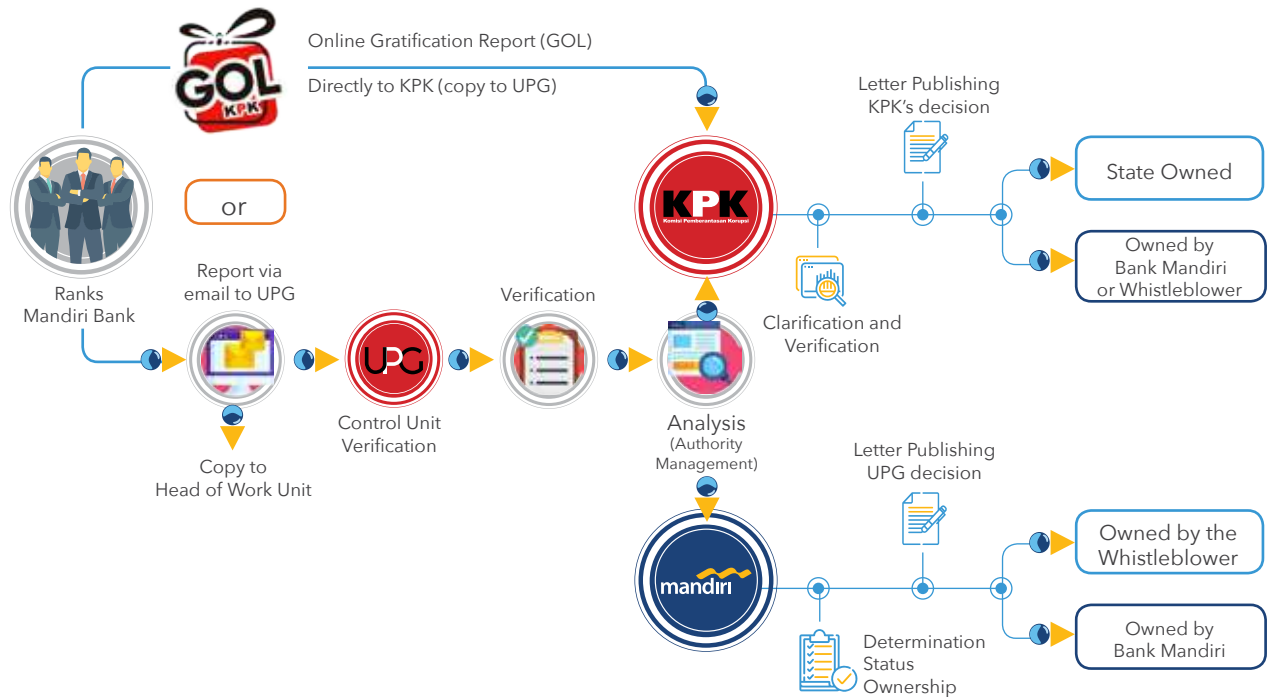


## GRATUITY POLICY



### Socialization of Gratuity Policy

Socialization related to gratuity control was carried out continuously to all levels of organization to increase awareness where in its implementation the UPG coordinated with SOR and Risk Business Control-AMLO. The socialization is carried out directly to the Working Units at Headquarters, Regional Offices, Branch Offices and through regular ODP/SDP classes.

During 2021, online dissemination was carried out for the Bank's employees. Other media used in disseminating gratuity control policies were through the installation of Gratuity Control Posters, sending Email Blasts, Screen Savers, Mandiri Magazine, Short Video, gratification display cabinets and urge all Bank Mandiri partners/vendors not to provide gratuity related to religious celebrations and new year through national newspaper media.

### Gratification Reports In 2021

Bank Mandiri employees who accept/reject gratuities are required to report their acceptance/refusal directly to the KPK via the GOL (Gratifikasi Online) with the address <http://gol.kpk.go.id> application or via UPG using the email [upg@bankmandiri.co.id](mailto:upg@bankmandiri.co.id).

During 2021, the number of reports of acceptance/refusal of gratuities received by the UPG was 112 reports. The acceptance of reported gratuities includes bribery gratuities, perishable food/goods, official goods, official honoraria and marriage.



# INTERNAL FRAUD

Internal fraud is carried out by the Company internal personnel and/or internal personnel in collaboration with external parties. Investigation of internal fraud is carried out by Internal Audit.

Internal Fraud in 1 Year	Frauds Committed (Internal)					
	Members of BOC & BOD		Permanent Employees		Non-Permanent Employees	
	2020	2021	2020	2021	2020	2021
Total Fraud	-	-	70	43	37	16
Resolved	-	-	70	43	37	16
In resolving process internally	-	-	-	-	-	-
Not resolved	-	-	-	-	-	-
Followed up through legal processes	-	-	-	1	1	-

## Anti-Fraud Strategy Implementation

In compliance with the OJK Regulation No. 39/POJK.03/2019 regarding the Implementation of Anti-Fraud Strategy for Commercial Banks, and as part of Internal Control Policy improvement, Bank Mandiri improved this provision. This is also carried out on every policy such as Standard Operating Procedures (SOP), Technical Operational Instructions (PTO) and other regulations.

Bank Mandiri's Anti-Fraud Strategy regulates 4 pillars, which are:

### 1) Pillar 1 (Prevention)

The responsibility of all levels of the Bank (work units) and part of the Fraud Control System to reduce the potential of fraud. The programs of this pillar include:

- a) Anti-Fraud Awareness, such as the preparation and dissemination of Anti-Fraud Statements, Employee Awareness Programs and Customer Awareness Programs. During the year, the Bank

carried out promotion of fraud awareness through email blasts to all employees, and the use of social media to create fraud awareness for customers.

- b) Vulnerability Identifications, such as the application of Risk Management principles where all policies and procedures are designed while observing the internal control as well as GCG and Compliance principles. Employee's works according to their authority and responsibility is stated in each of their descriptions, and signed by the employee concerned. In addition, the Annual Disclosure was signed by all employees at the beginning of the year.
- c) Know Your Employee (KYE) policies, such as Pre-employee Screening, System Qualification Selection Program and Know Your Employee Screening. KYE has been

implemented starting from recruitment by Human Capital as well as recruitment directly by the work unit.

### 2) Pillar 2 (Detect)

The responsibility of all units as 1<sup>st</sup> line, 2<sup>nd</sup> line, and 3<sup>rd</sup> line of defense and is part of the fraud control system in order to identify and identify fraud in the bank business activities. The programs implemented by Bank Mandiri in this pillar include:

- a) Whistleblowing, has been carried out, and managed by an independent party to minimize conflicts of interest and provide a sense of security to the whistleblowers.
- b) Fraud Detection System, to support the Bank's detection activities in retail channel and retail loans (Micro, Consumer, and SME) transaction segments.
- c) Surprise Audit, prioritized for business units that are high risk or prone to fraud.