

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:

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- 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