

HUMAN CAPITAL MANAGEMENT PROGRAM IN 2023

Bank Mandiri already has a qualified human capital management program in place, which is being carried out regularly to achieve the Bank's corporate plan and strategy. The programs are as follows:

INTERNALIZATION OF CORPORATE CULTURE

Bank Mandiri consistently and continuously implements the AKHLAK Core Values to implement the Mandirian DNA (m-DNA) framework through Mandirian's Unique Characteristics as a Way of Working at Bank Mandiri.

Mandirian DNA (m-DNA) is defined as a form of embodiment of AKHLAK's Core Values, which consists of:

A

Trustworthy Uphold the trust given

"Trustworthy" value code of conduct:

- Deliver on agreements and commitments
- Responsible for the duties, decisions and actions performed
- Firmly upholding the moral and ethical values

K

Competent Continue to learn and develop capabilities.

"Competent" value code of conduct:

- Improving self-competence to overcome ever-changing challenges
- Helping others learn
- Complete tasks of the highest quality

H

Harmonious Care for each other and respect differences.

"Harmonious" value code of conduct:

- Respect everyone regardless of background
- Fond to help others
- Building a favourable work environment


L

Loyal Dedicated and to first put the interests of the nation and the country.

"Loyal" value code of conduct:


- Maintaining the good name of fellow employees, leaders, SOEs, and the Nation
- Willing to sacrifice to achieve greater goals
- Be obedient to the leadership as long as it does not conflict with law and ethics

HUMAN CAPITAL MANAGEMENT PROGRAM IN 2023

A **Adaptif**  Continue to innovate & be enthusiastic in enforcing or overcoming change.

“Adaptive” value code of conduct:

- Quickly adjust to perform better
- Constantly make improvements following technological developments
- Act proactively

K **Collaborative**  Build synergistic cooperation.

“Collaborative” value code of conduct:

- Provide opportunities for various parties to contribute
- Open to working together to generate added value
- Drive the utilization of multiple resources for a common goal

Bank Mandiri Culture Implementation Framework:

The cultural implementation framework is illustrated through the culture framework to facilitate Mandirian in understanding and implementing the Main Values of AKHLAK. To strengthen the sustainable implementation

of AKHLAK core values, Bank Mandiri developed a Mandirian DNA (m-DNA) framework which is reflected in the unique characteristics of all Bank Mandiri employees called Mandirian DNA (m-DNA). m-DNA is a unique characteristic of Mandirian as a manifestation of core values (Trustworthy,

Competent, Harmonious, Loyal, Adaptive, and Collaborative). These unique characteristics are actualized through Gerakan Bersama Mandirian to realize Mandirian who always deliver & ahead (m-DNA) in realizing Bank Mandiri’s vision and aspirations.



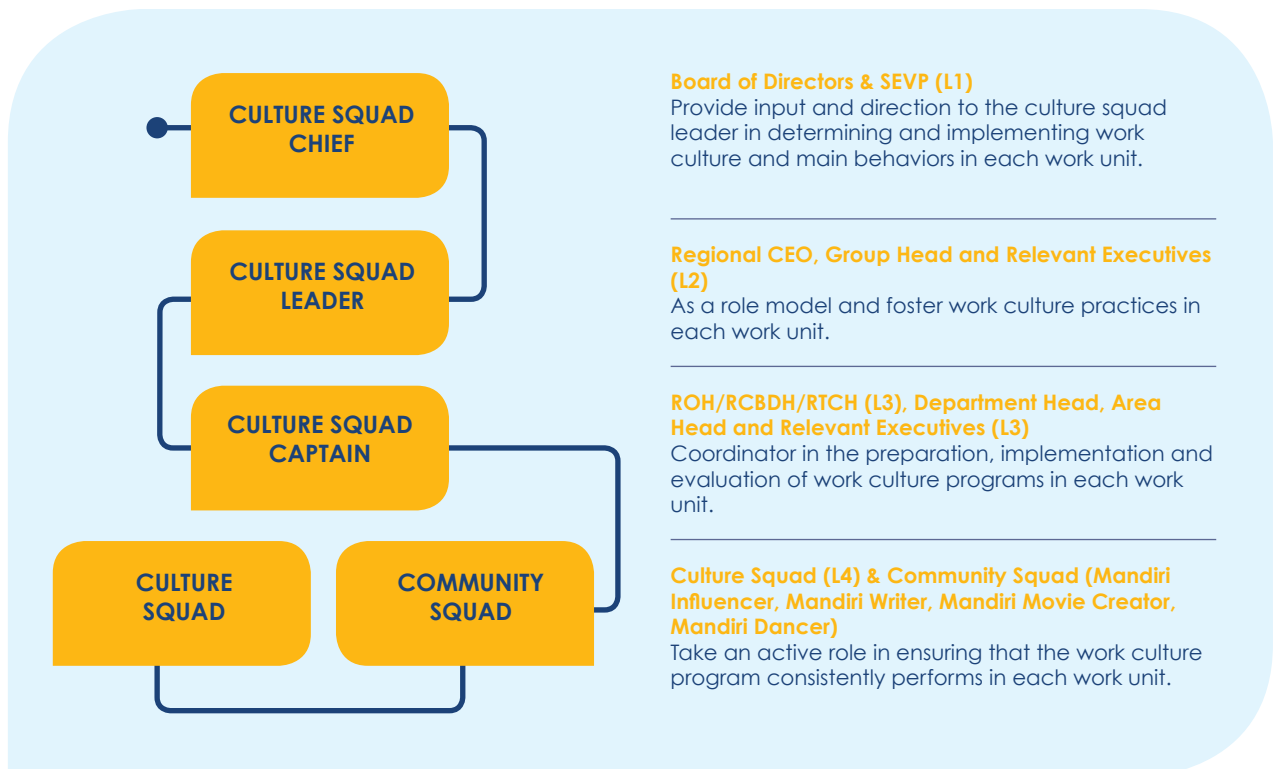
HUMAN CAPITAL MANAGEMENT PROGRAM IN 2023

To be able to accelerate the implementation of culture in supporting productivity improvement, Bank Mandiri formed a Culture Network Team (CNT) which has a strategic role as an enabler in shaping the Super Happy Super Productive work culture through cultural programs that are embedded

with daily work to deliver an impact on the formation of employee mindset and behavior.

Culture Network Team (CNT) is a strategic partner of Human Capital that engages all levels of employees both at the Top Management level, Senior Management to the junior level

of employees. CNT carries out its role by implementing culture through programs hosted both within work units and across bank-wide, such as events, campaigns, and cultural programs, to deliver management and motivation messages to employees across all work units.



*) Provisions related to Culture Network Team refer to:

- Memorandum No. PPP.HCE/CMD.273/2021 & PPP Letter No. HCE/CMD.141/2021 dated 30 April 2021 on the adjustment of the organizational structure of the Culture Network Team in order to strengthen work culture practices in 2021.
- Decree of the Board of Directors No. KEP. DIR/34/2022 dated 23 September 2022 on Appointment and Determination as Culture Squad.
- Decree of the Board of Directors No. KEP. DIR/33/2022 dated 23 September 2022 on Appointment and Determination as Culture Squad Captain.

HUMAN CAPITAL MANAGEMENT PROGRAM IN 2023

FLAGSHIP PROGRAMS

Several bank-wide flagship programs have been implemented during 2023, as follows:

No	Program	Explanation	Purpose
1,	Well-being Program	Well-being program covering Physical, Psychological, Financial, and Workplace aspects that include 3 main pillars, Employee Assistance, Well-being program, dan Well-being Campaign	Improve the implementation of employee well-being and efforts in maintaining well-being during daily work.
2,	AKHLAK Townhall Mandiri Group	Part of a series of activities in commemoration of the 3rd Anniversary of AKHLAK through a townhall meeting from the Board of Directors to all employees with the theme: "The Role of AKHLAK in Sustainable Company Performance Improvement" and "Implementation of Respectful Workplace Policy (RWP) within the SOE Group"	Management direction to all relevant employees: <ul style="list-style-type: none"> • Optimization of the implementation of the role of AKHLAK in improving employee performance regularly • Employee awareness and implementation of RWP in the work environment
3,	Culture Campaign Multichannel	Program Campaign Strategy related to cultural implementation programs and other HC programs through communication media that utilize and integrate, various internal communication platforms/channels to disseminate messages and values of independent work culture such as narratives, presentations, posters, videos, to interactive podcasts by considering the context, message packaging and characteristics of each channel.	Communicate directions or messages that are the focus of management related to work culture such as Mandirian DNA characteristics, employee well-being, in a manner that facilitates comprehension and acceptance by the intended employee.
4,	Corporate Culture Training	It is part of the internalization of AKHLAK core values and Mandirian DNA (m-DNA) as unique characteristics to all new hire (ODP) and existing employees (SDP) as part of the core module training before employees enter the assignment phase.	<ul style="list-style-type: none"> • Establishing an understanding of AKHLAK's core values and how they have implications for accelerating business transformation. • Build an understanding of the unique characteristics of Mandirian DNA (m-DNA) and how it is established from the core values of AKHLAK. • Creating a sense of ownership to the participants that the core values of AKHLAK and m-DNA are responsibilities that must be carried out and can be reflected in employee behavior.
5,	AKHLAK Blusukan Culture	Informal communication forum from Management to employees about AKHLAK and aspects of well-being	To convey motivation and conduct monitoring (pulse check) related to how the implementation of AKHLAK and well-being programs to support bank-wide initiatives and create the Mandiri Joint Movement of "Always Deliver & Always Ahead".

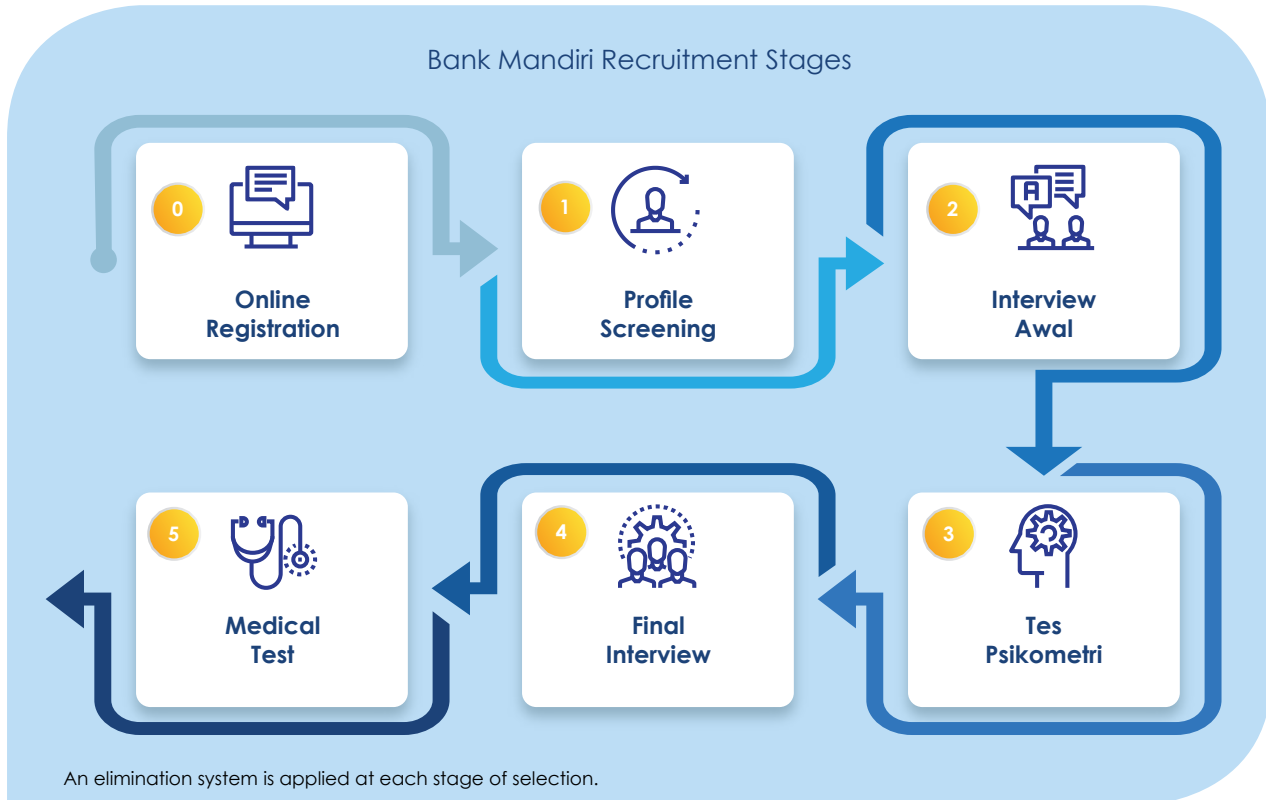
HUMAN CAPITAL MANAGEMENT PROGRAM IN 2023

No	Program	Explanation	Purpose
6,	AKHLAK Culture Visit	Discussion forum to the Culture Network Team (CNT) in the Region work unit and Head Office regularly both online and offline	<ul style="list-style-type: none"> • Aims to get feedback as an area of improvement in the implementation of cultural programs • Pulse Check implementation of cultural programs in work units through CNT
7,	Mandiri Best Employee (MBE) Immersion Learning Class	Development program for Bank Mandiri's best employees in the form of edutainment.	<ul style="list-style-type: none"> • Participants can better understand the essence of the implementation of AKHLAK's core values • Participants gain new knowledge and insights through visits/benchmarking to make them as Strategic Business Leaders who Always Deliver and Always Ahead.
8,	Best Employee Mandiri (MBE)	The training program is held for all Mandiri Best Employee as a role model in implementing AKHLAK values, as well as having national insight as a professional banker	<ul style="list-style-type: none"> • Improve the capabilities of candidates who have a strong national outlook and have high integrity, enabling them to become role models in their Work Unit • Elevate love and pride for Indonesia
9,	Mandirian Ber-NYALI (Mandirian Real Moves for the Environment)	Programs to support Bank Mandiri's Sustainable Finance Action Plan (RAKB), particularly to support Sustainable Operations by fostering Mandirian to care more about the environment (eco-friendly acts) such as reducing the consumption of plastic, reducing the consumption of paper, reducing the Electrical Energy Consumption, and separating organic & non-organic waste)	<ul style="list-style-type: none"> • Increase employee awareness of the importance of environmental care (eco-friendly acts) • Creating sustainable operations of the Bank, particularly related to the ecosystem green campaign
10,	Mandiri Innovation	Innovation incubation program to experiment and foster a culture of innovation in order to create a competitive advantage at Bank Mandiri	Creating space for employees to carry out activities and fostering a culture of innovation so as to accelerate the innovation process at the Bank
11	Mandiri Young Leader (MYLead)	The development program given to Top Talent level L4 in the form of assignments that stretch and challenge for 3 years	To accelerate the career development of L4 employees to become ready successors at the next level (L3 level successors)
12	Future ME (Mandirian Excellence)	Development program for active students' level 1 to 4, who have been selected through a selection process, to accelerate and build careers in the banking industry.	<ul style="list-style-type: none"> • Increase student knowledge in the fields of financial management, career preparation, and leadership. • Increase knowledge of career overview at Bank Mandiri.
13	My Digital Academy (MDA)	My Digital Academy is an early engagement & hiring program for final year students and fresh graduates from selected universities and faculties, in the form of implementing IT capability development programs through innovation bootcamps for 1 (one) month.	As a medium to meet the needs of the best digital talents to support the Corporate Plan to become The Best Modern Digital Bank as well as a media branding of Bank Mandiri to students from various universities

HUMAN CAPITAL MANAGEMENT PROGRAM IN 2023

RECRUITMENT

Bank Mandiri establishes several stages of employee recruitment, as stated in the following chart:



The Bank's employees recruitment is carried out through two sources, internally and external sources. Internal sources are carried out through internal development programs for leadership employee levels, while external sources are carried out through fresh graduate and experience hire or pro hire channels for both leadership and executive employee levels. All employee recruitment is carried out by taking into account the needs of the Bank and other matters in accordance with the Bank's regulations.

Recruitment Through Internal Sources

Recruitment through internal sources is carried out by Human Capital Services for the position of "Staff Development Program (SDP)". The provisions for the implementation of the SDP program are listed in Bank Mandiri's internal rules with the following explanation:

1. Officers and Security Officers with the top priority of the Authority Holder Employees (P3K).

2. Minimum education of Diploma 4 or Bachelor degree.
3. Have a professional disposition, namely: speak with respect, well dressed, well mannered, self-confidence.
4. Minimum Performance Level of PL2 in the last 2 years.
5. Minimum service period of 5 years from the effective date of employment.
6. HIPO/CR Talent Classification.
7. Maximum age of 45 years at the time of initial selection.
8. Minimum Individual Grade of PP2.
9. Not in the process of audit/ investigation due to violations of employee discipline.
10. Not sanctioned in the last 1 year and not currently under sanctions.
11. Have never participated in the SDP selection more than 3 (three) times.
12. Have never participated in the SDP selection in the previous year.

HUMAN CAPITAL MANAGEMENT PROGRAM IN 2023

Specifically for security officer:

1. Implementing Authority Holder Employees (P3K) Security/Security Supervisor.
2. Minimum Individual Grade of PM1.

Specifically for officers of Branch Sales Staff, Branch Sales Supervisor and Unit Supervisor:

1. Minimum working period of 2 (two) years is calculated from PKWT as Branch Sales Staff, Branch Sales supervisor and Unit Supervisor.
2. No minimum Individual Grade.

In 2023, the number of employees participating in recruitment from internal sources was 2,959 personnel, an increase of 42.67% from 2,074 personnel in 2022. This increase was due to the addition of eligible employees based on the above criteria to follow the development process and a need for leadership employees from the SDP path in work units.

Description	2023	2022
SDP Recruitment	2,959	2,074

Recruitment through internal sources is carried out through rotation, detasering, promotion, and demotion as part of the employee career development process. The Bank applies holistic considerations, not only in terms of promotion but also in terms of capability improvement, authority expansion, individual development, and remuneration increase.

Rotation is the movement of employees in one work unit or between work units, detasering is the assignment of employees who are temporary within a certain period of time, promotion is the transfer of employees from one position to another in one work unit or between work units where the new position has a higher position rank and/or promotion to the same position and work unit. Meanwhile, demotion is the transfer of employees from higher positions to lower positions with the aim of coaching and learning employees so as to increase productivity in managing the Bank's business and organization.

Number of Bank Mandiri Promotion, Demotion and Rotation Employees

Description	2023	2022
Promotions (MPC and SPC)*	9,210	10,964
Demotion	5	4
Rotation	13,440	13,045

*MPC is a Main Promotion Cycle and SPC is a Secondary Promotion Cycle.

Recruitment Through External Sources

Recruitment through external sources is carried out to fulfill the position of "Officer Development Program (ODP)". The provisions for the ODP program implementation are listed in the internal provisions of Bank Mandiri with the following explanation:

- a. Minimum of Bachelor Degree Education Level
- b. Candidates from the graduates of universities with the best reputation in Indonesia and overseas set by Bank Mandiri.
- c. Courses:
 - i. Economics: Management, Accounting, Development Studies, Finance, Business
 - ii. Engineering
 - iii. MIPA: mathematics, statistics
 - iv. Computer Science, Informatics
 - v. Social: Law, International Relations, Communication Studies
 - vi. Other Study Programs needed by the Bank

HUMAN CAPITAL MANAGEMENT PROGRAM IN 2023

- d. Maximum age at the time of following the initial selection:
 - 26.0 years for Bachelor Degree/equivalent graduates
 - 28.0 years for Master Degree graduates
- e. Minimum Grade Point Average (GPA):
 - Bachelor Degree graduates: 2.75 – 3.00 (4.00 scale)
 - Master Degree graduates: 3.20
 - Graduates of Overseas Universities: Pass or based on certain standards according to the origin of the University
- d. Unmarried and willing to be unmarried during the program.
- e. Have no Criminal record from the Police or a record of misconduct from the previous company.

In 2023, the total recruitment of ODP programs was 640 personnel, a decrease of 14.78% from previous year's recruitment of 751 personnel. This decrease was due to a decrease in the need for leadership employees in Bank Mandiri work units.

Description	2023	2022
Recruited ODP	640	751

The sources of fulfillment of leadership employees through the ODP program in 2023 came from Jobfair and campus hiring participated in by Bank Mandiri, the talent referral program, internship program and the Applicant Tracking System which is organized in collaboration with third parties.

CPDK (Special Regional Leadership Candidate) Recruitment

This recruitment is specifically aimed at fresh graduate candidates who come from region. Employees recruited through the CPDK route will receive coaching and training through a special and intensive development program consisting of in-class and on the job training in order to understand standard operations and business processes in the work unit, ready to carry out roles and duties as employees in the local area. In 2023, there was no fulfillment of leadership employees from the CPDK route as the needs have been met from internal sources through the SDP program and external sources through the ODP program.

Recruitment of Disabled Employees

Bank Mandiri also has a policy for the recruitment of employees with disabilities as a form of commitment

to equal employment opportunities. Currently, the recruitment of employees with disabilities is intended for positions of Contact Center staff, Mandiri University staff and IT staff.

The recruitment process for employees with disabilities is carried out independently by the relevant work unit and coordinates with Human Capital. One of the work units that recruits independently is the Mandiri Call 14000 service at the Mandiri Contact Center.

In addition, the recruitment of employees with disabilities is also carried out in collaboration with FHCI (Indonesian Human Capital Forum) as a forum for managers and practitioners of Human Capital Management within SOEs in interacting, learning and synergizing for their members for the advancement of Human Capital management.

In 2023, the Bank recruited 18 employees with disabilities, an increase of 5.88% from 17 in 2022. The following is the recruitment of Bank Mandiri's employees with disabilities.

Description	2023	2022
Disability Recruitment	18	17

HUMAN CAPITAL MANAGEMENT PROGRAM IN 2023

Internship Recruitment

The internship program is intended to provide training and develop the competencies of school and university graduates to be ready to enter the business world. Interns who have good abilities and competencies will be assigned as pool candidates in the Bank Mandiri recruitment process. Bank Mandiri's internship program, which is a recruitment sourcing consists of 2 (two) types, namely Kriya Mandiri and the Partnership Internship Program (Certified Student Internship Program (PMMB) and the Independent Campus Certified Internship Program (MBKM)).

Kriya Mandiri is an integrated internship program introduced in 2012 for high school students/ equivalent, Diploma 3 (D3) and Bachelor Degree programs with the aim of providing knowledge, skills and hands-on experience in the business world, particularly in the banking industry. The learning modules are back office, call center, customer service, and tellers. For this type of contact center, the Bank has a special internship program for persons with disabilities with a minimum education of high school graduates. This program is called Kriya Mandiri Contact Center, where participants will take part in 3 (three) stages of the program, namely basic, intermediate and advanced. The three stages are carried out comprehensively for 3 (three) years according to the prepared syllabus

and curriculum. In 2023, 2,804 participants of Kriya Mandiri were recorded, of which 817 were Bank Mandiri employees. This number increased 96.39% from previous year's 416 participants.

The Partnership Internship Program is implemented by Bank Mandiri jointly with 2 (two) ministries, namely the Ministry of State-Owned Enterprises (SOEs) and the Indonesian Human Capital Forum (FHCI) to implement the Magenta Internship Program and the Ministry of Education, Culture, Research, and Technology, by implementing the Independent Campus Certified Internship Program (MBKM). The implementation of the Magenta Internship Program starts in 2023, while MBKM has been implemented since 2021. This internship program is intended for students from various Public/Private Universities. This program is a form of implementation of the "SOEs for the Country" program. The aim is to support government programs in preparing excellent and competitive human capital, as well as being the initiator of the creation of links and matches between the curriculum and syllabus of universities and the industrial sector. Interns who participate in this program will gain comprehensive and structured work knowledge and skills, particularly in the banking sector. In 2023, 481 participants were successfully recruited, an increase of 30% from previous year's 370 participants.

Internship Program	2023	2022
PMMB	-	160
MBKM	152	210
Magenta dan General Internship	329	-
Total	481	370



EMPLOYEE DEVELOPMENT

To support the preparation process of employee capabilities to be globally competitive, Bank Mandiri has designed several sustainable employee talent development programs for the Bank to attain excellent human resources (HR). Employee talent development focuses on employee career development, and employee competency development.

Employee Career Development

Career development of Bank Mandiri employees is carried out through the Talent Management and Succession program based on the principle of fair opportunity, namely the existence of equal opportunities for every employee to grow and develop while still paying attention to the factors of Bank Mandiri's needs, job family of the intended position, ability, level of performance, value rating, talent group (talent classification), job title, and other requirements.

Talent management and succession are focused on developing employee talents to be ready to become successors who occupy critical positions within the Bank's management.

Talent management and succession have 5 elements in Mandiri Propeller which consist of Technical Capability (skill), Leadership Capability, Culture, Learning Agility and Purpose. The framework is used as a basis for talent development to ensure that these five aspects are carried out in a balanced and comprehensive manner.

HUMAN CAPITAL MANAGEMENT PROGRAM IN 2023

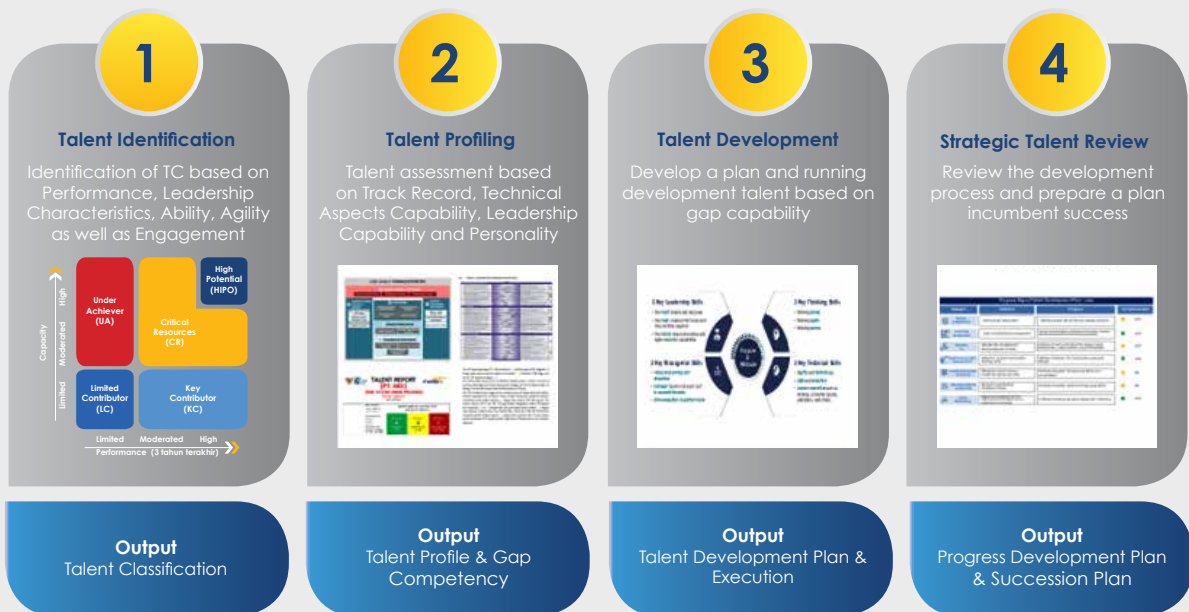


Super Happy, Super Productive, Sustainable Business

The talent management and succession process is divided into 4 (four) main processes, as follows:

1. Talent Identification
TC Identification Process (Talent Classification) based on performance, Leadership Characteristics, Ability, Agility and Engagement.
2. Talent Profiling
Talent assessment process based on track record, technical capability, leadership capability and personality aspects.
3. Talent Development
Plan and execute talent development based on capability gaps.
4. Strategic Talent Review
Review development progress and prepare an incumbent succession plan.

Bank Mandiri Talent Management Process



Managers: Talent Employees, Human Capital, Head of Work Units, Field Directors

HUMAN CAPITAL MANAGEMENT PROGRAM IN 2023

Employee Competency Development

Competency development of Bank Mandiri employees is carried out through a corporate university called Mandiri University using an operating model, referring to the Strategic Learning Process, which is a learning chain that starts from analyzing business needs and employee competencies to measuring the impact of learning solutions on business achievement. The Strategic Learning Process is described as follows:



Learning culture, infrastructure, administration, support system

<p>INPUT</p>	<p>Organizational capability competency requirements based on business plan & strategy</p>	<p>Learning blue print & roadmaps</p>	<p>Learning program/ module</p>	<p>Data outcome of learning (survey, questionnaires, observation, interviews, etc</p>
<p>PROCESS</p>	<ul style="list-style-type: none"> • Core competency analysis • Development needs analysis • Training needs analysis 	<ul style="list-style-type: none"> • Decide/choose: make borrow- buy-reuse • Analyze program/ module requirements • design program/ module framework • Develop program/ module content 	<ul style="list-style-type: none"> • Program/module Campaign • Implement (deliver/ deploy) by corporate teacher (on job & work place trainer, classroom/virtual facilitator, coaching, consulting, mentoring) 	<p>Evaluate:</p> <ul style="list-style-type: none"> • The quality of the outcome of learning • The learning solutions • The learning system • The performance of employee
<p>TOOLS</p>	<ul style="list-style-type: none"> • Development needs analysis forms • Training needs analysis forms 	<p>ISD Toolkit:</p> <ul style="list-style-type: none"> • Learning requirements • Design window analysis • course structure & lesson plan • Learning & evaluation materials • Test & pilot course 	<p>Trainer's Toolkit:</p> <ul style="list-style-type: none"> • instructional design form • course structure • facilitator's guideline • Teaching slide's 	<ul style="list-style-type: none"> • Participant's evaluation ROI toolkit • Data collection plan • ROI analysis plan • Monetary Conversion • Cost analysis
<p>OUTPUT</p>	<ul style="list-style-type: none"> • Organizational learning blue print (company wide) • Learning roadmaps (proactive) • Training additional program (reactive) 	<p>Learning program/ module (blended/non-blended)</p>	<p>Outcome of learning</p>	<p>Learning evaluation (L1. L2. L3. L4 return on training investment)</p>

HUMAN CAPITAL MANAGEMENT PROGRAM IN 2023

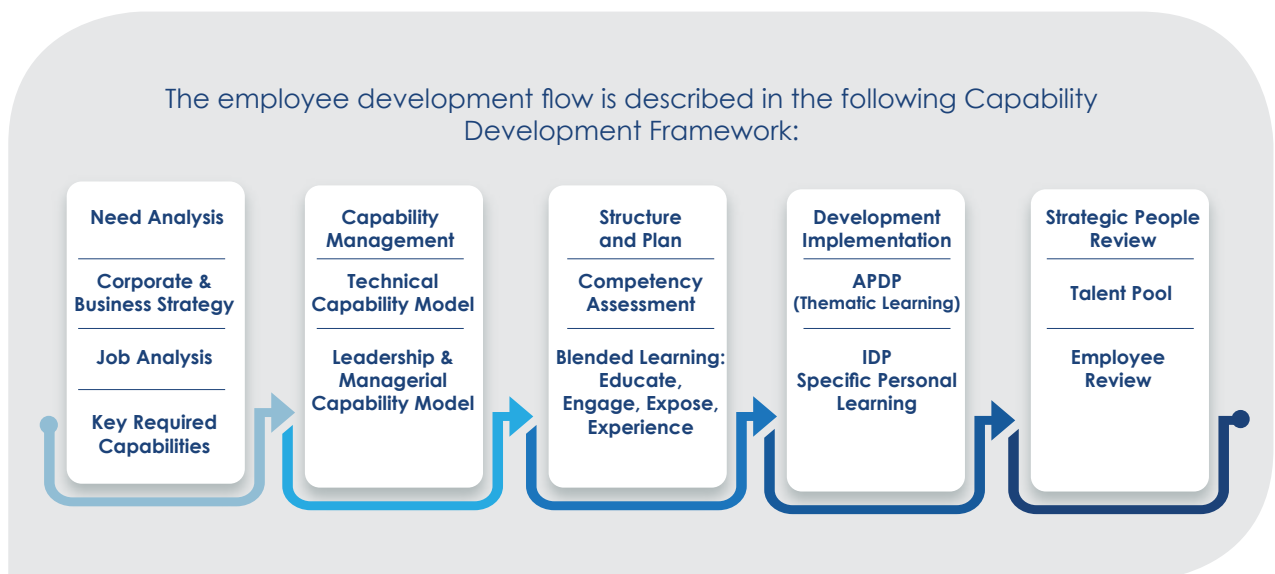
The employee development program managed by Mandiri University aims to realize the implementation of Bank Mandiri's Corporate Plan by improving employee competence that supports the achievement of Bank Mandiri's vision. To be in line with the implementation of Bank Mandiri's strategy, employee competency improvement is carried out through the development of leadership & managerial and technical competencies, particularly in the fields of wholesale banking, retail banking, risk management, IT and digital banking, as well as other fields including banking operations, finance, and human resources. The development of leadership competencies and technical competencies is carried out by referring to the Leadership Capability Model (LCM) and Technical Capability Model (TCM).

In the area of technical competencies, in addition to training and development programs that have been identified based on business needs and individual employees, since 2022 and continuing in 2023, Bank Mandiri has also focused on the execution of Reskilling, Upskilling & Redeployment in line with the implementation of Smart Branch, as well as on building digital capability for all employees. Employee development in each Directorate at Bank Mandiri is carried out in a planned manner to suit business needs, informed early on to all stakeholders, resource allocation can be done well, and achievement/realization can be monitored regularly.

The employee development plan is outlined in the Annual People Development Plan (APDP) document specifically

for each Directorate according to its needs and is prepared systematically, starting with exploring business needs (learning needs analysis), establishing learning solutions in the form of training modules, preparing program implementation schedules (learning delivery and deployment), to measuring the learning impact. APDP is prepared by Mandiri University with related work units and HCBP, where the training programs in the APDP are top-down according to organizational needs (Thematic Learning). In addition to the top-down learning program, Bank Mandiri also plans bottom-up employee development according to the Specific Personal Learning gap that has been discussed with its superiors through development dialogue. The bottom-up training program is prepared through an Individual Development Plan (IDP) for each employee.

The employee development flow is described in the following Capability Development Framework:



Mandiri University has several academies for each business segment of the Bank, allowing employees in the work unit that manages each business segment to receive training and development that focuses on the duties and work responsibilities of each unit. The following academies are available at Bank Mandiri:

HUMAN CAPITAL MANAGEMENT PROGRAM IN 2023

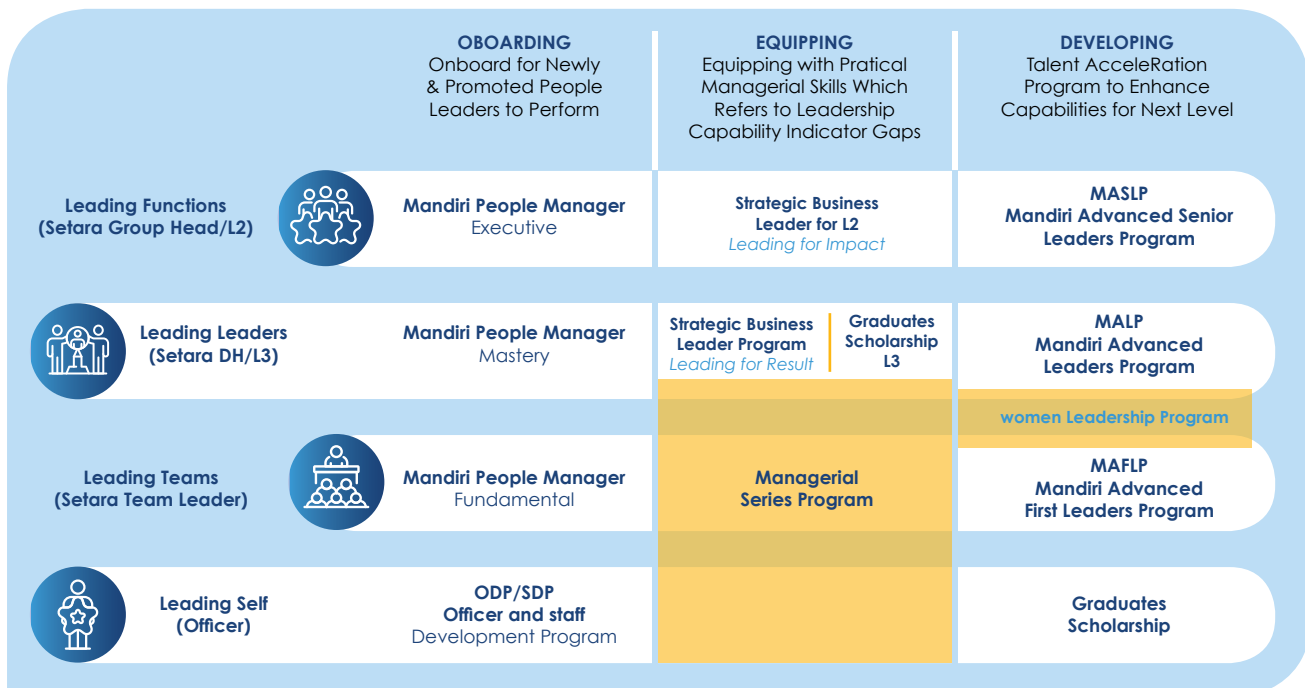
Akademi	Segment
Wholesale Banking Academy	Focus on the development of Wholesale Banking, Trade Finance, Treasury, International Banking and Overseas Unit segments.
Retail Banking Academy	Focus on developing the Small Medium Enterprise, Retail Banking, Consumer Deposit, Financial Services and Investment Management segments.
Operations Academy	Focus on competency development in Business Continuity Management, Credit Operations, e-Channel Operations, Trade Services Operations and Customer Care.
Risk Academy	Focus on developing competencies in Risk Management, Audit and Control Function, Compliance and Legal.
Digital Banking and Information Technology Academy	Focus on competency development in Digital Banking, Information Technology, Enterprise Data Management.
Human Capital and Finance Academy	Focus on competency development in Finance, Corporate Transformation and Human Capital.
Leadership and Management Development Academy	Focus on leadership and managerial development at Bank Mandiri.

Bank Mandiri's employee competency development program is divided into Leadership Development Program and Technical Development Program which are prepared based on core competencies in each job family and capability model. These programs will support employees' careers and be able to increase agility to challenges, carry out cultural values and have a goal to jointly build the nation. The explanation of the two programs is as follows:

a. Leadership Development Program

A series of leadership development programs that are tiered and structured according to leadership capacity at each employee level. This program is divided into 3 main phases for each level of organizational leadership, namely Onboarding, Equipping, and Developing. The purpose of onboarding is to equip employees with leadership capacity when occupying new positions. The purpose of Equipping is to equip employees with various leadership skills to support their work specifically according to competency gaps. While the purpose of Developing is to prepare and accelerate employees to the next level of leadership. Program objectives are aimed at all employees at every level of organizational leadership, from officer level to Director.

Leadership Pipeline Bank Mandiri





The tiered programs in the leadership development program are as follows:

- **Officer Development Program (ODP)**

An onboarding development path intended for fresh graduate candidates or candidates who have less than 4 (four) years of work experience. Candidates who pass the recruitment and selection stage will be determined as prospective employees and are required to attend an intensive ODP education program for 1 year, consisting of 3 months of classroom learning, 5 months on the job training, and 3 months probation before becoming a permanent employee. To meet business needs, competency development in ODP includes aspects of Information Technology (IT), Risk Management, wholesale banking, retail banking, and support functions. During 2023, a total of 640 prospective employees in 21 batches participated in the ODP development.

- **Staff Development Program**

An employee onboarding development program promoted from staff level to leadership employee level. The focus of development includes briefing related to leadership, managerial, and technical skills needed by an officer: self-leadership, business banking, general banking, IT, risk management, and culture. The learning program lasts for 3 months in class and 3 months On the Job Training in the placement unit. During 2023, the number of employees participating in the SDP was 568 employees with 16 batches.

- **SESPIBANK Program**

The Bank Staff and Leadership College (SESPIBANK) is a development program in collaboration with the Indonesian Banking Development Institute for Bank Mandiri Level L3

leaders to prepare employees to the next level. The SESPIBANK curriculum consists of classical classes, general banking certification tests, benchmarking, and making papers as final evaluation material. After participating in this program, participants are expected to develop more advanced banking technical skills, as well as network with official participants from various other banks in Indonesia. In 2023, 1 (one) Bank Mandiri employee participated in the SESPIBANK program.

- **Mandiri People Manager (MPM) Fundamental**

A training program for employees at the P3K and L4 (officer) levels to equip leadership skills. The curriculum includes the preparation of a SMART work plan, prioritization of tasks based on PDCA, performance monitoring, and communication. The duration of the program is 1 day.

- **Mandiri People Manager (MPM) Advanced**

A training program for employees at the L4 level (Team Leader and equivalent) to equip leadership skills to lead the team. The curriculum includes building effective work teams, managing change, planning and guidance, managing stakeholders, and developing talents. The duration of the program is 1 day.

- **Mandiri People Manager (MPM) Mastery**

A training program for employees at the L3 level (Department Head level and equivalent) with the aim of improving leadership capabilities in managing, motivating, and improving team performance. The curriculum includes building effective work teams, managing change to achieve goals, planning, mentoring and execution, as well as managing energy and prioritizing team goals. During 2023, 66 employees have participated in the PM Mastery program.

HUMAN CAPITAL MANAGEMENT PROGRAM IN 2023

- Mandiri Advanced Senior Leaders Program (MASLP)**

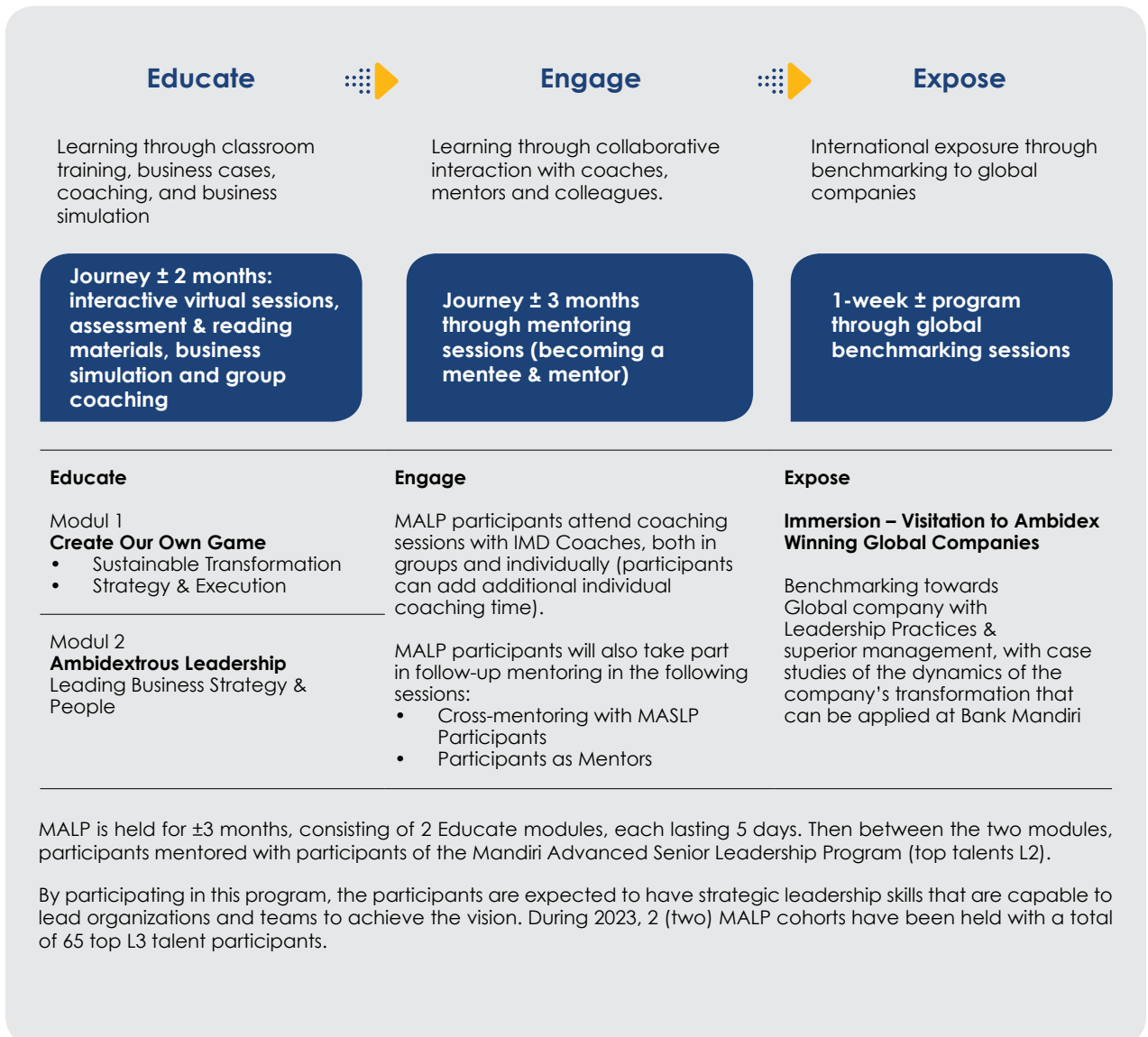
Mandiri Advanced Senior Leaders Program (MASLP) is a leadership development program that prepares BOD-1 top talents to be part of long-term transformation at Bank Mandiri, while maintaining business continuity and ongoing operations. The focus of this program development is Intrapreneurship, strategic leadership, people focus & digital leadership according to the needs and strategies of the Bank.



HUMAN CAPITAL MANAGEMENT PROGRAM IN 2023

- **Mandiri Advanced Leaders Program (MALP)**

Mandiri Advanced Leaders Program (MALP) is a leadership development program that prepares BOD-2 top talents to the next level of leadership. The focus of this program development is Intrapreneurship, strategic leadership, people focus & digital leadership in accordance with the needs and strategies of the Bank.



HUMAN CAPITAL MANAGEMENT PROGRAM IN 2023

- Mandiri Advanced First Leaders Program (MAFLP)**
 Mandiri Advanced First Leaders Program (MAFLP) is a Leadership development program that prepares BOD-3 top talents (Team Leaders, Branch Managers or equivalent) to the next level of leadership. The focus of this program development is People Focus, Digital Mindset, Strategy & Innovation. During 2023, 5 (five) MAFLP cohorts have been held with a total of 364 top L4 talent participants.

- Mandiri Executive Leaders Program (MAELP)**
 Mandiri Executive Leaders Program (MAELP) is a leadership development program for Commissioners, Directors and SEVP levels. This program aims to improve leadership and technical capabilities in accordance with Bank Mandiri's business needs, as well as build relationships with other stakeholders. In 2023, 11 Commissioners and 3 Directors have participated in this program at various Top Global Universities.

- Program Beasiswa Pasca Sarjana (S2)**
 A development program for top talents employees who are selected to attain postgraduate formal education both overseas and domestically.

- Mandiri Executive Scholarship for Postgraduate (MESP)**
 A domestic S2 scholarship program to

improve the knowledge and skills of top talents employees at the BOD-2 level which focuses on developing future skills needed in the Bank's long-term strategy. In 2023, there were 31 L3+ and L3 employees (Department Head and equivalent) participating in the program.

- S2 Scholarship Program Abroad**
 An S2 scholarship program overseas that aims to increase the exposure, networking skills and knowledge of participants related to global insights relevant to Bank Mandiri's needs. In 2023, there were 42 employees that currently studying S2 scholarships in the Top 15 Universities around the world. The fields of study taken are Digital Business, Advanced Finance, Technology, and Enablers (Human Resources & Laws).

- Women Leadership Program**
 A special development program For Top Female Millennial Talents aimed at enhancing capabilities and knowledge in the field of personal and Professional skills to address challenges specifics for women. This program is organized through intensive workshops/discussions, coaching, and mentoring with women leaders C-level for 3 days. In 2023, 30 top L3+ and L3 officers female millennial talents participated in the program.



Sharing & discussion with C-level female leaders

Topic:

- Dynamics of women's roles in personal & professional contexts
- Women & Business
- Executive Presence
- Women Leadership



In-depth mentoring (in group of 5) dengan C-level women leaders

Goal:

Linking workshop discussions to personal and everyday application levels



In-depth mentoring (in group of 5) development plan (career & personal)

Goal:

- Action plan & takeaways "what's next"
- Frequent check-ups after program end



Short-class to increase engagement & well-being

Optional example:

- Golf course
- Fun cooking class
- Fun art class

HUMAN CAPITAL MANAGEMENT PROGRAM IN 2023

- **Leadership Managerial Skills Series**

The purpose of this program is to equip Leaders at all levels of the organization with Practical Managerial skills, referring to the leadership capability gap indicator according to the 5 characteristics of DNA Independence. The skills trained in this program include productivity, emotional intelligence, and strategic thinking. During 2023, a total of 3,756 employees have joined this program.

- b. **Technical Development Program**

A technical employee competency improvement program in accordance with the managed business segment. This technical capability development program is held thematically and specifically with the aim of increasing the knowledge and skills of employees in business units which include wholesale banking, retail banking, risk management, IT and digital banking, as well as other fields, including banking operations, finance, and human resources. In

2023, 1,004 technical program modules were carried out with 300.228 participants.

The following are several technical programs as top signature training held during 2023:

- **Strategic Business Leaders (SBL) Program**

To realize Bank Mandiri's aspiration to become an Undisputed Industry Leader, one of the focuses carried out by Bank Mandiri is to develop Mandirian's capabilities as strategic business leaders.

The purpose of the Strategic Business Leaders program is to equip all L3 Level employees, particularly Bank Mandiri Leaders at the head office and regions with the skills and capabilities to be able to lead in implementing the 3-3-1 corporate strategy in achieving market dominance by creating own game in their work units. During 2023, this program was attended by 3,904 employees.



1, Strategic Leadership Camp

Build participants' understanding of Branch Manager profiles covering 5 aspects of strategic business leader

HOW?

Briefing of the president director and directors on the expectations of the profile of a strategic business leader



2, Strong Winning Ecosystem

Strengthening the role of RCEO, Regional Head & Area Head to become an ecosystem driving BM's success

HOW?

Equip Mentor debriefing class for mentors to be able to act as a learning ecosystem in order to create a winning ecosystem



3, Intensive Group Mentoring

Build a discussion forum between mentors and participants in preparing branch business plans and quick win implementation

HOW?

Group Mentoring Based on cluster unggulan tiap region yang dilaksanakan tiap minggu



4, Project Assignment

Building capabilities through real practice based on case from RCEO in currently managed branches

HOW?

Individual Assignment Sharing case study, branch business plan & quick wins Group Assignment Creating breakthru by cluster



5, Active Learning: Online + Offline

Building capabilities through subject matter experts related to leaderships and technical capability

HOW?

4+4 Leaderships session and technical virtual class based on curriculum of strategic business leaders from branch manager program

HUMAN CAPITAL MANAGEMENT PROGRAM IN 2023

- Wholesale RM Coverage Program**

Wholesale RM Coverage is a program to develop RM Wholesale capabilities to support the Wholesale Banking business and Value Chain for employees to be able to provide end to end transaction solutions to customers, become ecosystem enablers and maintain relationships with customers both at head office and regions through training programs. As of the end of 2023, trainings have been carried out in the Wholesale RM Coverage program, including the Chartered Wholesale Banking and Acceleration Program, which was attended by 668 RM/CA Wholesale employees and 9 Wholesale Bankers Club discussion events attended by 5,386 employees from various work units.

- Digital Talent Readiness for Future**

Digital Talent Readiness for Future is a digital talent program for Bank Mandiri employees, which is attended by a total of 35,379 employees through 3 programs that improve the digital capabilities of Bank-wide employees as Digital Leaders, such as:

- My Digital Academy
- IT Bootcamp
- MSJD - Mandirian Ready to Go Digital

As of December 2023, the Digital Talent Readiness for Future Program has been implemented with a total of 71,055 participants.

Competencies Development by Program

Development Program	2023		2022	
	Batch	Participants	Batch	Participants
Leadership Development Program				
Officer Development Program	21	640	24	614
Staff Development Program	16	568	11	357
SESPIBANK Program	1	1	2	3
Mandiri People Manager (MPM) Fundamental	2	615	1	15
Mandiri People Manager (MPM) Advance	0	0	2	59
Mandiri People Manager (MPM) Mastery	3	81	3	65
Mandiri Advanced Senior Leaders Program (MASLP)	1	23	1	26
Mandiri Advanced Leaders Program (MALP)	2	65	2	59
Mandiri Advanced First Leaders Program (MAFLP)	5	364	5	330
Mandiri Executive Leaders Program (MAELP)	5	14	7	8
S2 Program	2	73	2	29
Women Leadership Program	2	280	1	26
Other Leaderships	58	6,259	368	23,803
Technical Development Program	2,718	300,228	-	338,236
E-learning & Podcast	3,369	483,598	-	149,394

HUMAN CAPITAL MANAGEMENT PROGRAM IN 2023

Competency Development Based on Position Level

Bank Mandiri strives to apply the principle of equality in implementing employee competency development programs, where the Bank provides equal opportunities for its employees in developing their potential. In 2023, the total number of Bank employees participating in the training was 37,779 employees or 97.1% of the total active employees, with details of 18,894 male employees (47.9%) and 20,623 female employees (52.1%). Total active employees participating in the training in 2023 increased 2% from 2022 which was attended by 37,084 employees.

Competency Development by Position Level in 2022-2023

No.	Level	Total Training	
		2023	2022
1,	Commissioner	12	0
2,	Director	12	12
3,	SEVP - SVP	158	148
4,	VP - AVP	3,965	3,793
5,	SM - FAM	13,822	13,294
6,	Executive	19,751	20,364
7,	Non-Officer	59	87
8,	Pension/ Terminate	1,738	1,376
Grand Total		39,517	39,074

Total Days and Hours of Training (Man Hour) by Gender in 2022-2023

Gender	Total Trainees		Total Training Duration (hours)		Average Training Hours per Employee	
	2023	2022	2023	2022	2023	2022
	Female	20,623	20,338	2,664,804	2,360,482	124.4
Male	18,894	18,736	2,674,432	2,270,256	136.6	121.2
Grand Total	39,517	39,074	5,339,236	4,630,738	135.1	118.5

Total Days and Hours of Training (Man Hour) by Gender in 2022-2023

No.	Level	Total Trainees		Total Training Duration (hours)		Average Training Hours per Employee	
		2023	2022	2023	2022	2023	2022
1,	Commissioner	12	0	1,008	0	77.5	0.0
2,	Director	12	12	146	768	12.2	64.0
3,	SEVP - Please	158	148	15,558	17,392	90.5	117.5
4,	VP - AVP	3,965	3,793	807,516	661,178	202.6	174.3
5,	SM - FAM	13,822	13,293	2,553,630	2,153,892	184.2	162.0
6,	Executive	19,751	20,364	1,839,932	1,713,998	88.5	84.2
7,	Non-Officer	59	87	808	2,640	9.2	30.3
8,	Pension/ Terminated	1,738	1,377	120,638	80,870	58.0	58.7
Grand Total		39,517	39,074	5,339,236	4,630,738	135.1	118.5

HUMAN CAPITAL MANAGEMENT PROGRAM IN 2023

OFFICER ONBOARDING SYSTEM

New employees of Bank Mandiri, both from the New Hire program (newly joined employees) and the New Promote (Onboarding for New at Level) program must go through an onboarding system to obtain the knowledge, abilities, and behaviors needed as Bank employees.

In order to digitize the onboarding system, the Bank introduced a more interactive new onboarding process through the application of gamification-based learning consisting of 10 learning topics with a duration of 3 months and can be accessed online.

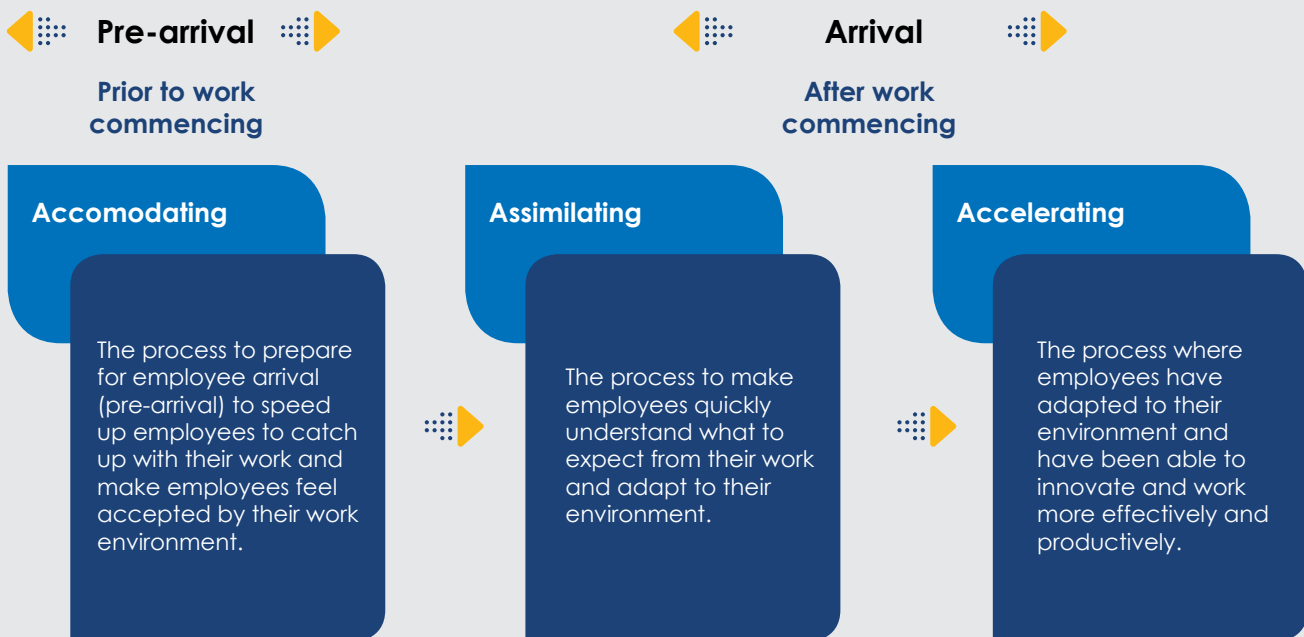
The General Principles of the implementation of employee onboarding are as follows:

1. Compliance
The Bank prepares employees to understand the basics of the provisions and policies applicable at the Bank.
2. Culture
The Bank prepares employees to be able to accept and implement the Bank's norms including the Bank's work culture and core values.
3. Clarification
The Bank ensures that employees understand and aware on the duties and responsibilities of their new job and the expected performance results.

4. Connection
The Bank ensures that employees can maintain good and positive relationships between employees

Onboarding for New Hire

The On Boarding Program is implemented to help New Hire adapt to the new work environment to ensure fast understanding on the conduct and work in new unit. The On Boarding program is carried out since New Hire joined its new unit. The On Boarding Program consists of 2 (two) stages, namely the Pre-Arrival stage and the Arrival stage. Each of these stages consists of 2 (two) integrated processes as follows:



HUMAN CAPITAL MANAGEMENT PROGRAM IN 2023

The objectives of Onboarding for New Hire are as follows:

1. Accelerate the process of employees' comprehension of their work so as to increase Speed to Productivity, which begins by providing facilities and infrastructure that can support work explanation on Job Description and Goals.
2. Introducing Bank Mandiri Culture in order to gain an understanding of aligned values for employees to quickly adapt to their work environment (attach to new culture).
3. Introducing the applicable provisions and systems for employees to attain risk awareness thereby able to measure and manage the risks encountered during their work.
4. Building a Resilient Independent spirit with a pattern of Resilient Learners who are willing to learn proactively from various sources (build proactive learner).

The supporting facilities provided during Onboarding for New Hire are as follows:

Welcome Kit Onboarding

1. *Welcome Kit Onboarding*
The Onboarding Welcome Kit is a package that contains equipment to support the performance and general information about Bank Mandiri provided to New Hire. The Onboarding Welcome Kit is given to increase understanding of Bank Mandiri and the productivity and work motivation of New Hire.

2. **Buddy System**
During Onboarding, New Hire will be accompanied by a Buddy. The Buddy's role in implementing the Onboarding Program is very important, particularly in introducing the work environment thereby able to speed up the New Hire adaptation process. A Buddy must have an adequate understanding related to the work unit and Bank Mandiri as its function is to always be able to provide positive and precise information to New Hire.
3. **Onboarding Mission Checklist**
The Mission Checklist is a guide to onboarding activities to assist New Hire in the process of adapting to the work environment during the Onboarding implementation.

Onboarding for New at Level

To help new employees adapt quickly to the environment and understand the work, Bank Mandiri conducts an Onboarding for New at Level program. This program is intended for employees who join through the New Promote program to help talent understand the job descriptions and goal settings, introduction on culture and the applicable Code of Conducts and Business Ethics.

The objectives of the Onboarding for New at Level Program are as follows:

1. Understand leadership & bank-wide expectations
2. Understand specific missions & responsibilities
3. Integrity Reminder & Awareness
4. Understand the conditions & objectives of the unit to be led

5. Understand the preparation of a New Unit strategic plan (including Quick Win & improvement)

Stages of Onboarding for New at Level program:

1. Onboarding Development Dialog
2. Onboarding Briefing
3. Onboarding Learning
4. Mid-Review
5. Evaluation of Probation Period

EMPLOYEE COMPETENCE DEVELOPMENT EVALUATION

To improve the quality of employee competence development programs, Mandiri University conducts continuous evaluations of material content, teacher quality, and learning methods. The following are the stages of evaluation carried out by Mandiri University on the implementation of employee competency development programs:

- Level 1 (L1) is an evaluation to assess participants' reactions to the implementation of learning carried out using the Net Promoter Score (NPS) method, which includes the suitability of the material, the ability of teachers to deliver the material, and the availability of learning facilities.
- Level 2 (L2) is an evaluation to assess the level of understanding of participants during learning using written examination methods (theory) and practical exams.

HUMAN CAPITAL MANAGEMENT PROGRAM IN 2023

- Level 3 (L3) is an evaluation to assess the implementation of learning materials and changes in behaviour before and after learning with the multirater method, namely asking for opinions/ assessments from employees, supervisors, colleagues, subordinates of employees who are the training participants. This evaluation is carried out at least 3 (three) months after learning.
- Level 4 (L4) is an evaluation to assess the impact of learning on the resulting performance. This evaluation uses the performance assessment method and is carried out at least 3 (three) months after learning period.

During 2023, Bank Mandiri held 6,087 training with various learning media, both face-to-face, virtual classroom and e-learning with a total of 4,401 training modules attended by 790,101 participants.

For the training conducted in 2023, Bank Mandiri has evaluated the employee competency development program as summarized in the table below:

Jenis Evaluasi	Result
Level 1, Reaction	The average level of training participant satisfaction (NPS) reached a value of +7 5.7 4 from a scale of -100 to +100 and an average evaluation score of 5.5 4 from a scale of 1-6
Level 2, Learning	The average level of comprehension of participants was 85.59, on a scale of 0-100
Level 3, Behavior	The average change in employee behavior after training was felt in their performance, with an average evaluation score of 5.05 on a scale of 1-6

EMPLOYEE COMPETENCE DEVELOPMENT COSTS

During 2023, Bank Mandiri realizes employee competency development costs of up to Rp382,832 billion. This figure is increase from the realization of the 2022 budget of Rp363.745 billion.

The following is competency development costs for Bank Mandiri employees.

Employee Competence Development Cost

No.	Program	Realization of Employee Development Costs (Rp Million)		
		2023	2022	2021
1	Executive Development Program	5.800	3,681	5,800
2	Leadership Development Program	97.204	88,702	97,204
3	Culture Development Program	2.937	3,695	2,937
4	Pre Retirement	1.882	18,115	28,330
5	Strategic & Technical Skill Program	90.524	8,896	1,882
6	Elearning	23.715	240,657	70,941
Total		222.062	363,745	232,023

HUMAN CAPITAL MANAGEMENT PROGRAM IN 2023

KNOWLEDGE MANAGEMENT

Bank Mandiri implements knowledge management to ensure that explicit and tacit knowledge of employees and organizations can be equally extracted, documented, and distributed. This is done in order to maintain and increase the competitive advantage of the organization.

Knowledge management activities at Bank Mandiri include a series of continuous activities, as follows:



Mandirian Learners Community to Facilitate Knowledge Management Activities

The Bank established Mandirian Learners Community as one of the efforts to manage the knowledge. Mandirian Learners Community (KMP) is a community of practitioners consisting of a group of Bank Mandiri employees who have the same profession, expertise, and interests with the aim of sharing specific knowledge practices so as to build innovation and create new ideas/knowledge/work practices and/or improve current work practices. The knowledge/work practices generated by Mandirian Learners Community are then curated, stored, and redistributed through the Bank's platform for adoption by the organization.

Currently, the following are several KMPs that specifically address certain fields:

- **KMP Smart Branch Knowledge (SBK) Corner** is a community of general bankers to share knowledge, experience, and best practices in Smart Branch.
- **KMP Legal Warrior** is a community of legal officers and employees of Bank Mandiri with legal education backgrounds to discuss legal knowledge and practice.
- **KMP KOPRA Community Network (KoCoNet)** is a community of Bank Mandiri employees who have an interest in sharing knowledge and experience related to KOPRA.

HUMAN CAPITAL MANAGEMENT PROGRAM IN 2023

- **KMP Data Quality** is Bank Mandiri's data inputer community that has the same interest/concern regarding efforts to improve data accuracy.
- **KMP Let's Grow** is a community consisting of Bank Mandiri's learning partners and facilitators who have an interest in increasing knowledge and competencies related to the learning process strategy.
- **KMP Mandiri Facilitator Squad** is a community of Bank Mandiri facilitators who are expected to improve the knowledge, skills of community members in carrying out their role as a facilitator.

Mandirian Learners Community Platform

Bank Mandiri uses MY Learn as one of KMP's platforms for the community members to be able to connect, and build relationships with each other, facilitate community related activities and data management related activities.

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). Bank Mandiri has implemented 360 Survey as a tool in measuring employee attitude since 2019. The implementation of the 360 Survey covers 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 attain reliable input for continuous improvement, both in terms of performance, leadership and decision making. In an effort to optimize the results of the 360 Survey, adjustments were made to the format and expansion of the distribution of the 360 Survey Report. The aim is to encourage the use of 360 Survey results as part of employee development plans.

The assessment component is also enhanced through the integration of 10 Leadership Characteristics parameters with 6 AKHLAK Main Values as a reflection of leaders who apply the core values of SOEs. The purpose of these improvements is 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 the application of employee performance appraisals.

Performance Assessment System

The employee performance assessment system is based on the achievement of agreed Key Performance Indicators (KPI) (Achievement) and the implementation of competencies/core values (Attitude). The elements of performance assessed consist of process and result elements. Process indicates how to achieve targets (lead measure) and Results indicate the results of employee achievement over targets (lag measure).

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

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 2023, an adjustment to the KPI (Goal Setting) mechanism is made, where the Employee Manager approves the Individual KPIs that have been sent by employees to the system. The adjustment aims to ensure that employee individual KPIs have been discussed and agreed upon jointly by employees and employee managers.

The performance assessment process of Bank Mandiri employees consists of 3 (three) stages, as follows:

HUMAN CAPITAL MANAGEMENT PROGRAM IN 2023

1. **Goal Setting**
Bank Mandiri employees first set goals at the beginning of the year through development dialogue between employees and Employee Manager.
2. **Mid-Review**
Mid review is carried out by employees in the middle of the year to readjust to the Bank's business conditions.
3. **Final Assessment**
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 chart.



With the performance appraisal system, it is expected to encourage employees to improve performance in the next period. The results of performance assessments are used as one of the factors in determining compensation, determining talent categories, and promotions.

In 2023, the number of employees participating in the performance assessment reached around 38,000 employees. The results of performance assessments are used as one of the factors in determining compensation, determining talent categories, promotion and employee development

HUMAN CAPITAL MANAGEMENT PROGRAM IN 2023

EMPLOYEE ENGAGEMENTS

To maintain employees' emotional attachment to the Company, Bank Mandiri implements various methods, one of which is by implementing an increase in the welfare of all employees in order to spur the creation of optimal productivity. Improvement of the welfare of Bank employees is provided materially and non-materially. The following is a description of several employee engagement improvement programs carried out by Bank Mandiri.

Employee Remuneration

The remuneration of Bank Mandiri employees is determined by referring to prevailing regulations. The amount of remuneration is adjusted to the applicable internal regulations and is above the Minimum Wage standard applicable in Bank Mandiri's operational area. Nevertheless, Bank Mandiri strives to maintain employee remuneration to remain competitive and in line with the Bank's remuneration strategy.

Bank Mandiri does not distinguish between basic salary and remuneration between female and male at each level of position. The ratio of basic salary and remuneration between female and male is 1:1. Salaries and facilities are set according

to position and performance, not based on gender differences.

Allowances

Bank Mandiri also provides benefits as an effort to maintain employee loyalty. Employee benefits are provided according to the employee's employment status, level, and type of work.

Maternity Leave Provisions

Bank Mandiri provides maternity leave for female employees, and a paternity leave for male employees by providing their rights in accordance with prevailing regulations and laws. Bank Mandiri accepts employees to return after the leave period ends, and employees can attain to their previous positions.

During 2023, a total of 1,633 employees taking maternity leave consisting of 1,007 female employees and 603 male employees. This number decreased by 7.16% from previous year's 1,759 employees (1,169 female employees and 590 male employees).

Of the employees who took maternity leave, 100% of employees have returned to work after the leave ended. In addition, 100% of employees who took maternity leave in the previous year have returned to work at Bank Mandiri after the leave ended. The high percentage of employees who

return to work after maternity leave indicates that Bank Mandiri is an 'employer of choice' and provides adequate support for the development of female employees.

Pension Plan

Bank Mandiri's pension program is provided in the form of pension funds and training before retirement.

Bank Mandiri's pension fund is managed by the Pension Fund established by the Bank. Bank Mandiri's type of pension fund program is a defined contribution program, in addition to a special defined benefit pension program for employees who join the Bank.

As a form of appreciation to employees who have served, Bank Mandiri also provides pension program training for employees who will enter retirement to maintain welfare and remain productive in retirement.

Various topics related to self-employment, health, and psychology are discussed in this seminar. For 2023, the training before retirement is attended by 31 batches with a total of 379 employees who will retire within the next 0-1 year. This training is conducted for 2-3 days offline.

HUMAN CAPITAL MANAGEMENT PROGRAM IN 2023

Awards

One of the ways that the Bank does to enhance employee engagement is by giving appreciation in the form of awards to Bank employees through the Mandiri Employee Award (MEA). This award event is held regularly every year, with the following awarding categories:

- **Mandatory Award**

The highest appreciation given by the management to Mandiri Best Employee (MBE), namely the award to the best employees for consistency in delivering the best performance, as well as implementing corporate culture that are being reflected in work behavior in line with the Core Values of AKHLAK, aim at elevating employee motivation and engagement to continue to make the best contribution.

In 2023, the total number of employees receiving MBE awards were 121 employees and 15 employees of subsidiaries.

- **Thematic Award**

An appreciation to the Work Unit/Employees who have contributed and have achievements in supporting bank-wide initiatives, including related to the execution of corporate strategies, business growth and sustainability, strengthening the mindset of strong learners, and implementing corporate culture, with the following details:

- a. **Best Strategy Bankwide**

Appreciation to Work Units that have the best performance achievements through the implementation of 3-3-1 strategies, 8 Strategic Goals, and LUNAR

- b. **Best Collection & Recovery of The Year**

Appreciation to Mandirian that exceeds the target in billing and in line with applicable ethics.

- c. **Best Bansos Heroes**

Appreciation to the Work Unit that has made the best contribution in the distribution of Social Assistance to the community.

- d. **Best Facilitator**

Awards to Mandirian who are active as teachers/trainers.

- e. **Mandiri Service Award**

Mandiri Service Award (MSA) 2023 is an event to select the best Frontliner and Branch consisting of 2 (two) main activities, namely:

1. National Frontliner Championship (NFC) is Bank Mandiri's Frontliner competition program which is attended by Regular Branches, Smart Branches, Priority Outlets with General Banker, Customer Service, Teller, Security, RM Priority Banking, and Service Quality Officer categories.
2. Service Excellence Award is the selection of Branches (conventional and smart branches), Priority Outlets, and Areas with the best service value in each Region nationally based on survey values conducted by externally.

For 2023, NFC was held on 15 -17 November 2023. This national-level competition was attended by 60 best frontliners from a total of 17,000 frontliners spread across 2,400 branches throughout Indonesia from Region I to Region XII. The Frontliners who participated in the competition at the National level were 1 of the best Frontliner representatives from each category who passed through the Region selection.

Through this MSA event, Bank Mandiri hopes that all Frontliners, Branches, Priority Outlets, Areas, and Regions can be motivated to strive to be the best and consistently provide remarkable customer experience to customers.

- f. **Mandiri Innovation eXperience (MIX)**

MIX is Bank Mandiri's innovation platform to address future business challenges. Bank Mandiri will give appreciation to this innovation.

- g. **Mandiri Best ESG Stewardship**

Appreciation to Work Units that support the achievement of the "Indonesia Sustainability Champion" target through the development of sustainable products, the implementation of green operations and community empowerment.

HUMAN CAPITAL MANAGEMENT PROGRAM IN 2023

LACTATION ROOM

To enhance employee engagement, Bank Mandiri provides lactation rooms for female employees who are breastfeeding both at the Head Office and at regional/branch offices. The lactation room is built with a comfortable and clean atmosphere, and is equipped with various facilities and standard needs for breastfeeding mothers.



ENGAGEMENT SURVEY I

The Bank again conducted an engagement survey to 28,415 employees, conducted during the December 2023 period, with a score of 89.65% (an increase of 1.59% compared to 88.06% in 2022). The survey was conducted by independent consultants by measuring organization, leadership, career development, relationships and communication, compensation benefits, job suitability, contribution/opportunity to provide the best and work groups.

EMPLOYEE TURNOVER

To measure employee engagement, Bank Mandiri monitors the Resignation Rate regularly every year. The measurement is carried out for the Bank to exactly analyze and determine the profile of the employee who resigned, particularly the reason/background of the employee's resignation hence the Bank can find and design the right employee engagement program. Bank Mandiri's Resignation Rate trend for 2021 – 2023 is presented in the table below:

Bank Mandiri's Resignation Rate Trend 2020-2022

Tahun	Total Resignation (person)	Total Employees (person)	Percentage
2023	1,044	38,940	2.68%
2022	1,102	38,176	2.89%
2021	1,185	37,840	3.13%

In 2023, the total number of employees resigning from the Bank was 2,048 personnel with an employee turnover rate of 5.26%.

Employee Resignation Trend

Description	2023	2022	2021
Jumlah karyawan yang keluar (orang)	2,048	1,840	1,998
Jumlah karyawan akhir tahun (orang)	38,940	38,176	37,840
Persentase turnover (%)	5.26%	4.82%	5.28%

HUMAN CAPITAL MANAGEMENT PROGRAM IN 2023

INDUSTRIAL RELATIONS

The Bank conducts industrial relations based on Law No. 13 of 2003 on Manpower as last amended by Law No. 6 of 2023 concerning the Stipulation of Government Regulations in Lieu of Law No. 2 of 2022 on Job Creation into Law and its implementing regulations in order to create and build a comfortable, transparent, positive and progressive work environment. To obtain the best results, the Bank pursues various approaches as follows:

1. Creating harmonious Industrial Relations that are well built and managed, with the active role of employees, the Bank Employees Union, and employee organizations recognized by the Bank.
2. Creating activities that can increase the level of employee engagement with the Bank through programs that can effectively have an impact on changing employee attitudes and work behavior and bring positive changes to the Bank's performance.

The Bank builds good Industrial Relations based on the understanding that Bank Mandiri, Employees, and Employee Unions must respect each other, trust, and resolve to work together in carrying out their respective rights, obligations, and responsibilities with the aim of ensuring business continuity, growing business scale and improving employee welfare.

To achieve industrial relations as agreed above, the Bank provides industrial relations facilities, including:

1. Employee Unions
Bank Mandiri provides freedom for employees to join employee union organizations. Bank Mandiri Employees Union (SPBM) is an employee union formed to establish good relations between Bank Mandiri employees and management, so as to create harmonious industrial relations. SPBM was established in 2000 and has been registered at the Ministry of Manpower and Transmigration of the Republic of Indonesia No. KEP.804/M/BW/2000 and registered at the Ministry of Transmigration of the Republic of Indonesia No. 45/V/P/V/2001.
2. Collective Labor Agreement
Bank Mandiri already has a Collective Labor Agreement (CLA), resulted from the negotiations between Bank Mandiri and SPBM that contains the terms of work, rights and obligations of both parties based on laws and regulations.

CLA is valid for 2 (two) years from the date of signing and can be extended for a maximum of 1 (one) year provided that the extension is valid for 1 (one) time only.

The first CLA is valid for the 2004-2006 period and the current agreement is the 11th CLA for the 2023-2025 period which has been registered and approved by the Ministry of Manpower of the Republic of Indonesia, in line with the Decree of the Director General of Industrial Relations Development and Labor Social Security No. KEP.4/HI.00.01/00.0000.231228008/B/I/2024 dated 10 January 2024.

3. Internal and External Regulations
Bank Mandiri strives to adhere and complies with prevailing laws and regulations, both external and internal regulations, including the Operational Policy (Human Resources) which has been updated and approved on 3 April 2023 and the Human Resources Guideline Standard which was last updated in December 2023
4. Bipartite Cooperation Institute
The Bipartite Cooperation Institute (LKS) at Bank Mandiri was established in 2005 and has been registered in the South Jakarta Municipal Manpower and Transmigration Service Office.

Pursuant to the mandate of Law No. 13/2003 and as stated in CLA 2023-2025, Bank Mandiri and the Employee Union routinely carry out Bipartite LKS as a forum for communication and consultation on matters related to industrial relations. At the forum, Bank Mandiri communicated policies related to Human Capital, as well as several matters that are the focus of the Bank's business development in line with the set forth vision and mission. The Employee Union also had the opportunity to submit suggestions and inputs for improvement, as well as several aspirations of Employees to Management.

5. Complaints Handling
To create a favorable work climate, Bank Mandiri strives to properly manage complaints through an open communication forum in order to create effective employment relations.

HUMAN CAPITAL MANAGEMENT PROGRAM IN 2023

6. Industrial Relations Dispute Resolution

Settlement of Industrial Relations Disputes at Bank Mandiri refers to Law No. 2 of 2004 concerning Settlement of Industrial Relations Disputes, by prioritizing communication to reach an agreement (win-win solution). This is able to create peace of work for employees, to ensure harmonious industrial relations to be maintained which in turn can increase work productivity.

The development and training of Bank Mandiri employees in principle aims to support the implementation of Bank Mandiri's corporate plan and business strategy in a sustainable manner. As such, the curriculum and learning methods are built to achieve organizational goals, to produce the best leaders that deliver excellent performance, as well as to foster a culture of continuous learning in every employee.

To achieve this, three employee development and training strategies were established, namely Capability Enabler, Learning-to-Business Alignment, and Learning Experience Design.

Untuk mencapai hal tersebut, ditetapkan tiga strategi pengembangan dan pelatihan pegawai, yaitu Capability Enabler, Learning-to-Business Alignment, dan Learning Experience Design.

- The Capability Enabler strategy aims to build existing competency for productivity and upcoming competency to anticipate future challenges.
- The Learning-to-Business Alignment strategy aims to ensure that all development and training programs held will have a positive impact on the business, particularly to achieve business targets according to the established strategy.

- The Learning Experience Design strategy aims to build a learning mindset and learning culture for all employees and also provide a learning experience that builds employee engagement. By having a good learning mindset, learning culture, and learning experience, employees will then take the initiative to build their competencies independently.

Based on these three strategies, programs and initiatives for employee development and training were then developed. Employee development and training programs and initiatives in 2023 are carried out through the development of leadership and technical competencies, which among others focus on developing wholesale capability, strategic business leaders and also building digital talent. Employee development is carried out in a planned manner to suit business needs, informed early on to all stakeholders, resource allocation can be done well, and achievement/realization can be monitored regularly.

The employee training and development program is carried out using a blended learning method that combines structured learning methods (classroom, virtual learning, e-learning), learning from others (development dialogue, mentoring), and experiential learning, among others, through on-the-job training and job rotation. In 2023, Bank Mandiri also continued the implementation of digital learning that began several years ago, including building knowledge management to support specific businesses, among others through the community of practice.