SUSTAINABILITY BOND REPORT

January
2025

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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") not only acknowledges its pivotal role in trailblazing sustainable finance but also reaffirms its commitment to this cause, 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 the SDGs."

Bank Mandiri is proactively responding to upcoming challenges and uncertainties by accelerating innovations in products and services, reaffirming its commitment to prioritizing Environmental, Social, and Governance (ESG) principles. This comprehensive transformation encompasses policies, strategies, and day-to-day operations, advocating for environmental conservation and social inclusion by promoting various carbon-neutral initiatives and broadening financial services to reach marginalized communities and economically underserved segments and regions.

As part of its commitment to environmental stewardship, Bank Mandiri leverages its sustainability commitments by directing financing toward green activities, including renewable energy projects, sustainable infrastructure, and environmentally friendly business practices. Moreover, Bank Mandiri pledges to enhance access to banking and financial services for underserved populations. This is achieved through digitalization, which not only facilitates socioeconomic advancement and empowerment for unbanked or non-bankable communities and individuals but also ensures that these services are accessible to a wider audience. These initiatives are further strengthened by Bank Mandiri's efforts to develop internal capabilities in implementing ESG principles and integrate a green business mindset as a core corporate value.

As a follow-up to its RAKB and sustainability commitments, Bank Mandiri successfully issued its inaugural Sustainability Bond in April 2021. This issuance is part of implementing the Sustainable Banking pillar to develop ESG-related products. With this issuance, Bank Mandiri has shown its commitment to supporting the government's program in developing a sustainable economy and is actively participating in the Financial Services Authority's (Otoritas Jasa Keuangan) roadmap of sustainable finance, and striving for the 17 Sustainable Development Goals (SDGs).

Summary of Bank Mandiri's Sustainability Bond Framework & Issuance

Sustainability Bond Framework

In advance of the Sustainability Bond Issuance in April 2021, Bank Mandiri has developed the Sustainability Bond Framework (the "framework") and engaged Sustainalytics to provide a Second Party Opinion (SPO). The framework has been aligned with the Green Bond Principles 2018 (GBP), Social Bond Principles 2020 (SBP), and ASEAN Sustainability Bond Standards 2018 (ASEAN SUS). Here's a concise overview of the framework:

Use of Proceeds

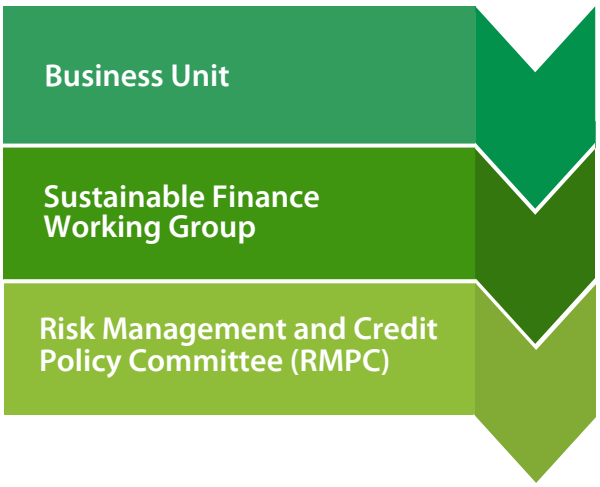
Green Eligible Sectors

- Sustainable Water & Wastewater Management
- Energy efficiency
- Green building
- Renewable energy
- Clean transportation
- Eco-efficient adapted products
- Climate change adaptation

Social Eligible Sectors

- Healthcare
- Education
- Gender equality
- Decent work and economic growth
- Industry, innovation, and infrastructure
- Reduced inequalities
- Sustainable cities and communities

Project Evaluation and Selection



Management of Proceeds

Tracking	Dedicated register will be established to record the allocation, and the proceeds will be tracked via Bank Mandiri's internal information systems.
Monitoring	The Working Group has to maintain a buffer of projects above the proceed nominal within the last 3 years period and allocation period no longer than 2 years.
Unallocated Proceeds	Unallocated proceeds will be invested in cash or high-quality, marketable instruments such as government bonds, following Bank Mandiri's liquidity management strategy until appropriate uses are identified for the proceeds.

Reporting

Allocation Reporting

Bank Mandiri will publish an allocation report annually until proceeds are fully allocated or should material changes be required to past allocation reports. This allocation reports will provide the following detail:

- Amount of eligible assets by project category; and
- The remaining balance of un-allocated proceeds at the end of the reporting period

Impact Reporting

Where relevant and possible, Bank Mandiri will report on the environmental and/or social impacts of the eligible assets financed from any Green, Social, and/or Sustainability Bond issued.

The Issuance

On April 19, 2021, Bank Mandiri made a significant stride in the sustainability sector by issuing its first US dollar sustainability notes. This pioneering transaction, with a size of US$300 million a maturity of 5 years, marked the inaugural issuance in sustainability format from Bank Mandiri and the third drawdown of its existing US$2 billion Euro Medium Term Note Programme (EMTN).

The transaction also gives several milestones for Bank Mandiri, as follows:

- The first Green, Social, and Sustainability (GSS) Bond issuance from Indonesia's banking sector year-to-date (YTD) 2021
- The largest oversubscription rate amongst all issuances from Indonesia YTD 2021 and in history of Bank Mandiri at more than 8.3x (final order book).
- The lowest coupon/yield ever issued by Bank Mandiri and within the banking sector in Indonesia.

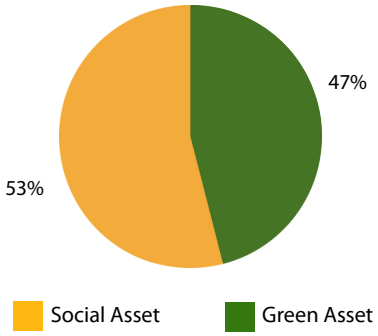
Deal Summary	
Issue size	US$300 million
Tenor	5-Year Bullet
Maturity date	19 April 2026
Settlement date	19 April 2021
Coupon	2.00% semi annual
Use of proceed	To finance or refinance, in whole or in part, Eligible Sustainability Bond Projects in accordance with specific prescribed eligibility criteria as described under the Bank's sustainability framework
Listing	Singapore Exchange (SGX-ST)
Final orderbook	US$2.50 billion
Oversubscription rate	8.3x

Allocation Report

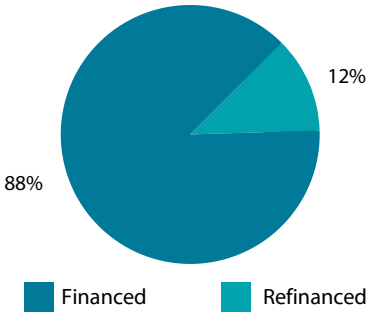
As of 31 October 2024, Bank Mandiri has fully allocated the proceeds of Bank Mandiri Sustainability Bond 2021. The allocation details are as follows:

Eligible Category	Financed/ Refinanced (Year of Disbursement)	Amount Allocated in USD million (eq. in IDR billion)	Allocation of Proceeds
Renewable Energy	Refinanced and Financed (2020, 2021, 2022, 2023 and 2024)	109 (eq. 1,712)	36%
Sustainable Water & Wastewater Management	Financed (2023)	13 (eq. 208)	4%
Clean Transportation	Refinanced and Financed (2020, 2022 and 2023)	20 (eq. 304)	7%
Healthcare	Refinanced and Financed (2019, 2020, 2021, and 2023)	29 (eq. 463)	10%
Decent Work & Economic Growth	Financed (2022, 2023 and 2024)	20 (eq. 307)	7%
Sustainable Cities & Communities	Financed (2022, 2023 and 2024)	109 (eq. 1,715)	36%
Total		**300 (eq. 4,709)**	**100%**

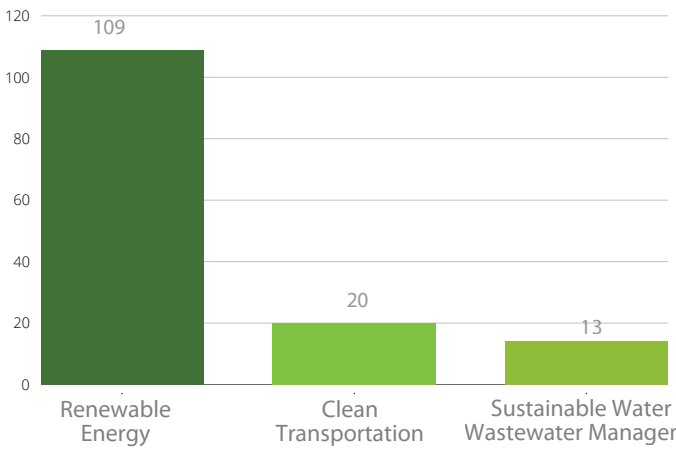
Allocation Proportion



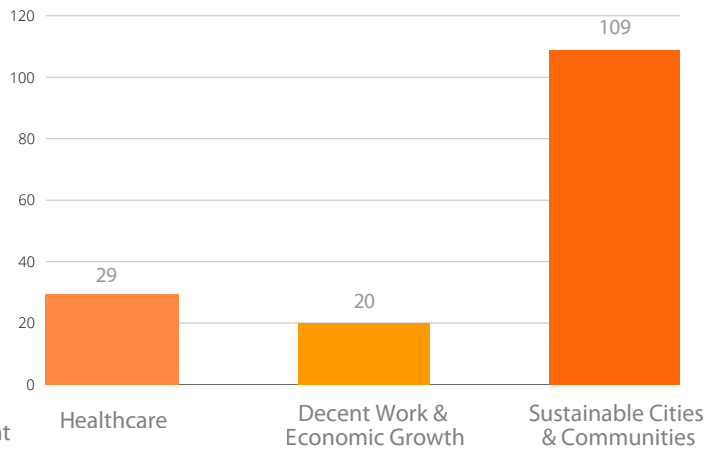
Financed vs Refinanced



Green Category



Social Category



The allocation for the green category is 47% or equivalent to USD142 million. The projects in the green category fall into three of the seven eligible sectors.

The allocation for the social category is 53% or equivalent to USD158 million. The projects in the social category fall into three of the seven eligible sectors.

Impact Report

The estimated environmental and social impact for Eligible Categories according to the Sustainability Bond Framework and impact metrics based on the standard of the International Capital Market Association are shown in the tables below:

Green Categories

Eligible Categories	Alignment to SDGs	% of Eligible Assets	Type of Projects	Brief Description & Impact Indicators [1]
Renewable Energy		36%	Hydro Power Plant Project #1	Generation of energy from water power as renewable source: • Installed capacity: **10 MW** • Annual renewable energy generation from power plant: **115,130 MWh** • Potential annual GHG emissions reduced from power plant: **approx. 109,374 tonnes CO_2-eq per year** • Potential homes to be served from power plant: **approx. 27,083 homes**
			Hydro Power Plant Project #2	Generation of energy from water power as renewable source: • Installed capacity: **21 MW** • Annual renewable energy generation from power plant: **65,215 MWh** • Potential annual GHG emissions reduced from power plant: **approx. 61,302 tonnes CO_2-eq per year** • Potential homes to be served from power plant: **approx. 15,341 homes**
			Hydro Power Plant Project #3	Generation of energy from water power as renewable source: • Installed capacity: **3 x 6 MW (18 MW)** • Annual renewable energy generation from power plant: **125,000 MWh** • Potential annual GHG emissions reduced from power plant: **approx. 100,625 tonnes CO_2-eq per year** • Potential homes to be served from power plant: **approx. 29,405 homes**
			Hydro Power Plant Project #4	Generation of energy from water power as renewable source: • Installed capacity: **6 MW** • Annual renewable energy generation from power plant: **40,834 MWh** • Potential annual GHG emissions reduced from power plant: **approx. 19,478 tonnes CO_2-eq per year** • Potential homes to be served from power plant: **approx. 9,606 homes**

[1] For details on assumptions to calculate impact indicators, see Appendix I

			Hydro Power Plant Project #5	Generation of energy from water power as renewable source: • Installed capacity: **3 x 3.33 MW (9.9 MW)** • Annual renewable energy generation from power plant: **51,617 MWh** • Potential annual GHG emissions reduced from power plant: **approx. 48,520 tonnes CO_2-eq per year** • Potential homes to be served from power plant: **approx. 12,142 homes**
			Hydro Power Plant Project #6	Generation of energy from water power as renewable source: • Installed capacity:**11.25 MW** • Annual renewable energy generation from power plant: **45,952 MWh** • Potential annual GHG emissions reduced from power plant: **approx. 32,626 tonnes CO_2-eq per year** • Potential homes to be served from power plant: **approx. 10,810 homes**
Sustainable Water & Wastewater Management		4%	Drinking Water Supply System #1	Clean water supply system for distribution: • The annual amount of clean water distributed **11,037,600 m^3 (30,240 m^3/day)** • The annual amount of clean water usage per person: **200 m^3** • The potential number of people served: **approx. 55,176 people** • The potential number of houses served: **approx. 14,148 houses**
			Drinking Water Supply System #2	Clean water supply system for distribution: • The annual amount of clean water distributed **6,937,920 m^3 (19,008 m^3/day)** • The annual amount of clean water usage per person: **392.4 m^3** • The potential number of people served: **approx. 17,682 people** • The potential number of houses served: **approx. 4,534 houses**
Clean Transportation		8%	Electric Buses Financing	Financing the procurement of electric buses as part of public mass transportation system to support the Government of Indonesia's goal of reducing GHG emissions by accelerating the Battery Electric Vehicle (BEV) implementation in Indonesia: • The number of clean vehicles deployed: **27 vehicles** • The passenger capacity of clean vehicles: **1,620 passengers/day** • Potential annual GHG emissions reduced from electric buses operation: **approx. 149,077 tonnes CO_2-eq per year**
			Electric Rail Train Carriage Financing	Financing the procurement of electric rail train carriage as part of the public mass transportation system in Indonesia: • The number of passengers served: **611,784 passengers/day** • The average passengers distance traveled: **34.2 km/passenger** • Potential annual GHG emissions reduced from electric rail train operation: **approx. 96,690 tonnes CO2-eq per year**

Social Categories

Eligible Categories	Alignment to SDGs	% of Eligible Assets	Type of Projects	Brief Description & Impact Indicators
Healthcare		10%	Build and Upgrade Hospitals	Financing for building/upgrading hospitals in Indonesia to provide facilities and improve healthcare services: • The number of hospitals built: **12 hospitals** • The number of beds available: **1,613 beds** • The potential number of residents benefiting from healthcare: **approx. 1,152,142 residents**
Decent Work & Economic Growth		7%	Micro, Small, and Medium Enterprise (MSME) Financing – Kredit Usaha Rakyat (KUR) in Agriculture Sector	Financing program for micro, small, and medium businesses in the agriculture sector with aims to encourage economic growth and employment: • The number of MSMEs financed: **1,499 businesses** • Estimated number of people employed by the financed SMEs or micro-businesses: **approx. 7,495 people**
Sustainable Cities & Communities		36%	Affordable Housing Financing	Subsidized housing financing for low-income communities: • The number of supported affordable housing units financed: **16,439 units** • The number of individuals/families benefiting from subsidized housing: **approx. 49,317 people**

[1] For details on assumptions to calculate impact indicators, see Appendix I

05 Conclusion

Bank Mandiri realizes the importance of integrating sustainability principles into the Bank's vision and mission. Bank Mandiri aspires to contribute to sustainable economic growth by aligning its initiatives with the 17 Sustainable Development Goals (SDGs), a global call to action to end poverty, protect the planet, and ensure prosperity for all. This alignment is achieved by implementing Environmental, Social, and Governance principles in its 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 are engaged in carbon-intensive sectors, by providing innovative financial solutions. These solutions include Sustainability-Linked Loans, which offer favorable terms to clients who meet sustainability targets, and Transition Financing, which helps clients shift to more sustainable business models. These solutions encourage clients to decarbonize and transform their operations into a more responsible, environmentally positive business with fewer carbon footprints.

Compared to Bank Mandiri's Sustainability Bond Report 2024, the green category asset composition in the 2025 Report has increased from 46% to 47%. This growth, driven by the expansion in Renewable Energy and Sustainable Water & Wastewater Management projects, underscores the Bank's unwavering commitment to financing projects that promote environmental sustainability and support Indonesia's transition to a low-carbon economy. The increased allocation to these sectors is a testament to Bank Mandiri's strategic focus on advancing clean energy solutions and enhancing water management infrastructure.

As part of our commitment to contributing to sustainable economic growth and ensuring accountability for the Sustainability Bonds issued, Bank Mandiri is dedicated to continuously improving its tracking and monitoring mechanisms. This is to maintain transparency in the use of proceeds and credibility in our annual report. To further uphold this credibility, this Sustainability Bond Report has undergone an independent external review conducted by Sustainalytics.

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.

Green Categories

Eligible Categories	Type of Projects	Data Assumption
Renewable Energy	Renewable Power Plant	• Average household size in Indonesia as of 2019: 3.9 people (BPS-Statistics Indonesia) • Electricity consumption per capita as of 2020: 1.09 MWh/capita (BPS-Statistics Indonesia) • CO_2 emission factor of Sumatera interconnection system: 0.805 tCO_2e/MWh CO_2 emission factor for hydro power plant: 0 tCO_2e/MWh (Alimuddin, et al. 2019. Analysis of CO_2 Emissions from Geothermal Power Plant Ulubelu and Its Contribution to Development of Electricity Generators in Lampung Province. Journal of Natural Resources and Environmental Management, 9(2), 287-304) • CO_2 emission factor of Sulawesi Tengah Coal Power Plant 0.71 tCO_2e/MWh CO_2 emission factor of Sumatera Utara & Selatan Coal Power Plant 0.94 tCO_2e/MWh CO_2 emission factor for hydro power plant: 0 tCO_2e/MWh (Kementrian ESDM. 2019. Faktor Emisi Sistem Ketenagalistrikan)
Sustainable Water & Wastewater Management	Drinking Water Supply System	Approximation for domestic clean water distribution: • Medan (>500,000 population): ± 202,047,398 m^3 (Central Bureau of Statistics of North Sumatera Province, 2021) • Serang (>3,000 population): ± 747,360 m^3 (Central Bureau of Statistics of Serang City, 2021)
Clean Transportation	Electric Buses Financing	• According to Pusat Penelitian dan Pengembangan Jalan dan Perkeretaapian (Pusjaka)'s study in 2022, the switching from fossil fuel vehicles to electric buses can reduce Transjakarta emissions by 149,077 tonnes CO_2-eq per year. (Transport Policy Agency - Ministry of Transportation Republic of Indonesia, "Internal Combustion Engine Phase Out Scheme to Battery Electric Vehicle", 2023)
	Electric Rail Train Carriage Financing	• CO_2 emission factor for rail transport in Jakarta: 0.778 $kgCO_2e$/passenger • CO_2 emission factor for electric rail train in Jakarta: 0.345 $kgCO_2e$/passenger (Rianawati, Elisabeth; Husnul Alberdi; Aisha Sallsabilla; Maya Larasati;Nadiya Pranindita; Rizkiana S Hamdani. 2022. Transformasi transportasi Jakarta: Mengkaji ulang target emisi nol sektor transportasi tahun 2050. Jakarta: Greenpeace Indonesia dan Resilience Development Initiative)

Social Categories

Eligible Categories	Type of Projects	Data Assumption
Healthcare	Build and Upgrade Hospitals	• Bed ratio per 1,000 residents in Indonesia: 1.4 (Ministry of Health Indonesia, 2020)
Decent Work & Economic Growth	Micro, Small, and Medium Enterprise (MSME) Financing – Kredit Usaha Rakyat (KUR) in Agriculture Sector	• The number of people estimated to work in a farm: 5 people • A micro-enterprise is defined as a small business employing 1-9 employees (United Nations Department of Economic and Social Affairs-Report on MSMEs and the Sustainable Development Goals)
Sustainable Cities & Communities	Affordable Housing Financing	• Average household size in Indonesia as of 2019: 3.9 people (BPS-Statistics Indonesia)

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