabaya



Product Design training with Canva & Livin' Merchant Dissemination at Rumah BUMN South Jakarta, July 13, 2023



Onboarding & Equipping Program for Young CEOs and CFOs of Rumah BUMN in Balikpapan, July 20-21, 2023



Livin' Merchant training at the Rumah BUMN Ponorogo, July 22, 2023



Livin' Merchant Onboarding Dissemination at Rumah BUMN South Jakarta, July 8, 2023



Dissemination with SMEs at Rumah BUMN Surabaya, July 14, 2023



Dissemination on Bank Mandiri Livin' merchant products, Mandiri Agents, and KUR to Rumah BUMN Medan's fostered SMEs, July 15, 2023



18 Rumah BUMN-fostered SMEs in Gowa participated in the Livin' Merchant micro-segment acquisition dissemination for 2023 phase II, August 11, 2023



Baking Demo on Product Innovation for Rumah BUMN Bogor fostered SMEs, August 1, 2023



Visit by the staff of the President of the Republic of Indonesia to the Bank Mandiri Rumah BUMN Kupang, August 2, 2023



Livin' Merchant training at Rumah BUMN Kupang, July 29, 2023



Livin' Merchant training for 50 Rumah BUMN South Jakarta fostered SMEs in Jakarta, September 2, 2023



Dissemination on Livin' Merchant with Rumah BUMN Cilegon fostered SMEs, November 4, 2023



BUMN Medan Empowers Fostered SMEs with Upcycling Skills through Workshop on Creating Multipurpose Pouches from Fabric Scraps, November 7, 2023



"Dessert Box Chocolate Mousse Cake" Baking Class at Rumah BUMN in Medan, November 12, 2023.



Training Program for Innovative and Bankable MSMEs at Rumah BUMN in Bogor, South Jakarta, Ponorogo, and 25 Participating MSMEs, November 13-16, 2023



Financial Report and Livin' Merchant Training for MSMEs at Rumah BUMN Trenggalek, Surabaya, and Semarang.



Program at the Rumah BUMN Bogor "IMPROVE YOUR CREATIVITY WITH KUKINGKLAS" attended by 30 Rumah BUMN-fostered SMEs, November 22, 2023.



Women Entrepreneurship Workshop with the Theme "How To Create Innovative Business in the Digital Era" for MSMEs Fostered by Rumah BUMN Bogor, December 1, 2023.



Training Program for Innovative and Bankable SMEs at Rumah BUMN Kupang, December 1, 2023.



Training Program for Innovative and Bankable SMEs at Rumah BUMN Ambon, December 6, 2023.



Collaborative Event on Product Utilization for MSMEs Fostered by Rumah BUMN Gorontalo, December 19, 2023.

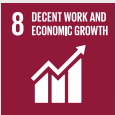


Business Scale-up Program with Rumah BUMN Trenggalek, attended by 150 SMEs on December 9, 2023.



Bazaar and Expo Featuring Rumah BUMN-fostered MSMEs

SDGs Priorities:



8. Decent Work and Economic Growth

Category:

MSME Empowerment

MSME People’s Market Event by Rumah BUMN Medan in Benteng Field, Medan, January 29, 2023



Rumah BUMN Bogor Empowers MSMEs through Bazaar Participation in Mandiri Vaganza Event, Bogor Juanda Area, February 11, 2023



Ecoprint Fashion in Collaboration with the Indonesian Ecoprinter Designer Association and Its Founder, Mrs. Inen Kurnia (Rumah BUMN Cilegon Foster Partner), Plaza Semanggi, February 22-26, 2023



Activity of MSMEs Fostered by Rumah BUMN Bogor and Cilegon at INACRAFT 2023, at the Plenary Hall of Jakarta Convention Center, March 1-5, 2023.



Bazaar and dissemination of Business Identification Number (NIB) and Halal Certification by the Maluku Provincial Government, State Finance Building, Ambon, March 3, 2023



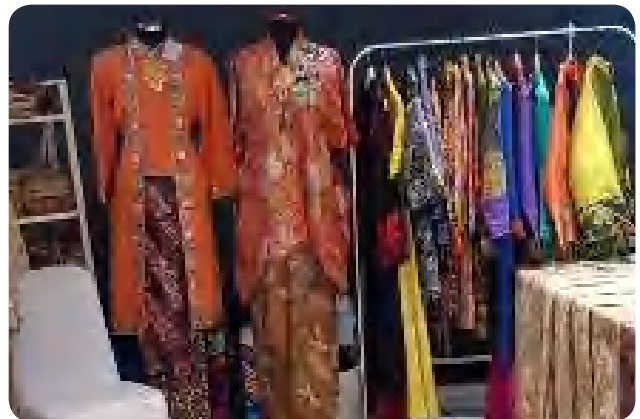
Rumah BUMN Kupang at the MSME Bazaar of the 2023 Treasury Day in Collaboration with the Ministry of Finance of East Nusa Tenggara (Kupang), Featuring 5 MSME Representatives from Rumah BUMN Kupang, March 4, 2023



Dahwafest Event at the Ministry of Finance's Dhanapala Building, March 8-10, 2023



The 2023 Nusantara Bun Festival at Cakrawala III, 5th Floor, Sarinah Thamrin, Central Jakarta, March 11, 2023



Rumah BUMN Gorontalo Participates in the MSME Expo Bazaar for the 19th Treasury Day in 2023, March 11, 2023



Ramadan 1444 H Bazaar at the Vice Presidential Secretariat Area, Attended by Rumah BUMN South Jakarta Fostered MSMEs, March 21, 2023



Rumah BUMN South Jakarta Fostered MSMEs Participated Ramadhan Safari Bazaar at Kodim South Jakarta, March 29, 2023



MSME Product Exhibition at the Singapore Trade Mission, April 3 - 9, 2023.



Ministry of Religion's Ramadan Blessing Event, Attended by Rumah BUMN South Jakarta Fostered MSMEs, April 12, 2023.



Rumah BUMN Semarang Participated in 'UMKM Gayeng with Bank Indonesia Central Java' and MSME Exhibition with the Trade Department of Central Java, April 12, 2023.



The Asean Summit in Labuan Bajo was attended by RB Kupang and RB Karangasem's Fostered MSMEs, from May 9 to 13 2023.



The PASTival MSME 2023 at Banteng Field Jakarta featured 5 booths from Rumah BUMN Bogor and Rumah BUMN South Jakarta's Fostered MSMEs, from May 9 to 10, 2023.



The Junior World Championship 2023 by Bank Mandiri featured 6 booths for Bank Mandiri-fostered MSMEs, from May 31 to June 1, 2023.



Food Bazaar of MSME Fostered by Rumah BUMN Medan at the BUMN Healthy Gymnastics and Posyandu Event at the Maimoon Palace Yard, Medan, July 29, 2023



Mini Bazaar of MSME fostered by Rumah BUMN Bank Mandiri, namely Real Juice, Cwie Mie Malang Orens, Pempek Rafi 81, Sonya Gourmet, and Maji Katsu, held at the Marie Muhammad Building, Head Office of the Directorate General of Taxes, on August 10-11, 2023



Karya Nyata Festival (MSME Exhibition and Bazaar, and Millennial Festival) at Pamulang Town Square, South Tangerang, featured 2 MSMEs from Rumah BUMN Cilegon, Bakso Trinil, and Kedai Umi Firza, in August 2023.



The IFRA Business Expo at the Indonesia Convention Exhibition (ICE) BSD featured MSMEs from Rumah BUMN Cilegon, from August 25 to 27, 2023.



The Bazaar event with 10 Rumah BUMN South Jakarta-Fostered MSMEs at the AXA Mandiri Kuningan City office took place from August 21 to 25, 2023.



ABOUT BANK MANDIRI

Message From The Board of Commissioners and The President Director

Vision Mission

About Bank Mandiri

Scale and Reach

Sustainability Performance Highlights

The 2023 National Movement Proudly Made in Indonesia and Proud to Travel in Indonesia (Gernas BBI & BBWI), with the theme "Jakarta's Work for a Great Indonesia" and featuring MSME fostered by Rumah BUMN South Jakarta at Sarinah, September 8-10, 2023



Bank Mandiri showcased MSMEs from Rumah BUMN in Nanning, Guangxi, China At the China-ASEAN Expo from September 16 to 23, 2023,



Nusantara Bhayangkari Kreasi Bazaar 2023 featuring MSME fostered by Bank Mandiri, September 20-24, 2023



Introduction of Products from MSME Fostered by Rumah BUMN Karangasem at Menara Mandiri, Denpasar, October 4, 2023



The Red and White MSME event by Rumah BUMN South Jakarta and Bogor featured 8 joining MSMEs at Menara Mandiri, from November 14 to 17, 2023.



The BBI and BBWI DKI Jakarta Harvesting Program commenced with a business competition and a bazaar attended by 5 MSMEs fostered by Rumah BUMN South Jakarta at Kota Tua, on November 16, 18-19, 2023.



“National Darma Wanita Persatuan Seminar Bazaar” Event at Opus Ballroom Lobby, The Tribrata Darmawangsa, November 16-17, 2023.



The IIKBM Anniversary was attended by 14 Rumah BUMN-fostered MSMEs at Menara Mandiri, from November 23 to 24, 2023.



Karya Nyata Festival in Medan City took place from November 25 to 26, 2023.



Rumah BUMN Melawi Booth Bazaar at the Melawi Expo 2023 in Melawi Regency was held from December 14 to 23, 2023.



Bazaar of Rumah BUMN Gowa at the Indonesian Army's Fighting Day Bank Mandiri held at Korebosi Field, Makassar, December 15, 2023



Inauguration of Tana Lino Lestari II program, a collaborative CSR educational infrastructure development project involving 23 SOEs on Komodo Island, East Nusa Tenggara, took place on November 4, 2023



BUMNU Grosir

SDGs Priorities:



8. Decent Work and Economic Growth

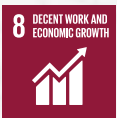
Category:

Social and Community Development



Bank Mandiri's Program to Support the Advancement of Palembang's Culinary MSMEs in Kampung Lorong Roda, Palembang, Held as a Series of Palembang Anniversary

SDGs Priorities:



8. Decent Work and Economic Growth

Category:

MSME Empowerment



Disaster Response CSR Assistance

SDGs Priorities:



11. Sustainable Cities and Communities



2. Zero Hunger



1. No Poverty



Category:

Social and Community Development



Uninhabitable House

SDGs Priorities:



11. Sustainable Cities and Communities

Category:

Social and Community Development



Assistance in the form of 103 basic necessities packages and 25 children's school bag packages in Kampung Cariu, Mangunkerta Village, Cugenang Sub-District, Cianjur, West Java for the victims of the Cianjur earthquake

SDGs Priorities:



4. Quality Education



1. No Poverty



2. Zero Hunger

Category:

Social and Community Development



Revitalization Assistance for Facilities and Infrastructure in the Malalayang Beach MSME Area in Manado

SDGs Priorities:



8. Decent Work and Economic Growth

Category:

MSME Empowerment



Green Our Earth

SDGs Priorities:



13. Climate Action



15. Life on Land



11. Sustainable Cities and Communities

Category:
Environment



Bank Mandiri Held MSME Bazaar Sarinah 2023

SDGs Priorities:



8. Decent Work and Economic Growth

Category:
MSME Empowerment



The GRBP (Gotong Royong Boyong Pohon) Collaborative BUMN Program distributed 10,000 trees to the community and employees from September to December 2023

SDGs Priorities:



13. Climate Action



15. Life on Land

Category:
Environment



Bank Mandiri Provided School Supplies to Elementary School Students in the RI-RDTL Border Area in Belu, Malaka, NTT, Distributed in Two Locations, Pos Motamasin Jajaran Kipam III and Pos Motaain

SDGs Priorities:



4. Quality Education

Category:
MSME Empowerment



Company Culture

Since 2020, State-Owned Enterprise (BUMN) has been required to implement core values, AKHLAK, in accordance with the Circular Letter of the Minister of State-Owned Enterprises Number: SE 7/MB/07/2020 dated July 1, 2020 on the Core Values of Human Resources of State-Owned Enterprises. The core values AKHLAK and 18 Behavioral Guidelines of Bank Mandiri:



1. AMANAH (TRUSTWORTHY)

Uphold the trust given.

Behavioral guideline:

- a. Fulfilling promises and commitments;
- b. Taking responsibility for tasks, decisions, and actions taken;
- c. Adhering to moral values and ethics.

2. KOMPETEN (COMPETENT)

Continue to learn and develop capabilities.

Behavioral guideline:

- a. Improving self-competence to meet constantly changing challenges;
- b. Helping others learn;
- c. Completing tasks with the best quality.

3. HARMONIS (HARMONIOUS)

Mutual care and respect differences.

Behavioral guideline:

- a. Respecting everyone regardless of their background;
- b. Enjoy helping others;
- c. Building a conducive work environment.

4. LOYAL (LOYAL)

Dedicated and prioritizing the Nation and the State.

Behavioral guideline:

- a. Upholding the good name of fellow employees, leaders, state-owned enterprises, and the country;
- b. Willing to sacrifice to achieve larger goals;
- c. Obeying leaders as long as it does not contradict the law and ethics.

5. ADAPTIF (ADAPTIVE)

Continuously innovating and enthusiastic in creating or facing changes.

Behavioral guideline:

- a. Quickly adapting to become better;
- b. Continuously making improvements following technological developments;
- c. Acting proactively.

6. KOLABORATIF (COLLABORATIVE)

Building synergistic cooperation.

Behavioral guideline:

- a. Providing opportunities for various parties to contribute;
- b. Being open to working together to create added value;
- c. Mobilizing the use of various resources for common goals.

Bank Mandiri prioritizes AKHLAK Core Values as a fundamental aspect of managing its Human Resources. This commitment is reflected in the Human Capital strategy and initiatives aimed at fostering the development of Mandirian character as a Strategic Business Leader with AKHLAK and global competitiveness. By doing so, Bank Mandiri positions itself as a talent creator, contributing to the support of State-Owned Enterprises (SOEs) as a driver of economic growth and a catalyst for social welfare.

As an SOE, Bank Mandiri has integrated the AKHLAK Core Values into its cultural programs, designed to influence the mindset and behavior of all employees by applying the AKHLAK Core Values (Amanah, Kompeten, Harmonis, Loyal, Adaptif, & Kolaboratif) in their daily work. This initiative aims to cultivate a resilient Mandirian character, aligning with Bank Mandiri's Employee Value Proposition (EVP) of Learning, Synergy, Growth, and Contribution to Indonesia.

EMPLOYEE VALUE PROPOSITION (EVP) BANK MANDIRI



LEARN

Providing insight in order to acquire/reinforce new and different knowledge, behaviors, skills or values.



SYNERGY

Providing insight to cooperate and collaborate for the company's interests to achieve the Vision and Mission.



GROW

Providing insight to develop personally and professionally.



CONTRIBUTE TO INDONESIA

Providing insight to contribute, share, and provide meanings and benefits to Indonesia.

Awards

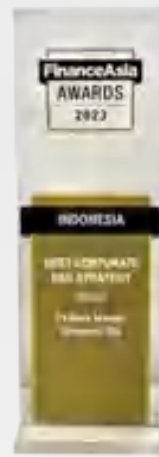
2023 ESG Awards



BEST INDONESIA'S SUSTAINABLE BANK



BEST INDONESIA'S ESG IMPACT



BEST CORPORATE ESG STRATEGY



THE BEST GREEN BANK IN 2023



THE BEST CEO IN DIGITAL BANKING INNOVATION



ESG EXCELLENCE ON STATE OWNED ENTERPRISE

THE BEST CEO FOR SOCIAL POLICY MAKING



BEST BANK IN DIGITAL SOLUTION

THE BEST DOMESTIC BANK IN INDONESIA



BEST ESG ISSUER/ BORROWER



BEST COMPANY FOR INNOVATION IN MOBILIZING ESG FOR SUSTAINABLE FUTURE



OVERALL WINNER IN FINANCE SECTOR

2023 Bank Mandiri Awards

No	Date	Award Name	Award Category	Awarding Entity
1	January 31	Indonesia Excellence Good Corporate Governance Awards 2023	Indonesia Excellence Good Corporate Governance Ethics in Providing Precise and Reliable Banking Services (Category: Conventional Bank)	Warta Ekonomi
2	January 2023	Satisfaction, Loyalty & Engagement Award	Rank 2 – SLE Index KBMI 4	Infobank Magazine
3	February 7	Alpha Southeast Asia 16th Annual Best Deal & Solution Awards 2022	Transaction Banking - Best Cash Management Solution in Indonesia 2022	Alpha Southeast Asia
4	February 23	Foreign Exchange Awards 2023	Best Foreign Exchange (FX) Bank in Indonesia	Global Finance
5	February 2023	Contact Center Service Excellence Award (CCSEA)	<ol style="list-style-type: none"> Rank 1 - Regular Credit Card (Exceptional Predicate) Rank 2 - Priority Banking (Exceptional Predicate) Rank 2 - Home Ownership Credit Services (Exceptional Predicate) Rank 2 - EDC Services (Exceptional Predicate) Rank 3 - Personal Loan Services (Exceptional Predicate) 	Marketing Magazine
6	March 16	BUMN Corporate Communications and Sustainability Summit (BCOMSS) Awarding Night 2023	<ol style="list-style-type: none"> Best Millennial CSR Health Community Involvement & Development 	Ministry of SOEs
7	March 16	Solo Best Brand and Innovation (SBBI) 2023	Best Digital Payment Card Brand (Mandiri E-Money) and Best Digital Performance SuperApp in Banking (Livin by Mandiri)	Solopos
8	March 17	PR Indonesia Awards (PRIA) 2023	<ol style="list-style-type: none"> Category Owned Media, Subcategory Print Media MANDIRI MAGAZINE - #509 July 2022 GOLD WINNER Category Owned Media, Subcategory Video Profile SILVER WINNER Category CSR Program, Subcategory Community Based Development Urban Festival BRONZE WINNER Most Popular Category in Print and Online Media 2022 	PR Indonesia
9	March 25	CNBC Indonesia Top Women Fest 2023	Most Inspiring and Adorable Women Leader in Banking - Mrs. Alexandra Askandar, Deputy Chief Executive Officer of PT Bank Mandiri (Persero) Tbk	CNBC Indonesia

No	Date	Award		Awarding Entity
		Award Name	Category	
10	March 29	Digital Technology & Innovation (Digitech) Award 2023	1. The Greatest Champions of Digital Transformation & Innovation of The Year (Banking Industries) 2. The Best IT Governance & The Best Digital Workplace (Banking Industries) 3. The Best CEO for Corporate Digital Transformation of The Year - Mr. Darmawan Junaidi, President Director of PT Bank Mandiri (Persero) Tbk 4. The Best Chief Information Technology Officer of The Year - Mr. Timothy Utama, Director of Information Technology PT Bank Mandiri (Persero) Tbk 5. The Best Millennial Digital Leader of The Year – Mr. Budi Prasetyo	Itech
11	March 30	Indonesia Digital Innovation Awards 2023	The Most Innovative Conventional Bank for The Encourage One Stop Financial Solution by Digitization, (Category: Conventional Bank).	Warta Ekonomi
12	April 6	Finance Asia Award 2023	7 Awards at Asia's Best Companies: 1. The Best CFO - Mr. Sigit Prastowo, Director of Finance and Strategy at PT Bank Mandiri (Persero) Tbk - Silver 2. The Best Corporate Esg Strategy - Silver 3. The Best DEI Strategy - Bronze 4. The Best Investor Relations - Bronze 5. The Best Large-cap - Silver 6. The Best Overall Company - Bronze 7. The Best Financial Company – Silver	Finance Asia
13	April 12	12 th Digital Brand Awards 2023	3 Awards at Southeast Asia: 1. The Best ESG Impact 2. The Best Sustainable Bank 3. Most Innovative Use of Technology	Infobank
14	April 18	LinkedIn Top Companies 2023	The Best Mobile Banking Conventional Bank (KBMI 4)	Infobank
15	May 12	Top 100 Most Outstanding Women 2023	Top Companies 2023: The Best Workplace for Career Development in Indonesia	LinkedIn
			100 Influential Women in the Indonesian Financial Industry according to Infobank Magazine - Mrs. Alexandra Askandar, Deputy Chief Executive Officer of PT Bank Mandiri (Persero) Tbk	Infobank

No	Date	Award		Awarding Entity
		Award Name	Category	
16	May 14	20 th Bank Service Excellence Awards	1. Rank 3 - Top 10 Best Banks in Excellent Service	Marketing Research Indonesia & Infobank
			2. Rank 1 - Best Mobile Banking Performance	
			3. Rank 1 - Best ATM Performance at Branch Offices	
			4. Rank 1 - Best Comfort Performance at Priority Branch Offices	
			5. Rank 1 - Best Chatbot Performance	
			6. Rank 2 - Best Digital Branch Performance	
			7. Rank 2 - Best SMS Banking Performance	
			8. Rank 3 - Excellent Service Walk-in Channel	
			9. Rank 3 - Best Performance of Service via Email	
			10. Rank 4 - Best Security Guard Performance	
			11. Rank 4 - Best Customer Service Performance	
			12. Rank 4 - Best Priority Staff Performance	
			13. Rank 5 - Best Teller Performance	
			14. Rank 5 - Best CRM Performance in Public Areas	
			15. Rank 6 - Social Media Management	
			16. Rank 7 - Best Comfort Performance at Branch Offices	
			17. Rank 7 - Best Account Opening Performance via Website	
			18. Rank 7 - Best Account Opening Performance via Mobile App/Mobile Browser	
			19. Rank 10 - Best ATM Performance in Public Areas	
17	May 22	GlobalCCU Award 2023	The Best Corporate University for The Branding & Durability Category (MANDIRI UNIVERSITY) - Gold Winner	GlobalCCU
18	May 22	CNBC Indonesia Green Business Ratings 2023	Best Green Business in Banking Sector 2023	CNBC Indonesia
19	May 26	Best Bank Awards 2023	Best Bank 2023, category: KBMI 4: (MODAL INTI > RP 70 TRILIUN)	B-Universe Media
20	May 31	Bisnis Indonesia Award (BIA) 2023	Best Bank in the State-Owned Bank Category	Bisnis Indonesia
21	June 2	The Banker's Top 30 Asean Banks 2023	Ranked 6 th in ASEAN, Ranked 2 nd in Indonesia	The Banker
22	June 13	World's Best Bank 2023	Bank Mandiri becomes the number 1 State-Owned Bank	Forbes Global 2000

No	Date	Award		Awarding Entity
		Award Name	Category	
23	June 23	Index Tempo - IDN Financials 52	Constituent of Tempo Index - IDN Financials 52 in the categories: 1. Main Index 2. High Dividend 3. High Growth 4. High Market Capitalization	Tempo - IDN Financials
24	June 27	Indonesia Most Powerful Women Business Leader 2023	Indonesia Most Extraordinary Women Business Leaders 2023 - Mrs. Alexandra Askandar, Deputy Chief Executive Officer of PT Bank Mandiri (Persero) Tbk	Magazine SWA and SWANETWORK
25	July 5	Indonesia Customer Service Quality Survey 2023	Mandiri Agent (Best Smart Agent - Excellent Predicate)	SWA Magazine
26	July 25	Euromoney Award for Excellence	Best Bank in Indonesia	Euromoney
	July 25	Asia Banking Finance Awards	1. Mobile Banking & Payment Initiative of the Year 2. The New Consumer Lending Product of the Year 3. Best Indonesia Trade Finance Bank of the Year 4. Best Indonesia Domestic Cash Management Bank of the Year	Asia Banking Finance
27	July 26	ESG Award 2023	Debt and Project Financing Sector, Issuer Category	KEHATI Foundation
28		Global Contact Center World Awards (GCWWA)	1. The Best Social Media - Gold Award 2. The Best Contact Center - Gold Award 3. The Best Helpdesk - Gold Award 4. The Best Technology Innovation - Gold Award 5. The Best Use of Self Service Technology - Silver Award 6. The Best Organizational Customer Service - Silver Award 7. The Best Employee Engagement - Silver Award	Asosiasi Contact Center dan Customer Engagement
29	August 24	Bisnis Indonesia Financial Award (BIFA) 2023	Most Popular Digital Banking Application, (Category: Survey)	Bisnis Indonesia
30	August 25	28 th Infobank Banking Appreciation 2023	1. Best of the best financial performance bank in 2022 2. Best of the best financial performance bank KBMI 4 in 2022 3. Excellence financial performance bank in 15 consecutive years (2008-2022) 4. Excellence financial performance bank in 2022	Infobank
31	August 25	ASEAN Energy Award 2023	Energy Efficient Building, Retrofitted Building Category - Plaza Mandiri	ASEAN

No	Date	Award		Awarding Entity
		Award Name	Category	
32	28 August 28	Appreciation for Influential Woman	Influential Women in the Corporate Banking Category - Mrs. Alexandra Askandar, Deputy Chief Executive Officer of PT Bank Mandiri (Persero) Tbk	Dream.co.id and Diadona.id
33	August 30	Merdeka Award 2023	<ol style="list-style-type: none"> 1. Innovative Program for Economic Independence <ol style="list-style-type: none"> a. Mandiri Smart Easy Loan (Pintar) b. Mandiri Digipreneur Hub (MDH) in the Solo Techno Park (STP) area c. State-Owned Enterprises (BUMN) House d. Rice Milling Unit (RMU) Program e. Mandiri Sahabatku Program 2. Innovative Program in Public Services <ol style="list-style-type: none"> a. Branch of the Future 3. Supporting Innovative Programs Digitalization <ol style="list-style-type: none"> a. Super Apps Livin Mandiri b. Kopra by Mandiri c. Additional Account Opening d. Mandiri Smart Branch 	Merdeka.com
34	August 30	TrenAsia ESG Award 2023	<ol style="list-style-type: none"> 1. Best of The Best CEO - Bapak Darmawan Junaidi, Direktur Utama PT Bank Mandiri (Persero) Tbk 2. The SOE Bank Category for Sustainability 	TrenAsia
35	August 2023	The Best Contact Center Indonesia 2023	<ol style="list-style-type: none"> 1. The Best Contact Center Operations - Platinum Award 2. The Best Technology Innovation - Platinum Award 3. The Best Business Contribution – Gold Award 4. The Best Digital Media - Gold Award 	Indonesia Contact Center Association
36	September 2	PR Excellence Awards 2023	<ol style="list-style-type: none"> 1. 3rd Place in Corporate PR Category with ESG Theme 2. Finalist in CSR Category with General Theme 	Perhumas Indonesia
37	September 7	Alpha Southeast Asia Awards 2023	<ol style="list-style-type: none"> 1. Best Foreign Exchange Bank for Corporates & Financial Institutions 2. Best Foreign Exchange Bank for Hedging Requirements 3. Best Cash Management Bank 4. Best Digital Bank 5. Best Wealth Management Bank 	Alpha Southeast Asia

No	Date	Award		Awarding Entity
		Award Name	Category	
38	September 19	AIBP Innovation Awards 2023	AIBP Enterprise Innovation Awards	ASEAN Innovation Business Platform (AIBP)
39	September 20	IDX Channel Anugerah Inovasi Indonesia (ICAI) 2023	SUSTAINABILITY CATEGORY: Best Company for Innovation in Mobilizing ESG for Sustainable Future	IDX Channel
40	September 21	Global Transaction Banking Innovation Awards 2023	Best Corporate Mobile Banking App (Kopra Mobile)	The Digital Banker
41	September 21	Detikcom Awards 2023	Category: Most Comprehensive Super App - Livin by Mandiri	Detikcom
42	September 26	Asiamoney Awards 2023	Best Bank for Digital Solution in Indonesia	Asiamoney
43	September 26	Katadata Corporate Sustainability Award (KCSA) 2023	Category Finance - Overall Winner	Katadata
44	September 27	The Best SOE 2023	Excellence Financial Performance SOE in 10 Consecutive Years (2013-2022)	Infobank
45	October 11	Local Media Summit Appreciation 2023	Best Communication and Information Innovation	Suara.com
46	October 26	Republika CSR Awards 2023	Category: CSR in the Field of SMEs - Urban Festival Mandiri	Republika
47	October 27	Jambore PR INDONESIA (JAMPIRO) 2023	Most Popular Leader on Social Media 2023 - Mr. Rudi As Aturridha, Corporate Secretary of PT Bank Mandiri (Persero) Tbk	PR Indonesia
48	October 31	The Best Investortrust Companies 2023	Best Financial Sector Issuer Company	Investortrust.id
49	October 31	Indonesia Public Relations Top Leader Awards 2023	Encouraging Positive Business Impact, (Category: KBMI 4) - Mr. Rudi As Aturridha, Corporate Secretary of PT Bank Mandiri (Persero) Tbk	Warta Ekonomi.co.id
50	November 14	Top 20 Financial Institution 2023	1. Category: Assets Above Rp500 Trillion with the predicate VERY GOOD 2. Best CFO Category Bank according to The Finance - Mr. Sigit Prastowo, Director of Finance and Strategy of PT Bank Mandiri (Persero) Tbk	The Finance of Infobank Media Group
51	November 16	Asia Marketing Excellence Awards 2023	Marketing Company of the Year - PT Bank Mandiri (Persero) Tbk	Asia Marketing Federation (AMF)
52	November 23	CSA Awards 2023	Analyst's Favorite in the Financial Sector	Asosiasi Analisis Efek Indonesia
53	November 24	Sky-High Appreciation	Category "ACHIEVE MORE THAN TARGET"	Dream.co.id
54	November 27	Best 50 Financial Institution Awards 2023	Best Brand Popularity Digital Bank Category	The Iconomics

No	Date	Award		Awarding Entity
		Award Name	Category	
55	November 27	Annual Report Award (ARA) 2022	Category: Financial IPO	Financial Services Authorities, Coordinating Ministry for Economic Affairs, Ministry of State-Owned Enterprises, Directorate General of Taxes-Ministry of Finance, Indonesia Stock Exchange, National Committee on Governance Policy, and Indonesian Institute of Accountants
56	November 29	Bank Indonesia Award 2023	<ol style="list-style-type: none"> Best Supporter of Rupiah Money Market Development Best Supporter of Foreign Exchange Market Development Best Conventional Bank Supporting Innovative Foreign Exchange Monetary Operations 	Bank Indonesia
57	November 30	Top BUMN Awards 2023	The Best CEO Category Excellent in Strategic Leadership - Mr. Darmawan Junaidi, President Director of PT Bank Mandiri (Persero) Tbk The Best CFO Category Excellent in Finance Transformation - Mr. Sigit Prastowo, Director of Finance and Strategy of PT Bank Mandiri (Persero) Tbk	Bisnis Indonesia
58	December 1	Top CEO Indonesia Award 2023	The Best CEO in the Largest Bank in Indonesia – Mr. Darmawan Junaidi, President Director of PT Bank Mandiri (Persero) Tbk	Tempo & IDN Financials
59	December 5	Mitra BUMN Champion 2023	Category: Best State-Owned Enterprises (BUMN) Creditor/Investor	Ministry of SOEs
60	December 6	LPS Banking Awards 2023	Category: Best Bank in SCV Compliance Report: KBMI 4 (specific to commercial banks)	Indonesia Deposit Insurance Corporation (LPS)
61	December 7	Marketeer of The Year Award	Best Commercial Banking Industry and Marketeer of The Year - Mr. Darmawan Junaidi, President Director of PT Bank Mandiri (Persero) Tbk	Marketeer Magazine
62	December 13	CNBC Indonesia Awards 2023	<ol style="list-style-type: none"> Top Bank Consistent Profit with Best GCG and Solid Performance. Best inventive Banking Super App in Indonesia. Most Influential & Adaptive Financial Leader 	CNBC Indonesia

No	Date	Award		Awarding Entity
		Award Name	Category	
63	December 14	Digital Banking Award 2023	Category KBMI 4 Collaboration Dimension	InvestorTrust
64	December 18	Investor Meeting	1. Top SBSN Dealer with the best performance in the primary market in 2023 2. Top primary dealer with the best SUN quotation in 2023 3. Top primary dealer with the best SBSN performance in 2023 4. Top primary dealer with the best performance in the primary market for SBSN in 2023	Ministry of Finance
65	December 20	Award for Public Information Transparency	As a Public Body with Qualifications Towards Informativeness	Central Information Commission of the Republic of Indonesia
66	December 20	Indonesia Most Trusted Companies Award 2023	Most Trusted Company Based on Corporate Governance Perception Index (CGPI)	IICG & SWA
67	December 22	Global Finance Award 2023	Best Private Bank in Indonesia	Global Finance Magazine

02

Sustainability **Strategy**

Bank Mandiri has 3 (three) Sustainability Strategy Pillars, including Sustainable Banking, Sustainable Operation, and Sustainability Beyond Banking. Bank Mandiri is also fully committed to supporting Indonesia's and the global achievement towards Net Zero Emissions.



BANK MANDIRI'S SUSTAINABILITY VISION

Becoming Indonesia's Sustainability Champion for a Better Future

BANK MANDIRI'S SUSTAINABILITY COMMITMENT

- » Lead Indonesia's Transition to Low Carbon Economy
- » Net Zero Emissions (NZE) Operation by 2030
- » Catalyzing Multiple Growth for Social Impact to Achieve SDGs

Five years ago, Bank Mandiri embarked on a journey to foster the development of a low-carbon economy in Indonesia. Sustainable finance involves the comprehensive support of the financial services industry for sustainable growth, achieved through the alignment of economic, social, and environmental interests. As a financial institution, Bank Mandiri plays an active role in developing products and services that support financing activities aimed at enhancing customers' environmental performance and promoting social justice for businesses at the base of the economic pyramid. Additionally, the bank integrates

Environmental, Social, and Governance (ESG) aspects into its business processes and practices.

Bank Mandiri considers sustainability values as the cornerstone of its business and operations, enabling the bank to deliver optimal benefits to all stakeholders, make positive contributions to the environment and society, and actively engage in shaping a better future for upcoming generations. [E.4]

Sustainability Commitment [E.1]

Bank Mandiri is committed to implementing sustainable finance and sustainability principles that align with ESG aspects. The bank believes that sustainable finance is essential to achieve a low-carbon and equitable economy. As a partner of the government and an agent of change, Bank Mandiri aims to deliver a positive impact on society.

Sustainable finance aligns with the Bank's endeavors to accelerate sustainable business growth. This demonstrates Bank Mandiri's commitment to supporting the achievement of the Sustainable Development Goals (SDGs) and the target of Enhanced Nationally Determined Contribution (ENDC) towards achieving Net Zero Emission (NZE) in Indonesia by 2060 or ahead of time.

Bank Mandiri's commitment to implementing sustainable practices and ethical standards is in accordance with Bank Mandiri's Vision "To Be Your Preferred Financial Partner" and Bank Mandiri's Mission "Seamlessly integrate our financial products & services into our customers' lives by delivering simple, fast digital banking solutions".

Bank Mandiri strives to realize the sustainability vision of Becoming Indonesia's Sustainability Champion for a Better Future. One strategic initiative in pursuit of this goal is the development of financing following Financial Services Authority Regulation (POJK) 51/2017, the ENDC and NZE Indonesia roadmap, and the ESG framework, which embodies industry best practices.



Our Achievements



Over the past five years, Bank Mandiri has prioritized sustainable finance initiatives, aiming to boost financing for green business activities, enhance capacity development, and establish management systems to oversee sustainable finance. This includes organizational adjustments, risk management enhancements, system and procedure modifications, and the necessary documentation to ensure the effective implementation of sustainable finance.

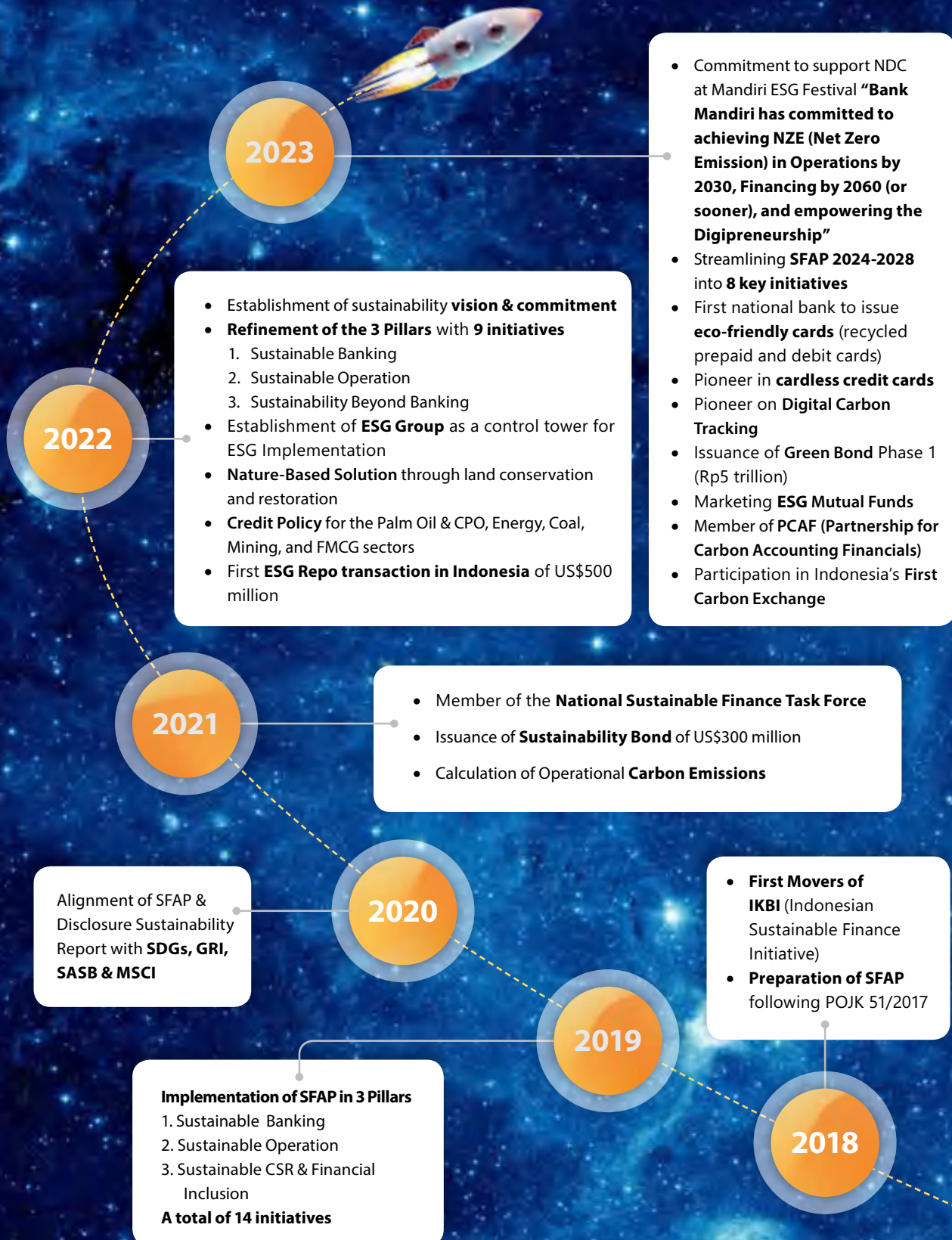
From 2019-2023, Bank Mandiri's sustainable finance endeavors comprised 14 initiatives across three main pillars: (1) Sustainable Banking; (2) Sustainable Operation; and (3) Sustainable CSR & Financial Inclusion. The bank's primary achievement is the inclusion of Sustainable Business Activity Categories (KKUB) of IDR 264,08 trillion which comprises of green portfolios of IDR 129,20 trillion and social portfolios of IDR 134,87 trillion disbursed by the bank as of December 31, 2023. Additionally,

Bank Mandiri secured ESG-based funding through the issuance of Sustainability Bonds and other funding products.

The establishment of the ESG Group represents a crucial step for Bank Mandiri in the implementation of sustainable finance, serving as the focal point and control tower for these initiatives within the bank. The ESG Group, previously a task force appointed by the Board of Directors since 2019, has now evolved into a full-time permanent unit under the Vice President Director. This group serves as the entity responsible for sustainable finance at Bank Mandiri following the mandate of Financial Services Authority Regulation (POJK) 51/2017 and also functions as a control tower for the implementation of ESG. [E.1]

Further information on sustainable finance achievements in the 2023 reporting period can be found in this Sustainability Report within the relevant sections.

Journey to Becoming Indonesia's Sustainability Champion for a Better Future



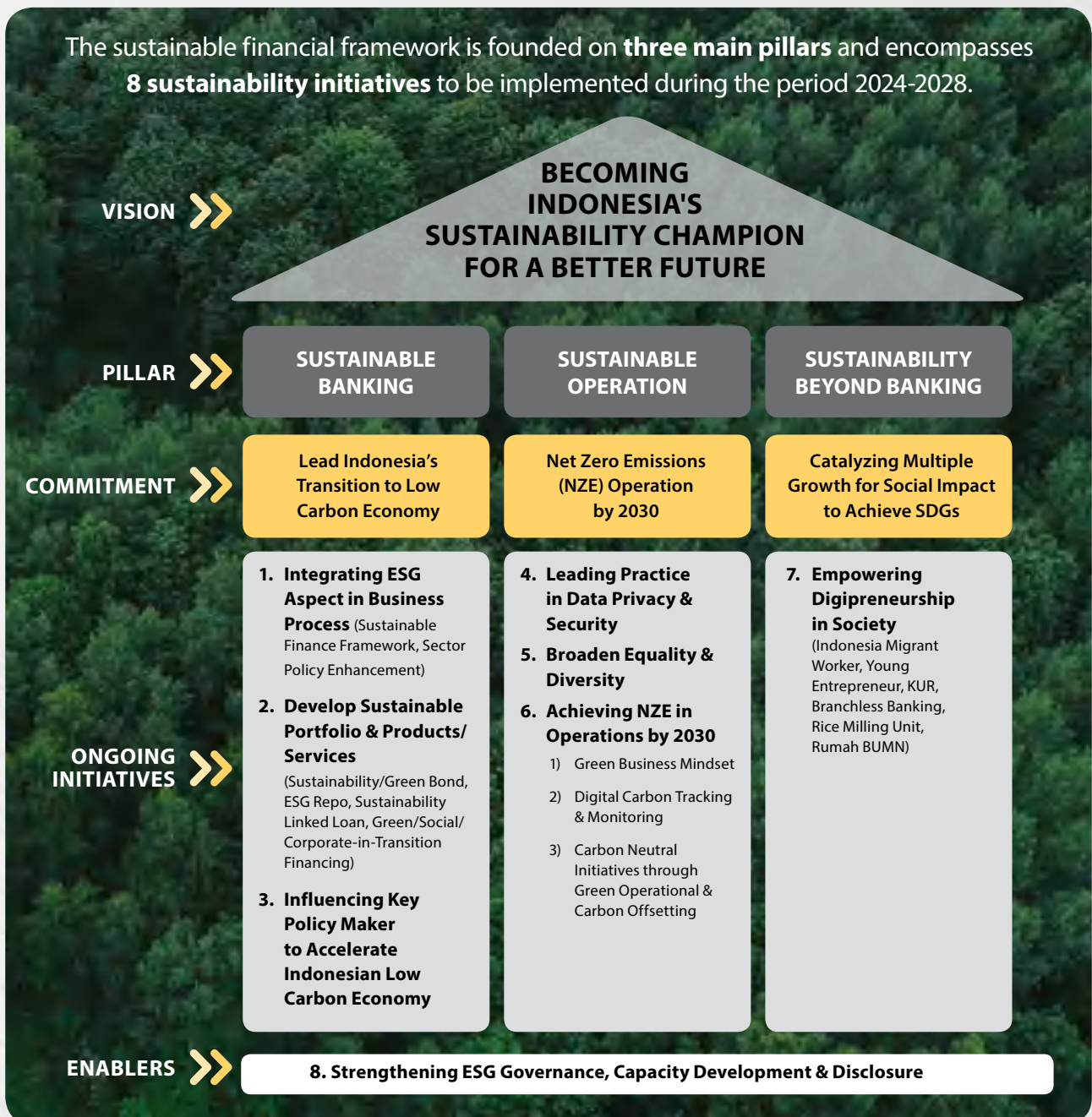
Sustainability Strategy 2024-2028

[OJK A.1] [GRI 2-22] [S1-2a] [S1, 2b] [S1-2c] [S1, 2d] [S1, 4a] [S1, 4b] [S2, 4a] [S2, 4b][S2, 4c]

After successfully concluding the initial five-year sustainable finance strategy, Bank Mandiri has developed a new five-year plan with the vision of 'Becoming Indonesia's Sustainability Champion for a Better Future', accompanied by a commitment to achieve 'Lead Indonesia's Transition to Low Carbon Economy; Net Zero Emission (NZE) Operations by 2030; and Catalyzing Multiple Growth for Social Impact to Achieve SDGs'.

For the upcoming phase, Bank Mandiri has developed a Sustainability Strategy, the Sustainable Finance Action Plan 2024-2028, submitted to the Financial Services Authority (OJK) in November 2023.

The sustainable financial framework is founded on **three main pillars** and encompasses **8 sustainability initiatives** to be implemented during the period 2024-2028.



Pillars of Sustainability Strategy

In our sustainable financial strategy, Bank Mandiri incorporates sustainable financial principles into all our business processes. Our primary focus is on the development of sustainable financial portfolios, resource capacity enhancement, and integrating ESG aspects into our organization, governance, and risk management. Our strategy is founded on three pillars, encompassing eight main initiatives outlined in the sustainability framework.

Additionally, Bank Mandiri has ratified ESG Guiding Principles based on the Decision of Risk Management & Credit Policy Committee (RMPC) No. RMPC/051/2023 dated December 13, 2023. This guideline serves as a framework for Bank Mandiri to integrate ESG aspects into all internal provisions related to business activities and operations at Bank Mandiri.

SUSTAINABLE BANKING

In the first pillar,

Bank Mandiri focuses on conducting sustainable banking activities with the commitment to **“Lead Indonesia’s Transition to Low Carbon Economy.”** This is realized through the integration of ESG aspects in all banking activities, including risk management and business aspects, through the development of sustainable financial products/ services to assist customers in transitioning to a low-carbon economy and engaging in sustainable business activities.

SUSTAINABLE OPERATION

In the second pillar,

to support the achievement of one of the sustainability targets, **Net Zero Emission in Operations by 2030**, Bank Mandiri ensures the integration of ESG principles in all operational activities. This includes raising awareness, promoting eco-friendly operations, utilizing technology to safeguard customers’ data, mitigating climate change risks, and managing human resources to promote diversity and equality in the workplace.

SUSTAINABILITY BEYOND BANKING

In the third pillar,

Bank Mandiri expands its commitment to sustainability by refining activities beyond the core banking and operational business aspects to enhance the community’s economic scale through various empowerment programs that empower communities to achieve **Catalyzing Multiple Growth for Social Impact to Achieve SDGs.**

Enablers Activities to Support Sustainability Vision and Commitment

The ongoing pursuit of sustainability goals necessitates governance adjustments that incorporate ESG aspects into Bank Mandiri’s financial processes, products, and services. The bank is also preparing all Mandiri employees to effectively implement these changes in alignment with its objective of sustainable growth. Furthermore, Bank Mandiri enhances the quality of ESG information delivery to stakeholders as part of its commitment to transparency and effective communication.

In order to ensure the incorporation of ESG aspects in lending, we are developing and implementing credit policies that integrate these aspects. We are also enforcing sectoral credit policies as binding provisions for businesses deemed to have high ESG risks. Further information on Bank Mandiri’s credit policies can be found in the Sustainable Banking section on Green Financing in this report.



Climate Change Strategy [S2-2a]

Bank Mandiri has committed to addressing climate challenges as part of its support for the Paris Agreement to achieve Net Zero Emission (NZE) and support the Enhanced Nationally Determined Contribution (ENDC) established by the Indonesian Government to achieve a low-carbon economy and climate resilience. By the Paris Agreement's objective of preventing global temperature rise of more than 1.5°C, Bank Mandiri aspires to achieve Net Zero Emission in operations by 2030. Bank Mandiri's climate change strategy includes three primary approaches: reducing greenhouse gas emissions from its operational activities, providing financing to support customers in the transition to NZE, and encouraging activities that can absorb carbon, such as forest/land restoration or conservation.

Within its climate strategy framework, Bank Mandiri has developed a comprehensive approach that encompasses all layers of the bank to achieve net zero ambition, as well as managing and conducting climate-related risk analysis. A key emphasis is placed on collaborating with customers to identify optimal solutions and offer tailored access to capital, aligning with their specific requirements. The bank's detailed climate strategy outlines specific measures to assist customers in transitioning to a net zero.

In response to these challenges, Bank Mandiri also has a Business Continuity Management Group. Enforcing Business Continuity Management in adherence to global standards outlined in ISO 22301:2019. This framework is designed to establish a resilient organization to potential internal and external threats by ensuring the preparedness of BETH3 components (Building, Equipment, Technology, Human Resource & 3rd Parties).

To ensure resilience in its operations and business, Bank Mandiri's BCM actively engages in collaborations with external parties to mitigate the risks associated with climate change impacts, such as the Agency for Meteorological, Climatological, and Geophysics (BMKG). These collaborative efforts involve obtaining rapid climate analysis information and integrating systems between Bank Mandiri and BMKG to enable early disaster notifications directly to the Crisis Management Team members when disasters occur. Additionally, Bank Mandiri has established several alternative operational work unit locations and Data Centers to mitigate the risk of customer transaction disruptions and data loss caused by climate change.

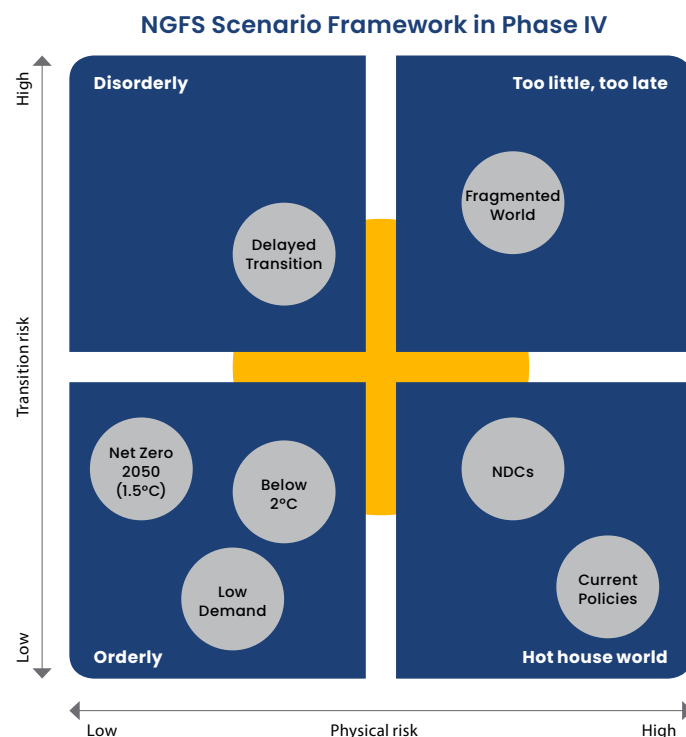
Climate Risk Stress Test (CRST) [S2-2c]

As a member of the Task Force on Climate Related Financial Risk, Bank Mandiri participated in the initial phase of the Bottom-up Climate Risk Stress Test (CRST) alongside the Financial Services Authority (OJK). This initial phase served as a collaborative learning exercise between OJK and the banking sector, aimed at building capacity for assessing the impact of climate change risks.

Bank Mandiri refers to the Network for Greening the Financial System (NGFS) climate scenarios, which categorizes the potential impacts of climate change into three categories:

"Orderly," "Disorderly," and "Hot House World." Each scenario presents a unique roadmap and variables crucial for achieving the 2050 climate goals, including changes in how climate affects the economy. These scenarios explore different assumptions about the escalation of climate policy, emission levels, and temperature increase.

During the initial phase of the Bottom-Up CRST, Bank Mandiri employed three NGFS scenarios: Net Zero 2050, Delayed Transition, and Current Policies.



A comprehensive explanation of the scenarios utilized in the initial phase of Bottom Up CRST can be seen in the following table:

Climate Risk Type	Scenario	Financial Impact
Transition Risk	Orderly – Net Zero 2050 The aim is to achieve global net-zero CO ₂ emissions by 2050 and limit global warming to 1.5°C through strict and innovative policies. Several countries such as the US, EU, UK, and Japan have achieved net-zero emissions for all greenhouse gasses.	
	Disorderly- Delayed Transition Assuming that annual emissions will not decrease until 2030, stricter policies are then implemented to limit global warming to 2°C and restrict CO ₂ emissions.	Low - Medium
	Hot House World– Current Policies Assuming the continuation of current policies without implementing any new ones, the impact on physical risks will increase.	

Climate-Related Risk and Opportunities [S2-3a], [S2-2b]

Type of Risk	Risk Triggers	Likelihood of Risk Occurrence	Description	Risk Response Strategies
TRANSITION RISK				
POLICY AND LAW				
Compliance	Enforcement of policies and regulations in Indonesia concerning climate-related risks.	Likely	The risk arising from the presence of Law No. 16 of 2016 on the Ratification of the Paris Agreement and Presidential Regulation 98/2021 on the Economic Value of Carbon (NEK) to Achieve Nationally Determined Contributions (NDC).	Bank Mandiri has developed a Sustainable Financial Action Plan (SFAP) 2024-2028 to implement sustainable financial targets and has several programs aimed at supporting the government in achieving Net Zero Emissions by 2060 or ahead of time.
			The risk arising from the presence of laws on climate change, such as Financial Services Authority Regulation (POJK) No.51/POJK.03/2017 on the Implementation of Sustainable Finance and POJK 60/POJK.04/2017 on the Issuance and Requirements of Green Bonds.	Bank Mandiri adheres to the relevant regulations in implementing Sustainable Finance, such as POJK 51/POJK.03/2017, POJK 60/POJK.04/2017, as well as regulations applicable to debtors, including guidelines for prospective debtors.
				In formulating the credit growth strategy, Bank Mandiri utilizes the Loan Portfolio Guideline (LPG) comprising Industry Classification (IC), Industry Limit (IL), Industry Acceptance Criteria (IAC), and sector-specific credit policies that support the implementation of Sustainable Finance. In its formulation, the Loan Portfolio Guideline (LPG) consistently prioritizes ESG principles, including climate change risk. In one component of the LPG, the Industry Acceptance Criteria (IAC) includes ESG aspects that require potential debtors from certain sectors to possess standard documentation related to ESG aspects that must be integrated into their business operations, such as Transition Plans, Climate Change Mitigation Actions, and the submission of a Sustainability Report.
Law	The existence of legal responsibility as part of the implementation of climate change-related policies.	Likely	The legal risk related to the reduction of national emissions under Law No. 16 of 2016 on the Ratification of the Paris Agreement.	Bank Mandiri continues to enhance the knowledge of all employees, customers, vendors, and stakeholders through the implementation of training/workshops/FGDs related to legal risk awareness, emission reduction based on e-NDC documents, and other policies related to climate change.
Credit	The decline in a debtor's financial condition impacts their ability to fulfill their obligations.	Likely	The risks arising from the impact of climate change have the potential to adversely affect the debtor's business and create credit risks for the bank.	In the credit granting process, Bank Mandiri consistently upholds the principle of prudence by integrating Environmental, Social, and Governance (ESG) aspects into its risk management policies, from the pre-screening stage and credit analysis to post-credit monitoring processes. Throughout its business operations, Bank Mandiri identifies and evaluates potential environmental and social impacts through Environment & Social Due Diligence, taking into account the significance of priority sectors and adhering to relevant regulations and standards.
				Bank Mandiri has also established sectoral policies following the Environment, Social, and Governance (ESG) aspects across 12 priority sectors, including Palm Oil, Energy and Water, FMCG, Mining (Metals and Coal), Construction, Pulp & Paper, Telecommunications, Transportation, Other Transport Industries (Shipbuilding), Pharmaceuticals and Health Services, as well as Oil and Gas.

Type of Risk	Risk Triggers	Likelihood of Risk Occurrence	Description	Risk Response Strategies
TECHNOLOGY				
Technology	Transition of technology in low-emission products.	Likely	Technology risk may have a significant impact on a company's business. The impact includes high costs associated with technology investments, potential depreciation of assets, and the need to replace products or services with lower-emission technology, leading to the cessation of asset use.	Bank Mandiri is reaching out to all its customers to communicate about its business plans, in response to transition policies and technological changes aimed at promoting green initiatives.
	Cybersecurity threats.	Likely	Bank Mandiri is transitioning to offering banking products through eco-friendly digital services due to the risks associated with transaction and data security, as well as information systems.	Bank Mandiri has established a special working unit to assist in overseeing digitalization-related risks and has achieved ISO 27001 certification for its security operations center, enabling it to effectively manage cyber security threats within its banking system and cyber operations.
MARKET				
Market Conditions	Changes in customer behavior.	Likely	Market changes pose a risk when customers shift to products with lower emissions, leading to a decrease in demand and company revenue.	<p>Bank Mandiri is committed to developing green and sustainable financial products. This commitment is evident through various initiatives, including the issuance of a Green Bond of IDR5 trillion, the inaugural issuance of a Sustainability Bond of US\$300 million, and an ESG Repo transaction of US\$500 million. Furthermore, the bank promotes financing in the Sustainable Business Activities Category (KKUB), encompassing green and social portfolios, following Financial Services Authority Regulation (POJK) 51/2017. Bank Mandiri also operates an ESG Desk, encouraging customers to transition with products, such as Sustainability-Linked Loans/ Corporate-in-Transition Financing. Bank Mandiri also offers green products on the retail side, including financing facilities for Electric Vehicles (EV) and other eco-friendly options.</p> <p>Bank Mandiri is implementing changes to digitalize its banking services, aiming to enhance accessibility for the people of Indonesia. The bank prioritizes the advancement of technology to facilitate digital transformation. This is realized through the development of innovative banking systems such as Livin', Kopra, Smart Branch (Upgraded Branch, Hybrid Branch, and Digital Box), Digital Carbon Tracking, Tap to Pay payment feature, and the extensive Mandiri Agent service. These initiatives serve as tangible demonstrations of Bank Mandiri's role as an Agent of Development and other digitalization initiatives.</p>

Type of Risk	Risk Triggers	Likelihood of Risk Occurrence	Description	Risk Response Strategies
REPUTATION				
Reputation	Adverse publication on Bank Mandiri's approach to addressing the challenges of climate change.	Likely	The risk to Bank Mandiri's reputation arises from negative publicity about its business activities or from negative perceptions of its compliance with climate change regulations.	<p>Bank Mandiri is actively promoting compliance with climate change regulations across all relevant work units, both directly and indirectly through operational activities. To address negative publications related to climate change regulations, the bank has established the ESG Group as the control tower for ESG implementation, ensuring that all bank activities comply with climate change regulations. The ESG Group engages in discussions with internal and external stakeholders, such as regulators, rating agencies, and customers, to ensure alignment with relevant provisions.</p> <p>Bank Mandiri is supported by the Corporate Secretary, responsible for minimizing potential risks to the company's reputation. In this regard, Bank Mandiri, through the Corporate Secretary, possesses the resources and expertise to analyze negative public sentiment and provide necessary strategic and structured responses.</p> <p>Additionally, Bank Mandiri utilizes an interactive control panel to monitor real-time news and opinions across various platforms, enabling strategic and proportional responses while effectively managing the company's reputation and image.</p>
PHYSICAL RISK				
Acute and Chronic Physical Risk	The impact and increased frequency of climate/extreme weather changes.	Likely	<p>The sudden and prolonged physical risks may have an impact on operational activities.</p> <p>Rising temperatures and sea levels have the potential to elevate land subsidence and the risk of flooding, impacting the value of financed assets and collateral, and potentially impeding overall bank operations.</p> <p>Bank Mandiri's extensive network of branches across Indonesia is susceptible to substantial risks arising from both acute and chronic climate change.</p>	<p>Bank Mandiri has initiated the first phase Bottom-up Climate Risk Stress Test (CRST) to identify the impact of transition and physical risks on its credit portfolios, including those in the productive sector, as well as market and operational risks.</p> <p>Bank Mandiri has established the Business Continuity Management Group to oversee the implementation of Business Continuity Management in accordance with the international standard ISO 22301:2019 and to monitor the impact of acute and chronic risks that Bank Mandiri may face. The Business Continuity Management Framework aims to establish a resilient organization capable of withstanding potential internal and external threats by ensuring the readiness of BETH3 components (Building, Equipment, Technology, Human Resource & 3rd Parties).</p>

Detailed Explanation Regarding the Implementation of CRST:

1. Transition Risk

Transition risk represents the potential challenges that arise from changes in government and stakeholder policy directions, technological advancements, and social dynamics as the world economy shifts towards a low-carbon economy. These changes demand that banks, including Bank Mandiri, adapt their policies that could potentially impact the bank's business, reputation,

and asset value. In response, Bank Mandiri actively identifies the short-term and long-term impacts of these transition risks on its credit portfolio (including the productive sector portfolio), as well as market and operational risks, during the initial phase of the bottom-up CRST. The following are potential impacts of transition risks on credit, market, and operational risks:

Potential Impact of Transition Risk

CREDIT RISK

In the realm of Credit Risk, the introduction of new climate policies, advancements in technology, and shifts in market sentiment can lead to the bank's stranded assets, particularly those in carbon-intensive industries. This situation can elevate the probability of default (PD) and increase the loss given default through diminished collateral values.

MARKET RISK

In terms of market risk, the bank recognizes the potential impact on the market value of its securities portfolio within the high-emission sector category due to government policy changes related to carbon emissions.

OPERATIONAL RISK

In Operational Risk, significant policy changes by regulators and shifts in customer and investor behavior can result in the bank facing sanctions from regulators and potentially higher error rates in transactions.

2. Physical Risk

Physical risk can be classified into two categories:

- **Acute Physical Risk:**
Risks caused by severe and frequent natural disasters.
- **Chronic Physical Risk:**
Risks caused by long-term climate pattern changes, such as temperature rise and sea-level rise.

Regarding physical risks, Indonesia has a relatively high risk of disasters due to its geographical location in a tropical area

and at the meeting point of two oceans and two continents, making it prone to floods, landslides, flash floods, extreme weather, extreme waves, and abrasion, as well as droughts that can trigger forest and land fires. Therefore, in analyzing the impact of physical risks, the bank identifies credit portfolios potentially vulnerable to floods and forest fires. The following is the identification of potential impacts of physical risks on credit and operational risks:

Potential Impact of Physical Risks

CREDIT RISK

Rising sea levels and occurrences of forest fires/droughts impact the collateral value of debtors, potentially increasing credit risk through higher loss-given default (LGD), ultimately impacting the bank's capital.

OPERATIONAL RISK

Rising sea levels and occurrences of forest fires/droughts can increase operational risk potential, such as damage to bank branch offices, and data centers, or hindering overall bank operations.

To measure the impact of physical risks on Bank Mandiri's financial performance, the bank maps out areas vulnerable to climate change disasters. In identifying disaster-prone areas, Bank Mandiri refers to the Indonesian Disaster Risk Index (IRBI) published by the National Agency for Disaster Management (BNPB).

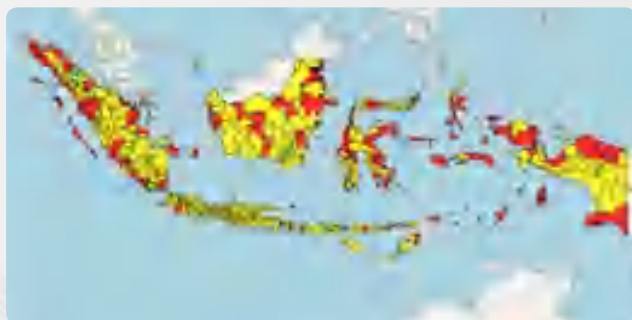
Physical Risk Assessment Results – Flood Scenario

Methodology for Determining Traffic Lights on Exposure at Risk

The method used to classify the physical risk of flooding in Indonesia involves Expert Scoring. The process for determining the risk class for geographic locations is outlined as follows:

1. Identification of parameters constituting the risk class for flooding in Indonesia. These factors include the frequency of flood events, the number of houses submerged, the extent of damage to public facilities, and the number of victims.
2. Compilation of parameter data sourced from the National Agency for Disaster Management (BNPB) - Indonesian Disaster Risk Index (IRBI).
3. Implementation of Scaling Adjustment (Scaling Score) to calibrate the parameters that shape flood risk classes in Indonesia.
4. Determination of the optimal weighting for these parameters to accurately classify flood risk classes in Indonesia.

Map of Indonesia's Flood Risk Index 2023



Source: Indonesian Disaster Risk Index (IRBI)

Snapshot Summary of Flood Risk Classes in Indonesia

No	District/City	Risk Class
1	Bandung, West Java	High Risk (Prone to Flooding)
2	Cirebon, West Java	High Risk (Prone to Flooding)
3	North Luwu, South Sulawesi	Medium Risk (Flood Alert)
4	Garut, West Java	Medium Risk (Flood Alert)
5	Lembata, NTT	Low Risk (Flood Safety Assured)
6	East Flores, NTT	Low Risk (Flood Safety Assured)
	Etc.	

Physical Risk Assessment Results – Forest Fire Scenario

Methodology for Determining Traffic Lights on Exposure at Risk

The method used to classify the physical risk of forest fires in Indonesia involves Expert Scoring. The process for determining the risk class for geographic locations is outlined as follows:

1. Identification of parameters constituting the risk class for forest fires in Indonesia.
2. Compilation of parameter data sourced from the National Agency for Disaster Management (BNPB) - Indonesian Disaster Risk Index (IRBI).
3. Implementation of Scaling Adjustment (Scaling Score) to calibrate the parameters that shape forest fires classes in Indonesia.
4. Determination of the optimal weighting for these parameters to accurately classify forest fires classes in Indonesia.

Map of Indonesia's Forest and Land Fire Risk Index 2023



Source: Indonesian Disaster Risk Index (IRBI)

Snapshot Summary Risk Class Forest Fires in Indonesia

No	District/City	Risk Class
1	Nganjuk, East Java	High Risk (Prone to Forest Fires)
2	Ponorogo, East Java	High Risk (Prone to Forest Fires)
3	Jayapura, Papua	Low Risk (Safe for Forest Fires)
4	Etc.	

BANK MANDIRI ATTENDS COP28 IN DUBAI

The Conference of the Parties (COP) is the highest decision-making body of the United Nations Framework Convention on Climate Change (UNFCCC), aimed at reducing greenhouse gas emissions and global climate change. COP28 was held in Dubai from November 30 to December 11, 2023, providing an opportunity for all countries to collaborate, improve direction, and promote progress to keep the 1.5°C target within reach as per the Paris Agreement.



In line with Bank Mandiri's commitment to becoming a Sustainable Champion in Indonesia by supporting the government's target to move towards a Low Carbon Economy and Net Zero Emissions by 2060 or earlier, Bank Mandiri participated in COP28, attended by the President Director, and Vice President Director. Furthermore, Bank Mandiri

seized this opportunity to enter a Memorandum of Understanding (MoU) with two Corporate Banking customers in the energy and fertilizer industries. This initiative by Bank Mandiri demonstrates its commitment to assisting customers in transitioning towards more responsible business practices.



Climate Scenario Analysis

Climate risk, which is forward-looking and characterized by significant uncertainty, presents a challenge for the Bank in terms of risk management practices. Scenario analysis, a risk management tool that employs a ‘what-if’ approach, assists the Bank in incorporating evolving climate and environmental risks into its strategy, governance, and risk management framework.

In general, the outcomes of scenario analysis on climate and environmental risks will reveal the degree to which the bank’s policies and strategies have integrated climate and environmental considerations. The following are the steps and primary processes that the Bank follows in implementing scenario analysis:

STEP 01 Identify Objectives and Scope

- ✓ Determine the objectives of the scenario analysis exercise, such as:
 - Assessing Macroeconomic impacts (short and long-run effects on GDP growth, inflation, terms of trade, etc.)
 - Assessing specific risks impact (impact on the bank’s balance sheet, profitability, capital adequacy, etc.)
- ✓ Identify material risk drivers deemed to have a significant potential impact on the Bank and determine the appropriate time horizon for conducting scenario analysis.
- ✓ Define the target audience/key stakeholders for the implementation of scenario analysis.

STEP 02 Scenario Design

- ✓ Determine the scope of climate risk (transition risk, physical risk, and a combination of both risks).
- ✓ Select relevant scenarios and pathways (NGFS/IPCC RCPS).
- ✓ Determine the level of granularity and time interval for conducting scenario analysis.

STEP 03 Impact Assessment

- ✓ Assess economic impacts (e.g., GDP, inflation, productivity, etc.), including identifying relevant transmission channels and determining key assumptions.
- ✓ Assess financial impacts (e.g., property values, asset stranding, debtor’s profitability, etc.).
- ✓ Both impacts will be evaluated for their effects on Bankwide performance, such as asset quality, profitability, and capital adequacy.

STEP 04 Using and Communicating Results

Communicating the results of scenario analysis to target audiences/key stakeholders can raise awareness of climate risks. This can encourage the Bank to improve risk management practices and promote further assessment, particularly for emerging risks.

POLICIES SUPPORTING CLIMATE CHANGE MITIGATION

Low Carbon Operations

Bank Mandiri is investing in the development of more bank offices that operate efficiently and with low carbon emissions. As of December 31, 2023, 4 buildings already solar panel installations:

- Menara Mandiri Medan.
- Menara Mandiri Palembang.
- Mandiri Indjoko Surabaya Building.
- Plaza Mandiri Building.

Green Building

Bank Mandiri already possesses a Green Building certificate for one of its buildings Mandiri Indjoko Surabaya Building.

Capability Enhancement

Bank Mandiri facilitates the development of capabilities for all Bank Mandiri employees, including the Board of Directors and Board of Commissioners, through training, workshops, seminars, focus group discussions, and certifications on various current topics to support sustainability issues.

Sustainable Procurement

Bank Mandiri incorporates ESG criteria into its contract clauses with vendor partners, encouraging them to utilize eco-friendly raw materials to minimize emissions from operational activities. Additionally, the bank conducts Vendor Meetings to comprehensively promote ESG aspects, including the prohibition of child labor and the promotion of fair operational practices.

ESG Awareness

Mandiri employees play a crucial role in achieving the Net Zero Emissions commitment from operational activities by 2030. For this reason, Bank Mandiri is actively fostering a sustainability culture within the organization through training, workshops, webinars, and certification programs. These initiatives aim to empower Mandiri employees with a deep understanding of relevant ESG topics, enabling them to develop financial products and services aligned with ESG principles.

Credit Policy Adjustment

Bank Mandiri has formulated and implemented credit policies for sectors with high ESG risks, particularly those involved in carbon-intensive activities. The credit policy for 12 sectors has already been issued as part of this initiative.

Carbon Neutral Initiative

Bank Mandiri strives for carbon neutrality through the Nature Based Solution initiative and purchasing Verified Carbon Units (VCU). The bank has participated in carbon trading on the Indonesian Carbon Exchange through the purchase of VCU units as an initiative to reduce emissions using the offsetting method of 3,027 tCO₂e.

Sustainable Trade

Bank Mandiri, through the Cash & Trade Operation Group, has implemented a Data Analytic Green Processing that categorizes customers into Green & Non-Green Portfolio, thereby creating a pipeline for the Trade Finance Facility to support financing for sustainable projects.

Financed Emission

Bank Mandiri has calculated GHG emissions from financing and investment activities based on the Partnership for Carbon Accounting Financials (PCAF) guidelines as the Bank's starting point in supporting a long-term low carbon economy. Moving forward, the Bank remains committed to refining and advancing its emission calculation methodology, aligning with regulatory directives and evolving best practices.

Digital Carbon Tracking

In 2023, Bank Mandiri introduced the online platform 'Digital Carbon Tracking,' providing stakeholders with transparent access to greenhouse gas emission information online.

Routine Dialogue to Support Low-Carbon Economic Transition

Dialogue and cooperation with customers, regulators, experts, and stakeholders to realize the low-carbon economic transition.

Sustainable Operation

In pursuit of Net Zero Emission in operational activities, Bank Mandiri has formulated an all-encompassing strategy that engages the entire Mandiri employee. This strategy focuses on the reduction of the institution's carbon footprint through the establishment of an environmentally sustainable banking operations ecosystem. This involves systematic measurement and monitoring of greenhouse gas (GHG) emissions, as well as the construction and advancement of low-carbon infrastructure. Additionally, the Bank has implemented a carbon offsetting initiative by procuring Verified Carbon Units (VCU) and employing the Nature-Based Solution (NBS) method.

Sustainable Financing

In line with sustainable finance initiatives, Bank Mandiri is developing financing portfolios to encourage and assist customers in transitioning towards a low-carbon economy. To support sustainable financing from a funding perspective, the company issues green investments such as green bonds and sustainability bonds to engage investors taking into account environmental, social, and governance (ESG) aspects.

PRODUCTS AND SERVICES SUPPORTING CLIMATE CHANGE MITIGATION [OJK F.26]

Digipreneurship for MSMEs

Bank Mandiri is in the process of developing a digital application for MSMEs, entrepreneurs, and merchant partners to transition to digital operations and reduce their carbon footprint.

Cardless Credit Card

Bank Mandiri has launched a physical cardless credit card as an effort to reduce plastic waste and carbon emissions from the card production process, printing process, and delivery to customers.

Energy Transition Financing

Bank Mandiri distributes credit for business activities that facilitate energy transition, such as renewable energy. As of December 31, 2023, credit disbursed reached Rp9.72 trillion.

Corporate-in-Transition Financing

Bank Mandiri assists and encourages the decarbonization of customers with carbon-intensive business activities through competitive and attractive sustainability-linked loans.

Green Financing for Retail Customers

Bank Mandiri meets the public's demand to reduce GHG emissions from their daily activities by offering retail financing for electric vehicle ownership and solar power installation.

Green Bond and Sustainability Bond

Bank Mandiri is expanding its sustainable funding sources by issuing Green Bonds and Sustainability Bonds to finance business activities aligned with sustainability principles. As of 2023, the bank has issued debt of Rp5 trillion for Green Bonds, US\$300 million for Sustainability Bonds, and US\$500 million for ESG Repo.

Green Investment

Through Mandiri Investasi, Bank Mandiri offers ESG mutual fund products for individuals seeking to align their investment portfolios with Environmental, Social, and Governance (ESG) principles.

Recycled Card

Bank Mandiri remains committed to innovation in creating products with lower environmental impact. As of December 31, 2023, the Bank has introduced sustainable debit and prepaid cards made from recycled PVC.

Digital Banking

Bank Mandiri has developed the Livin' digital banking application for retail customers and Kopra for wholesale customers, enabling them to access financial services without visiting Bank Mandiri branches. Additionally, the bank has 241 smart branches, demonstrating digital transformations of Bank Mandiri branches, providing customers with fast, easy, and secure banking services.

IMPLEMENTATION OF TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURE [GRI 201-2]

Climate risk is one of the prominent risks for the financial services sector and demands transparent communication to investors, shareholders, and the public. In line with this, Bank Mandiri implemented the Task Force on Climate-Related Financial Disclosure (TCFD) as part of its Sustainability Report.

Key Elements of TCFD



01 GOVERNANCE

1. The Board of Commissioners actively oversees the integration of ESG aspects and the implementation of Sustainable Finance through the Risk Monitoring Committee (RMC).
2. The Board of Directors, through the Risk Management & Credit Policy Committee (RMPC) or the Executive Committee, monitors and decides on the integration strategy of ESG aspects and the implementation of Sustainable Finance.
3. The Environmental, Social, & Governance (ESG) Group is a dedicated unit formed specifically to perform a control tower function in the implementation of Sustainable Finance at Bank Mandiri and its Subsidiaries, directly supervised by the Vice President Director according to the Decree of the Board of Directors KEP. DIR/32/2022 dated September 12, 2022.
4. The ESG Group carries out monitoring functions related to the implementation of ESG in Subsidiaries through the Integrated Governance Committee (TKT).

02 STRATEGY

1. Bank Mandiri has established ESG Guiding Principles No. RMPC/051/2023 dated December 13, 2023, as a strategic document aimed at guiding in integrating ESG aspects in Bank Mandiri, covering the bank's business and operational activities.
2. Bank Mandiri has established a long-term transformation strategy, with a specific focus on the bank's sustainability strategy for the next 10 years. This strategy is regularly overseen by the Transformation Committee.

3. Analyzing the risks and opportunities of climate change to prepare Bank Mandiri's strategy in facing climate change risks.
4. Developing a Sustainable Finance Action Plan (SFAP) based on the mapping of the implementation of ESG aspects and Sustainable Finance at Bank Mandiri for the next five years.
5. Developing Sustainable Finance products in both wholesale and retail segments, such as sustainable financing, sustainable bonds, ESG-based investments, eco-friendly cards, and others.
6. Establishing an ESG Desk focused on providing financing services such as green loans, sustainability-linked loans, and corporate in-transition financing to help customers transition to a low-carbon economy.
7. Developing digitalization in Bank Mandiri's core business, such as Livin', Kopra, Smart Branch, and Digital Carbon Tracking to support the achievement of Net Zero Emission (NZE) in Operations by 2030.
8. The Contributor Work Unit, consisting of Business Units, Risk Management, Support, and all Regional Offices, actively implements ESG strategies and initiatives in all business and operational activities in line with the framework, vision, and commitments of Bank Mandiri's ESG.

03 RISK MANAGEMENT

1. In the credit granting process, Bank Mandiri has implemented Environmental and Social Risk Management (ESRM) from the pre-screening process (due diligence), loan analysis, legal & compliance review, and loan approval to the monitoring process.
2. In the Pre-Screening phase, Bank Mandiri has specific criteria related to ESG aspects that need to be specifically considered in each sector, outlined in the Industry Acceptance Criteria (IAC). Currently, Bank Mandiri has 12 priority sectors including Palm Oil, Energy and Water, FMCG, Mining (Metals and Coal), Construction, Pulp & Paper, Telecommunications, Transportation, Other Transport Industries (Shipbuilding), Pharmaceuticals and Health Services, and Oil and Gas.
3. Bank Mandiri is committed to not providing financing for business activities that have a negative impact on the environment and society (Chapter 3).
4. Bank Mandiri has a Business Continuity Management (BCM) Group actively designing a Business Continuity Plan (BCP) to early identify and take initial steps related to climate risks or force majeure.
5. Bank Mandiri has identified the impact of transition risks and physical risks on the Bank's performance, attached to the Initial Phase Bottom-up Climate Risk Stress Test (CRST) in 2023.

04 METRICS AND TARGETS

1. Calculating emissions from operational activities (including scopes 1, 2, and 3) following the GHG Protocol will be implemented on a monthly basis. This information will be accessible digitally through the Bank Mandiri website and reported annually in the Sustainability Report.
2. Bank Mandiri has calculated emissions from financing activities (scope 3) covering seven asset classes according to the methods and guidelines of the Partnership for Carbon Accounting Financials (PCAF).
3. Bank Mandiri focuses on increasing its sustainable financing portfolio based on the classification according to the Sustainable Business Activity Category (KKUB) following POJK 51/2017.
4. Bank Mandiri has a target to achieve Net Zero Emission (NZE) in Operations by 2030.

Opportunities and Challenges of Sustainable Finance [OJK E.5]

The increasing global public and governmental pressure to address ESG issues is propelling a business trend toward greater environmental sustainability and inclusivity. This trend is particularly focused on expediting the transition to a low-carbon economy and achieving Net Zero Emission targets. ESG issues not only present new risks and challenges but also create various business opportunities.

Bank Mandiri not only seeks to identify risks and mitigate them in facing ESG issues but also optimizes existing business opportunities through various sustainable financial initiatives to achieve the vision of “Becoming Indonesia’s Sustainability Champion for a Better Future” and to support the realization of national sustainable targets. Bank Mandiri has undertaken various optimization efforts, including:

1. **Building ESG Expertise** to accelerate the formation of a low-carbon business ecosystem, through various training, certification, and workshops involving industry experts, customers, peer banks, regulators, and related institutions;
2. **Developing various sustainable financial products and services**, both in terms of funding and financing, in line with the increasing demand for sustainable products. In addition, Bank Mandiri continues to support customers, particularly those operating in high ESG risk sectors, in transitioning. Bank Mandiri provides financial solutions to help decarbonize and transition to more responsible, eco-friendly businesses with lower carbon emissions. Bank Mandiri also explores deeper potential in the customer supply chain and provides financing for their transition to a low-carbon ecosystem;
3. **Bank Mandiri continues to promote digitalization** through the launch of various digital products such as Livin’ for the consumer segment and Kopra for the wholesale segment;
4. **Empowering communities and financial inclusion** through financing for MSME segments and Mandiri Agents;
5. **Collaborating with regulators and related institutions** to support government programs in addressing climate change issues and SDGs targets.

The implementation of sustainable finance initiatives is a long journey that is not without its challenges. Therefore, Bank Mandiri continues to identify and evaluate, as well as establish mitigation measures to address these various obstacles. Challenges in the implementation of sustainable finance include:

1. **Uneven internal understanding and capabilities related to sustainable finance**, Bank Mandiri continues to strive to increase awareness and employee capabilities through various programs such as training, workshops, and benchmarking best practices.
2. **Customers and working partners who have a limited understanding of environmental, social, and governance aspects** in their business activities. In this regard, Bank Mandiri continues to conduct socialization, including workshops involving customers, ESG experts, and relevant stakeholders in the implementation of ESG aspects in priority sectors.
3. **Readiness of systems and processes to support the integration of sustainable finance** into the bank’s business activities, such as developing monitoring and reporting systems related to Sustainable Business Activity Categories (KKUB) and the Indonesian Green Taxonomy (THI).
4. **Technological disruption (digitalization)** has led to increased IT and cyber risks. Consequently, Bank Mandiri consistently enhances various mechanisms to mitigate these risks.
5. **Regulations related to sustainable finance**, requiring standards and technical guidelines in the implementation of sustainable finance;
6. **Policies, stimuli, and incentives** from various government institutions to encourage financial institutions and businesses to implement sustainable finance.

Sustainability Culture

[OJK F.1]

The implementation of sustainable finance begins with increasing Mandiri employees' capacity to master relevant ESG topics related to Bank Mandiri's business, particularly in developing financial products and services and adapting the organization to integrate ESG into banking systems and procedures.

The engagement of all Mandiri employees is vital for implementing these changes by fostering a culture of sustainability. This starts with raising awareness among Mandiri employees about the importance of safeguarding the environment in their daily activities. Sustainability culture initiatives encompass enhancing the technical knowledge and expertise related to ESG for employees at all levels and within various work units through training, workshops, webinars, and certifications.

The ESG Group serves as the coordinator for Sustainable Finance and Investment (ESG) within the Bank Mandiri framework. Subsequently, the bankwide Internal Culture Team establishes ESG buddies in each unit, who assume responsibility and serve

as conduits for ESG-related information within their respective work areas. Furthermore, sustainable finance initiatives are promoted through the dissemination of information to Bank Mandiri's customers, partners, and suppliers. In 2023, Bank Mandiri held two Internal Discussion Forums attended by the entire Board of Directors and Commissioners. Additionally, Mandiri University Group has facilitated ESG Awareness Level-1 e-learning for all employees including the ODP program, sectoral ESG workshops (nickel & property), and the implementation of ESG awareness.

As of 31 December 2023, Bank Mandiri is actively carrying out outreach activities to support the achievement of ESG awareness within the Bank's internal environment. Socialization has been carried out to 34 work units and 12 regions. The agenda discussed begins with global and national commitments, regulatory provisions, and ESG implementation that has been implemented at Bank Mandiri in each aspect. Apart from that, socialization is also aligned with the scope of work of the relevant work units to obtain support in achieving Net Zero Emission (NZE) 2030.



The involvement of all Mandiri employees is significant to carry out these changes through developing a culture of sustainability, which begins with building awareness of Mandiri employees to protect and preserve the environment in their daily activities.



Recapitulation of ESG Capacity Increase in 2023

11,622 Hours

Training topics include:

- Employee Training on Ethical Standards
- Employee Training on Consumer Financial Protection
- Training on Fair Advertising Policies/Procedures
- Training on Data Security and/or Privacy-Related Risks & Procedures
- Training on Debt Collection
- ESG & Climate Training for the Board of Directors

Monthly Event

Awareness campaign through newsletters, podcasts, desktop wallpapers, and other various activities.

100%

ESG Awareness for Directors, Board of Commissioners, and Employees

Mandirian Ber-NYALI

Mandirian Ber-Nyali, or Mandiri Bergerak Nyata untuk Lingkungan, is a campaign program aimed at promoting sustainable finance, with a particular focus on Sustainable Operations. The campaign addresses various environmental concerns (eco-friendly acts), including the reduction of single-use plastics, paper consumption, and energy, water, and fuel usage. Additionally, it emphasizes the segregation of organic and non-organic waste. This program engages all Mandiri employees, particularly the Culture Squad, in creating posters, magazines, videos, and podcasts to raise awareness about eco-friendly business practices. The sequence of Mandirian Ber-NYALI programs that have been carried out until December 2023 include Socialization, Mandiri Eco-Clean, ESG Board Message, and Mandiri ESG Festival.

Socialization activities are carried out as a forum for cultural communication and sharing of insights for the Culture Squad as well as announcement of the implementation of Mandiri Eco-Clean activities. The Mandiri Eco-Clean activity is an activity to clean work areas and sort waste as a 3R (Reduce, Reuse, Recycle) movement. Culture Squad also sent documentation on the implementation of Mandiri Eco-Clean in the form of photos/videos and the best documentation received direct appreciation which was conveyed on the ESG Board Message by Mrs. Alexandra Askandar as Vice President Director of Bank Mandiri.

Afterwards, to increase awareness regarding ESG at Bank Mandiri for stakeholders, the Mandiri ESG Festival was held

which is a means of Bank Mandiri's commitment to implementing ESG involving the Directors and Commissioners.

In Mandiri ESG Festival, the Bank also launched various environmentally friendly products such as Cardless Credit Card, R-PVC Prepaid & Debit Card, Digital Carbon Tracking and collaboration with subsidiary companies to promote Electric Vehicles (EV) in Livin' Sukha and Kopra as well as environmentally friendly investment products.

In the reporting year, Bank Mandiri also awarded awards to Work Units with the best ESG implementation in daily business operations. This appreciation was conveyed in the Mandiri Employee Award (MEA) category for the Best ESG Stewardship Award.

The ESG aspects assessed include energy efficiency, human resource development, information security, and anti-fraud awareness as well as initiatives at the work unit level based on implementation that has been carried out throughout 2023.



Initiatives Facilitating Sustainability Strategies

This program is carried out to achieve Bank Mandiri's commitment to Net Zero Emissions (NZE) Operations by 2030, which requires the active participation and collaboration of all employees in carrying out daily operational activities, including conducting activities/events/meetings following the provided guidelines.

NO MORE



Single-use plastics/Bottled Drinking Water (AMDK)



Leaving food and drinks



Incorporating balloons and confetti into event execution

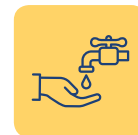
SAY YES TO



Utilizing pitchers/tumblers for the consumption of drinking water.



Sorting waste before disposal



Conserving water usage



Distributing internal documents electronically (paperless)



Conserving electricity and setting AC at 23-25°C



Using public transportation

Reference is made to Letter No. DCO/1268/2023, Letter No. DCO/1269/2023, and Note No. DCO/704/2023, regarding the Appeal for the Implementation of the ESG Program within the framework of Net Zero Emission (NZE) Operations 2030. Additionally, guidelines for the execution of environmentally conscious activities/events/meetings have been submitted to Subsidiary Companies, Regions, and each respective work unit.

27,844

Mandirians have participated in the ESG Awareness Level-1 E-Learning

459

participants in the Internal Discussion Forum which was held twice and attended by the Board of Directors, Board of Commissioners, SEVP, Subsidiary Directors, Regulatory Ministry, and international institutions.

2,823

participants in the socialization and training for the implementation of ESG include: 34 work units, 5 ODP batches, 12 regions, 10 Subsidiary Companies, and 618 partners.

57,720

PCs and Notebooks received the ESG campaign through desktop wallpaper.

7,660

Mandirians have participated in the ESG Awareness Survey.





MANDIRI

ECO-CLEAN ⁵ MEI 2023

TAHUKAH MANDIRAN?

Setiap limbah yang kita hasilkan membutuhkan waktu yang lama untuk terurai secara alami



Plastik
400 tahun



Besi
50-200 tahun



Aluminium
80-100 tahun



Masker
450 tahun

Dilain Proses Penguraiannya, Limbah Itu Menyusuri Lingkungan dan Mengancam Keberlangsungan Hidup Kita

#AskTami



Karena itu, Yuk mari kita sama-sama memilah dan mendaur ulang sampah melalui gerakan "Mandiri Eco-Clean"!

Luangkan 30 menit waktumu (16.30-17.00) pada tanggal 5 Mei untuk membersihkan, memilah, dan menyetorkan Sampah Anorganik di meja kerjaku pada titik-titik yang telah disediakan agar dapat dikelola dengan baik.

Collaboration with:

mandirian
BER-NYALI x

Jubelo

03

Sustainable **Banking**

Bank Mandiri plays an active role in promoting sustainable economic growth by developing financial solutions for customers in transitioning towards a low-carbon economy and implementing responsible financing practices.



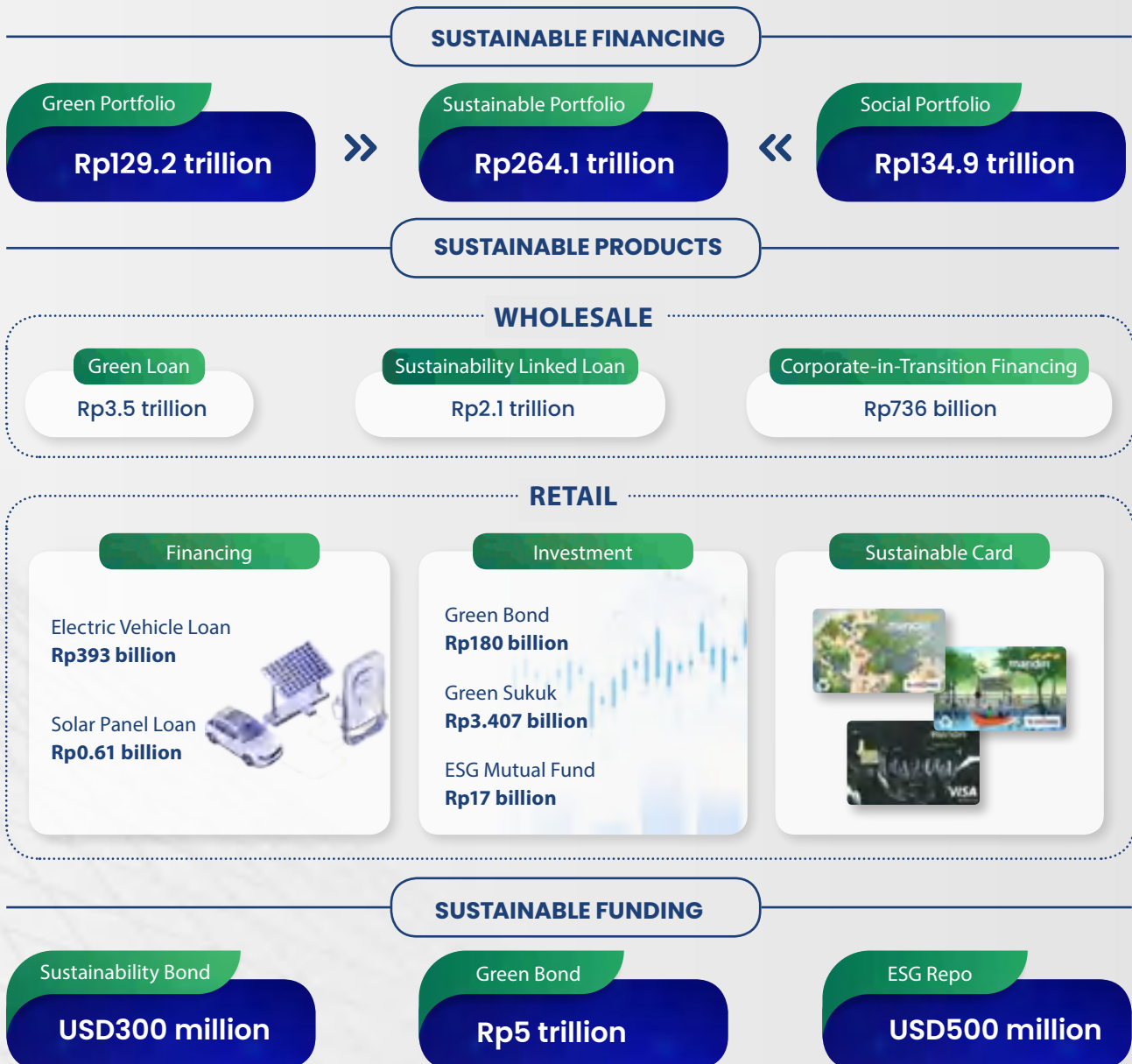
1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32 33 34 35 36 37 38 39 40 41 42 43 44 45 46 47 48 49 50 51 52 53 54 55 56 57 58 59 60 61 62 63 64 65 66 67 68 69 70 71 72 73 74 75 76 77 78 79 80 81 82 83 84 85 86 87 88 89 90 91 92 93 94 95 96 97 98 99 100

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Sustainable Banking

Sustainable development requires significant resources and the involvement of all economic actors. The Indonesian Ministry of Finance stated that Indonesia requires approximately Rp3,461 trillion in funding to address climate change by 2030. Additionally, to achieve the Sustainable Development Goals (SDG), the Ministry of National Development Planning Agency (Bappenas) estimates a funding allocation of Rp67 thousand trillion, with a shortfall of about Rp14 thousand trillion (SDG Annual Conference 2021). Considering this requirement, the government, industry players, and banks are expected to play a crucial role in involvement and contribution, recognizing that not all funding needs can be fulfilled solely by the government.

In accordance with this, as Indonesia's largest bank, Bank Mandiri is committed to implementing sustainable finance, offering comprehensive support for sustainable economic growth through the alignment of the three aspects of the economy, society, and the environment. This commitment is actualized through the pillar of Sustainable Banking.



To fulfill our commitment to supporting financing for activities that contribute to the achievement of sustainable development goals (SDGs) and address climate challenges, Bank Mandiri is implementing a sustainable financial strategy in accordance with the government's directive outlined in POJK-51/2017. Since 2019, Bank Mandiri has been consistently developing sustainable financial products and services that suit the businesses and public. Our aim is to enable economic activities that prioritize the balance of financial, economic, and social benefits.

The credit disbursed by Bank Mandiri not only finances activities with environmental protection and preservation characteristics but also supports businesses in transitioning towards clean energy, thereby promoting low-carbon economic development.

Additionally, Bank Mandiri is committed to provide financial products and services for micro, small, and medium enterprises (MSMEs), integral to sustainable finance.

The strong commitment of all stakeholders to deliver positive impact has created new opportunities to access funding, particularly Environmental, Social, and Governance (ESG) based funding. Bank Mandiri has developed a framework for sustainable finance encompassing the characteristics of sustainable funding and its specific purposes in accordance with international principles. The growing investor interest in sustainable funding products enhances the Bank's capacity to extend more loans and financing for green business operations.

Sustainable Financing



Sustainable Portfolio

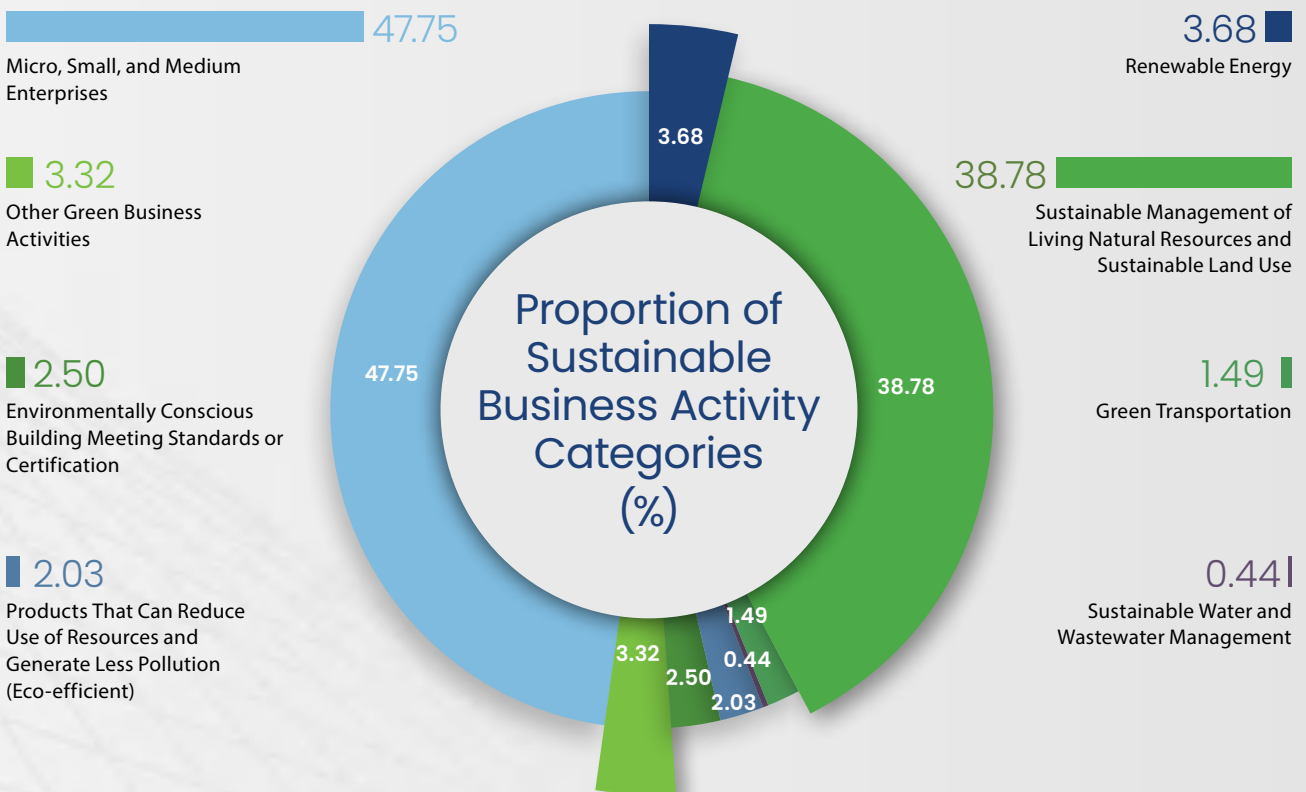
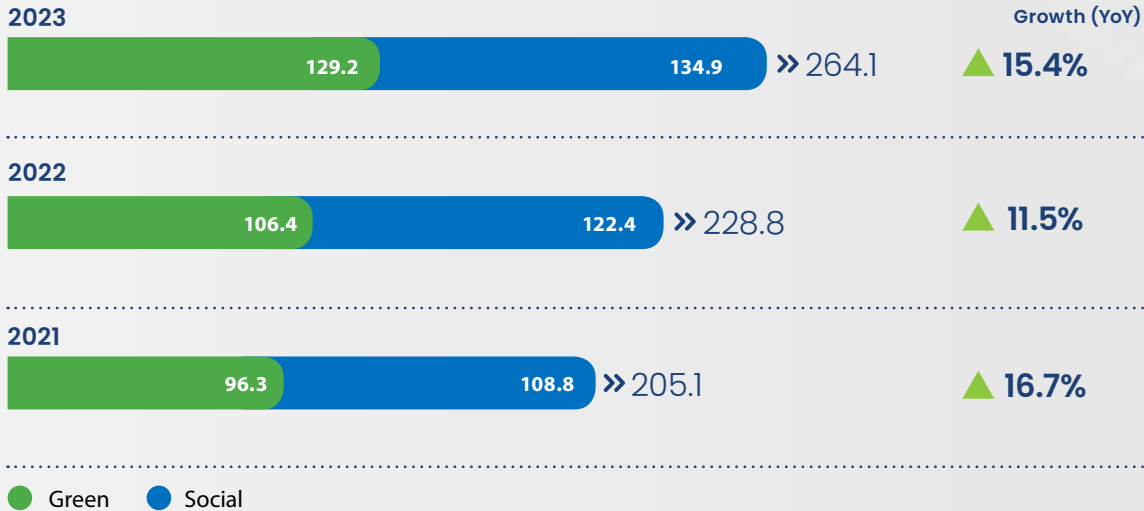
Sustainable Financing refers to loans provided by Bank Mandiri to finance businesses to businesses and individuals that promote environmental conservation and social aspects in client's operation, while fostering economic growth. The types of business activities outlined in POJK 51/2017 are the central focus of sustainable portfolio development (Sustainable Business Activity Categories/KKUB), encompassing both the green portfolio (Environmentally Friendly Business Activities/KUBL) and

the social portfolio, including credit forms tailored for the Micro, Small, and Medium Enterprises (MSME) sector.

As of December 31, 2023, Bank Mandiri played a significant role in the advancement of sustainability related products by disbursing Rp264.1 trillion in sustainable financing, out of the total credit disbursement of Rp1,085.79 trillion, accounting for 24.3% of total loan (Bank Only). The Green portfolio increased by 15.4% compared to 2022, strengthening Bank Mandiri's position as a market leader with a share equivalent to 30%.

The dominating sectors include the category of sustainable management of natural resources and land use of Rp102.4 trillion, renewable energy of Rp9.7 trillion, eco-efficient products that can reduce resource usage and produce less pollution of Rp5.3 trillion, and clean transportation of Rp3.9 trillion.

Sustainable Business Activity Categories Portfolio (in Billion Rupiah)



SUSTAINABLE BUSINESS ACTIVITY CATEGORIES PORTFOLIO (in Billion Rupiah)

No.	Sustainable Financing (in Accordance with POJK 51/2017)	2023	2022	2021
1	Renewable Energy	9,727	6,149	4,281
2	Energy Efficiency	-	-	-
3	Pollution Prevention and Control	-	-	-
4	Sustainable Management of Living Natural Resources and Land Use	102,413	92,956	88,537
5	Conservation of Terrestrial and Aquatic Biodiversity	-	-	-
6	Green Transportation	3,926	3,107	2,028
7	Sustainable Water and Wastewater Management	1,171	867	1,214
8	Climate Change Adaptation	-	-	-
9	Products that Can Reduce Resource Use and Generate Less Pollution (Eco-Efficient)	5,354	3,307	-
10	Green Buildings that Meet Standards/Certifications	6,612	16	205
11	Other Green Business Activities	8,776	5,067	5,255
12	Micro, Small, and Medium Enterprises	126,101	117,295	103,547
	Total Sustainable Financing	264,080	228,764	205,067
	% Share of Sustainable Financing	24.32%	24.53%	24.76%

Sustainable Portfolio Projects

To support Indonesia's commitment to achieving Net Zero Emission by 2060 in accordance with the targets of the Enhanced Nationally Determined Contribution (ENDC) of Indonesia, Bank Mandiri actively supports the transition to green energy by expanding its financing in the renewable energy sector. Bank Mandiri consistently increases financing for renewable energy and has recorded an annual increase of 60% of the Renewable Energy Sector amounting Rp8 trillion by December 2023. This step is in accordance with PT. PLN's long-term plan, as outlined in PLN's Electricity Procurement Plan (RUPTL) to achieve the Net Zero Emission target by 2060. The plan entails achieving a 25% contribution from renewable energy sources by 2030 and transitioning to 100% renewable energy by 2060. These endeavors are being actualized through the provision of financing for strategic projects, including:

1. POSO HYDRO POWER PLANT (PLTA)

This project is a combination of the existing Poso Hydroelectric Power Plant, with a capacity of 3x65 MW since 2012, and the extension phases of Poso Hydroelectric Power Plant phase 1 (4x30 MW) and phase 2 (4x50 MW). The three power plants are intended to function as Peaker Plants, collectively providing a total capacity of 515 MW. These Peaker Plants will be operational during peak load hours, from 17:00 to 22:00, and are expected to generate a Specific Available Energy of 1,669 GWh per year. The Poso Hydroelectric Power Plant accounts for roughly 10.69% of the overall New Renewable Energy (EBT) for the South Sulawesi electricity system. This eco-friendly power plant has been linked to a 275 kV transmission line to South Sulawesi Province and a 150 kV transmission line from the plant to Palu City, Central Sulawesi.



2. KERINCI HYDRO POWER PLANT (PLTA)

The Merangin Hydroelectric Power Plant harnesses the flow of the Merangin River, originating from the Kerinci Lake, and is designed to function as a Peaker Plant with a total capacity of 350 MW. This Peaker Plant will be in operation during peak load hours, from 18:00 to 23:00, and is expected to generate a Specific Available Energy of 1,280 GWh per year.



3. LAHAT MICROHYDRO POWER PLANT

The 9.9 MW Lahat Micro hydro Power Plant has been commercially operational since November 28, 2015, and the Power Purchase Agreement (PPA) is set to remain in effect until November 27, 2035. According to the feasibility study conducted during the construction of the microhydro power plant, it harnesses the flow of the Endikat River, which has a drainage area of 284.32 km², a river length of 41 km, and an average annual rainfall of 222.17 mm. The average water discharge is 13,217 m³/s with a net head of 89.21 m. Based on these calculations, the installed capacity is 10 MW.



Furthermore, to expedite the energy transition, it is crucial not only to utilize clean energy sources but also to implement eco-friendly technologies, such as electric vehicles. An integral aspect of effecting this change is engaging the entire supply chain and infrastructure that facilitates the adoption and operation of electric vehicles. Bank Mandiri recognizes the pivotal role of the electric vehicle ecosystem in attaining this objective and, as a means of support, actively offers financing for the development of electric vehicle infrastructure. This initiative not only contributes to creating a cleaner and more sustainable environment but also accelerates the growth of the electric vehicle sector. The provision of strategic projects includes:

1. GREATER JAKARTA LIGHT RAIL TRANSIT (LRT)

As the largest creditor among the 12 participating banks, we extended syndicated loans to KAI to fund its LRT project in 2017. The Greater Jakarta LRT, currently under construction, stands as one of the initial rapid transit systems in Indonesia that integrates the capital Jakarta with its surrounding areas, encompassing Depok, Bogor, and Bekasi.



2. ELECTRIC VEHICLE COMPONENT

In Hong Kong, Bank Mandiri served as the Mandated Lead Arranger for a USD 300 million Green Loan syndication for clients engaged in the research, development, processing, production, and sale of lithium battery cathode precursor materials and new energy recycling materials in the new materials and energy sector. Our clients are partners and suppliers of numerous Fortune Global 500 companies.



Bank Mandiri is not only driving the growth of Green Portfolio in the Wholesale segment but also in the Retail segment through the introduction of Micro General-Purpose Credit (KSM) products and specialized Credit Cards for the purchase of Rooftop Solar Power Systems and the distribution of Battery-Based Electric Motor Vehicles in collaboration with Subsidiary Companies.

The distribution of credit for battery-based electric motor vehicles (KBLBB) in collaboration with subsidiary companies reached Rp393 billion. This aligns with the rising interest in electric vehicles and the growing public awareness of clean energy. In addition to extending credit for electric vehicle ownership, Bank Mandiri fully supports the development of the electric vehicle ecosystem from upstream to downstream by engaging various key sectors, particularly the automotive, energy, mining, and consumer banking groups, which cater to end consumers. Furthermore, Bank Mandiri partners with

subsidiaries such as Mandiri Tunas Finance (MTF) and Mandiri Utama Finance (MUF), both of which have collaborated with Nissan, Hyundai, Tesla, and all authorized electric vehicle manufacturers.

The financing for the electric vehicle ecosystem promotes the development of low-carbon mobility and fosters local manufacturing capabilities for electric vehicles and their supporting facilities. Additionally, Bank Mandiri has distributed a Rooftop Solar Power System credit card program in collaboration with several brands, reaching Rp0.61 billion.

In 2023, during the Mandiri ESG Festival, Bank Mandiri achieved a significant milestone by becoming the first national bank to introduce eco-friendly prepaid, debit, and credit cards made from recycled PVC, demonstrating its commitment to reducing Greenhouse Gas Emissions.

Sustainable Management of Living Natural Resources and Land Use

As one of the largest Palm Oil lenders in Indonesia, Bank Mandiri is committed to managing environmental and social risks within the Palm Oil sector by ensuring the implementation of sustainable agricultural practices. In our environmental initiatives, Bank Mandiri is dedicated to leading

the way toward just sustainability in one of our priority sectors, palm oil, for a better tomorrow. This commitment is evident in how we encourage our palm oil debtors to obtain ISPO/RSPO certifications, as illustrated in the table below:

Number of ISPO and/or RSPO certified debtors (in number of debtors)	2023		2022	
	Certified	On progress	Certified	On progress
Corporate	66	11	68	11
Commercial	241	60	189	52
Wholesale	307	71	257	63

Loan outstanding of ISPO and/or RSPO certified (In Million Rupiah)	2023		2022	
	Certified	On progress	Certified	On progress
Corporate	48,141	8,820	47,869	2,733
Commercial	49,168	4,461	41,878	4,916
Wholesale	97,309	13,281	89,747	7,649

Bank Mandiri is aware of the ongoing risks associated with the palm oil sector. Through due diligence and appropriate

clients' management, Bank Mandiri will endeavor to manage and reduce these risks.

Micro, Small and Medium Enterprise (MSMEs) Loan

Micro, Small, and Medium Enterprises (MSMEs) are vital contributors to the Indonesian economy, representing the largest share of businesses and employers of direct labor. As the backbone of the economy, the government is actively promoting innovation among MSMEs to enable them to elevate their status and play a more significant role in enhancing the local economy.

Bank Mandiri's provision of access and capital to MSMEs has resulted in the development of a portfolio with a positive social impact, contributing to improved living standards, increased job opportunities, and poverty alleviation. With 1.2 million MSME debtors benefiting from SME loans totaling Rp126.1 trillion, representing a 7.5% increase from the previous year, Bank Mandiri's support has significantly impacted the MSME sector. This accomplishment is complemented by a non-performing loan (NPL) ratio in the MSME segment, sustained at 1.34%. The MSME loan portfolio constitutes 11.6% of the bank's total loan portfolio.

To boost the growth of the MSME sector and generate a wider social impact, Bank Mandiri has initiated a special program offering exclusive benefits to MSMEs associated with Bank Mandiri's wholesale customers or engaged in ecosystem financing. This ecosystem serves as a center for collaboration between Bank Mandiri, multinational companies, large corporations, and State-Owned Enterprises. As a result, MSMEs within this ecosystem can benefit from more competitive interest rates in contrast to the standard Micro Business Credit Interest Rate (KUM) program. This initiative not only promotes economic growth but also contributes positively to society by empowering MSMEs and fostering job creation.

MSME credit is provided in the form of Working Capital Credit and Investment Credit. Bank Mandiri also offers Micro Business Credit (KUM) and participates in government programs by providing People's Business Credit (KUR) in the micro banking segment.

Financing for Micro, Small, and Medium Enterprises Segment (in billion Rupiah)

No	Sector	2023	2022
1	Palm Oil Plantation and CPO	21,651	19,278
2	Retail Trade of Food, Beverages, and Tobacco	16,881	16,772
3	Hotels, Restaurants, and Accommodation	9,971	9,380
4	Retail Trade of Household Equipment	8,630	8,411
5	Agriculture	5,722	5,491
6	Non-Financial Services	5,208	5,343
7	Social Services and Institutions	4,911	4,374
8	Land Transportation Services	3,846	3,348
9	Livestock and Animal Feed	3,756	3,510
10	Retail Trade of Textiles and Textile Products	3,364	3,680
11	Others	41,548	37,702
12	Total	125,494	117,295

In 2023, Bank Mandiri broadened financial services access for participants in the fisheries sector by collaborating with the fisheries start-up PT Rantai Pasok Teknologi (FishLog). This collaboration enables FishLog's partners in the fisheries industry, including those who are bankable and those unreachable by conventional banking, to achieve a more substantial business scale.

Digitalization is a key concern that MSME players must tackle. According to Bank Indonesia data, the number of e-commerce transactions nearly doubled from 80 million in 2019 to 140 million in August 2022 during the pandemic. This underscores the necessity for MSME players to adapt to technology-based e-commerce transactions, as it presents significant market opportunities (Bank Indonesia, 2022).

Bank Mandiri has introduced the Livin' Merchant by Mandiri application to broaden banking funding access for micro-

productive businesses. Livin' Merchant is a cashier application, or point of sale (POS), designed to digitize payment transactions at MSME merchants, enabling them to directly receive QRIS transaction payments from various banks and e-wallets. Currently, the Livin' Merchant application is available without fees and transaction charges, and MSME players can withdraw funds up to three times a day on the same day.

Bank Mandiri's digital distribution network innovation includes the Livin' App, with a registered user base of 23 million users, Livin' Merchant with approximately 1.7 million registered merchants, the KOPRA platform utilized by over 95% of Bank Mandiri's wholesale customers, and 241 Smart Branches, representing digital transformations of conventional Bank Mandiri branch offices.

Sustainable Financing Products

[F.26]

Bank Mandiri is committed to ensuring transparency and accountability in sustainability related product development as it finalizes the preparation of the Sustainable Finance Framework (SFF). The SFF document aims to classify sustainable financing activities that meet criteria and establish exceptions for activities identified as sustainable financing (Green Loans, Sustainability Linked-Loans, and other instruments). The framework incorporates various best practices, such as those outlined by the Loan Market Association (LMA), global and

regional taxonomies (including the ongoing Sustainable Taxonomy Indonesia (TBI)), and the four core pillars of The International Capital Market Association (ICMA): Use of Proceeds, Project Evaluation and Selection, Management of Proceeds, and Reporting. Through the SFF document, Bank Mandiri promotes the adoption of sustainable business practices among its customers to address climate change and prevent greenwashing.

Sustainability Linked Loan (SLL) & Corporate-in-Transition Financing

Bank Mandiri has taken significant steps to support Indonesia's transition to a low-carbon economy, focusing on providing a range of sustainable financial products. These efforts are designed to assist customers, especially those in carbon-intensive sectors, by offering financial solutions like Sustainability-Linked Loans, Green Loans, and Corporate-in-Transition Financing. These products aim to assist customer's decarbonization journey and transform client's businesses into more eco-friendly businesses with a lower carbon footprint.

financing that align with market trends by encouraging customers to adopt an ESG Financing Framework, including providing ESG Financing advisory services to customers in transitioning towards green business activities.

Bank Mandiri established a special task force, the ESG Desk, to align customer needs with sustainable products and financing, as well as to develop other green financial instruments. This is outlined in assignment document number CBG.CTS/5167/2023. Bank Mandiri, through its ESG Desk, persistently seeks out business opportunities and fosters innovations in sustainable

As an initial measure, Bank Mandiri has offered sustainable financing through Sustainability-Linked Loans (SLL). These are loan instruments with financial and/or structural features that can be adjusted based on the issuer's ability to meet specific sustainability/ESG objectives. Bank Mandiri has extended SLL to multiple debtors operating in high carbon-intensive sectors, including the cement industry, livestock, and agriculture.





Additionally, the bank has extended financing through Corporate-in-Transition Financing, aligning with the Climate Transition Finance (ICMA CTF) guidelines established by the

International Capital Market Association. The Corporate-in-Transition Financing is designed to assist high carbon-emitting companies in their decarbonization initiatives. This financing underscores a commitment to sustainability towards a low-carbon economy.

In the disbursement of Sustainability Linked Loans & Corporate-in-Transition Financing, the funding is based on Key Performance Indicators (KPIs) and aligns with the debtor's

ESG Framework. By utilizing KPIs, this funding not only backs sustainability-driven projects but also offers incentives for debtors to achieve their established ESG goals. This approach demonstrates a cooperative partnership between lenders and debtors in promoting sustainable practices in business activities and transition projects.

Key Performance Indicators (KPIs) for providing financing for SLL and Corporate-in-Transition Financing are as follows:

	Sustainability-linked Loan			Corporate-in-transition Financing
SECTOR				
KPI	<p>Palm Oil</p> <p>RSPO certification for palm oil plantation and factory</p>	<p>Cement</p> <p>Reduction of CO2 emissions from Scope-1</p>	<p>Livestock</p> <ul style="list-style-type: none"> Maintaining the annual Somatic Cell Count Reduction of GHG emissions 	<p>Mining</p> <p>Reducing the proportion of total income from thermal coal projects</p>

Bank Mandiri continues to drive innovation in thematic financial solutions in Indonesia, enhancing sustainability-linked financial products and advisory services. The bank extended sustainability-linked loans to entities within the Semen Group Indonesia in 2022 and 2023, as well as to Dharma Satya Nusantara in 2023, and offered advice in establishing sustainability-linked frameworks within each company. These accomplishments signify innovation not only in terms of product development but also within the sector:

- The transactions in Semen Indonesia marked the inaugural use of a sustainability-linked framework in the cement industry across ASEAN.

- Dharma Satya Nusantara secured sustainability-linked financing for a palm oil company that had undergone a second-party opinion review.

Going forward, Bank Mandiri will proactively identify and pursue opportunities for companies in Indonesia in this field, aligning with the overall strategy to support Indonesia's transition to a low-carbon economy.

Green Loan

Bank Mandiri is actively contributing to the acceleration of low-carbon economic achievement by offering banking solutions that promote green business practices for debtors. Among the services it offers is the Green Loan, tailored to finance projects and initiatives with a positive environmental impact. This funding adheres to the Green Loan Principles established by the Loan Market Association (LMA).

In 2022, Bank Mandiri demonstrated its commitment by taking substantial measures to offer a Green Loan facility for the EV Battery Component Industry in Hong Kong. Serving as Mandated Lead Arrangers, Bank Mandiri played a pivotal role in arranging the syndication of the Green Loan of USD 300 million. This facility targets the lithium battery industry, encompassing research, development, processing, production, and sales of precursor materials for cathodes. Furthermore, the funding extends to materials for recycling new energy within the framework of new materials and energy.

Sustainable Funding

According to the World Economic Forum (WEF), green funding refers to a structured financial activity, in the form of products or services, designed to maximize environmental benefits. In Indonesia, green funding, regulated through POJK 60/2017 on the Issuance and Requirements of Green Bonds, has been adopted by Bank Mandiri as part of its sustainable financial strategies.

Green funding is essential in achieving Sustainable Development Goals (SDGs) by financing projects that benefit the environment and community. Bank Mandiri, as a driving

force in "First Movers on Sustainable Banking," has consistently conducted sustainable fundraising as a strategic initiative, while also enhancing its funding framework.

Between 2021 and 2023, Bank Mandiri raised funds through sustainable instruments such as Sustainability Bonds and Green Bonds, along with Environmental, Social, and Governance (ESG) Repurchase Agreement (Repo) transactions. These funds were utilized to boost the expansion of sustainable financing portfolios.



Sustainability Bond

In 2021, Bank Mandiri achieved a fundraising of USD 300 million through the inaugural issuance of Sustainability Bonds. These funds were allocated to finance or refinance environmental or social projects in accordance with Bank Mandiri's Sustainability Bond Framework criteria.

Throughout the offering process, Bank Mandiri's Sustainability Bonds garnered requests exceeding USD 2.5 billion, leading to an oversubscription of 8.3 times the fundraising target. Bank Mandiri's Sustainability Bond Framework adheres to international market standards, including the Sustainability Bond Guidelines, the Green Bond Principles, and the Social Bond Principles of the International Capital Market Association (ICMA).

Additionally, it is also in accordance with the Sustainability Bond Standards, Green Bond Standards, and Social Bond Standards established by ASEAN. Bank Mandiri's Sustainability Bond Framework has obtained a second-party opinion (SPO) from Sustainalytics.

To fulfill Bank Mandiri's obligation to report on the utilization of funds and their impact on the environment and community in accordance with the Sustainability Bond Framework, the bank has regularly published a Sustainability Bond Report on an annual basis. Further information on the Sustainability Bond Report can be accessed at <https://bankmandiri.co.id/en/web/ir/sustainability-bond>.

ESG Repo

In 2022, Bank Mandiri executed ESG Repo transactions of USD 500 million with 2 (two) counterparties. This transaction marked a significant milestone for Bank Mandiri as it represented the first ESG Repo transaction in Indonesia and one of the first in

Southeast Asia. The funds acquired from this transaction were allocated to finance or refinance ESG assets.

Sustainability Bond & ESG Repo Framework

The Sustainability Bond & ESG Repo Framework of Bank Mandiri aligns with the 4 (four) pillars of the Sustainability Bond Principles issued by The International Capital Market Association (ICMA 2021), consisting of:

1. USE OF PROCEEDS

The use of proceeds from the issuance is in accordance with green and social eligible categories.

2. PROJECT EVALUATION & SELECTION

The Risk Management & Credit Policy Committee (RMPC) conducts the selection of underlying assets from the issuance through a process involving the Business Unit as the asset manager, the Sustainable Finance Working Group, and approval.

3. MANAGEMENT OF PROCEEDS FROM PUBLIC OFFERING

The mechanism for managing the proceeds from the issuance includes tracking, monitoring, and managing unallocated proceeds.

4. REPORTING*

Bank Mandiri is required to publish an annual report consisting of:

- Proceeds allocation report: allocation of funds for assets
- Environmental impact report: environmental/social impact of assets

These reports must undergo external verification by a Second Party Opinion provider.

*For ESG Repo, bilateral reports containing only an allocation report are submitted to counterparties, and they do not require external verification.

Green Bond

Bank Mandiri has launched a Sustainable Public Offering Program for Sustainable Environmental Bonds I of Rp10 trillion and issued Sustainable Environmental Bonds Phase I of Rp5 trillion. These bonds are divided into two series: series A, valued at Rp1.95 trillion with a 3-year tenor, and series B, valued at Rp3.05 trillion with a 5-year tenor. The total offers received was Rp18.7 trillion, representing an oversubscription of 3.74 times.

The proceeds from the issuance of Green Bonds, after deducting issuance costs, must be used for at least 70% to finance or refinance Sustainable Business Activity Categories. The Green Bond issuer is also required to secure an opinion or assessment from Environmental Experts confirming that the business activities and/or other activities underlying the issuance of the Green Bonds are beneficial to the environment. Bank Mandiri has obtained an opinion from Environmental Experts on the use of the proceeds and their environmental impact ("Green Bond Report") from the Sustainable Development Goals Hub at the University of Indonesia (SDGs



Hub UI), which possesses the relevant competencies as stipulated in POJK-60/2017.

For further information on the Green Bond Report, please refer to appendix 1 (page 336).

The growing investor interest in sustainable financial products and services indicates foreign investors' favorable view of Bank Mandiri's performance and business prospects of Bank Mandiri, in accordance with ESG principles. In the future, Bank Mandiri will remain flexible and adaptive to market dynamics and actively explore sustainable fundraising instruments while considering the bank's liquidity and market conditions.

Green Bond Framework

Bank Mandiri's Green Bond Framework, part of the issuance of the Rupiah Green Bond in accordance with POJK 60/2017, comprises 4 (four) main pillars:

1. USE OF PROCEEDS

The use of proceeds from the issuance of Green Bonds complies with qualifying criteria.

2. PROJECT EVALUATION & SELECTION

The Risk Management & Credit Policy Committee (RMPC) conducts evaluation and selection of projects that serve as underlying assets for the Green Bond through a process involving the Business Unit as the asset manager, the Sustainable Finance Working Group, and approval.

3. MANAGEMENT OF PROCEEDS FROM PUBLIC OFFERING

Mechanisms for managing and monitoring the proceeds from the issuance includes periodic monitoring, allocation of proceeds, and management of unallocated proceeds.

4. REPORTING

Bank Mandiri is required to publish an annual report consisting of:

- Proceed allocation report: allocation of proceeds to each project
- Environmental impact report: positive impact of projects on the environment

An Environmental Expert must verify these reports.

Involvement in Green Bonds

Mandiri Group actively seeks out clients interested in advancing their sustainability agenda and assists them integrate this agenda into their financial strategy. The group structures clients in consulting and developing a framework for ESG Related financing, encompassing use of proceeds or sustainability-linked frameworks for bonds or loans in accordance with ICMA/APLMA standards. Mandiri Group ensures that all frameworks developed with clients undergo a thorough review by a reputable second party opinion.

The Mandiri Group is also actively involved as a consultant in

various sustainable bond issuances in the international market. Although some of Mandiri Group's clients have issued various debt instruments before, this is the first time for them to issue green/sustainable bonds. Some of the transactions in which Mandiri Group has been involved include the issuance of Sustainability Bonds by Bank Mandiri and PT Indonesia Infrastructure Finance in 2021, SUN Energy and BNI Green Bond in 2022, and most recently the inaugural issuance of Green Bonds by Pertamina Geothermal Energy. Mandiri Group also supported the Government in the issuance of Green Sukuk in 2023, which is our support in achieving NZE 2060 or earlier.

In addition to issuing sustainable fundraising products, Bank Mandiri also actively invests in **green bonds**. As of December 2023, the bank has allocated **Rp104.5 trillion** in this investment portfolio. In the future, Bank Mandiri will continue to increase its investment in green bonds in accordance with the bank's aspirations.

Sustainable Investment

Bank Mandiri is taking proactive steps to introduce retail investment products that adhere to ESG principles. This is demonstrated by their offering of Indonesian Green Sukuk and Green Bonds, products issued by the Government of Indonesia in accordance with The Republic of Indonesia Green Bond and Green Sukuk Framework.

In 2023, Bank Mandiri also introduced two ESG-based Mutual Fund products. The first is the Batavia Global ESG Sharia Equity USD, which invests in issuers involved in ESG-related activities or with high ESG scores. The second is the Mandiri FTSE Indonesia ESG Index Mutual Fund, the first mutual fund in Indonesia to

utilize the FTSE Indonesia ESG reference index. The stocks in the FTSE Indonesia ESG Index have undergone a systematic ESG Rating process by FTSE Russell.

These products are specifically designed for the retail consumer market and mark an important milestone in sustainable finance. The addition of ESG investment products represents the alignment and commitment of Bank Mandiri to lead the low-carbon economy in Indonesia. In line with the increasing demand for sustainable investments, the fulfillment of ESG investment products also aims to meet the needs of customers and promote wise investment practices.



Responsible Financing Approach

In managing credit risks associated with environmental, social, and governance (ESG) aspects, Bank Mandiri establishes its risk appetite and industry appetite, demonstrated in the bank's credit policies concerning ESG aspects with a principle of prudence and intensive monitoring. This encompasses a focus on ESG-related aspects such as deforestation, biodiversity loss, human rights issues (e.g., forced labor, child labor, indigenous communities), pollution, climate change resulting from the use of fossil energy, cultural heritage sites, and other ESG aspects.

Bank Mandiri also plays a role in supporting the sustainable finance agenda by aligning its internal credit disbursement policies with sustainable finance principles, in accordance with the bank's risk profile and objectives. To promote transparency and access to information, Bank Mandiri has publicly disclosed its credit policies related to environmental, social, and governance (ESG) aspects in priority sectors. This information is available on

Bank Mandiri's official website at <https://bankmandiri.co.id/en/esg-agriculture>.

As part of its commitment to sustainable finance, Bank Mandiri has integrated environmental and social risk assessment processes into its credit disbursement decisions. This measure is aimed at ensuring that the projects or businesses receiving financial assistance from the bank adhere to relevant environmental and social regulations. Furthermore, Bank Mandiri actively engages in discussions with various stakeholders, including the government, communities, and businesses, to foster a shared understanding of the significance of sustainable finance. For this reason, Bank Mandiri not only serves as a financial services provider but also as an agent of change, contributing to sustainable development in Indonesia. These initiatives underscore Bank Mandiri's commitment to promoting a holistic and sustainable finance agenda.

ENVIRONMENTAL & SOCIAL RISK MANAGEMENT (ESRM) [GRI 2-23, GRI 2-24]

By adopting the latest standards in Environmental, Social, and Governance (ESG) risk management, Bank Mandiri reaffirms its commitment to avoid business practices that harm the environment and society. Additionally, Bank Mandiri ensures that corporate governance is conducted with a high level of transparency and accountability. All these efforts are aligned with Bank Mandiri's vision to become a financial institution that not only succeeds financially but also acts responsibly towards society and the environment, creating a positive impact on the surrounding environment and the community.

Therefore, in the process of providing credit, Bank Mandiri consistently applies the principle of prudence, including the integration of Environmental and Social Risk Management (ESRM) aspects into risk management policies. This is reflected from the pre-screening stage, credit analysis, to post-credit monitoring.

In conducting business activities, Bank Mandiri conducts identification and assessment of the environmental and social impacts incurred (Environmental & Social Due Diligence), taking into account the materiality of priority sectors and adhering to applicable regulations and standards.

Bank Mandiri has identified five priority sectors, namely Palm Oil, Energy & Water, FMCG, Mining (Metals, Coal), and Construction, outlined in the Risk Management Policy in the

Industry Acceptance Criteria (IAC) document, Number B3.P1.T16. IAC in corporate and project financing. The policy for existing priority sectors undergoes periodic reviews to stay abreast of business developments and incorporates additional Environmental and Social aspects in six new sectors: Pulp & Paper, Telecommunications, Transportation, Other Transport Equipment Industry (Shipbuilding), Pharmaceuticals & Healthcare Services, and Oil & Gas.

Bank Mandiri is committed to actively developing and promoting sustainable finance practices, with a specific emphasis on integrating ESG aspects throughout its business processes, particularly in the realm of financing.

Bank Mandiri is actively committed to developing and promoting sustainable financial practices with a focus on integrating Environmental and Social aspects throughout its business processes, particularly in financing. Through a gradual approach, Bank Mandiri designs and implements the integration of Environmental and Social aspects in its credit policies. These policies establish minimum criteria, such as positive and negative screening processes for the business activities of potential borrowers, as a concrete step to ensure that each financing transaction reflects Bank Mandiri's commitment to sustainable business practices. This is reflected in Bank Mandiri's internal regulations, specifically the Bank Mandiri Credit Policy and Credit

CREDIT POLICY RELATED TO ENVIRONMENTAL, SOCIAL, AND GOVERNANCE (ESG) ASPECTS

Bank Mandiri requires prospective debtors to meet the following general criteria:

- a. Have environmental management documents based on the industrial sector and the provisions of applicable laws and regulations, including Environmental Impact Analysis* documents for required business/activity plans or Environmental Management Efforts - Environmental Monitoring Efforts documents;
- b. Have the outcomes of the PROPER assessment (Company Performance Rating Assessment Program in Environmental Management) in accordance with applicable provisions;
- c. Other related environmental management permits/certifications and other related environmental criteria in accordance with applicable laws and regulations.

Bank Mandiri also remains committed to not providing credit financing to business activities that have a negative impact on the environment (exclusion/negative list) as follows:

- a. Illegal logging;
- b. Plantation on peatlands;
- c. Violations of human rights according to the Manpower Law and ILO Convention**;
- d. Drug abuse;
- e. Business activities that endanger the environment, including disturbing protected areas such as UNESCO World Heritage Sites, wetland sites as listed in the Ramsar Convention*** criteria, and high biodiversity sites as well as sites listed in the IUCN Cat-1 & Cat-2**** protected area categories as outlined in the Convention on Biological Diversity;
- f. Other business activities that do not comply with applicable laws and regulations, including but not limited to: Pornography; Gambling; Money laundering; Corruption, Collusion, and Nepotism activities; and Goods and services that do not comply with applicable laws.

* Referring to the Regulation of the Minister of Environment and Forestry of the Republic of Indonesia Number P.38 / MENLHK / SETJEN / KUM.1 / 7/2019 concerning Types of Business Plans and/or Activities that are Required to Have an Environmental Impact Analysis, and obliging debtors to comply with the conclusions and recommendations of the Environmental Impact Analysis (AMDAL) as required by the Ministry of Environment and Forestry. The environmental impacts considered in the AMDAL include, but are not limited to: (1) the forestry sector: avoiding disturbances to forest ecosystems, hydrology, biodiversity, pests, landscape, and social conflicts; (2) the agricultural sector: soil erosion, changes in water availability and quality due to land clearing, spread of pests, diseases, and weeds during operations, changes in soil fertility due to the use of pesticides/herbicides.

** The applicable labor laws in accordance with the International Labour Organization (ILO) include: Law No. 21 of 2000 on Labor Unions; Law No. 13 of 2003 on Manpower as amended by Law No. 11 of 2020 on Job Creation; Law No. 2 of 2004 on Settlement of Industrial Relations Disputes, and related laws regarding the ratification of ILO conventions.

*** The Ramsar Convention on Wetlands as ratified by Presidential Regulation No. 48 of 1991.

**** The Convention on Biological Diversity (CBD) as ratified by Law No. 5 of 1994 and referring to the guidelines for the use of IUCN protected area categories in the CBD Convention.

SECTORAL CREDIT POLICY RELATED TO ENVIRONMENTAL, SOCIAL, AND GOVERNANCE ASPECTS

AGRICULTURE SECTOR

Bank Mandiri has established a binding credit policy for customers in this sector to:

1. Having at least a minimum Blue PROPER assessment and/or at least having an Environmental Impact Assessment (AMDAL) or Environmental Management Effort (UKL-UPL) report approved by the Environmental Agency (BLH).
2. Financing will not be extended to companies planning to open new land.
3. Having a Waste Treatment Installation (IPL) with an assessment related to the availability of operating IPL and water quality standard parameters within specified limits.
4. For public companies, it is mandatory to have a sustainability report.
5. Having a commitment to No Deforestation, No Peat, No Exploitation (NDPE), including land clearance & opening, preservation of High Conservation Value (HCV)/High Carbon Stock (HCS) areas, and peatlands.
6. For the Palm Oil Plantation subsector, it is mandatory to have ISPO and/or RSPO certification or at least proof of registration in the form of an acknowledgment from the Certification Institution.
7. The Palm Oil Plantation subsector lacking ISPO and/or RSPO certification must fulfill the following criteria:
 - Having a Code of Conduct, Environmental & Labor Policies (including OHS).
 - Having Environmental Management certification such as ISO 14001/ISO 45001 or other similar documents acceptable to the Bank.
 - Having fire prevention and land fire handling Standard Operating Procedures (SOP), having standard fire handling equipment according to land criteria, having fire watchtowers, and having a specialized fire handling team trained according to the Directorate General of Plantation's standards.
 - Companies must have Plantation Business Permits (IUP) as stated in the location permit.

ENERGY SECTOR

Bank Mandiri has established a binding credit policy for customers in this sector to:

1. Have a PROPER assessment and/or at least have an AMDAL or UKL-UPL report approved by the Environmental Agency.
2. Specifically for financing new coal-fired power plants with PLN as the offtaker, consideration has been given to the suitability of the financing period with the coal phase-out strategy according to the applicable PLN's Electricity Procurement Plan.
3. Operating Power Plants must have Environmental Management certification like ISO 14001/ISO 45001 or similar documents acceptable to the Bank.
4. Operating Power Plants must have a code of conduct, policies related to the Environment (carbon emissions, coal ash, water, and waste management), and labor.

COAL SECTOR

Bank Mandiri has established a binding credit policy for customers in this sector to:

1. Have a minimum Green PROPER assessment and/or at least have an AMDAL or UKL-UPL report (including reclamation and post-mining guarantees) approved by the Environmental Agency.
2. Have Environmental Management certification such as ISO 14001/ISO 45001 or similar documents acceptable to the Bank.
3. Specifically for mining financing as a supplier to PLTU, consideration has been given to the financing period with the coal phase-out strategy according to the applicable PLN's Electricity Procurement Plan.

CONSTRUCTION SECTOR

Bank Mandiri has established a binding credit policy for customers in this sector to:

1. Have Environmental Management certification such as ISO 14001/ISO 45001/OHSAS 18001 or similar documents acceptable to the Bank.
2. Have internal policies (code of conduct) related to the Environment and Labor.
3. Have internal policies and standard procedures (SOP) related to accident handling for toll road operators.

MINING SECTOR

Bank Mandiri has established a binding credit policy for customers in this sector to:

1. Have a minimum Green PROPER assessment and/or at least have an AMDAL or UKL-UPL report (including reclamation and post-mining guarantees) approved by the Environmental Agency.
2. Have Environmental Management certification such as ISO 14001/ISO 45001 or similar documents acceptable to the Bank.
3. The company implements Good Mining Practice in accordance with applicable regulations, including the inclusion of the Company Work Plan & Budget (CWPB) for the respective year approved by the Ministry of Energy and Mineral Resources, and/or other documents related to Good Mining Practice.
4. Have internal policies (code of conduct) related to the Environment and Labor.

TRANSPORT EQUIPMENT INDUSTRY (SHIPYARD)

Bank Mandiri has established a binding credit policy for customers in this sector to:

1. Have Environmental Management certification such as ISO 14001/ISO 45001 or similar documents acceptable to the Bank.
2. Make endeavors to achieve energy efficiency and emission reduction, evidenced by documents acceptable to the Bank.
3. Have a Financial Sustainability Action Plan (SFAP) and Sustainability Report for public companies

FAST MOVING CONSUMER GOODS (FMCG) SECTOR

1. Have a minimum Blue PROPER assessment and/or at least have an AMDAL or UKL-UPL report approved by the Environmental Agency.
2. Have a code of conduct, Environmental Policy (such as chemical usage and water & waste treatment), and Labor Policy (including OHS).
3. Have Environmental Management certification such as ISO 14001/ISO 45001 or similar documents acceptable to the Bank. Have certification from the Food and Drug Monitoring Agency (BPOM).
4. Make endeavors to achieve energy efficiency and emission reduction, evidenced by documents acceptable to the Bank.
5. Distributors are required to have packaging recycling provisions or clear targets to reduce plastic waste with eco-friendly materials.
6. For bottled water industries:
 - a. Have packaging recycling provisions or clear targets to reduce plastic waste with eco-friendly materials.
 - b. Use of spring water in accordance with applicable regulations, including maintaining water sources for sustainability and availability for the surrounding environment.
7. Prioritize labor aspects such as minimum wage and the prohibition of employing underage workers.

OIL AND GAS SECTOR

Bank Mandiri has established a binding credit policy for customers in this sector to:

1. Have Environmental Management certification such as ISO 14001/ISO 45001 or similar documents acceptable to the Bank.
2. Make endeavors to improve energy efficiency and reduce emissions, in accordance with regulatory provisions at the business location. Public companies are required to have a Sustainability Report or similar document.
3. Have an Environmental Impact Assessment (AMDAL) or Environmental Management Effort (UKL-UPL) approved by the Environmental Agency.
4. Oil and Gas Business activities are required to have documents stating the fulfillment of all Oil and Gas Safety requirements (Installations and Equipment, Workers, Public and Environment), with supporting evidence provided by Supporting Business Certificate.

BIODIVERSITY SECTOR

In the industrial forest sector, Bank Mandiri has established a binding credit policy for customers in this sector to:

1. Have documents for the management of industrial forest permits such as Business Permit for Forest Timber Product Utilization and/or Business Permit for Non-Timber Forest Product Utilization, and an approved Business Work Plan (RKU) from the Ministry of Environment and Forestry.
2. Not engage in business activities in areas declared to have high biodiversity, including RAMSAR land material sites and IUCN Cat.1&2 sites.

HEALTHCARE SECTOR

Bank Mandiri has established a binding credit policy for customers in this sector to:

1. Have documents for the management of industrial forest permits such as Business Permit for Forest Timber Product Utilization and/or Business Permit for Non-Timber Forest Product Utilization, and an approved Business Work Plan (RKU) from the Ministry of Environment and Forestry.
2. Have internal policies regarding Environmental Management and Occupational Health and Safety Management System (OHSMS) acceptable to the Bank.

PHARMACEUTICAL SECTOR

Bank Mandiri has established a binding credit policy for customers in this sector to:

1. Pharmaceutical producers have environmental permits/certifications (adjusted to the risk of their waste hazards, in accordance with the provisions of the Ministry of Environment).
2. Have Environmental Management certification such as ISO 14001/ISO 45001 or similar documents acceptable to the Bank.
3. Make endeavors to improve energy efficiency and reduce emissions, evidenced by documents acceptable to the Bank.
4. For public companies, it is mandatory to have a sustainability report.

PULP & PAPER SECTOR

Bank Mandiri has established a binding credit policy for customers in this sector to:

1. Have Environmental Management certification such as ISO 14001 or other documents acceptable to the Bank.
2. Have at least a Blue PROPER assessment and/or an approved AMDAL or UKL-UPL report by the Environmental Agency.
3. For public companies, it is mandatory to have a sustainability report.
4. Make endeavors to improve energy efficiency and reduce emissions, with adequate electricity and water supply.
5. Have a Wastewater Treatment Plant (IPAL)/Waste Treatment Plant (IPL)/Liquid Waste Disposal Permit (IPLC)/and B3 waste treatment facility, evidenced by documents acceptable to the Bank.
6. For pulp & paper trading, have endeavors/declaration letters to fulfill principles/commitments including:
 - a) Selling products or services aimed at not harming the environment
 - b) Eco-friendly, efficient, cost-effective, and energy-efficient distribution processes
 - c) Allocating a budget for eco-friendly marketing
 - d) Not overusing resources
 - e) Having sustainability certificates, such as Forest Stewardship Council (FSC), Programme for the Endorsement of Forest Certification (PEFC), or similar environmental sustainability certificates.

METAL SECTOR

Bank Mandiri has established a binding credit policy for customers in this sector to:

1. Have at least a Blue PROPER assessment and/or an approved AMDAL or UKL-UPL report by the Environmental Agency.
2. Have Environmental Management certification such as ISO 14001/ISO 45001 or similar documents acceptable to the Bank.

TELECOMMUNICATIONS SECTOR

Bank Mandiri has established a binding credit policy for customers in this sector to:

1. Have Environmental Management certification such as ISO 14001/ISO 45001/OHSAS 18001 or similar documents acceptable to the Bank.
2. Make endeavors to improve energy efficiency and reduce emissions, evidenced by documents acceptable to the Bank (if available).
3. For public companies, it is mandatory to have a sustainability report.
4. Have internal policies related to data privacy in accordance with applicable regulations, and have high capabilities and systems related to cybersecurity.

TRANSPORTATION SECTOR

Bank Mandiri has established a binding credit policy for customers in this sector to:

1. Have Environmental Management certification such as ISO 14001/ISO 45001/OHSAS 18001 or similar documents acceptable to the Bank.
2. Make endeavors to improve energy efficiency and reduce emissions, evidenced by documents acceptable to the Bank.
3. Have a Sustainable Financial Action Plan (SFAP) and a Sustainability Report for public companies.

SECTORS SENSITIVE TO ESG ASPECTS

In other sectors such as manufacturing and construction, Bank Mandiri has established a credit policy that binds customers in these sectors to adhere to the ESG-related regulations and standards, including compliance with environmental management certifications such as ISO 14001 and occupational health and safety certifications such as ISO 45001 or similar standards. For debtors unable to meet these requirements, the bank has implemented monitoring mechanisms and action plans to improve its customers' ESG performance.

Bank Mandiri consistently assesses and enhances its credit policies related to Environmental, Social, and Governance (ESG) aspects in a sustainable manner. This ongoing process includes annual assessments to ensure the suitability and effectiveness of these policies. The bank conducts regular assessments and reviews, as follows:

1. Analyzing credit portfolio management strategies, in the form of loan portfolio guidelines, to determine prospective sectors, industry classifications based on risk, growth direction, and sectoral industry allocation limits. This analysis considers various factors, including sectoral outlook, portfolio quality, risk, and ESG aspects within each industry.

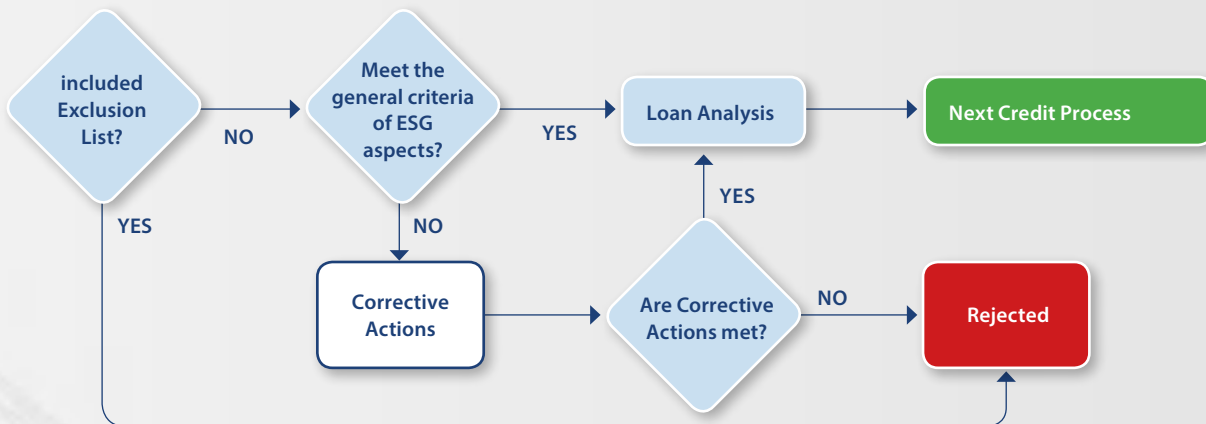
2. Analyzing the performance of the sectoral portfolio, using sensitivity analysis and the results of climate risk identification through Climate Risk Stress Test (CRST), presented at the board forum and utilized as a guideline in internal business decision-making.
3. Direct involvement of group credit, including examples of deep dive assessments for ESG intensive industries

Through this approach, Bank Mandiri is committed to continuously improving sustainability aspects in its credit activities, ensuring that the implemented policies incorporate ESG aspects.

CREDIT APPROVAL PROCESS MECHANISM [GRI 2-25]

In carrying out the credit distribution process, Bank Mandiri applies the principle of prudence, which includes the integration of Environmental and Social aspects in risk management, as well as the implementation of Environmental and Social due diligence throughout the monitoring process. When executing the credit approval process, Bank Mandiri also considers the results of Environmental and Social risk analysis as a crucial factor in the decision-making process for credit approval as follows:

Due Diligence Process



In the process of evaluating prospective customers, Bank Mandiri identifies aspects related to ESG risks in financing activities and develop a strong management system. In the ESG Due Diligence process, the direct involvement of the group credit (business unit) and the credit risk management unit is necessary. This includes providing examples of in-depth assessments for ESG-intensive industries. Subsequently, in the Legal and Compliance Review (LCC) stage, a more detailed identification (due diligence) of potential Environmental and Social risks is conducted. Opinions and solutions are provided from a legal perspective, involving participants from the Business Unit as the customer manager, Legal Group, and Compliance – AML & CFT Group. For prospective customers with the potential for ESG risk impact, further evaluation is required, including the establishment of specific provisions.

- Prospective customers who meet the requirements proceed to the subsequent stage of the credit granting process.
- Prospective customers unable to meet the requirements are subject to corrective actions in the form of imposing conditions (covenants) that must be fulfilled.

The evaluation process will be communicated to the credit decision-maker, where the Senior Vice President (SVP) up to the Board Level. If the ESG impact is found to be severe during the due diligence process, additional extra due diligence and escalation to the CEO level for decision-making are necessary. The compliance with covenants is monitored (reported to the Risk Management Unit) by the Business Unit and/or legal documentation and guarantees that have not been fulfilled upon maturity.

Credit approval process at Bank Mandiri



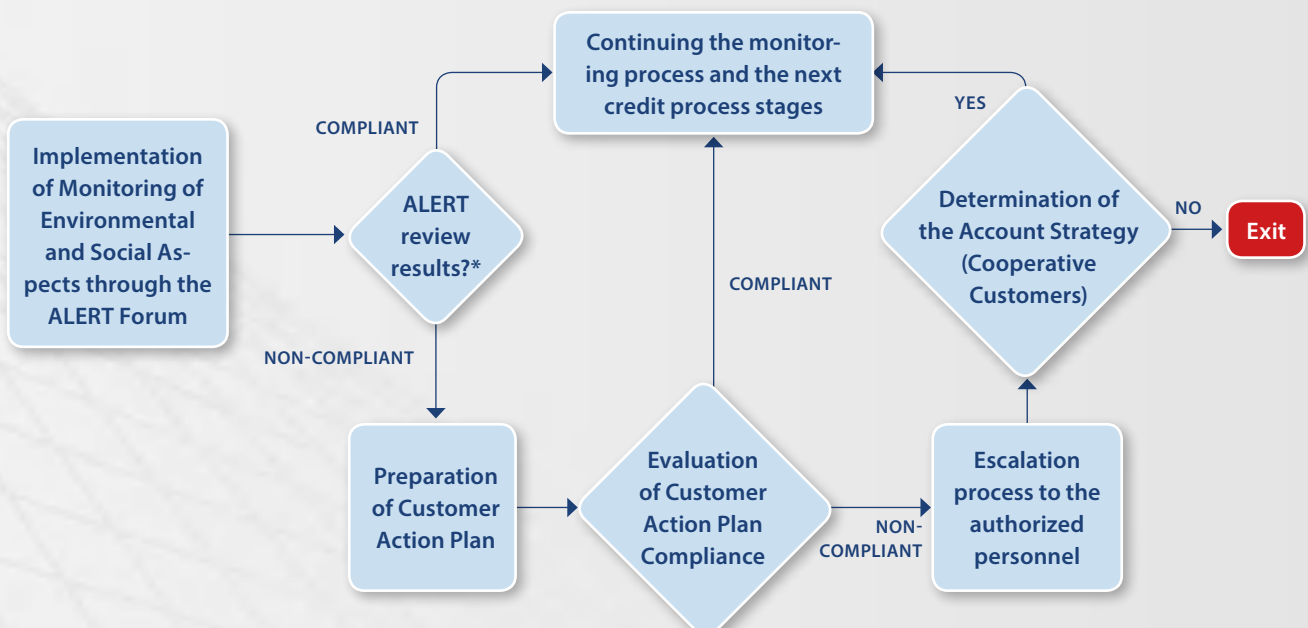
OVERSIGHT OF ESG RISK MANAGEMENT IN FINANCING ACTIVITIES

Bank Mandiri periodically conducts monitoring related to the implementation and compliance of debtors towards environmental and social aspects, through the following steps:

1. Bank Mandiri operates an Early Warning System known as ALERT (Watchlist), producing triannual reports presented in a joint forum involving Business Units and Risk Management Units. The primary objective of this system is to identify potential risks that could impact credit quality. ALERT considers aspects such as compliance with environmental and social aspects, financial performance, industry prospects, and other relevant environmental and social aspects, enabling prompt preventive actions. ALERT reports are sent to the Business Unit Director and Risk Management Director. Furthermore, the ALERT forum incorporates an escalation mechanism. In the event that findings related to environmental and social aspects risks cannot be resolved at the technical level between Business Units or Risk Management Units and customers, the credit decision-making oversight function is required, performed by the Senior Vice President level up to the Board of Directors.
2. Bank Mandiri also facilitates communication and interaction through regular meetings led by Business Units and jointly monitored by Risk Management Units and ESG Units to ensure the implementation of environmental and social aspects and sustainability principles, as well as the mitigation of climate change impacts on debtors.
3. Bank Mandiri requires debtors to develop an action plan to address environmental and social aspects within a timeframe based on the type of customer business activities. These action plans are regularly assessed during evaluation processes. The findings of the ALERT review regarding customers' non-compliance with environmental and social aspects after the preparation and evaluation of the action plan may necessitate additional corrective action to ensure adherence to these aspects in customer business activities.
4. Bank Mandiri also performs an annual review as a means of checks and balances. This review encompasses an assessment of compliance with the most recent internal credit policy requirements, including environmental and social aspects.

Furthermore, in addition to the measures, Bank Mandiri conducts annual reviews and audits through its Internal Audit Unit to ensure compliance with credit policies and procedures.

Monitoring Compliance with Environmental and Social Aspects in ALERT Forum



*Including compliance with credit requirements related to environmental and social aspects; Checking regulations related to PROPER/AMDAL findings; Government regulation changes; Financial performance; On-site visit; future customer business prospects; and other evaluation components.

Example of ALERT implementation in Bank Mandiri: as part of the evaluation conducted by Bank Mandiri on debtors in the palm oil and textile sectors, reveals issues related to environmental compliance that require the outcome of the PROPER Assessment (Environmental Performance Rating Program). It was found that the company is below the standard criteria. This is attributed to the inadequate waste management system, as stipulated by the Ministry of Environment and Forestry (KLHK), with the PROPER assessment still falling below the "Blue" level.

In response to this, customers must adhere to the following action plan:

1. Credit Criteria Fulfillment: As a condition in the credit agreement for next year, an improvement in the PROPER assessment to at least the "Blue" level is required during the latest evaluation.
2. Monitoring and Evaluation: Bank Mandiri will periodically monitor and evaluate compliance with this credit condition, concurrently requesting customers to develop an action plan, including efforts to improve waste management. Customers may also consider using consulting services to support waste management problem resolution while establishing a timeline for completing these actions.
3. Clear time bound of Fulfillment: By December 2023, related customers have met the credit agreement conditions according to the agreed-upon timeline.

BOARD-LEVEL OVERSIGHT RELATED TO ESG RISK MANAGEMENT [S1-1a] [S2-1a]

ESG risk management is a collaborative effort involving the Business Unit, Risk Management Unit, Legal and Compliance Group, and is conducted in accordance with the four-eyes principle. The implementation of Sustainable Finance Governance encompasses the development of a Sustainable Finance Action Plan (SFAP), integration of ESG aspects into operations and business, and the management of Climate-related Risks.

Bank Mandiri conducts monitoring and reporting to the Board Level through the Risk Management & Credit Policy Committee (RMPC) on a quarterly basis, with duties and responsibilities as stipulated in the Board of Directors' Decision of PT Bank Mandiri (Persero) Tbk, Number Kep.Dir/009/2021 on the Risk Management & Credit Policy Committee or the Executive Committee. The RMPC has two main responsibilities: (1)

identifying, measuring, and monitoring risks, establishing risk management policies and strategies, and (2) formulating credit policies, overseeing the implementation, monitoring the status and growth of credit portfolios, and offering recommendations for improvement. This also includes monitoring of ESG risk management.

Furthermore, the Board of Commissioners oversees the implementation of ESG, the fulfillment of ESG targets or commitments through the Risk Monitoring Committee (RMC), held on a quarterly basis with topics such as reviewing the effectiveness of ESG-related risk management and oversight in financing activities. The integration of these two levels of supervision establishes a robust framework to consistently uphold and apply sustainability principles and good governance across all operational aspects of Bank Mandiri.

04

Sustainable **Operation**

Bank Mandiri ensures the implementation of Sustainable Operation in an integrated manner, including information security and data protection, protection for customers, Environmentally Friendly Operations, development of superior talent that pays attention to diversity and equality (Sustainable Mandirian) and creates a safe and healthy work environment.





Sustainable Operation is one of Bank Mandiri’s strategic foundations in supporting the achievement of sustainability targets, one of which is Operational Net Zero Emission in 2030. Bank Mandiri ensures the integration of sustainability principles in all layers of operational activities which include improving information security and data protection, protecting customers, environmentally friendly operations through Digital Carbon Tracking and carbon neutral initiatives, developing superior talents who expand diversity and equality and create a safe and healthy work environment.

Information Security and Data Protection

The advancement of digitalization and technology adoption has significantly enhanced the ease and convenience of customer transactions. Nevertheless, the digitalization of services also introduces potential risks to information security, such as theft, loss, manipulation, and misuse of data, as well as the disclosure of sensitive information and unauthorized destruction of data. These risks can threaten the confidentiality, integrity, and availability of information.

Bank Mandiri recognizes the importance of information security as an enabler in the digitalization process and technology adoption to provide comfortable and secure banking services

to customers. For this reason, Bank Mandiri strives to mitigate potential risks that could lead to financial losses, reputational damage, and legal claims against the bank.

Since 2018, Bank Mandiri has had a dedicated unit, the CISO Office Group, to manage and enhance cyber resilience and security. The CISO Office Group is supervised by C-level management to implement bank-wide cyber resilience and security. The CISO Office Group applies a cyber resilience framework adopted from international standards and best practices in executing cyber resilience and security strategies and operations.



SUPERVISION OF THE BOARD OF DIRECTORS AND BOARD OF COMMISSIONERS

The Board of Directors, represented by the Director of Information Technology and the Director of Risk Management, ensures data and information security implementation within the Bank Mandiri environment and compliance with applicable laws and regulations. The Risk Supervisory Committee (RSC) oversees and monitors cyber security, data security, and information security activities. At the same time, the Board of Directors of Bank Mandiri actively monitors and provides periodic supervision, guidance, and evaluation.

The Board of Commissioners and the Board of Directors, through the Risk Monitoring Committee, the Board Audit Committee,

and the Integrated Governance Committee, hold discussions on the quarterly performance of data and information security with agendas covering the achievement of ESG aspects such as Privacy and Data Security, the effectiveness of the Bank's layered security system, and compliance with Mandiri Group's security requirements.

Issues and topics related to data and information security are reported and discussed at the board-level Data Governance Forum at least once a year, attended by the Director of Risk Management, the Director of Compliance, the Director of Finance and Strategy, and the Director of Information Technology.

PROCEDURES RELATED TO INFORMATION SECURITY AND DATA PROTECTION

The company does not rent, sell, or provide data in any form to third parties except for financial transactions/services. The company minimizes requests for personal data in accordance with transaction requirements and stores personal data as permitted by laws and business needs. Bank Mandiri is committed to promptly destroying data after the specified storage period as required by business needs and permitted by laws. The company also does not obtain personal data from any third party unless regulated by regulatory requirements.

Bank Mandiri possesses and enforces internal procedures, IT Information Procedures and Data Security Procedures. All related policies and procedures are periodically reviewed and serve as references for similar processes in subsidiary companies. The Standard Operating Procedures related to information security and data protection include:

- a. Information Technology Standard Operating Procedure (SOP) Number K4.SP7 of 2023
- b. Data Management Standard Operating Procedure (SOP) Number S11.P3.MND of 2023
- c. Mandiri Subsidiary Management Principles Guideline (MSMPG) specifically related to collaboration with information technology and data management with the Subsidiary Company

Bank Mandiri's Information Technology SPO encompasses regulations concerning information technology security and cyber, as previously discussed. The Data Management SPO governs all domestic and international Bank work units in managing data governance. Additionally, Foreign Branch Offices comply with these SPO provisions and refer to the regulations of the respective country.

IMPLEMENTATION OF INFORMATION SECURITY GOVERNANCE MANAGEMENT

Securing an IT system is akin to safeguarding a house from intruders. To ensure the house safety, a layered security management system must be established, encompassing security guards, fences, various sensors and alarms, CCTV, and a command center for monitoring, detection, and response to potential threats. Bank Mandiri's layered security system addresses the people aspect by promoting employee awareness and active participation in maintaining cyber security. It also focuses on the process aspect by embedding controls in the bank's operational activities by implementing robust information security management governance. Additionally, Bank Mandiri emphasizes the technological aspect by utilizing best-in-class technology and staying abreast of relevant technological advancements in current cybersecurity trends.

Bank Mandiri strives to achieve zero security breaches by implementing of three pillars of execution: Governance & Awareness, Protection, and Operation, each of which encompasses its specific aspects, namely:

1. Governance Pillar:

Security Awareness, Security Regulations & Standards, and Organizational Structure & Personnel.



2. Protection Pillar:

Defense Mechanism, Penetration Testing, User Access Management.

3. Operations Pillar:

Security Operation Center 24x7, Threat Intelligence, Vendor

CYBERSECURITY FRAMEWORK

3-Pillars		
Governance	Protection	Operation
<p>1. Security Awareness</p> <ul style="list-style-type: none"> Program for employees: Awareness about data classification, security, and processing (i.e., collection, processing, storage, correction, display, deletion) of data. Media: podcast, newsletter-poster, sharing session. Program for customers: Awareness about safe transaction methods (anti-fraud awareness). Media: company's official website and social media. <p>2. Data Security Regulations Govern the process of collecting, maintaining, using, and storing data. For example: Testing backup and restore, encryption and decryption key holders, and database administrators.</p> <p>3. Organizational Structure & Personnel</p> <ul style="list-style-type: none"> Dedicated team for cybersecurity operations. Development of personnel capabilities through the latest professional training and certification. 	<p>1. Defense Mechanism Implementation of layered security technology (applications, networks, systems) to protect data. For example:</p> <ul style="list-style-type: none"> Auto/Semi-automatic firmware update (Antivirus-malware). Block removable media (i.e., USB). <p>2. Penetration Testing A test to ensure the absence of vulnerabilities in applications, networks, and systems:</p> <ul style="list-style-type: none"> Regular. Ad-hoc in the development of new applications. <p>3. User Access Management Restricts access to data according to standard operating procedures and regularly changes passwords. For example: Authentication and authorization (i.e., username, password, biometrics - fingerprint & face recognition)</p>	<p>1. Security Operation Center (SOC) 24x7 Swiftly and effectively anticipates security incidents in accordance with international standards (certified ISO 27001) and adopts international best practices. Implementation of physical security (e.g., access doors, CCTV, employee identification support).</p> <p>2. Threat Intelligence Anticipates current cybersecurity attacker techniques and tactics by subscribing to credible sources. For example: Various Indicators of Compromise (IoC) service providers affiliated with Interpol.</p> <p>3. Vendor Security Assessment/Supply Chain Evaluate security aspects, including the adequacy and capability of vendor resources (people, process & technology) involved. Process: Non-Disclosure Agreement. Evaluation methods: interview, questionnaire, site visit.</p>



INFORMATION TECHNOLOGY SECURITY STRATEGY

As an effort to maintain information security, Bank Mandiri has formulated and implemented an information technology security strategy that complies with regulations (BI & OJK), aligns with international standards (ISO 27001), and best practices (NIST Cybersecurity Framework, COBIT Framework, PCI Security Standard). The strategy for information security management systems is divided into three main areas: People, Process, and Technology, as follows:

1. People

a. Security Awareness

The Security Awareness program is conducted to raise awareness about information security in everyday behavior, ultimately becoming the culture of the bank. Bank Mandiri conducts security awareness certification on an annual basis for all employees (at all levels, both domestic and international) as well as third parties/contractors. In addition, a routine security

awareness campaign program is implemented across various media, including newsletters (monthly), posters (quarterly), podcasts (quarterly), and phishing drills (quarterly). The security awareness campaign has covered topics such as data security protection, maintaining data confidentiality, current trends in cyber attacks, identifying and avoiding phishing, and online transaction security.

b. Human Resources Development (HRD)

To strengthen the human aspect, Bank Mandiri continuously develops the capabilities and capacities of its human resources. This includes providing training and certification to enhance both soft and hard skills periodically (at least once a year) for all employees, including employees and vendors/contractors.

- 1). Training and certification for employees include: CISM (Certified Information Security Manager), CISSP

(Certified Information Systems Security Professional), CRISC (Certified in Risk and Information Systems Control), ISO 27001 Lead Implementer, ISO 27001 Lead Auditor, CISA (Certified Information Systems Auditor), CEH (Certified Ethical Hacker), CHFI (Computer Hacking Forensic Investigator), as well as product-based knowledge training to deepen expertise in the bank's security systems products.

- 2). Training for vendors/contractors: Internal training for vendor employees working to support operations.

Soft skills development is facilitated through training in leadership mindset, strategic thinking, creative thinking, design thinking, problem solving, presentation skills, and negotiation skills.

Training and certification are provided through various methods, including onsite training and online (virtual) training via platforms such as LinkedIn Learning and Coursera.

2. Process

A. Three Lines of Defense (3LoD)

Bank Mandiri has implemented a risk management mechanism consisting of three lines of defense: **the CISO Office Group** as part of the 1st line of defense, responsible for the security of the bank's information through three main functions, namely:

- **Design**, designing security architecture and security requirements embedded from the early stages of development implementation to operational systems/applications.
- **Services**, preparing, assessing, and socializing standard procedures, awareness programs, and risk management. The IT team also implements security controls in the planning and development of IT.
- **Operations**, monitoring 24/7, detecting threat anomalies, and handling information security incidents, including identification, protection, detection, response, and recovery from cyber security incidents.

Operational Risk Group as the 2nd line of defense, responsible for developing a bankwide risk management framework and implementing ORMT (Operational Risk Management Tools) to manage information technology risks and security.

The IT Audit Group serves as the 3rd line of defense, responsible for providing assurance functions for all operational activities in accordance with internal and regulatory requirements. IT security audits are conducted at least once a year.

B. Security Policy & Procedure

Bank Mandiri has established a policy structure and

information security procedures based on regulations (POJK No. 11/POJK.03/2022 on the Implementation of Information Technology by Commercial Banks), the international standard ISO 27001 (Information Security Management System), and other best practices.

Bank Mandiri has established and implemented internal procedures, namely the IT Information Standard Operating Procedure (SPO). These policies and procedures are periodically reviewed and serve as a reference for subsidiary companies, with their implementation adjusted to the conditions and needs of the subsidiary companies. The policies and procedures are reviewed periodically (at least once a year) to ensure their relevance and compliance with international standards and best practices, as well as technological developments.

C. Handling Cyber Incidents / Data Breach

Bank Mandiri employs best-in-class security devices optimized for their respective functions and layered architecture to safeguard the bank's systems and data. They also identify and block security event anomalies at each layer, including:

- 1). Customer-accessed applications. For example: Transaction security with PIN.
- 2). Network. For example: Firewall equipped with Intrusion Prevention System (IPS).
- 3). Endpoints (PC/Laptop). For example: Antimalware.
- 4). Servers (Branch Servers & Data Center). For example: Antimalware.

In response to the threat of cyber attacks, Bank Mandiri has the capability to detect and handle cyber attacks through its 24/7 Security Operation Center (SOC). Every instance of information security breach and incident is managed in a consistent, effective and measurable manner. The SOC takes a proactive approach to monitoring and mitigating risks by leveraging reputable Threat Intelligence Services to stay ahead of the evolving landscape of cyber attacks. Furthermore, Bank Mandiri has developed internal capabilities for threat hunting, bolstering its ability to safeguard against online threats, including phishing, scams, unauthorized access, and counterfeiting that could compromise its brand and website.

Bank Mandiri has established a Computer Security Incident Response Team (CSIRT) officially registered with the National Cyber and Crypto Agency (BSSN) to foster collaboration, facilitate coordination, and exchange information during cyber incidents. The CSIRT regularly conducts testing and simulations of IT security incidents to ensure preparedness in responding to such events. In the event of a cyber incident, the SOC team, together with the CSIRT, promptly and effectively responds by



DATA INFORMATION SECURITY TRAINING PROGRAM 2023

Including awareness training, certified information security for managers, IT & Risk Management, cybersecurity awareness, podcasts, familiarization, webinars, workshops, etc.



197
Training
Titles



87,793
Training
Participants

implementing remediation or mitigation measures in accordance with the general framework for handling cyber incidents, including:

1. Identifying and analyzing the scope of the incident and determining mitigation steps
2. Containment, involving the process of mitigating the attack to prevent further damage
3. Eradication and Recovery, involving actions to stop the incident and recover from it.

To mitigate the impact and restore the security of systems or networks, Bank Mandiri has formulated recovery and business continuity management strategies governed by its internal policies. Bank Mandiri will continue to sustainably improve its framework for handling cyber incidents based on lessons learned from resolved cyber incidents.

As of the end of 2023, there have been no cases of data breaches or misuse of customer data and privacy. In the event of customer complaints related to privacy violations, they will be handled in accordance with the applicable customer complaint handling procedures at Bank Mandiri.

D. Cyber Security Testing

To maintain and evaluate cyber resilience and security, Bank Mandiri periodically conducts cyber resilience and security testing in accordance with applicable regulations, including:

- 1). Bank Mandiri conducts penetration testing at least once a year for any new application development and periodically for internet-facing and/or very critical applications. Penetration testing is executed by an independent external party certified to international penetration testing standards.

2). Testing based on scenarios

Bank Mandiri conducts testing based on scenarios through the following activities:

a. Table-top Exercise (Cybersecurity Drill)

The testing activity is based on discussions, where personnel from various work units gather to discuss the steps for handling and mitigating cyber incidents according to their respective duties. This testing activity involves relevant work units, including the IT unit, risk management unit, business continuity unit, customer care unit, and

corporate secretary unit. Examples of scenarios that have been tested include ransomware attack, illegal hacking, unauthorized access, data leakage, email threats, and other scenarios.

Bank Mandiri collaborates with reputable international consultants (external independent parties) in preparing scenarios and conducting tabletop exercise activities to adopt current cyber attack trends and best practices for testing implementation.

b. Social Engineering Exercise (Phishing Drill)

Testing activity in the form of social engineering (phishing) attack simulation via email, requesting employees to disclose sensitive information such as passwords. This testing activity utilizes a phishing drill tool capable of automatically sending phishing email simulations to all employees. The aim of this exercise is to assist employees in recognizing and reporting any phishing emails they may receive, providing them with a near-real experience.

c. Adversarial Attack Simulation Exercise (AASE)

The testing activity takes the form of a real-life attack simulation conducted by a reputable international consultant acting as an independent external party. This simulation employs the latest and customized tactics, techniques, and procedures derived from real-world cyber attacks, targeting the people, processes, and technology aspects to assess cyber resilience. This testing activity is executed in collaboration with reputable international consultants (independent external parties) in developing scenarios and conducting AASE activities to adopt the latest cyber attack tactics, techniques, and procedures, as well as best practice testing implementation. Examples of scenarios that have been tested include unauthorized access, theft of application source code from the code repository, disabling defense systems, and theft of confidential data from the data center. As a result of this testing, the attack objectives were not successfully achieved in all targeted attack scenarios, and the security control assessment yielded a "Good" rating across all security control aspects.

The results of this cyber resilience and security testing are reported to the Board of Directors and regulators in accordance with applicable regulations.

E. Third Party Security Assessment

Bank Mandiri also realizes the existence of information security threats from external parties (supply chain) working with Bank Mandiri. Therefore, the CISO Office Group routinely conducts information security checks applied by third-party organizations (people, process, technology) in line with their involvement with Bank Mandiri. The checks are performed through questionnaire filling, interviews, and/or site visits.

Furthermore, to measure and evaluate the optimization of the information security process, Bank Mandiri conducts a series of assessments by an external independent assessor, the National Cyber and Crypto Agency (BSSN), related to:

- 1). Cyber Security Maturity Assessment (CSM) with a maturity level result of 5 - "Optimal" (highest value). CSM assessment is an instrument from BSSN to assess the level of cyber security maturity of an organization, including the assessment of the maturity of personal data management and protection (data privacy).
- 2). Incident Handling Maturity Level (TMPI) measurement with a maturity level result of 5 - "Optimize" (highest value). TMPI is a tool to map an organization's readiness level in handling and recovering from cyber security incidents, including detecting and responding to incidents of personal data leakage due to security system vulnerabilities.

In addition, an IT Maturity Level assessment using COBIT 2019 has been conducted by a reputable international consultant (external independent party) with a result of IT Maturity Level 4 for security-related objectives, namely APO13 (Managed Security) and DSS05 (Managed Security Services). In the Indonesia Industry 4.0 Readiness Index (INDI 4.0), Bank Mandiri has obtained a final score of 4.00 out of 4.00 (highest value) in the Cyber Security field through an assessment conducted by an independent agency appointed by the Ministry of Industry & Ministry of State-Owned Enterprises.

3. Technology

Bank Mandiri implements a multilayer defense strategy, beginning with the protection of applications, networks, and systems using state-of-the-art technology that is consistently updated to align with the latest developments in cybersecurity trends. In addition, Bank Mandiri also subscribes to threat intelligence services to obtain and follow up on the latest information regarding the development of cyber attack threat techniques used by attackers, as well as to detect potential data leaks on the dark web and deep web.

a. Information Security Architecture

Bank Mandiri continuously enhances its capabilities through investment in all layers of IT security, including endpoint security, network security, application security, data security, and IT infrastructure security. Furthermore, the bank also builds capabilities to detect anomalous network and account activity by utilizing AI and machine learning technology.

b. Endpoint Security

Bank Mandiri employs comprehensive protection against potential vulnerabilities present in endpoints, utilizing measures such as Virtual Private Network, Network Access Control (NAC), antivirus/antimalware, Endpoint Detection Response (EDR), disk encryption, multi factor authentication, and other relevant safeguards.

c. Network Security

The use of layered and redundant tools strengthens internal network security, including the implementation of Intrusion Prevention System, AntiDDoS, Antispam, Virtual Patch, and Web Application Firewall. Security devices are placed in two locations, Data Center and Disaster Recovery Center, to ensure service availability and Business Continuity Plan readiness.

d. Application Security

By implementing the Secure System Development Life Cycle method at all stages of system and application development, Bank Mandiri can identify and mitigate potential security vulnerabilities from the outset. Bank Mandiri has adopted Agile Development methods to support rapid business needs. These methods are complemented by testing stages that incorporate Dynamic Application Security Testing (DAST) and Static Application Security Testing (SAST) techniques. In addition, source code management is conducted through centralized repositories, versioning, and security source code review.

Bank Mandiri also has digital forensic capabilities to support security incident investigations for post-incident recovery, enhance security posture, and prevent similar incidents.

e. Data Security & Encryption

Data is a valuable asset for companies. Bank Mandiri endeavors to prevent unauthorized access to sensitive or personal data, such as reading and modifying data by implementing encryption methods. Bank Mandiri has deployed encryption in data management for data in use, data in transit, and data at rest. The encryption security includes:



1. Data Transfer: using Secure Managed File Transfer (MFT) for data exchange with third parties.
2. Drive Encryption: securing encryption on storage.
3. Advanced Encryption Standard (AES): encrypting electronic data.
4. Communication Encryption: encrypting communication media such as implementing Transport Layer Security (TLS).

Bank Mandiri has implemented measures to restrict access to sensitive or personal data, utilizing the Data Loss Prevention (DLP) Tool and Information Rights Management (IRM) to prevent both intentional and unintentional data leaks. Furthermore, the bank employs personal data security through De-Identification techniques, including Anonymization and Pseudonymization (data masking and generalization).

f. Infrastructure Security

Bank Mandiri maintains IT infrastructure security devices by taking into account the expiration period (technology obsolescence) of the systems used. In addition, periodic security measurement and strengthening activities are conducted through vulnerability assessment (VA), patching hardening, and penetration testing. Similarly, security from the perspective of access rights management and user ID provisioning is conducted centrally through Identity Management. Meanwhile, management of access rights with the highest authority (power user) is conducted using Privileged Access Management (PAM) equipped with Privileged Threat Analysis (PTA) features to detect and provide notifications for defined rules.

Continuous Improvement

Bank Mandiri recognizes the crucial role of cyber resilience and security in facilitating the digitalization of its services for customers. As part of continuous improvement to enhance customer trust and the bank's reputation, Bank Mandiri implements global standard operations based on international standards and best practices.

CERTIFICATION AND ASSESSMENT

ISO 27001:2013

- Provision of application development and IT operation related to Livin' by Mandiri
- Security Operation Centre to manage cyber security threats in banking systems & cyber operations
- Provision of Infrastructure and Operational Data Center and Disaster Recovery Center

ISO/IEC 17025:2017

Digital Forensics Laboratory CISO Office Group

IT Maturity Level Assessment (IT MLA)

IT MLA utilized the international best practice reference COBIT 2019. Bank Mandiri achieved a score of 4 in the security-related module, namely Align, Plan, Organize (APO) 13 (Managed Security) and Deliver, Service, Support (DSS) 05 (Managed Security Services). This IT MLA activity is carried out by an Independent External Consultant.

AUDIT OF INFORMATION SECURITY POLICIES AND SYSTEMS

Bank Mandiri collaborates with a reputable (international scale) Independent External Consultant to conduct periodic real-life attack simulations on the bank's cyber resilience and security system comprehensively to identify and mitigate any potential cyber security vulnerabilities that could be exploited by attackers.

Bank Mandiri conducts regular audits on all information security activities and critical business processes, including customer protection, data privacy, and fraud management, in accordance with internal and regulatory provisions. The bank conducts internal audits once a year and external audits by reputable independent external parties once a year.

Bank Mandiri has fulfilled its risk management obligations and information system security standards by implementing periodic information system audits by external auditors, as follows:

- On December 30, 2022, an independent external information system auditor completed the information system audit and security testing for payment systems, including the Card Management System (CMS), Visa Electron (VE), Base24 (ATM), and SMS Banking (SMS Type & USSD). The report on the results of the information system audit and security testing was submitted to Bank Indonesia in hardcopy format on January 9, 2023;
- Subsequently, from August to December 2023, an independent external information system auditor conducted an audit of the information system and security testing for Mandiri Cash Management (MCM), New MCM, Mandiri Internet Business (MIB), Mass Prepaid System (MPS), and Integrated Card System (ICS). The report on the results of the information system audit and security testing was submitted to Bank Indonesia on December 21, 2023.

PERSONAL DATA PROTECTION

For Bank Mandiri, the protection of personal data (PDP) is crucial in accordance with the digital transformation of banking products and services. In addition, the bank also recognizes that PDP is a demonstration of its commitment to respect human rights and an endeavor to ensure customer information trust, confidentiality, and security.

Data and information protection is an ongoing process that adapts to the latest technological advancements and associated risks. It has emerged as a crucial aspect of sustainable finance, particularly through the Proactive Strategy on Data Privacy and Security. This strategy encompasses the enforcement of Law Number 27 of 2022 on Personal Data Protection (PDP Law) and its related regulations.



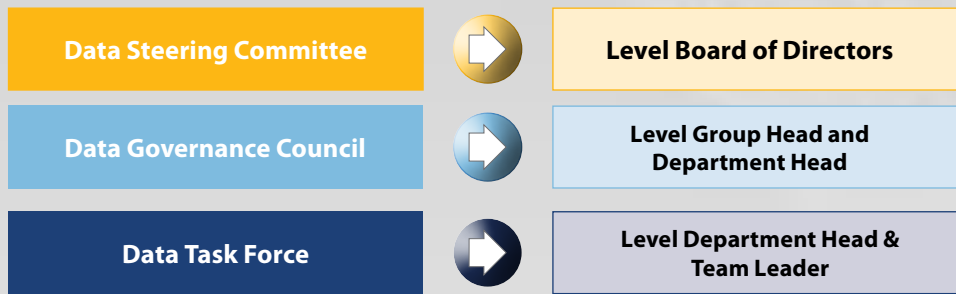
Supervision of Personal Data Protection Management

The Board's commitment to fulfilling compliance functions with applicable regulations is manifested by forming a PDP steering committee consisting of the Compliance Director, Human

Resources Director, Risk Management Director, and Information Technology Director, which functions to develop strategies and determine steps to fulfill obligations stipulated in the PDP Law.

Data Governance

To support corporate strategy through effective and efficient data strategy, data governance based on best practices in accordance with internal and external provisions involving all units within Bank Mandiri is required. Bank Mandiri adopted a Data Governance, a governance model that aligns with the company's work culture and supports its business strategy. This model is designed to adapt to new challenges and provides a structure to regulate data governance. The Data Governance comprises several levels, ranging from the Director level to day-to-day operationalization.



1. Data Steering Committee

It consists of Directors overseeing Information Technology, Risk Management, Compliance, and Operations and a Director/SEVP directly related to the subject matter.

The Data Steering Committee is tasked with providing guidance and approval for Data Governance strategy to meet regulatory requirements and support sustainable business growth as stipulated in the corporate plan, as well as reviewing the implementation of Data Governance strategy to support bankwide business growth;

2. Data Governance Council

Consists of Group Heads and Department Heads discussing matters with financial implications;

3. Data Task Force

Consists of Department Heads, Team Leaders, and Technical Teams discussing operational matters within the bank and coordinating activities.

Process of Implementing Personal Data Protection

Bank Mandiri implements customer protection regulations for all financial products, whether through branch or digital account openings. The bank prioritizes transparency in data usage for banking transactions and adheres to relevant data security regulations. Additionally, in digital transactions, Bank Mandiri provides a dual authentication process using face recognition and biometric systems to ensure enhanced security. Bank Mandiri employs Data Loss Prevention (DLP) solutions across all its products to mitigate the risk of cyber threats to customers' personal data. The bank consistently updates its security regulations in accordance with best practices, relevant regulations, and current trends.

During the reporting period, Bank Mandiri conducted internal reviews and issued a Risk Formation assessment. The Director of Information Technology is tasked with developing strategies and

defining measures to fulfill obligations stipulated in the Personal Data Protection (PDP) Law. This includes appointing PDP officials/officers, providing a Record of Processing Activity, and conducting Data Protection Impact Assessments. The bank has initiated programs encompassing metadata management, data quality updates and enhancements, adaptation to regulations, and readiness for customer requirement adjustments. Additionally, the company offered training for implementing personal data protection through online and in-person courses organized by Mandiri University Group.

To bolster the enforcement of personal data protection in compliance with the PDP Law, Bank Mandiri has revised its policies in 2023, mandating the application of personal data protection principles to all services, products, and offerings provided to customers.

DATA PRIVACY TRAINING PROGRAM 2023
Including Certified Information Privacy Manager (CIPM) training, culture of privacy, fundamentals, NIST Privacy Network, etc.

21
Training Titles

85
Training Participants

PERSONAL DATA PROTECTION POLICY

Policy Coverage	Implementation of the Principle of Personal Data Protection
Operational Policy	✓
Legal, Compliance, and AML/CFT Policy	✓
Credit Policy	✓
Treasury, Fund, and Service Policy	✓
Relevant Business Line and Subsidiary Policies	✓

Currently, Bank Mandiri has refined the Data Management Standard Operating Procedure (SOP), governing the procedures for processing personal data, including arrangements for processing personal data in accordance with the approved purposes of its use by customers, data retention periods, the process of receiving and/or sending data to external parties, as well as data deletion and destruction.

As a means of transparency for customers regarding the types of personal data collected and its processing, Bank Mandiri has published a privacy policy for customers within the Livin' by Mandiri application. This is aimed at providing assurance and comfort to Livin' users and includes detailed information about the handling of personal data, such as:

- The purpose of processing, including compliance with applicable regulations
- Guarantee of confidentiality and data security
- Types of personal data collected
- Rights and obligations of Livin' users
- Contact information

Data referred in this Standard Operating Procedure (SPO) of Data Management refers to all bank data stored in its database system relating to assets and liabilities, as well as commitments and contingencies. This SPO regulates data management activities as well as governance over the data as the basis for the end-to-end process, including:

1. Data Initialization Management
2. Metadata Management
3. Master Data Management
4. Data Quality Management
5. Data Storage Management
6. Data Development Management
7. Data Security Management

8. Data Provisioning Management

9. Big Data Analytics Management

10. Data Backup Management

11. Risk Mitigation as well as Documentation and Monitoring.

The Data Management Standard Operating Procedure (SPO) prohibits the sharing of customers' personal data and/or information with third parties, coercing prospective customers to agree to share data as a condition of product/service agreements, utilizing the personal data of prospective customers whose applications for product/service usage have been rejected by the Bank, or using the personal information of prospective customers withdrawing their applications for product and/or service usage. Exceptions are made if there is written or electronic consent from the customer or if it is regulated by legal provisions.

Bank Mandiri treats the data or personal information of customers/prospective customers and/or a group of customers/prospective customers in a manner that ensures the security of the data and/or personal information by conducting periodic eligibility and security checks. Any use of data must have obtained consent from the customers/prospective customers and/or the group of customers/prospective customers. The Bank ensures that any data processing it carries out is limited to its intended purpose, safeguards data ownership, is accurate, complete, non-misleading, up-to-date, and accountable, while also considering the purpose of the processing.

Bank Mandiri protects the security of personal data from loss, unauthorized access, and unauthorized disclosure, as well as from alteration or destruction of personal data. The processing of personal data is carried out by informing the purpose of collection, processing activities, and failures in protecting personal data. Personal data is destroyed and/or deleted unless it is still within the retention period as required based on the provisions of laws and regulations.

Access and Rectification of Personal Data

Bank Mandiri ensures that customers have the right to modify, add, complete, or delete their personal data in accordance with relevant regulations. Customers can access and update their personal information through branch offices, call centers, and the Livin' application. The bank also prioritizes customer comfort by employing masking processes for sensitive data and safeguarding against data leaks through the use of Data Loss Prevention (DLP) tools.

The bank follows the principle of minimizing requests for personal data in accordance with transaction requirements and regulatory compliance. It stores personal data according to relevant provisions and is dedicated to deleting data after the specified retention period as necessitated by business needs and permitted by regulations. Additionally, the company refrains from acquiring personal data from any third party without the customer's consent and/or a valid agreement and/or in accordance with applicable provisions.

Control and Retention of Personal Data

Bank Mandiri is fully committed to preventing unauthorized or accidental access, processing, or deletion of data by any party. This commitment is upheld by implementing comprehensive data security management, encompassing asset management monitoring activities, protection of data transfers, and data destruction. The applied data security efforts include:

1. Implementing a Data Classification mechanism to protect sensitive data from unauthorized access by individuals or parties.
2. Implementing Data Loss Prevention (DLP) Tools across all bank IT assets that support business activities in preventing data or sensitive information loss.
3. Integrated Secure File Sharing in data management technology from data collection, processing, storage, and transfer.
4. Security awareness programs and risk awareness programs aimed at all employees to ensure the adequacy of data security and management quality.
5. Performing backups, switch-overs, and disaster recovery training to ensure data resiliency and support business IT assets.

Future Proofing Privacy Program

In developing the personal data protection program, Bank Mandiri has conducted a comprehensive review of the bank's operational activities' compliance with the Personal Data Protection Law. The bank has also held a series of discussions with government agencies, namely the Ministry of Communication and Information Technology and the Attorney General's Office of the Republic of Indonesia, to gain a deeper understanding of the implementation of the Personal Data Protection Law. Furthermore, the bank has organized Forum Group Discussions (FGD) with a variety of Indonesian associations, foreign institutions, and consultants to discuss best practices for personal data protection.

The challenges of implementing personal data protection impact all operational activities, including those involving customers, employees, and third parties. The comprehensive personal data protection program is a collaborative effort involving the Enterprise Data Management Group, IT Application Support Group, Operational Risk Group, and Human Capital Strategy & Talent Management Group. The main focus of the personal data protection strengthening program is in 4 (four) areas:

- ❶ Business process improvement
- ❷ System development
- ❸ Internal regulation refinement
- ❹ Organizational strengthening

The scope of the personal data protection strengthening program covers not only customer personal data but also the personal data processing of employees and third parties working

with Bank Mandiri. The personal data protection strengthening program consists of 15 main activities:

1	2	3	4	5
Privacy Governance Creation or adjustment of internal provisions in accordance with the Personal Data Protection Law (PDP Law)	Data Protection Officer/ Officer Establishment of a Personal Data Protection Officer (PDPO) unit as mandated by the PDP Law	Lawful Basis for Processing Adjustment to consent requests, privacy policies, and other processing bases	Consent Management Improvement of processes and development of systems to manage consents provided by the Personal Data Subject	Record of Processing Activity (ROPA) Improvement of the recording process of personal data processing activities along with detailed activities
6	7	8	9	10
Training & Awareness Socialization, training, and establishment of internal regulations for employees to comply with the provisions of the PDP Law	Data Subject Request Management of requests/ rights of Personal Data from Data Subjects: Rights to be forgotten (erasure/ destruction), rectification, etc.	Data Classification Implementation of Personal Data classification according to general and specific Personal Data types	Third Party Contract Management Enhancement of Personal Data processing involving third parties that require sufficient Personal Data protection	Data Protection Impact Assessment Implementation of assessment for high-risk Personal Data processing
11	12	13	14	15
Information Security Securing Personal Data according to the level and classification of Personal Data according to the PDP Law	Data Breach Management Notification to Personal Data Subjects and Authorities in the event of a breach in accordance with the PDP Law	Cross Border Transfer Restriction Strategy for transferring Personal Data abroad	Data Retention Restriction Processing of Personal Data for limited purposes and duration in accordance with the purpose of such processing	Corporate Action Notification to Personal Data Subjects and Authorities in the event of corporate actions (mergers, acquisitions, etc.) in accordance with the PDP Law

PRODUCT DATA PROTECTION POLICY AT BANK MANDIRI

The data protection policy at Bank Mandiri has been fully implemented across all relevant business lines (products and services), including:

PRODUCT	Implementation of Data Protection Policy
Lending - KSM	✓
Lending - Paylater	✓
Lending - Credit Card	✓
Lending - Powercash	✓
QR Credit Card as SOF	✓
Investment - Prime Bonds	✓
Investment - Mutual Funds	✓
Investment - Customer Fund Accounts	✓
External Forex Transfer	✓
Foreign Currency Account Opening	✓

PRODUCT	Implementation of Data Protection Policy
IDR Account Opening Data	✓
Mandiri Tabungan Rencana Opening	✓
Deposit Opening	✓
Virtual Debit Card	✓
Virtual Credit Card	✓
Branch Service Reservations	✓
Livin' Care	✓
Livin' Pay Kopra	✓
Livin' Merchant	✓
Mandiri Agent	✓

Customer data and their deposits held at Bank Mandiri are classified as Bank Secrets and/or Personal Data, which must be safeguarded by Bank Mandiri. The procedures for protection

and/or any exceptions to data protection adhere to relevant laws and regulations.



DATA SECURITY OF MANDIRI GROUP

Bank Mandiri has developed the Mandiri Subsidiary Principles Guideline (MSPG) to serve as a guideline for Bank Mandiri and its subsidiaries in establishing a collaborative business ecosystem driven by a performance-oriented culture. This approach aims to create sustainable added value while adhering to the principles of Good Corporate Governance and the Articles of Association of each subsidiary.

The MSPG addresses various aspects of collaboration in information technology, encompassing the alignment of Information Technology security architecture to uphold corporate security and regulatory compliance. Additionally, it provides guidance on data management, directing Bank Mandiri and its subsidiaries to implement an integrated Management Information System and data management system in accordance with relevant laws and regulations. It also emphasizes the alignment of data governance practices between the subsidiaries and Bank Mandiri.



Furthermore, Bank Mandiri, in collaboration with its subsidiaries through the CISO Group, works to define security requirements for the Mandiri Group, taking into account the unique complexities and vulnerabilities within each subsidiary's systems. Ongoing monitoring and reporting of compliance with subsidiary standards are conducted regularly and reported to the Board of Directors of Bank Mandiri and its subsidiaries.

PRIVACY POLICY IN SUBSIDIARY COMPANIES



Bank Syariah Indonesia

<https://www.bankbsi.co.id/kebijakan-privacy/bsi>

The security of customers' personal data is a priority for BSI. This Privacy Policy outlines how BSI may collect, use, disclose, process, and manage customers' personal data. This policy applies to the personal data of any individual that BSI possesses or controls.

BSI informs customers about the use of their personal data for both core business purposes and marketing activities/offers of products and services. BSI emphasizes that the use and disclosure of customer data are conducted in accordance with Bank Indonesia regulations/Financial Services Authority and other applicable data protection and privacy laws.



I-Kurma App

<https://salamdigital.bankbsi.co.id/privacy-policies>

The stored data includes customer data (including customer photos and visit photos and collateral), the location of the pipeline menu filling, and the device ID of the device necessary for the operational application. Without this data, the application cannot proceed with disbursement. The application does not share internal data with any third parties, utilizes Secure Socket Layer (SSL) and encryption, and stored data can be deleted through a formal data deletion request submitted through procedures established by the Bank.



Mandiri Taspen

<https://www.bankmandiritaspen.co.id/info/id-keamanan-transaksi-digital128/id>

In the midst of rampant phishing, Bank Mandiri Taspen is committed to safeguarding the confidentiality of all digital transactions of its customers, including taking protective

measures using encryption technology. Any transaction carries inherent risks, including digital transactions. However, most risks can be mitigated with a proper understanding of how to conduct digital transactions more securely. The emphasized principles are straightforward and easy to remember: BE CAUTIOUS, BE THOROUGH, and CONFIRM.



Mandiri Tunas Finance

<https://www.mtf.co.id/id/kebijakan-privasi>

The personal information is solely used for the purpose of enhancing services for customers. Customers are not obligated to provide all personal data; the website also gathers data obtained from cookies used by the web server in a unique manner, as well as statistical data to identify visitors' habits when they browse the website, enabling us to enhance our services.

MTF is committed to maintaining the confidentiality of all consumer transactions. Any transaction carries inherent risks, including digital transactions. However, most risks can be mitigated with a proper understanding of how to conduct digital transactions more securely. The emphasized principles are straightforward and easy to remember: BE CAUTIOUS, BE THOROUGH, and CONFIRM.



Mandiri Utama Finance

<https://www.muf.co.id/tips-aman-transaksi/>

MUF consistently maintains the trust of all customers, ensuring their security during transactions by adhering to simple, memorable principles: BE CAUTIOUS, BE THOROUGH, and CONFIRM.



AXA Mandiri Financial Services

<https://axa-mandiri.co.id/en/web/customer/kebijakan-privasi>

The rapid advancement of technology in today's world has resulted in a growing demand for data usage. At AXA Mandiri, we recognize the necessity to continually innovate to improve the customer experience when transacting with us and to ensure the protection of our customers' personal data. To achieve this, we provide tailor-made protection, simplify relevant information, and enhance the effectiveness and efficiency of our procedures. AXA Mandiri is dedicated to upholding the security and confidentiality of our customers' personal data as part of our commitment to respecting

their privacy rights in compliance with relevant laws and regulations.

We are committed to exerting every possible effort to uphold the security and confidentiality of personal data. This commitment is realized by implementing physical, technical, and organizational procedures aimed at preventing unauthorized access, collection, use, disclosure, copying, alteration, or deletion of personal data. We assure you that we will not provide, disclose, or sell your personal data to third parties without your consent. Furthermore, we will verify your identity before granting access or making any changes to your personal data.



Mandiri Inhealth

<https://www.inhealth.co.id/kebijakan-privasi>

To provide protection to consumers and the public in the financial services sector, Mandiri Inhealth is committed to safeguarding your private data. We strive to the best of our ability to maintain your trust in the processing of Personal Data. Safeguarding privacy data is a significant responsibility. Mandiri Inhealth takes this responsibility seriously. We adhere to international and national privacy data regulations to provide you with the necessary protection.

Mandiri inHealth highly values the confidentiality of your personal information, recognizing its significance in maintaining your trust. For this reason, we have developed security procedures and implemented a range of organizational and technical security measures aimed at safeguarding your personal information from unauthorized use or disclosure. As the custodian of this data, we do not sell it to third parties outside Mandiri inHealth. Furthermore, we continuously adapt our data privacy practices to meet evolving needs and align with the latest developments in data privacy.



Mandiri Sekuritas

<https://www.mandirisekuritas.co.id/id/kebijakan-privasi>

Mandiri Sekuritas consistently endeavors to uphold the privacy and security of its customers' and prospective customers' personal data in full compliance with relevant laws and regulations.

The privacy policy encompasses the collection, use, and disclosure of personal data when you use and/or access our Electronic Systems*, including associated data related to your choices within it. This includes the collection, use, tracking, and cookie data, transfer, disclosure, security, third-party service providers, links to other sites, and enforcement.



Mandiri Capital

[\(https://mandiri-capital.co.id/kebijakan-privasi/\)](https://mandiri-capital.co.id/kebijakan-privasi/)

MCI provides information about the privacy policy on the MCI website. Additionally, personal information such as names, addresses, and emails provided voluntarily by site visitors is collected and used by MCI to enhance services for customers in accordance with applicable provisions and regulations.

The information is utilized to enhance services for customers. Customers have the option not to provide all personal data, but this may affect their access to facilities on the site. Data is collected through cookies used by web servers and statistical data to comprehend visitor habits for service improvement. Site users have the right to disable cookies when visiting the site.



Mandiri Europe

[\(https://www.bkmandiri.co.uk/privatepolicy.htm\)](https://www.bkmandiri.co.uk/privatepolicy.htm)

Bank Mandiri (Europe) Limited is committed to ensuring the protection of your privacy. The privacy policy outlines the procedures we have implemented to safeguard your privacy.

The privacy policy outlines the procedures for safeguarding data privacy, including information about cookies. It ensures that all your communications with us and other personally identifying information will never be disclosed in ways not described in the privacy policy, consent, and privacy-related inquiries.



Mandiri Remittance

website and all products and services

[\(www.mandiriremittance.com/id/privacy-policy\)](http://www.mandiriremittance.com/id/privacy-policy)

The Privacy Notice outlines how Mandiri International Remittance Sdn. Bhd. (MIR) uses your personal data. MIR is fully committed to ensuring that our processing of personal data complies with the Personal Data Protection Act 2010 (PDPA). The Privacy Notice relates to the personal data that you willingly provide to MIR when you access our services. The Privacy Notice

also applies to the website and all products and services offered by MIR.

MIR is fully committed to ensuring that our processing of personal data complies with the Personal Data Protection Act, and this policy governs the website and all products and services offered by MIR, the purposes and types of personal data, disclosure, security, storage, integrity, and principles of personal data access.

CONTROL OF DATA USAGE IN THIRD-PARTY COLLABORATIONS

Bank Mandiri ensures the security and protection of data when collaborating with third parties, such as IT contractors or other external parties in the supply chain. Bank Mandiri does not provide data in any form to third parties for any purpose other than for transaction execution. Bank Mandiri requires a Non-Disclosure Agreement (NDA) from third parties if there is cooperation involving customer data, and only sends customer data in accordance with customer approval. The bank also ensures that all campaign programs are carried out based on customer approval.

Furthermore, the Data Management Policy governs specific data/information requests for the purposes of law enforcement and/or regulation related to Anti-Money Laundering (AML)/ Countering the Financing of Terrorism (CFT), as well as specific requirements for audits.

The CISO Office routinely conducts vendor security checks, including information security by third-party organizations (people, process, technology), in line with their involvement with Bank Mandiri. The checks are carried out through methods such as questionnaire completion, interviews, and/or site visits

Customer Protection

Bank Mandiri remains committed to enhancing its services by offering tailored financial solutions that meet the needs of the general public and its customers. Customer protection is prioritized throughout the entire process, from product and service design, sales, and customer service to complaint handling, ensuring a secure and reliable banking experience for all customers.

As of December 31, 2023, Bank Mandiri served 35.8 million customers. Through its intermediary function, customers have the opportunity to create a brighter future through access to the bank's financial services for their economic and social needs. To facilitate this, the public must have a clear understanding of

the banking products and services they select based on their individual requirements, while banks are obligated to ensure the financial protection of customers in relation to the associated risks of these products and services.

PRODUCTS AND RESPONSIBLE FINANCIAL SERVICES

Every new or updated financial product and service is designed to meet the needs of customers, taking into account features, convenience, reliability, security, and compliance. The security aspects of financial products and services are tested to ensure the protection of personal data and data security in all transactions.

In 2023, Bank Mandiri introduced Tap to Pay, a new product designed to facilitate swift transaction payments globally. Tap to Pay aims to mitigate the security vulnerabilities associated with conventional card transactions by eliminating the exposure of sensitive information, such as expiry dates or CVV, during transactions at the cashier. This innovative solution also shields customers from the risk of RFID skimming, enhancing overall transaction security.

In addition to adhering to internal policies, procedures, and regulatory requirements, Bank Mandiri ensures that its sustainable financial products undergo evaluation based on relevant global standards and frameworks. For instance, Bank Mandiri's issuance of Sustainability Bonds and Green Bonds in 2022-2023 adhered to the guidelines set forth by the International Capital Market Association (ICMA). Subsequently, an independent external party conducted a review before the issuance was approved by the Risk Management Committee.

The Board-Level Committee of Bank Mandiri is committed to ensuring the quality and integrity of its products and services. To this end, the Committee regularly conducts review, monitoring and evaluations of all financial offerings, including the development of new products. In addition, Bank Mandiri follows strict regulations and guidelines, seeking approval from relevant authorities (OJK, Bapepam, etc) before introducing any new financial products and services. Various product and services provided by Bank Mandiri include:

Livin' by Mandiri

Livin' by Mandiri is a financial super app that provides comprehensive banking services accessible through a smartphone. Livin' by Mandiri offers cutting-edge solutions tailored to both the financial and non-financial needs of customers. Various conveniences are integrated into Livin' by Mandiri, including account opening in more than 120 countries, cardless deposit and withdrawal, e-wallet linkage, smart payment options, instant transfer through BI FAST, instant access, QR code payments and receipts, tap-to-pay functionality, paylater services, foreign exchange transfers, investment product purchases, Livin' Sukha, and various other attractive features that undoubtedly simplify the customer experience.

Livin' Merchant

Livin' Merchant is an application that offers comprehensive Point of Sale (POS) services. Our platform facilitates sales recording, efficient product stock management, acceptance of various payment methods, and the seamless disbursement of sales proceeds.

Livin' Sukha

Livin' SUKHA stands out as a key feature within Livin' by Mandiri, designed to cater to customers' diverse lifestyle needs. It enables seamless purchases of airplane and train tickets, access to medicines and medical equipment, acquisition of game vouchers, subscriptions to streaming services, acquisition of concert and entertainment tickets, shopping for daily necessities and electronics, ordering food and beverages, and scheduling health check appointments. Additionally, SUKHA offers a rich blend of entertainment and educational content, featuring articles, live streaming, and reels. It serves as a one-stop solution



fulfilling both entertainment and shopping needs, ensuring an all-encompassing lifestyle experience.

Mandiri e-money

Mandiri e-money is a chip-based Electronic Money solution issued by Bank Mandiri, designed as a secure alternative to cash for various payment transactions. It serves as a convenient payment method for services such as toll roads, parking facilities, TransJakarta, trains, grocery stores, and various other merchants.

Mandiri Paylater

Mandiri Paylater, offered by Bank Mandiri, is a convenient loan facility designed to facilitate payments for QR transactions at all merchants. With the concept of "buy now and pay later," customers have the flexibility to settle their payments within 1, 3, 6, 9, or 12 months. The application for Mandiri Paylater can be conveniently completed online through the Livin' by Mandiri platform.

Mandiri API

Mandiri Application Programming Interface (API) offers effortless access to a diverse range of banking products and services provided by Bank Mandiri. This empowers business entities within the Bank Mandiri digital ecosystem, enabling them to easily and securely leverage a variety of banking services.

Mandiri Direct Debit

Mandiri Direct Debit is a service that streamlines the acceptance of Mandiri Card transactions, whether at merchants in collaboration with Bank Mandiri. This service enhances transactional convenience by processing payments within an integrated transaction flow.

Mandiri Chat Banking

Mandiri Chat Banking is a communication service connecting Bank Mandiri with customers through our official WhatsApp business account at +6281184140000. This service facilitates the exchange of information, notifications, and interactions between Bank Mandiri and its customers. Additionally, customers can inquire

about Bank Mandiri's products and services by using the same WhatsApp number.

ATM

Banking transactions via ATMs provide customers with convenient access to their accounts, allowing for various actions such as cash transactions, balance inquiries, transfers, and payments using Mandiri Cards. Mandiri ATMs are integrated with both domestic and international payment networks, facilitating transactions with cards from other banks. Furthermore, Bank Mandiri has upgraded its ATMs to accommodate cash deposit and withdrawal transactions.

Mandiri EDC

Mandiri EDC is a service offering Electronic Data Capture (EDC) machines at stores and merchants in collaboration with Bank Mandiri. This service streamlines the electronic processing of various transactions, including purchases, payments, cash withdrawals, and e-money top-ups.

Mandiri EDC supports transactions with both Mandiri cards and cards from other banks, utilizing the domestic network, International Payment Network, and the Bank Mandiri network.

Mandiri Customer Service Machine (CSM)

The Mandiri Customer Service Machine (CSM) represents Bank Mandiri's cutting-edge digital banking service, featuring advanced biometric verification technology. It offers convenient card replacement services, allowing customers to change card types, replace damaged cards, or address lost cards. Additionally, customers can efficiently open new accounts through these machines. The CSM enables self-service transactions with simplified steps, eliminating the necessity for form filling. It operates 24/7, ensuring fast and efficient service without the need to wait at the branch.

Throughout the reporting period, all new products and services (100%) were evaluated based on security aspects and other criteria set by the Bank and approved by regulators. No financial products or services were withdrawn or discontinued by the Bank or its subsidiaries. [OJK F.27] [OJK F.29]

TRANSPARENT SALES

The provision of information and transparency about financial products and services is necessary for customers to be able to choose the right financial products or services, and this is the key to the first financial protection for consumers.

Bank Mandiri and its subsidiaries provide information about available financial products and services at all times on the Bank Mandiri website and via email or the Call Center. Each salesperson undergoes training on product and financial service knowledge, with annual refresher training sessions to ensure their expertise remains current.

Salespeople provide comprehensive explanations about products and services, encompassing features, service implications, and inherent product risks to each customer. The Bank also ensures the application of the Know Your Customer principle in compliance with legal regulations, including for digital products and services. Information for the public and prospective customers includes:

1. Description/explanation of the product
2. Benefits and advantages of the product
3. Product features
4. Terms and conditions of the product
5. Product usage guidelines/tutorials

ADVERTISEMENT POLICY

Any advertisement and promotion featuring Bank Mandiri's financial products and services is designed to publish accurate, transparent, truthful, and non-misleading information in compliance with the relevant regulations regarding the advertisement of financial services. This commitment is upheld through regular reporting of all marketing activities and product and service communications to the Board of Directors. Bank Mandiri has a standalone advertisement policy with an oversight body, and provides training for relevant employees. Bank Mandiri's advertisements and promotions adheres to the bank's internal policy, specifically the Standard Operating Procedure (SOP) for Marketing Communication of Products and Services Number S13.P4.MKP of 2023 and the Technical Operational Guidelines (TOG) for Marketing Communication of Products and Services Number S13.P4.T1.MKP of 2022. These provisions encompass the stipulations for communication materials intended for public dissemination, informed by and aligned with the regulations of regulators, such as POJK No. 6/POJK.07/2022 on Consumer and Community Protection in the Financial Services Sector and the OJK Financial Services Advertising Guidelines. This ensures that the published communication materials also prioritize the interests of consumers.

6. Product/promotion validity period (if applicable, for example, for limited edition products)
7. Channels of communication through which customers can seek additional information.

Bank Mandiri is committed to upholding transparency and fairness in all transactions involving financial products and services, recognizing the significance of fostering trust and nurturing a sustainable relationship between the bank and its customers. In the credit distribution process, Bank Mandiri consistently prioritizes the principle of prudence, complemented by customer protection policies that encompass fulfilling the rights of debtors as outlined in Bank Mandiri's Credit Policy No. B3.KRD Year 2023. This policy ensures that every debtor receives a comprehensive explanation from bank officials regarding:

1. A sufficient explanation of the product characteristics
2. Access to the terms and conditions of the fund product through the Bank Mandiri website
3. Ease of transactions through branches, e-banking services, or other facilities designated by the Bank
4. Interest rates in accordance with the applicable Bank regulations and
5. Information on the procedures for handling and resolving customer complaints.

The marketing communication of Bank Mandiri's products and services aims to enhance brand awareness through digital and traditional media, as well as organized events. The implementation of marketing communication adheres to consumer protection regulations, ensuring that information related to products and/or services is clear, accurate, truthful, easily accessible, and not potentially misleading.

In carrying out marketing communication activities for products and services, Bank Mandiri implements risk management principles, encompassing risk identification, measurement, monitoring, and control, to ensure the safe, accurate, and timely execution of marketing communication activities. Additionally, Bank Mandiri has established the following:

1. Establishing tasks and responsibilities among Related Work Units (Segregation of Duties).
2. Implementing a check and balance process in carrying out marketing communication activities for products and services with dual control.
3. Complying with internal and external regulations.
4. Applying risk management principles.

5. Carrying out marketing communication activities for products and services in accordance with Core Values, AKHLAK (Trustworthy, Competent, Harmonious, Loyal, Adaptive, and Collaborative), good corporate governance, Corporate Culture, Code of Conduct, Business Ethics, and consistently adhering to the principle of prudential banking.

Monitoring and Evaluation

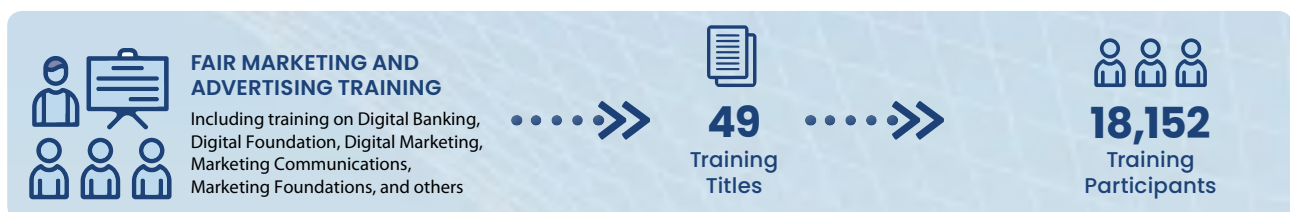
1. Monitoring to minimize the potential risks that could lead to losses for the Bank during marketing communication activities for products and services, it is necessary to monitor all planned marketing communication activities listed in the marketing communication calendar on a regular and continuous basis. The monitoring activities are divided into two types, namely:
 - a. Routine monitoring of:
 - 1). Placement of communication materials in ATL, BTL, and Digital media. Monitored parameters include displayed communication materials, media used for placement, alignment of displayed communication materials with the Bank's branding, physical condition of the media used (Of Home Media), duration of material display, and alignment of material placement realization with the media plan.
 - 2). Survey execution for research data collection involves monitoring the survey activities. Monitored parameters include the selection of respondents for the survey, questionnaire delivery during the survey, and interviewer capacity.
 - 3). Vendor performance monitoring involves checking the alignment of activities carried out by vendors with the agreed-upon cooperation agreement.
 - 4). Marketing communication budget monitoring involves checking the alignment between:
 - a). Annual Marketing Communication Work Plan and Budget
 - b). budget availability
 - c). budget realization, and

- d). budget stated in principle permit
- 5). Brand implementation monitoring involves conducting random checks to ensure that the reviewed and approved branding aligns with its implementation.
 - b. Incidental monitoring of Sponsored events or events supported by the Management Unit Monitoring involves conducting direct checks at the location.
 - c. Monitored parameters include the number of visitors, volume of Bank product transactions, placement of communication materials at the location, alignment of displayed communication materials with the Bank's brand guidelines, and readiness of personnel conducting direct marketing communication activities.
2. Evaluation is conducted to gain an overview of the effectiveness of completed marketing communication activities for products and services. It aims to provide recommendations to the User Management Unit and action plans for improving future strategies, planning, and implementation of marketing communication activities. The Management Unit collaborates with vendors based on reports sent by the User Management Unit to conduct evaluations. Evaluation is based on:
 - a. Parameters used in monitoring
 - b. Realization of the programs compared to the predetermined targets
 - c. Appropriateness of budget allocation. The program evaluation results are subsequently communicated to the User Management Unit to inform future marketing and communication programs.

Oversight Mechanism

To fulfill the control and information requirements of management and associated work units, the Management Unit periodically reports all Marketing Communication activities for Products and Services to the Board of Directors at least once a year.

In the reporting year, Bank Mandiri provided training to 18,152 relevant employees regarding advertising policies.



FINANCIAL PROTECTION FOR CUSTOMERS

Bank Mandiri is committed to treating all customers with equality, honesty, and fairness, starting from the moment they express interest in the bank's offerings and continuing throughout their utilization of the bank's products and services.

The financial protection for customers commences with the initial evaluation of prospective customers or users of financial products. In 2023, Bank Mandiri introduced the Livin' Paylater product in response to the significant borrowing activity in technology-based financial services, which has led to a high incidence of loan repayment defaults. Bank Mandiri supports customers in avoiding the misuse of loan products by implementing measures such as restricting the use of paylater for payroll customers, setting maximum limits, and applying criteria established by the Bank Mandiri risk team. The bank leverages its Enterprise Data Analytics to assess customers' financial capacities for obtaining paylater facilities, thereby ensuring that customers do not face installments beyond their future capabilities.

Bank Mandiri enforces policies and procedures aimed at safeguarding customers' financial interests, including assessing their income based considerations for loan modification options and credit disbursement across its product range. The bank extends financial protection to customers, particularly those identified as vulnerable, based on the bank's established criteria.

Bank Mandiri has established policies and procedures for credit restructuring to assist customers who encounter business challenges in accordance with the stipulated provisions. Under specific conditions, customers have the option to apply for loan restructuring or reconstruction by submitting a request to the bank.

In the credit disbursement process, during the Loan Monitoring stage, the bank evaluates the quality of existing debtor credit through various methods, including the utilization

of a Watchlist mechanism. This mechanism serves as an early warning system for assessing the quality of the credit extended, analyzing three key aspects: the debtor's future business prospects, financial performance, and repayment history. If the monitoring indicates a deterioration in quality, Bank Mandiri will take measures to address troubled credits, with the objective of minimizing potential losses for the bank and salvaging the credits extended. Credit salvage can take the form of restructuring, including:

1. Reduction of credit interest rates;
2. Extension of credit period;
3. Reduction of credit interest arrears;
4. Reduction of credit principal arrears;
5. Addition of credit facilities; and/or
6. Conversion of credit into temporary equity participation.

Bank Mandiri is committed to conducting business activities that prioritize customer protection to support a sustainable, stable, and consumer and community-oriented financial services ecosystem based on consumer protection systems as mandated in POJK No. 6/POJK.07/2022.

To build awareness and adequate knowledge regarding customer protection, Bank Mandiri conducts familiarization at all levels using various internal means. During the reporting period, 16 materials were presented through wallpapers, email blasts, and Mandiri Magazine, followed by the implementation of an awareness survey to measure the effectiveness of the activities.

Bank Mandiri also ensures the protection of its customers by conducting familiarization and comprehension assessments of consumer protection regulations for employees in relevant work units, including frontliners. In the reporting year, a total of 26,288 employees have undergone training on consumer protection.



CUSTOMER FINANCIAL PROTECTION TRAINING

Including training on Asset Product Knowledge and Process, Micro Credit Products and Processes; Customer Experience; Handling Complaints; Deepening Relationship with Priority Customers; and others.



171
Training
Titles



26,288
Training
Participants

DEBT COLLECTION POLICY

Bank Mandiri consistently aims for the smooth operation of its debtors' business activities to foster synergy between the bank and business actors, ultimately advancing the country's economy. However, in the event that debtors encounter challenges in fulfilling their obligations, the bank has standalone debt collection policy with well-defined procedures, and training for relevant employees, that prioritizes upholding debtors' rights as stipulated in:

1. Credit Policy (KPKD) number B3.KRD of 2023.
2. Standard Operating Procedure (SPO) for Credit Collection & Recovery Retail number K5.SP12 of 2023.
3. Standard Operating Procedure (SPO) for Credit Collection & Recovery Wholesale number B3.P10.CCW of 2022.

Collection Strategy

Endeavors are made to collect debts from all debtors, including both current and delinquent ones. For current debtors, we remind them of their upcoming payment obligations (pre-delinquent call). Meanwhile, for debtors showing signs of declining business, Bank Mandiri also works to salvage the credit to prevent a decline in credit quality or downgrading. Immediate preventive action is taken to prevent the debtor's condition from worsening, which could lead to losses for the bank. Credit salvage actions primarily involve credit restructuring, which can be implemented through the following patterns/methods:

1. Interest Rate Reduction
2. Extension of Maturity and/or Rescheduling
3. Merging and/or Splitting of Credit Facilities
4. Credit Currency Conversion
5. Sale of Debtor Company Shares
6. Addition of Capital by Strategic Investors

In its implementation, the collection approach can also be categorized into several types, as follows:

1. Front-end collection

The initial stage of collection involves reminding debtors, either in writing or orally, of their obligations. At this stage, the efforts are more focused on customer service and educating the debtors. This stage is also valuable for identifying debtors who may be experiencing declining business and potential payment difficulties.

2. Mid-range collection

Collection efforts take a firmer approach towards debtors who are beginning to fall behind, including

negotiating payment schedule options or alternatives. At this stage, debtors are reminded that meeting their payment obligations is crucial for maintaining their credibility.

3. Hard collection

Taking a firm approach in negotiating payments aimed at resolving arrears, including restructuring options.

4. Recovery

Efforts to collect from debtors who have defaulted on their credit obligations will include not only collection but also the implementation of credit settlement mechanisms, which may involve the following alternative solutions:

- a. Full or phased credit settlement
- b. Debt transfer through Novation, Assignment, and Subrogation mechanisms,
- c. Collateral liquidation through voluntary collateral sales or collateral redemption
- d. Collateral liquidation through auction mechanisms

In carrying out debt collection from customers, Bank Mandiri consistently upholds consumer financial protection policies and respects the fundamental rights of customers outlined in the Credit Agreement between the Bank and the Customer. The collection process encompasses direct or indirect activities involving the customer and adheres to relevant internal and external regulations.

If Bank Mandiri engages a Debt Collection Service Company for the collection process, it must ensure that the collection is only pursued when the debtor's bill is classified as non-performing. Additionally, the debtor must be notified if their obligations have been handed over to the Debt Collection Service Company. The collection process must strictly refrain from using physical or verbal pressure, targeting parties other than the debtor, or employing disruptive means of communication. Furthermore, it should be conducted at the debtor's billing address or place of residence and only between the hours of 08:00 and 20:00 local time.

In carrying out debt collection from customers, Bank Mandiri consistently implements policy of protecting customers' financial interests and continues to pay attention to the basic rights of customers as stated in the Credit Agreement between the Bank and the Customer. The collection process includes direct or indirect collection activities from the Customer and complies with applicable internal and external regulations.

Credit Default Resolution

Credit default resolution is the bank's process of resolving outstanding credits after collection and credit salvage efforts have proven unsuccessful. This process aims to minimize losses resulting from credit default, mitigate the escalation of bank risks, and facilitate credit recovery. Bank Mandiri have well-defined loan modification options that include income-based considerations and customer access to escalation options.

Credit default resolution can be achieved through various methods, including:

1. Credit Settlement

The credit settlement mechanism is divided into two methods based on the method and payment period as follows:

a. Lump-sum Settlement

Lump-sum settlement is the repayment of credit through 1 (one) payment for all outstanding obligations.

b. Gradual Settlement

Gradual settlement is the repayment of credit carried out gradually according to the schedule set for all outstanding obligations.

2. Debt Transfer

Credit settlement mechanism by transferring debt consists of several mechanisms as follows:

a. Credit Novation

Dealing with existing debtor's debt by transferring the debt to a third party who then becomes the new debtor (novator).

b. Subrogation and Cessie

Debt settlement mechanism by transferring the creditor's rights to a third party, thereby replacing the creditor's claim on the debtor with that of the third party upon the fulfillment of the obligations.

3. Collateral Liquidation

Collateral liquidation involves using the debtor's collateral to decrease or pay off their credit obligations to the bank. The bank's independent appraiser assesses the collateral before some of it is sold. Collateral liquidation can be executed through:

a. Private sale of collateral

Private sale of collateral to reduce the debtor's credit obligations can be conducted either by the debtor or by the collateral owner (not the debtor) with the bank's approval.

b. Public auction of collateral

Public auction of collateral with a minimum price equal to the auction limit set by the bank.

c. Collateral redemption

Collateral redemption is the withdrawal of credit collateral from the bank by the collateral owner/heir of the collateral owner (not the debtor) to settle the credit by depositing a certain amount of money determined by the bank.

In the reporting year, Bank Mandiri provided training to 3,438 relevant employees regarding collection policies.



COLLECTION TRAINING

Including training in Operational Risk Management for Collectors, Retail Collection Product Knowledge, Collection Negotiation, Basic Collection for Executive Level Employees/ Outsourced Workers, and others.



26
Training
Titles



3,438
Training
Participants

HANDLING CUSTOMER COMPLAINTS

Bank Mandiri strives to provide the best service by offering tailored solutions and ensuring customer satisfaction. This dedication aims to foster customer loyalty and inspire them to advocate for Bank Mandiri’s services to potential customers.

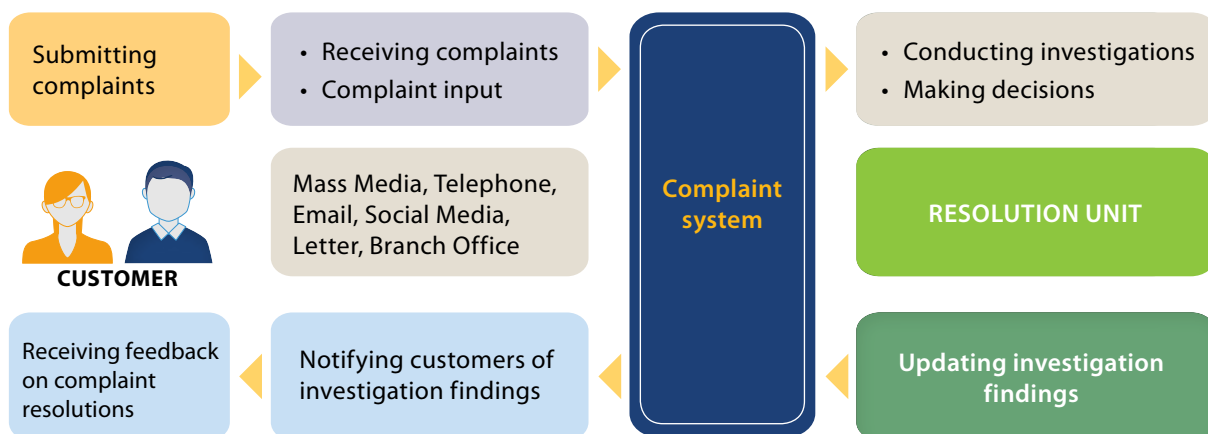
Customer loyalty has been the cornerstone of Bank Mandiri’s existence for over 25 years. The bank has been actively developing banking solutions to cater to the needs of millions of customers, including individuals and businesses from diverse segments. In its pursuit of exceptional performance, Bank Mandiri strives to provide the best service, focusing on providing tailored solutions and ensuring customer satisfaction. This approach aims to foster customer loyalty and encourage them to endorse Bank Mandiri’s services to potential customers. The bank’s deep understanding of the financial service requirements is fundamental to satisfy its customers.

In addition to providing high-quality financial products, Bank Mandiri demonstrates its commitment to customer satisfaction by offering after-sales services that prioritize customer

convenience, including a mechanism for handling customer complaints. The channels for handling customer complaints are designed in compliance with the relevant regulations set forth by the Financial Services Authority (OJK) and are implemented through Bank Mandiri’s internal procedures, specifically the Standard Operating Procedure (SOP) for Customer Complaint Management number S11.P17.PPN in 2023.

To deliver excellent and professional service, Bank Mandiri has established an independent unit for handling customer complaints, the Customer Care Unit, which is responsible for resolving all customer complaints following the agreed-upon Service Level Agreement (SLA). Customers have the option to submit their complaints in writing or verbally through a variety of convenient channels, as outlined below.

HANDLING CUSTOMER COMPLAINTS



In resolving customer complaints, Bank Mandiri employs a tiered strategy following the designated authorities, considering the decision-making authority for customer resolutions, customer categories (regular, special, and VIP), the complexity of the complaints, and involving relevant work units as needed.

To enhance service performance, the Customer Care Unit compiles a comprehensive overview of customer complaints and management performance to evaluate and improve product and banking services in coordination with relevant work units. The management performance related to customer complaints is also communicated to the Director of Operations and thoroughly reviewed to implement necessary enhancements. At the Board of Commissioners, the management performance of customer complaints is deliberated through the Risk Monitoring Committee.

The Customer Care Unit collaborates with the Corporate Secretary Unit to receive and handle all customer complaints and inquiries from various channels, including branch offices, the 14000 Call Center, the website, and Bank Mandiri’s official social media accounts. These issues are then directed to the Customer Care

Unit for resolution. Additionally, the Customer Care Unit is responsible for managing and resolving complaints received from regulatory bodies such as Bank Indonesia, OJK, Ombudsman, and the Ministry of State-Owned Enterprises, as well as complaints from external sources such as print, online, electronic, and social media. Bank Mandiri aims to resolve customer complaints in line with their expectations and in compliance with regulatory provisions.

The Customer Care Unit consistently collaborates with the Product Owner to review customer complaints regularly to enhance customer service and resolve complaints. The target for complaints is proposed by the Operational Risk Unit to the Risk Management & Credit Policy Committee (RMPC) and subsequently approved by the Board of Directors (BoD) and the Board of Commissioners (BoC). In 2023, Bank Mandiri’s complaint target was 90 complaints per 1 million transactions. To enhance complaint handling, PT NielsenIQ Services Indonesia conducts a customer satisfaction survey regarding complaint handling at Bank Mandiri and in the industry. The survey measures three detailed indicators, and the results are as follows:

Indicator	Bank Mandiri	Industry*
Score of satisfaction with complaint handling	8.34	8.25
Score of satisfaction with the duration of resolving complaints	8.25	8.18
Score of solution accessibility	7.24	7.10

*Bank KBMI IV

The survey findings indicate that Bank Mandiri’s performance is higher than the industry average. Bank Mandiri is dedicated to continual improvement to deliver the best service to its customers, thereby enhancing customer satisfaction and loyalty.

Customer complaints and inquiries are directed through various channels, including branch offices, the 14000 Call Center, the website, and Bank Mandiri’s official social media accounts. These are then forwarded to the Customer Care Unit for handling and resolution. Additionally, the Customer Care Unit handles and resolves complaints from external sources, such as print, online, electronic, and social media, and collaborates with

the Corporate Secretary Unit to carry out these tasks. As per regulatory provisions, unresolved complaints or disputes can be escalated for resolution through dispute resolution institutions, arbitration, or mediation. Alternatively, they can be brought to court based on the bank’s and customer’s agreement.

Bank Mandiri consistently endeavors to establish effective customer complaint handling mechanisms, underpinned by the commitment of all Mandiri employees to deliver high-quality complaint handling services. The bank designs these mechanisms following established best practices and seeks to continually enhance them in the future.

SUMMARY OF CUSTOMER COMPLAINT

During the reporting year, there were 1,082,317 customer complaints, an increase from the previous year. Of this number, 100.00% were resolved following the established Service Level Agreement (SLA). Bank Mandiri has an Independent internal complaint review body, customer ombudsman with well-defined procedures and/or targets.



SUMMARY OF CUSTOMER COMPLAINT

Type of Complaint	2023	2022	2021
Total Customer Complaints	1,082,317	725,559	731,991
Complaints being resolved in the reporting year	-	-	-
Resolved complaint	1,082,317	725,559	731,991
Total Transactions	15,146,907,333	12,038,675,803	9,675,999,534
Target of RAS metrics (Ratio of the number of complaints compared to one million transactions)	90	108	108
Realization of RAS metrics (Ratio of the number of complaints compared to one million transactions)	71	60	76
Resolution Rate	100%	100%	100%

CUSTOMER SATISFACTION

Customer satisfaction and loyalty play a crucial role in driving sustainable business growth. Consistently implementing service excellence is essential to ensure a positive customer experience and satisfaction at all customer touchpoints of Bank Mandiri. For this reason, Bank Mandiri conducts an annual customer satisfaction survey to gather customer feedback and insights, aiming to continuously enhance service quality. In 2023, Bank Mandiri collaborated with PT NielsenIQ Services Indonesia to conduct a Customer Experience Survey (CX Survey) and PT Morigan Services to conduct a Service Excellence Survey (SES).

The CX Survey produced three values: Customer Satisfaction Score (CSAT), Net Promoter Score (NPS), and Customer Effort Score (CES). This survey was conducted using Face-to-Face Interview (F2F) and Computer-Assisted Personal Interviewing (CAPI) methods for quantitative surveys, as well as Focus Group Discussion (FGD) and In-Depth Interview (IDI) for qualitative surveys. Meanwhile, the SES was conducted using mystery shopping methods to measure the consistency of implementing the Service Standards set by the Bank at all measured contact points. The value generated from this survey was the Service Excellence Score (SES).

The results of the survey can be seen in the table below:

CUSTOMER EXPERIENCE & SERVICE EXCELLENCE SURVEY RESULT TABLE

Bank	CES	CSAT	NPS	SES
Bank Mandiri	89.33	86.76	66	91.39
Industry	89.10	86.20	64	87.87

The survey results indicated that Bank Mandiri's ratings in 2023 were higher than the industry average in the banking sector. Bank Mandiri was committed to consistently making improvements

and enhancements to continue providing the best service to customers, thereby increasing customer satisfaction and loyalty.

Green Operations

Bank Mandiri’s concern is to carry out operational activities that prioritize environmental balance, as evidenced by the commitment to Net Zero Emission (NZE) in Operations by 2030 and various supporting initiatives such as measuring and monitoring operational emissions (Scope 1 & 2), internalizing a culture of sustainable work, and implementing carbon neutrality.

Bank Mandiri recognizes the urgent need for extraordinary measures to mitigate the effects of climate change and safeguard society, businesses, and the environment. It is imperative that these efforts commence without delay. In 2023, Bank Mandiri reaffirmed its commitment to climate protection by aiming to achieve NZE in its banking operations by 2030.

This commitment is highly dependent on the speed of changes in the real economy and the actions taken by stakeholders,

including policymakers, as well as the actions taken by Bank Mandiri and its customers to address climate change. The low-carbon transition strategy set by Bank Mandiri is part of the 2024-2028 Sustainability Strategy, which includes two main approaches: (1) Green Business Mindset, (2) Digital Carbon Tracking & Monitoring, and (3) reducing the carbon footprint of operations through carbon neutral initiatives.

COMMITMENT TO LOW-CARBON OPERATIONS

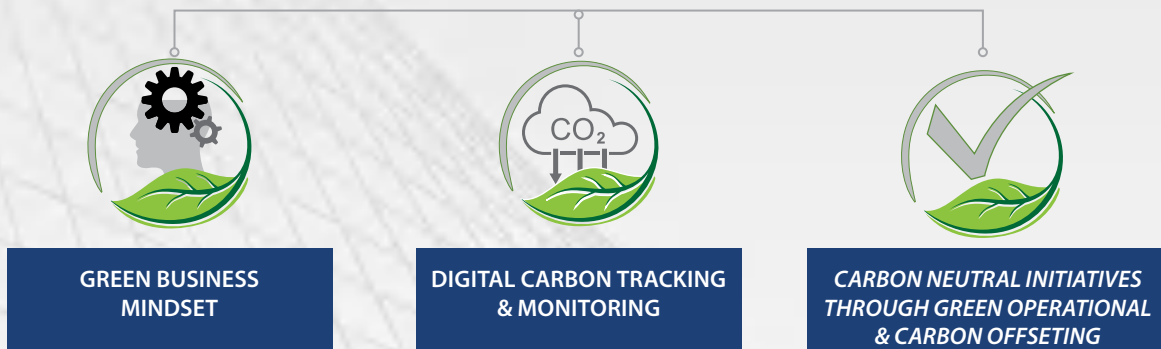
Bank Mandiri recognizes that addressing the impact of climate change requires collective action and collaboration from all stakeholders in all activities. For this reason, Bank Mandiri is actively managing climate change and reducing greenhouse gas emissions from operational activities in its 2,481 branch offices across Indonesia and 4,083 operational vehicles to achieve the commitment of NZE in Operations by 2030.

To ensure the achievement of this commitment, Bank Mandiri has developed a strategy to reduce carbon footprint in operational

activities for the medium and long term, including:

1. Green Business Mindset;
2. Digital Carbon Tracking & Monitoring;
3. Implementing carbon neutrality through Green Operations, which involves efficient use of energy consumption, low-emission office equipment, and Carbon Offsetting through Nature-Based Solutions (NBS) and the purchase of carbon units.

BMRI'S STRATEGY TO ACHIEVE NZE IN OPERATIONS BY 2030



GREEN BUSINESS MINDSET

To achieve NZE in Operations by 2030, the active participation of all Bank Mandiri employees is crucial to transform and conduct green operations. Throughout 2023, this was accomplished through the internalization of a culture of sustainable work, including mandatory E-Learning ESG Awareness Level 1 for 27,844 Mandiri employees; routine e-campaigns on 57,000 office devices in the form of desktop wallpapers; conducting Internal Discussion Forums related to “Road to NZE” and “The Role of Carbon Markets,” reaching the entire Board of Commissioners and Board of Directors of Bank Mandiri and its subsidiaries; and promoting ESG (ESG Awareness) to prospective Bank Mandiri employees (5 ODP batches).

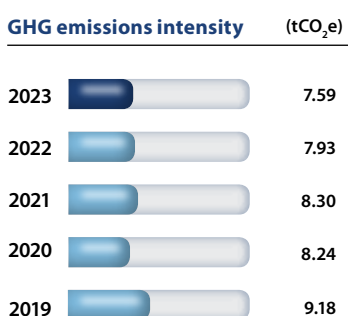
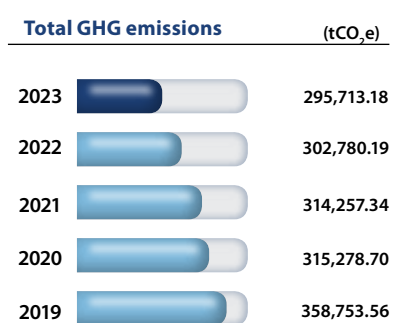
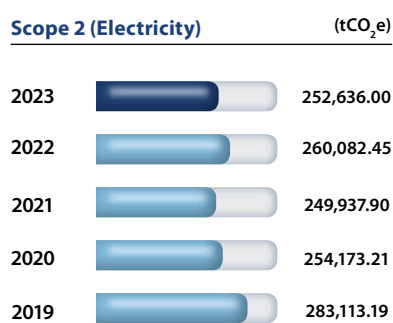
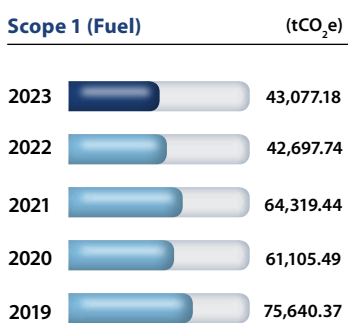
In the implementation of an eco-friendly work culture, Bank Mandiri encourages all employees to prioritize the digitalization of processes and work mechanisms through the optimization of reliable infrastructure such as the use of Microsoft Teams in the document preparation process between work units, and intensive hybrid coordination. Additionally, the bank advocates for the use of eco-friendly materials /products in all work events, while also empowering the community. This includes minimizing the use of plastic, paper, and single-use materials, managing waste effectively, and involving Bank Mandiri’s MSME partners.

DIGITAL CARBON TRACKING

Bank Mandiri has conducted calculations for Scope 1 GHG emissions resulting from the use of oil fuel by 4,083 operational vehicles and 2,000 generators, as well as for Scope 2 GHG emissions stemming from electricity consumption in 2,348 branch offices across Indonesia. To ensure the achievement of the NZE in Operations by 2023 commitment, in 2023, Bank Mandiri became the first bank in Indonesia to implement Digital Carbon Tracking. This innovative system allows for the measurement and monitoring of all operational emissions and is accessible to stakeholders via the Corporate Website. The platform effectively tracks the carbon footprint generated and the emissions successfully reduced from Bank Mandiri’s operational activities, initially focusing on the regional office level in Phase I and subsequently expanding to the

branch level in Phase II. The emission recording on Digital Carbon Tracking complies with the Greenhouse Gas (GHG) Protocol and has adopted ISO 14064-1,2,3 standards.

In the reporting year, the recorded operational GHG emissions was 295,713 tons of CO₂e, a decrease of 63,040.38 tons of CO₂e from 2019 of 367,520 tons of CO₂e, or a decrease of 18% compared to the baseline. The year 2019 served as the baseline for calculating operational emissions with pre-pandemic COVID-19 operational activities. During the pandemic (2020 and 2021), Bank Mandiri operated at reduced capacity due to social restrictions. The bank’s endeavors to reduce operational emissions is further demonstrated by the decline in GHG emission intensity per employee, dropping from 9.18 tons of CO₂e per person in the baseline year (2019) to 7.59 tons of CO₂e per person in 2023.



Notes:

1. Calculation of GHG emissions from the use of Pertamina fuel is based on the GHG Emission Inventory Reference in the Energy Sector, Ministry of Energy and Mineral Resources (ESDM).
2. Calculation of GHG emissions from electricity consumption is based on emission factors from the Ministry of Energy and Mineral Resources, Directorate General of Electricity, 2019.
3. The denominator chosen for calculating GHG emission intensity is the number of employees as of December 31.
4. The baseline for emission calculations is the year 2019.
5. GHG emission calculations are conducted in collaboration with a third party, PT Jejak Enviro Teknologi.
6. The number of employees as of December 31, 2023 was 38,940.

CARBON NEUTRAL INITIATIVES [OJK F.12]

Bank Mandiri's efforts to achieve Operational Net Zero Emission (NZE) commitment by 2030 are carried out through carbon-neutral initiatives that include a series of concrete steps. These efforts encompass energy reduction, implementing eco-friendly

buildings, utilizing renewable energy, waste management, water management, and carbon offsetting through the purchase of Verified Carbon Units (VCU) and Nature-Based Solutions (NBS).

Energy Reduction

Efforts to decrease energy consumption are being undertaken through a series of energy reduction and efficiency initiatives in the bank's operational activities. The bank's primary energy consumption stems from electricity usage and the use of oil fuel for transportation and backup electricity. Bank Mandiri is progressively replacing air handling units (AHUs) with more

efficient ones that have lower Global Warming Potential (GWP). Additionally, the bank encourages all Mandiri employees to maintain resource efficiency in all office activities by using LED lights, turning off lights during break times, and shutting down certain elevators on holidays. Presently, 100% LED lights have been installed in 241 smart branches.

Green Building

Every building has an impact on the environment. For this reason, Bank Mandiri designs and operates green buildings that can have a positive influence on the surrounding environment and enhance the well-being of its occupants. Bank Mandiri has been awarded the Gold Design Recognition green building certificate for the Mandiri Indjoko Surabaya Building. The building's specifications comprise:

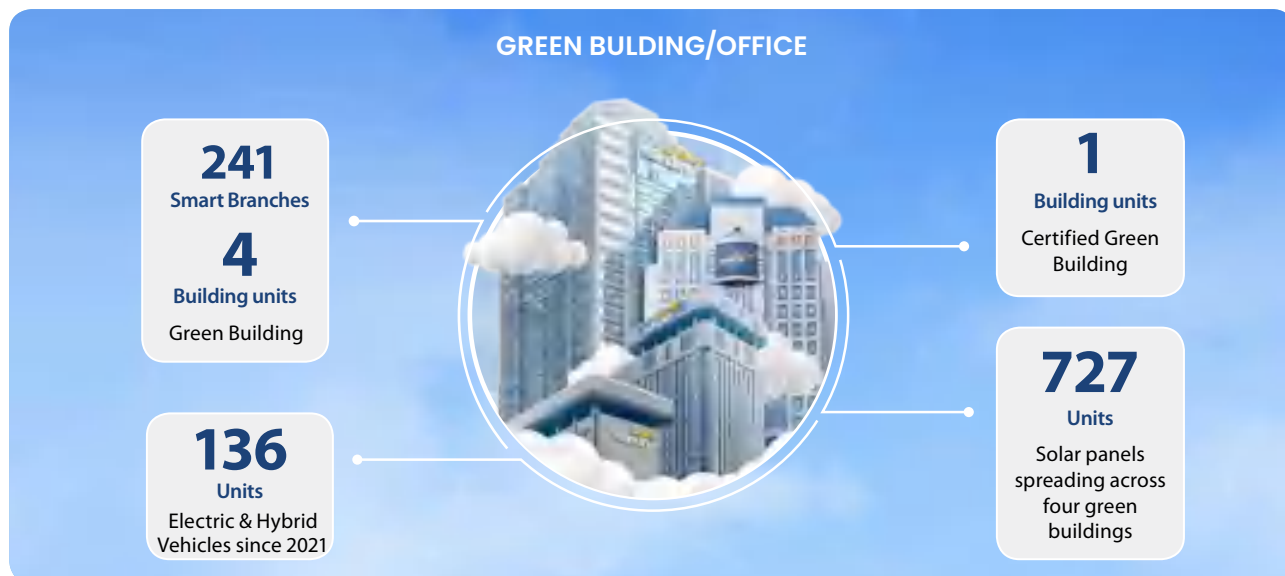
1. The development of green areas with lush trees;
2. Using glass in certain parts of the building to maximize sunlight for saving electricity consumption;
3. Concentrating activities in one location for better synergy, thus reducing car mobilization;
4. Providing parking spaces for bicycles and promoting bike-to-work;
5. Using timers to reduce electricity consumption;
6. Using solar panels.

Furthermore, we are continuously striving to implement other initiatives in the buildings within the Bank's operational area, including:

1. Increasing the number of glass panels in the headquarters building to optimize natural sunlight for illumination during the day at Bank Mandiri;
2. Replacing regular lights with energy-saving LEDs, including in 241 Smart Branch Offices;
3. Installing timers and turning off lights during break times;
4. Shutting down certain elevators on holidays;
5. Upgrading the air conditioning and using inverter technology in the Headquarters Building, Sentra Mandiri, and Menara Mandiri Denpasar;

6. Reducing the entry of sunlight radiation into the buildings with low OTTV (Overall Thermal Transfer Value) glass, thus reducing the need for air conditioning. This initiative has been implemented in Menara Mandiri Jayapura, Menara Mandiri Bekasi, Menara Mandiri Denpasar, and Menara Mandiri Wijaya Kusuma;
7. Installing solar panels on several buildings to partially replace the operational electricity supply previously fully provided by PLN. Solar panel installations have been implemented in the Headquarters Building, Menara Mandiri Medan, Menara Mandiri Palembang, and Gedung Indjoko Surabaya;
8. Implementing a Water Recycling System with Reverse Osmosis to treat wastewater to meet standard quality for use in plant irrigation and chiller for air conditioning systems. This system has been deployed in the Headquarters Building, Menara Mandiri Jakarta, and Wisma Mandiri.

Plaza Mandiri Building, serving as the Headquarters of Bank Mandiri, has achieved a significant milestone by winning the ASEAN Energy Awards 2023 in the Retrofitted Building category, solidifying its position as the building with the best energy efficiency in Southeast Asia. The success of Plaza Mandiri Building underscores the consistent efforts of the bank in retrofitting, including the installation of technology in room cooling systems (air conditioning/AC), lighting, vertical transportation (elevators), and water consumption reduction. Since the inception of the retrofit program in 2017, the energy consumption of the Plaza Mandiri Building has decreased by 31.6%, and water consumption has seen a remarkable reduction of up to 33%.



Environmental Conservation Costs

In relation to environmental conservation activities, in 2023, Bank Mandiri allocated Rp22,500,000,000 for the CSR environmental

conservation activities and Rp2,250,000,000 for the installation of LED lights in the Sentra Mandiri building.

Activity	2023	2022	2021	2020
Solar Panel Installation	-	-	Rp853,000,000	-
Water Recycle RO System Rejuvenation and Repair	-	Rp1,510,000,000	Rp1,792,400,000	-
CSR programs in nature/ environmental conservation	Rp22,500,000,000	Rp645,015,195	Rp99,325,100	Rp365,000,000
LED Installation	Rp2,250,000,000	-	-	-
Total	Rp24,750,000,000	Rp2,155,015,195	Rp2,744,725,100	Rp365,000,000

Notes:

- In 2023, in addition to the costs of the CSR Conservation of Nature/Environment Activities, Bank Mandiri also incurred additional costs for energy efficiency, namely the installation of LED lights in the Sentra Mandiri Building. The cost of installing LED lights was Rp2,250,000,000 for one procurement.
- In 2022, the cost of solar panel installation and RO Water System was Rp1,510,000,000 in one procurement.
- In 2021, in addition to the cost of CSR programs in Nature/Environmental Conservation, Bank Mandiri also incurred other costs in order to save energy, namely the cost of solar panel installation as alternative eco-friendly energy, and as the cost of a RO Water System to treat wastewater and produce clean, reusable water.
- Rp365,000,000 of the total cost of the CSR programs in Nature/Environmental Conservation was used for the Air Quality Monitoring Program through the NAFAS application. The program was held from 2020 to 2021.

UTILIZATION OF RENEWABLE ENERGY

To conserve fuel, Bank Mandiri promotes the use of electric vehicles as operational vehicles. The bank has acquired a variety of electric vehicles, including cars and motorcycles, and has established three EV charging stations with 136 electric vehicles. In the future, Bank Mandiri will persist in collaborating with stakeholders to broaden the use of electric vehicles, including

procuring charging stations in several other operational areas of the bank.

The bank has increased its supply of electricity from renewable energy by installing more solar panels. Currently, Bank Mandiri has installed 727 solar panels.

ENERGY CONSUMPTION IN THE COMPANY (BANK ONLY) [OJK F.6] [GRI 302-1]

Energy Consumption Electricity (Gjoule)



Energy Consumption Fuel (Gjoule)



Energy Consumption Intensity (Gjoule per Employee)



Total Energy Consumption (Gjoule)



Notes:

1. Electricity usage is calculated by dividing the electricity cost (in Rp) by the electricity tariff per kWh.
2. Electricity usage in kWh is converted to gigajoules using The Greenhouse Gas Protocol Initiative, 2004.
3. Pertamina fuel usage in liters is calculated by dividing the total fuel purchase (in Rp) by the fuel price per liter.
4. Fuel usage in liters is converted to gigajoules using The Greenhouse Gas Protocol Initiative, 2004.
5. The denominator chosen in calculating energy consumption intensity is the number of employees as of December 31.

WASTE MANAGEMENT

Global waste management is a major issue caused by the inefficiency of waste collection, sorting, and management activities. Poorly managed waste has the potential to pollute the environment and disrupt public health.

As a bank committed to implementing sustainability aspects, Bank Mandiri continues to manage waste in its operational activities. Bank Mandiri is aware that efficient waste management can create a conducive work environment and reflect sustainable values for

the company and the community.

In 2023, Bank Mandiri successfully managed waste as follows:

- Reducing paper consumption by 34,126 thousand reams or saving 10.6% from the previous year. This achievement is supported by a commitment to operational efficiency in implementing paperless initiatives and digitalization through the Livin' Super App, Kopra, and Branchless Banking.

- Managing hazardous waste generated from operational activities, such as used oil. In addition, Bank Mandiri has successfully collected solid hazardous waste such as batteries, light bulbs, and Uninterruptible Power Supply (UPS). Bank Mandiri has collaborated with third parties with official permits to manage the hazardous waste generated from its operational activities.
- For domestic waste, Bank Mandiri has partnered with third parties to sort the waste generated from its operational activities.
- Bank Mandiri has appointed a third party to manage plastic waste by providing a Reverse Vending Machine (RVM) to handle PET plastic bottle waste. The RVM system is also equipped with Livin' points, where the public can exchange PET plastic bottle waste for Livin' points on the Livin' App.

Reverse Vending Machine

To reduce the negative impact of plastic waste on the environment, Bank Mandiri is collaborating with local entrepreneurs to provide Reverse Vending Machines (RVMs), machines for exchanging plastic bottles for recycling.

The RVMs can be utilized by all employees and customers who wish to contribute to raising awareness about the importance of environmental protection. These machines

are strategically positioned in various Bank Mandiri locations, including the headquarters, and are equipped with interactive touch screens that offer simple instructions to users.

Employees or customers can effortlessly recycle plastic bottles by inserting used bottles into the machine, which will automatically identify the type of bottle and provide an exchange value in the form of points. These points can be redeemed for various rewards, such as shopping vouchers or handcrafted products made from recycled plastic bottles.



WASTE MANAGEMENT AT THE PLAZA MANDIRI BUILDING

DESCRIPTION	UNIT	2023	2022	2021
Hazardous Waste	Kg	1,520	4,400	1,200
Non-Hazardous Liquid Waste				
• Liquid Waste	m ³	10,200	63,693	78,480
• Liquid Waste Managed Through Reverse Osmosis	m ³	31,610	28,104	45,360

WATER MANAGEMENT

Bank Mandiri's office is equipped with water recycling facilities in the Wisma Mandiri building, Plaza Mandiri, and MM Wijayakusuma. The water recycling system is instrumental in recycling water and preventing pollution of water bodies around the office location. The recycled water is utilized for flushing toilets, plant maintenance, and other purposes. Additionally, the bank also establishes biopores and infiltration wells in green open areas.

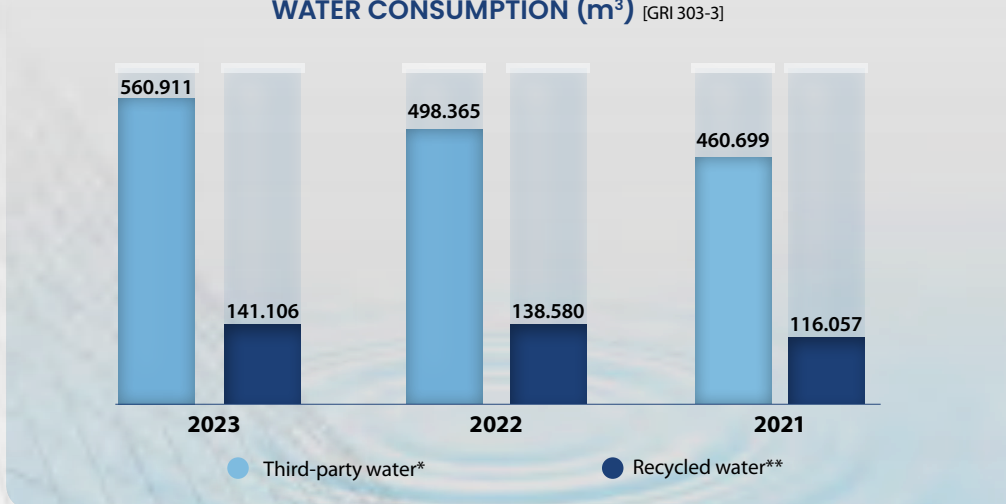
In managing effluents, Bank Mandiri employs a sewage treatment plant to guarantee that the effluents produced adhere to environmental quality standards before being discharged into the receiving water bodies. The bank also repurposes treated wastewater for use in cooling systems, plant irrigation, and

drinking water through the reverse osmosis process. The quality of Bank Mandiri's effluents is regularly monitored by sending water samples to accredited environmental laboratories and reporting the findings to the relevant authorities.

During the reporting year, Bank Mandiri had 196 biopores and 39 infiltration wells. Additionally, other water storage facilities include a 1.8-hectare artificial lake in the Mandiri University area, Wijayakusuma, serving as the primary water source for buildings in the area after the stored water is processed into raw water.

There were no incidents of Bank Mandiri's effluents spilling into the environment and no environmental complaints from the community in 2023. [OJK F.15] [OJK F.16]

WATER CONSUMPTION (m³) [GRI 303-3]



*The data includes Wisma Mandiri, Plaza Mandiri, Menara Mandiri, and Sentra Mandiri.

**The data includes Plaza Mandiri and Menara Mandiri for the year 2021. The years 2022 and 2023 include Plaza Mandiri, Menara Mandiri, and Wisma Mandiri.



Carbon Offsetting

Bank Mandiri acknowledges that to offset the carbon emissions from its operational activities, the Bank must engage in activities beyond its operations to compensate for them (carbon offsetting). The initiative involves purchasing carbon units, investing in Nature-Based Solutions (NBS), and undertaking other mitigation actions. Carbon offsetting is considered a final resort after the Bank has exhausted all efforts to reduce, substitute, and enhance efficiency. Given the limited time to achieve Net Zero Emissions in Operations by 2030, the Bank has launched initiatives for carbon offsetting by procuring carbon units and promoting investment in NBS projects focused on land restoration and conservation.

On September 26, 2023, Bank Mandiri entered the Indonesian carbon market by acquiring 3,027 tCO₂ in the primary market, equivalent to 10% of the total operational baseline emissions. These carbon units will be utilized for the Bank's requirements through retirement, effectively offsetting its carbon footprint. Bank Mandiri's involvement also demonstrates concrete support for the Government's strategic program on the inaugural Carbon Trading in Indonesia. It enhances the employees' capacity to engage actively in the Carbon Market in the future. This significant milestone has earned Bank Mandiri the trust of the regulator, OJK, as a partner in disseminating the national seminar in preparation for carbon trading in the five main cities of Indonesia.

Emission Control from Financing Activities

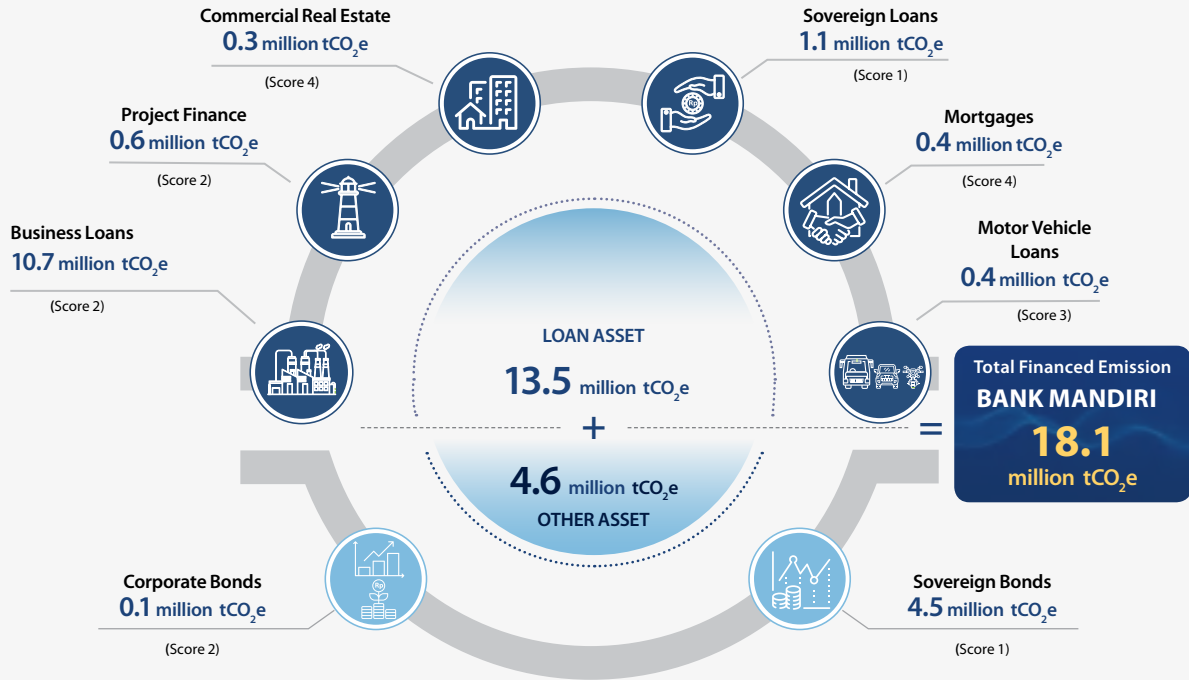
To support Indonesia's commitment to the Enhanced Nationally Determined Contribution (ENDC) to achieve Net Zero Emissions (NZE) by 2060, Bank Mandiri has reaffirmed its support by issuing a sustainability commitment to achieve Net Zero Emissions (NZE) in Operations by 2030, NZE in Financing by 2060, and empowering Digipreneurship.

As an initial step towards achieving NZE in Financing, Bank Mandiri has joined the Partnership for Carbon Accounting Financials (PCAF), PCAF provide guidelines to calculate Greenhouse Gas (GHG) Emissions from financing and investment activities (Scope 3), also known as Financed Emissions. Financed Emission calculated has covered 44% of the total loan portfolio (bank only), based on calculations

from debtor reported emission and other available data sources financing portfolio (bank only), emissions from Bank Mandiri's financing and investment activities were 18.1 million tCO₂e, consisting of 13.5 million tCO₂e from Loan Assets and 4.6 million tCO₂e from Other Assets. The calculations for this reporting period will be further refined in accordance with relevant standards and regulations, including the availability and quality of data.

The results of these calculations are crucial for Bank Mandiri to comprehend the emission profile of its financing and investment portfolio, enabling the formulation of business strategies and risk management in transitioning towards a low-carbon economy.

EMISSIONS FROM FINANCING ACTIVITIES

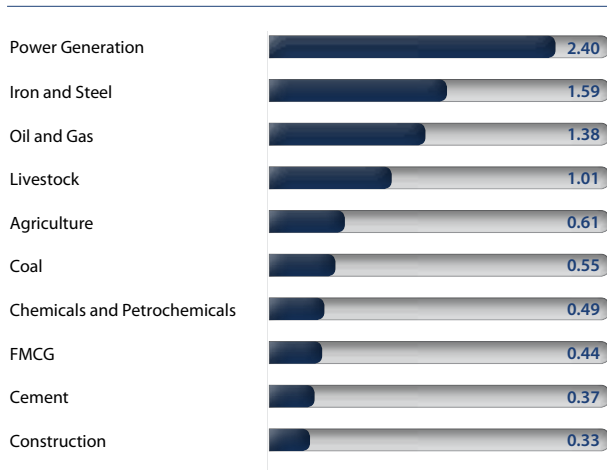


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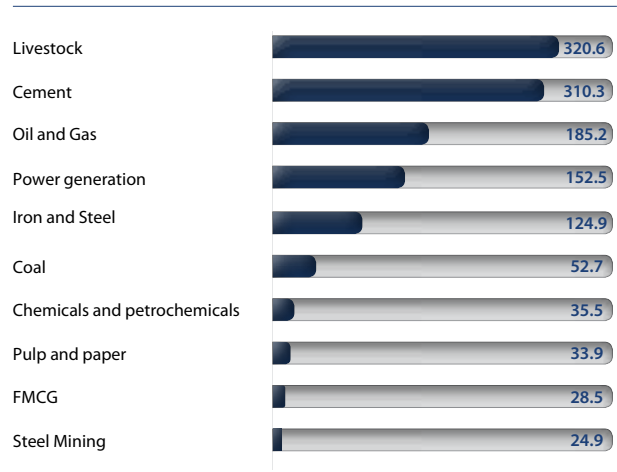
- The calculation of financing emissions is based on data and emission reports of debtors as of December 31, 2022.
- Loan Assets cover 44% of the total loan portfolio (bank only)
- The Asset Class Project Finance includes power generation projects.
- The score for each Asset Class refers to the Data Quality Score as per the PCAF Guideline.

FINANCING EMISSIONS BY SECTOR*

Top 10 Absolute Emissions by Sector (million tCO₂e)



Top 10 Emission Intensity by Sector (tCO₂e/Rp. Billion)



* Business Loans, by the Debtor Emission Report

Sustainable Mandirian

Bank Mandiri values and upholds diversity, equality, and the well-being of its employees to continuously create an excellent work environment for the nation’s best talents through comprehensive human resources management, from the recruitment process, competency development, performance assessment, compensation and benefits, to retirement.

Bank Mandiri holds the belief that its employees, known as Mandirians, are the catalysts for sustainable business growth and are entrusted with the responsibility of generating innovations that align with the bank’s long-term business plans and targets. For this reason, Bank Mandiri is dedicated to promoting and expediting the holistic development of exceptional banking talents. This commitment commences with a transparent recruitment process, followed by training and career development initiatives, fair performance

evaluations, performance-based remuneration systems, and ultimately retirement planning for its employees.

As a commitment to developing outstanding talents, the talent management strategy at Bank Mandiri is based on the core values of 'AKHLAK' and refers to the Bank’s Employee Value Proposition (EVP) to encourage alignment of employee motivation with the Bank’s aspirations to learn, grow, synergize, and contribute to Indonesia.

EMPLOYEE VALUE PROPOSITION



SUSTAINABLE OPERATION

- Information Security and Data Protection
- Customer Protection
- Green Operations
- Emission Control from Financing Activities

Bank Mandiri endeavors to be the preferred workplace for both current Mandirians and new talents seeking to join the Bank. The talent management strategy at Bank Mandiri is designed to enhance the engagement and productivity of Mandirians in fostering sustainable business growth and cultivating new leaders.

To accomplish this objective, Bank Mandiri oversees exceptional talents through three primary strategies aligned with three human capital management mandates, all encapsulated in the Human Capital 3-3-1 Strategy.

BANK MANDIRI'S HUMAN CAPITAL 3-3-1 STRATEGY



RECRUITING THE BEST TALENTS OF THE NATION TO BUILD A CAREER AT BANK MANDIRI

Bank Mandiri has adopted a fair and competency-based recruitment strategy, while also prioritizing diversity and equality for the nation's best talents. In practice, Bank Mandiri recognizes the challenges posed by evolving business models and competition, requiring employees with diverse skill sets. To address this, the bank has introduced a job field segmentation strategy in its recruitment process, enhancing transparency and specificity.

To accurately assess its recruitment requirements, Bank Mandiri conducts analyses of upcoming retirements, shifts in business and operational strategies, and estimates of employee turnover. In 2023, the emphasis of the recruitment was on bolstering human resources in the wholesale, retail, digital talent, risk management, and business enabler segments. Bank Mandiri recognizes that this targeted approach aims to strengthen the bank's essential competencies and develop the skills of young talents to become future leaders (growing leaders from within).

Bank Mandiri organizes various recruitment programs aimed at attracting the best young talents in the country and addressing the future-ready skills needed in the coming years. The programs include:

- **Officer Development Program (ODP)**

In 2023, out of 830 talents recruited to meet hiring needs, 77% (640 talents) were sourced from the Officer Development Program (ODP). The Officer Development Program (ODP) aims to cultivate future leaders by attracting exceptional talent, particularly fresh graduates or individuals with less than 4 years of work experience, through partnerships with prestigious universities in Indonesia and globally. Upon successfully passing the recruitment and selection stages, candidates will be designated as prospective employees and will undergo a comprehensive 9-month ODP education program. This program includes 1 month of classroom learning, 5 months of on-the-job training, and a 3-month placement in a work unit as a contract employee. The ODP entry path is specifically tailored to address the following hiring needs:

- a. **Wholesale Banking**

ODP Wholesale Banking program is designed to develop skilled and knowledgeable professional leaders and Wholesale Bankers in wholesale funding, lending, and solutions.



b. Regional Business

ODP Retail Banking program is designed to develop skilled and knowledgeable professional Retail Banker leaders with expertise in funding, lending, transactions, and services.

c. Information Technology and Digital Banking

ODP IT and Digital Banking program is projected to develop and refine digital talents into leaders and professionals with the vision and capability to transform IT and technology. As a commitment to developing IT talent, Bank Mandiri has established the MY Digital Academy, a program tailored for early engagement and recruitment. This initiative includes activities such as an innovation boot camp for final-year students and fresh graduates selected from the top universities in Indonesia.

d. Risk Management

ODP Risk Management program is designed to develop individuals into leaders and professionals with specialized expertise in risk management.

e. Business Enabler

ODP Business Enabler program strives to foster the growth of leaders and professionals in diverse business enablers, including banking operations, finance, strategy, legal, human resources, market research, corporate communication, and real estate management.



Bank Mandiri aligns the ODP recruitment program with the leadership onboarding program through activities such as sharing sessions from ODP alumni at HAY ODP, sharing sessions from top leaders at Bank Mandiri in Roundtable Talks, and ODP Graduation (leadership boot camp). These activities are conducted to enhance engagement, motivation, and inspire ODP talents to contribute effectively at Bank Mandiri. They also aim to provide clear career direction and nurture the leadership skills necessary for future permanent leaders at Bank Mandiri.

• Candidates for Special Regional Leaders (CPDK)

As a bank with business operations in almost all regions of Indonesia, Bank Mandiri will continue to support and embrace the sons and daughters of the region to contribute to the nation's progress. This is achieved through special recruitment



and development programs designed to nurture talents from specific regions.

Individuals recruited through the CPDK program will undergo specialized and intensive development programs, including in-class and on-the-job training. This training is designed

to provide a comprehensive understanding of standard operations and business processes within the workplace units, preparing them to effectively fulfill their roles and responsibilities as employees in their local area.



• **Experienced Hire**

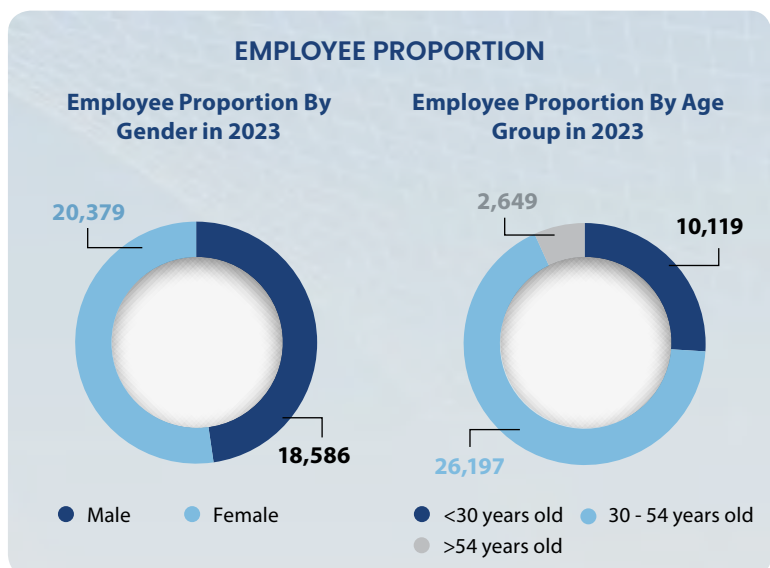
Bank Mandiri also offers opportunities for talents with over three years of work experience to contribute to the bank’s sustainable growth. In 2023, the experienced hire recruitment route successfully filled 190 positions to meet the hiring needs in wholesale, retail, and digital talent segments.

• **People with disability**

Furthermore, Bank Mandiri extends equal opportunities to individuals with disabilities to participate in the bank’s business activities. Currently, disabled employee recruitment is open for the positions of Contact Center staff, Mandiri University staff, and IT staff. Additionally, the recruitment of disabled

employees involves collaboration with FHCI (Forum Human Capital Indonesia), a forum for managers and practitioners of Human Capital Management in state-owned enterprises, aimed at fostering interaction, learning, and synergy for the advancement of human capital management. As of December 2023, Bank Mandiri has 32 active disabled employees, recruited through the PKWT, Kriya, and Outsourcing employee routes.

In compliance with Bank Mandiri’s Collective Labor Agreement (CLA), which governs the general requirements for employee acceptance, as well as Law Number 13 of 2003 on Manpower, Bank Mandiri does not use and strongly prohibits the use of child labor and forced labor throughout its business chain. [0JK.F.19]



INCLUSIVITY IN CAREER DEVELOPMENT WITH BANK MANDIRI

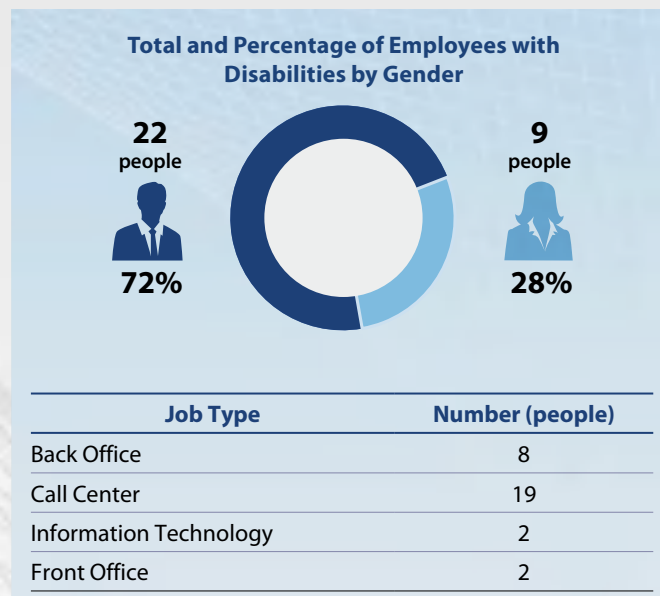
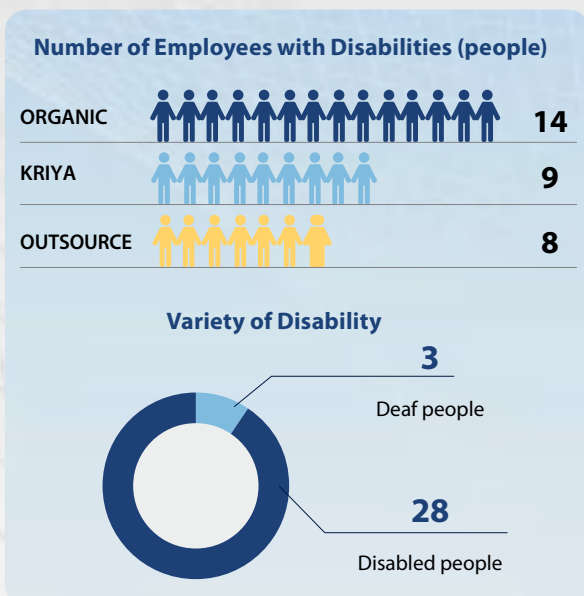


Bank Mandiri consistently upholds and respects human rights, including the rights of individuals with disabilities to secure dignified employment. Bank Mandiri is committed to workplace equality in accordance with human rights and compliance with banking regulations through its recruitment policy for employees with disabilities. Bank Mandiri recruits employees with disabilities for positions in the Contact Center, back office, and IT staff.

The recruitment process for employees with disabilities is independently conducted by each working unit in coordination

with the Human Capital Unit. Additionally, Bank Mandiri collaborates with third parties, such as the Indonesian Human Capital Forum, to facilitate this process.

Furthermore, Bank Mandiri offers an internship program tailored for individuals with disabilities who have completed secondary education, focusing on contact center roles. This program, named "Kriya Mandiri Contact Centre," involves a three-year program comprising basic, intermediate, and advanced stages, following a structured syllabus and curriculum.



TALENT PIPELINE DEVELOPMENT STRATEGY

Bank Mandiri offers equal opportunities for its employees to enhance their careers and skills through the Talent Management and Succession program. This initiative aims to cultivate the talents within Mandiri, preparing them to assume critical and strategic roles in alignment with the bank's long-term business requirements.

The Talent Management and Succession process is divided into four main stages, namely:



To fill the strategic leadership position, Bank Mandiri provides equal opportunities to employees while still taking into account criteria fulfillment, such as performance achievement, leadership character, ability, agility, and engagement during work.

Mandiri's competency development is overseen by the Mandiri University Group Unit, utilizing an operational framework based on the Strategic Learning Process. Aligned with the bank's strategy, the enhancement of Mandiri's competencies encompasses the development of leadership and managerial skills, as well as technical expertise, drawing from the Leadership Capability Model (LCM) and Technical Capability Model (TCM).

Mandiri's development plan is methodically structured within the Annual People Development Plan (APDP) document, commencing with a thorough analysis of learning needs, followed by the identification of learning solutions in the form of training modules, scheduling program implementation, and assessing the impact of the learning initiatives. The APDP is formulated by the Mandiri University Group in partnership with other departments to address the development requirements of each competency.

Additionally, Bank Mandiri also tailors Mandiri's development plans from the ground up to address the specific competency gaps of each individual, which have been deliberated with their superiors through development dialogues. These plans

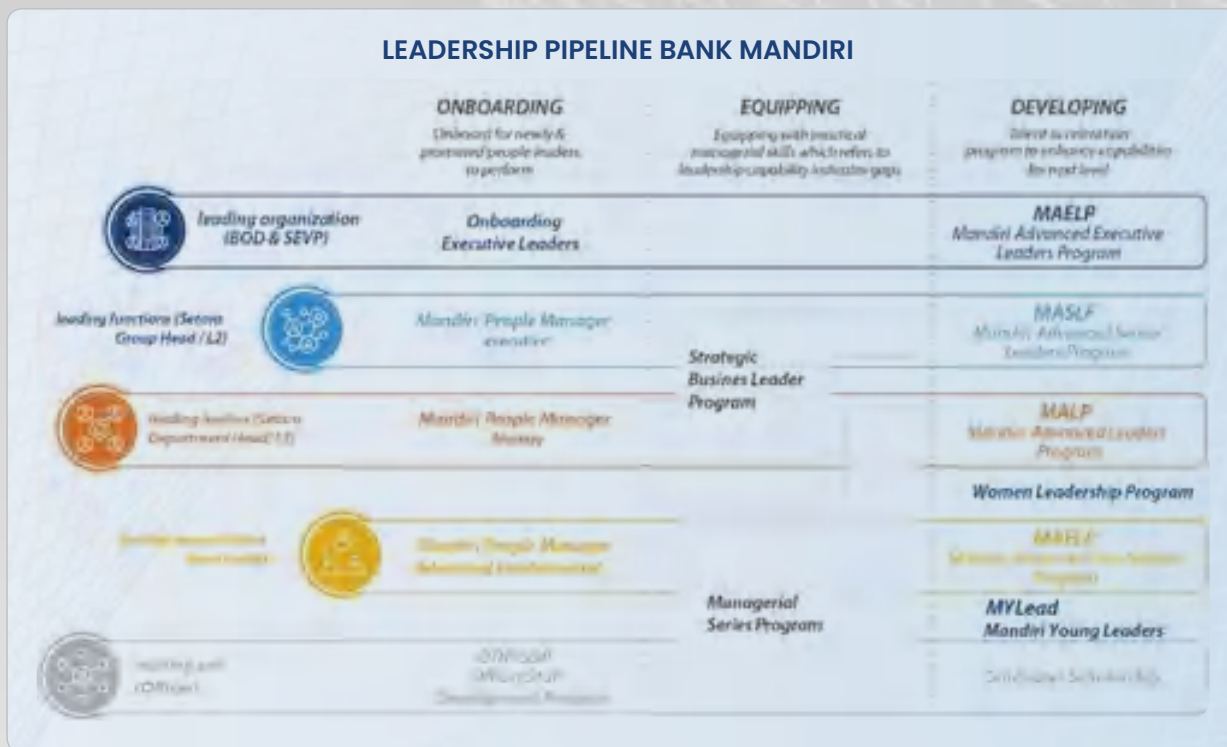
are recorded in the Individual Development Plan (IDP).

In general, the Mandirian competency development program consists of:

1. LEADERSHIP DEVELOPMENT PROGRAM

The Leadership Development Program is a structured and tiered leadership development program designed according to the leadership capacity at each employee level. Bank Mandiri collaborates with educational institutions, including international business schools such as the National University of Singapore, IMD, IESE, Yale SOM, ESADE, New York University, Haas Berkeley, Carnegie Mellon, and Virginia Darden in implementing the Leadership Development Program. There are three main levels in this program:

- a. Onboarding; training aimed at new employees and employees undergoing rotation, promotion, or taking on new positions to prepare them as leaders;
- b. Equipping; managerial skills training aimed at enhancing the leadership capability of employees in their current positions;
- c. Developing; a top talent acceleration program to enhance capabilities in preparing leaders for the next level.



The tiered program in the Bank Mandiri Leadership Development Program is as follows:

- Officer Development Program**
 An onboarding program designed for fresh graduates or employees with less than four years of work experience. Candidates who pass the recruitment and selection stage will be designated as trainee employees and must undergo an intensive one-year ODP education program, consisting of three months of classroom learning, three months of on-the-job training, and six months of placement as contract employees in a work unit. To meet business needs, competency development in ODP includes Information Technology (IT) development, risk management, wholesale banking, retail banking, and supporting functions.
- Staff Development Program**
 The Staff Development Program (SDP) is an accelerated program designed for high-performing executive employees at Bank Mandiri who have successfully passed the selection stage and show potential for leadership. Similar to the Officer Development Program (ODP), SDP participants will engage in blended learning, which includes experiential learning at BranchX. However, unlike ODP, the duration of the SDP is shorter, lasting approximately 2.5 months.
- Mandiri People Manager Mastery**
 MPM Mastery is a training program for L3 (equivalent to Department Head and Area Head) with the aim of enhancing leadership capabilities in managing, motivating, and improving team performance.
- Mandiri People Manager Advanced**
 MPM Advance is a training program for L4 (Team Leaders) with the aim of enhancing leadership abilities in leading a team.
- Mandiri People Manager Fundamental**
 MPM Fundamental is a training program for supervisor-level employees to equip them with basic skills as Strategic Business leaders.
- Bank Staff and Leadership School (SESPIBANK)**
 The development program, conducted in collaboration with the Indonesian Banking Development Institute (LPPI), is tailored for Bank Mandiri's Level L3 leaders to equip them for advancement within the organization. This program guides participants to actively engage in the value creation process within their respective institutions, with the goal of devising solutions for present and future challenges through structured learning modules, benchmarking against

international institutions, and the creation of innovative papers. In 2023, Bank Mandiri's representative was again chosen as the top-rated participant by LPPI, the program's organizer.

- **Mandiri Advanced First Leaders Programs (MAFLP)**

MAFLP is a leadership development program designed to prepare top talents BOD-3 (Team Leaders, Branch Managers, or equivalent) for elevated leadership roles. The program emphasizes the development of People Focus, Digital Mindset, Strategy, and Innovation skills.

- **Mandiri Advanced Leaders Program (MALP)**

The MALP is a leadership development program designed to prepare top talents at BOD-2 for advancement to the next level of leadership. The program focuses on developing skills in intrapreneurship, strategic leadership, people management, and digital leadership, aligning with the needs and strategy of the Bank.



- **Mandiri Advanced Senior Leaders Program (MASLP)**

MASLP is a Leadership development program designed to prepare top talents BOD-1 to be part of the long-term transformation at Bank Mandiri, while also maintaining the sustainability of ongoing business and operations. The program places a strong emphasis on fostering Intrapreneurship, strategic leadership, people-centric approaches, and digital leadership in alignment with the Bank's specific needs and strategy.



- **Mandiri Advanced Executive Leaders Program (MAELP)**

MAELP is a leadership development program for Commissioners, Directors, and SEVP levels. This program aims to enhance leadership and technical capabilities according to the needs of Bank Mandiri's business, as well as build relationships with other stakeholders. In 2023, 11 Commissioners and 3 Directors participated in this program at various Top Global Universities.

- **Mandiri Young Leaders (MYLead)**

Since 2015, Bank Mandiri has been cultivating sustainable leadership for the future by nurturing its top young talents through the Mandiri Young Leaders (MYLead) program. This program accelerates the development of leadership, technical skills, and job exposure for participants. As part of their development, MYLead participants receive initial preparation for their assignments. Furthermore, to enrich their global business knowledge and strategic capabilities, all participants undergo global exposure initiatives, including learning activities at prestigious universities worldwide and benchmarking with renowned companies.

In 2023, a total of 20 MYLead participants completed their first-year assignments to accelerate market share growth

by directly participating in Regional Business.

2. TECHNICAL DEVELOPMENT PROGRAM

The Technical Development Program is a program aimed at enhancing Mandiri's technical competencies according to the business segments it manages. The training modules provided include:

- **Upskilling & Reskilling**
A program aimed at employees in positions impacted by the Smart Branch Program. Employees will receive upskilling to take on new roles and reskilling to transition to other roles.
- **Operation Transformation**





A training program aimed at supporting business transformation and enhancing employee competencies to ensure digital readiness.

- **Beyond Lending**
A training program is being provided to the wholesale business unit to prepare employees to offer transaction solutions beyond loans to customers.
- **Mandirian Ready to Go Digital**
Training program to enhance employees' digital capabilities.

3. CERTIFICATION PROGRAM

Furthermore, the bank offers a certification program for all Mandirians, including part-time and contract employees based on their field of work and the business segment they are engaged in. The programs available include risk management certification, treasury dealer certification, Deputy Mutual Fund Sales Agent (WAPERD) certification, Deputy Securities Broker (WPPE) Limited Marketing (PT) certification, Rupiah Payment System and Money Management (SPPUR) certification, and various other certifications.

4. POSTGRADUATE SCHOLARSHIP PROGRAM

Bank Mandiri offers an opportunity for selected Mandiri employees to engage in a comprehensive development program via formal education, both within the country and abroad, as part of the Bank's Postgraduate Scholarship Program.

- **Mandiri Executive Scholarship for Postgraduate (MESP)**

MESP is a domestic postgraduate scholarship program aimed at enhancing the knowledge and skills of top talent employees at the BOD-2 level, focusing on developing future skills needed for the long-term strategy of the Bank. Currently, Bank Mandiri is collaborating with Monash University Indonesia to execute the MESP program.

In 2023, a total of 31 employees at the L3+ and L3 levels (Department Heads and equivalents) took part in the program, pursuing fields of study related to Data Science, Business Innovation, and Cyber Security.

- **Scholarship Program for Master's Degree Studies Abroad**

The postgraduate scholarship program is designed to enrich participants' exposure, networking skills, and knowledge of global insights relevant to Bank Mandiri's requirements. In 2023, 42 employees pursued postgraduate studies at the Top 15 Universities worldwide, including prestigious institutions such as Harvard University, Stanford University, University of Cambridge, London Business School, and other universities. Program participants have pursued diverse fields of study aligned with the Bank's needs, such as Digital Business, Advanced Finance, Technology, and Enablers (Human Resources, Law, & Operations).

EDUCATION AND TRAINING PROGRAM IN 2023 [OJK F.22]

Type of Education and Training	Number of Participants
Leadership Development Program	
• Officer Development Program	640 employees
• Staff Development Program	568 employees
• Mandiri People Manager	676 employees
• Mandiri Advanced First Leaders Programs (MAFLP)	364 talent L4
• Mandiri Advanced Leaders Program (MALP)	65 talent L3
• Mandiri Advanced Senior Leaders Program (MASLP)	23 talent L2
• Mandiri Advanced Executive Leaders Program (MAELP)	11 Commissioners, 3 Directors
Technical Development Program	
• Strategic Business Leader	3,904 branch employees
• Wholesale Coverage RM	862 RM employees
• Digital Talent Readiness for Future	35,379 employees
Bank Certification Programs, including	Total Certified Employees in 2023
• Risk Management Certification (SMR)	7,318 employees
• Treasury Dealer Certification	136 employees
• Mutual Fund Sales Agent (WAPERD)	1,410 employees
• Securities Brokerage Intermediary (WPPE) - Limited Marketing (PT)	274 employees
• Certification of Payment Systems and Rupiah Management (SPPUR)	27,887 employees
• Other certifications	527 employees

AVERAGE TRAINING HOURS

By Gender

Gender	Number of training participants	Average training hours	Total training hours
	18,894	136.6	2,674,432
	20,623	124.4	2,664,804
TOTAL	39,517	130.2	5,339,236

By Position

Position	Number of training participants	Average training hours	Total training hours
Commissioner	12	77.5	1,008
Director	12	12.2	146
SEVP - SVP	158	90.5	15,558
VP - AVP	3,965	202.6	807,516
SM - FAM	13,822	184.2	2,553,630
Executive	19,751	88.5	1,839,932
Non-executive	59	9.2	808
Retiree	1,738	58.0	120,638
Total	39,517	130.2	5,339,236

Digital Talent Pipeline Development Strategy

In the age of digital banking, Bank Mandiri has begun its digital journey by providing advanced digital innovations to its customers. The digital transformation of Bank Mandiri relies on the expertise of its human resources in digital technology, including application development, data analysis, artificial intelligence, blockchain, and more.

Bank Mandiri has established the My Digital Academy program to cultivate digital talent. This program serves as an early engagement and hiring initiative for final year students



and recent graduates from specific universities and faculties. It includes a one-month innovation boot camp aimed at enhancing IT capabilities.

The inaugural batch of My Digital Academy commenced on November 7, 2022, in response to the demand for top digital talents to bolster the Corporate Plan of establishing Bank Mandiri as The Best Modern Digital Bank. From a pool of 15,272 candidates, 271 participants successfully completed the boot camp program and are now part of the pipeline to join Bank Mandiri.

Following its successful implementation in 2022, My Digital Academy was deemed an effective strategy for fulfilling digital talent needs. Therefore, in 2023, Bank Mandiri launched My Digital Academy Batch 2. A remarkable 24,673 participants from diverse universities in Indonesia registered for the program, surpassing Bank Mandiri's target of 600 participants.

MY DIGITAL ACADEMY BATCH 2 2023

TARGET

600 Participants

TOTAL REGISTRANTS

24,673 Participants

Registration Period
October - November 2023

Applicant Categories



PEOPLE DEVELOPMENT THROUGH GAMIFICATION

Bank Mandiri believes that excellent human resources are the key to an organization's sustainable growth. As a form of human resource development, Bank Mandiri's Human Capital conducts people development through a gamification approach known as Mission Based Development. This initiative consists of a series

of missions designed for all Mandiri employees at various levels. It allows employees to select personalized learning methods tailored to their specific needs and skill gaps, while enabling real-time monitoring of their progress.

MISSIONS HELD BY EMPLOYEES AT VARIOUS LEVELS

<p>BOD - 1 MISSION</p> <p>Discussing development plans for the team and successors and being a role model in building and developing capabilities</p>	<p>BOD - 2 MISSION</p> <p>Discussing development with superiors and the team and following development missions to accelerate capabilities</p>	<p>BOD - 3 MISSION</p> <p>Engaging in dialogue with superiors to design development plans and actively implementing capability development according to the development plan</p>	<p>Staff MISSION</p> <p>Engaging in dialogue with superiors to create development plans and proactively implementing development</p>
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In 2023, Bank Mandiri's Human Capital reported that all Mandiri employees at various levels (100%) had successfully completed missions in their Mission Based Development. Moving forward,

Bank Mandiri plans to conduct Mission Based Development once more, with a direct focus on achieving results and their implications for the sustainable business growth of the Bank.

DEVELOPMENT OF SUSTAINABLE FINANCIAL COMPETENCIES

For the seamless implementation of sustainable finance, the backing of all Mandiri employees possessing relevant competencies and expertise is essential. Bank Mandiri incorporates the principles of sustainable finance into its learning curriculum to cultivate exceptional employees capable of integrating sustainability values into the Bank's business processes. Education on sustainable finance is accessible through online e-learning or Internal Discussion Forums (FDI).

In 2023, Bank Mandiri introduced three modules of the ESG Program and 33 modules of ESG Capability Development learning. All employees engaged in these learning activities based on the requirements to bolster the attainment of business targets set by their respective work units, as well as in alignment with their personal career aspirations.

PERFORMANCE EVALUATION

Bank Mandiri conducts annual performance evaluations of its employees, assessing them based on fairness and the achievement of Key Performance Indicators (KPIs). These KPIs are established in stages at the beginning of the year, starting from the Bank's KPI to Individual KPIs. The agreed-upon KPIs are a result of alignment between employees and their respective superiors, and are in harmony with the Bank's short-term and long-term strategies.

culture and leadership characteristics demonstrated in decision-making and work-related interactions. The outcomes of the performance appraisal serve as the foundation for rewards and compensation, competency development, and career advancement.

In the performance appraisal process, Bank Mandiri employs a 360-degree survey, which includes input from employee managers, internal stakeholders (employees with the same or higher job level recommended from different groups/regions), peers (employees with the same job level from the same group/region), and direct subordinates (employees who report directly to the subject above them).

Bank Mandiri promotes the practice of continuous feedback through development dialogues, which involve 1-on-1 sessions between employees and their managers. These sessions aim to align individual contributions with the Bank's business goals, discuss and monitor performance, enhance competencies and capabilities, and comprehend aspirations in developing employee plans.

In 2023, a total of 3,306 people leaders, ranging from SEVP level to branch managers, participated in the 360-degree survey. Bank Mandiri aims to cultivate dependable strategic business leaders who possess a comprehensive understanding of self-improvement opportunities based on feedback from employees connected to their work environment.

Development dialogues also serve as a platform for employees to establish Individual KPIs or work targets and reach consensus on action plans. Additionally, through these dialogues, employees can conduct mid-reviews or modify Individual KPIs. This provides an opportunity for employees and managers to adjust work targets, review performance progress and follow-ups, address obstacles and solutions, and discuss aspirations and development plans for the current year.

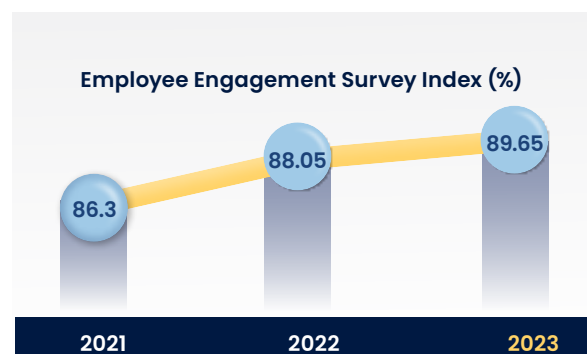
In addition to meeting KPIs, performance evaluation at Bank Mandiri also takes into account the application of the Bank's

The performance appraisal process in 2023 involved all (100%) Mandiri employees, both male and female, in accordance with existing procedures. [GRI 404-3]

EMPLOYEE ENGAGEMENT SURVEY

To measure the level of comfort and satisfaction of Mandiri employees towards the Bank, leadership, career development opportunities, relationships & communication, and benefits & compensation, Bank Mandiri regularly conducts an Employee Engagement Survey at the end of the current year. The survey is conducted in collaboration with independent consultants with relevant expertise.

The Bank conducted an employee engagement survey for 28,415 employees in December 2023, yielding a score of 89.65%, marking an increase from the 2022 score of 88.06%.



EMPLOYEE TURNOVER

High employee turnover is one of the challenges faced by the banking industry. In 2023, 2,048 employees resigned for

various reasons, such as the end of their tenure, pursuing further education, or other external factors.

EMPLOYEE TURNOVER

Description	2023		2022		2021	
	Male (People)	Female (People)	Male (People)	Female (People)	Male (People)	Female (People)
By age						
• <30 years	181	265	185	231	139	284
• 30-54 years	387	629	469	529	538	546
• >54 years	429	157	313	113	359	132
Turnover rate (%)	5.26		4.82		5.28	

The turnover at Bank Mandiri demonstrates its commitment to developing talent capabilities and becoming a talent factory for Indonesia. This is evidenced by the mandate given to Bank Mandiri employees to be appointed leaders in various institutions, including ministries, state-owned enterprises, and private companies. In 2023, 48 active Bank Mandiri employees were appointed leaders in government institutions, ministries, and state-owned enterprises.

In addition to its current employees, Bank Mandiri's dedication to becoming a talent factory for Indonesia is also demonstrated

through its numerous alums. Currently, 159 Bank Mandiri alums are appointed officials in various government institutions, ministries, state-owned enterprises, regional-owned enterprises, and private companies.

In line with its development program, Bank Mandiri also consistently creates a good working environment, with a welfare scheme through competitive rewards and compensation, work-life balance and well-being, employee rights fulfillment, competency development programs, and fair career development opportunities for all its employees.

WELL-BEING

To ensure the well-being of its employees, Bank Mandiri enrolls them in the BPJS Employment program, encompassing pension guarantee, old-age security, work accident insurance, death insurance, and job loss guarantee. Moreover, the Bank offers additional health benefits for employees exceeding the government-mandated requirements.



Appreciation and Compensation

All Mandiri employees are entitled to wages, benefits, and rewards based on fair and transparent performance assessments. Bank Mandiri ensures to fulfill the rights of all Mandiri employees to wages in accordance with applicable laws. The bank does not differentiate wages between male and female employees. The bank is committed to following government regulations regarding the Regional Minimum Wage in each of its operational locations, including providing additional allowances in certain areas.

To ensure well-being and a decent standard of living, the standard wage for entry-level employees is set at 0.05% higher than the highest Regional Minimum Wage in Indonesia and applies nationally to all of Bank Mandiri's operational locations in Indonesia. The ratio of the highest Regional Minimum Wage in Indonesia to the standard wage for entry-level employees is 1:1.

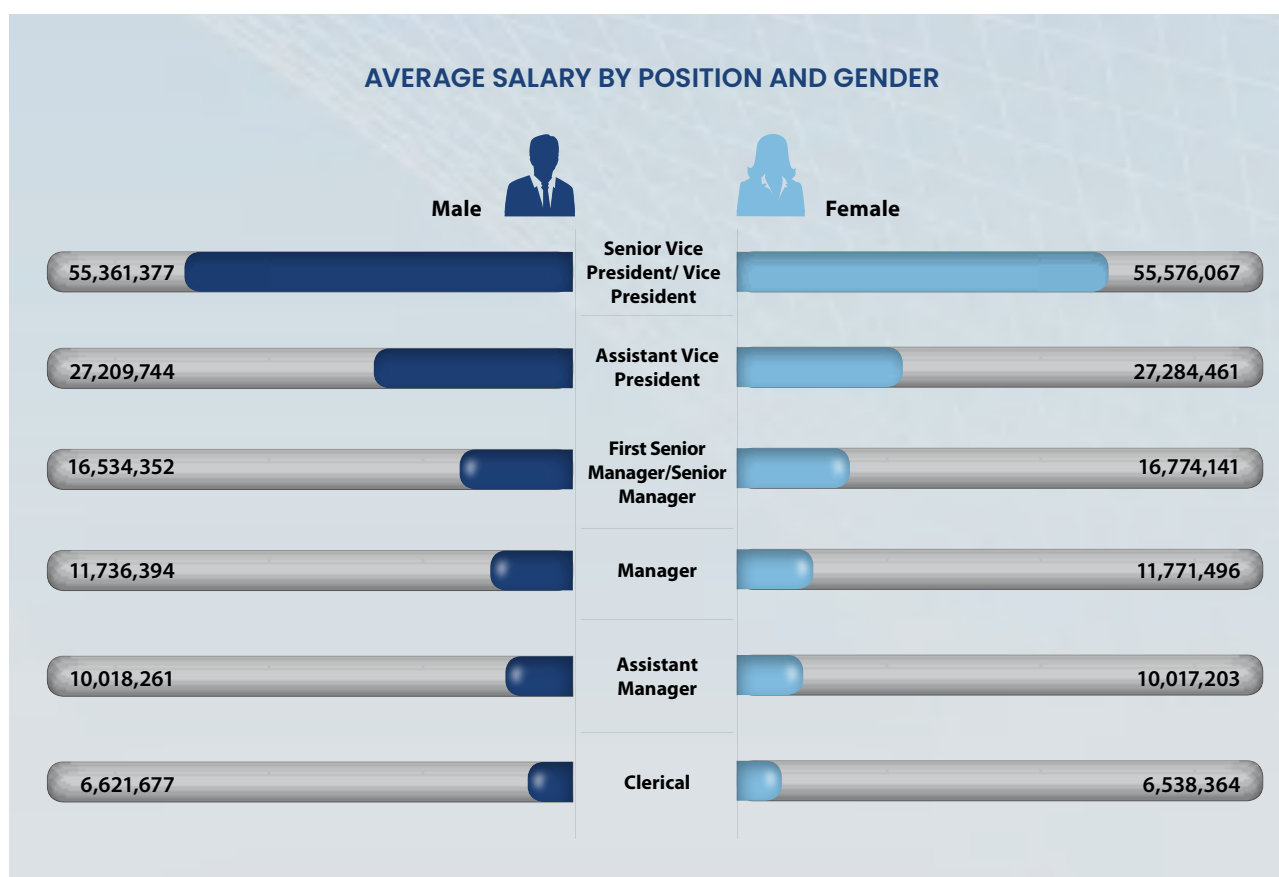
The bank's competitive remuneration strategy aims to attract the best talent, foster employee engagement, and enhance productivity in alignment with the bank's growth objectives. Bank Mandiri offers competitive remuneration to its employees based on their employment status, whether permanent or on contract, and tailored to the specific nature of their roles.

In addition to salary-based remuneration, Bank Mandiri also offers welfare benefits to assist employees in their respective roles and positions. These benefits include holiday allowances, leave allowances, specific position allowances, location-based allowances, and compensation for contract employees.

Furthermore, additional benefits are extended to both permanent and contract employees, in compliance with government regulations, as well as the following:

EMPLOYEE BENEFITS [GRI 401-2]

Types of Remuneration	Program	Permanent Employees	Contract Employees
Life Insurance	BPJS Health, BPJS Employment, Grief Compensation	Yes	Yes
Disability and Incapacity Benefits	BPJS Health Mandiri Inhealth	Yes	Yes
Parental Leave	Maternity leave Paternity leave	Yes	Yes



Parental Leave

Bank Mandiri provides maternity leave entitlement to female employees in accordance with government regulations, and allows these employees to return to work after the leave period ends. Additionally, the bank also provides paternity leave entitlement to male employees, allowing them to accompany their wives during

childbirth for a longer duration than required by the government.

In 2023, 1,030 female employees took maternity leave, while 603 male employees took leave to accompany their wives during childbirth. All of these employees, 100% in total, returned to work after the conclusion of their respective leave periods. [GRI 401-3]

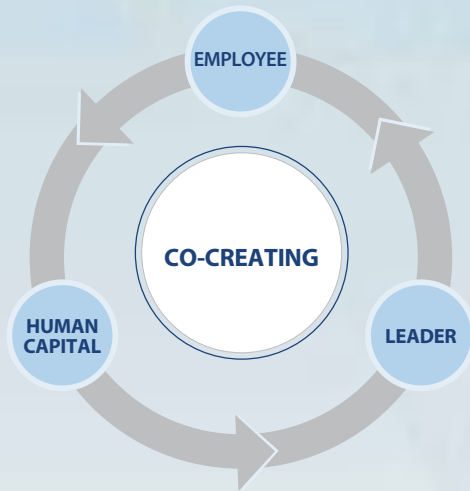
WORK-LIFE BALANCE AND WELL-BEING



Bank Mandiri places a high priority on maintaining a healthy balance between the productivity of its employees and their personal well-being. The bank takes a holistic approach to health and well-being, considering physical, mental, and financial aspects, as well as the work environment.

At Bank Mandiri, well-being is seen as a shared responsibility (co-creation), with Human Capital, leaders, and employees all playing a role in creating a healthy and supportive work environment.

To promote and educate employees about the significance of sustainability in physical and mental health, financial literacy, and overall well-being in the workplace, Bank Mandiri consistently organizes seminars featuring experts in these fields. In 2023, a total of 16 educational programs, including seminars, webinars, and podcasts, were conducted, with participation from all employees, both in-person and virtually.



Furthermore, Bank Mandiri also provides facilities and infrastructure related to health and well-being, including:



1. Online psychological counseling services.
2. Lactation room.
3. Fitness Center Mandiri Club at the main office site.
4. Clubs or sports communities for employees, such as basketball, badminton, cycling, running, and others.
5. Health clinic facilities, complete with equipment and medical personnel ready to serve at the main office site.

Bank Mandiri is committed to continuously improving policies and well-being programs.



Bank Mandiri Sports and Arts Week (PORSENI Bank Mandiri) 2023



Mini Medical Check-Up for those under 40



ABC Podcast (Asiknya Bahas Culture) featuring speakers from internal and external sources



Mandiri Club for sports and arts activities



Mandiri Silver Carnival 2023 (Employee Gathering)



Mandiri Best Employee (MBE) Immersion Learning Class of 2023



Seminar on Physical & Psychological Well-Being: Emotional & Physical Well-being Lead to Productive & Meaningful Work



Seminar *Financial Well-Being Frugal Livin' for Better Financial Well-Being*

RETIREMENT PROGRAM

Bank Mandiri appreciates all Mandiri employees who have committed themselves to growing alongside the bank. As a token of appreciation, Bank Mandiri offers a range of benefits and retirement programs to safeguard the well-being of Mandiri employees during their retirement, in line with their employment agreements. The Retirement Fund Program is administered through the Employer Pension Fund (DPPK), comprising two distinct programs: the Defined Contribution Pension Program and the Defined Benefit Pension Program.

Furthermore, the bank prioritizes the well-being of Mandiri employees approaching retirement age through the Mandiri Health Care Cooperative. This cooperative offers support, benefits, and healthcare services, with a membership fee of 2% of the employees' contributions and 3% of Bank Mandiri's contributions.

In 2023, Bank Mandiri held training for employees who are about to enter retirement, attended by 417 participants.

EMPLOYEE STOCK OWNERSHIP PROGRAM

As an extension of the previously distributed Employee Stock Ownership Program (ESOP) and Management Stock Ownership Program (MSOP), Bank Mandiri implemented a comparable program from 2015 to 2023 for its employees and management, featuring predetermined grant and vesting requirements.

The Management Stock Ownership Program (MSOP) takes the form of Long Term Incentive (LTI) shares, granted to the Board of Directors and Non-Independent Board of Commissioners. This is aimed at motivating them to enhance future performance and to reward their efforts in sustaining and/or enhancing the long-term value of the shares. LTI shares were granted from 2022 to 2023, with each vesting period lasting three years.

Bank Mandiri also has an Employee Stock Ownership Program (ESOP) to enhance the sense of belonging and motivate employees to make long-term contributions. ESOP is granted to certain job grades and levels that meet the criteria approved by management, including individual performance, talent classification, and employee track record. From 2015 to 2023, Bank Mandiri distributed a total of 96,003,800 shares with vesting periods ranging from three to five years.

Bank Mandiri will implement a similar stock ownership program for employees and management in the following years.

FREEDOM OF ASSOCIATION

Bank Mandiri respects the right of its employees to form and actively participate in labor unions. Currently, the bank has the Bank Mandiri Employees Union (SPBM) with 13,724 members.

In collaboration with SPBM, the bank has established a Collective Labor Agreement (CLA) outlining the rights, obligations, and work regulations binding for both the employer and

the employees. The CLA applies to all (100%) Bank Mandiri employees, including permanent and contract employees. Bank Mandiri and SPBM signed a new CLA on December 5, 2023, which is effective until 2025. The new CLA came into effect on December 15, 2023.

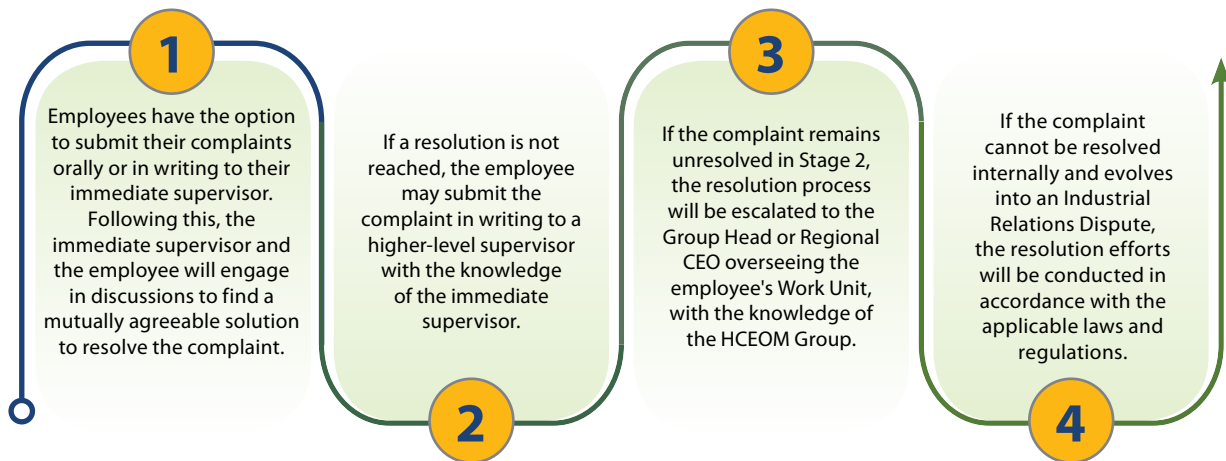
FORMAL EMPLOYEE GRIEVANCE

Bank Mandiri has established a mechanism for its employees to voice their grievances concerning the bank's employee management practices and industrial relations implementation. The bank ensures the confidentiality of the reporter's identity. All reports received will be handled in accordance with existing

procedures, and if violations are substantiated, the reported party will be sanctioned in line with the applicable policy.

The resolution of grievances for each stage will not exceed 30 calendar days and can be submitted orally or in writing in accordance with the agreed CLA.

THE MECHANISM FOR EMPLOYEE COMPLAINT SUBMISSION



DIVERSITY

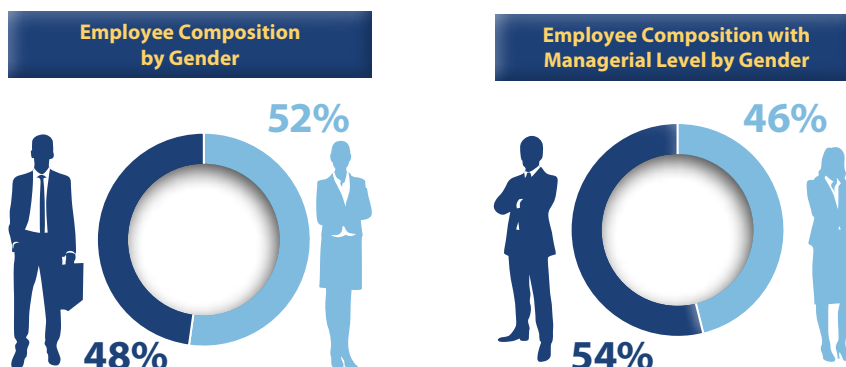
At Bank Mandiri, all individuals have an equal opportunity to advance their career, irrespective of gender, ethnicity, religion, or any other factors. The bank embraces and appreciates the diverse creativity that arises from the various backgrounds of its employees.

Bank Mandiri is committed to establishing a workplace that is free from discrimination, violence, and harassment, with the aim of fostering a more inclusive and productive environment for Mandirians and promoting the bank's business sustainability. To uphold this commitment, the bank has formulated a Respectful

Workplace Policy (RWP), which aims to cultivate a safe and comfortable work environment centered on mutual respect and dignity, devoid of negative behaviors such as discrimination, exclusion, bullying, harassment, and various other forms of physical and mental violence.

The implementation of RWP at Bank Mandiri is monitored and supervised by the Board of Commissioners as part of the supervisory function of the Board of Commissioners, reported periodically (every semester) to the Minister of State-Owned Enterprises.

DIVERSITY PERCENTAGE



SRIKANDI MANDIRI



Bank Mandiri always strives to be the right workplace for Mandirians, particularly women. Bank Mandiri provides broad opportunities for women to pursue a career with the bank. Currently, 52% of Bank Mandiri's total employees are women, with 46% of them serving in top-level management positions.

The cultivation of female talent at Bank Mandiri is achieved through the Srikandi Mandiri program. In 2023, the program comprised two initiatives: Woman Leadership and Woman in Society. Woman Leadership encompasses "Women Talk," an in-person talk show event featuring inspirational stories from prominent female leaders, and "Women Empowerment," a mentoring program designed for female employees (L3 and L4) led by Mandiri Leaders (L2, L3+, and L3). This program aimed to foster a supportive community, offer career sponsorship opportunities, and facilitate the exchange of practical and implicit knowledge between mentors and mentees.

The Woman in Society program, on the other hand, involved the Women Entrepreneurship Workshop, a collaborative effort between Srikandi Mandiri and Rumah BUMN. This

workshop aimed to inspire women to maximize resources for entrepreneurship, especially for retirement planning, introduce digital solutions to enhance employee businesses, and offer Bank Mandiri products that can bolster employee enterprises. Furthermore, special events were organized for Mother's Day, including SME training and Livin' Merchant activities centered around the theme of the Role of Mothers in the Digital Era.

In addition to the development program, Srikandi Mandiri also implemented two programs to support the well-being of women during their careers at Bank Mandiri. These programs included the Respectful Workplace & Policy Campaign and Counseling Session. The Respectful Workplace & Policy Campaign aimed to raise awareness about respectful workplace issues through Bank Mandiri's internal digital communication channels and the social media platform Instagram. The Counseling Session program collaborated with professional psychologists to help female employees address emotional, mental health, and physical well-being issues.

Health and Safety in the Workplace



To mitigate operational risks due to climate change, Bank Mandiri is committed to creating a healthy and safe working environment in accordance with Occupational Health and Safety (OHS) standards for its employees, customers, and other parties within the bank's operational settings. In relation to the mitigation of operational risks, Bank Mandiri has implemented several procedures to prepare for emergency conditions, such as Business Continuity Management (BCM), Emergency Response Plan, Disaster Recovery Plan, and Crisis Management Plan.

The BCM is responsible for developing a Business Continuity Plan strategy, actively interacting with independent institutions to analyze the climate, identifying early action plans for climate change, and socializing these plans to all employees to ensure the continuity of business operations. Bank Mandiri provides various facilities and infrastructure for emergency conditions, such as first aid kits, fire extinguishers (APAR), hydrants, sprinklers, and others. The bank conducts routine inspections of these facilities to ensure their proper functioning. Various facilities essential

for smooth operations, including elevators, room temperature control machines, and others, undergo regular inspections and maintenance. Additionally, Bank Mandiri has data centers in multiple locations to minimize customer inconvenience during transactions and to safeguard against the risk of data loss resulting from climate change.

To create a safe and comfortable workplace while achieving zero accidents, Bank Mandiri implements various occupational health and safety programs, such as:

- Providing information on handling emergency situations to employees, guests, and the Building Emergency Response Team through the installation of emergency evacuation instruction posters for fire/earthquake, broadcasting emergency procedure videos on internal television media, safety briefings before events, and socializing the functions and roles of the emergency response team conducted annually with speakers from the Fire Department;

- Conducting emergency response readiness training for building occupants, Floor Wardens (Building Emergency Response Team), and the Emergency Response Team (ERT), including fire extinguisher training, first responder training (search and rescue), and terrorist/bomb threat security training conducted at least once a year;
- Conducting emergency evacuation simulations for building fires and other disasters, such as earthquakes, to measure the readiness of the Emergency Response Team and the duration of evacuation from the building location to the assembly point. These simulations are conducted annually and attended by the Fire Department and the Police.

To support the health of Mandiri employees, Bank Mandiri provides:

1. Health facilities for Mandiri employees and their registered family members, in accordance with the government-provided health insurance program, BPJS Health;
2. Social security and social protection in accordance with the government program through BPJS Employment;
3. Health facilities for Mandiri employees and their registered family members, in cooperation with Mandiri Inhealth Health

Insurance, covering inpatient care, outpatient care, maternity care, dental care, general check-ups, eyeglasses, and special health insurance;

4. Health insurance program for Mandiri employees who have entered the retirement period;
5. Health clinic facilities within the work unit environment (Plaza Mandiri, Menara Mandiri, Wisma Mandiri, and Graha Mandiri);
6. Life protection in the form of life insurance for Mandiri employees and their registered family members, in cooperation with Mandiri Inhealth Life Insurance.

Bank Mandiri effectively communicates the features, benefits, and usage process of its health facilities, including health insurance and psychological services, to employees through regular familiarization events. This information is also readily accessible to all employees via Bank Mandiri's employee channels, Mandiri CLICK, in the form of booklets and electronic banners. Furthermore, the bank actively promotes health among its employees through various media and activities, often featuring renowned experts in the field.

Occupational Health and Safety (OHS) training activities and emergency response simulations conducted by Bank Mandiri in 2023 include:

OHS TRAINING



OHS TRAINING PROGRAM 2023

Including Training and Competency Testing for SAR (Search and Rescue) in Building Collapse, Building Risk Assessment Training, Facility and Infrastructure Readiness Training in Disaster Response and its standards, and Disturbance Handling Preparedness Training.



4
Training
Titles



412
Training
Participants

EMERGENCY RESPONSE SIMULATIONS

Name of Program	Place	Date
Fire Training and Evacuation	Sentra Mandiri Building	September 14 and 19, 2023
Earthquake Disaster Preparedness Drills	Sentra Mandiri Building	August 3, 2023
Fire Emergency Response Simulation	Wisma Mandiri Building	November 2, 2023
Building Evacuation Drill	Plaza Mandiri Building	November 10, 2023
Fire Emergency Response Simulation	Menara Mandiri Bekasi	August 23, 2023
Emergency Response Simulation	Sentra Rempoa Building	October 2, 2023



05

Sustainability **Beyond Banking**

Bank Mandiri always strives to contribute to society and the environment through community empowerment, inclusive financial products and services, as well as social responsibility initiatives.

Smart Branch



mandiriagon



Financial Services for Indonesia



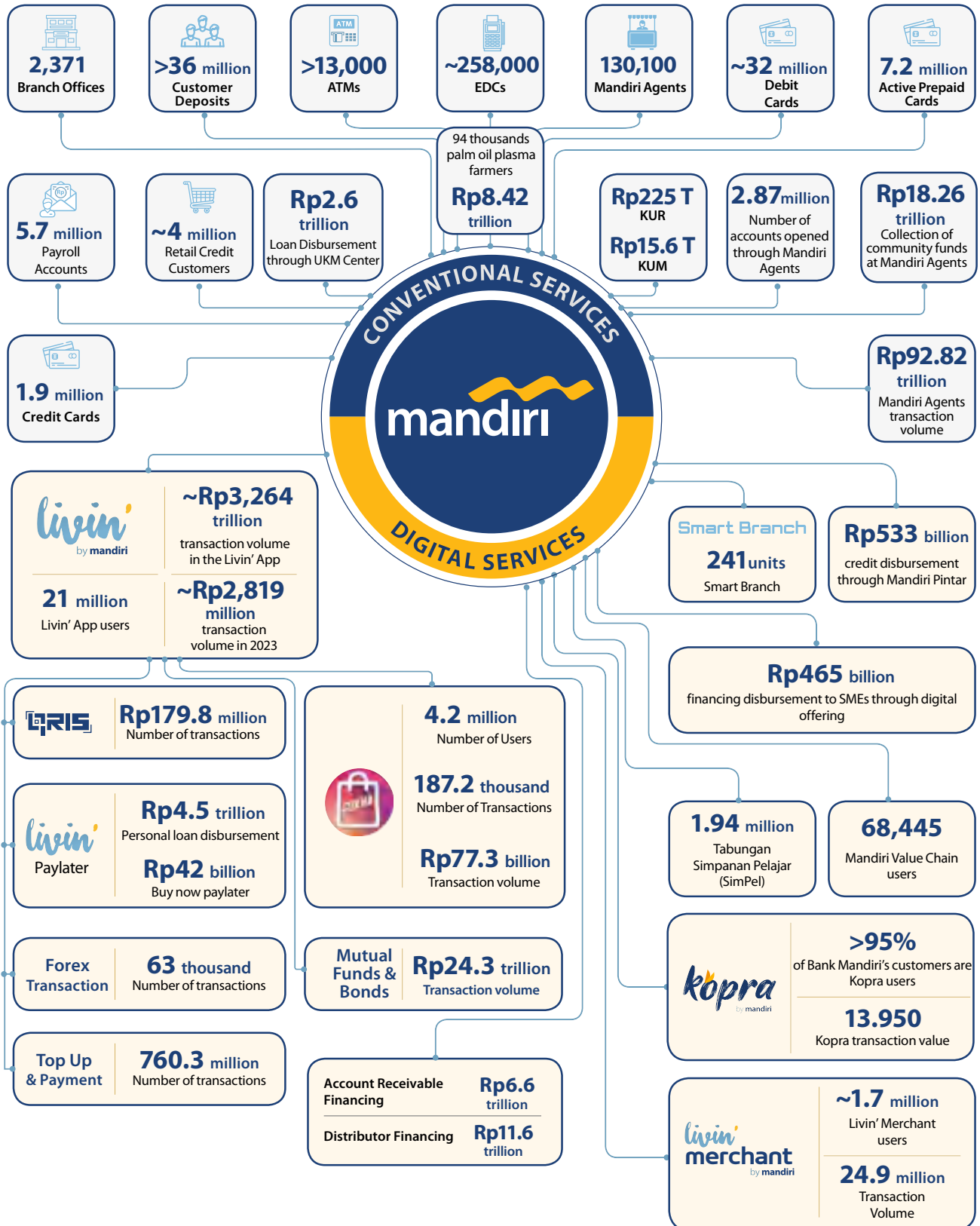
Financial inclusion, as stipulated in Financial Services Authority (OJK) Regulation No. 76 of 2016, refers to the accessibility of a range of financial institutions, products, and services tailored to the needs and capacities of the community in order to improve their well-being.

OJK has set a target for financial inclusion to achieve 90% by 2024. For this reason, as part of the banking sector in Indonesia,

Bank Mandiri ensures the availability of access, products, and financial services that adhere to sustainability principles and cater to the community's needs and abilities. The bank consistently seeks out opportunities to develop new products and services, aiming to extend the benefits of inclusive and sustainable financial services to a broader audience.

BANK MANDIRI BANKING SERVICE COVERAGE

[OJK F.23] [OJK F.28]



ACCESS TO FINANCIAL SERVICES [OJK F.28]

As a growth agent, Bank Mandiri actively engages in financial inclusion initiatives by expanding and facilitating access to financial services for the community. Ease of access to financial services can reduce economic disparities and drive the economic recovery process post-pandemic.

Bank Mandiri ensures the availability of access, products, and financial services tailored to the community's needs and capabilities, particularly those included in the priority criteria set by the government, such as:

1. Low-income communities
2. Lower-middle-class communities (unbanked and underbanked)
3. Groups with irregular and low incomes
4. Communities living in remote areas
5. People with disabilities
6. Laborers without legal identification documents
7. Rural and suburban communities
8. Areas with limited access to formal financial networks due to geographical constraints, dispersed populations, and low financial literacy

The financial products and services are provided in a simple, easy-to-understand format and are accessible through Bank Mandiri's branch offices, digital services, and via other partners collaborating with the bank to provide financial services.

In addition, Bank Mandiri consistently promotes sustainable SME & Micro Growth through:

- Strengthening the SME network by enhancing the capabilities of the Sales Team and supporting tools;
- Improving the effectiveness of data analytics through the Early Warning System (EWS);
- Streamlining business processes and improving the value chain process, as well as utilizing technology to expedite customer acquisition and credit analysis processes;
- Enhancing branch capabilities through one-stop solutions for customers;
- Mentoring micro customers for advancement;
- Improving the micro-credit process;
- Expanding partnerships with Fintech and utilizing branchless banking agents.

INVOLVEMENT IN MICROFINANCE

Bank Mandiri consistently promotes the improvement of MSMEs' business competitiveness to foster economic growth and job creation through Micro Credit financing. When disbursing micro credit to MSMEs, Bank Mandiri employs a downstream-upstream scheme in accordance with its regional strategy, optimizing the value chain ecosystem of Bank Mandiri's wholesale customers.

People's Business Credit

The People's Business Credit (KUR) is a form of working capital and/or investment credit extended to individual debtors, businesses, and/or productive business groups that lack additional collateral or have insufficient collateral. The KUR program is designed to enhance access to financing for MSMEs, thereby enhancing their business capacity and competitiveness.

Bank Mandiri, with its core competence as a wholesale bank, is developing a People's Business Credit (KUR) distribution strategy based on an ecosystem. In this strategy, Bank Mandiri collaborates with wholesale debtor companies to recommend their affiliated companies for financing through KUR.

Through the implementation of this ecosystem-based KUR distribution strategy, micro, small, and medium enterprises (MSMEs) can benefit from improved access to financial services, including expedited KUR disbursement processes. Since the inception of KUR distribution in 2008 until 2023, Bank Mandiri has disbursed KUR to 2.8 million debtors, with a disbursement limit of Rp224.91 trillion.



Micro Business Credit

Micro Business Credit (KUM) is extended to micro-entrepreneurs to fund their productive business requirements, encompassing both investment and working capital. One of the key benefits of Micro Business Credit is its competitive interest rates with fixed monthly installments, straightforward application requirements, and a swift credit approval process.

The distribution of KUM is one of Bank Mandiri's key roles in aiding MSMEs to expand their operations, broaden their market presence, enhance production, and improve their competitiveness, thereby making a positive contribution to the local economy. In 2023, Bank Mandiri disbursed Micro Business Credit of Rp15.674 billion, benefiting 361,270 active debtors.

Financing for Women through MSME Credit

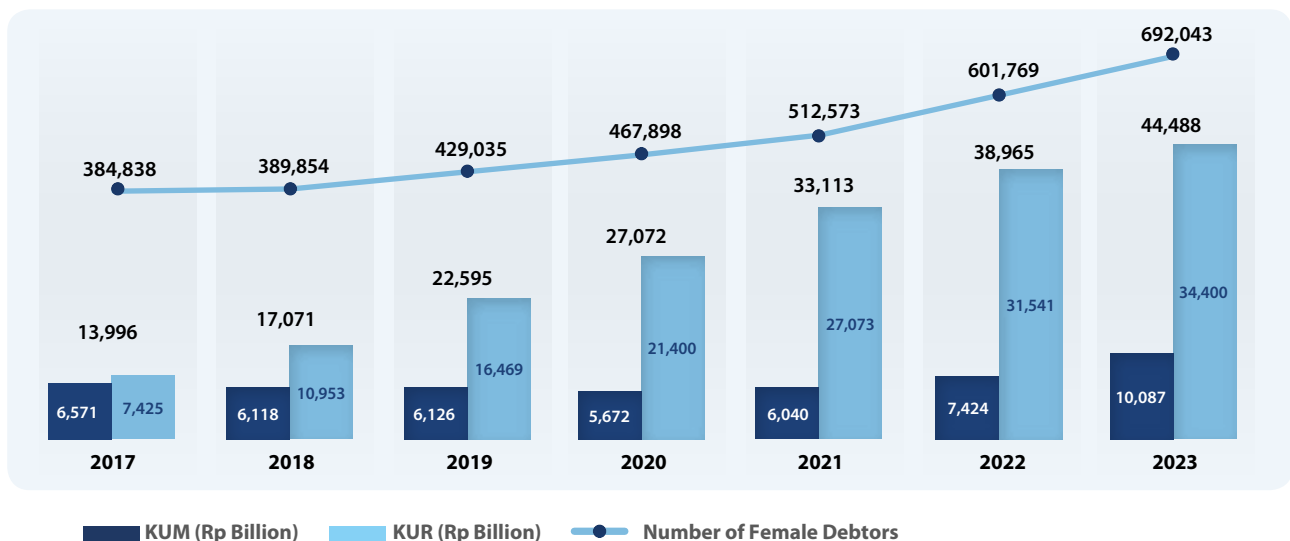
Women play a significant role in advancing the MSME ecosystem in Indonesia. Bank Mandiri is committed to enhancing the competitive capacity of MSME entrepreneurs, particularly women, enabling them to actively contribute to economic growth and help expand employment opportunities.

In the last five years, Bank Mandiri has maintained an active debtor portfolio of 692,043 female micro-entrepreneurs with a total credit of Rp44.5 trillion through KUR and KUM products. This figure positions female micro-entrepreneur debtors of Bank Mandiri as the largest segment of the total debtors, constituting

approximately 56.7% of the total active micro-segment debtors of 1,220,985 debtors.

The credit quality of female debtors also demonstrates better performance compared to male debtors, with a current collectability rate of 99.49% and a Non-Performing Loan rate of 1.12% as of December 2023. In contrast, the current collectability rate for male debtors is 94.22%, with a Non-Performing Loan rate of 1.58%.

PERFORMANCE OF KUR AND KUM



43%	DEBTORS	57%
Rp37.35 trillion	Portfolio	Rp44.49trillion
528,942 debtors	Amount	692,043 debtors
94.22%	Current Collectability	95.49%
1.58%	NPL	1.12%

Digital Innovation to Improve Financial Service Access [OJK F.26]

With more than 35 million customers, Bank Mandiri is one of the retail banking players with a strong presence in the market. Through progressive business transformation, Bank Mandiri has embarked on a digital journey, continuously offering cutting-edge digital innovations to customers and business partners. Bank Mandiri has launched the Super App Livin' by Mandiri and the Super Platform KOPRA, both of which have made significant contributions to the bank's financial performance.

Bank Mandiri is constantly striving to strengthen its digital banking application, focusing on the features offered, customer data security, and accessibility to expand the user base, particularly for individuals without access to or underserved by financial services. The bank's digital banking aims to offer convenience for customers to conduct transactions and boost customer transaction volume.

In carrying out digital transformation during 2023, Bank Mandiri has implemented a digital banking roadmap that has been continuously refined to meet customer needs. This roadmap consists of five main components:

1. **Levelling Up Digital Readiness**, as the foundation for digital transformation, Bank Mandiri focuses on improving the reliability of fundamental IT systems, such as core banking

improvement, business process re-engineering, and provision of high-performance infrastructure.

2. **Developing Digital Native**, Bank Mandiri is developing digital native service products through various innovations with customers as the focus of product development, enabling the provision of end-to-end digital banking services.
3. **Modernizing Distribution Channels**, Bank Mandiri is modernizing its digital channels to enhance customer experience, focusing on enhancing both User Interface (UI) and User Experience (UX), while also catering to diverse customer needs. This initiative involves the ongoing development of Livin', Kopra, and Smart Branch.
4. **Digital Ecosystem Expansion**, Bank Mandiri is furthering its collaboration with third parties or strategic partners in the development of its digital ecosystem, as well as expanding access and the digital ecosystem for its customers. This allows customers to directly access Bank Mandiri's products and services through other channels.



Livin' is a digital platform in the form of a mobile application that offers comprehensive banking solutions and caters to the end-to-end needs of customers.

Livin' is equipped with a wide array of features and services, including instant access to favorite menus, QR for fund transfers, tap to pay, savings plans, time deposits, branch service reservations, linkage with e-wallets, e-money top-ups, foreign currency transfers, and lifestyle services through Livin' Sukha.



The most popular banking application in Indonesia with significant growth

Since its launch in October 2021 until December 2023, the Livin' application has been utilized by 21 million customers, marking a 55% year-on-year (YoY) increase from 2022. The recorded transaction value in 2023 was approximately Rp2,400 trillion, reflecting a 37% increase compared to 2022.



NEW **Livin' Tap-to-Pay**
Launched in Dec-23



First in the Industry
First bank in Indonesia to provide tap to pay feature through smartphone



Convenient, Quick & Simple
No need to bring your wallet anymore! Just Tap your Phone and payment is approved

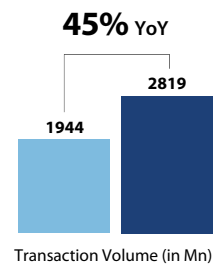


Globally Accepted & Multi-currency
Accepted by payment networks overseas and can use a SoF account in the country's local currency to avoid exchange rates.

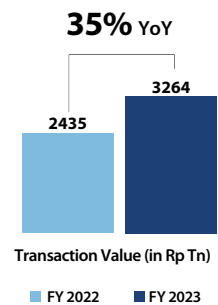
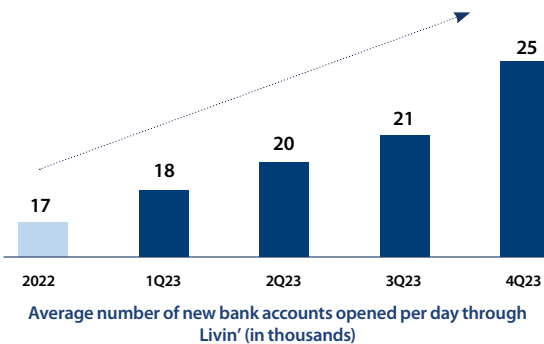


Comprehensive financial use cases, all within one app

Downloads ~37 Mn ▲ 68% YoY
Registered Users ~23 Mn ▲ 45% YoY
Monthly Active Users ~60%



The Highest Growth of Daily Account Opening In Indonesia

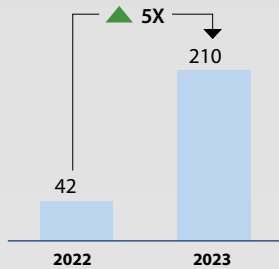


QRIS Pay / Bank Transfer



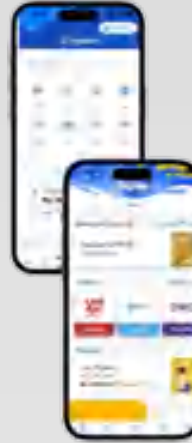
First in the Industry
Providing multiple SoF for QRIS Payments (savings account, credit card & paylater)

QRIS Transaction Volume (in Mn)



QR Multiple SoF (Saving Account, CC, Paylater)

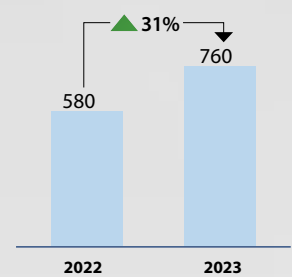
Expanding Bank Mandiri's ecosystem through collaboration with top digital players



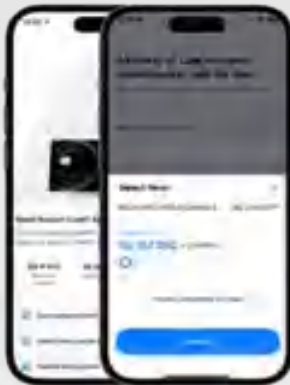
First in the Industry
Pay online bills from leading e-commerce sites directly with the Smart Payment feature in Livin'

Manage accounts from 5 top e-wallets without switching apps.

Top Up and Payment Volume (millions)

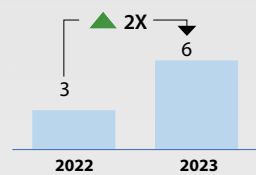


Providing Convenience for Customers to Convert Installments & Apply for Power Cash Through Livin'



Power Cash Credit Card Credit Card Installment Conversion

Disbursement of Credit Card Installment Conversion through Livin' (in trillion Rupiah)



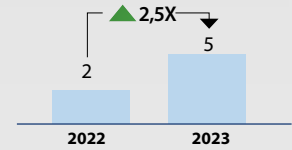
~81% Credit Card Installment Conversion through Livin'

Value of Power Cash **Rp2.3 trillion** Total disbursement through Livin'

~27% of the total Power Cash Credit Card disbursement is distributed through Livin'

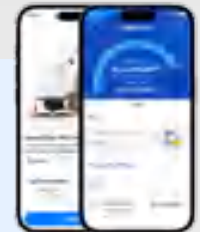
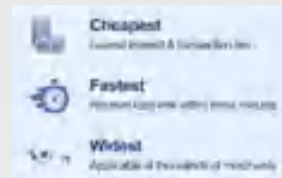
Livin' Paylater

Livin' Personal loan Disbursement (in Rp Tn)



~10% of Total Payroll Loans Disbursed Through Livin'

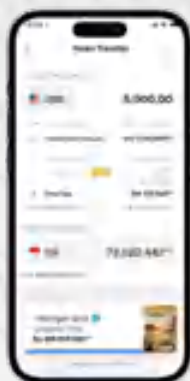
Buy Now Pay Later



Digital Payroll Loan Buy Now Pay Later

~Rp42 Bn Total Disbursement Since Launched

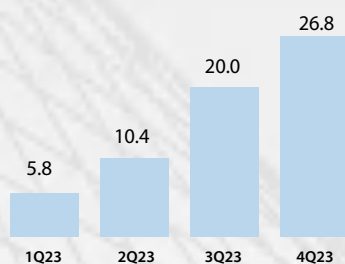
Remittance: Instant Cross-border Remittance



Cross Border Remittance

First bank to introduce cross-border remittance with transparency, real time, and cost-effectiveness

Remittance Volume (in thousands)



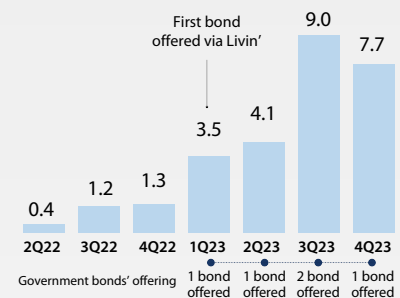
Driving investment democratization through Livin' Investment



Mutual Fund, Bond & Stock Portfolio Integrated With Mandiri Sekuritas

Accelerate retail investor growth by 4x and established as the primary platform for bond sales, securing 60% shares bankwide

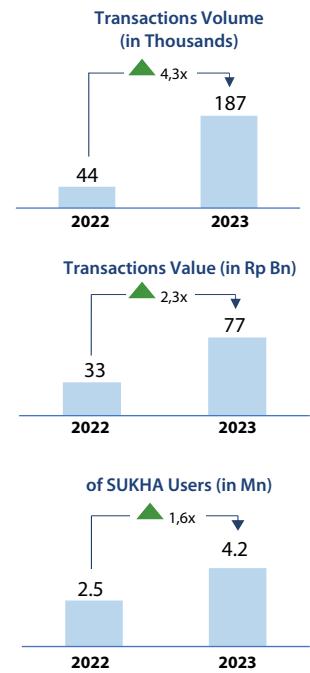
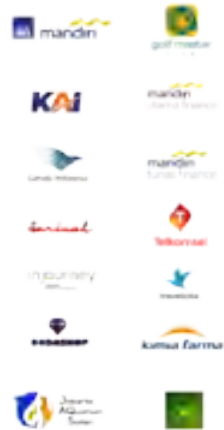
Mutual Funds & Bonds Trx Value (in Rp Tn)



» Developing Prosperous Communities



'One stop solution for all your lifestyle', Livin' SUKHA offers transaction convenience such as purchasing airplane tickets, train tickets, entertainment, buying game vouchers, credit applications, and more without the need to switch applications.



livin' merchant

A cashier application that can streamline MSME operations, enabling tasks such as sales recording, product stock checks, and sales disbursement to be managed within a single application.

LIVIN' MERCHANT PERFORMANCE

1.7 million registered users	24.9 million Transaction Volume	2.6 trillion Sales volume in Livin' Merchant
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LIVIN' MERCHANT DISTRIBUTION

46% (29K) core merchants are in 15 urban cities, while 54% (34K) are in urban-ready cities.



No	Urban City	Number of Merchants	%
1.	Jakarta	12,745	20
2.	Bandung	2,711	4
3.	Surabaya	2,355	4
4.	Semarang	1,621	3
5.	Bekasi	1,579	3
6.	Palembang	1,211	2
7.	Makassar	1,189	2
8.	Medan	1,156	2

No	Urban City	Number of Merchants	%
9.	Balikpapan	986	2
10.	Denpasar	794	1
11.	Bandar Lampung	745	1
12.	Banjarmasin	659	1
13.	Pekanbaru	542	1
14.	Jayapura	338	1
15.	Pontianak	168	0.3
16.	Others	34,510	54





Kopra is a platform that offers comprehensive financial services for all the business needs of Bank Mandiri's customers, including micro and small and medium-sized enterprise (UMKM) customers, enabling them to meet all their business needs in a single access point. Kopra is accessible anywhere and anytime, and is equipped with data analysis and customization tailored to the customer's business.



Kopra portal

A versatile portal accessible from various devices and platforms.



Kopra Embedded Finance

A versatile portal accessible from various platforms and connected to the customer's Enterprise Resource Planning (ERP) using Application Programming Interface (API).



Highest digital transactions

Kopra has been utilized by over 1,000 of Indonesia's largest companies, with a transaction volume of Rp19,100 trillion in 2023, marking a 4% increase from 2022.



KOPRA Non-interest Income. (Rp Billion)	KOPRA Transaction Value (Rp trillion)
2,201	19,100
Grew 10% YoY	Grew 4% YoY

>95% of Bank Mandiri's customers are KOPRA users

(Per December 2023)

KOPRA VARIANTS



A web-based digital solution that enables customers to access a wide range of business services through a single platform.



An API-based digital solution that enables customers to seamlessly integrate their company's system with the bank's system for payment, liquidity, trade finance, and fast and efficient access to information.



Collaboration with principals and/or third parties to provide a unique banking experience for customers beyond transactional activities to develop their business.

KOPRA SERVICES

Kopra Cash Management

Facilitates effortless monitoring of bank accounts and conducting diverse financial transactions.



Kopra Trade

Facilitates a variety of Trade Finance product transactions, including LC or SKBDN and BG issuance, along with online trade transaction financing.



Kopra Smart Account

Utilizes virtual current sub-accounts for centralized fund management, offering ease of allocation, recording, and transaction identification.



Kopra Value Chain

Processes, sends, accepts, and orders payments for electronic data bills, including the execution of financing.



Kopra Foreign Exchange

Executes foreign exchange transactions with exclusive online rates and real-time updates.



Kopra Custody

Performs Custodian service inquiries such as Safekeeping Positions, Settlement Status, Corporate Actions Event & Notification, including direct instruction delivery.



kopra Cash Lite

Lite version of Cash Management service aimed at individual, micro, and small and medium-sized enterprise customers.

kopra Billing Reconciliation

Facilitates the activation process of billing data, identification and reporting of receipts, and reconciliation of receipt transactions equipped with an executive dashboard.

kopra Mobile App

A smartphone-based Kopra application for checking financial information, transaction approval, and other activities.

kopra Hospital Solution

Facilitates hospital customers in processing payment receipts from patients.

kopra Beyond Borders

Internet banking service for Bank Mandiri's Business and Corporate Customers, facilitating financial transactions with Subsidiaries abroad in Singapore, Hong Kong, Timor Leste - Dili, and China - Shanghai.

KOPRA FEATURES

Virtual Assistant

Convenience in accessing information about Bank Mandiri's corporate segment products through audio, chatbot, and direct and personal video call services.

On Boarding Transaction Channel

Facilitates customers to apply for Bank Mandiri's wholesale e-channel registration online with digital form filling and document signing.



Giro Online Now

Ease of opening a giro account online.

Other Bank Account Information

One dashboard for various financial information of companies in other banks.

Mobile Token

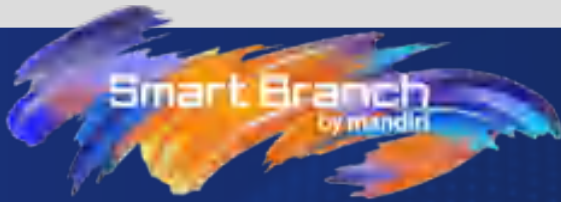
Secure dynamic digital security for transaction authorization.

SUSTAINABILITY BEYOND BANKING

» Financial Services for Indonesia

» Digital Innovation to Improve Financial Service Access

» Sustainability Research & Policy Advocacy



Smart Branch is Bank Mandiri's commitment to enhancing convenience and delivering the best banking experience for customers. This innovative concept represents the digital transformation of 241 conventional branch offices. Bank Mandiri's Smart Branch features modern and comfortable room designs, a team of reliable and trustworthy staff, as well as new secure, digital-based, and efficient processes.



THREE TYPES OF BANK MANDIRI SMART BRANCHES

Upgraded Branch

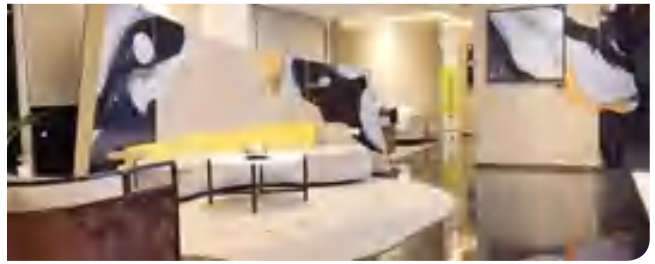
Smart Branch with a digital concept to serve digitally savvy customers



» Developing Prosperous Communities

Hybrid Branch

Smart Branch with a limited assistance concept focused on meeting the business needs of customers



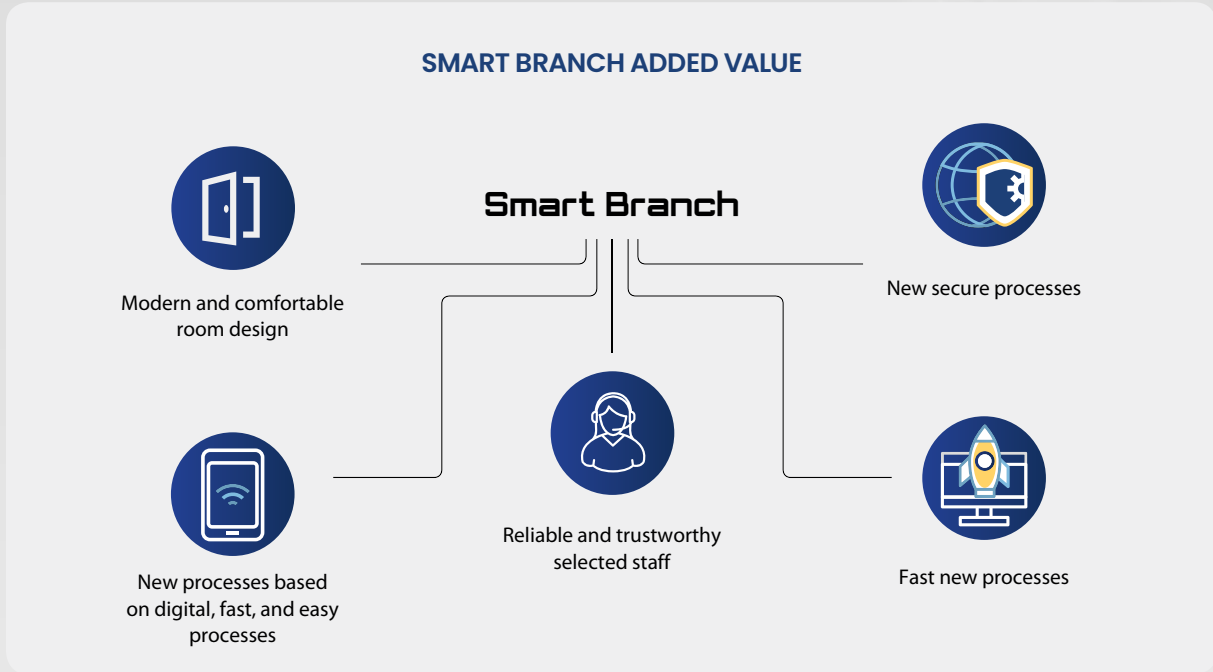
Digital Box

Smart Branch with a full assistance concept for customers needing expert assistance and complete financial solutions



Smart Branch has been integrated with Livin', Kopra, Cash Recycler Machine, Customer Service Machine, and other Bank Mandiri service networks. Smart Branch is also equipped with deposit-withdrawal ATMs, Customer Service Machines for


replacing debit cards and opening savings accounts, Video Conference Boxes for banking product advice, branch services via Livin', and eForms for replacing debit cards and opening savings accounts.




SMART BRANCH FEATURES



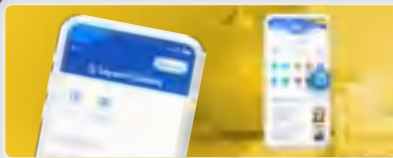
Deposit-Withdrawal ATMs
To serve cash deposits, withdrawals, and other non-cash transactions



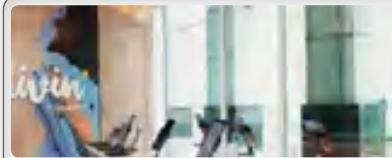
Customer Service Machine
To serve debit card replacements and opening savings accounts



Video Conference Box (V-Box)
To serve banking product advice



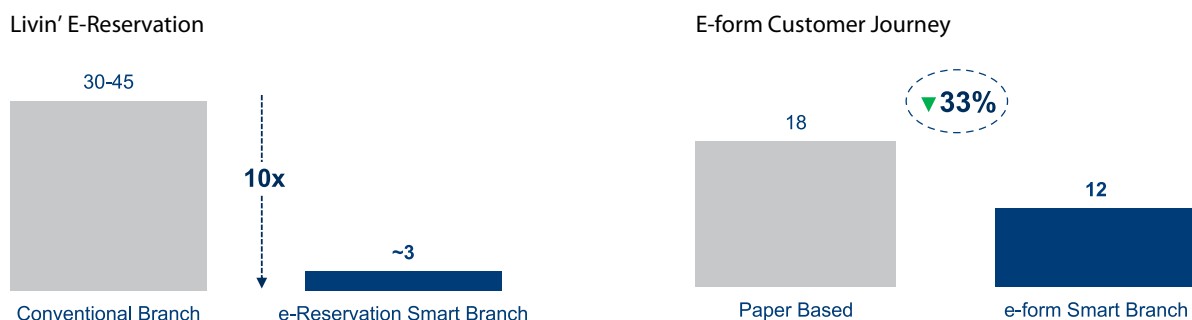
Branch Services Via Livin'
To schedule branch visits through the "Branch Services" feature in Livin'



eForm in Smart Branch
To serve debit card replacements and opening savings accounts

MORE EFFICIENT TRANSACTION PROCESSES

Average transaction processing time during peak hours (in minutes)



DIGITAL BANKING

E-Channel List	Description	2023	2022	Growth (%)
Livin' by Mandiri Apps	Number of Users	22,767,022	15,815,431	44%
	Transaction Frequency	2,818,862,776	1,944,081,931	45%
	Transaction Amount	Rp3,214,632,620,894,650.00	Rp2,435,023,256,155,220.00	32%
Livin' by Mandiri Web <i>(Closed as of February 6, 2023)</i>	Number of Users	14,389	85,728	-83%
	Transaction Frequency	118,203	17,362,328	-99%
	Transaction Amount	Rp303,526,111,582.00	Rp17,304,594,600,218.50	-98%
SMS Banking <i>(Closed as of April 14, 2023, only available for non-financial transactions)</i>	Number of Users	9,644,254	136,245	6,979%
	Transaction Frequency	11,040,819	101,343,280	-89%
	Transaction Amount	Rp6,406,029,573,793.00	Rp29,841,055,493,947.80	-79%
ATM	Number of Users (BMRI Only)	17,260,005	9,154,442	89%
	Transaction Frequency	1,044,345,126	1,035,074,112	1%
	Transaction Amount	Rp774,891,350,110,742.00	Rp785,103,153,088,190.00	-1%
E-Commerce	Transaction Frequency	25,030,691	24,514,586	2%
	Transaction Amount	Rp27,471,139,174,170.00	Rp25,456,816,184,748.00	8%
E-Money	Number of Active Cards	15,724,583	7,330,757	115%
	Transaction Frequency for Purchases	1,317,281,617	1,181,895,707	11%
	Transaction Amount for Purchases	Rp22,110,798,092,862.00	Rp19,901,780,721,432.00	11%
	Transaction Frequency for Top-ups	181,234,778	155,785,276	16%
	Transaction Amount for Top-ups	Rp22,382,041,226,862.00	Rp20,249,042,517,716.00	11%
EDC	Number of Merchants	201,309	190,110	6%
	Transaction Frequency	262,942,792	220,517,931	19%
	Transaction Amount	Rp163,400,688,912,696.00	Rp122,415,258,935,166.00	33%
Smart Branch	Number of Branches	249	241	3%

MANDIRI PINTAR



Bank Mandiri introduces the digital microcredit platform, Mandiri Pinjaman Tanpa Ribet (Mandiri Pintar), to drive the growth of the MSME sector in Indonesia. Mandiri Pintar (Hassle-Free Loan) offers a streamlined credit application process, eliminating the need for customers to provide extensive data and documentation.

With this application, micro-marketers can swiftly process credit applications via smartphones, providing customers with approvals within 15 minutes of the marketer submitting debtor data through Mandiri Pintar. Additionally, the application can

manage new productive microcredit applications and top-ups for existing productive microcredit.

Customers and the public are no longer required to visit Bank Mandiri branches to apply for microcredit. Mandiri's over 6,700 micro-marketers, located throughout Indonesia, can now directly process credit applications from the customer's location.

Bank Mandiri is dedicated to enhancing Mandiri Pintar's features and has recently launched the latest version of the application. This updated version of Mandiri Pintar has been integrated with various supporting systems for micro-marketer debtor eligibility checks, including Dukcapil and SIKP (KUR).

Through the latest Mandiri Pintar application, credit can be disbursed within one day. During 2023, Bank Mandiri disbursed credits of Rp 553 billion to 10,414 debtors through the Mandiri Pintar application.

Bank Mandiri monitors the activities of micro-entrepreneurs through the Sahabat Pintar platform, which fulfills the bank's requirements for analyzing business strategies, including funding, lending, and credit risk mitigation in the micro segment.

MANDIRI AGENT

To enhance financial literacy in Indonesia, Bank Mandiri, as a catalyst for development, offers specialized services through the Mandiri Agent program. Since 2014, Mandiri Agent has collaborated with individual and corporate clients to deliver Laku Pandai services via the Mandiri Agent app and EDC Mini ATM transactions. The community's access to banking and non-banking transactions, opening savings accounts, and applying for productive microcredit have been significantly facilitated by the presence of Mandiri Agent, yielding a positive impact.

The deployment of Mandiri Agent has expedited the financial literacy initiatives within the community, with agent locations strategically positioned in ecosystem centers, including agricultural ecosystems, gas stations, telecommunication outlets, and MSME activity centers such as markets. Digitalization plays a pivotal role in enhancing financial services to be more inclusive within the aforementioned ecosystem locations. The Mandiri Agent application is equipped with features that streamline the onboarding process for Laku Pandai agents and customer transaction services, making it easier to access anytime and anywhere.

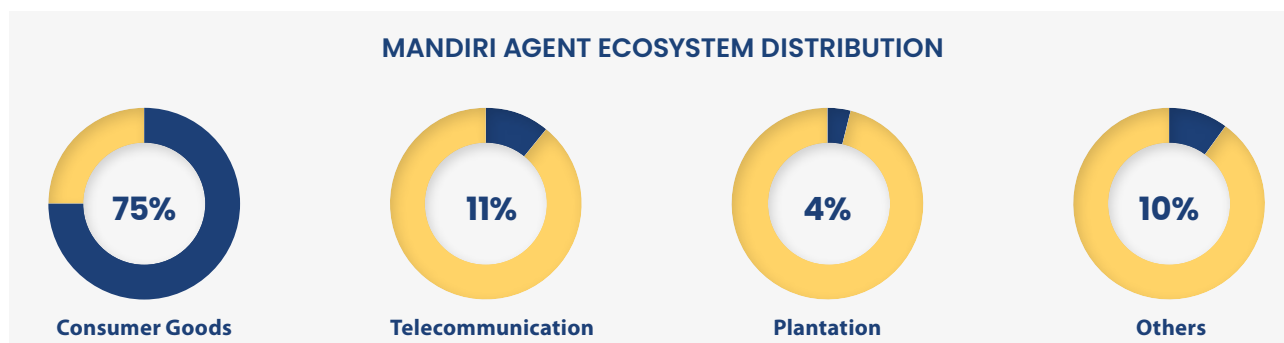
In 2023, Bank Mandiri established partnerships with 132,462 business players, mainly focusing on the value chain partners of its wholesale customers. Throughout 2023, Mandiri Agent has enabled the opening of accounts for 571,360 new customers and managed 2.8 million ecosystem agent customers and has

gathered public funds of Rp18 trillion. In addition, through service digitalized services utilizing the Mandiri agent application and EDC Mini ATM transaction facilities, Bank Mandiri has effectively boosted transaction frequency by 86.9 million transactions and increased the transaction volume of laku Pandai agents to Rp92.82 trillion in 2023.

Bank Mandiri recognizes the significance of promoting financial inclusion and literacy within the community. In line with this commitment, Mandiri Agent not only caters to banking needs but also provides education on financial and digital literacy to the public. Enhanced financial inclusion not only benefits the community but also fosters inclusive economic growth, particularly in reaching out to communities that have not been served by conventional financial systems.

Throughout 2023, Bank Mandiri has conducted 133 "UMKM Go Digital" education events for value chain retailer partners of wholesale Bank Mandiri customers, with a total of more than 4,300 participants, held in 21 Bank Mandiri Rumah BUMNs across Indonesia.

Bank Mandiri's commitment to achieving the government's target of reaching a 90% financial inclusion rate by 2024 is evidenced by the achievement of the Best Laku Pandai Agent with an Excellent rating in the 2023 Customer Service Quality Survey organized by SWA magazine.



MANDIRI AGENT PERFORMANCE

Description	Unit	2023	2022	2021
Individual Mandiri Agent	People	130,100	156,049	150,377
Savings Account via Mandiri Agent	Amount	2,870,000	2,287,036	1,808,173
Mandiri Agent Fund Volume	in Billion Rupiah	17,600	12,443	12,591
Transaction Volume	in Trillion Rupiah	92.82	88.65	86.80
Number of transactions	million transactions	86.83	69.27	72.59

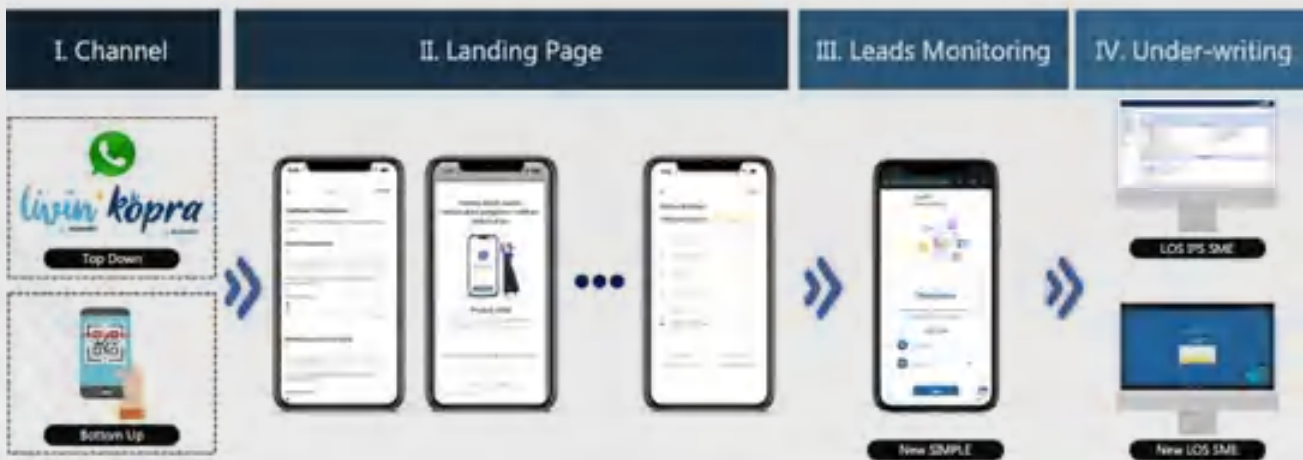
DIGITAL OFFERING



Bank Mandiri provides banking and financing access through digital offering with various backgrounds and considerations, such as expanding customer reach, introducing and familiarizing the public with digital offerings, minimizing operational costs and increasing time efficiency, increasing

customer contact rates, and marketing new products that prioritize increasing the number of customer transactions. Customers selected to receive digital offerings are those who meet certain criteria established by the Bank.

DIGITAL OFFERING IMPLEMENTATION FLOW



Bank Mandiri will send a digital offer containing a Landing Page link to selected MSME customers through digital channels such as WhatsApp Business, Livin', and Kopro. Interested customers can access the link to apply for financing, choose the desired product type, determine the facility limit, and tenure. Customers can then complete the required personal/company data as credit application requirements.

The applications from customers, along with the submitted data and documents, are automatically input into the Leads Monitoring system for further distribution to Relationship Managers (RMs). RMs must contact customers within three working days. Subsequently, RMs conduct credit analysis based on the results of customer visits and perform underwriting processes using LOS IPS or New LOS SME.

In 2023, Bank Mandiri provided financing of Rp465 billion to MSMEs through digital offering implementation.

NEW SIMPLE (PORTFOLIO MONITORING SYSTEM & LEAD ACTION)

Bank Mandiri has a new underwriting system to expedite the MSME credit process with the following features:

1. **Installment Monitoring:** monitoring the debtor's monthly obligations to the bank;
2. **Early Warning System:** providing information on debtors at risk of deteriorating quality, issuing alerts, and recommending action plans for these debtors;
3. **Obligo Monitoring KNK Contractor:** recording the use of credit facilities specifically for managed debtors with transactional credit facilities and monitoring the implementation of projects financed by Bank Mandiri;
4. **Pipeline Monitoring:** monitoring monthly credit application plans being processed by RMs;
5. **Digital Offering Monitoring:** monitoring credit applications by prospective debtors who register through digital credit offers;
6. **Special Rate Application Automation:** automated submission of special rate debtor applications through a system/paperless process.



Through PaDiUMKM, a platform for MSMEs to trade with state-owned enterprises, Bank Mandiri is available to support MSME vendors by offering invoice financing facilities. This service can be accessed directly by MSME vendors through the PaDiUMKM application or website, which has been integrated with Bank Mandiri's Landing Page. The financing facility provided is short-term, with a maximum duration of three months and a facility limit of up to Rp200 million. The total credit disbursement in PaDiUMKM was Rp1.7 billion, benefiting 47 debtors.



MANDIRI VALUE CHAIN

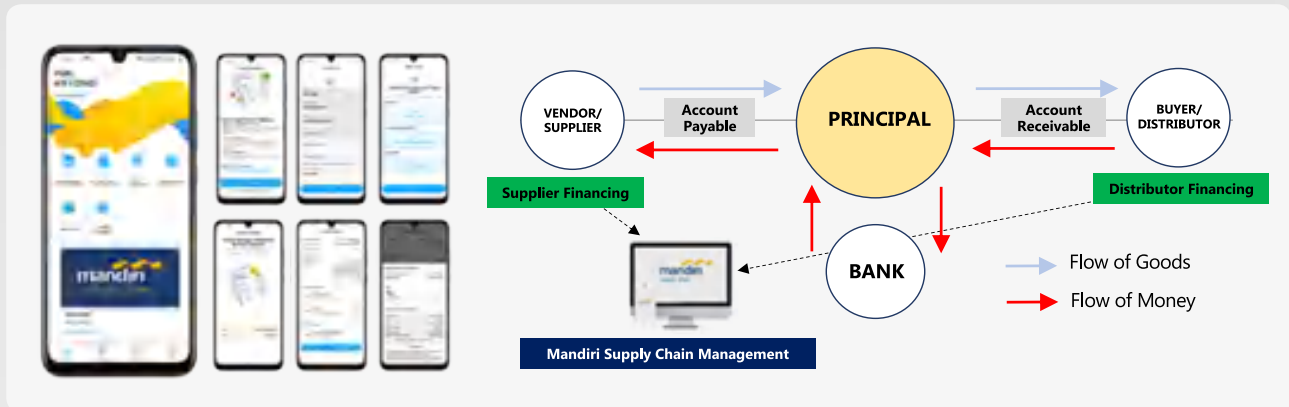
SME Segment

Financing for the value chain (suppliers and buyers) of Bank Mandiri's wholesale customers:

- Financing for the value chain (suppliers and buyers) of Bank Mandiri's wholesale customers aims to establish a derivative ecosystem (Value Chain) that encourages SMEs to explore new potential business opportunities.
- Financing through this Value Chain mechanism offers ease of application based on the Risk Acceptance Criteria (RAC), streamlining the process for SME players (suppliers

and distributors/buyers) affiliated with Bank Mandiri's SME segment to access credit financing.

- The Value Chain financing process for SME players is conducted digitally through the Mandiri Financial Supply Chain web-based system for value chain-based transactions (relationships encompassing Suppliers, Principals, and Distributors), providing financing solutions for both Accounts Payable and Accounts Receivable of customers.
- Throughout 2023, Account Receivable Financing amounting to Rp6.6 trillion and Distributor Financing totaling Rp11.6 trillion have been disbursed.



Micro Segment

Additionally, Bank Mandiri operates the Mandiri Value Chain ordering platform, which can be utilized by businesses operating gas stations to place orders for 3 kg LPG gas with LPG agents. The administration of subsidized gas orders can be efficiently managed, facilitating gas station operators to place orders anytime and anywhere with LPG agents.

In 2023, a total of 65,923 gas stations from 2,522 LPG agents have utilized the Mandiri Value Chain. The Mandiri Value Chain platform has also been facilitated with financing options for gas stations accessible through the KUM Talangan Pembelian menu.

Value chain services are currently implemented in the telecommunications and FMCG sectors, providing Micro Business Credit Guarantee (KUM Talangan) financing facilities. The onboarding process and disbursement of KUM Talangan credit can be conducted through the ordering platform owned by value chain partners.

KUM Talangan is a revolving credit facility in the form of a ceiling that can be utilized whenever needed to fulfill retailer stock requirements. The application process for KUM Talangan is easy and straightforward. Prospective borrowers can apply for financing without the need to visit a Bank branch office.

Furthermore, the payment terms provided are quite flexible on a daily basis, adaptable to the retailer's needs when using this facility as a source of payment when making purchases from Distributors. The benefit for Distributors with this facility is the certainty of payment from retailers and a reduction in cash handling risks. A total of 3,656 retailer applications have been submitted for KUM Talangan facilities since the beginning of the partnership, with credit disbursement totaling Rp120 billion.

MANDIRI SME CENTER

The Mandiri SME Center is designed to meet the needs of customers by providing four access solutions required by SME entrepreneurs. As of December 2023, there are 28 SME Centers located throughout Bank Mandiri's operational areas.

The Mandiri SME Center is a business model aimed at comprehensively developing the business potential of SME players

within a certain radius of the designated unit. The Center aims to provide a platform for SME players to obtain credit financing more quickly and easily, as well as to enhance their competencies through literacy support/training such as tax advisory, financial report education, and others.

PERFORMANCE OF SME CENTER

Description	Unit	Performance in 2023
Number of debtors	Amount	876
Credit limit	Rp Trillion	2.6
Ending BADE	Rp Trillion	1.9
Average BADE	Rp Trillion	1.7
Average CASA	Rp Billion	793
Credit quality		
• Category I	%	98.4
• DPK	%	0.9
• NPL	%	0.6

Mandiri SME Center Services

Banking and Capital Access

Easy, fast, and flexible financing processes for all SME players, including new SME players or New To Business, with offerings accessible through digital channels.

Access to Human Resource Capability Enhancement

- Enhancing RM's ability as a Financial Advisor for SME players: lending, funding, transactional, treasury, and others.
- Collaboration with related institutions for training in licensing, taxation, bookkeeping, and others.
- Providing SME Portal (funding, transactions, lending) catering all customer needs.

Network & Marketing Access

- Assisting SME players in branding their products through collaboration with branding consultancy activists.
- The SME Center acts as a mediator for the implementation of "Business Matchmaking", including:
 - Among SME players
 - SME players with Commercial or Corporate customers/debtors
 - SME players with the Ministry of Foreign Affairs to promote SME products abroad
 - Assisting SME players in online promotion and sales through collaboration with platforms, e-commerce, and social media.

Information Technology (Digital) Access

- Introducing and providing training for technology tools needed by SME players. Bank Mandiri collaborates with technology and digital startup companies.
- Holding events or expos to engage SME players with start-up companies offering technology-based digital products or services.

CREDIT DISTRIBUTION TO FARMERS THROUGH OIL PALM PLASMA COOPERATIVES

Bank Mandiri provides financing to farmers through Oil Palm Plasma Cooperatives with a single management cooperation agreement between the Cooperative and the Core Company for at least one planting cycle (approximately 25 years). The Single Management partnership pattern involves the Core Company handling the development and upkeep of the plasma garden, procuring the plasma garden's produce, and deducting the sales proceeds to fulfill the plasma farmers' obligations to the Bank.

The Core Company is a member of the Bank Mandiri debtor business group.

As of December 31, 2023, Bank Mandiri has channeled financing of Rp8.42 trillion (credit plafond of Rp11.79 trillion) with 0% NPL. Financing was channeled to 94 thousand farmers who are members of 231 Cooperatives, with funded land covering an area of 160 thousand hectares.

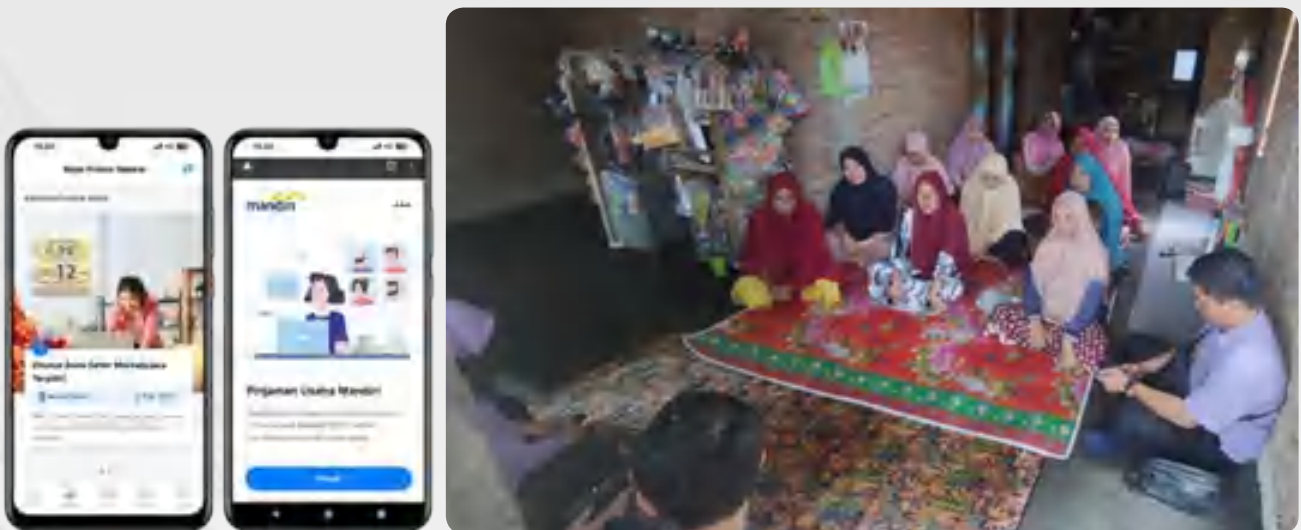
LOAN DISBURSEMENT THROUGH COLLABORATION WITH DIGITAL PLATFORMS/P2P LENDING

Bank Mandiri partners with P2P lending fintech and marketplaces to disburse credit to the public. Through this partnership, Bank Mandiri efficiently and extensively distributes credit to MSME players within the primary business ecosystem. The credit distribution mechanism encompasses both channeling/inorganic schemes.

Credit applications from the marketplace platform are sent to Bank Mandiri through H2H.

In addition, online sellers who are Bank Mandiri customers can easily access financing facilities through the Livin' application. To date, Bank Mandiri has distributed credit of Rp6.38 billion to 560 sellers through the marketplace platform.

Bank Mandiri has also collaborated with marketplaces to provide credit facilities to online sellers accessible through the sales menu.



FINANCIAL LITERACY

Financial literacy initiatives for the public can play a crucial role in enhancing individuals' understanding and proficiency in utilizing financial services and making sound, responsible financial choices. Bank Mandiri is proactively engaged in organizing financial literacy programs for the wider community and students from diverse universities. One such initiative is

the Mandiri Education seminar 'Livin' Up Your Financial', which features knowledgeable speakers addressing pertinent topics such as smart investing in the digital era, financial planning, and entrepreneurship.

Furthermore, other financial literacy activities carried out by Bank Mandiri for the public include:

FINANCIAL LITERACY ACTIVITIES IN 2023

NAME OF ACTIVITY	DATE OF IMPLEMENTATION	NUMBER OF PARTICIPANTS	PARTICIPANTS
Ngaso Webinar	June 2023	59	Grocery Store MSME
	July 2023	163	
	October 2023	223	
Padi UMKM Webinar	December 2023	94	Padi app user MSME vendors
Productive Business Capital Socialization at Red and White MSME Event	November 2023	100	Invited MSMEs
Livin' Up Your Financial	2023	1,643	General public & academic community of Padjadjaran University and University of North Sumatra
Mandiri Talks	9 August 2023	10,850	Students and academic community of University of Indonesia

Partnership with educational organizations related to financial literacy

Education is the key to unlocking the potential of the nation's intelligent next generation, and Bank Mandiri recognizes its pivotal role to support education and the development of the nation's next generation potential for the advancement of Indonesia through the improvement of students' financial management skills. In a major step towards creating that bright future, Bank Mandiri is committed to becoming the University's Knowledge Partner for Our Nation's Better Future through collaboration with universities. To realize this commitment, Bank Mandiri, through the University Partnership program, has taken several initiatives including sharing and educating on finance, organizing business case competitions, offering scholarships, providing career mentoring and internships, collaborating in research and innovation, as well as delivering financial solutions to both national and private universities.

Regarding this issue, Bank Mandiri consistently conducted financial education sessions for students at several universities in Indonesia, including Andalas University, University of Sumatera Utara, and Padjadjaran University. The financial





education program, themed "Livin' Up Your Financial," aimed to enhance students' awareness of investment and finance. On October 27, 2022, Bank Mandiri, in collaboration with Andalas University, held a financial education event at the Convention Hall of Andalas University, attended by 514 students. Furthermore, on June 27, 2023, 463 students participated in the financial education program held by Bank Mandiri at Bale Sawala Auditorium, Padjadjaran University. Subsequently, on October 29, 2023, Bank Mandiri held a financial education event at the Auditorium of University of Sumatera Utara, drawing an enthusiastic response from students, with 1,180 participants. Through the program and collaboration with universities, Bank Mandiri actively contributed to the advancement of Indonesia.

In addition to conducting Financial Education Initiatives, Bank Mandiri actively offered loan products, savings, investments, and other financial services tailored to various target markets. For universities and students, customized Bundling products are



offered based on the unique profiles, goals, and daily needs of each university segment market. This comprehensive approach is essential to effectively reach all segments and fulfill their specific needs.

TARGET SEGMENT UNIVERSITIES	Student	Emerging Wealth	Key Stakeholder
Profile	<p>Age: 19-30</p> <p>Monthly income: Rp4 - 8.5 million</p> <p>Status: Undergraduate (S1), Postgraduate (S2)</p>	<p>Age: 35-45</p> <p>Monthly income: Rp8.5 - 34 million</p> <p>Status: Doctoral degree students, parents, university staff</p>	<p>Age: 40-60</p> <p>Monthly income: Rp34 - 68 million</p> <p>Status: Rector, Deans, and Vice Deans</p>
Life Goals	<ul style="list-style-type: none"> Financial security & social status enhancement Starting small businesses 	<ul style="list-style-type: none"> Family planning Vehicle purchases Long-term savings Domestic traveling 	<ul style="list-style-type: none"> Education for children in international/foreign schools Developing wealth and business scale Improving living standards High-end travel offers
Daily Needs	<ul style="list-style-type: none"> Food purchases & daily shopping Online shopping 	<ul style="list-style-type: none"> Online shopping Hanging out with friends Internet 	<ul style="list-style-type: none"> Shopping Managing family and staff finances Maintaining health
Product	<ul style="list-style-type: none"> Student loan programs Education on safe investment instruments for students, introducing Mandiri Group products 	<ul style="list-style-type: none"> Pre-approved programs for Home Loans (KPR), Vehicle Loans (KKB), and SME Loans (KSM) with specific limits. Offering short and long-term investment instruments, such as for domestic travel, child education needs, etc. Offering research bridging funds 	<ul style="list-style-type: none"> Pre-approved programs for Home Loans (KPR), Vehicle Loans (KKB), and SME Loans (KSM) with specific limits. Offering Corporate Cards with attractive features and customization tailored to needs, such as for travel and leisure. Product bundling including shares, mutual fund, and insurance





SAVINGS

Bank Mandiri offers a diverse range of savings products designed to meet the unique profiles and requirements of its customers. These products provide flexibility in terms of account opening, allowing customers to open accounts at Bank Mandiri branches, non-branches such as Mandiri Agents, or online through Livin' or join.bankmandiri.co.id.

Mandiri Agent, as a channel for opening accounts, has facilitated the opening of 2.8 million accounts by the end of 2023. This demonstrates the significant contribution of Mandiri Agents in extending banking services to customers who were previously underserved in the financial sector.

Business Partner Savings (TabunganMU)

TabunganMU is a rupiah-denominated savings account, designed for individuals to meet their banking transaction needs at a reasonable cost.

Migrant Worker Savings (Tabungan TKI)

A rupiah-denominated savings account for Indonesian Workers or Prospective Indonesian Workers/Migrant Workers and their families, subject to the terms and conditions set by the Bank.

Tabungan NOW

Tabungan NOW is a rupiah-denominated savings product, designed for individuals seeking convenience and flexibility. It allows for account opening anywhere and anytime through the Livin' by Mandiri app or via join.bankmandiri.co.id, and enables online and offline transactions using a variety of features and channels provided by Bank Mandiri.

Branchless Banking Savings (Tabungan Branchless Banking)

Tabungan Branchless Banking is an individual rupiah-denominated savings account that utilizes technology and information from branchless banking agents (Mandiri Agents) in collaboration with Bank Mandiri, enabling the entire population to easily access banking services (financial inclusion).

Tabunganku

Savings accounts with simple and minimal requirements, jointly offered by banks in Indonesia to foster a culture of saving and enhance the well-being of the people.

Tabungan Simpanan Pelajar (SimPel)

Tabungan Simpanan Pelajar (SimPel) is a type of Mandiri Savings product specifically designed for students in early childhood education, primary, secondary, and high school levels, aiming to educate Indonesian children about the importance of saving from a young age.

Simpanan Mandiri Makmur (SiMakmur)

The SiMakmur service is an individual rupiah-denominated savings account that leverages technology and information from Mandiri Agents, providing easy access to banking services for the entire population. SiMakmur offers the advantage of no minimum account balance and no monthly administrative fees. Customers with SiMakmur accounts can conduct transactions without visiting a bank branch, only needing to visit the nearest Mandiri Agent. The SiMakmur service is guaranteed by the Deposit Insurance Corporation (LPS).

Supporting Financial Inclusion, Bank Mandiri Opens 10,000 Savings Accounts for People with Disabilities



Bank Mandiri continues to promote inclusivity for people with disabilities through the Inclusive Economic Acceleration Movement by opening 10,000 new savings accounts for people with disabilities in West Java, Central Java, and Yogyakarta. Bank Mandiri provides various types of savings products tailored to the needs of prospective customers, ranging from Tabungan Now, TabunganMU, and SimPel for people with disabilities who do not possess a National Identity Number (NIK).

This program also offers fundamental financial literacy training to individuals with disabilities, covering topics such as an introduction to banking products, financial management, investment comprehension, financial transactions, and guidance on becoming a young entrepreneur for people with disabilities. New customers from the disability community can promptly utilize ATM cards and the Livin' application to access services and carry out financial transactions.



Sustainability Research & Policy Advocacy

Sustainability Research is a key initiative within Bank Mandiri's Sustainability Beyond Banking pillar. Through this initiative, Bank Mandiri undertakes studies focused on sustainability to drive the low-carbon economy in Indonesia. The research is conducted via the Mandiri Institute, a research center established by Bank Mandiri in 2014. The primary goal of the Mandiri Institute is to conduct research in the fields of economics and finance, providing valuable insights to the government and other stakeholders.

To promote the implementation of sustainability values, the Mandiri Institute conducts policy advocacy and policy research related to the financial sector, sectoral trends, and regional and global standards. Furthermore, the Mandiri Institute conducts studies related to the green economy and sustainability to map the challenges and opportunities that can be further explored regarding the implementation of sustainability in the future. In this regard, the Mandiri Institute observes several stakeholders in the financial sector as the focus of sustainability studies.

In regard to the funding supply, the Mandiri Institute delves deeper into the adoption and implementation of sustainability by financial institutions, such as banks and asset managers. Meanwhile, in regard to funding demand, the emphasis of sustainability research is on examining how companies

implement sustainability and incorporate sustainability criteria into their business strategies.

The outputs and activities conducted from 2022 to 2023 include:

1. ESG Investing: A Survey from 18 Indonesia Fund Managers;
2. ESG Investing: A Survey from Retail Investors;
3. ESG Business Survey: Listed Companies;
4. ESG Business Survey: Non-Listed Companies;
5. ESG Implementation Survey: Listed Companies;
6. ESG Implementation Survey: Big Corporation.

The Mandiri Institute has conducted several focused group discussions and provided input on sustainability policies issued by the government by inviting regulators and related financial institutions, contributing to providing input on the preparation of Sustainable Investment Guidelines, and contributing to providing input on the preparation of Indonesian Sustainable Taxonomy.

The Mandiri Institute has been publishing annual reports periodically since 2022, which provide an overview of the implementation of sustainability by the private sector in Indonesia as well as regional and global trends in the financial sector. The ESG implementation report also aims to provide input related to sustainable financial policies in Indonesia.



Esg Report 2022 – Industry For Tomorrow: Towards Esg Implementation In Indonesia



The 2022 annual report from the Mandiri Institute represents the inaugural sustainability study report aimed at informing Bank Mandiri’s ESG-related policy formulation. Drawing on data gathered from the financial sector and corporations, the report seeks to assess the integration of ESG principles by asset managers and retail investors in Indonesia.

The research findings uncovered a phenomenon in which asset managers, in their efforts to attract more clients, introduce ESG-related financial products, only to encounter limited demand for these offerings. This can be attributed to customers’ inadequate understanding and perception of ESG, as well as the fact that the ESG-based financial products available are primarily focused on issuers with substantial capitalization and low volatility.

On the other hand, concerning retail investors, it can be inferred that a strong awareness of ESG principles serves as the primary motivator for investing in ESG-based financial products. The lack of comprehension regarding ESG is the predominant reason why most retail investors do not possess a defined investment strategy for purchasing ESG-based financial products.

In the corporate context, the Mandiri Institute’s 2022 annual report concluded that ESG values have been widely adopted by corporations in Indonesia. However, numerous corporations in Indonesia struggle to establish criteria and key performance indicators (KPIs) that effectively measure the implementation of ESG principles in their business strategies. Additionally, the measurement of carbon emissions resulting from corporate activities in Indonesia is not yet widely practiced.

Esg Report 2023 – Sustainability Act: Why Now, What’s Next?



In the 2023 Sustainability Research report, the Mandiri Institute observed the development and response of the financial sector and corporations to the increasingly widespread implementation of ESG. Continuing from the 2022 report, the Mandiri Institute also measured the business world’s perception of the urgency of climate change and global warming.

The Mandiri Institute conducted a survey of 162 listed companies on the Indonesia Stock Exchange and 251 large non-listed companies to assess the challenges of ESG implementation. The survey revealed positive developments in various aspects of ESG, including increased ESG scores and awareness, as outlined in the report.

Listed companies prioritize environmental aspects over other aspects in ESG in 2023. This is in line with the high awareness of companies regarding climate change. These trends are further evidenced by the rise in the number of listed companies measuring carbon emissions, which reached 63% of respondents in 2023. Additionally, 72% of listed companies have already implemented a sustainability framework, indicating a strong awareness and commitment to environmental responsibility.

However, contrasting results were observed for large non-listed companies. In various measured parameters, the adoption and awareness of ESG principles are not as robust as those of listed companies. For instance, the measurement of carbon emissions and the level of commitment to achieve net zero emissions are lower compared to listed companies.

DISSEMINATION OF SUSTAINABILITY RESEARCH FINDINGS AND POLICY ADVOCACY

The Mandiri Institute’s sustainability research findings are shared at the Mandiri Sustainability Forum (MSF), the first ESG forum organized by a bank in Indonesia. Through MSF, Bank Mandiri contributes to fostering an understanding of ESG adoption in the financial and private sectors by inviting regional and global ESG practitioners and experts.

Findings from Sustainability Research that provide input for the formulation of ESG policies in Indonesia include:

1. The need to increase awareness and understanding of ESG for the financial and private sectors;
2. The formulation of sustainability policies commencing from clear sectoral standards and criteria in government regulations;
3. The implementation of ESG incentives for the financial and private sectors should be contingent upon the establishment of sustainability taxonomy or green taxonomy prepared by the government and the Financial Services Authority;
4. The sustainability/green taxonomy and ESG incentive schemes are anticipated to be key factors in the event that the government and regulators transition from a voluntary to a mandatory sustainability policy paradigm in the future.

Developing Prosperous Communities

[OJK F.25], [GRI 3-3], [GRI 412-1]

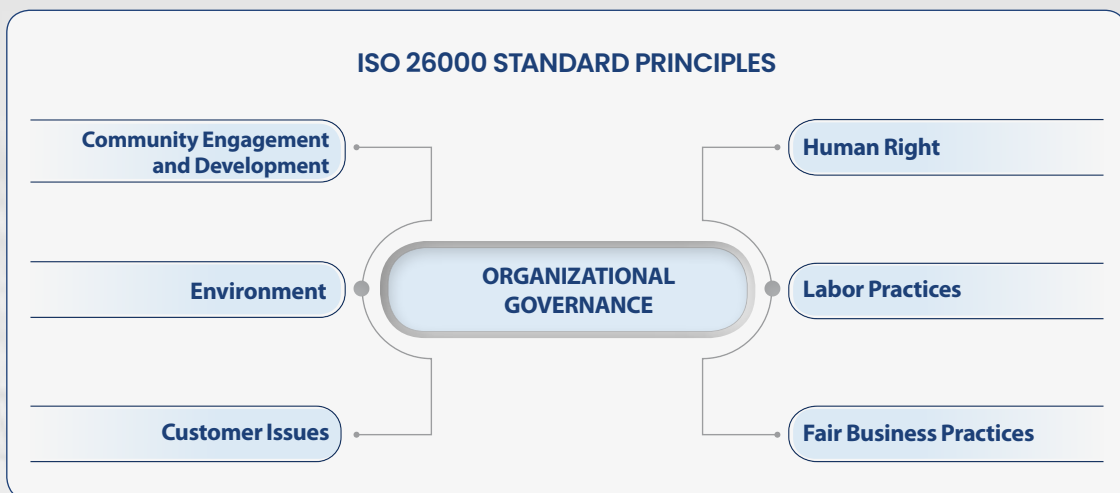
Bank Mandiri demonstrates a strong commitment to sustainably conducting business processes by consistently considering the balance of performance across economic, social, and environmental aspects by implementing various CSR programs supported by adequate budget allocations.

Bank Mandiri implements Corporate Social Responsibility and Environmental (CSR) programs as a form of support for achieving various Sustainable Development Goals. The implementation of these CSRE programs is a tangible manifestation of Bank Mandiri's accountability to all stakeholders. Through various development activities in the CSR program, Bank Mandiri demonstrates its commitment to meeting current needs without compromising, sacrificing, or destroying the fulfillment of future needs. By implementing these CSR programs, Bank Mandiri demonstrates that its current business development is focused on aligning performance across economic, social, and environmental aspects.

Bank Mandiri believes that by developing and reinforcing long-term values, it can establish a solid foundation for sustainability,

leading to the realization of sustainable competitive advantage and the strengthening of broader resilience to society and the environment.

Bank Mandiri implemented CSR programs in accordance with ISO 26000 through the concept of Creating Shared Value (CSV) with the characteristics of sharing benefits and value. This is in line with the Minister of State-Owned Enterprises Regulation No. PER-1/MBU/03/2023. Therefore, the implementation of CSR programs by Bank Mandiri is expected to provide optimal benefits for social and environmental development, contribute to creating added value for the company, and encourage the development of micro and small businesses to become more resilient and independent.



BASIS OF CSR IMPLEMENTATION

The CSR programs and activities are consistently conducted in accordance with the Bank's mission and aligned with Environmental, Social, and Governance (ESG) aspects. The CSR program is also under the guidance of various regulations, including:

1. Law No. 7 of 1992 on Banking as amended by Law No. 6 of 2023 on Enactment of Government Regulation in Lieu of Law No. 2 of 2022 on Job Creation.
2. Law No. 19 of 2003 on State-Owned Enterprises as lastly amended by Law No. 6 of 2023 on Enactment of Government Regulation in Lieu of Law No. 2 of 2022 on Job Creation.
3. Law No. 40 of 2007 on Limited Liability Companies as lastly amended by Law No. 6 of 2023 on Enactment of Government Regulation in Lieu of Law No. 2 of 2022 on Job Creation.
4. Government Regulation No. 47 of 2012 on the Social and Environmental Responsibility of Limited Liability Companies.
5. Ministerial Regulation of State-Owned Enterprises of the Republic of Indonesia Number PER-1/MBU/03/2023 dated March 3, 2023, on Special Assignments and Social and Environmental Responsibility Programs of State-Owned Enterprises.

CSR PRINCIPLES

Referring to PER-1/MBU/03/2023 on Special Assignments and Social and Environmental Responsibility Programs for State-Owned Enterprises, there are four principles for the systematic and integrated implementation of the CSR program to ensure that the implementation of the CSR program achieves performance targets in line with priorities and work plans. These four principles are:

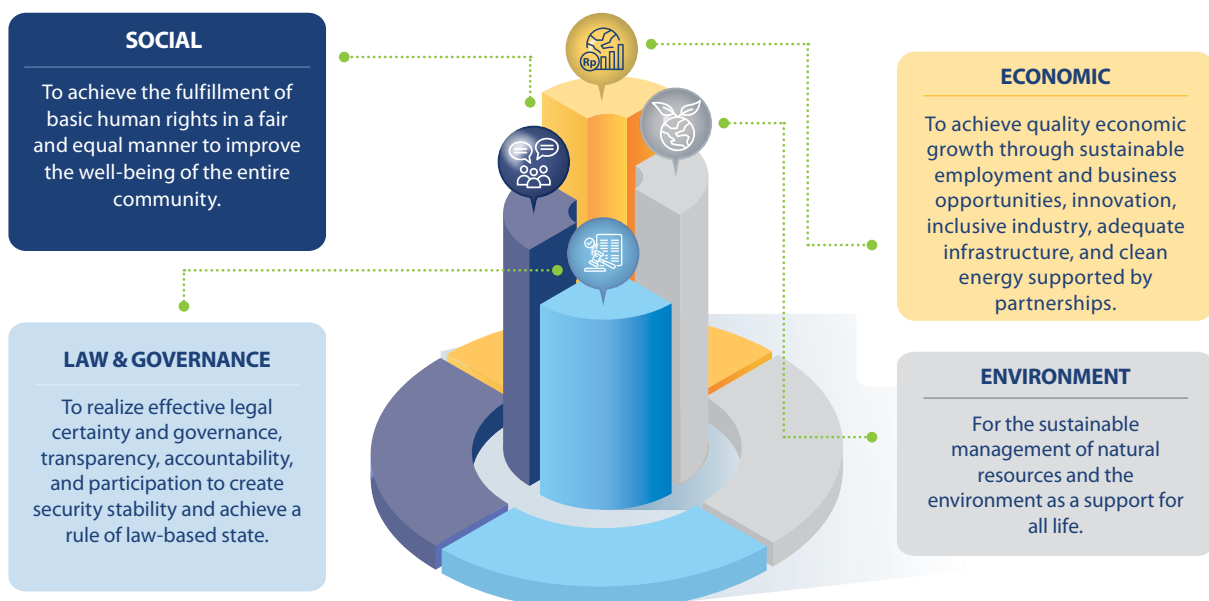
- a. Integrated, based on risk analysis and business processes related to stakeholder engagement;
- b. Directed, having a clear direction to achieve the Bank's goals;
- c. Measurable impact, contributing and providing benefits that result in changes or added value for stakeholders and the Bank.
- d. Emphasizing accountability, and being answerable, thus avoiding potential misuse and deviations.

CSR PILLARS

Strategic initiatives of Bank Mandiri's CSR are based on 4 (four) main pillars, namely social, environmental, economic, and legal and governance, in accordance with the Ministerial Regulation

of State-Owned Enterprises Number PER-05/MBU/04/2021 on the Social and Environmental Responsibility Program of State-Owned Enterprises.

BANK MANDIRI'S CSR PILLARS



CSR PROGRAM STRATEGY [F.23]

The CSR program of Bank Mandiri is expected to enhance the community's well-being by creating opportunities for economic activities. Another expected impact is that the community, as fund owners and users, can engage in transactions, thereby contributing to the growth of the national economy. Therefore,

to maximize the benefits, Bank Mandiri conducts an assessment to comprehend the potential and needs of the local community. The target for Bank Mandiri's CSR program for the 2023 reporting year according to the CSR Pillars is as follows:

TARGET FOR BANK MANDIRI'S CSR PROGRAM ACCORDING TO CSR PILLARS – 2023

PILLAR		Target (Rp)
1	Social	47,500,000,000
2	Economic	68,800,000,000
3	Environment	22,500,000,000
4	Law & Governance	11,200,000,000
5	Total	150,000,000,000

PURPOSE OF CSR

The purposes of Bank Mandiri's implementation of the CSR program are:

1. To realize a harmonious relationship between the bank and the community.
2. To help the independent, resilient, and competitive growth and development of micro, small, and medium enterprises with professional management.
3. To develop a pattern of fostering micro, small, and medium enterprises, emphasizing aspects of equality, independence, professionalism, and ethics.
4. To preserve environmental sustainability and help improve the quality of life of the community, covering areas such as education, health, and well-being.

SCOPE OF CSR

Bank Mandiri's CSR program is implemented to benefit the local community surrounding the bank's operational activities, as well as the broader community in a targeted manner. Throughout 2023, Bank Mandiri's CSR program concentrated on three primary areas: Education, Environment, and SME Development.

CSR MANAGEMENT STRUCTURE

Bank Mandiri's CSR program is overseen by the Corporate Social Responsibility Department under the Corporate Secretary Group. The person in charge of the CSR program is the Director of Institutional Relations.

CSR 2023 ACHIEVEMENTS

As evidence of Bank Mandiri's commitment to implementing CSR and achieving Sustainable Development Goals, in 2023, Bank Mandiri received various awards from third parties, including:

AWARD FOR THE CSR PROGRAM BANK MANDIRI IN 2023.

No.	Date	Award		Awarding Entity
		Award Name	Category	
1.	March 2023	Bronze Winner PR Indonesia Award 2023	CSR Program, Community-Based Development Sub Category	PR Indonesia
2.	March 2023	Best CSR in MSME (UKM) Program In Education Or Scholarship Category, Best CSR Global Program, The Best CSR Commitment	Indonesia CSR Excellence Award 2023	First Indonesia Magazine
3	March 2023	BCOMSS 2023	CSR Best Millenial and Community Involvement Category	BCOMSS

No.	Date	Award		Awarding Entity
		Award Name	Category	
4	May 2023	The Economics Indonesia Best CSR Award 2023 (Indonesia CSR Brand Equity Award 2023)	Indonesia Best CSR Award	The Economics
5	June 2023	TOP AWARD CSR 2023 CSR Innovation Programs For Sustainable Business Growth & TOP CSR AWARDS 2023 #GOLDEN TROPHY TOP ACHIEVEMENT	CSR Innovation Programs For Sustainable Business Growth	Top Business - Top CSR Award 2023
6	May 2023	TSLP Award 2023	Economic Recovery & Health in Yogyakarta	Secretariat of the Corporate Social and Environmental Responsibility Forum (TSLP)
7	August 2023	Merdeka Award Appreciation 2023	Innovative Program for Economic Independence	Merdeka Awards
8	August 2023	Indonesia CSR Awards 2023 (WARTA EKONOMI.CO.ID)	Category "BEST CSR 2023 PROGRAM IN DEVELOPING THE ECONOMIC POTENTIAL OF THE COMMUNITY BY FOSTERING MSMEs"	Warta Ekonomi.co.id
9	October 2023	Republika CSR Awards 2023	CSR in the MSME Sector	Republika
10	December 2023	IDX Channel CSR Awards 2023	Economic Development Initiatives (Urban Festival) Category	IDX Channel CSR Awards 2023

BANK MANDIRI CSR PROGRAM

SOCIAL PILLAR

Contribution to the Sustainable Development Goals (SDGs):



Routine Programs:

- Agricultural Equipment Facilities and Infrastructure
- Grocery Packages
- Meat Packages
- Disaster Response
- Ambulance Units
- Facilities and Infrastructure for Integrated Health Posts/Health
- Construction and Renovation of Facilities & Infrastructure for Educational Buildings
- Educational Facilities and Infrastructure
- Educational Scholarships

Initiative/Flagship Programs:

- Farmer Entrepreneurship Program
- Safari Ramadhan
- Mandiri Sehati Program
- State-Owned Enterprises (BUMN) Volunteer Service BUMN Scholarships
- Mandiri Scholarships

Achievements:

- Assistance with agricultural equipment at 18 locations
- Assistance with 42 ambulance units
- 860 Nutrition Packages
- Mass circumcision assistance to 1,490 people
- Renovation of school facilities and boarding schools at 113 locations
- Disaster response program at 17 locations
- 339,644 food packages for community social programs
- 302 beneficiaries of scholarship programs

ECONOMIC PILLAR

Contribution to SDGs:



Routine Programs:

- Agricultural and MSME facilities and infrastructure
- Public Street Lighting/Construction
- development and renovation of roads
- Development of village facilities and infrastructure

Initiative/Flagship Programs:

- WMM Program
- Mandiri Sahabat Difabel
- WMM Alumni Development
- Rumah BUMN
- Mandiri Urban Festival
- Mandiri Sahabatku

Achievements:

- MSME training for 9,702 people at 206 locations
- Rural road repairs at 37 locations
- Assistance for MSME equipment at 25 locations

ENVIRONMENTAL PILLAR

Contribution to SDGs:



Routine Programs:

- Infrastructure for Clean Water
- Construction and Renovation of Places of Worship
- Construction of clean water facilities and infrastructure
- Development of public facilities and infrastructure
- Construction of sanitation channels
- sports facilities and infrastructure

Initiative/Flagship Program:

- Mandiri Clean Water
- Environmental Ecosystem Initiatives
- Tree Planting Program
- Development Area

Achievements:

- Assistance in clean water facilities and infrastructure at 18 locations
- Construction/illumination of public roads at 37 locations
- Tree planting at 4 points with 350 tree seedlings
- Development of village facilities and infrastructure at 26 locations
- Renovation of places of worship in 73 mosques, 20 churches, and 23 temples

LAW AND GOVERNANCE PILLAR

Contribution to SDGs:

SDG 16: Peace, Justice, and Strong Institutions



Routine Program:

- Homecoming Together with SOEs

Achievements:

- 7,000 people participated in Homecoming Together with SOEs

CSR TARGET

Bank Mandiri set a target of Rp150 billion to support the implementation of CSR programs in 2023, focusing on social, economic, environmental, legal, and governance pillars. The funds disbursed for CSR programs by the end of 2023 amounted to Rp174.6 billion, an increase of 16.4% from the target allocation of Rp150 billion. This distribution comprised

Rp74.0 billion, or 42.4% of the realization, allocated to the social pillar, Rp70.4 billion, or 40.3% allocated to the economic pillar, Rp23.3 billion, or 13.3% allocated to the environmental pillar, and Rp6.9 billion, or 4% allocated to the legal and governance pillar. Below is a table detailing the realization of CSR programs by pillar for Bank Mandiri in 2023:

REALIZATION OF BANK MANDIRI'S CSR TARGETS IN 2023

No.	Pillars	Achievements (Number of Programs)	2023	
			Realization	Target
1	Social	426	Rp74.0 billion	Rp47.5 billion
2	Economic	280	Rp70.4 billion	Rp 68.8 billion
3	Environmental	232	Rp23.3 billion	Rp22.5 billion
4	Law and Governance	23	Rp6.9 billion	Rp11.2 billion
Total		961	Rp174.6 billion	Rp150 billion

CSR PERFORMANCE PROGRAM [GRI 203-2] [OJK F.25]

MANDIRI YOUNG ENTREPRENEUR (WMM)

Mandiri Young Entrepreneur (WMM) is Bank Mandiri's main CSR program that has been implemented since 2007 and aims to assist the government in fostering entrepreneurship in Indonesia, particularly among the younger generation. Entrepreneurship is an important element of a country's economy and one of the indicators of a country's economic progress.

The primary target is to form a community of young entrepreneurs to synergize within Bank Mandiri's and the government's programs, successfully becoming role models for those venturing into the entrepreneurial world.

With the tagline "Dare to Be Independent," the WMM Program is expected to continuously innovating to enhance program quality. The program serves as a direct bridge connecting tangible creative ideas utilized by the community and the environment. In 2023, the WMM Program saw a significant increase in registrants, reaching approximately 8,291 participants, including both Business Plan and Business Existing participants. Alongside the WMM 2023 awarding event, an expo showcased outstanding products from WMM alumni



across various cities in Indonesia. Beyond being a competition, WMM 2023 participants gained valuable knowledge and enhanced their capacity and resilience as entrepreneurs. This includes improving branding, communication skills, and other marketing strategies, as well as accessing the WMM Alumni Platform.



Rumah BUMN

Rumah BUMN (RB) is a program to increase the capacity and capability of MSMEs, fostering the development of high-quality Indonesian MSMEs.

The target is to enhance MSMEs to level up their standards and create exceptional and quality products and packaging designs, enabling them to compete at both the national and international levels. Rumah BUMN serves multiple functions, such as MSME Development, Provincial Disaster Task Force, Co-Working Space, Millennial Basecamp, and KUR/KUM Provision.

Bank Mandiri was mandated by the Ministry of SOEs to establish Rumah BUMN since 2017. In 2023, Bank Mandiri has established 23 Rumah BUMN with a total of 9,702 MSMEs at several locations such as Kampar Regency (Riau Province) to Bintuni (West Papua Province) as well as other major cities

such as Jakarta, Bogor, Medan, Semarang and Surabaya. Rumah BUMN's activities include BUMN Entrepreneur Week, acceleration programs for development of MSMEs and Rumah BUMN facilitators in the form of coaching and incubation certification training for MSMEs (Urban Festival).

During the Urban Festival, 15 MSME finalists, under the guidance of the Rumah BUMN, were selected following a curation process. At the event, 3 winners competed for prizes in the form of production equipment assistance to bolster their businesses. In 2023, an impact assessment was conducted at the Rumah BUMN in Cilegon, evaluating the benefits experienced by direct beneficiaries and other relevant stakeholders using the SROI method. The Social Return on Investment (SROI) value for the Rumah BUMN Program in Cilegon was determined to be 2.4.

>> Developing Prosperous Communities

Mandiri Sahabatku

It is a series of entrepreneurship training activities for the Indonesian Migrant Workers (PMI) which has been implemented since 2011.

The intended target is PMI and it is expected as they return to their homeland, they already have entrepreneurial skills and thus can become an independent entrepreneur. The entrepreneurship training is not only for PMI but also for their family members.

Training for PMI is carried out offline and online by gathering PMI from several countries such as: Hong Kong, Singapore, Malaysia and UAE. Apart from offline training and online, the Foster Father Program was also held in synergy with the Mandiri



Young Entrepreneur (WMM) and Rumah BUMN alumni to provide continuous mentoring and training to selected PMI and PMI families.



Mandiri Edukasi

Mandiri Edukasi is a program aimed to enhance teaching skills for teachers in schools and to prepare elementary school students for Mandiri Edukasi 101.

The target of Mandiri Edukasi 101 is the development of Character Education Pilot Schools in 32 Public Elementary Schools (SDN) in Indonesia.

Mandiri Edukasi has successfully organized training and mentoring sessions in Character Education to enhance the skills of educational personnel and engage parents in promoting character education with a focus on health awareness in 32 public elementary schools (SDN) across Indonesia, accumulating a total of 260 locations and involving a total of 60,000 students.

HEALTHY HOMECOMING WITH SOE

As a demonstration of social responsibility, Bank Mandiri organized communal homecoming activities for the public and its employees within the company's vicinity. This free homecoming initiative served as a mandatory social activity for Bank Mandiri prior to Eid al-Fitr and was open for direct utilization by the general public.

The objectives of the activity encompass providing assistance to individuals, particularly those associated with Bank Mandiri, including customers and internal employees, who wish to return to their hometowns using public transportation. Additionally, the initiative aims to showcase Bank Mandiri's concern for the surrounding community and environment.

In facilitating the healthy homecoming journey with SOE on April 16-19, 2023, Bank Mandiri effectively assisted 7,000 travelers at the PBNU Office, TNI Headquarters Cilangkap, and Gelora



Bung Karno, in collaboration with the Ministry of State-Owned Enterprises and the Ministry of Religious Affairs Office.



Mandiri Entrepreneur Expo

The Mandiri Entrepreneur Expo is a joint event for entrepreneurs, featuring participants such as the Urban Festival finalists, which includes small and medium enterprises fostered by state-owned enterprises, and the Young Independent Entrepreneurs (WMM) Junior. The latter involves elementary school students in three categories: urban, rural, and 3T (remote, underdeveloped, and disadvantaged) area students, as well as students from Islamic elementary schools.

The objective of the Mandiri Entrepreneur Expo is to cultivate an entrepreneurial mindset from a young age and to potentially nurture exceptional and high-quality entrepreneurs. Throughout the event, participants were expected to develop outstanding and high-quality products. The top 3 winners of the Urban Festival competed for prizes in the form of production equipment assistance to bolster their businesses, namely: 1st place Dyah Puspita (Healthy Cempaka Noodles), 2nd place Nastarofika (Ulur Wiji), 3rd place Sabrina Naula (Recycling Village). Additionally, the top 3 winners of WMM Junior were: 1st place SDN 2 Citatah, West Bandung Regency, 2nd place SDN Sukaesmi, Cianjur Regency, 3rd place SDN Koda Permai, Sumbawa Regency.

Waste to Energy

The Waste to Energy program is a waste management initiative aimed at increasing the value of organic waste by converting it into energy or Waste to Energy (WTE) through the development of the Waste Management Center (SEKOLA) as a hub for waste management development and training in Pancer, Sumberagung Village, Pesanggaran, Banyuwangi - East Java.

The program's target is to promote the implementation of waste management, particularly in Pancer, Banyuwangi, Indonesia, to increase the utilization of organic waste into energy or Waste to Energy (WTE), as well as to develop community development programs and partnerships with various stakeholders in sustainable domestic waste management in Sumberagung Village.

From March 2022 to March 2023, the achievements of the WTE Program are as follows:

1. Installation of 1 BSF unit capable of managing more than 15,700 kg of organic waste.
2. Installation of 10 biogas units capable of managing more than 11,400 kg of organic waste.
3. Management of over 250,000 kg of various types of waste, including organic, residual, and inorganic waste.
4. More than 235,000 metric kg of CO₂e.

In 2023, we measured the impact or benefits perceived by direct beneficiaries and other related stakeholders using the Social Return on Investment (SROI) method. The SROI measurement was conducted for the MandiriPilahSampah program, resulting in an SROI value of 3.2.



Improving MSME Infrastructure [GRI 203-1]



The program aims to expand MSME market access by building promotional spaces for MSMEs in public areas such as sports arenas, cultural heritage sites, or strategic public locations.

The target of this program is local SMEs with excellent products that are in high demand among the public, as well

as those that have an economic impact, such as SMEs with a solid workforce base.

Several achievements have been accomplished across various locations. These include the establishment of the SME Center in the East

Parking Area of Gelora Bung Karno, benefiting 24 SMEs, the construction of the SME Center in the Menara Siger Bakauheni Cultural Heritage Area in Lampung, benefiting 33 SMEs, and the development of the SME Center in the Religious Tourism Area of Purwakarta. Additionally, a Creative Corner has been established in Omah Kurasi, Surabaya.

Entrepreneurship for Farmers



Farmer Entrepreneurship is a tangible manifestation of Bank Mandiri's commitment to enhancing inclusivity and the welfare of local farmers. This involves the development of physical infrastructure such as buildings, provision of equipment and rice processing complements, and the provision of institutional innovations for farmers, as well as development for farmers. The areas covered include the Integrated Rice Processing Center (SPBT) in Pamarican, Kebumen, and Jembrana.

This SPBT aims to form an integrated rural-based agricultural economy to improve farmers' livelihoods, increase rural purchasing power, break detrimental supply chains for farmers, and reduce poverty rates in those areas.

In 2023, we conducted impact measurement or benefit assessments perceived by beneficiaries directly and other relevant stakeholders, using the Social Return on Investment (SROI) method. SROI measurements were performed on the SPBT Pamarican and SPBT Kebumen programs. The SROI value for the SPBT Pamarican program was 3.7, and the SROI value for the SPBT Kebumen program was 3.2.

RISE TOGETHER WITH MANDIRI PROGRAM

This CSR program aims to address societal issues, including social well-being, health, education, environment, and the enhancement of public facilities and infrastructure. The objective is to generate positive outcomes for the community's well-being and prosperity. This initiative aligns with Bank Mandiri's commitment to realizing its social responsibility, encompassing assistance for both natural and non-natural disasters, educational support, healthcare improvement, public infrastructure development, places of worship, environmental conservation, and initiatives to alleviate poverty and enhance social welfare.

These targets align with the priority targets of the Sustainable Development Goals (SDGs), specifically SDG 10: Reduced Inequality.

The program consists of two activities, outlined as follows:

Disaster Response

This program emphasizes emergency disaster response activities in collaboration with all relevant stakeholders. This program aims to expedite the response to disaster impacts on communities by meeting their basic needs both during and after the disaster.

Bank Mandiri actively participated in disaster response endeavors throughout 2023, including:

- Disaster Response in Mulyorejo Village, Tirto, Pekalongan, Central Java
- Flood and Landslide Response in Tapanuli Tengah Regency
- Earthquake Response in Jayapura City
- Flood Response in Pati Regency
- Flood Response in Musi Rawas Regency
- Flood Response in Lahat Regency
- Landslide Response in Serasan Island, Natuna Regency
- Fire Response at Pertamina Plumpang Depot
- Flood and Landslide Response in Manado
- Flash Flood Response in Lumajang Regency
- Flood and Landslide Response in Garut City
- Flood and Landslide Response in Jembrana and



Karangasem Regencies

- Flood Response in Kudus
- Flood Response in Semarang
- Flood Response in Padang
- Flood and Landslide Response in North Sumatra
- Mount Marapi Eruption Response in West Sumatra

In its execution, Bank Mandiri consistently collaborates with the National Disaster Management Agency (BNPb), the Ministry of State-Owned Enterprises (BUMN), and relevant local governments to generate beneficial and effective outcomes in all disaster response endeavors.

CSR FUND DISTRIBUTION

In 2023, Bank Mandiri disbursed a total of Rp174.6 billion from the CSR fund, with 100% allocated to support the Non-MSME Funding Program, 10% for the Mandiri Young Entrepreneur Program, 1.1% for Rumah BUMNs, 2.7% for Healthy Homecoming

with BUMN, and 0.8% for Mandiri Sahabatku. The bank has allocated Rp250 billion for the year 2024. Below is the table of CSR fund distribution by Bank Mandiri.

Program	2023	2022	2021
Mandiri Sahabatku	Rp1.4 Billion	Rp500 Million	Rp1 Billion
Mandiri Young Entrepreneurs	Rp17.5 Billion	Rp8.9 Billion	Rp6.5 Billion
Rumah BUMN	Rp2 Billion	Rp2.6 Billion	Rp3.6 Billion
Healthy Homecoming with BUMN*	Rp4.7 Billion	Rp3.9 Billion	-

(*) New Programs in 2023



06

Corporate **Governance**

Bank Mandiri believes that adapting and transforming corporate governance is one of the strategic steps in addressing and mitigating the impact of climate change on the Bank's current and future operations.



Banking is a highly regulated industry that is undergoing transformation to provide sustainable products and services. In addition to adhering to good corporate governance principles, the Bank must integrate Environmental, Social, and Governance (ESG) aspects into its operations to facilitate its development in supporting the transition to a low-carbon economy.

This aligns with the Organization for Economic Cooperation and Development's (OECD) statement that climate change presents substantial challenges to corporate governance, encompassing economic, legal, and accounting matters related to shareholder rights, corporate disclosure, and the responsibilities of the Board of Directors (OECD, 2022).

Consistent with these considerations, Bank Mandiri holds the belief that adapting and reshaping corporate governance represents a strategic imperative in addressing environmental impacts and mitigating climate change-related risks for both its present and future operations. ESG is no longer confined to a singular unit or function but has evolved into an integral component of bank-wide risk management.

Corporate Governance

The principal governing body of Bank Mandiri, operating under the highest corporate body, the General Meeting of Shareholders, consists of the Board of Directors and the Board of Commissioners. The Board of Directors collectively holds the authority and full accountability for steering the Company towards the realization of the Bank's vision and mission, in accordance with the Articles of Association and the directives of shareholders and stakeholders.

Meanwhile, the Board of Commissioners is collectively responsible for supervising the control of the Company in

accordance with the Articles of Association, the Bank's vision and mission, and providing advice to the Board of Directors and ensuring that the Company implements corporate governance at all levels of the organization.

The detailed implementation of the duties, responsibilities, and authorities of the corporate governance bodies can be found in Bank Mandiri's 2023 Annual Report, specifically in the Corporate Governance section.

COMPOSITION AND BASIS OF APPOINTMENT OF THE BOARD OF COMMISSIONERS OF THE COMPANY

Name	Position	Basis of Appointment	Gender	Age	Expertise
Muhamad Chatib Basri	President Commissioner/ Independent	Annual GMS on February 19, 2020	Male	56 Years	Macroeconomic, Finance
Andrinof A. Chaniago	Deputy Chief Commissioner/ Independent	Annual GMS on February 19, 2020	Male	59 Years	Macroeconomic
Loeke Larasati Agoestina	Independent Commissioner	Annual GMS on February 19, 2020	Female	62 Years	Legal
Muliadi Rahardja	Independent Commissioner	Annual GMS on March 10, 2022	Male	63 Years	Banking, Accounting
Heru Kristiyana*)	Independent Commissioner	Annual GMS on March 14, 2023	Male	67 Years	Banking, Finance, Legal
Zainudin Amali*)	Independent Commissioner	Annual GMS on March 14, 2023	Male	61 Years	Finance, Public Policy
Rionald Silaban	Commissioner	Extraordinary GMS on August 28, 2019	Male	55 Years	Human Capital, Finance
Arif Budimanta	Commissioner	Annual GMS on February 19, 2020	Male	53 Years	Finance
Nawal Nely	Commissioner	Annual GMS on February 19, 2020	Female	48 Years	Accounting, Banking
Faried Utomo	Commissioner	Annual GMS on February 19, 2020	Male	48 Years	Legal
Muhammad Yusuf Ateh	Commissioner	Annual GMS on March 15, 2021	Male	57 Years	Accounting, Audit

*) Appointed as an Independent Commissioner at the Annual GMS on March 14, 2023.

COMPOSITION AND BASIS OF APPOINTMENT OF THE COMPANY'S BOARD OF DIRECTORS

Name	Position	Basis of Appointment	Gender	Age	Expertise
Darmawan Junaidi	President Director	Annual GMS on March 10, 2022	Male	56 Years	Treasury & International Banking, Risk Management, Funding & Lending, Finance, Special Asset Management, Credit Recovery, Legal.
Alexandra Askandar	Vice President Director	Extraordinary GMS on October 21, 2020	Female	50 Years	Corporate Banking, Special Assets Management, Structured Finance, Government & Institutional.
Ahmad Siddik Badruddin	Director of Risk Management	Annual GMS on February 19, 2020	Male	57 Years	Credit risk management, risk handling strategy, risk analysis, management and collection strategy, risk management fraud, acquisition or business closure/sale, and portfolio management, scorecard portfolio, operational risk management, self-assessment process for risk control, external collection agency management, and various risk management training programs.
Agus Dwi Handaya	Director of Compliance and HR	Annual GMS on March 21, 2018	Male	52 Years	Human Capital Finance Strategy and Performance
Riduan	Director of Commercial Banking	Annual GMS on March 21, 2018	Male	52 Years	Accounting, Finance Audit, Banking, and Risk Management.
Aquarius Rudianto	Director of Network and Retail Banking	Extraordinary GMS on January 7, 2019	Male	55 Years	Corporate & Commercial Credit, Retail Credit Risk Management, Commercial Credit Risk Management, Commercial Banking, and Commercial Sales.
Toni E. B. Subari	Director of Operations	Annual GMS on February 19, 2020	Male	58 Years	Credit Recovery, Corporate Banking, Business Banking, and Special Asset Management.
Susana Indah K. Indriarti	Director of Corporate Banking	Extraordinary GMS on October 21, 2020	Female	57 Years	Corporate Banking, Commercial Banking, Credit Analyst, Commodities Trading, and Wholesale Risk.
Rohan Hafas	Director of Institutional Relations	Extraordinary GMS on October 21, 2020	Male	61 Years	Brain Mapping, Risk Management, Marketing, Corporate Relations, and Corporate Secretary.
Sigit Prastowo	Director of Finance and Strategy	Extraordinary GMS on October 21, 2020	Male	51 Years	Treasury Dealer, Risk Management, Credit Analyst, Budgeting, and Finance.
Timothy Utama	Director of Information Director	Annual GMS on March 10, 2022	Male	57 Years	Banking operation, treasury trade service, and information technology.
Eka Fitria*)	Director of Treasury and International Banking	Extraordinary GMS on October 21, 2020	Female	45 Years	Treasury, Human Capital

*) Appointed as a Director at the Annual GMS on March 14, 2023.

TAX POLICY [GRI 207]

As a domestic corporate taxpayer, Bank Mandiri is entitled to receive incentives from the government in the form of tax breaks [GRI 201-4] in accordance with the provisions of Article 17 paragraph (2b) of Law No. 7 of 1983 on Income Tax as amended several times, most recently by Law No. 7 of 2021 on Harmonization of Taxation Regulations stating that domestic taxpayers shall meet the following requirements:

1. In the form of a Public Company;
2. With the total number of paid-up shares traded on the stock exchange in Indonesia at least 40% and
3. Meet particular requirements.

Can obtain a rate that is 3% lower than the rate of 22% applicable in the 2023 tax year. In accordance with the above provisions, Bank Mandiri received a tax rate reduction of 3%, so that the tax rate used in calculating corporate income tax was 19%. Due to the tax incentive, in the reporting year, Bank Mandiri paid taxes of Rp10.016 billion to the government.

Bank Mandiri's tax approach is based on compliance with all applicable tax regulations. Bank Mandiri has developed tax policies and strategies approved and reviewed by the Finance Director in reporting the Annual Corporate Income Tax Return. The tax strategy is reviewed annually by the Finance Director. [GRI 207-1] In the implementation of governance and tax control, Bank Mandiri established a comprehensive and structured process, including: [GRI 207-2]

1. The Finance Director is the governing body (executives) responsible for the implementation of tax strategy.
2. The tax approach is embedded in the company through Standard Tax Procedures, the development of an application system embedded in the taxation process and increasing tax awareness through training and dissemination.
3. Identification, management, and monitoring of tax risk are carried out through continuous monitoring and reconciliation by the Accounting Group and relevant work units as well as periodic monitoring and review by Senior Operational Risk (SOR), Internal Audit and external auditors (Public Accounting Firm)
4. Evaluation of compliance with tax governance and control is carried out through continuous monitoring by the Accounting Group and relevant work units as well as periodic monitoring and evaluation by SOR and Internal Audit. Bank Mandiri does not use assurers in tax control.

The government through the tax office is the most important stakeholder in terms of taxation. For this reason, Bank Mandiri always maintains good relations with the tax authorities, without being involved in public policy advocacy on taxation, and other efforts to influence the tax authorities. Bank Mandiri implements compliance with all laws and regulations issued by the tax authorities [GRI 207-3]. Bank Mandiri only operates in Indonesia with several overseas branches. Therefore, tax reports are only made for Indonesia. [GRI 207-4]

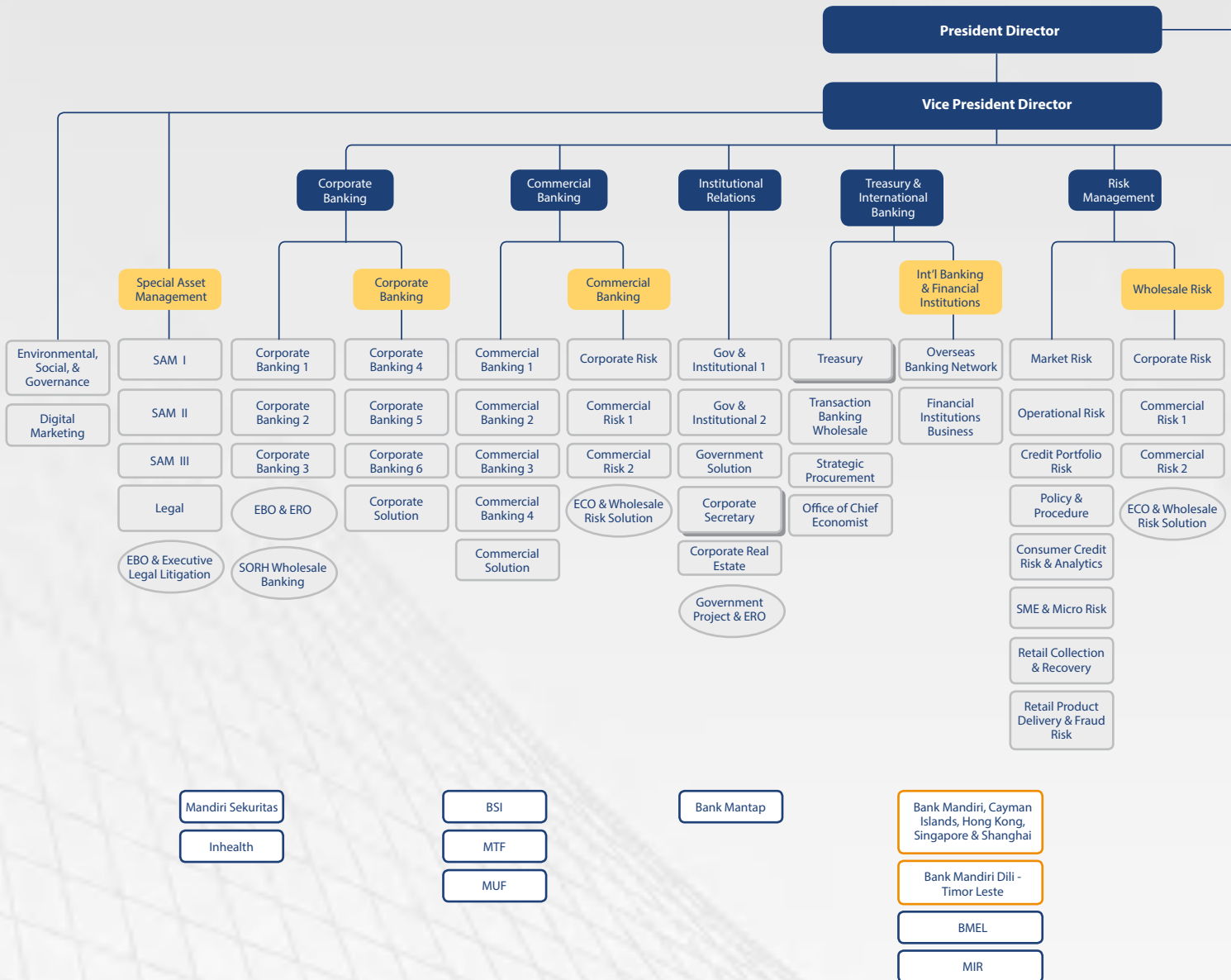


GOVERNANCE STRUCTURE [GRI 2-9], [GRI 2-11]

Bank Mandiri complies with the Republic of Indonesia Law Number 40 of 2007 on Limited Liability Companies (Company Law), stating that the Company's organs consist of the General Meeting of Shareholders (GMS), the Board of Commissioners, and the Board of Directors. Management is carried out by the Board of Commissioners and the Board of Directors, with clear functions and responsibilities to ensure independence in accordance with the Articles of Association and regulations.

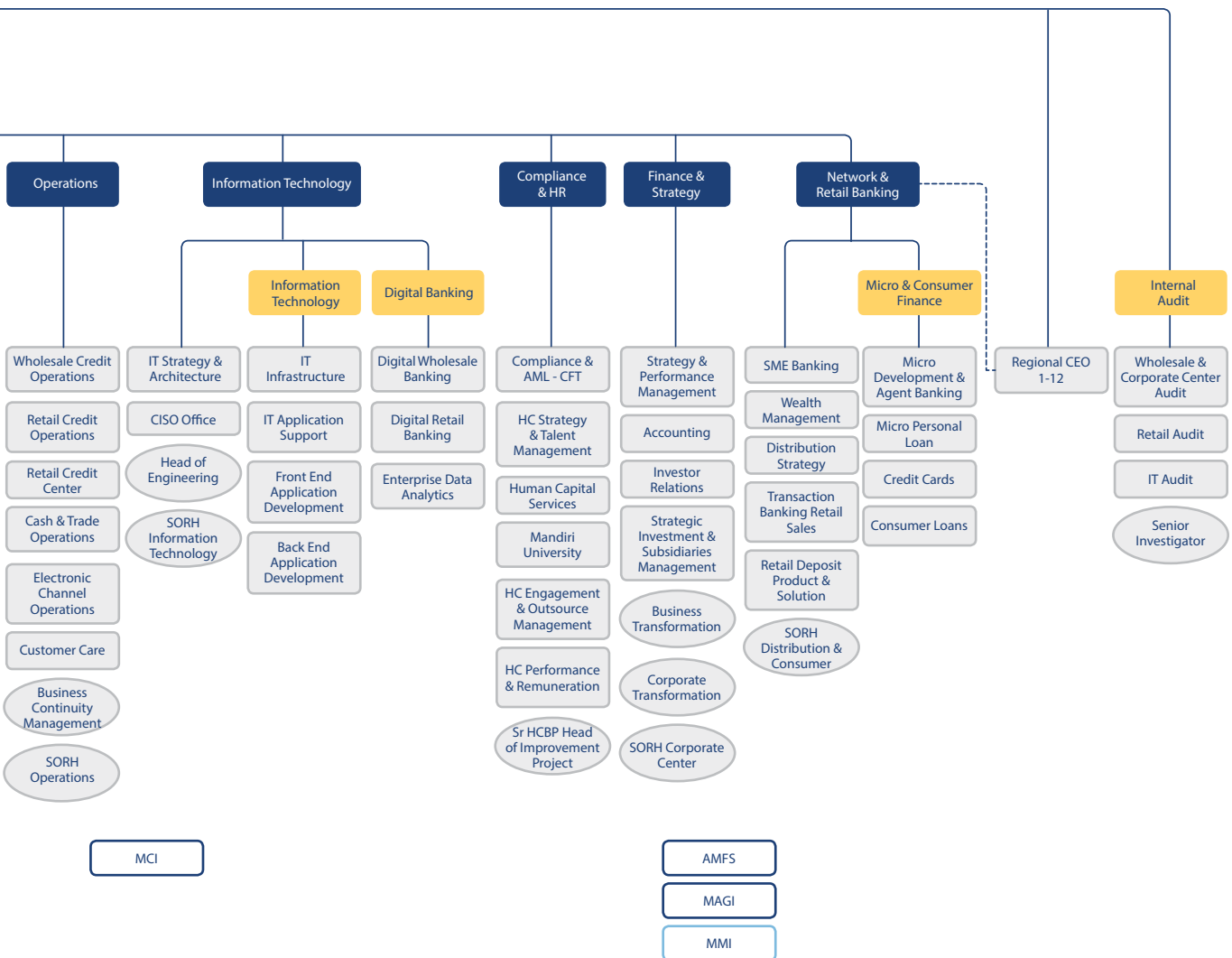
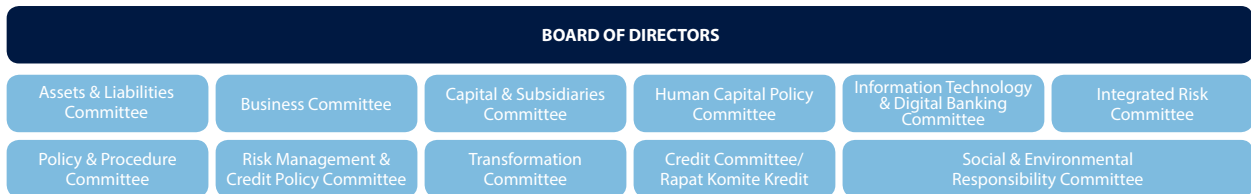


ORGANIZATIONAL STRUCTURE PT BANK MANDIRI (PERSERO) Tbk.



■ Board of Commissioners and Committees under the Commissioner
 ■ Director
 ■ Directors and Committees under the Directors
 ■ SEVP
 ■ Group Head
 ■ Deputy Group Head

Attachment to Directors' Decision No. KEP.DIR/030/2023 concerning Organizational Structure
August 4, 2023



 Functional and Not Structural Officials
 Subsidiary Company
 Affiliated Entities
 Office Overseas

General Meeting of Shareholders (GMS)

The GMS is the highest authority with powers not granted to the Board of Commissioners and the Board of Directors. The GMS is a forum where shareholders have the authority to obtain information about the Company, both from the Board

of Directors and the Board of Commissioners. The GMS is held at least once a year (Annual GMS), but can also be held at any time upon the request of one of the company's organs (Extraordinary GMS).

Board of Commissioners

The Board of Commissioners is tasked with overseeing the Board of Directors in accordance with the Articles of Association. The Board of Commissioners can also provide advice to the Board of Directors and request reports related to the company, review, sign, and approve annual reports. Another crucial task is to ensure and evaluate the implementation of ESG in Bank Mandiri, assess audit reports, and provide opinions on risk management implementation. In relation to shareholders, the Board of Commissioners plays a role in safeguarding the interests of shareholders, thus providing advice to shareholders on important issues faced by Bank Mandiri. All members of the Board of Commissioners have undergone compliance and eligibility tests conducted by the Financial Services Authority. In accordance with regulations, the Board of Commissioners of Bank Mandiri does not hold positions in the Board of Directors. In carrying out its duties, the Board of Commissioners is assisted by:

1. Audit Committee;
2. Remuneration and Nomination Committee;
3. Risk Monitoring Committee;
4. Integrated Governance Committee.

Committees under the Board of Commissioners

1. **Audit Committee** is directly responsible to the Board of Commissioners. Its main function is to assist the Board of Commissioners in overseeing the financial reporting process, internal control systems, risk management, audit processes, and the Company's processes to monitor compliance with regulations and the Code of Conduct.
2. **Remuneration and Nomination Committee** is formed to assist the Board of Commissioners in carrying out

oversight functions and ensuring the implementation of the nomination process for strategic positions in management and the determination of remuneration is carried out in an objective, effective, and efficient manner. OJK regulations require banks to form Remuneration and Nomination Committees as part of GCG implementation to ensure that the bank is governed according to the principles of transparency, accountability, responsibility, independence, and fairness;

3. **Risk Monitoring Committee** was formed by the Board of Commissioners of Bank Mandiri to assist the Board of Commissioners in carrying out the task and responsibility of overseeing and advising the Board of Directors to obtain adequate confidence so that the Bank's risk management remains in compliance with the elements of adequate risk management procedures and methodologies, so that the Bank's business activities remain controllable within acceptable limits and beneficial to the Bank;
4. **Integrated Governance Committee** has the task and responsibility to assist the Board of Commissioners in carrying out oversight functions on the implementation of Governance at each Financial Services Institution (LJK) in the Bank Mandiri Financial Conglomeration in accordance with the Integrated Governance Guidelines and the Implementation of the duties and responsibilities of the Board of Directors of Bank Mandiri. In addition, the Committee also functions to provide guidance or advice to the Board of Directors of Bank Mandiri on the implementation of the Integrated Governance Guidelines, and to evaluate the Integrated Governance Guidelines and provide direction for improvement. [F.1]

Board of Directors [GRI 2-11]

The Board of Directors of Bank Mandiri consists of 12 members led by the President Director responsible for coordinating the activities of the Board of Directors. The task of the Board of Directors is to manage the company's daily affairs and to represent Bank Mandiri in and out of court in accordance with the Articles of Association. A crucial role of the Board

of Directors is to make decisions related to sustainability, including managing the social, economic, environmental impacts, and climate change issues. The Board of Directors is prohibited to hold multiple positions, and all members of the Board of Directors have undergone a fit and proper test conducted by the Financial Services Authority.

In carrying out its duties, the Board of Directors is assisted by the Corporate Secretary and Committees tasked with providing advice and recommendations related to the policies and directives of the Board of Directors. Bank Mandiri has Committees under the Board of Directors, also known as the Executive Committee, consisting of 11 (eleven) Committees.

1. **Asset & Liability Committee (ALCO)** is a committee formed to assist the Board of Directors in determining the asset and liability management strategy, interest rate setting, and liquidity management, as well as other matters related to the management of the company's assets and liabilities. In addition, in significant financial conditions or during financial and economic crises, ALCO monitors and implements the Recovery Plan.
2. **The Business Committee (BC)** is a committee formed to assist the Board of Directors in determining the integrated business management strategy, production regulation, and marketing communication strategy and effectiveness in the Wholesale banking and Retail banking fields.
3. **Capital & Subsidiaries Committee (CSC)** is a committee formed to assist the Board of Directors in managing the company's capital and determining the management strategy of subsidiary entities, including capital injections, capital disbursements, the appointment of members of the Board of Directors and/or members of the Board of Commissioners of subsidiary entities, and remuneration for members of the Board of Directors and/or members of the Board of Commissioners of subsidiary entities.
4. **Human Capital Policy Committee (HCPC)** is a committee formed to assist the Board of Directors in determining the company's Human Capital management strategy, establishing and developing the organization, and determining the strategic direction for the development of the Human Capital Information System.
5. **Information Technology & Digital Banking Committee (ITDC)** is a committee formed to assist the Board of Directors in controlling through the establishment of the IT Strategy & Execution Plan (ISP), IT strategic projects, and IT security strategies.
6. **Integrated Risk Committee (IRC)** is a committee formed to assist the Board of Directors in formulating Integrated Risk Management policies and improving or refining Integrated Risk Management policies based on the results of implementation evaluations.
7. **Policy & Procedure Committee (PPC)** is a committee formed to assist the Board of Directors in regulating the Company's Regulations in the form of Policies and/or Procedures and assisting the Board of Directors in granting authority to Company officials ex-officio.
8. **Risk Management & Credit Policy Committee (RMPC)** is a committee formed to assist the Board of Directors in identifying, measuring, and monitoring risks, determining risk management policies and strategies, formulating credit policies, overseeing the implementation of credit policies, monitoring the development and conditions of the credit portfolio, and providing recommendations for improvement.
9. **Transformation Committee (TFC)** is a committee formed to assist the Board of Directors in maintaining and determining the Bank's transformation needs, establishing strategic directions for Bank transformation development, determining transformation initiatives/projects to be implemented and managed with the Bank's business strategy, addressing and resolving strategic transformation management issues, and determining organizational adjustments, work units, and officials responsible for implementing transformation functions in accordance with organizational changes.
10. **Credit Committee (RKK)** is a committee responsible for assisting the Board of Directors in deciding on the granting of credit (new, additional, reduction, and/or extension) managed by Business Units according to the authority limits, including determining/changing credit structures.
11. **Social & Environmental Responsibility Committee (SERC)** is a committee formed to assist the Board of Directors in coordinating between work units/fields to formulate objectives and guidelines for implementing Bank Mandiri's CSR Program, conducting mapping and drafting of Bank Mandiri's CSR Program, and assisting the Board of Directors in evaluating the implementation of Bank Mandiri's CSR Program.

APPLICATION OF CORPORATE GOVERNANCE PRINCIPLES

TRANSPARENCY

1. The Company discloses information in a timely, adequate, clear, accurate, and comparable manner accessible by stakeholders.
2. The Company discloses information covering but not limited to the company's vision, mission, business objectives, company strategy, financial and non-financial conditions of the company, composition of the Board of Directors and Board of Commissioners, controlling shareholders, risk management, internal control and supervision systems, compliance function implementation, company governance system, and material facts that may affect investor decisions.
3. Company policies must be written and communicated to stakeholders entitled to receive such information.
4. The principle of openness must consider the company's confidentiality, official secrets, and personal rights in accordance with applicable regulations.

ACCOUNTABILITY

1. The Company sets business objectives and strategies that can be accounted for to stakeholders.
2. The Company defines clear duties and responsibilities for each member of the Board of Commissioners and Directors as well as all levels below them aligned with the company's vision, mission, corporate values, business objectives, and company strategy.
3. The Company must ensure that each member of the Board of Commissioners and Directors as well as all levels below them have the appropriate competencies for their responsibilities and understand their roles in implementing corporate governance.
4. The Company establishes a check and balance system in managing the company.
5. The Company has a performance measurement for all levels of the company based on consistent company values, business objectives, and company strategy, as well as a rewards and punishment system.

RESPONSIBILITY

1. The Company adheres to the principle of prudence and ensures compliance with applicable regulations.
2. The Company, as a good corporate citizen, cares about the environment and carries out social responsibilities in a proper manner.

INDEPENDENCE

1. The Company avoids unreasonable domination by any stakeholders and is not influenced by the interests of any party and is free from conflicts of interest.
2. The Company makes decisions objectively and free from any influence.

FAIRNESS

1. The Company considers the interests of all stakeholders based on equality and fairness.
2. The Company provides opportunities for all stakeholders to provide input and express opinions for the benefit of the Company and opens access to information in accordance with the principle of openness.

IMPLEMENTATION OF GCG PRINCIPLES [GRI 2-24]

To manifest good governance practices, Bank Mandiri adheres to the basic principles of GCG in accordance with the INDONESIA CORPORATE GOVERNANCE GENERAL GUIDELINES (PUG-KI) 2021 that have been updated by the Governance Policy National Committee (KNKG), namely Ethical Conduct, Accountability, Transparency, and Sustainability.

IMPLEMENTATION OF GCG PRINCIPLES IN THE COMPANY

GCG Principles	Explanation	Application in the Company
Ethical Conduct	In carrying out its activities, the corporation always consistently prioritizes honesty, treats all parties with respect, fulfills commitments, builds and maintains moral values and beliefs. The corporation pays attention to the interests of shareholders and other stakeholders based on the principles of fairness and is managed independently so that each organ of the company does not dominate each other and cannot be intervened by other parties.	<ol style="list-style-type: none"> 1. Bank Mandiri strives to uphold Ethical Behavior in carrying out business and operational activities, as evidenced by the application of compliance principles which are supported by: <ul style="list-style-type: none"> • Implementation of Anti-Money Laundering Programs, Prevention of Terrorism Financing and Prevention of Financing of Proliferation of Weapons of Mass Destruction; • Implementation of anti-corruption practices and culture; • Implementation of Gratification control; • Implementation of Whistleblowing System 2. The Company considers the interests of all stakeholders based on the principle of equality and fairness (equal treatment). 3. The Company provides opportunities for all stakeholders to provide input and express opinions for the interests of the Company and render access to information in accordance with the principle of transparency.

GCG Principles

Explanation

Application in the Company

Accountability

The corporation can account for its performance transparently and reasonably. For this reason, the Corporation must be managed correctly, measurably and in accordance with corporate interests while taking into account the interests of shareholders and stakeholders. Accountability is a necessary prerequisite for achieving sustainable performance.

1. The Company sets business goals and strategies to be accountable to the stakeholders.
2. The Company establishes clear duties and responsibilities for each member of the Board of Commissioners and Board of Directors organs as well as all levels under them which are in line with the Company vision, mission, values, business objectives and strategies.
3. The Company must ensure that each member of the Board of Commissioners and the Board of Directors as well as all ranks below them to have the competence in accordance with their responsibilities and understands their role in corporate governance.
4. The Company establishes a check and balance system in its management.
5. The Company has performance standards for all levels based on agreed measurements consistent with the corporate core values, the business goals and strategies and has a rewards and punishment system.

Transparency

To maintain objectivity in conducting business, corporations provide material and relevant information in a way that is easily accessible and understood by stakeholders. Corporations take the initiative to disclose not only issues required by laws and regulations, but also those that are important for decision-making by shareholders, creditors and other stakeholders.

1. The Company discloses information in a timely, adequate, clear, accurate and comparable manner and can be accessed by concerned parties (stakeholders).
2. The Company discloses information which includes but not limited to the Company's vision, mission, business objectives, strategy, the Company's financial and non-financial conditions, the Board of Directors and Board of Commissioners compositions, controlling shareholders, risk management, supervisory and internal control systems, compliance functions, corporate governance as well as material information and facts that may influence investors' decisions.
3. The Company policies must be written and communicated to stakeholders who are entitled to obtain information about the policy.
4. The principle of openness shall still observe the provisions of Company secrets, position secrets and personal rights in accordance with applicable regulations.

GCG Principles	Explanation	Application in the Company
Sustainability	The Corporation complies with laws and regulations and is committed to carrying out its responsibility towards society and the environment in order to contribute to sustainable development through cooperation with all relevant stakeholders to improve their lives in a way that is in line with business interests and the sustainable development agenda.	<ol style="list-style-type: none"> 1. The Company has established a dedicated ESG Unit under the supervision of Vice President Director to coordinate the implementation of sustainability programs. 2. The Company has established a negative investment list and implemented Industry Acceptance Criteria (IAC) as part of fulfilling the ESG concept. 3. The Company has established Bank Mandiri ESG Governance Structure, including to determine the Bank's direction related to climate change and SDGs achievement; oversee ESG implementation, fulfillment of sustainability targets and initiatives; and oversee the implementation of integrated governance of Sustainability of Bank Mandiri and Subsidiaries. 4. The Company organizes specific training programs on sustainability aspects that must be followed by representatives of functions related to lending, credit supervision, risk management and others. 5. The Company holds periodic meetings specifically to discuss the progress of sustainability programs.

DIVERSITY POLICY OF THE BOARD OF COMMISSIONERS AND BOARD OF DIRECTORS

The diversity policy of the Board of Commissioners and Board of Directors of the Company is based on various different backgrounds, both in terms of age, educational background, and experience needed to carry out their duties and responsibilities.

The Articles of Association of Bank Mandiri have regulated the diversity of the composition of the Board of Commissioners in accordance with the Appendix to Financial Services Authority Regulation No. 32/SEOJK.04/2015 on the Guidelines for Good Corporate Governance for Public Companies and Financial Services Authority Regulation No. 13/SEOJK.03/2017 of 2017 on the Implementation of Governance for Commercial Banks.

The appointment of the Board of Commissioners is made by considering age, gender, education, experience, integrity, dedication, understanding of corporate management issues, and having the knowledge and/or expertise required by Bank Mandiri and being able to provide sufficient time to carry out their duties and other requirements based on laws and regulations. Currently, the Board of Commissioners has fulfilled

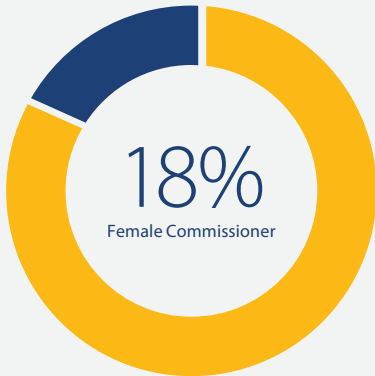
the criteria for age, gender, education, experience, integrity, dedication, understanding of corporate management issues, and having the knowledge and/or expertise required by Bank Mandiri.

The recommendation of the Financial Services Authority, as stipulated in the Appendix to Financial Services Authority Regulation No. 32/SEOJK.04/2015 on the Guidelines for Good Corporate Governance for Public Companies and Financial Services Authority Regulation No. 13/SEOJK.03/2017 of 2017 on the Implementation of Governance for Commercial Banks, states that the composition of the Board of Directors should consider the diversity of the composition of the Board of Directors. The diversity of the composition of the Board of Directors is a combination of desired characteristics both from the perspective of the Board of Directors as an organization and individual members of the Board of Directors, in accordance with the needs of the Public Company. The diversity is determined by considering the expertise, knowledge, and experience relevant to the distribution of tasks and functions of the Board of Directors in achieving the goals of the Public Company.

The consideration of these characteristics has an impact on the accuracy of the nomination and appointment process for individual members of the Board of Directors or overall members of the Board of Directors. The diversity of the composition of the Board of Directors, as regulated in the Appendix to Financial Services Authority Regulation No. 32/SEOJK.04/2015 on the Guidelines for Good Corporate Governance for Public Companies and Financial Services Authority Regulation No. 13/SEOJK.03/2017 of 2017 on the Implementation of

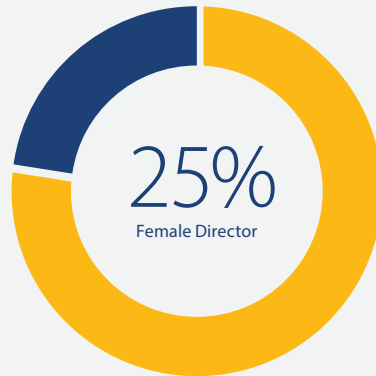
Governance for Commercial Banks, has been incorporated in the Company's Articles of Association. The appointment of the Board of Directors is made by considering integrity, dedication, understanding of corporate management issues related to one of the management functions, having the knowledge and/or expertise required by the Company, and being able to provide sufficient time to carry out their duties and other requirements based on laws and regulations.

Gender Diversity of the Board of Commissioners



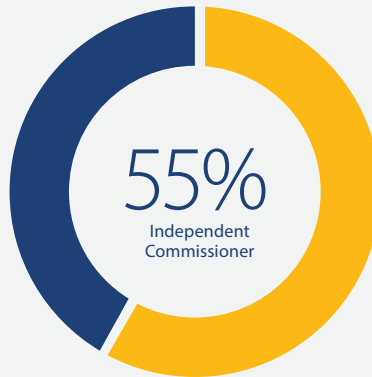
- Female
- Male

Gender Diversity of the Board of Directors



- Female
- Male

Independence of the Board of Commissioners



- Independent
- Non-independent

Nomination and Selection Process [GRI 2-10]

In accordance with the Articles of Association, members of the Board of Commissioners are appointed and dismissed by the General Meeting of Shareholders (GMS) for a term of 5 (five) years from the date of appointment determined by the GMS. For members of the Board of Commissioners whose term has expired, they may be reappointed by the GMS.

The procedure for appointing the Board of Commissioners of Bank Mandiri refers to Financial Services Authority Regulation No. 33/POJK.04/2014 on the Board of Directors and Board of Commissioners of Issuers or Public Companies and Minister of State-Owned Enterprises Regulation No. PER-11/MBU/07/2021 on the Requirements and Procedures for the Appointment and Dismissal of Members of the Board of Commissioners and Board of Supervisors of State-Owned Enterprises, as amended by Minister of State-Owned Enterprises Regulation No. PER-7/MBU/09/2022 on the Requirements and Procedures for the Appointment and Dismissal of Members of the Board of Commissioners and Board of Supervisors of State-Owned Enterprises. The procedure for appointing the Board of Commissioners includes:

1. Potential candidates for the Board of Commissioners/ State-Owned Enterprises Board of Commissioners are derived from:
 - a. Former State-Owned Enterprises Directors;
 - b. State-Owned Enterprises Board of Commissioners/ Supervisors;
 - c. Government Structural Officials and Functional Officials;
 - d. Other sources;
2. The candidate to be appointed as a member of the Board of Commissioners is an individual who has been declared

- to meet the Formal Requirements, Material Requirements, and Other Requirements;
3. The assessment of meeting the Material Requirements is carried out by: i. assessing the curriculum vitae and supporting documents; and ii. specifically assessing integrity through a written statement from the candidate as stated in Appendix II of this Ministerial Regulation; and/ or iii. interview;
4. For certain State-Owned Enterprises designated by the Minister, the candidate of President Commissioner/ Member of the Board of Commissioners must undergo a fit and proper test conducted by a Professional Institution appointed by the Minister to conduct a fit and proper test for Director candidates;
5. Specifically for State-Owned Banks, potential candidates to be proposed in the GMS are evaluated by a Team formed by the Minister involving the Chairman of the Board of Commissioners Nomination Committee. In the event that the Chairman of the Board of Commissioners Nomination Committee is unable to attend, he/she may be replaced by a member of the Committee from the Independent Commissioner performing the Nomination function.

The nomination and selection process for the Board of Commissioners is carried out through proposals from the Series A Shareholders to the GMS, taking into account recommendations from the Board of Commissioners and the Remuneration and Nomination Committee. Before delving into the appointment and dismissal of the Board of Commissioners during the General Meeting of Shareholders (GMS), details regarding the profiles of newly appointed and reappointed Board members are presented.

Remuneration Policy [GRI 2-19]

Bank Mandiri has implemented a remuneration governance policy based on OJK Regulation No. 45/POJK.03/2015 on the Implementation of Governance in Providing Remuneration for Commercial Banks. Remuneration is a reward set and given to the Board of Commissioners, Board of Directors, and/or

employees, both permanent and variable, in the form of money or non-money, in accordance with their duties, authorities, and responsibilities. The implementation of governance in providing remuneration aims to promote prudent risk-taking, thereby ensuring the sustainability of Bank Mandiri's business.

Remuneration Policy for the Board of Commissioners and Directors [GRI 2-20]

In providing remuneration for the Board of Commissioners, Bank Mandiri prioritizes prudence and compliance with applicable regulations. The company has currently implemented good governance in providing remuneration to the Board of Commissioners. In providing remuneration to the Board of Commissioners, the company considers prudence to promote prudent risk-taking in maintaining the company's sustainability.

Bank Mandiri is committed to implementing governance in providing remuneration by formulating a remuneration policy that has been approved through a Joint Decree of the Board of Commissioners and Directors regarding the Remuneration Policy of PT Bank Mandiri (Persero) Tbk dated March 20, 2018. In determining the remuneration for the Board of Commissioners, Bank Mandiri refers to:

1. Ministry of SOE Regulation No. PER-04/MBU/2014 on the Guidelines for Determining the Income of Directors, Board of Commissioners, and Supervisory Board of State-Owned Enterprises, as lastly amended by Ministry of SOE Regulation No. PER-13/MBU/09/2021 dated September 24, 2021;
2. Ministry of SOE Regulation No. PER-01/MBU/2011 on the Implementation of Good Corporate Governance in SOEs, as lastly amended by Ministry of SOE Regulation No. PER-09/MBU/2012 on Amendments to Regulations of the Ministry of SOE No. PER-01/MBU/2011 on the Implementation of Good Corporate Governance in SOEs;
3. OJK Regulation No. 55/POJK.03/2016 dated December 9, 2016 on the Implementation of Governance for Commercial Banks;
4. OJK Regulation No. 45/POJK.03/2015 dated December 23, 2015 on the Implementation of Governance in Providing Remuneration for Commercial Banks;
5. The Company's Articles of Association.

Based on OJK Regulation No. 45/POJK.03/2015 on the Implementation of Governance in Providing Remuneration for Commercial Banks, Bank Mandiri has implemented Governance in Providing Remuneration taking into account various aspects, including financial stability, risk management, short-term and long-term liquidity needs, and potential future income.

The company may defer variable remuneration (Malus) or recover already paid variable remuneration (Clawback) from Material Risk Takers (MRT), with the following conditions:

1. The company applies Malus and/or Clawback for specific conditions in the implementation of variable remuneration, considering factors such as:
 - a. The magnitude of financial and non-financial losses of the company.
 - b. The involvement of employees directly or indirectly in the losses incurred.
2. Variable remuneration must be deferred by a certain percentage determined by the company.
3. This policy applies to officials classified as MRT, with the following criteria:
 - a. Causing financial or non-financial losses to the bank.
 - b. Engaging in fraud, violating the law, unethical behavior, and/or falsifying records.
 - c. Violating bank policies, regulations, and procedures intentionally.
 - d. Causing significant negative impacts on the bank's capital not caused by changes in economic or industry climate.
4. In implementing MRT remuneration, Bank Mandiri adheres to OJK regulations, Ministry of SOE regulations, and the company's remuneration policy.

Remuneration and Nomination Committee

The Board of Commissioners has established a Remuneration and Nomination Committee aimed at assisting in carrying out its functions and duties related to remuneration and nomination for members of the Board of Directors and Board of Commissioners. One of the tasks of the Remuneration and Nomination Committee is to establish a remuneration

system for the Board of Commissioners and Directors, as part of the company's governance policy and serve as the basis for the Board of Commissioners and the General Meeting of Shareholders in determining the remuneration for members of the Board of Commissioners and/or the Board of Directors.

PROCESS OF DETERMINING REMUNERATION FOR THE BOARD OF COMMISSIONERS AND DIRECTORS



The determination of remuneration for the Board of Commissioners and Directors is carried out as follows:

1. The Remuneration and Nomination Committee conducts a review of the remuneration for members of the Board of Commissioners and Directors.
2. The Remuneration and Nomination Committee coordinates with the Director and the Human Capital unit and related work units in preparing the remuneration proposal.
3. In determining the policy for variable remuneration, the Remuneration and Nomination Committee coordinates with the Risk Management Work Unit.
4. Based on the review, the Remuneration and Nomination Committee prepares remuneration recommendations and then submits them to the Board of Commissioners and Directors.
5. The Board of Commissioners submits proposals and recommendations based on the review of the Remuneration and Nomination Committee to the General Meeting of Shareholders for approval.
6. The proposals and recommendations of the Board of Commissioners to the General Meeting of Shareholders may include:
 - a. Approval regarding the form and amount of remuneration; or
 - b. Approval to delegate authority to the Board of Commissioners to determine the form and amount of remuneration.

Scope of Remuneration Policy and Its Implementation

In connection with the implementation of OJK Regulation No. 45/POJK.03/2015 on the Implementation of Governance in Providing Remuneration for Commercial Banks, Bank Mandiri has a Remuneration Policy approved through a Joint Decree of the Board of Commissioners and Directors dated March 20, 2018. The remuneration policy is the bank's strategy in providing rewards to employees, tailored to the bank's capabilities to adapt to changes in employee demographics, labor cost management, and to drive the achievement of Bank Mandiri's business objectives. The remuneration policy of Bank Mandiri is designed to attract, retain, motivate, and increase employee engagement in order to continuously deliver optimal performance, support Bank Mandiri's vision, mission, and strategies.

The existing remuneration policy continues to govern the compensation for the Board of Commissioners and Directors, and will later be extended to employees at specific levels identified as material risk takers. The determination of material risk takers is carried out using qualitative and quantitative approaches. In determining employee remuneration, Executive Officers, Directors, and the Board of Commissioners,

the Remuneration and Nomination Committee considers several factors, including:

1. Benchmarking results for employee, executive officer, Director, and Board of Commissioner remuneration with similar industries (peer group).
2. The size and complexity of the company's operations.
3. Remuneration consisting of salaries/honorariums and standardizable benefits such as Holiday Allowance, Annual Leave, Official Residence, Official Vehicle, Health Facilities and Utilities, and other benefits. Performance-based remuneration includes bonuses/incentives for employees and tantiems for Directors and the Board of Commissioners.

In general, Bank Mandiri's remuneration strategy is guided by Labor Laws and Financial Services Authority Regulations. The long-term total reward strategy aims to ensure that the bank maintains a strong competitive position in the market, aiming to:

1. Generally position the bank at the 75th percentile.
2. Specifically position top talent and critical jobs up to the 90th percentile.

Remuneration Linked to Risk

In providing remuneration, Bank Mandiri takes into account prudence principles aimed at promoting prudent risk-taking to ensure the sustainability of the bank's business. Bank Mandiri determines performance measurement methods and types of risks in determining variable remuneration in accordance with the scale and complexity of Bank Mandiri's business activities. In establishing remuneration, Bank Mandiri takes into account the type, criteria, impact, and changes in determining primary risks.

Performance Measurement Linked to Remuneration

In providing remuneration, Bank Mandiri conducts performance measurements linked to remuneration, covering a review of remuneration policies associated with performance evaluations, methods for linking individual remuneration to Bank Mandiri's performance, unit performance, and individual performance, as well as the methods used by Bank Mandiri to indicate that agreed-upon key performance indicators cannot be achieved without adjustments to remuneration and the extent of such adjustments if such conditions occur.

The implementation of remuneration strategies also takes into account the performance of each employee (based

on performance), unit performance, and overall bank performance, but remains within the established budget. In general, in implementing total rewards, Bank Mandiri provides salaries, annual salary adjustments, holiday bonuses, annual leave benefits, and long leave benefits given for every 3-year work period. Bank Mandiri also provides health facilities for employees and their families, including inpatient care, outpatient care, childbirth, dental care, general check-ups, eyeglasses, and a pensioner health program.

Adjustment of Remuneration Linked to Performance and Risk

Bank Mandiri provides variable remuneration linked to performance and risk, including bonuses, performance incentives, or other forms equivalent to them. Remuneration in the form of bonuses, performance incentives, and other incentives can be provided in cash, shares, or share-based instruments issued by Bank Mandiri with specific provisions for the interests of the Board of Commissioners, provided in cash to avoid conflicts of interest in carrying out supervision.

External Consultant Services

To determine the bank's competitive position in the market, Bank Mandiri annually engages in an independent and reputable third-party Annual Salary Survey. The findings of

this survey serve as the foundation for refining Bank Mandiri's remuneration strategy, subsequently presented for approval at the Board of Directors meeting.

Formulation of Remuneration Policies

Remuneration policies are crucial for attracting and retaining competent and high-quality employees, executive officers, directors, and commissioners. Remuneration policies are a strategy of Bank Mandiri to provide rewards tailored to its capabilities, accommodating changes in employee demographics, labor cost management, and to drive the achievement of Bank Mandiri's business objectives.

The remuneration of Bank Mandiri aims to attract, retain, motivate, and increase employee engagement to continuously deliver optimal performance in support of Bank Mandiri's vision, mission, and strategy.

Formulation of Bank Mandiri's remuneration policy takes into account:

1. Financial performance and reserve fulfillment as regulated by applicable laws and regulations;
2. Remuneration applicable to the industry corresponding to the company's activities and the scale of the company's operations within its industry;
3. Duties, responsibilities, and authorities of the Board of Directors and/or Board of Commissioners linked to the company's objectives and performance;
4. Performance targets for each member of the Board of Directors and/or Board of Commissioners to achieve a balance between work results and the rewards received;
5. Balancing fixed and variable benefits;
6. Long-term recommendations and strategies of Bank Mandiri.

Indicators/Coverage of Remuneration Policies and Their Implementation

In accordance with the implementation of OJK Regulation No. 45/POJK.03/2015 on the Application of Governance in Providing Remuneration for Commercial Banks, Bank Mandiri has established a Remuneration Policy approved through a Joint Decree of the Board of Commissioners and the Board of Directors dated March 20, 2018. The existing

remuneration policy governs the compensation of the Board of Commissioners and the Board of Directors, and will later extend to employees at specific levels identified as material risk takers. The identification of material risk takers is carried out through a combination of qualitative and quantitative methods.

Remuneration Policy for Employees

In determining employee remuneration, executive officers, directors, and commissioners, the Remuneration and Nomination Committee takes into account several factors, including:

1. Benchmarking results of employee, executive officer, director, and commissioner remuneration with similar industries (peer group);

2. The size and complexity of company operations;
3. Remuneration consisting of salaries/honorariums and standardizable benefits such as holiday bonuses, housing, company vehicles, health facilities, utilities, and other benefits. Performance-based remuneration includes bonuses/incentives for employees and performance bonuses for directors and commissioners.

REMUNERATION AND FACILITIES FOR THE BOARD OF COMMISSIONERS AND DIRECTORS

Structure of Remuneration for Board of Commissioners and Directors

Remuneration for the Board of Commissioners and Directors is provided in accordance with applicable remuneration provisions, in the form of:

- Fixed remuneration, not linked to performance and risk, including salaries/honorariums, facilities, change allowances, health benefits, education benefits, holiday bonuses, and retirement benefits. Remuneration in the form of salaries/honorariums, facilities, allowances, and retirement benefits is provided in cash;
- Variable remuneration, linked to performance and risk, including bonuses, performance incentives, or other

equivalent forms.

Bonuses, performance incentives, and other incentives can be provided in cash, shares, or share-based instruments issued by the company with specific provisions for the Board of Commissioners, provided in cash to avoid conflicts of interest in carrying out supervision.

The structure for determining remuneration for the Board of Commissioners and Directors is as follows:

TABLE OF STRUCTURE OF REMUNERATION FOR BOARD OF COMMISSIONERS AND DIRECTORS [GRI 2-21]

No	Type of Income	Provisions	
		Board of Commissioners	Board of Directors
1.	Honorarium/Salary	Position <ul style="list-style-type: none"> President Commissioner: 45% of the President Director's Honorarium Vice President Commissioner: 42.5% of the President Director's Honorarium Commissioner: 90% of the President Commissioner's Honorarium 	Position <ul style="list-style-type: none"> Vice President Director: 95% of the President Director's Honorarium Director of Human Capital: 90% of the President Director's Honorarium Other Board Members: 85% of the President Director's Honorarium
2.	Allowance		
	Religious Holiday Allowance	1 (one) time honorarium	1 (one) month's salary
	Housing Allowance	Not given	Housing allowance is provided monthly if not occupying official housing up to a maximum of Rp27,500,000
	Transportation Allowance	20% of the honorarium	Not provided
	Annual Leave Allowance	Not given	Not provided
	Retirement Benefits	Insurance premium maximum 25% of the honorarium/year	Insurance premium maximum 25% of annual salary
3.	Facilities		
	Official Vehicle Facility	Given in the form of transportation allowance of 20% of the honorarium	Provided with 1 (one) official vehicle in the form of a lease according to the established criteria
	Healthcare Facility	Reimbursement of treatment according to internal policy number KEP.KOM/03/2022	Reimbursement of medical treatment according to internal policy number KEP.KOM/03/2022
	Professional Association Facility	Maximum of 2 (two) memberships relevant to the Company's activities	Maximum of 2 (two) memberships relevant to the company's activities
	Legal Aid Facility	Legal assistance facilities according to internal policy number KEP.KOM/03/2022	Legal assistance facilities according to internal policy number KEP.KOM/03/2022
4.	Bonus, Royalty, Incentive	May be provided in the form of shares or cash.	May be provided in the form of shares or cash.

Management of Conflict of Interest [GRI 2-15]

The management of conflict of interest by the Board of Commissioners is regulated in the Guidelines and Rules of the Board of Commissioners as follows:

01

Each Commissioner is required to safeguard information that, based on statutory regulations, must be kept confidential, including insider trading provisions and other information that has not been disclosed to the public by the Company.

02

Each Commissioner is required to disclose:

- a. Their share ownership in the Company as well as in other companies domiciled domestically or abroad.
- b. Financial relationships and family relationships with other members of the Board of Commissioners and the Board of Directors, and their respective families.
- c. Other information that, according to statutory regulations, must be disclosed to the public.

03

The Board of Commissioners is prohibited from being involved in decision-making related to banking operational activities and/or decision-making that may lead to conflicts of interest.

04

The Board of Commissioners is prohibited from utilizing the Company for personal, family, other company, or specific individual interests in a manner that contradicts statutory regulations and the Company's code of conduct.

The management of conflict of interest by the Directors is regulated in the Bank Mandiri Policy Architecture. The Bank Mandiri Policy Architecture is a hierarchy/framework of policies

for the governance and management of the Bank's activities. The management of conflict of interest by the Directors includes, among other things:

01

The Board of Commissioners, the Board of Directors, and Executive Officers are committed to avoiding all forms of conflicts of interest.

02

In the event that a member of the Board of Directors has a personal interest in a transaction, contract, or proposal in which the Bank is one of the parties, the nature of their interest must be declared at the Board of Directors meeting, and the concerned Director is not entitled to vote.

03

At least once a year, each member of the Board of Commissioners, the Board of Directors, and Executive Officers must make a statement regarding the existence or absence of conflicts of interest with the Bank's activities.

04

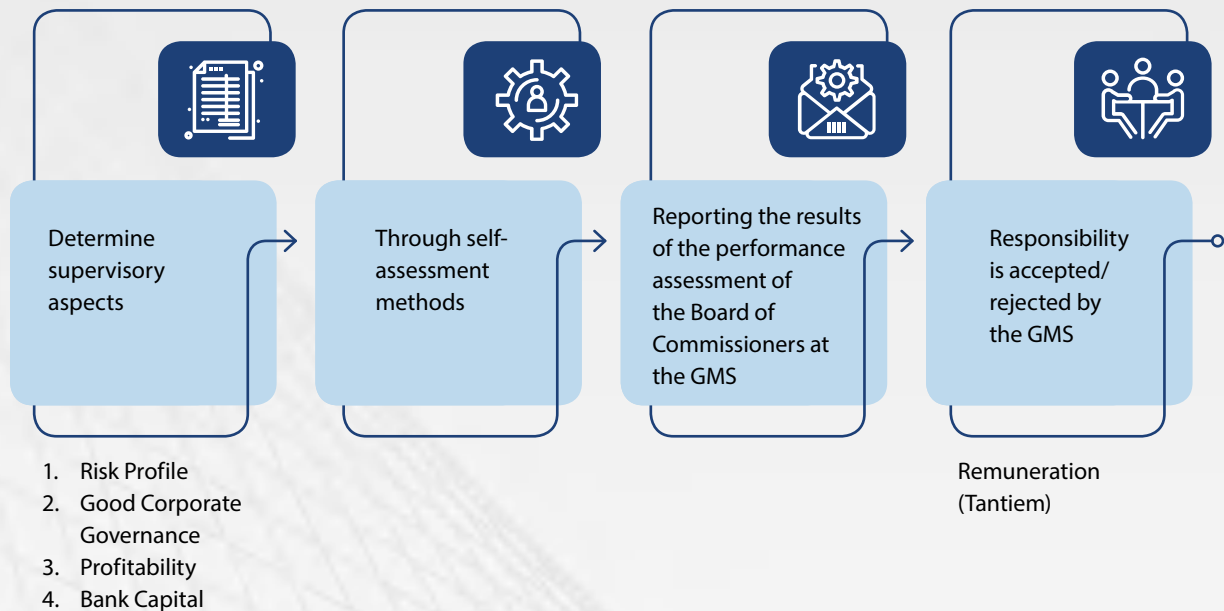
Members of the Board of Commissioners, the Board of Directors, and Executive Officers are prohibited to hold multiple positions as regulated by the applicable regulations.

Performance Assessment [GRI 2-18]

The performance assessment of the Board of Commissioners is carried out collegially through self-assessment and reported in the Annual General Meeting, where the Board of Commissioners' performance results are presented through the Board of Commissioners' duties performance report to

the Shareholders. The Annual General Meeting then provides full discharge and release of responsibility to the Board of Commissioners and the Company's Board of Directors for the management and supervision during the respective fiscal year.

BOARD OF COMMISSIONERS' SELF-ASSESSMENT PERFORMANCE PROCEDURE



The process of assessing the Directors' performance can be seen from the achievement of the Key Performance Indicators (KPI) of the Directors individually and collectively, evaluated by the Shareholders through the mechanism of the Annual

General Meeting of Shareholders (AGMS). Further information on the duties, responsibilities, and authorities of the corporate governance organs can be found in the Bank Mandiri 2023 Annual Report in the Corporate Governance section.

Governance Assessment

ASSESSMENT SCORE

In the first half of 2023, Bank Mandiri conducted its own individual assessment of Governance with a score of 1, however, OJK provided the following assessment feedback:

Score	Composite Definition
1	Reflects that the Company's management has generally implemented very good Governance. This is reflected in the very adequate fulfillment of Governance principles. In the event of weaknesses in the implementation of Governance principles, these weaknesses are generally not significant and can be promptly addressed by the Bank's management.

EXTERNAL ASSESSMENT

In addition to conducting its own assessment of Governance based on regulatory provisions, Bank Mandiri actively undergoes an external assessment of Governance to obtain feedback on the implementation of the Bank's Governance. Bank Mandiri participates in the research and ranking program CGPI held by The Indonesian Institute of Corporate Governance (IICG). CGPI is participated in by public companies (issuers), state-owned enterprises, banks, and other private companies.

The results of the CGPI assessment are used by Bank Mandiri to evaluate and improve the implementation of GCG. Bank Mandiri was awarded the "Highly Trusted" Company predicate in the CGPI assessment in 2022 held in 2023 with a score of 95.22. This award marks the 17th (the seventeenth) consecutive award for Bank Mandiri. The composition of Bank Mandiri's assessment scores for the last 5 consecutive years is as follows:

CGPI ASSESSMENT RESULTS

Stage	Score 2019	Score 2020	Score 2021	Score 2022	Score 2023
Governance Structure	32.98	25.70	33.76	26.65	31.53
Governance Process	30.63	34.50	34.26	36.24	31.24
Governance Outcome	31.25	34.74	26.99	32.22	32.45
Score	94.86	94.94	95.01	95.11	95.22

CGPI Assessment Results 2007-2023



GCG AWARDS 2023

01

GCG Rating by The Indonesian Institute for Corporate Directorship (IICD) at the 14th IICD Corporate Governance Conference and Awards 2023, Bank Mandiri achieved the "Best Overall" category.

02

Bank Mandiri's participation in the Corporate Governance Perception Index (CGPI) ranking program held by The Institute Indonesian for Corporate Governance (IICG) has successfully maintained the "Highly Trusted" predicate for 17 consecutive times.

03

In 2023, 3 entities within the Bank Mandiri Financial Conglomerate received the "Highly Trusted" predicate and 4 entities received the "Trusted" predicate in the Corporate Governance Perception Index (CGPI) ranking.



ESG Governance

Bank Mandiri manages sustainability comprehensively, including ESG topics, within the framework of sustainable financial work to achieve the vision of sustainability, "Becoming Indonesia's Sustainability Champion for A Better Future."

To achieve this goal, the company establishes governance bodies involved in planning, decision-making, monitoring, evaluation, and implementation of bank-wide ESG strategies within the following structure.

Duties and Responsibilities – Directors & Commissioners

- ✓ Monitoring & evaluating the Company's compliance with the Articles of Association, Authority regulations, and other laws and regulations related to Risk Management.
- ✓ Provide recommendations to the President Director regarding the preparation of Risk Management Policies, Strategies and Implementation Guidelines.

Duties and Responsibilities – ESG Unit

- ✓ Develop frameworks, commitments, roadmaps and targets related to ESG/Sustainability.
- ✓ Monitoring Bank Mandiri's Sustainable Portfolio (according to POJK 51/2017 criteria) and reporting Bank Mandiri's Portfolio in accordance with the Indonesian Green Taxonomy.
- ✓ Encourage the development of Sustainable Financial services/products.
- ✓ Cascading relevant ESG KPIs across all units.
- ✓ Ensure ESG disclosure is in line with best practice.
- ✓ Internalizing ESG awareness to all employees.
- ✓ Ensure alignment of ESG aspects into all business processes and internal regulations.
- ✓ Prepares an ESG performance report to the Board of Commissioners and Directors to be presented at the GMS.

SUSTAINABILITY GOVERNANCE STRUCTURE



Board of Commissioners / Related Board of Commissioners Committee



Board of Directors / Related Board of Directors Committee



ESG Working Group

ESG Coordinator Work Unit

ESG Contributor Work Unit

- Business Unit
- Supporting Unit
- Risk Management Unit
- Regional Offices I-XII

ESG MANAGEMENT AND EVALUATION [GRI 2-14], [GRI 2-16]

The company ensures that ESG governance operates effectively in line with stakeholder expectations. ESG governance is continuously monitored to ensure the internalization of sustainability-related matters within the company's overall governance structure. Bank Mandiri has also set objectives to effectively address ESG-related matters in accordance with regulations and to consider ESG practices applied by the banking industry and global initiatives.

In particular, for climate risk management, the Board of Directors is assisted by the Risk Management and Policy Committee (RMPC), and in its oversight, the Board of Commissioners is assisted by the Risk Monitoring Committee (RMC). Climate risk monitoring is conducted through director meetings, the Risk Management and Credit Policy Committee (RMPC), and the ESG Forum at least six times a year.

As the highest governance body, the Board of Commissioners and the Board of Directors set the company's direction through policies, strategies, and sustainable targets in social, economic, and environmental topics, including climate change, embodied in Bank Mandiri's policies and strategies.

The Board of Commissioners and the Board of Directors actively identify and evaluate the management of the

impacts of sustainability aspects and climate change, consulting stakeholders such as shareholders, regulators, the public, and other parties. This consultation can take the form of face-to-face meetings, virtual meetings, or through received reports. The frequency of meetings or reports is adjusted as needed.

In its implementation, the Board of Commissioners and the Board of Directors delegate responsibility for managing the impacts of sustainability to the ESG Unit, directly supervised by the Vice President Director and reports to the Risk Management Policy and Committee (RMPC) and the Risk Monitoring Committee (RMC). Reports from the ESG Unit are then regularly forwarded to the Directors as needed and to the Board of Commissioners with a minimum frequency of four times per year.

The management oversight in enforcing the Code of Conduct includes supervision by the Directors related to the implementation of integrity and ethics, which are part of the Internal Control System. In supervision, the Directors ensure the growth of a corporate culture that upholds ethical values, the integrity of all Mandirians, making management an example that fosters the involvement of all employees and instills a risk culture at all levels of the organization.

STRUCTURE & ROLES OF ESG UNIT





ESG Communication Department

- Compiling ESG disclosures;
- Engaging stakeholders through various internal and external events and publications;
- Communicating ESG strategy and performance to investors;
- Responsible for creating and disseminating all company ESG messages;
- Compiling press releases, statements, and communication materials related to ESG achievements and initiatives.



ESG Operation Department

- Compiling operational GHG emission reports;
- Developing strategies to reduce operational GHG emissions;
- Developing and monitoring the implementation of the Sustainable Financial Action Plan (SFAP).



ESG Framework & Sector Policy Department

- Developing frameworks, roadmaps, and commitments for ESG and climate change;
- Developing policies related to ESG and sustainable banking in the credit process on a bank-wide basis;
- Advocating policy and providing insights to regulators regarding best practices in sustainable finance.



Product & Portfolio Management Department

- Enhancing the Sustainable Portfolio through the development of sustainable product suites, including advising product owners;
- Reporting on the Sustainable Portfolio in accordance with POJK 51 and Indonesia's Sustainable Taxonomy;
- Developing transition strategies to reduce financed emissions in line with national NZE and best practices;
- Developing a system and methodology for managing the Sustainable Portfolio in accordance with best practices.

PERSON IN CHARGE FOR SUSTAINABLE FINANCE [OJKE.1]

The Board of Directors is fully responsible for setting the company's sustainability direction (Framework, Commitment, Strategy, Initiatives, Roadmap) related to climate change and the achievement of Sustainable Development Goals (SDGs); this is embodied in the Sustainable Financial Action Plan (SFAP) 2024-2028, approved by the Board of Commissioners, and submitted to the regulator every November.

Each member of the Board ensures the implementation of SFAP and the management of relevant ESG topics in their respective directorates according to the timeframe set in SFAP. The integration and coordination of ESG topics specifically fall under the authority of the Vice President Director.

In the context of sustainable finance implementation, Bank Mandiri has added a new unit, the ESG Group, in accordance with SK/KOM/05.2/2022 dated July 18, 2022, and stipulated in the Board of Directors' Decision Letter No. KEP.DKP/32/2022 dated September 12, 2022. The ESG Group is responsible for sustainable finance in accordance with POJK-51/2017. The ESG Group is a full-time permanent unit that replaces the previous sustainable finance task force.

The ESG Group serves as the control tower for implementing ESG at Bank Mandiri and all its subsidiaries. The ESG Group is led by a Senior Vice President under the authority of the Company's Vice President Director. The daily functions of the ESG Group include:

- ✓ ESG Framework Management,
- ✓ Alignment of provisions in line with ESG issues and climate change,
- ✓ Sustainable portfolio management,
- ✓ Responsible operational strategies,
- ✓ Communication and reporting functions to external and internal parties.

The Board of Directors and the Board of Commissioners review and approve ESG reports addressed to the public, including the presentation of this Sustainability Report. In relation to the G-SIB score, Bank Mandiri is not yet listed in the Global Systemically Important Bank score.



RESPONSIBILITY, MONITORING, AND EVALUATION OF ESG GOVERNANCE

ESG Group

The quarterly report on the implementation of ESG covers the achievement of sustainable financial initiatives carried out by the ESG Group and contributing members; sustainability framework and commitment; and other sustainability issues related to climate management and the achievement of SDGs.



RMPC/Director/ESG Forum

Directives to the ESG Unit and ESG Contributing Members to review, develop, and align the achievement of sustainable financial initiatives with current ESG issues and the expectations of stakeholders.



Board of Directors

- ◆ Quarterly reports to the Board of Commissioners through the Risk Monitoring Committee (RMC) on the achievement of sustainable financial initiatives, sustainability framework and commitment, and other sustainability issues related to climate management and the achievement of SDGs.
- ◆ Regular presentation of achievements, plans, and sustainable financial initiatives to investors, stakeholders (mass media), and regulators through Analyst Meetings, Public Exposures, GMS, Sustainability Landing Page, and Prudential Meetings.



SUSTAINABLE CAPACITY DEVELOPMENT [GRI 2-17]

Bank Mandiri ensures that the Board of Commissioners, the Board of Directors, committees, and units involved in the implementation of sustainable finance and the management of ESG issues acquire the knowledge, skills, and tools necessary to effectively carry out their duties. For this reason, the Company facilitates their needs through training and education related to ESG.

The ESG Capacity Building initiative is divided into three categories: ESG Awareness for all employees, including the Board of Commissioners and the Board of Directors; Development of ESG Expertise in priority sectors, particularly for employees in Business Units (Corporate Banking, Commercial and SME) & Risk; and capacity building for individuals through the acquisition of ESG certifications.

CAPACITY DEVELOPMENT ACTIVITIES FOR ESG GOVERNANCE AT BANK MANDIRI IN 2023

Competency Enhancement of the Board of Commissioners

Name	Position	Training/Seminar	Organizer	Place	Date
Muhamad Chatib Basri	President Commissioner/ Independent Commissioner	World Economic Forum	World Economic Forum	Davos, Swiss	January 16-20, 2023
		Mandiri Investment Forum 2023	Bank Mandiri	Jakarta	February 1, 2023
		Sharing Session: Cyber Attack	Bank Mandiri	Jakarta	June 8, 2023
		Mandiri ESG Festival	Bank Mandiri	Jakarta	July 12, 2023
		Refreshment Program: Cyber Security	BARa Risk Forum	Jakarta	July 26, 2023
		GRC Masterclass: Risk Management Effectiveness Evaluation	BUMN Leadership & Management Institute (BLMI)	Jakarta	September 7, 2023
		BOC Retreat: Economy Outlook 2024 & m-DNA	Bank Mandiri	Bali	December 15, 2023
Andrinof A. Chaniago	Vice President Commissioner/ Independent Commissioner	Mandiri Investment Forum 2023	Bank Mandiri	Jakarta	February 1, 2023
		Asean Global Leadership Programme (AGLP): Shaping The Future With Leadership	SRW & Co.	Barcelona	May 15-19, 2023
		Sharing Session: Cyber Attack	Bank Mandiri	Jakarta	June 8, 2023
		GRC Masterclass: Audit TI	BLMI	Jakarta	June 27, 2023
		Mandiri ESG Festival	Bank Mandiri	Jakarta	July 12, 2023
		GRC Masterclass: ESG For Auditor	BLMI	Jakarta	July 13, 2023
		GRC Masterclass: IPO & Post IPO	BLMI	Jakarta	August 10, 2023

Name	Position	Training/Seminar	Organizer	Place	Date
		GRC Masterclass: Peningkatan dan Penerbitan Efek Bersifat Utang & Sukuk (EBUS)	BLMI	Jakarta	August 10, 2023
		GRC Masterclass: Risk Management Effectiveness Evaluation	BLMI	Jakarta	September 7, 2023
		Refreshment Sertifikasi Manajemen Risiko -Program Executive	LPPI	Jakarta	September 29, 2023
		BOC Retreat: Economy Outlook 2024 & m-DNA	Bank Mandiri	Bali	December 15, 2023
Rionald Silaban	Commissioner	Mandiri Investment Forum 2023	Bank Mandiri	Jakarta	February 1, 2023
		Refreshment Program: Creating Value in A Fast Changing Banking World	BARa Risk Forum	Jakarta	August 24, 2023
		BOC Retreat: Economy Outlook 2024 & m-DNA	Bank Mandiri	Bali	December 15, 2023
Faried Utomo	Commissioner	Mandiri Investment Forum 2023	Bank Mandiri	Jakarta	February 1, 2023
		Refreshment Program: Creating Value in A Fast Changing Banking World	BARa Risk Forum	Jakarta	August 24, 2023
Arif Budimanta	Commissioner	Refreshment Program: ESG Risk Management	BSMR	Jakarta	February 22, 2023
		Sharing Session: Cyber Attack	Bank Mandiri	Jakarta	June 8, 2023
		GRC Masterclass: Risk Management Effectiveness Evaluation	BLMI	Jakarta	September 7, 2023
		Asean Global Leadership Programme (AGLP): Leading Innovation in Global Economic Recovery	SRW & Co.	Chicago - USA	September 15-22, 2023
		Mandiri Sustainability Forum 2023	Bank Mandiri	Jakarta	December 7, 2023
		BOC Retreat: Economy Outlook 2024 & m-DNA	Bank Mandiri	Bali	December 15, 2023
Nawal Nely	Commissioner	Mandiri Investment Forum 2023	Bank Mandiri	Jakarta	February 1, 2023
		Sharing Session: Cyber Attack	Bank Mandiri	Jakarta	June 8, 2023
		GRC Masterclass: ESG For Auditor	BLMI	Jakarta	July 13, 2023
		GRC Masterclass: IPO & Post IPO	BLMI	Jakarta	August 10, 2023

Name	Position	Training/Seminar	Organizer	Place	Date		
		GRC Masterclass: Pemeringkat dan Penerbitan Efek Bersifat Utang & Sukuk (EBUS)	BLMI	Jakarta	August 10, 2023		
		Refreshment Program: Creating Value in A Fast Changing Banking World	BARa Risk Forum	Jakarta	August 24, 2023		
		GRC Masterclass: Risk Management Effectiveness Evaluation	BLMI	Jakarta	September 7, 2023		
		Forum Penguatan Governansi & Integritas	Kementerian BUMN - OJK	DI Yogyakarta	September 26, 2023		
		BOC Retreat: Economy Outlook 2024 & m-DNA	Bank Mandiri	Bali	December 15, 2023		
		Loeke Larasati Agoestina	Independent Commissioner	Mandiri Investment Forum 2023	Bank Mandiri	Jakarta	February 1, 2023
		Sharing Session: Cyber Attack		Bank Mandiri	Jakarta	June 8, 2023	
		GRC Masterclass: Audit TI		BLMI	Jakarta	June 27, 2023	
		Mandiri ESG Festival		Bank Mandiri	Jakarta	July 12, 2023	
		GRC Masterclass: ESG For Auditor		BLMI	Jakarta	July 13, 2023	
Refreshment Program: Cyber Security	BARa Risk Forum	Jakarta		July 26, 2023			
GRC Masterclass: IPO & Post IPO	BLMI	Jakarta		August 10, 2023			
GRC Masterclass: Pemeringkat dan Penerbitan Efek Bersifat Utang & Sukuk (EBUS)	BLMI	Jakarta		August 10, 2023			
GRC Masterclass: Risk Management Effectiveness Evaluation	BLMI	Jakarta		September 7, 2023			
Executive Risk Management Refresher Program: ESG and Business Sustainability	LPPI	Amsterdam, Paris		October 21-29, 2023			
Muliadi Rahardja	Independent Commissioner	Mandiri Sustainability Forum 2023	Bank Mandiri	Jakarta	December 7, 2023		
BOC Retreat: Economy Outlook 2024 & m-DNA		Bank Mandiri	Bali	December 15, 2023			
Mandiri Investment Forum 2023		Bank Mandiri	Jakarta	February 1, 2023			
		Sharing Session: Cyber Attack	Bank Mandiri	Jakarta	June 8, 2023		

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		GRC Masterclass: IPO & Post IPO	BLMI	Jakarta	August 10, 2023
		GRC Masterclass: Peningkatan dan Penerbitan Efek Bersifat Utang & Sukuk (EBUS)	BLMI	Jakarta	August 10, 2023
		Executive Risk Management Refresher Program: ESG and Business Sustainability	LPPI	Amsterdam, Paris	October 21-29, 2023
		Mandiri Sustainability Forum 2023	Bank Mandiri	Jakarta	December 7, 2023
		BOC Retreat: Economy Outlook 2024 & m-DNA	Bank Mandiri	Bali	December 15, 2023
		Sosialisasi Petunjuk Teknis Tentang Penilaian Indeks Kematangan Risiko (RMI) di Lingkungan BUMN	Kementerian BUMN	Jakarta	December 20, 2023
M. Yusuf Ateh	Commissioner	Mandiri Investment Forum 2023	Bank Mandiri	Jakarta	February 1, 2023
		Sharing Session: Cyber Attack	Bank Mandiri	Jakarta	June 8, 2023
		Refreshment Program: Creating Value in A Fast Changing Banking World	BARa Risk Forum	Jakarta	August 24, 2023
Heru Kristiyana**)	Independent Commissioner	Sharing Session: Cyber Attack	Bank Mandiri	Jakarta	June 8, 2023
		Mandiri ESG Festival	Bank Mandiri	Jakarta	July 12, 2023
		Refreshment Program: Creating Value in A Fast Changing Banking World	BARa Risk Forum	Jakarta	August 24, 2023
		Webinar: Bursa Karbon dan Peluangnya bagi Sektor Keuangan Indonesia	LPPI	Jakarta	November 21, 2023
		Mandiri Sustainability Forum 2023	Bank Mandiri	Jakarta	December 7, 2023
		Seminar Jenjang 6: Climate Risk Stress Testing, Carbon Pricing, Bursa Karbon Indonesia	BARa Risk Forum	Jakarta	December 7, 2023

Name	Position	Training/Seminar	Organizer	Place	Date
		BOC Retreat: Economy Outlook 2024 & m-DNA	Bank Mandiri	Bali	December 15, 2023
Zainudin Amali***)	Independent Commissioner	Sharing Session: Cyber Attack	Bank Mandiri	Jakarta	June 8, 2023
		Refreshment Program: Creating Value in A Fast Changing Banking World	BARa Risk Forum	Jakarta	August 24, 2023
		Pembekalan Manajemen Risiko untuk Calon Komisaris Bank Umum	LPPI	Jakarta	May 29-30, June 5, 2023
		Mandiri Sustainability Forum 2023	Bank Mandiri	Jakarta	December 7, 2023
		BOC Retreat: Economy Outlook 2024 & m-DNA	Bank Mandiri	Bali	December 15, 2023

*) Served until March 14, 2023 based on the Annual GMS Resolution of Bank Mandiri.

**) Appointed at the Annual GMS and passed the fit and proper test on August 21, 2023.

***) Appointed at the Annual GMS and passed the fit and proper test on November 6, 2023.

Competency Enhancement of the Board of Directors

Name	Position	Training/Seminar	Date
Darmawan Junaidi	President Director	<i>Refreshment</i> Sertifikasi Manajemen Risiko	September 29, 2023
Alexandra Askandar	Vice President Director	<i>Refreshment</i> Sertifikasi Manajemen Risiko	September 29, 2023
Ahmad Siddik Badruddin	Director of Risk Management	ERM and Cyber Security: <i>How to Mitigate and Protect</i>	July 26, 2023
Agus Dwi Handaya	Director of Compliance & HC	Pelatihan <i>Refreshment</i> Manajemen Risiko Jenjang 7	November 29, 2023
Panji Irawan*)	Director of Treasury & International Banking		
Riduan	Director of Commercial Banking	Webinar Mengelola Kredit Komersial Menghadapi Potensi 2023	January 6, 2023
Aquarius Rudianto	Director of Network & Retail Banking		
Susana Indah K Indrianti	Director of Corporate Banking	<i>Workshop ESG Financing & Energy Transition Mechanism Financing</i>	April 5, 2023
	Director of Institutional Relations	Kick Off Global Banking Program	January 20, 2023
	Director of Operations	Pelatihan <i>Refreshment</i> Manajemen Risiko Jenjang 7	November 29, 2023
	Director of Finance & Strategy	<i>Sharing Session & Leader As Teacher Wholesale Banking</i>	September 14, 2023
Rohan Hafas	Director of Information & Technology	Pelatihan <i>Refreshment</i> Manajemen Risiko Jenjang 7	November 29, 2023
Toni Eko Boy Subari	Director of Treasury & International Banking	<i>Operation Talks - Vol 2</i>	February 10, 2023
		<i>Operation Talks - Vol 3</i>	March 10, 2023
		<i>Operation Talks - Vol 6</i>	July 28, 2023
		<i>Operation Talks - Vol 7</i>	October 27, 2023
		Pelatihan <i>Refreshment</i> Manajemen Risiko Jenjang 7	November 29, 2023
Sigit Prastowo	Director of Finance & Strategy	Pentingnya <i>Cyber Security</i> dalam Digitalisasi Bank dan Kaitannya Dengan Risiko Operasional	February 22, 2023
Timothy Utama	Director of Information & Technology	<i>Kick Off Global Banking Program</i>	January 20, 2023
		Pelatihan <i>Refreshment</i> Manajemen Risiko Jenjang 7	November 29, 2023
Eka Fitria**)	Director of Treasury & International Banking		

*) Served until March 14, 2023 based on the Annual GMS Resolution of Bank Mandiri.

***) Appointed at the Annual GMS and passed the fit and proper test on August 21, 2023.

Risk Management [OJKE.3]

Risk management is at the core of banking operations implemented by Bank Mandiri to achieve healthy and responsible financial and operational growth. In addition to compliance, Bank Mandiri manages and makes decisions in accordance with the Risk Management Policy (KMNR) based on regulations and best practices.

The Risk Management Framework at Bank Mandiri covers three main parts: Risk Oversight, Risk Policy and Management, and

Risk Identification, Measurement, Mitigation, and Control. These three main parts are supported by the Audit Unit as an independent assurance to ensure their effectiveness.

Bank Mandiri carries out the risk management process through the Enterprise Risk Management (ERM) framework which uses a two-prong approach to ensure that risks are not only properly mitigated through daily business processes, but also in unexpected conditions (downturn) through capital reserves.

Risk Oversight

The Board of Directors and the Board of Commissioners are responsible for risk oversight. The function of risk oversight is carried out by the Board of Commissioners through the Audit Committee, Risk Monitoring Committee, and Integrated Governance Committee.

The Board of Directors performs the function of risk oversight through the establishment of risk policies (risk policy & management) with the Executive Committee related to risk management, namely the Risk Management & Credit Policy Committee, Asset & Liability Committee (singular), Capital & Subsidiaries Committee, and Integrated Risk Committee.

At the operational level, risk oversight is carried out by the Risk Management Unit together with the Business Unit and Compliance Unit, which perform the functions of risk

identification, risk measurement, risk mitigation, and risk control.

Risk management at the Bank is structured as follows:

- Directors overseeing the Risk Management function;
- Risk Management Unit (RMU);
- Operational Units (risk-taking units);
- Internal Audit Unit (IAU);
- Compliance Unit.

Risk Management Unit (RMU), Internal Audit Unit (IAU), and Compliance Unit are integrated as one unit.

In the organizational structure established, the operational unit that performs transactions (Operational Unit) is separate from the internal oversight unit (Internal Audit Unit) and is independent of the Risk Management Unit.

Risk Policy Management

Bank Mandiri has established the Risk Management Policy (KMNR) outlining the fundamentals of Risk Management Policy and serves as the main guideline and highest regulation in risk management at Bank Mandiri. KMNR serves as a reference for policies, procedures, and guidelines in risk management in accordance with applicable provisions.

Risk Identification, Measurement, Mitigation, and Control

The company's risk management process includes the following activities:

a) Risk identification

The purpose of risk identification is to determine the types of risks inherent in each functional activity that have the potential to harm the bank.

b) Risk measurement

The purpose of risk measurement is to determine the risk exposure inherent in the bank's activities to compare it with the bank's risk appetite, allowing the bank to take risk mitigation actions and determine the capital to cover residual risks.

c) Risk monitoring

Risk monitoring aims, among other things, to compare the risk limits set with the risk exposure being managed.

d) Risk control

Risk control is carried out to prevent the occurrence of breaches of the set risk limits that the bank can tolerate.

Bank Mandiri implements effective risk management practices throughout its work units by applying the Three Lines of Defense model.



Specifically, Bank Mandiri also implements a 1.5 line of defense, which consists of a fraud detection unit and a Senior Operational Risk Head to support the first line of defense in ensuring effective risk control.

Managed Risks

Bank Mandiri manages 10 types of risks in a consolidated manner, namely:



ESG Risk is an emerging risk embedded in all related risks managed by the bank, including credit risk, liquidity risk, market risk, and operational risk. In its management, Bank Mandiri conducts a comprehensive risk management process encompassing ESG risk.

1. Credit Risk

In disbursing its credit, Bank Mandiri consistently emphasizes prudence by assigning credit analysis functions to business units and independent credit risk units. The bank consistently adheres to the Credit Policy (KPKD) in managing credit risks from end to end.

2. Market Risk

Market risk management is carried out by independent work units by applying the principle of segregation of duties, consisting of front office, middle office, and back office. The Market Risk Management Organization consists of two parts, namely Market Risk Management - Trading Book and Market Risk Management - Banking Book.

3. Liquidity Risk

Liquidity risk is the risk resulting from the bank's inability to meet its obligations from funding sources and high-quality liquid assets that can be utilized without disrupting the bank's activities and financial condition.

4. Operational Risk

Operational risk is the risk resulting from the inadequacy or malfunction of internal processes, human errors, system failures, and/or external events affecting the bank's operations.

5. Legal Risk

Legal risk is the type of risk faced by Bank Mandiri as a result of legal claims, whether from internal or external parties, or weaknesses in legal aspects such as the absence of supporting regulations, weaknesses in contracts, or imperfect collateral agreements.

6. Reputational Risk

Reputational risk is the risk resulting from a decrease in stakeholder confidence due to negative perceptions of the bank.

7. Strategic Risk

Bank risk management is regulated by a bank risk management policy formulated with reference to Bank Indonesia Regulations (PBI), Financial Services Authority Regulations (POJK), Basel provisions, and international best practices. This policy is regularly updated to anticipate changes in business conditions, regulations, and the bank's internal conditions.

8. Compliance Risk

Compliance risk arises from the bank's failure to comply with applicable laws and regulations.

9. Intra-Group Transaction Risk

Bank Mandiri identifies and analyzes activities that may increase Intra-Group Transaction Risk exposure and affect the company's performance. The identification of these risks is carried out in the business activities of Bank Mandiri and its subsidiaries, taking into account transaction complexity.

10. Insurance Risk

Insurance risk is the risk resulting from the failure of the insurance company to fulfill its obligations to policyholders due to inadequate risk selection processes, premium setting, reinsurance use, and/or claims handling.

Details of the management of these types of risks can be found in the Bank Mandiri Annual Report in the Corporate Governance section.

ESG RISK MANAGEMENT

Scope of ESG Risk Management

Coordinating ESG aspects is also one of the priorities of Bank Mandiri in the long-term business transformation. Through the “Conduct Sustainable Business” stream, Bank Mandiri has developed an ESG framework, roadmap, and initiatives with a focus on transitioning to a low-carbon economy, reducing emissions, and achieving net zero in the bank’s operations and enhancing social impact in achieving SDGs.

To achieve these targets, particularly in promoting the transition to a low-carbon economy, Bank Mandiri continues to identify, measure, and evaluate ESG risks, including climate risks, particularly in financing aspects.

The ESG risk management system in the credit process covers Bank Mandiri’s credit services for wholesale, retail, and treasury segments. Bank Mandiri establishes and implements the Technical Guidelines for Environmental and Social Analysis in Credit Provision, used as a reference for environmental analysis in credit provision analysis.

This is in accordance with the endeavors made by the Financial Services Authority (OJK) regarding the Assessment of the Quality of Commercial Bank Assets, regulating that the assessment of debtor business prospects is also linked to the debtor’s efforts in preserving the environment.

ESG Risk Management System

ESG risk assessment in credit is conducted at all stages of credit disbursement in an end-to-end and integrated manner by the Business Unit, Credit Operation Unit, and Credit Risk Management Unit. Each Business Unit conducts assessments based on the Portfolio Guideline and then carries out a pre-approval process using credit risk tools, including the application of ESG aspects. For the wholesale segment, it is determined in the Industry Acceptance Criteria (IAC), while for the retail segment, the assessment is carried out through a credit risk scorecard, with reference to the Risk Acceptance Criteria for each product.

Bank Mandiri establishes risk appetite and industry appetite in line with ESG issues in the Bank’s policies, as stipulated in the Industry Acceptance Criteria (IAC) technical guidelines in Internal Regulation No.B3.P1.T16.IAC. Details of the business sectors covered can be found in the Sustainable Banking section of this report.

The Business Unit conducts due diligence, if necessary, on credit applicants to delve into issues related to ESG, submitted by the Business Unit to the credit decision-makers, where this function is carried out by the Senior VP up to the Board of Directors. Credit decisions are made independently by the Business Unit and Credit Risk Management Unit using the four-eyes-principles process.

The Bank periodically reviews and improves its credit policies in general, credit procedures per business segment, and specific risk management tools, particularly for sectors with high ESG and climate risks. Each Business Unit conducts more detailed and in-depth assessments of each business activity to establish requirements related to ESG in IAC and RAC, including based on input and involvement from regulators and other sources.

Bank Mandiri conducts a thorough analysis of sectoral portfolios through sensitivity analysis. The findings are then showcased at the Board Forum and serve as a crucial reference for internal business decision-making.

MONITORING OF ESG RISKS

The framework and governance of ESG Risk Management at Bank Mandiri involve active roles of the Board of Commissioners and the Board of Directors. The Board of Directors monitors the implementation and achievement of ESG targets through the Risk Management & Credit Policy Committee (RMPC) forum in accordance with the duties and authorities stipulated in the Board of Directors’ Decision of PT Bank Mandiri (Persero) Tbk, Number Kep.Dir/009/2021 regarding the Risk Management & Credit Policy Committee. The Risk Management and Credit

Policy Committee (RMPC) is held on a quarterly basis with topics such as the performance of Sustainable Finance Action Plans (SFAP), ESG trends, and discussions on critical issues related to ESG.

Furthermore, the Board of Commissioners oversees the implementation of ESG, the fulfillment of ESG targets or commitments through the Risk Monitoring Committee (RMC) forum, held on a quarterly basis with topics such as reviewing

the effectiveness of ESG-related risk management and supervision in financing activities.

Bank Mandiri monitors compliance with ESG aspects in credit disbursement according to bank policies, with the following steps:

1. Regularly monitoring compliance with ESG aspect requirements. Bank Mandiri regularly ensures that customer project progress aligns with the established action plan. To ensure compliance with credit policies and procedures, Bank Mandiri also conducts regular reviews and audits conducted by the Internal Audit Unit. Debtors who have

not met the minimum requirements will be subject to regular monitoring, the development of action plans, and the establishment of necessary schedules.

2. Implementing the ALERT system as an early warning mechanism to identify risks that could impact the quality of debtor credit. This will enable the implementation of preventive measures to avert a decline in credit quality, based on financial performance, industry prospects, and compliance with ESG requirements.
3. Conducting an annual review as a form of check and balance for compliance with the latest internal credit policy requirements, including ESG aspect requirements.

Climate Risk

Climate risk is an emerging risk embedded in key financial risks, such as credit risk, market risk, and operational risk. Bank Mandiri has assessed key financial risks as expected and has considered its ESG aspects. Climate risk is also embedded in every other type of risk managed by the Bank, including credit risk, liquidity risk, market risk, and operational risk, so Bank Mandiri conducts comprehensive risk management processes in accordance with existing procedures, including for climate risk.

Bank Mandiri has conducted an Initial Phase Climate Risk Stress Test for credit, market, and operational risks following the guidance from OJK. For credit risk, the Bank has identified credit portfolios with potential exposure to flood and forest fire disasters, as well as sectoral portfolios that are classified as high emission sectors and affected by government policies to control climate risk. For market risk, the Bank has identified movements in the market value of the Bank's securities portfolio that fall into the high emission sector category as a result of changes in government policies on carbon emissions.

Bank Mandiri manages climate-related financial risks, starting from risk identification and the development of a risk management framework, including conducting scenario analysis. The results of climate risk analysis are utilized to enhance the Bank's resilience to climate risk impacts and strengthen various initiatives and the integration of ESG aspects in internal business processes. The impact of climate change on the sustainability of Bank Mandiri is based on the risk period, including:

- a. In the short term (1-2 years ahead). Climate change can have risk impacts on Bank Mandiri's financing through potential impacts of government policy changes, inappropriate technological developments, and shifts in consumer and investor preferences, resulting in carbonization transitions affecting borrowers' profitability, cash flow, and asset value.
- b. In the medium (5-10 years) and long term. Prolonged and severe climate impacts can threaten the environment, such as floods, landslides, heatwaves, food crises, and other natural disasters.

Climate Risk Mitigation

Bank Mandiri is committed to conducting business and operations with a focus on ESG principles to become "Indonesia's Sustainability Champion for a Better Future." This commitment is the Bank's response to supporting the government's aspirations for a low-carbon economy.

In sectors with high climate risks such as plantations, mining, and energy, Bank Mandiri intensively monitors compliance with

the ESG aspects required by the Bank. In the future, Bank Mandiri will strive to conduct more comprehensive climate risk impact assessments, such as climate scenario analysis and testing credit portfolios against climate risks, including transition and physical risks.

Climate-Related Risks

Mitigation

Rising prices of raw materials and/or commodities due to climate change, weather issues, or crop failures.



Conducting stress tests and creating a watchlist for continuous monitoring to analyze customers affected by related issues.

Energy transition risks in countries that still rely heavily on coal as their main energy source, such as in Indonesia.



Bank Mandiri adjusts its credit policy for the energy sector utilizing coal in line with the government's energy transition plan.

Acute physical risks caused by extreme climate change, including floods, landslides, and haze from forest fires.



Implementing a Business Continuity Plan and establishing data centers in various locations to mitigate customer transaction disruptions and protect against the risk of data loss due to hydro-meteorological disasters.



Implementing BCM according to international standards based on ISO 22301:2019 to create a resilient organization against potential internal and external threats through readiness of BETH3 components (Building, Equipment, Technology, Human Resource & 3rd Parties).



BCM also interacts with climate institutions such as the Meteorology, Climatology, and Geophysics Agency (BMKG) to identify and initiate early action plans and to socialize them to all Mandiri employees.

Climate-Related Opportunities

Response

Investment in technology for renewable energy, currently experiencing growth. According to the Ministry of Energy and Mineral Resources, in 2021, the use of renewable energy reached 11.5% of the total national energy.



Bank Mandiri has developed internal capabilities to support the transition to green energy in that sector. As of December 2022, Bank Mandiri has financed 10 renewable energy projects.

Involvement of the Governance Body in Climate Risks

The coordination of the management of aspects related to Environmental, Social, and Governance (ESG), including climate risks, at Bank Mandiri is carried out by the ESG Group under the authority of the Managing Director in managing the framework, coordinating provisions that are in line with ESG issues and climate change, managing sustainable portfolio management, and the Bank's responsible operational strategy, including communication functions and reporting to external and internal stakeholders. Reports from the ESG Unit are then regularly submitted to the Board of Directors as needed and to the Board of Commissioners with a minimum frequency of 4 times per year.

In the implementation of ESG and climate-related aspects, the Board of Directors plays a role in strategic functions by:

- ✓ integrating ESG aspects bank-wide, establishing the Bank Mandiri Sustainable Finance direction covering the Framework, Commitment, Strategy, Initiatives, Roadmap related to climate targets and SDG achievements;
- ✓ carrying out supervisory functions related to ESG and climate risks and opportunities, implementing Sustainable Finance, ensuring the successful achievement of ESG targets and initiatives;
- ✓ being accountable in ensuring the achievement of sustainable aspirations to stakeholders; and
- ✓ fostering necessary collaborations and partnerships to accelerate the Company's progress in achieving SDGs and climate targets.

Climate Risk Resilience

During the reporting period, Bank Mandiri has conducted a climate risk resilience assessment based on OJK Letter No. S-16/PB.013/2023, requiring KBMI 3 & 4 banks to assess climate risks in their portfolios. In this assessment, climate-related risks are compared with an initial qualitative assessment related to credit, market, and operational risks, specifically flood risks for residential and commercial property-backed credit portfolios, as well as drought/forest fire risks for corporate and SME portfolios in the forestry and plantation sectors.

The assessment provides an overview of potential losses and their impact on credit, market, operational, and capital risks for the Bank. For transition risks, the assessment is conducted for portfolios in high emission sectors, considering the projected impact of increased carbon emissions and government policy changes on credit, market, operational, and capital risks for the Bank. Transition scenarios use NGFS scenarios as per OJK guidelines, namely Net Zero 2050, Delayed Transition, and Current Policies.

For credit risks, portfolio segments with potential vulnerability to flood and forest fire disasters are identified, as well as sectors classified as high emission sectors and affected by government

The Board of Directors is assisted in this matter by the Risk Management and Policy Committee (RMPC). The Risk Management and Credit Policy Committee (RMPC) is held on a quarterly basis with topics including the performance of the Sustainable Finance Action Plan (SFAP), ESG trends, and discussions on critical issues related to ESG aspects.

The Board of Commissioners plays a crucial role in managing ESG and climate-related aspects, particularly in ensuring the integration of ESG and climate aspects in Bank Mandiri's long-term goals, including promoting efforts beyond compliance and adopting best practices, as well as overseeing the management of sustainability and climate-related risks and opportunities. To carry out this task, the Board of Commissioners is supported by the Risk Monitoring Committee (RMC). The Risk Monitoring Committee (RMC) forum is held on a quarterly basis, including discussions on the effectiveness of ESG-related risk management and oversight in financing activities.

The functions and obligations of the Board of Directors and the implementation of sustainable finance at Bank Mandiri are stipulated in Board Decision No. KEP.DIR/009/2021 dated January 13, 2021 regarding the Risk Management & Credit Policy Committee and Board of Commissioners Decision No. KEP.KOM/007/2022 dated November 18, 2022 regarding the Charter of the Risk Monitoring Committee. The ESG Group, a special body, is established in accordance with Board Decision No. KEP. DIR/32/2022 dated September 12, 2022.

policies for climate risk control. For market risks, the Bank identifies movements in the market value of its securities portfolio in high emission sectors due to changes in government policies related to carbon emissions.

We analyze the operational and property risks of Bank Mandiri related to drought/forest fires/floods, which, based on the assessment, have the potential to cause damage and losses to the Bank's technological systems and properties, as well as disruptions to employee mobility and health. In this scenario, the Bank has a Disaster Recovery Plan that includes a contingency plan for catastrophic events.

Bank Mandiri will continue to develop climate risk stress testing in accordance with regulatory guidance and the Bank's needs in planning climate risk management for its portfolio. With advancing technology, the development of specific models and analytics will be needed to quantify the impact of climate and environmental factors, as well as more detailed and current data and information, scenarios, and assumptions in line with regulatory guidance.

BUSINESS CONTINUITY MANAGEMENT

Bank Mandiri acknowledges that climate change presents potential physical risks that may disrupt the company's capacity to deliver banking products and services and sustain business operations under normal circumstances as well as in the face of interruptions or climate-related disasters, such as floods, droughts, landslides, and others. This has prompted the company to establish policies to identify, test, implement, and maintain Business Continuity Management (BCM) to ensure the continuity of critical business operations and resources needed in the event of a disaster or disruption.

BCM is a critical process for a company to maintain or recover normal business operations in the event of a disaster. It is defined as a framework for identifying and preparing the organization for potential internal and external threats so that business functions can continue smoothly in the event of a disaster or disruption, while also safeguarding the interests of stakeholders, the company's reputation, and brand. Effective BCM can minimize potential financial losses, reputational damage, and legal liabilities in the event of disruptions or disasters. It is also a form of implementing the bank's vision, mission, and business strategy, and is a shared responsibility across the entire bank.

Bank Mandiri's BCM organization is overseen by the Risk Management & Credit Policy Committee and is a working unit within the Operations Directorate. Bank Mandiri's BCM has been in place since 2016 and is led by the Head of BCM.

Bank Mandiri's BCM implements the BETH3 framework, which covers Building, Equipment, Technology, Human & 3rd Party, encompassing the Head Office, Regional Offices, Branch Offices, and overseas office networks, with guidance from Standard Operating Procedures (SOP) and supported by Operational Technical Instructions (OTI) related to Incident Management and Preparedness. Preparedness is an important process for the organization to address disasters/disruptions through Risk & Threat Assessment, Business Impact Analysis, Recovery Strategy, as well as Exercises and Testing. In facing Incident Management, the bank follows processes for Response, Recovery, and Restoration to minimize risks.

BCM at Bank Mandiri functions to refine and provide general guidelines in preparing business units to address and protect the bank from various IT & Non-IT impacts and to maintain the continuity of critical business functions and other important services for customer service.

As part of the preparedness process, business units regularly evaluate potential risks at each location and identify critical

activities for each unit. Once critical activities are identified, business units create Recovery/Business Continuity Plans regularly tested and involve both internal and external stakeholders.

Bank Mandiri's developed BCM has been in line with the International Standard ISO 22301 for Business Continuity Management Systems (BCMS) and received ISO 22301 certification on May 9, 2023, from the global certification body British Standard Institution. BCMS certification is awarded to companies that have implemented BCM programs in an end-to-end manner in accordance with international standards. Bank Mandiri became the fourth KBMI bank in Indonesia to receive ISO certification. Through this certification, Bank Mandiri has adopted international standards in Business Continuity, effectively mitigating the risk of operational disruptions and ensuring the seamless operation of customer services even in the face of disasters or incidents. Currently, 14 main service units of the bank (Payment, Settlement, Cash Processing, Treasury & Information Technology) have been certified, and critical units will continue to be the focus of standardization in the future.

To ensure service continuity, Bank Mandiri regularly conducts Business Continuity Plan (BCP) tests. BCP tests are mandatory and must be conducted at least once a year by all critical business units identified through Business Impact Analysis. Given the increasing threats, both IT and Non-IT, in 2023, the bank expanded the scope of units participating in BCP testing to include non-critical units.

To ensure the reliability and resilience of applications, infrastructure, and networks, Bank Mandiri performs Disaster Recovery Plan (DRP) tests for applications, providing customers with the assurance that the bank's systems continue to function seamlessly.

Testing approaches include Table Top Simulations and Call Trees, where Table Top Simulations involve face-to-face simulations of disaster/disruption events and Call Trees test the readiness of each party with a role in disaster/disruption management.

In addition to online and face-to-face approaches, Bank Mandiri also conducts training for emergency response and disaster management, including fire, flood, and earthquake drills, routinely at branch office levels. Emergency response readiness is consistently upheld through the Emergency Response Plan (ERP) procedure, along with drills and training involving third parties, as well as regular disaster call tree

exercises. Additionally, system readiness is ensured in anticipation of national events that could impact the bank's business operations.

The bank always ensures the safety of all employees, their families, and customers through the readiness of the Emergency Response Team (ERT). To ensure the safety of lives, the bank enhances the ERT's capabilities through certification/competency tests conducted by institutions such as BASARNAS, which all Bank Mandiri employees in Indonesia participate in, in collaboration with other institutions such as BMKG and TNI/POLRI. The certification aims to enhance the ERT's competency in search and rescue operations, ensuring they have the skills to carry out life-saving processes.

Since 2021, BCM Bank Mandiri has consistently pursued innovation as a means of continuous improvement by digitalizing processes. The rapid dissemination of information and communication pertaining to disasters and IT incidents is paramount in the business continuity process. This is exemplified by the real-time monitoring of potential natural disasters via the Natural Disaster Notification System and

potential IT disruptions through the Remedy System. BCM integrates all this information into a cohesive whole through the BCM System Application.

The capabilities of the BCM System, enabling for analysis, monitoring, and reporting processes summarized in a standardized format on a single dashboard, can be utilized not only by the BCM Head Office but also by Regional Offices, Branch Offices, overseas offices, and subsidiary companies. At each level, there exists a crisis management team with its respective functions.

As part of Bank Mandiri, the subsidiary company also standardizes BCM through the Alignment of the 3 Pillars, covering Governance & Procedure, Preparedness, and Crisis Management to enhance the value of the subsidiary company. Bank Mandiri's Business Continuity Management is committed to ongoing innovation.

Both now and in the future, BCM will persist in safeguarding the security and continuity of services, employees, and their families, leveraging existing and advancing digitalization.



Implementation of Disaster Recovery Plan Trial involving IT units and Business units

Ethics and Anti-fraud

INTERNAL AUDIT UNIT

Organization, Authority, Duties, and Responsibilities

1. Board of Commissioners

In carrying out the internal audit function, the authority, duties, and responsibilities of the Board of Commissioners refer to the Internal Control Policy (KICN).

2. Audit Committee

In carrying out the internal audit function, the authority, duties, and responsibilities of the Audit Committee refer to the Audit Committee Charter.

3. Integrated Governance Committee

In carrying out the internal audit function, the authority, duties, and responsibilities of the Integrated Governance Committee refer to the Integrated Governance Committee Charter.

4. President Director

In addition to the authority, duties, and responsibilities stated in the Internal Control Policy (KICN), the President Director is responsible for the following matters:

- a. Providing guidance on the scope and activities of the Internal Audit Unit;
- b. Together with the Board of Commissioners, approving the Annual Audit Plan and budget allocation, taking into account the Audit Committee's recommendations;

- c. Together with the Board of Commissioners, ensuring that internal audits in the Subsidiary Company are conducted using audit standards at the Bank.

5. Board of Directors

In addition to the authority, duties, and responsibilities stated in the Internal Control Policy (KICN), regarding the implementation of the Integrated Internal Audit Function, the Board of Directors is responsible for the following:

- a. Ensuring that audit findings and recommendations from the Internal Audit Unit, external auditors, and regulators have been followed up by the Subsidiary Company within the Financial Conglomerate;
- b. Performing supervisory functions over the Subsidiary Company within the Financial Conglomerate in accordance with the division of tasks.

6. Internal Audit Unit (SKAI)

To uphold independence and objectivity in expressing views and thoughts, free from influence or pressure from Management or other parties, the Board of Commissioners reports directly to the President Director and has the authority to communicate directly with the Board of Directors and the Audit Committee.

CODE OF CONDUCT

Bank Mandiri upholds integrity in accordance with the values of AKHLAK instilled in all Mandirians since recruitment and throughout their work. The Code of Conduct of Bank Mandiri serves as the benchmark for behavior, governing the ethical conduct of Mandiri's interactions with other stakeholders.

The Board of Commissioners, Board of Directors, and all Mandirians are required to apply the Code of Conduct at all times to create an honest and ethical work environment. Internalization of the Code of Conduct commences with Onboarding for New at Level for new employees, introducing the Code of Conduct, Business Ethics, ethical compliance statements, or Employee Statements, making annual disclosures that contain all circumstances or situations that may lead to violations of non-compliance with the code of conduct, management commitments, integrity pacts, and Employee Discipline Regulations in the Collective Labor Agreement (CLA).



Code of Conduct and Business Ethics Training

Bank Mandiri offers comprehensive training on the Code of Conduct for all employees, both through in-classroom sessions and e-learning. The dissemination of the Code of

Conduct is conducted through multiple channels, including Bank Mandiri's intranet, email, banners, flyers, and various other media within the organization's environment.

CODE OF CONDUCT AND ETHICAL STANDARDS TRAINING



76
Training Titles



12.730
Training Participants

Annual Disclosure

Bank Mandiri is committed to conducting business in a responsible and comprehensive manner, and this commitment is personalized for each Mandiri employee through the annual signing of a Statement Letter. This commitment also extends to the Bank's business partners.

Code of Conduct Monitoring

The supervision of Management in enforcing the Code of Conduct includes oversight by the Board of Directors related to the implementation of integrity and ethics, which is part of the Internal Control System Implementation. In this oversight, the Directors ensure the growth of a corporate culture that upholds the ethical values and integrity of all Mandirians, making Management a role model that fosters everyone's involvement and instills a risk culture at all levels of the organization.

In carrying out the supervision function, the Board of Commissioners ensures the implementation of the Code of Conduct bankwide through audit mechanisms. In the process, the Audit Committee performs audit functions and presents Significant Findings Reports from the audit process to the Board of Commissioners (based on Board of Directors Decision No. KEP.DIR/030/2023 on Organizational Structure dated August 4, 2023).

Code of Conduct Audit

The enforcement of the Code of Conduct is carried out jointly in internal audit activities conducted by the Internal Audit Unit (IAU), which is authorized to conduct investigative activities, including within the Bank, Subsidiaries, and affiliates, in accordance with applicable governance. Investigative activities may cover cases/issues in every aspect and element of activities indicating fraud and violations of the code of conduct within the Bank, Subsidiaries, and affiliates, in accordance with applicable governance. IAU is responsible for maintaining independence and objectivity in expressing its views without influence or pressure from Management and other parties. IAU reports directly to the President Director and can communicate directly with the Board of Directors, Board of Commissioners, and Audit Committee.

This has been stipulated in the Internal Audit Charter, approved by the President Director and the Chairman of the Board of Commissioners of Bank Mandiri, last updated on February 15, 2022. The implementation of internal audit in the reporting period can be found in the Bank Mandiri 2023 Annual Report in the Corporate Governance section. To enforce the implementation of the Code of Conduct, Bank Mandiri conducts regular audits of ethical standards as part of the specific internal audit agenda which covers all aspects of the Bank's operations, particularly in the 'people' aspect. Audits related to ethical standards, or the Code of Conduct, are part of annual mandatory audits. Significant findings from these audit activities are reported to the Audit Committee every quarter.

Code of Conduct Violation Investigation

Prior to commencing an investigation, an initial assessment is conducted to determine whether the available information is sufficient to warrant an investigation. The investigation progresses through various stages: preparation, implementation, reporting, and follow-up monitoring. An initial review of the information is essential to determine whether the indications of deviations leading to financial losses for the Bank are sufficient to warrant an investigation.

Information indicating fraud may be sourced from:

1. Directors, Audit Committee, Board of Commissioners.
2. General Audit Findings from IAU.
3. External Audit Findings (BI, OJK, BPK, Public Accountants, etc).
4. Other sources include information from other work units, employee complaints, LetterTo CEO (LTC), public complaints, mass media, etc.

The findings of the information review are recorded and presented to the Senior Investigator Head (SIV) or Chief Audit Executive (CAE) with sufficient reasons to conclude whether an investigation should be conducted and proposals for the composition of the Investigation Team.

During 2023, SIV conducted investigations in 52 cases and was involved in 100 cases as the Activity Investigation System Mentor for Regional Business Control (RBC) and the Internal Audit of Subsidiaries, including joint investigations.

Out of 152 cases investigated, 31 were related to violations of the Code of Conduct (employee code of conduct), including gratuities, bank secrecy breaches, embezzlement of office funds, leadership style, etc.

In carrying out the fraud prevention and monitoring function, SIV has undertaken several prevention activities through efforts to increase fraud awareness and monitoring of internal control improvements, including:

1. Conducting Fraud Awareness sessions with HCEOM Group for employees in 12 Regions and the Internal Audit of 5 selected Subsidiaries with a high potential for fraud.
2. Creating a monitoring dashboard to prevent and detect fraud in acquiring the personal loan (KSM) application used by SIV, Senior Operational Risk (SOR) Distribution & Consumer, and Regional Business Control (RBC) in 12 Regions.
3. Conducting an assessment on the Small Medium Enterprise (SME) Credit Segment and the personal loan (KSM) application acquisition process.
4. Developing indicators or measurement indices in the Work Unit KPIs calculated from the cumulative value of violations and fraud occurring in the related Work Unit in the form of Internal Control Score (ICS).
5. Conducting investigation workshops to enhance employee competencies in fraud prevention and investigation processes for Regional Business Control (RBC) in 12 Regions and 5 Subsidiary Internal Audit Units with speakers from SIV.

SIGNIFICANT FINDINGS REPORTING PROCESS

The Audit Manager prepares a summary of Significant Findings to be submitted to the Audit Operation Department.

The Audit Operation Department compiles the Significant Findings Report from all audit departments.

The report is then presented to the CEO and the Board of Commissioners through the Audit Committee.

The report is then presented to the CEO and the Board of Commissioners through the Audit Committee.

Basis of audit implementation:

- Internal Audit Standard Operating Procedure (SPIA) number S32.P1.IAU year 2023.
- Internal Audit Technical Instructions (PTIA) number S32.P1.T1.IAU year 2022.
- Human Resources Standard Operating Procedure number S.14. P1.SDM year 2022
- Internal Control Policy K.2 year 2023 (Edition 3).

ANTI-FRAUD

Fraud encompasses any form of dishonesty in banking practices, such as cheating, fraud, embezzlement of assets, information leakage, banking crimes, corruption crimes, and other actions that are considered fraudulent under the provisions of the legislation. At Bank Mandiri, fraud also encompasses actions that violate the employee discipline regulations of the Bank.

As the volume of banking transactions, financial incentives, and business environment advancements continues to rise,

the risk of fraud in financial services is also increasing. Fraud occurrences can lead to losses for the Bank and its customers, impact reputation, erode public trust, and disrupt financial stability. In response, Bank Mandiri has implemented a zero-tolerance commitment to corruption, fraud, and gratuities.

Bank Mandiri has implemented a comprehensive Anti-fraud Strategy covering all Policies, Standard Operating Procedure, Operational Technical Instructions, and other arrangements in accordance with regulatory requirements.

ANTI-FRAUD STRATEGY



Pillar 1 Prevention

In all work units in order to reduce the potential for fraud

- ✓ Anti-fraud awareness through the socialization of the Anti-Fraud Statement, Employee Awareness Program, and Customer Awareness Program
- ✓ Identification of vulnerabilities through policies and procedures, job descriptions, and annual disclosure.
- ✓ Know Your Employee (KYE) policy during employee recruitment.



Pillar 2 Detection

The entire unit, including the first line, second line, and third line of defense, is responsible for identifying and detecting fraud in the bank's business activities.

- ✓ Whistleblowing.
- ✓ Fraud detection system in the retail transaction segment and retail credit (micro, consumer, and SME).
- ✓ Surprise audits, especially in high-risk or vulnerable business units.
- ✓ Surveillance system to monitor and test the effectiveness of the internal control system.



Pillar 3 Investigation, Reporting, Sanctions, and Legal Process

The handling of fraud through investigation and reporting to the CEO, Board of Commissioners, and Regulator.

- ✓ Delegating the authority to conduct investigations and impose sanctions to each region to expedite the handling of cases and recovery.



Pillar 4 Monitoring, Evaluation, and Follow-up

Monitoring the follow-up of investigation results and evaluation of fraud incidents, to improve weaknesses and strengthen internal control systems in order to prevent recurrence.

- ✓ Reporting in writing to the President Director and Board of Commissioners is carried out in an orderly manner for monitoring the list of follow-up actions that have been determined.

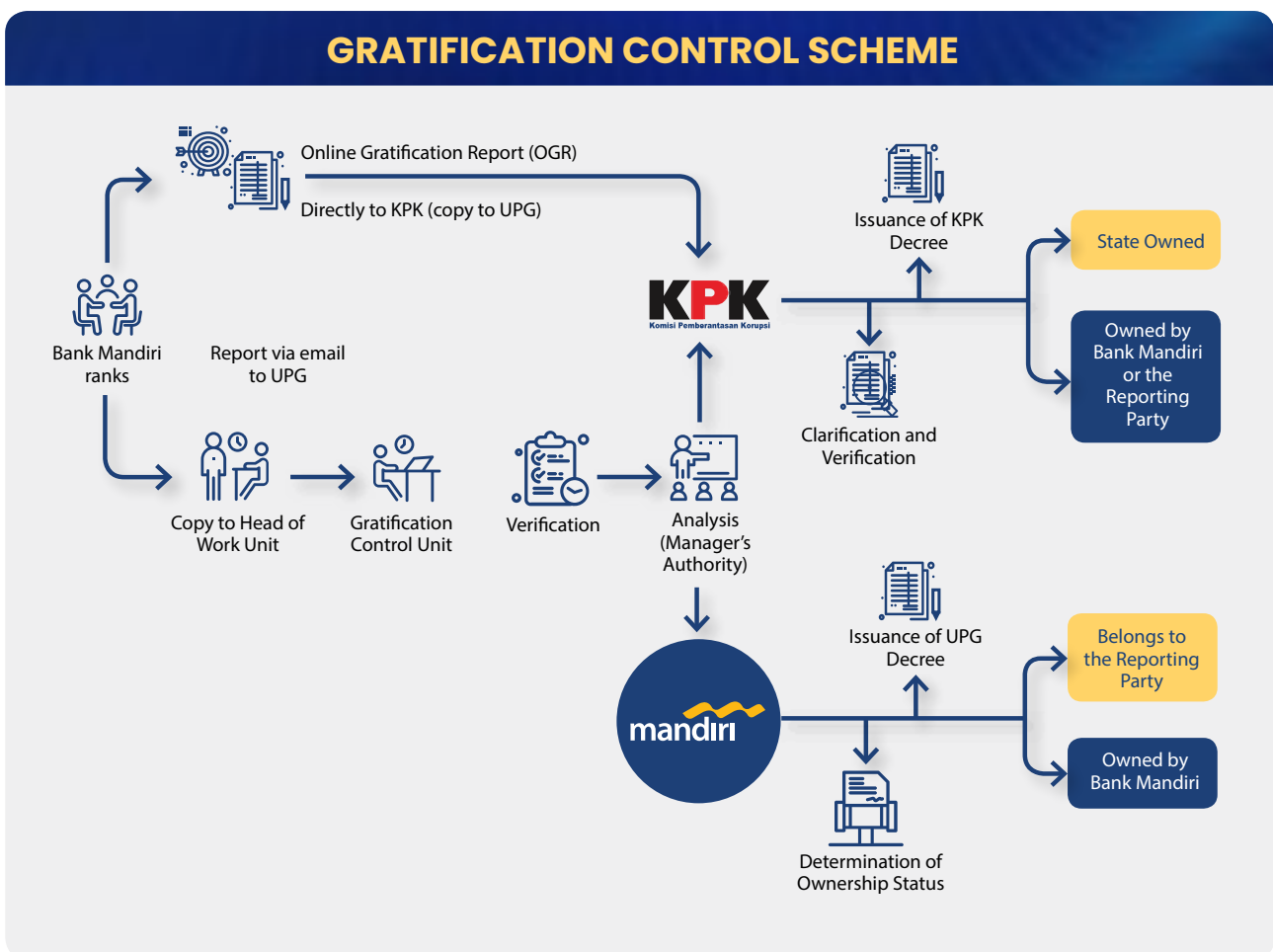
ANTI-BRIBERY

Bribery and gratification are among the integrity and business ethics matters that are taken seriously to ensure that banking business processes are conducted with care, fairness, and transparency. In order to prevent bribery cases, Bank Mandiri has established the Anti-Bribery Management System Audit Team (SMAP). In line with Note No. IAU.WCA/CA.242/2022 from the SMAP Audit Team, an audit has been conducted using the ISO 37001:2016 Anti-bribery Management System.

In order to prevent gratification practices, Bank Mandiri applies the following gratification control processes:

1. Establishing a Gratification Control Unit, which is part of the Compliance Work Unit as the coordinator of gratification control at Bank Mandiri in accordance with

2. Implementing provisions for a gratification control program within Bank Mandiri's environment, updated annually or as required by Bank Mandiri, and continuously enhanced in alignment with the Bank's development and/or compliance with legal provisions, culminating in the program's refinement in 2022.
3. Socializing the gratification control program to all employees and stakeholders of Bank Mandiri.



APPLICATION TO BUSINESS PARTNERS

Bank Mandiri requires business partners comprehend and adhere to identical policies on anti-corruption, anti-fraud, and anti-gratification. Throughout the reporting period, all (100%) of Bank Mandiri's business partners have been provided with guidance on these policies. The enforcement of Business Integrity among supplier partners is reinforced by the incorporation of the ISO 37001:2016 Anti-Bribery Management System in the Procurement and Vendor Management domains.

1. Prohibition for business partners to provide gratuities on the Procurement Bank Mandiri website ([https://](https://procurement.bankmandiri.co.id/)

procurement.bankmandiri.co.id/);

2. Obligation to sign an Integrity Pact for all business partners;
3. Statement of Commitment to Ethical Procurement during the procurement process for all goods and services providers invited;
4. Regulation of anti-bribery and anti-corruption in contracts/employment agreements;
5. Annual dissemination related to gratification through vendor meeting events.

PROCUREMENT PRACTICES [GRI 3-3]

The process of procuring goods and services at Bank Mandiri adheres to the Procurement Standard Operating Procedures (SPO) and Operational Technical Instructions (PTO). These documents require the procurement process to comply with legal regulations, including procurement carried out in foreign branches. These documents also contain comprehensive guidelines to facilitate the implementation of procurement activities, standardize implementation across all work units, clarify responsibilities, and enhance control functions in the implementation of procurement of goods and services.

Bank Mandiri ensures that all procurement processes comply with the principles of Good Corporate Governance (GCG) and comply with applicable legal regulations. In addition, Bank Mandiri also applies risk management principles in the procurement process, as follows:

1. Separation of functions in the Procurement Implementation Unit, including the unit responsible for supplier/vendor selection, the unit overseeing the procurement process, the unit formulating estimated prices, and the Compliance Work Unit.

2. Application of risk management principles, including identification, assessment, mitigation, monitoring, and measurement of operational risks;
3. Under the guideline of Bank Mandiri's work culture, based on the following values:
 - a. Core values of AKHLAK (Amanah, Kompeten, Harmonis, Loyal, Adaptif, and Kolaboratif);
 - b. Corporate culture;
 - c. Good Corporate Governance (GCG);
 - d. Compliance with the code of conduct, business ethics, and the implementation of precautionary principles.

A structured and systematic procurement framework is established to prevent the misuse of authority and collusion for personal or group gain, which could jeopardize Bank Mandiri. Bank Mandiri also guarantees the absence of conflicts of interest among the involved parties in the procurement of goods and services. Additionally, all parties are obligated to refrain from engaging in corruption, collusion, nepotism, and any form of gratuity during the procurement process.

Sustainable Procurement

In its procurement of goods and services, Bank Mandiri has partnered with third-party suppliers to facilitate its operational activities. In alignment with SDG 12: Responsible Consumption and Production, the company encourages its current and potential suppliers to incorporate sustainability into their business and operational processes. The implementation of ISO 20400:2017 aligns with SDG 12 and offers guidance for organizations seeking to integrate sustainable procurement practices. Committed to achieving Net Zero Emission by

Operation in 2030, Bank Mandiri is leveraging sustainable procurement as part of its strategy, in accordance with global standards. Furthermore, the bank has obtained ISO 37001:2016 certification for its Anti-Bribery Management System within the scope of Procurement & Vendor Management.

Bank Mandiri has emphasized to its suppliers the importance of understanding ESG criteria, highlighting that these criteria encompass not only environmental aspects but also social and

governance considerations. In line with this commitment, the bank has conducted Vendor Meetings with various suppliers engaged with the company. During these meetings, Bank Mandiri has extensively communicated the three facets of ESG to its supplier partners, illustrating the interconnection between operational activities and the suppliers' business. Furthermore, the procurement of goods and services at Bank Mandiri strictly follows Standard Operating Procedures (SOP) and Operational Technical Instructions (OTI), ensuring that the procurement process complies with legal regulations.

As a tangible step towards advancing ESG principles in procurement practices, Bank Mandiri actively promotes the integration of these three aspects into the operational

and business activities of its supplier partners. This includes measures to prevent child labor and ensure fairness in business operations. By incorporating ESG considerations into its relationships with suppliers, Bank Mandiri aims to generate a more significant positive impact on the environment and society. The bank not only incorporates ESG criteria into its procurement of goods and services but also proactively educates and encourages its supplier partners to uphold these principles. This initiative underscores Bank Mandiri's dedication to making a positive contribution to the environment and society through sustainable procurement. A more comprehensive exploration of the procurement practices implemented at Bank Mandiri will be presented in the context of Sustainable Financial Governance.

COMMUNICATION AND ANTI-CORRUPTION TRAINING [GRI 205-2]

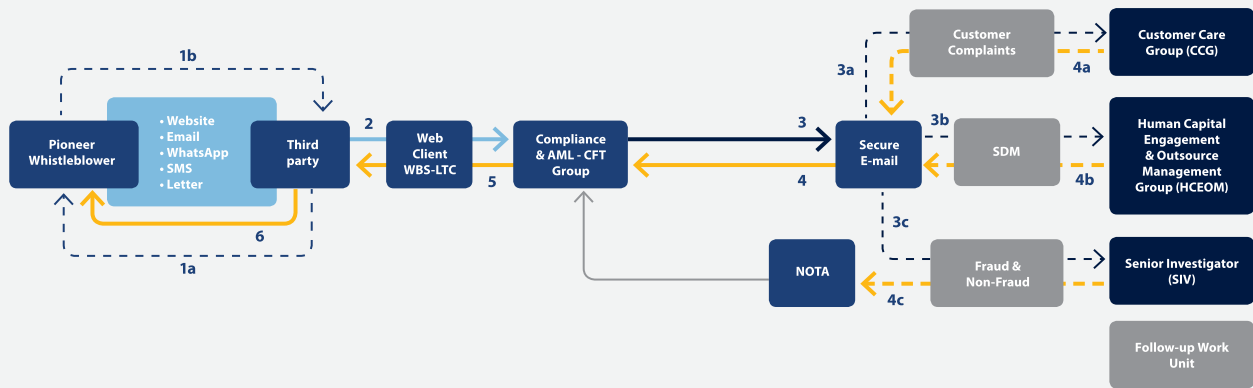
COMMUNICATION AND ANTI-CORRUPTION AND ANTI-FRAUD TRAINING BY REGION

Location	The organization has communicated about anti-corruption and anti-fraud policies and procedures.		Attended anti-corruption and anti-fraud training	
	Amount	%	Amount	%
Head Office*)	12,389	32.43	3,588	32.29
Sumatera (Region 1. 2)	4,779	12.51	1,064	9.58
Jakarta (Region 3. 4. 5)	7,309	19.13	2,389	21.50
Java (Region 6. 7. 8)	7,770	20.34	2,057	18.51
Kalimantan (Region 9)	1,929	5.05	953	8.58
Sulawesi & Maluku (Region 10)	2,086	5.46	468	4.21
Bali & Nusa Tenggara (Region 11)	1,158	3.03	408	3.67
Papua (Region 12)	756	1.98	184	1.66
Total	38,198	100	11,111	100

SUPPLIERS RECEIVING ANTI-CORRUPTION COMMUNICATION

Description	Amount	Percentage
Service Provider	659	42%
Supplier	895	58%
Total	1,554	100%

WHISTLEBLOWING SYSTEM [GRI 2-26]



Information:

- 1. Reporting submits WBS-LTC reports via website, email, WhatsApp & SMS or PO BOX letters to third parties.**
- 1.a. Third Parties request information, documents or supporting evidence from the Reporter if the reporting does not comply with the 4W1H principles.
- 1.b. The reporter completes the information.
- 2. Third Party submits WBS-LTC report to Compliance & AML - CFT Group.**
- 3. Compliance & AML - CFT Group analyzes WBS-LTC reports according to report type classification.**
- 3.a. If the contents of the WBS-LTC report regarding customer complaints are submitted to the CCG.
- 3.b. If the contents of the WBS-LTC report regarding HR (Personnel) are submitted to the HCEOM Group.
- 3.c. If the contents of the WBS-LTC report regarding Fraud and Non-Fraud (Code of Conduct) are submitted to SIV.
- 4-6. Each Work Unit that follows up on the WBS-LTC report, submits the results of the follow-up to the Compliance & AML - CFT Group, then conveys it to the Third Party to be informed to the Reporter.**

The Whistleblowing System (WBS) mechanism of Bank Mandiri is a means of reporting complaints and violations under the name Whistleblowing System – Letter to CEO (WBS-LTC) which is formal and confidential. WBS-LTC aims to implement the pillar of detecting fraud or indications of fraud, to promote awareness and concern among all Mandirians.

To minimize conflicts of interest and prevent retaliation, the reception of WBS-LTC reports is managed by an independent third party, subsequently documented on the Web Client WBS-LTC platform. These reports are then forwarded to the Compliance & AML-CFT Group for further action in accordance

with the classification of the report. In the reporting year, PT Deloitte Advis Indonesia has been designated as the third party.

WBS-LTC ensures the confidentiality of reporting data, safeguarding both the reporter’s identity and the information they provide. Bank Mandiri offers protection to individuals submitting reports on disciplinary violations and breaches of regulations, provided that the information is truthful, fact-based, and not fabricated, and that the whistleblower is not implicated in the reported misconduct.

REPORTING MEDIA



SMS & WHATSAPP
0811-900-7777



PHONE
0811-900-7777



MAIL
PO BOX 1007
JKS 12007



EMAIL
bmri-wbsltc@tipoffs.info



WEBSITE
bmri-wbsltc.tipoffs.info

TABLE WBS-LTC

Year	Mail	Reporting Media		SMS/WA	Fraud	Report Classification		Report Followed Up	Report Completed
		Email	Website			Non-Fraud	Others		
2023	9	42	55	60	46	43	78	167	167
2022	1	47	66	23	30	55	52	137	137
2021	2	28	30	17	26	29	22	77	77

LHKPN POLICY

Bank Mandiri has a policy regarding the implementation of the State Officials' Wealth Report (LHKPN) based on the Board of Directors' Decision No. KEP.DIR/037/2022 dated October 25, 2022 concerning the State Officials' Wealth Report (LHKPN) within PT Bank Mandiri (Persero) Tbk. This policy regulates the obligation of the company's employees to report their wealth, the procedures for submission, the managing work units,

LHKPN administrators, and the sanctions that can be imposed on employees who fail to fulfill their reporting obligations.

Further information on the management of LHKPN at Bank Mandiri can be found in the Bank Mandiri's 2023 Annual Report, in the Corporate Governance section.

PREVENTION OF MONEY LAUNDERING CRIMES

In accordance with the regulations, Bank Mandiri implements strategic measures to mitigate the risks of money laundering, terrorism financing, and the proliferation of weapons of mass destruction through the implementation of the Anti-Money Laundering (AML), Prevention of Terrorism Financing (PTF), and Prevention of Proliferation of Weapons of Mass Destruction (PPWMD) programs based on risk in its operational and business activities. Bank Mandiri has established Special Work Units at its headquarters, regions, and branches,

responsible for implementing the AML and PTF programs in their respective supervisory areas.

The company's active role in AML, PTF, and PPWMD is realized through cooperation with the Financial Action Task Force (FATF) and the assessment of the Financial Integrity Rating (FIR) by the Indonesian Financial Transaction Reports and Analysis Center (PPATK).

FIVE PILLARS OF AML CFT & PPWMD



Stakeholder Management

[OJK E.4] [GRI 2-29]

Bank Mandiri engages with stakeholders to establish effective communication, ensuring that the community can experience the benefits of the bank’s presence and to uphold the bank’s reputation. Stakeholders, who are influential individuals or groups, are both impacted by and can impact the bank’s performance.



The Bank employs a 360° methodology to identify stakeholders, recognizing six primary stakeholder groups: shareholders, the community, Mandiri employees, regulators, customers, and partners. Bank Mandiri consistently engages with stakeholders, valuing their input and perspectives in the

implementation of Corporate Social Responsibility (CSR) across the organization, including in decision-making, strategies, and published reports.





Bank Mandiri actively engages with all stakeholders through open and constructive methods. This interaction occurs daily and takes various forms, including the provision of information, presentations, dialogues, and accessible channels for receiving public input.


Bank Mandiri has identified the following stakeholder groups:

INTERNAL STAKEHOLDER

Stakeholder Groups	Method of Engagement	Main issues	Frequency	Bank Mandiri’s Responsibilities
 Mandirian (Employees)	<ul style="list-style-type: none"> Employee Engagement Employee Satisfaction Survey Performance evaluation 	<ul style="list-style-type: none"> Employee rights Enhance the relationship effectiveness between management and employees 	According to needs	<ul style="list-style-type: none"> Grant full rights to employees regarding the established CLA Conduct regular meetings in various forums between management and employees Measure organization, leadership, career development, relationships and communication, compensation benefits, job suitability, contribution/opportunity to give the best, and work groups
	<ul style="list-style-type: none"> Familiarization E-Learning Campaign 	<ul style="list-style-type: none"> Foster awareness among employees 	Regularly	<ul style="list-style-type: none"> Carry out familiarization of ESG implementation to 2,205 individuals covering 34 work units, 5 ODP batches, 12 regions, and 10 subsidiaries Organize mandatory ESG Awareness Level 1 E-Learning, attended by 27,844 Mandirians Implement a campaign through desktop wallpaper installed on 57,720 Mandirian PCs and Notebooks Measure employee understanding through an ESG Awareness Survey which has been participated by 7,660 Mandirians
 Directors and Commissioners	<ul style="list-style-type: none"> Internal Discussion Forum 	<ul style="list-style-type: none"> Develop understanding and awareness related to ESG 	According to needs	<ul style="list-style-type: none"> Conducted Internal Discussion Forums twice both online and offline, attended by 459 participants including the Board of Directors, Board of Commissioners, SEVP, Subsidiary Directors, Ministries representatives, Regulators, and international institutions

EXTERNAL STAKEHOLDER

Stakeholder Groups	Method of Engagement	Main issues	Frequency	Bank Mandiri's Responsibilities
Shareholders 	<ul style="list-style-type: none"> General Meeting of Shareholders Other routine meetings 	<ul style="list-style-type: none"> Improved performance of Bank Mandiri Positive growth of stock value 	According to needs	<ul style="list-style-type: none"> Strengthening the abilities, skills, and expertise of employees Improving company performance
Community 	<ul style="list-style-type: none"> Social and Environmental Responsibility Program Education and understanding related to the effective use of financial services 	<ul style="list-style-type: none"> Welfare Financial literacy 	According to needs	<ul style="list-style-type: none"> Optimizing the CSR program Increasing the number of new partner relationships Providing broader financial planning consultations and training to the general public
Regulator 	<ul style="list-style-type: none"> Annual Report and Sustainability Report Payment of taxes, levies, and Non-Tax State Revenue (PNBP) in accordance with regulations Participation in events organized by regulators for compliance communication 	<ul style="list-style-type: none"> Compliance with regulations Good corporate governance 	According to needs	<ul style="list-style-type: none"> Periodic evaluation as a tool to measure compliance effectiveness with applicable regulations Enhancing programs: <ol style="list-style-type: none"> Anti-Corruption Anti-Money Laundering and Prevention of Terrorism Financing (APU-PPT) Enhancing cooperation of CSR programs with the Government
Customers 	<ul style="list-style-type: none"> Complaint mechanism Customer satisfaction survey Quality services and products Customer Gathering 	<ul style="list-style-type: none"> Financial literacy Access to financial services Product security Data security 	According to needs	Providing consultation and dissemination of information, including: <ul style="list-style-type: none"> Ensuring service and guaranteeing the quality of financial products Organizing complaint mechanisms and follow-ups Conducting customer satisfaction surveys Maintaining customer privacy Holding Customer Gathering forums

Stakeholder Groups	Method of Engagement	Main issues	Frequency	Bank Mandiri's Responsibilities
Partners 	<ul style="list-style-type: none"> ♦ Employment contracts ♦ Evaluation of employment contracts 	<ul style="list-style-type: none"> ♦ Transparency in procurement processes 	According to needs	Collaboration and dissemination of information, including: <ul style="list-style-type: none"> ♦ Creating employment contracts. ♦ Supervising and evaluating employment contracts ♦ Imposing sanctions for termination of cooperation contracts in case of violations ♦ Organized a Vendor Meeting, inviting >618 BMRI vendors to discuss Sustainable Procurement ♦ Conducting collaboration and information dissemination, including creating work contracts, monitoring and evaluating work contracts, and imposing termination sanctions on cooperation contracts in case of violations.



07

About the **Sustainability Report**

Bank Mandiri publishes a sustainability report ('report') annually along with the publication of the company's annual report.



About the Sustainability Report

This report outlines our achievement of sustainable financial objectives through the Company's business, products, and financial services, covering environmental, social, and governance (ESG) initiatives, performance, and implementation in the 2023 reporting year, with an emphasis on material topics related to ESG.

This report contains information covering the banking operations throughout Indonesia during the period of

January 1 to December 31, 2023, and serves as a continuation of the 2022 Sustainability Report published in February 2023. The report is issued annually and does not restate data from previous reports. Through the preparation of this sustainability report, Bank Mandiri aims to foster the trust of stakeholders in the company's commitment to implementing sustainable financial principles. There have been no significant organizational changes during the reporting year.

REPORTING REFERENCES AND EXTERNAL INITIATIVES

Bank Mandiri Sustainability Report has been prepared following several policies to support the implementation of sustainability principles. The report adheres to the following reporting standards:

1. Financial Services Authority Regulation (POJK) Number 51/POJK.03/2017 on the Implementation of Sustainable Finance for Financial Services Institutions, Issuers, and Public Companies;
2. Financial Services Authority Circular Letter (SEOJK) Number 16/SEOJK.04/2021 on the Form and Content of Issuers' or Public Companies' Annual Reports;
3. Global Reporting Initiative (GRI) 2021 Standards;
4. International Financial Reporting Standards (IFRS) S1 and S2;
5. Task Force on Climate-Related Financial Disclosure (TCFD);
6. Sustainability Accounting Standards Board (SASB).

EXTERNAL ASSURANCE

Bank Mandiri is accountable for the ESG information and its supporting data. We carry out internal assurance processes by each relevant unit or group. This report has been verified by an independent external party, PT Decar Verite Asia (DVA),

chosen for its expertise, experience, international network, and other relevant criteria. DVA has no other involvement with Bank Mandiri aside from assuring for this report. The external assurance report can be found on page 336.

CONTACT ON SUSTAINABILITY REPORT

Readers can submit requests for information, suggestions, or any feedback regarding this sustainability report by contacting:



ESG GROUP

✉ esgroup@bankmandiri.co.id

📍 Jl. Jenderal Gatot Subroto Kav. 36-38
Jakarta 12190 Indonesia

☎ Tel. Phone (021) 5265045

☎ Fax. (021) 5274477, 5275577

🌐 Website: www.bankmandiri.co.id

Material Topic and its Boundary [GRI 3-1]

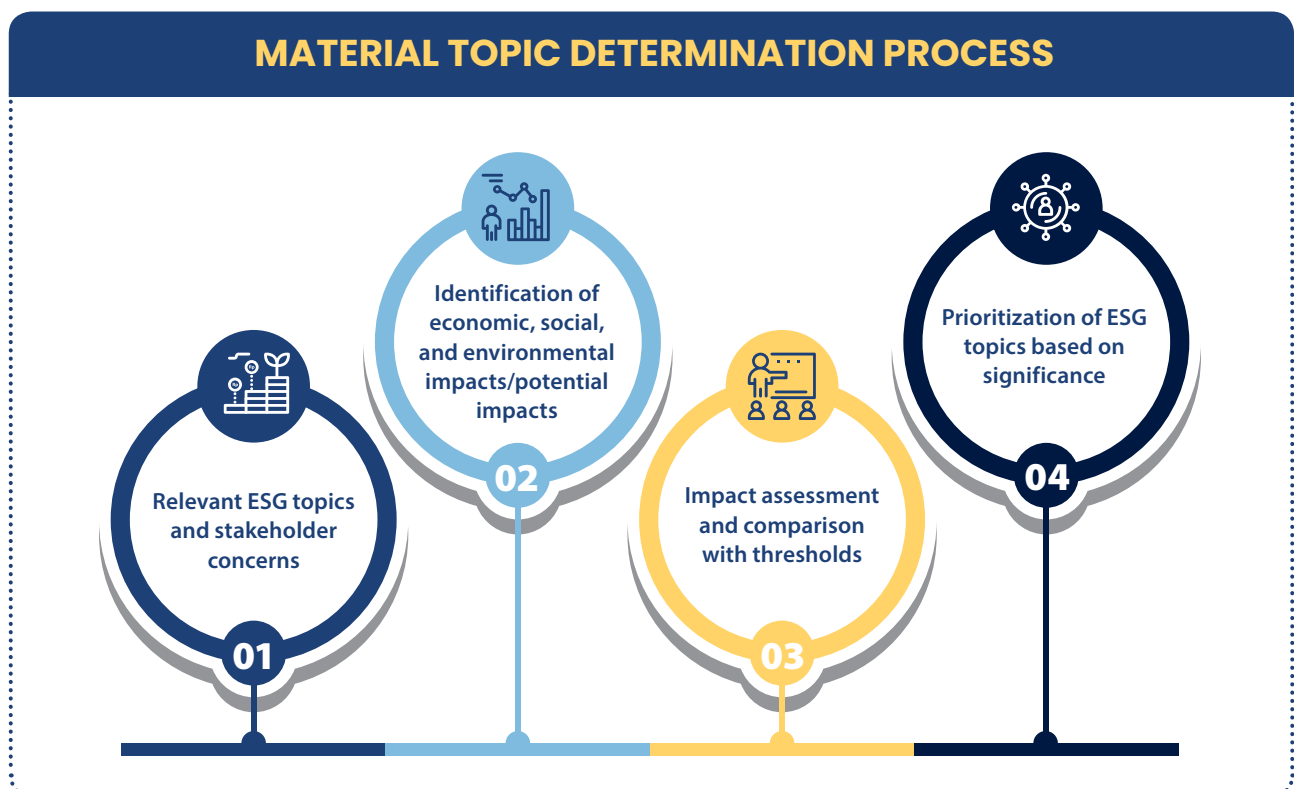
This sustainability report covers ESG topics that are material to Bank Mandiri's banking operations within the framework of sustainable finance. The ESG Group of Bank Mandiri and other relevant governance bodies discuss topics and new issues related to ESG, including matters of primary concern to our stakeholders. Based on this discussion, ESG Group assesses and prioritizes based on the scale of impact on the economy, environment, society, and governance.

To determine these sustainability material topics, Bank Mandiri follows the following four steps:

1. Understanding the sustainability context of Bank Mandiri;
2. Identifying and evaluating the current and potential impacts;

3. Assessing the significance of these impacts. Bank Mandiri engages stakeholders through materiality-level surveys during the second and third steps. In determining these topics, the bank also takes into account topics within the Financial Sector;
4. Prioritizing the most significant impacts as material topics. Bank Mandiri consistently monitors the impacts of its activities on the environment, society, governance, and the economy.

The review of material topics in 2023 revealed the same material topics as the previous year. However, the survey results indicate that their materiality level differs from the previous year.



From the above process, the following list of material topics is obtained:

Topics [GRI 3-2]	Reasons Why the Topic is Material [GRI 3-3]
Performance and Economic Impact	Have a significant impact on the improvement of regional and national economies as well as the economy of stakeholders.
Market Presence	Have a significant impact on human resources, both the well-being and careers of employees.
Indirect Economic Impact	Have a significant impact on the improvement of regional economies and community empowerment.
Procurement Practices	Have a significant impact on the development of the local economy.
Anti-Corruption	Have a significant impact and influence on the trust of shareholders, the community, and other stakeholders.
Energy	Have a significant impact on the sustainability of the earth and environmental preservation, in addition to economic savings for Bank Mandiri.
Emissions	Have a significant impact on the sustainability of the earth and environmental preservation, in addition to economic savings for Bank Mandiri.
Employment	Have a significant impact on the comfort and performance of employees.
Education and Training	Have a significant impact on the comfort and performance of employees as well as the capacity/skills of employees.
Diversity and Equality	Have a significant impact on the comfort and performance of employees as well as respect for human rights.
Non-discrimination	Have a significant impact on the comfort and performance of employees as well as respect for human rights.
	Have a significant impact on the improvement of products and customer trust.
Marketing and Labeling	Have a significant impact on the improvement of products and customer trust.
Customer Privacy	Have a significant impact on the improvement of products and customer trust.
Security Practices	Have a significant impact on the improvement of community well-being and the development of products for marginalized communities.
Local Community	Have a significant impact on the improvement of services and customer trust.
Product Responsibility	Have a significant impact on the improvement of services and customer trust.
Information Security	Have a significant impact on the enforcement and application of the sustainability concept by business relations/vendors of the Company, significantly impacting the improvement of services and customer trust.
Socio-economic Compliance	Has an important impact on the enforcement and implementation of the concept of sustainability by the Company's business relations/vendors, has an important impact on improving customer service and trust.

Meanwhile, other topics are not included in the material topic, considering that they are not relevant to Bank Mandiri's business, such as water, material, waste, and customer health.

»» SDG's link in GRI Standards

»» Feedback Sheet



Sustainability Performance Data

ECONOMIC ASPECT

DESCRIPTION	UNIT	2023	2022	2021
Overview of Economic Aspect Performance				
Operational Income*	Rp billion	146,266,161	126,762,391	112,607,027
Net Income **	Rp billion	55,060,057	41,170,637	28,028,155
Economic Performance related to Sustainability				
Types of products that meet the criteria for sustainable business activities	Type	Sustainable Financing: <ul style="list-style-type: none"> Credit for the sustainable business activity category Sustainable Product: <ul style="list-style-type: none"> Corporate-in-transition-financing Green Bond Green Sukuk ESG-based mutual funds Sustainable Funding: <ul style="list-style-type: none"> Sustainability Bond Green Bond ESG Repo 		
Nominal products and/or services that meet the criteria for sustainable business activities	Rp billion	264,080	228,764	205,423
Percentage of the total portfolio of sustainable business activities to the total portfolio				
a. Fundraising	%	NA	NA	NA
b. Financing	%	24	25	25
Inclusive Financial Performance**				
Development of Laku Pandai				
a. Number of Mandiri Agents	People	130,100	156,191	162,416
b. Mandiri Agent Account Opening	Account	2,870,000	2,287,036	1,808,173
Comparison of Production Targets and Performance, Portfolios, Financing Targets, or Investments, Income and Profit and Loss [OJK F.2]				
Balance Sheet Summary				
Total Assets	Rp billion	2,174,219,449	1,992,544,087	1,725,611,128
Productive assets	Rp billion	1,894,264,000	1,778,598,799	1,565,304,069
Bank Credit/Financing	Rp billion	1,359,832,195	1,172,599,882	1,026,224,827
Third-Party Funds	Rp billion	1,576,950,000	1,490,844,592	1,291,176,119
Operating Income*	Rp billion	146,266,161	126,762,391	112,607,027
Operating Expenses**	Rp billion	48,256,541	36,391,339	37,756,600
Net Income***	Rp billion	55,060,057	41,170,637	28,028,155
Performance Ratio ****				
Minimum Capital Adequacy Ratio (MCAR)	%	21.48	19.46	19.60
Non-performing earning assets and non-productive non-earning assets to total productive assets and non-earning assets	%	0.68	1.09	1.63
Non-performing productive assets to total productive assets	%	0,68	1.09	1.60

DESCRIPTION	UNIT	2023	2022	2021
Allowance for Impairment Losses (CKPN) for financial assets against earning assets	%	2.87	3.91	5.04
NPL gross	%	1.02	1.88	2.81
NPL nett	%	0.29	0.26	0.41
Return on Asset (ROA)	%	4.03	3.30	2.53
Return on Equity (ROE)	%	27.31	22.62	16.24
Net Interest Margin (NIM)	%	5.25	5.16	4.73
Rasio Efisiensi (BOPO)	%	51.88	57.35	67.26
Loan to Deposit Ratio (LDR)	%	86.75	77.61	80.04
Nilai Liquidity Coverage Ratio (LCR)	%	-	-	-
a. LCR individually	%	176.24	191.02	200.56
b. LCR consolidated	%	169.58	186.79	197.69

Comparison of Production Targets and Performance, Portfolio, Financing Targets, or Investments, Income and Profit and Loss

Balance Sheet Summary		2023	2022	2021
Total Assets	Rp billion	2,174,219,449	1,992,544,687	1,725,611,128
Total Credit	Rp billion	1,359,832,195	1,172,599,882	1,026,224,827
Net profit*	Rp billion	55,060,057	41,170,637	28,028,155

DESCRIPTION	UNIT	2023	2022	2021
Performance Ratio				
Adequacy Ratio				
Minimum Capital Adequacy Ratio (MCAR)	%	21.48	19.46	19.6
NPL gross	%	1.02	1.88	2.81
NPL nett	%	0.29	0.26	0.41
Return on Asset (ROA)	%	4.03	0.33	2.53
Return on Equity (ROE)	%	27.31	2.26	1.624
Rasio Efisiensi (BOPO)	%	51.88	57.35	67.26
Loan to Deposit Ratio (LDR)	%	86.75	77.61	80.04
Comparison of Portfolio Targets and Performance, Financing Targets, or Investments in Financial Instruments or Projects aligned with Sustainable Finance Implementation [OJK F.3]				
Number of products that meet the criteria for sustainable business activities				
a. Fundraising	Rp billion	5,000	12,454	4,276
b. Financing	Rp billion	264,080	228,764	205,423
Total of Productive Assets in Sustainable Business Activities				
a. Total Credit/Financing for Sustainable Business Activities (IDR)	Rp billion	264,080	228,764	205,423
b. Total Non-Credit/Financing for Sustainable Business Activities (IDR)	Rp billion	821,707	703,875	622,291
Percentage of total credit/financing for sustainable business activities to total bank credit/financing (%)	%	24.30	24.50	24.80

DESCRIPTION	UNIT	2023	2022	2021
Involvement of local parties				
Number of local suppliers	Without units	986	895	1049
Proportion of local suppliers	%	98.38	99.5	97.5
Number of local purchases	Rp billion	5.45	4.8	4.4
Percentage of local purchases	%	99.29	97.78	91.8
Economic Performance [GRI 201-1]				
Interest income	Rp million	113,747,621	95,943,875	83,033,945
Sharia Income	Rp million	18,796,849	16,438,243	14,715,141
Premium income	Rp billion	13,720,000	14,380,273	14,857,941
Profit from selling securities and bonds! government	Rp million	125,295	899,579	3,242,400
Profit on sale of fixed assets	Rp million	8,624	2,821	(114,086)
Other fee and commission income	Rp million	20,148,410	18,802,148	15,408,693
Income from fair value through profit or loss - nett	Rp million	3,473,796	3,494,409	3,937,883
Other Income	Rp million	16,900,640	11,984,146	9,681,444
The economic value generated	Rp million	186,911,235	161,945,494	144,763,361
Other operational expenses *)	Rp million	(29,444,402)	(28,618,312)	(26,463,155)
Salary expenses and employee benefits	Rp million	(24,423,089)	(24,641,746)	(22,677,112)
Payment to funders **)	Rp million	(48,256,541)	(36,391,339)	(37,756,600)
Dividend payments to shareholders	Rp million	(24,702,382)	(16,816,893)	(10,271,552)
Payments to the Government (taxes, levies, etc.)***)	Rp million	(14,633,011)	(11,425,358)	(7,807,324)
Procurement of goods and services	Rp billion	(6,086,960)	(4,826,716)	(4,894,011)
Expenditures for society	Rp million	(174.6)	(137.6)	(132.3)
Distributed economic value	Rp million	(147,546,559)	(122,720,364)	(122,720,364)
Retained economic value	Rp million	39,364,675	39,225,130	39,225,130
Sustainable Business Credit Portfolio				
Sustainable Business Activity Categories				
Renewable Energy	Rp billion	9,727	6,149	4,281
Energy Efficiency	Rp billion	-	-	-
Prevention and Control of Pollution	Rp billion	-	-	-
Management of Natural Resources and Sustainable Land Use	Rp billion	102,413	92,956	88,537
Conservation of Terrestrial and Aquatic Biodiversity	Rp billion	-	-	-
Clean Transportation	Rp billion	3,926	3,107	2,028
Water and Wastewater Treatment	Rp billion	1,171	867	1,214
Climate Change Adaptation	Rp billion	-	-	-
Products that Reduce Resource Use and Generate Less Pollution (Eco-efficiency)	Rp billion	5,354	3,307	-
Green Buildings that Meet National, Regional, or International Standards or Certifications	Rp billion	6,612	16	205
Other Green Business and/or Activities	Rp billion	8,776	5,067	5,255
Micro, Small, and Medium Enterprises (MSMEs) Activities	Rp billion	126,101	117,295	103,547
Total Sustainable Business Activity Categories (KKUB) Portfolio	Rp billion	264,080	182,931	172,385

DESCRIPTION	UNIT	2023	2022	2021
Sustainable Financing Products				
Green loan	Rp billion	3.50	4.67	-
Corporate-in-transition financing	Rp billion	0.74	-	-
Sustainability linked loan	Rp billion	0.65	1.49	-
Sustainable Fundraising				
Category				
Sustainability Bond	US\$	-	-	300
Green Bond	Rp billion	5,000	-	-
ESG Repo	US\$	-	500	-
Sustainable Investments				
Category				
Green Sukuk	Rp billion	3,047	-	-
Green Bond	Rp billion	180	-	-
ESG Mutual Fund	Rp billion	17	-	-

*) Interest income, sharia income and premium income

**) Interest expenses, sharia expenses and claims expenses

***) Excludes current year profits to non-controlling interests

****) Company only

ENVIRONMENTAL ASPECT

DESCRIPTION	UNIT	2023	2022	2021	Baseline (2019)
Activity Data					
Operating Income	Rp billion	146,266,161	126,762,391	112,607,027	102,638,740
Number of Employees	People	38,940	38,200	37,840	39,065
Paper Usage					
- Printing Paper	ream	34,126	38,178	-	70,866
Direct Energy Consumption					
Energy Consumption (electricity),	Gjoule	1,040,756	1,046,804	1,009,552	1,140,603
Energy Consumption (Fuel)	Gjoule	599,749	569,528	770,838	906,514
Energy Consumption (solar or other Renewable Energy)	Gjoule	NR	NR	NR	NR
Total Energy Consumption	Gjoule	1,640,506	1,616,331	1,780,390	2,047,117
Energy Consumption Reduction (Bank Only)					
Total Energy Consumption Reduction	Gjoule	1,640,506	1,616,331	1,780,390	2,047,117
Pemakaian Air (Bank Only)					
- Purchase of Water from Third Parties	m ³	560,911	498,365	460,699	410,316
- Water Reuse	m ³	141,106	138,580	116,057	104,372
Total Water Usage	m ³	702,017	636,945	576,756	514,688
Waste Management					
- Recycled	Kg	1,520	4,400	1,200	NR
- Recycled by Third Party					NR
- Composting	m ³	10,200	63,693	78,480	NR
- Handed over to Third Party	m ³	31,610	28,104	45,360	NR
Greenhouse gas Emissions from the Company (Bank Only)					
Direct GHG Emissions (Scope-1)	ton CO ₂ e	43,077	42,698	64,319	75,640
Indirect GHG Emissions (Scope-2)	ton CO ₂ e	252,636	260,082	249,938	283,113
Total GHG Emissions	ton CO ₂ e	295,713	303,787	315,535	362,863
Emissions from Financing					
Other Indirect GHG Emissions (Scope-3)	ton CO ₂ e million	18.1			
GHG Emission Reduction (Bank Only) per-Employee					
GHG Emission Intensity Scope 1&2	ton CO ₂ e	7.59	7.93	8.30	9.18
Environmental Costs [OJK F.4]					
Solar Panel Installation	rupiah	-	-	853,000,000	-
Renewal and Repair of Water Recycle RO System	rupiah	-	1,510,000,000	1,792,400,000	-
CSR Activities in Nature Conservation and Preserving Environment	rupiah	22,500,000,000	645,015,195	99,325,100	365,000,000
LED Installation	rupiah	2,250,000,000	-	-	-

SOCIAL ASPECT

EMPLOYMENT (PEOPLE) [GRI 2-7] [GRI 2-8]

Description	2023		2022		2021	
	Male	Female	Male	Female	Male	Female
Number of Employees by Age						
< 30 years	4,390	5,729	4,415	5,977	4,773	6,754
30 – 50 years	12,479	13,715	12,182	13,010	11,631	12,173
> 50 years	1,697	930	1,725	867	1,736	773
TOTAL	18,566	20,374	18,322	19,854	18,140	19,700
Number of Employees by Grade						
Board of Commissioners	9	2	8	2	9	2
Direksi	9	3	10	2	11	2
SEVP/EVP/SVP	116	33	113	30	107	27
VP/AVP	2,583	1,431	2,501	1,314	2,391	1,205
Manager	7,129	6,769	6,865	6,581	6,415	6,215
Staff	8,593	12,141	8,632	11,928	8,991	12,252
Others	145	-	211	1	236	1
TOTAL	18,566	20,374	18,322	19,854	18,140	19,700
Number of Employees by Employment Status						
Permanent Employees	16,601	17,762	16,630	18,017	16,670	18,105
Contract Employees	1,721	2,416	1,478	1,701	1,288	1,447
Trainee	244	196	214	136	182	148
Outsourcing	26,428	7,448	25,975	7,213	27,024	7,261
TOTAL	44,994	27,822	44,297	27,067	45,164	26,961
New Hires						
By Age						
< 30 years	1,109	1,494	1,006	1,028	655	764
30 – 50 years	117	47	152	43	120	38
> 50 years	16	2	7	1	10	3
Average	414	514	388	357	262	268
Turnover						
By Age						
< 30 years	181	265	185	231	137	287
30 – 50 years	387	629	423	511	454	524
> 50 years	429	157	359	131	435	164
Average	332	350	322	291	342	325

AVERAGE TRAINING HOURS

Description	2023			2022		
	Number of Employees	Total Training Hours	Average Training Hours	Number of Employees	Total Training Hours	Average Training Hours
By Grade						
SEVP – SVP	158	15,558	90.5	148	17,392	117.5
VP - AVP	3,965	807,516	202.6	3,793	661,178	174.3
SM - FAM	13,822	2,553,630	184.2	13,293	2,153,892	162.0
Executor	19,751	1,839,932	88.5	20,364	1,713,998	84.2
Non-Executor	59	808	9.2	87	2,640	30.3
Pension/terminate	1,738	120,638	58.0	1,377	80,870	58.7
By Gender						
Female	20,623	2,664,804	124.4	20,338	2,360,482	116.1
Male	18,894	2,674,432	136.6	18,736	2,270,256	121.2
Total	39,517	5,339,236	130.2	39,074	4,630,738	118.5

Description	Unit	2023	2022	2021
Average Turnover				
Turnover Rate	%	5.26%	4.82%	5.28%
Employee Engagement Survey				
Employee Engagement Survey Index	%	89.65	88.05	86.30
Diversity and Equal Opportunity				
Percentage of Board of Commissioners and Directors by Gender				
• Male	%	78%	82%	83%
• Female	%	22%	18%	7%
Percentage of Employees by Grade				
SEVP/EVP/SVP				
• Male	%	78%	79%	80%
• Female	%	22%	21%	20%
VP/AVP				
• Male	%	64%	66%	66%
• Female	%	36%	34%	34%
Manager				
• Male	%	51%	51%	51%
• Female	%	49%	49%	49%
Staff				
• Male	%	41%	42%	42%
• Female	%	59%	58%	58%
Percentage of Employees by Gender				
• Male	%	48%	48%	48%
• Female	%	52%	52%	52%
Percentage of Employees by Age Group				
• (< 30 years)	%	26%	27%	30%
• (30-50 years)	%	67%	66%	63%
• (>50 years)	%	7%	7%	7%

Description	Unit	2023	2022	2021
Customer Financial Protection Training				
Number of training topics	Title	171	NR	NR
Number of participants	People	26,288	NR	NR
Incidents of Violation of Customer Financial Protection				
Number of Violation of Product Information Rules	Incident	0	0	0
Number of Violations of Marketing Communication	Incident	0	0	0
Complaints Related to Privacy Violations and Customer Data Leaks	Incident	0	0	0
Marketing and Product Knowledge Training				
Number of training topics	Title	49	NR	NR
Number of participants	People	18,152	NR	NR
Marketing Communication Incidents				
Number of incidents of non-compliance with regulations and/or voluntary codes concerning product and service information and labeling by their types and consequences	Case	0	0	0
Product and Service Evaluation				
Percentage of products that have been evaluated for their safety	%	100	100	100
Products that have been recalled or discontinued	Product	Living' web	0	0
Data and Information Security				
Data Security Incidents				
Number of Data Security Breach Incidents	Case	0	0	0
Percentage of incidents related to customer data	%	0	0	0
Number of affected accounts	Account	0	0	0
Data Security and Privacy Training				
- Number of training topics	Title	197	NR	NR
- Number of participants	People	87,793	NR	NR
Data Privacy Training				
- Number of training topics	Title	21	NR	NR
- Number of participants	People	85	NR	NR
Recapitulation of Customer Complaints				
Total customer complaints	Unit	1,082,317	725,559	731,991
Complaints being resolved within the reporting year*)	Unit	-	-	-
Resolved complaints	Unit	1,082,317	725,559	731,991
Number of transactions	Transaction	15,146,907,333	12,038,675,803	9,675,999,534
Complaint Index (Complaint ratio compared to transactions)	Without unit	0.000071	0.000060	0.000076
Resolution Rate	%	100%	100%	100%

Description	Unit	2023	2022	2021
Customer Satisfaction				
Overall NPS	Score	66	60	72
NPS by Industry	Score	64	54	68
Overall CSAT	Score	86.76	86	88
CSAT by Industry	Score	86.20	85	88
Overall CES	Score	89.33	90	-
CES by Industry	Score	89.10	88	-
Overall SES	Score	91.39	92	95
SES by Industry	Score	87.87	90	93
Access and Inclusive Financial Services				
Performance of Mandiri Agents				
- Individual Mandiri Agent	Individual	130,100	156,049	150,377
- Legal Entity Mandiri Agents	Institution	92.82	88.65	86.80
- Transaction volume	Million transactions	86.83	69.27	72.59
Financial Literacy and Inclusion Activities				
- Total participants	people	13,132	-	-
Banking Access				
Number of Offices				
- Branch Offices	Unit	139	138	137
- Overseas Offices	Unit	7	7	7
- Sub-Branch Offices*)	Unit	2,104	2,225	2,465
- Cash Offices	Unit	-	-	-
Other Types of Offices				
- Payment Point	Unit	36	42	-
- Mobile Cash	Unit	77	77	-
- Micro Mobile Cash	Unit	21	22	-
- ATM	Unit	12,906	13,027	13,087
Social and Environmental Responsibility Costs				
CSR Program (Non-Funding SME Program)	rupiah	174,673,205,808	137,629,784,178	132,372,729,008
Mandiri Sahabatku	rupiah	1,444,435,238	500,000,000	1,091,400,000
Mandiri Young Entrepreneur	rupiah	17,514,896,074	8,938,957,915	6,567,669,300
Rumah BUMN	rupiah	2,058,830,470	2,665,108,455	3,656,945,089
Healthy Homecoming with BUMN***)	rupiah	4,709,995,699	3,926,244,839	-

GOVERNANCE ASPECT

Code of Conduct and Ethical Standards Training

Description	Unit	2023
Number of training topics	Title	76
Number of participants	People	12,730




mandiri

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GRI Content Index

Statement of Use



PT Bank Mandiri Tbk has reported information cited in the GRI content index for the period 1 January - 31 December 2023 in accordance with the GRI Standards.

GRI 1 used



GRI 1: Foundation 2021

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SDG's	Business Theme	GRI Standard Relevance	Disclosure	Title Disclosure	Page
 <p>1. NO POVERTY End poverty in all its forms everywhere</p>	Income, salary, and benefits	GRI 202: Market Presence (2016)	202-1	Ratios of standard entry-level wage by gender compared to local minimum wage	185
	Economic Development in areas of high poverty	GRI 203: Indirect Economic Impacts (2016)	203-2	Significant indirect economic impacts	231 - 236
	Operations that have an impact on the community	GRI 413: Local Communities (2016)	413-2	Operations with significant actual and potential negative impacts on local communities	231 - 236
 <p>2. ZERO HUNGER HUNGER End hunger, achieve food security and improved nutrition, and promote sustainable agriculture</p>	Economic Performance	GRI 201: Economic Performance (2016)	201-1	Direct Economic Value Generated and Distributed	304
	Economic Development in areas of high poverty	GRI 203: Indirect Economic Impacts (2016)	203-2	Significant indirect economic impacts	231 - 236
 <p>3. GOOD HEALTH AND WELL-BEING Ensure healthy lives and promote well-being for all at all ages</p>	Economic development in areas of the highest poverty	GRI 203: Indirect Economic Impacts (2016)	203-2	Significant indirect economic impacts	231 - 236
	Air Quality	GRI 305: Emission (2016)	305-1	Direct (Scope 1) GHG emissions	161
			305-2	Energy indirect (Scope 2) GHG emissions	161
			305-3	Other indirect (Scope 3) GHG emissions	164



SDG's	Business Theme	GRI Standard Relevance	Disclosure	Title Disclosure	Page		
	Well-being	GRI 401: Employment (2016)	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	185		
 <p>4. QUALITY EDUCATION Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all</p>	Training and Education	GRI 404: Training and Education (2016)	404-1	Average hours of training per year per employee	180		
			404-2	Programs for upgrading employee skills and transition assistance programs	180		
 <p>5. GENDER EQUALITY Achieve gender equality and empower all women and girls</p>	Equal opportunity	GRI 2: General Disclosure (2021)	2-9	Governance structure and composition	241 - 242, 244		
			2-10	Nomination and selection of the highest governance body	253		
	Gender equality	GRI 405: Diversity and Equal Opportunity (2016)	202-1	Ratios of standard entry-level wage by gender compared to local minimum wage	185		
			GRI 203: Indirect Economic Impacts (2016)	203-1	Infrastructure investments and services supported	231 - 236	
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	GRI 404: Education and Training (2016)						
	GRI 404: Education and Training (2016)	404-3	Percentage of employees receiving regular performance and career development reviews	182			
	GRI 405: Diversity and Equal Opportunity (2016)	405-1	Diversity of governance bodies and employees	189, 252			
405-2		Ratio of basic salary and remuneration of women to men	185				


SDG's	Business Theme	GRI Standard Relevance	Disclosure	Title Disclosure	Page
	Anti-discrimination	GRI 406: Non-Discrimination (2016)	406-1	Incidents of discrimination and corrective actions taken	189
 <p>6. CLEAN WATER AND SANITATION Ensure availability and sustainable management of water and sanitation for all</p>					
	Energy Efficiency	GRI 302: Energy (2016)	302-1	Energy consumption within the organization	164
 <p>7. AFFORDABLE AND CLEAN ENERGY Ensure access to affordable, reliable, sustainable, and modern energy for all</p>			302-3	Energy intensity	164
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 <p>8. DECENT WORK AND ECONOMIC GROWTH Promote sustained, inclusive, and sustainable economic growth, full and productive employment, and decent work for all</p>	Work opportunity	GRI 102: General Disclosure (2021)	2-7	Employees	307
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		GRI 401: Employment (2016)	401-1	New employee hires and employee turnover	171 - 173	
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			401-3	Parental leave	185	
		Training and Education	GRI 404: Training and Education (2016)	404-1	Average hours of training per year per employee	180
				404-2	Programs for upgrading employee skills and transition assistance programs	180
				404-3	Percentage of employees receiving regular performance and career development reviews	182
		GRI 405: Diversity and Equal Opportunity (2016)	405-1	Diversity of governance bodies and employees	189, 252	
			405-2	Ratio of basic salary and remuneration of women to men.	185	
		GRI 406: Non-discrimination (2016)	406-1	Incidents of discrimination and corrective actions taken	189	

SDG's	Business Theme	GRI Standard Relevance	Disclosure	Title Disclosure	Page
 <p>9. INDUSTRY, INNOVATION AND INFRASTRUCTURE Build resilient infrastructure, promote inclusive and sustainable industrialization, and foster innovation</p>	Economic Development in areas of high poverty	GRI 201: Economic Performance	201-1	Direct economic value generated and distributed	304
		GRI 203: Indirect Economic Impacts	203-1	Indirect economic impact	231 - 236
		GRI 2: General Disclosure (2021)	2-7	Employee	307
 <p>10. REDUCED INEQUALITIES Reduce internal inequality and between countries</p>	Economic Development in areas of high poverty	GRI 401: Employment (2016)	401-1	New employee hires and employee turnover	174, 184
		GRI 404: Training and Education (2016)	404-1	Average hours of training per year per employee	180
			404-3	Percentage of employees receiving regular performance and career development reviews	182
		GRI 405: Diversity and Equal Opportunity	405-2	Ratio of basic salary and remuneration of women to men.	185

SDG's	Business Theme	GRI Standard Relevance	Disclosure	Title Disclosure	Page		
 <p>11. SUSTAINABLE CITIES AND COMMUNITIES Make cities and human settlements inclusive, safe, resilient, and sustainable</p>	Infrastructure Investments	GRI 203: Indirect Economic Impacts (2016)	203-1	Indirect economic impact	231 - 236		
 <p>12. RESPONSIBLE CONSUMPTION AND PRODUCTION Ensure sustainable consumption and production patterns</p>	Air Quality	GRI 302: Energy (2016)	302-1	Energy consumption within the organization	164		
			302-3	Energy intensity	164		
			302-4	Reduction of energy consumption	306		
		GRI 305: Emission (2016)	305-1	Direct (Scope 1) GHG emissions	161		
			305-2	Energy indirect (Scope 2) GHG emissions	161		
			305-3	Other indirect (Scope 3) GHG emissions	164		
		 <p>13. CLIMATE ACTION Take urgent action to combat climate change and its impacts</p>	Economic Impact	GRI 201: Economic Performance (2016)	201-1	Direct economic value generated and distributed	304
				GRI 302: Energy (2016)	302-1	Energy consumption within the organization	164
					302-3	Energy intensity	164
302-4	Reduction of energy consumption				306		

SDG's	Business Theme	GRI Standard Relevance	Disclosure	Title Disclosure	Page
 <p>14. LIVE BELOW WATER Conserve and sustainably use the oceans, seas, and marine resources for sustainable development</p>	Air Quality	GRI 305: Emissions (2016)	305-1	Direct (Scope 1) GHG emissions	161
			305-2	Energy indirect (Scope 2) GHG emissions	161
			305-3	Other indirect (Scope 3) GHG emissions	164
			305-4	GHG emissions intensity	161
 <p>15. LIFE ON LAND Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss</p>		GRI 305: Emissions (2016)	305-1	Direct (Scope 1) GHG emissions	161
			305-2	Energy indirect (Scope 2) GHG emissions	161
			305-3	Other indirect (Scope 3) GHG emissions	164
			305-4	GHG emissions intensity	161

SDG's	Business Theme	GRI Standard Relevance	Disclosure	Title Disclosure	Page
 <p>16. PEACE, JUSTICE AND STRONG INSTITUTIONS</p> <p>Promote peaceful and inclusive communities for sustainable development, provide access to justice for all, and build effective, accountable, and inclusive institutions at all levels</p>		GRI 102: General Disclosure (2021)	2-23	Policy commitments	119
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			2-9	Governance structure and composition	241 - 242, 244
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	GRI 418: Customer Privacy (2016)	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	309	

Feedback Sheet

Bank Mandiri received no feedback on the 2022 Sustainability Report. Bank is always open to feedback and input for the progress of the report by providing forms and facilities for stakeholders to submit their input.

YOUR PROFILE (PLEASE FILL OUT THE FORM BELOW)

Name : _____

Institution/Company : _____

Email : _____

Phone/Mobile : _____

STAKEHOLDER GROUPS

- Shareholders/Investors Customers Employees
- Trade Unions Media Suppliers
- Community Organizations/NGOs Government/OJK Business Organizations
- Others

How would you rate the content of this report

Strongly Disagree **Disagree** **Neutral** **Agree** **Strongly Agree**

This report is easy to understand

This report is useful

This report describes the performance of Financial Services Institutions in sustainable development

How would you rate the materiality level on the following topics:	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
Economic performance					
Indirect economic impact					
Sustainable financial performance					
Education and training					
Employment					
Customer privacy					
Anti-Corruption					
Environmental performance					

Please provide your suggestions or comments on this report:

Independent Assurance Statement

No. DECAR-IAS/013/02/2024

Provided by **Decar Verite Asia**

On specified disclosures within the scope of work, included in Bank Mandiri 2023 Sustainability Report

To: **Bank Mandiri Stakeholders**

As an independent licensed provider of sustainability assurance services, Decar Verite Asia has been engaged by Bank Mandiri to provide independent assurance on the information reported in Sustainability Report 2023 the period beginning on 1st January 2023 and ending on 31st December 2023.

Objective

The objective of this assurance is to provide an independent opinion on Bank Mandiri qualitative and quantitative information within the scope of work, as well as their supporting management system, stated in the Bank Mandiri's Sustainability Report.

This assurance statement is provided with the intention of informing all Bank Mandiri's stakeholders to assure the overall credibility of the reported information within the scope.

Scope

The scope of Bank Mandiri 2023 Sustainability Report and this assurance includes all Bank Mandiri performance and activities. Decar Verite Asia performed a Type 2 assurance for all material topics reported in 2023 Sustainability Report. All data and information within the specified disclosures, including but not limited to, commitment, initiatives, and performance, were assured to a Moderate Level of Assurance. The procedures include evaluation of the specified disclosures and assessment of samples of evidence to verify the adherence, reliability, and quality of the information against criteria as stated below.

Reference and Criteria

Decar Verite Asia performed the assurance in accordance with AA1000 Assurance Standard v3 (2020). Specific performance data and information were assessed utilizing POJK 51/2017, as national regulation, and globally recognized standards which include GRI Standards 2021, SASB, IFRS S-1 and IFRS S-2.

Responsibilities

Bank Mandiri

Preparing the data in accordance with generally accepted reporting practices. This responsibility also includes ensuring the accuracy and completeness of the information reported, implementing and maintaining internal controls relevant to the preparation of the report, ensuring the performance data are fairly stated in accordance with applicable standards, as well as ensuring the data and information are not edited or amended in any way after assurance.

Decar Verite Asia

Assess collected evidence on the agreed-upon subject matter and criteria according to terms of reference agreed with Bank Mandiri. Decar Verite Asia confirms its independence and impartiality to Bank Mandiri in conducting the assurance engagement.

Methodology

The assessor team undertook the following activities to render their opinion:

- Initial review of all the material topics of Bank Mandiri's 2023 Sustainability Report to generate a list of evidence needed to ensure the accuracy and credibility;
- Evaluation of management systems to perform data collection, compilation, calculation, reporting, and validation;
- Review and assess performance data collected as regards with the references and criteria used;
- Report the assurance findings to provide opportunity for corrective action;
- Validation of the corrective action to ensure its accuracy;
- Preparation of the statement letter followed by approval as required by the Decar Verite Asia assurance protocols.

Limitations

Decar Verite Asia planned and performed the work to obtain all the information and explanations believed to be necessary to provide a basis to render a conclusion for a Moderate Level of Assurance. The assurers conducted interviews with staff, reviewed governance documents and data, and performed limited recalculations on specific data through risk-based sampling. These processes enabled Decar Verite Asia to reduce the risk of error in our conclusions but does not reduce the risk to zero. Assurance for the greenhouse gas emissions monitoring and calculations refer to third party emissions reports. Decar Verite Asia does not provide assurance on financial data and information as the Bank has engaged with other parties to verify or audit the financial statements.



Statement of Competency and Independence

Decar Verite Asia is an independent licensed assurance services provider. Our team of experts has technical expertise, competency, and extensive experience in conducting assurance engagement over environmental, social, and various other topics in accordance with the AA1000 Assurance Standard. No member of the assurance team has a business relationship with Bank Mandiri beyond the required assignment. Decar Verite Asia conducted this assurance independently and impartially with no conflict of interest.

Opinion and Findings

Upon finishing the assurance process, Decar Verite Asia is satisfied that all the specified disclosures within the scope of work are appropriate and reliable. There is no evidence that suggests Bank Mandiri management systems, governance documents, data collection methods, and calculations have material errors. Decar Verite Asia confirms that the information and data within the assurance scope included in the Bank Mandiri's 2023 Sustainability Report, provide material and complete representation of the Bank Mandiri's sustainability performances.

Adherence to AA1000 Accountability Principles Standard (2018)

Based on the methodology and activities performed, Decar Verite Asia has found that specified disclosures as stated in the Bank Mandiri's 2023 Sustainability Report within the scope of assurance are in adherence to AA1000 Accountability Principles Standard (2018).

Inclusivity

Bank Mandiri has established and performed engagement to significant internal and external stakeholders. The engagement processes were consistently conducted to inform stakeholders of Bank Mandiri performance and/or to identify their expectations. Therefore, Decar Verite Asia can confirm that Bank Mandiri has applied the principle of inclusivity.

Materiality

Referring to the Rencana Aksi Keuangan Berkelanjutan, Bank Mandiri has demonstrated a schematic process for identifying and prioritizing material topics based on its significance through an impact assessment process. Stakeholders' preferences were also included in

determining the material topics. Therefore, Decar Verite Asia can confirm that Bank Mandiri has applied the principles of materiality.

Responsiveness

In addition to its objectives, strategy, and development initiatives, Bank Mandiri is responsive to issues raised by its stakeholders through its materiality assessment process. Bank Mandiri has provided expected information on its material topics with clarity and in line with stakeholders' interest. In conclusion, Decar Verite Asia can confirm that Bank Mandiri has applied the principle of responsiveness.

Impact

Bank Mandiri has established the processes to identify, monitor, measure, evaluate, and manage its material impacts. For instance, on non-discrimination, Bank Mandiri has a company policy and code of conduct to internalize the culture of non-discrimination and mitigate incidents, as well as a whistleblower system to manage incidents. Hence, Decar Verite Asia can confirm that Bank Mandiri has applied the principle of impact.

Adherence to GRI Standards Principles

All disclosure of each material topic is presented in the report. The disclosures of management approach for each material topic in general are fairly disclosed. The principles to achieving quality sustainability reporting have been applied. Supporting documents were adequately presented during assurance program.

Adherence to POJK 51/2017, SASB, IFRS S-1, and IFRS S-2

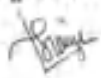
The report has followed or complied to all POJK 51/2017 reporting requirements. In terms of the adherence to SASB and IFRS, the disclosures have been provided in a fair view of all the Bank Mandiri's initiatives and performances during 2023.

Conclusions

Based on the methodology and activities performed within the scope of this assessment, nothing has come to our attention that is materially misstated. Specified disclosures have been found to be accurate based on our assurance procedures which are in line with AA1000AS V3 (2020) and Accountability's Principles (2018). This conclusion reduces the risk of error but does not reduce the risk to zero.

Bogor, 1st February 2024

Signed on behalf of Decar Verite Asia



Suryaningsih
Lead Assesor
Decar Verite Asia



AA1000
Licensed Report
000-667/V3-G9KC8



Green Bond Report

December 2023



Green Bond Report

December 2023

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Green Bond Framework & Issuance Details
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01

Introduction

The global pursuit of commitments in achieving Net Zero Emissions (NZE) and Sustainable Development Goals (SDGs) relies significantly on the financial sector's involvement. As Indonesia's largest bank and corporate lender, PT Bank Mandiri (Persero) Tbk. ("Bank Mandiri") acknowledges its pivotal role in trailblazing sustainable finance and generating positive environmental and social impacts.

Bank Mandiri has devised a transformative business plan with the vision of becoming the "Sustainability Champion for a Better Future" by implementing its Sustainable Finance Action Plan or Rencana Aksi Keuangan Berkelanjutan ("RAKB"). This vision is manifested through three core commitments: "Lead Indonesia's Transition to Low Carbon Economy," "Net Zero Emission (NZE) in Operations by 2030", and "Catalyzing Multiple Growth for Social Impact to Achieve SDGs."

To address upcoming challenges and uncertainties, Bank Mandiri is proactively responding with a continual acceleration of innovations in products and services, reaffirming its commitment to prioritizing Environmental, Social, and Governance (ESG) principles through digital transformation. This comprehensive transformation encompasses policies, strategies, and day-to-day operations, advocating for environmental conservation by broadening financial services to previously marginalized social, geographical, and economically underserved segments and various carbon neutral initiatives. Moreover, Bank Mandiri pledges to enhance access to banking and financial services for underserved populations, facilitating socioeconomic advancement and empowerment for unbanked or non-bankable communities and individuals through digitalization. All these initiatives are also reinforced by Bank Mandiri's internal capabilities development and the integration of a green business mindset as a fundamental corporate value.

As a follow-through on its RAKB and sustainability commitments, Bank Mandiri successfully launched its inaugural domestic Green Bond, Bank Mandiri Phase I Green Bonds I year 2023, in July 2023. This issuance is integral to the Sustainable Banking pillar's implementation to develop sustainable portfolios, products, and services. Through this initiative, Bank Mandiri underscores its dedication to supporting the government's initiatives for a sustainable economy, actively participating in the Financial Services Authority's (Otoritas Jasa Keuangan) sustainable finance roadmap, and actively striving towards achieving the 17 Sustainable Development Goals (SDGs).

Summary of Bank Mandiri's Green Bond Framework & Issuance Details

Green Bond Framework

The issuance of Bank Mandiri's Domestic Green Bond is carried out in accordance with the Financial Services Authority Regulation No.60/POJK/04/2017 regarding the Issuance and Requirements of Environmentally Friendly Debt Securities (Green Bonds) ("POJK 60") and engaged SDGs Hub Universitas Indonesia to provide a Second Party Opinion (SPO). Below is the summary of the framework:

Use of Proceeds

Bank Mandiri will ensure a minimum 70% of the proceeds for financing or refinancing Environmentally Friendly Public Activities or Kegiatan Usaha Berwawasan Lingkungan (KUBL).

Environmentally Friendly Public Activities (KUBL) Sectors

- Renewable energy
- Energy efficiency
- Pollution Prevention & Wastewater Control
- Environmentally Sustainable Management Adaptation of Living
- Terrestrial and Aquatic products Biodiversity
- Clean transportation
- Sustainable Water and Wastewater Management
- Climate Change Adaptation
- Eco-efficient adapted products
- Green Building

Project Evaluation and Selection



Management of Proceeds



Reporting

Bank Mandiri is obligated to submit periodic review reports conducted by Environmental Experts once a year and whenever there is a material change in KUBL. The review report is attached to the Company's Annual Report submitted to the Financial Services Authority.

Allocation Reporting

This allocation reports will provide the following detail:

- Brief descriptions of projects funded from the Green Bond issuance;
- The amount of funds obtained from Green Bond allocated to each project.

Impact Reporting

Bank Mandiri will report the positive impact resulting from the implementation of KUBL projects. The calculation of environmental impact can be measured using practical indicators.

The Issuance

On July 4, 2023, Bank Mandiri issued Bank Mandiri Phase I Green Bonds 1 year 2023, marked as the inaugural green-form issuance on the domestic bond market with an issuance value of Rp5 trillion and oversubscribed by 3.7 times.

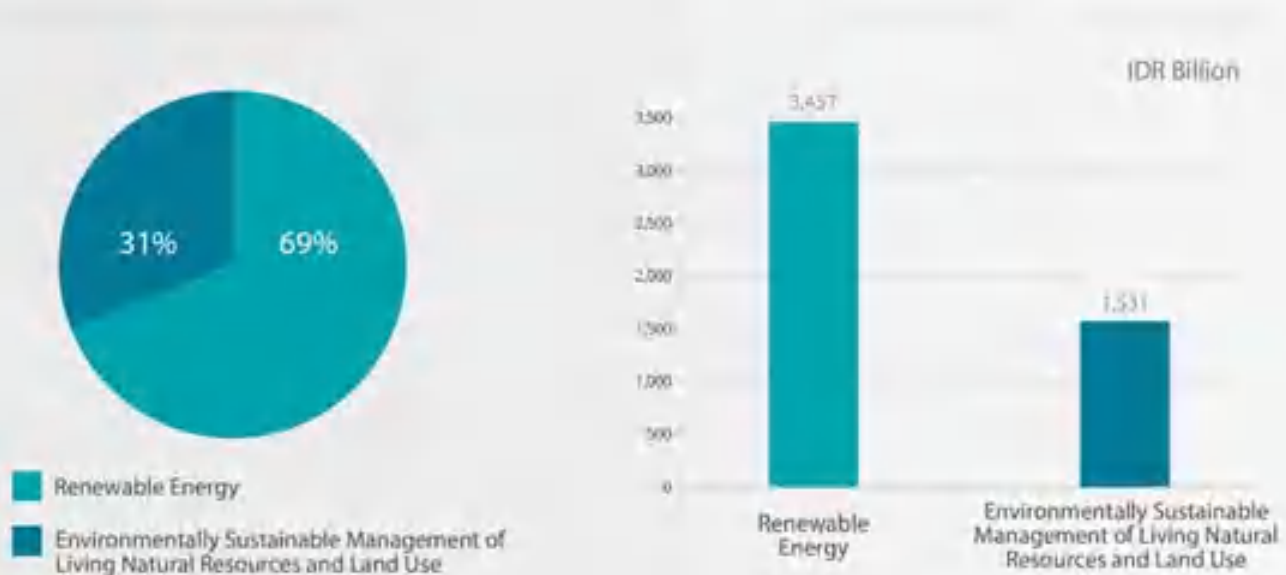
Deal Summary	
Plafond Size	Rp10 Trillion
First Phase Issuance Size	Rp5 Trillion
Tenor and Size	Seri A: 3 years – Rp1.95 trillion Seri B: 5 years – Rp3.05 trillion
Coupon	Seri A: 3 years – 5.80% p.a. Seri B: 5 years – 6.10% p.a.
Coupon Payment	Quarterly 30/360
Rating	idAAA from Pefindo
Listing	Indonesia Stock Exchange (IDX)
Use of Proceeds	To finance or refinance, in whole or in part, eligibility green bond projects in accordance with certain prescribed eligibility criteria as described in POJK No.60/2017, with minimum 70% allocation
Final Orderbook	Rp18.70 trillion

03 Allocation Report

As of October 2023, Bank Mandiri has fully allocated the proceeds of Bank Mandiri Phase I Green Bonds I year 2023. The allocation details are as follows:

Eligible Category	Financed/Refinanced	Amount Allocated* (In IDR billion)	Allocation of Proceeds
Renewable Energy	Refinanced	3,457	69%
Environmentally Sustainable Management of Living Natural Resources and Land Use	Refinanced	1,531	31%
Total		4,988	100%





*Clean amount excludes issuance fees (e.g. underwriter fee, legal counsel fee, etc)



04

Impact Report

The estimated environmental and social impact for Eligible Categories according to the Green Bond Framework are shown in the tables below:

Eligible Categories	Alignment to SDGs	% of Asset Allocation	Type of Projects	Brief Description & Impact Indicators ¹
Renewable Energy	 	69%	Hydro Power Plant	<p>Estimated environmental impact produced:</p> <ul style="list-style-type: none"> Renewable energy produced per year: 533,038 MWh The minimum avoided Green House Gas (GHG) emissions per year: 58,364 tCO₂e
Environmentally Sustainable Management of Living Natural Resources and Land Use	  	31%	Certified Palm Oil & CPO	<p>Bank Mandiri has provided financing to certified palm oil and CPO (Crude Palm Oil) industries that embrace global best practices in implementing sustainability within their operations. This is evident through their certification with ISPO (Indonesian Sustainable Palm Oil) and RSPO (Roundtable on Sustainable Palm Oil).</p>

¹ For details on assumptions to calculate impact indicators, see Appendix I

05

Conclusion

Bank Mandiri realizes the importance of integrating sustainability values into the Bank's vision and mission. Bank Mandiri aspires to contribute to sustainable economic growth to achieve the 17 Sustainable Development Goals by implementing Environmental, Social, and Governance values in business activities.

As one of the first movers in sustainable finance in Indonesia, Bank Mandiri continues to develop and promote sustainable finance practices, including efforts to help achieve a low-carbon economy. This commitment is shown through Bank Mandiri's support for clients, especially those who engaged in carbon-intensive sectors, by providing financial solutions that encourage clients to decarbonize and transform their operations into a more responsible, environmentally positive business, with less carbon footprints. One of them is through a Sustainability-Linked Loan & Transition Financing.

As part of our commitment to contribute more to sustainable economic growth and to provide the accountability of Green Bonds issued, Bank Mandiri will continuously improve the tracking and monitoring mechanisms to ensure the use of proceeds' transparency and the annual report's credibility. Lastly, to assure the credibility of its Green Bond Report, Bank Mandiri appointed SDGs Hub Universitas Indonesia to provide an independent external review.

Appendix I

Impact Reporting Key Assumptions

The reported results are based on the assumptions from publicly available sources. Key assumptions for impact calculation are indicated in the table below.

Eligible Categories	Type of Projects	Data Assumption
Renewable Energy	Hydro Power Plant	<p>The calculation for minimum GHG emission avoided is using the assumption from publicly available source below:</p> <ul style="list-style-type: none"> • CO₂ emission factor of Sumatera Selatan Interconnection system: 0,95 tCO₂e/MWh • CO₂ emission factor for hydro power plant: 0.84 tCO₂e/MWh (Kementerian ESDM. 2019. Faktor Emisi Sistem Ketenagalistrikan)
Environmentally Sustainable Management of Living Natural Resources and Land Use	Certified Palm Oil & CPO	<p>Financing to certified palm oil and CPO (Crude Palm Oil) industries that embrace global best practices in implementing sustainability within their operations, with the details as follow:</p> <ul style="list-style-type: none"> • Certification: ISPO (Indonesian Sustainable Palm Oil) and RSPO (Roundtable on Sustainable Palm Oil) • Total land amount: 19 (14 (ISPO) and 5 (RSPO)) • Total land area: 142,805 hectares (78,999 hectares (ISPO) and 63,806 hectares (RSPO))

LAPORAN REVIU AHLI LINGKUNGAN

Review Report by Environmental Expert

SDGs Hub Universitas Indonesia, selaku Ahli Lingkungan yang dipilih untuk melakukan reviu Laporan Obligasi Berwawasan Lingkungan Berkelanjutan Bank Mandiri Tahap I Tahun 2023 ("Green Bond Report") yang disertakan beberapa data pendukung terkait penerbitan Obligasi Berwawasan Lingkungan Berkelanjutan I Bank Mandiri Tahap I Tahun 2023 ("Green Bond Tahap I 2023"). Ahli Lingkungan memiliki kompetensi pengalaman dan berijazah yang relevan dalam kegiatan berwawasan lingkungan (terlampir-Lampiran I).

Tanggung Jawab Manajemen Bank Mandiri

Tanggung jawab manajemen Bank Mandiri atas penyusunan dan penyajian *Green Bond Tahap I 2023 Report 2023* tersebut sesuai dengan *Green Bond Framework* Bank Mandiri.

Tanggung Jawab Ahli Lingkungan

Tanggung jawab Ahli Lingkungan adalah untuk melakukan reviu *Green Bond Report* dan beberapa dokumen pendukung lainnya sesuai ketentuan POJK No. 60 Tahun 2017. Reviu yang kami lakukan mencakup kesesuaian implementasi pemilihan proyek Kegiatan Usaha Berwawasan Lingkungan ("KUBL") sebagaimana tertera di dalam *Green Bond Framework* dan pada POJK 60 Tahun 2017. Meski telah terbit POJK No. 18 tahun 2023 pengganti POJK 60 Tahun 2017 tetapi Emiten yang telah melakukan penerbitan Efek Bersifat Utang Berwawasan Lingkungan sebelum POJK 18 Tahun 2023 ini berlaku, tetap mengikuti ketentuan sebagaimana diatur dalam POJK No. 60/POJK.04/2017 tentang Penerbitan dan Persyaratan Efek Bersifat Utang Berwawasan Lingkungan (Green Bond). Penyaluran dana hasil penerbitan *Green Bond Tahap I 2023* ke proyek KUBL terpilih, sesuai *Green Bond Framework*. Dana hasil penerbitan *Green Bond Tahap I 2023* telah dialokasikan 100%, sebagaimana dilaporkan pada *Green Bond Tahap I 2023 Report 2023* dan tidak ada perbedaan terhadap kategori KUBL dalam framework atas proyek yang dibiayai. Ahli Lingkungan melakukan reviu terhadap dampak lingkungan yang tertuang dalam *Green Bond Tahap I 2023 Report 2023* dan menyesuaikan dengan data yang tersedia.

SDGs Hub Universitas Indonesia, as the Environmental Expert selected to review Bank Mandiri's Sustainable Environmentally Friendly Bonds Report Phase I 2023 ("Green Bond Report") which includes several supporting data related to the issuance of Bank Mandiri Sustainable Environmentally Friendly Bonds I Phase I 2023 ("Green Bond Phase I 2023"). Environmental Experts have relevant experience and certificate competencies in environmentally friendly activities (attached - Attachment I).

Management Responsibilities

Bank Mandiri management is responsible for preparing and presenting the Green Bond Phase I 2023 Report 2023 under Bank Mandiri's Green Bond Framework.

Responsibilities of Environmental Experts

The Environmental Expert's responsibility is to review the Green Bond Report and several other supporting documents in accordance with the provisions of POJK No. 60 of 2017. The review we carried out included the suitability of the implementation of the selection of Environmentally Friendly Business Activities ("KUBL") projects as stated in the Green Bond Framework and in POJK 60 of 2017. Even though POJK No. 18 of 2023 replaces POJK 60 of 2017 but Issuers who have issued Environmentally Friendly Debt Securities before POJK 18 of 2023 comes into force, still follow the provisions as regulated in POJK No. 60/POJK.04/2017 concerning Issuance and Requirements for Environmentally Friendly Debt Securities (Green Bond). Distribution of funds from Phase I Green Bond issuance 2023 to selected KUBL projects, as per Green Bond Frameworks. 100% of the proceeds from the Green Bond Phase I 2023 issuance have been allocated, as reported in the Green Bond Phase I 2023 Report 2023 and there is no difference in the KUBL category in the framework for funded projects. Environmental Experts conducted a review of the environmental impacts contained in the 2023 Green Bond Phase I 2023 Report and adjusted them to the available data.

Hasil Reviu

Hasil reviu atas *Green Bond Tahap I 2023 Report 2023* atas penyaluran hasil penerbitan *Green Bond Tahap I 2023* adalah sebagai berikut:

- 1) Pemilihan proyek KUBL dalam penyaluran dana hasil penerbitan *Green Bond Tahap I 2023* telah sesuai dengan *Green Bond Framework*.
- 2) Dana hasil penerbitan *Green Bond Tahap I 2023*, 100% tidak mengalami perubahan dari dana yang telah dialokasikan untuk membiayai dua sektor KUBL yang telah disetujui. Dua proyek tersebut adalah energi terbarukan dan pengelolaan sumber daya alam hayati (halaman 6 dan 7 dalam Laporan Tahunan).
- 3) Proyek energi terbarukan yang berjalan memiliki estimasi dampak positif terhadap lingkungan yang merupakan estimasi dampak paling minimal dari proyek, serta telah sesuai dengan indikator pada KUBL yang telah ditetapkan sebelumnya oleh Bank Mandiri. Indikator tersebut diperoleh melalui perhitungan yang konsisten dan sesuai dengan *best practice* yang ada. Namun perlu diperhatikan kesesuaian waktu perhitungan dengan berjalannya proyek pada tahun pertama (2023) (Lampiran 1, halaman 9 dalam Laporan Tahunan).
- 4) Proyek pengelolaan Sumber Daya Alam Hayati dan Lahan Berkelanjutan sudah memiliki catatan penghitungan dampak di mana sudah ada 14 sertifikasi ISPO dan 5 Sertifikasi RSPO dengan luas lahan 142.805 hektar, hal ini sesuai dengan aspek keberlanjutan dan mengurangi dampak negatif terhadap lingkungan dan masyarakat setempat.

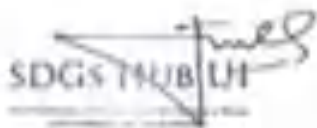
Review results

The results of the review of Green Bond Phase I 2023 Report 2023 regarding the distribution of the proceeds from the issuance of Green Bond Phase I 2023 are as follows:

- 1) *The selection of the KUBL project in distributing funds from the issuance of Green Bond Phase I 2023 is under the Green Bond Framework.*
- 2) *100% of the proceeds from the issuance of Green Bond Phase I 2023 have not changed from the funds that have been allocated to finance the two approved KUBL sectors. The two projects are renewable energy and management of biological natural resources (pages 6 and 7 in the Annual Report).*
- 3) *The ongoing renewable energy project has an estimated positive impact on the environment, which is the minimum estimated impact of the project, and is under the indicators in the KUBL previously determined by Bank Mandiri. These indicators are obtained through consistent calculations and under existing best practices. However, it is necessary to pay attention to the suitability of the calculation time with the project's progress in the first year (2023) (Appendix 1, page 9 in the Annual Report).*
- 4) *The Sustainable Living Natural Resources and Land Management project already has a record of impact calculations where there have been 14 ISPO certifications and 5 RSPO certifications with a land area of 142,805 hectares; this is under the sustainability aspect and reduces negative impacts on the environment and local communities.*

Jakarta, 22 Januari 2024

Jakarta, January 22nd, 2024



SDGs HUB UI

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