



HUMAN CAPITAL MANAGEMENT PROGRAMS IN 2022

EMPLOYEE PERFORMANCE ASSESSMENTS

Bank Mandiri conducts employee performance assessments to measure results (Achievement), as well as the application of culture and leadership characteristics in daily work (Attitude). Since 2019, Bank Mandiri has implemented 360 Survey as a tool in measuring employee attitudes. The implementation of the 360 Survey includes employees with the position level of Assistant Vice President (minus 2-BOD) to Senior Executive Vice President (minus-1 BOD). The purpose of this assessment is for all leaders at Bank Mandiri to be assessed through observation with a broader perspective, as well as obtaining reliable input for continuous improvement, both in terms of performance, leadership and decision making. As an effort to optimize the results of 360 Survey, adjustments were made to the format and expansion of the distribution of 360 Survey Reports. It aims to foster the use of the results of the 360 Survey as part of an employee development plan.

The assessment component is also refined through the integration of the parameters of 10 Leadership Characteristics with 6 Core Values of AKHLAK as a reflection of leaders that apply the core values of SOEs. The improvement aims to build an objective and transparent assessment process based on factual observations in the field and maintain the integrity of decisions where policy, recommended distribution,

fairness and consistency are the basis for implementing employee performance.

Performance Assessment System

The employee performance assessment system is based on the achievement of agreed Key Performance Indicators (KPIs) and the implementation of competencies/ core values (Attitude). The performance assessment elements consist of process and result elements. The Process indicates how to achieve the target (lead measure), and Result indicates the results of employee achievement of the target (lag measure).

The results of the performance assessment are categorized based on 5 (five) ratings, which are:

1. Excellent Performance, indicates exceptional/ extraordinary performance.
2. Very Good Performance, indicates satisfactory/ excellent performance.
3. Good Performance, indicates good performance/ meeting expectations
4. Requires some improvement, indicates improvements requirements to help improve the performance.
5. Under Performance, indicates undeliverable of appropriate/ expected performance.

In 2022, improvements are made to the employee performance

assessment system to differentiate the top, middle, and lower performers by adjusting the assessment weight at each level, setting normal distribution quotas, and adding performance level predicate criteria.

Bank Mandiri employee performance assessment has 3 (three) stages, as follows:

1. Goal Settings
Bank Mandiri employees first carry out goal setting at the beginning of the year through a development dialogue between employees and employees' direct supervisors (Employee Managers).
2. Mid-Reviews
Mid-review is conducted by employees in the middle of the year to readjust to the Bank's business conditions.
3. Final Assessments
At the end of the year, a final assessment is conducted in which employees are given the opportunity to conduct a self-assessment of their achievements. The results of the self-assessment are further discussed, reviewed, and validated by the Employee Manager to be further calibrated by the Employee Manager's Manager. The parties engage in the employee performance assessment are described in the following charts.

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With the performance assessment system, it is expected to encourage employees to improve performance in the next period. The results of the performance assessment are used as one of the factors in determining

compensation, talent categories, and position promotions.

In 2022, the number of employees who participated in the performance assessment was

37,657 employees. The results of performance assessment are used as one of the factors in determining compensation, talent categories, position promotions and employee developments.