

HUMAN CAPITAL MANAGEMENT PROGRAMS IN 2024

- **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.
- **KMP FMCG Ecosystem Zone** is a community of Bank Mandiri employees who focus on managing customers within the Fast-Moving Consumer Goods (FMCG) sector.
- **KMP Construction Ecosystem Zone** is a community of Bank Mandiri employees dedicated to managing customers in the construction sector.

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 APPRAISAL

Bank Mandiri conducts employee performance assessments to measure both Achievement (results) and Attitude (the application of culture and leadership characteristics in daily work).

In 2024, through the enhancement of the employee performance appraisal system, Bank Mandiri continued to encourage every employee to "Think Big & Deliver Beyond Expectations" in achieving the Bank's aspirations, as well as to establish individual assessments that can map employees' contributions, thereby motivating, fostering optimal employee engagement, and identifying capability gaps to determine appropriate development programs.

The enhancements include a New KPI Structure that encourages all employees to go the extra mile, a Mid-Year Review as a platform for providing feedback and monitoring performance achievements during the first semester, and the refinement of criteria and

mechanisms in the Final Performance Review to recognize the best of the best.

Performance Assessment System

The employee performance assessment system is based on the achievement of agreed Key Performance Indicators (KPI) (Achievement) and the implementation of behaviour based on core values and core behaviour (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 following are performance appraisal categorized based on 5 (five) ratings that have been refined:

1. Beyond Expectations, indicates exceptional/ extraordinary performance.
2. Exceed Expectations, indicates satisfactory/ excellent performance.
3. Meet Expectations, indicates good performance/ meeting expectations
4. Below Expectations, indicates the need for improvement to help enhance the performance.
5. Required Significant Attitude Improvement, indicates performance that does not align with or meet the expectations.

Starting from 2024, adjustments are made to the components of Individual KPIs, which is divided into three components: Core Responsibilities Objectives, Value-Added Objectives, and Capability Development Objectives. These aim to provide room for employees to have their contributions beyond their core tasks to be considered in their Final Performance Review, to encourage all employees to have extra miles contribution, and ensure employee development as part of the objectives. The process of determining these KPIs will be discussed and agreed upon jointly by the employee and their Employee Manager through development dialogue during the Goal Setting phase, which will be the basis for the Final Performance Review.

The performance appraisal process of Bank Mandiri employees consists of 3 (three) stages that has been refined to foster the Bank's aspiration achievements, as follows:



HUMAN CAPITAL MANAGEMENT PROGRAMS IN 2024

- 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-Year Review**
Mid-Year Review is carried out by employees in the middle of the year to readjust to the Bank's business conditions, as a tool to give feedback and monitor on the employees' performance throughout Semester 1.
- 3. Final Performance Review**
At the end of the year, a final appraisal 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 appraisal are described in the following chart.

Which Parties Play a Role in Individual Assessment ?



- 1 Employee**
Employee carries out a self-assessment.



- 2 Employee Manager**
Direct supervisor provides final scores and initial performance level.



- 3 Employee Manager Manager**
Employee Manager's Manager provides final performance level by taking into account the normal distribution



- 4 Matrix Manager**
Head of Work Unit as a Mentor for the system or segment of employee assigned in the region for several positions. Employee Manager will receive inputs/ reviews/ comments and Matrix Manager in determining the employee performance assessment.

In 2024, approximately 38,000 employees participated in the performance appraisal. The results of these evaluations are used as key factors in determining compensation, talent categories, promotion decisions, and employee development. Through the enhancement of the performance appraisal system, it is expected to continuously drive employee performance improvements and recognize the contributions made by employees.