

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%