



CORPORATE GOVERNANCE IMPLEMENTATION IN 2024 & PLANS FOR 2025

3. ASEAN Corporate Governance Scorecard

To continue improving the implementation of Governance, Bank Mandiri has adopted governance assessment practices based on the principles developed by the Organization for Economic Cooperation and Development (OECD) and endorsed by the ASEAN Capital Market Forum (ACMF), known as the ASEAN Corporate Governance Scorecard (ACGS).

ACGS is used to evaluate corporate governance practices of publicly listed companies in ASEAN countries. The assessment is based on publicly available information, including Annual Reports, Audited Financial Statements, Sustainability Reports, Announcements and Notices for General Meetings of Shareholders, Corporate Websites, and other public information. The assessment components of the ASEAN Corporate Governance Scorecard include:

- a. Rights and Equitable Treatment of Shareholders
- b. Sustainability and Resilience
- c. Disclosure and Transparency
- d. Responsibilities of the Board of Directors and Board of Commissioners

4. Corporate Governance Perception Index

To assess the quality of Governance implementation, Bank Mandiri participated in the Corporate Governance Perception Index (CGPI) 2023 research and rating program conducted in 2024. The theme of CGPI was "Building Corporate Maturity within the GCG Framework." The CGPI assessment stages include self-assessment, evaluation of document completeness, and observation. The assessment aspects cover Governance Structure, Governance Process, and Governance Outcome.

This marks Bank Mandiri's 21st participation in the program as of 2024. The Bank successfully maintained its designation as a "Most Trusted" company for the 18th consecutive year, achieving a score of 95.30.

Plans for 2025

Bank Mandiri consistently strives to enhance the quality of corporate governance implementation and has developed a work plan for 2025, which includes:

1. Continuously improving the implementation of Good Corporate Governance (GCG).
2. Ensuring compliance with the ASEAN Corporate Governance Scorecard (ACGS).
3. Conducting self-assessments of Individual Governance implementation and self-assessments of Integrated Governance implementation.

CORPORATE GOVERNANCE ASSESSMENTS

To enhance the sustainable implementation of Corporate Governance, Bank Mandiri conducts periodic Self-Assessments of Governance Implementation every semester. In addition, Bank Mandiri undergoes external independent assessments of Corporate Governance implementation by participating in the Corporate Governance Perception Index (CGPI) rating program and ensuring compliance with the ASEAN Corporate Governance Scorecard (ACGS) standards.

SELF-ASSESSMENT



Bank Mandiri conducts self-assessments of its Individual good governance implementation based on POJK No. 17 of 2023 and SEOJK No. 13/SEOJK.03/2017 on Governance Implementation for Commercial Banks.

Applied Criteria

The criteria used in conducting Individual Self-Assessments are based on OJK Circular Letter No. 13/SEOJK.03/2017 on Governance Implementation for Commercial Banks. This self-assessment aims to map the strengths and weaknesses of Governance implementation, evaluated from three aspects:

1. Governance Structure

The assessment of governance structure aims to evaluate the adequacy of the Bank's governance structure and infrastructure to ensure that the implementation of good governance principles results in outcomes that meet the expectations of the Company's stakeholders. The governance structure includes the Board of Commissioners, the Board of Directors, Committees, and work units within the Company. Meanwhile, governance infrastructure encompasses policies and procedures, management information systems, and the main duties and functions of each organizational structure.

2. Governance Process

The governance process assessment aims to evaluate the effectiveness of the implementation of governance principles, supported by the adequacy of the Bank's governance structure and infrastructure, to achieve outcomes that align with stakeholder expectations.

3. Governance Outcome

The assessment of governance outcome aims to evaluate the quality of outcomes that meet stakeholder expectations. These outcomes result from the effective implementation of good governance principles, supported by the adequacy of the Bank's governance structure and infrastructure. Governance outcomes include both qualitative and quantitative aspects, such as:

- Adequacy of transparency in reporting.
- Compliance with laws and regulations.
- Consumer protection.
- Objectivity in assessments/audits.
- Bank performance, including profitability, efficiency, and capitalization.
- Improvements or declines in compliance with applicable regulations and the resolution of issues faced by the Bank, such as fraud, violations of the Legal Lending Limit (LLL), and breaches related to regulatory reporting requirements.



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The Self-Assessment of Individual Good Governance Implementation covers 11 (eleven) governance implementation assessment factors, which include:

1. Execution of duties and responsibilities of the Board of Commissioners.
2. Execution of duties and responsibilities of the Board of Directors.
3. Completeness and execution of Committee duties.
4. Management of conflicts of interest.
5. Implementation of the compliance function.
6. Implementation of the internal audit function.
7. Implementation of the external audit function.
8. Implementation of risk management, including the internal control system.
9. Provision of funds to related parties (related party transactions) and large exposures.
10. Transparency of the Bank's financial and non-financial conditions, governance implementation reports, and internal reporting.
11. Bank's Strategic Plan.

Assessors

The self-assessment process for Individual Good Governance Implementation at Bank Mandiri involves the participation of the entire Board of Commissioners, Board of Directors, and work units related to the governance assessment factors.

Assessment Scores

In the first semester of 2024, Bank Mandiri conducted a self-assessment of Individual Good Governance Implementation, achieving a score of 1. However, OJK provided the following feedback on the assessment:

Score	Definition of Composite
2	Reflecting that in general the Company's management had implemented a good Governance. This was reflected in the adequate fulfilment of the principles of Governance. Where there were weaknesses in the application of Governance principles, in general these weaknesses were insignificant and could be resolved by regular actions by the Bank's management.

In the second semester of 2024, Bank Mandiri conducted a self-assessment of Individual Good Corporate Governance Implementation, achieving a score of 1. However, OJK has not yet provided feedback on the self-assessment results for the second semester of 2024. The assessment details are as follows:

Score	Definition of Composite
1	Reflecting that in general the Company's management had implemented a very good Governance. This was reflected in the adequate fulfilment of the principles of Governance. In the event that there were weaknesses in the application of GCG principles, in general these weaknesses were insignificant and could be immediately improved by the Bank's management.

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Based on the results of both assessments, the implementation of Bank Mandiri's governance in 2024 can be summarized as follows:

STRENGTH	WEAKNESS
STRUCTURE	
<ol style="list-style-type: none"> 1. Bank Mandiri organizes the Annual GMS to make changes to the Board of Directors and Board of Commissioners. 2. SALL members of the Board of Directors and Board of Commissioners have passed the OJK fit and proper test. 3. The composition of the committee membership structure complies with requirements, and adjustments to the Committee Membership Charter under the Board of Commissioners have been made as follows: <ol style="list-style-type: none"> a. Risk Oversight Committee through Decree of the Board of Directors No. . KEP.DIR/039/2024 dated May 22, 2024. b. Remuneration and Nomination Committee through Decree of the Board of Directors No. KEP.DIR/019/2024 dated April 5, 2024. c. Integrated Governance Committee through Board of Directors Decree No. KEP.DIR/040/2024 dated May 22, 2024. d. Audit Committee through Board of Directors Decree No. KEP.DIR/016/2024 dated April 5, 2024. 	None
PROCESS	
<ol style="list-style-type: none"> 1. To carry out the duties and responsibilities of the Board of Commissioners and the Board of Directors, 28 (twenty eight) Board of Commissioners Meetings and 45 (forty five) Board of Directors Meetings were held during 2024. 2. Bank Mandiri's 2023-2025 Bank Business Plan (RBB) was discussed at the Board of Directors and Commissioners Meetings and submitted to OJK in accordance with applicable regulations. 3. Committee meetings have been held in accordance with the needs of the Bank. In 2024, the Committees under the Board of Commissioners have conducted meetings with the following details <ol style="list-style-type: none"> a. Audit Committee: 24 (twenty four) times b. Risk Oversight Committee: 28 (twenty eight) times c. Remuneration and Nomination Committee: 15 (fifteen) times d. Integrated Governance Committee: 5 (five) times 	None
RESULTS	
<ol style="list-style-type: none"> 1. The Board of Directors has fully implemented the principles of Good Corporate Governance in carrying out the Bank's business activities at all levels of the organization, which is reflected in Bank Mandiri's success in maintaining the title of "The Most Trusted Companies" by The Indonesian Institute for Corporate Governance (IICG) for 18 (eighteen) consecutive times and receiving a score of 95.30. 2. Annual Audit Plan 2024 Internal Audit has been approved by the President Director and the Board of Commissioners by considering the recommendations of the Audit Committee, 3. The Compliance Director's report for the first semester of 2024 has been submitted to OJK on July 31, 2024. 	Violations of applicable regulations were still found.

EXTERNAL PARTY ASSESSMENT

Bank Mandiri continues to actively conduct governance assessments by external parties to gather feedback and enhance the implementation of the bank's governance practices.



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CORPORATE GOVERNANCE PERCEPTION INDEX (CGPI)

In assessing the quality of Governance implementation, Bank Mandiri participates in the CGPI research and rating program organized by The Indonesian Institute of Corporate Governance (IICG). CGPI is participated in by public companies (issuers), SOEs, banks, and other private companies, with Bank Mandiri having participated in the CGPI assessment for 21 (twenty-one) consecutive times since 2003.

Applied Criteria

The CGPI assessment aspects for 2023/2024 include:

1. Governance Structure

This aspect evaluates the completeness of organs, structure, and optimal infrastructure within the company in accordance with principles, values, and compliance to create value and ensure sustainable growth ethically and with dignity. The assessment indicators for the governance structure aspect include:

- a. Indicators for Shareholders and GMS
- b. Indicators for the Board of Commissioners
- c. Indicators for the Board of Directors
- d. Indicators for Supporting Organs of the Board of Commissioners
- e. Indicators for Supporting Organs of the Board of Directors
- f. Indicators for Functional Management

2. Governance Process

This aspect evaluates the management system's ability to optimize all management functions in line with changes in the company's contextual environment, as well as principles, values, and compliance, to create value and ensure sustainable growth ethically and with dignity. The assessment indicators for the governance process aspect include:

- a. Indicators for Governance Systems and Mechanisms for Shareholders and the implementation of GMS.
- b. Indicators for Governance Systems and Mechanisms for the Board of Commissioners and the Board of Directors.
- c. Indicators for Governance Systems and Mechanisms for Organizational Behavior.
- d. Indicators for Governance Systems and Mechanisms for Disclosure and Information Transparency.
- e. Indicators for Governance Systems and Mechanisms for Risk Management.
- f. Indicators for Governance Systems and Mechanisms for Compliance.
- g. Indicators for Governance Systems and Mechanisms for Control and Supervision.
- h. Indicators for Governance Systems and Mechanisms for Strategic Planning.
- i. Indicators for Governance Systems and Mechanisms for Organizational Infrastructure.
- j. Indicators for Governance Systems and Mechanisms for Information Technology.
- k. Indicators for Governance Systems and Mechanisms for Sustainable Development Goals (SDGs).
- l. Indicators for Governance Systems and Mechanisms for Creativity and Innovation.
- m. Indicators for Governance Systems and Mechanisms for Building Corporate Maturity.

3. Governance Outcome

This aspect evaluates the company's optimal performance achievements, effectiveness, and efficiency in utilizing resources to create value and ensure sustainable growth ethically and with dignity. The assessment indicators for governance outcomes include:

- a. Indicators for Outcomes of Corporate Governance Organs.
- b. Indicators for Conformity of Organizational Behavior.

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- c. Indicators for Outcomes of Risk Management, Compliance, and Control and Supervision.
- d. Indicators for Outcomes of Governance in Achieving Sustainable Development Goals (SDGs).
- e. Indicators for Outcomes of Building Corporate Maturity.

Assessor

The assessment for CGPI is conducted by The Indonesian Institute for Corporate Governance (IICG).

Assessment Score

The results of the CGPI assessment are utilized by Bank Mandiri to evaluate and improve the implementation of GCG. Bank Mandiri received the "Most Trusted" company designation in the 2023 CGPI assessment conducted in 2024, with a score of 95.30. This marks the 18th (eighteenth) consecutive award for Bank Mandiri. The composition of Bank Mandiri's scores over the last 5 (five) consecutive years is as follows:

Stages	2020 Scores	2021 Scores	2022 Scores	2023 Scores	2024 Scores
Governance Structure	25.70	33.76	26.65	31.53	31.85
Governance Process	34.50	34.26	36.24	31.24	31.61
Governance Outcome	34.74	26.99	32.22	32.45	31.84
Scores	94.94	95.01	95.11	95.22	95.30

CGPI assessment results in 18 (eighteen) consecutive years were as follows:





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Recommendations and Follow Ups

From the results of the 2024 CGPI assessment, there were several recommendations from the IICG on the Bank's governance implementation. These recommendations will be used for improving governance implementation at Bank Mandiri.

RECOMMENDATION	FOLLOW-UP
GOVERNANCE STRUCTURE	
Bank Mandiri needs to periodically update its corporate policies and strategies through comprehensive risk-based analysis in response to the dynamics of the business and industry environment, ensuring the optimization of the company's potential.	<ul style="list-style-type: none"> The process of adjusting and refining Bank Mandiri's policies has consistently been carried out by taking into account applicable regulatory provisions, the Bank's strategies, and business needs. Bank Mandiri's strategies are formulated comprehensively, considering internal and external factors (macroeconomics and the banking industry outlook). Furthermore, the formulation of Bank Mandiri's strategies always adheres to applicable regulatory provisions, the principles of prudence, risk management, and sound banking practices.
Bank Mandiri needs to optimize its data governance policies in compliance with prevailing laws and regulations, while also referencing best practices and aligning them with the Company's strategic plans.	The implementation of Bank Mandiri's governance has been aligned with applicable laws and regulations as well as prevailing regulatory requirements. Moreover, to further optimize governance implementation, Bank Mandiri also adheres to the governance principles developed by the ASEAN Capital Market Forum (ACMF) and international best practices.
GOVERNANCE PROCESS	
Bank Mandiri needs to develop assessment and monitoring programs to ensure that all members of the Board of Directors, Board of Commissioners, and employees thoroughly understand the relevant code of conduct and apply it effectively. This is essential to prevent the corporation from being involved in inappropriate behavior (ethical measurement).	<p>Bank Mandiri has established a code of conduct outlining the fundamental principles of personal and professional conduct expected of all members of the organization, including the Board of Commissioners, Board of Directors, and all employees. The implementation of the code of conduct aims to foster professional, responsible, fair, proper, and trustworthy behavior in business interactions with colleagues and partners.</p> <p>The implementation and enforcement of the code of conduct are carried out continuously and conscientiously through Annual Disclosure, Integrity Pacts, and awareness programs.</p>
Bank Mandiri needs to optimize the strengthening of internal controls, including through the implementation of Internal Control Over Financial Reporting (ICOFR) to enhance reporting accountability in alignment with the Company's strategic plans.	The optimization of internal controls through the implementation of Internal Control Over Financial Reporting (ICOFR) has been carried out by Bank Mandiri, also referring to regulatory requirements and best practices. This ensures reasonable assurance for all stakeholders regarding the Bank's reports.

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RECOMMENDATION	FOLLOW-UP
Bank Mandiri needs to optimize the implementation of a comprehensive risk culture, serving as a strong foundation to maximize potential, achieve excellent performance, and drive sustainable business growth.	<p>Bank Mandiri consistently applies a risk-aware culture across all operational and business activities to mitigate potential risks that could disrupt the Company's sustainability. This risk-aware culture is implemented at all levels, from the highest organizational layers to all employees.</p> <p>Efforts to enhance the risk-aware culture are also reflected in the development of products and technology by Bank Mandiri, which are always complemented by an adequate Risk Management System to maintain business sustainability. This includes conducting risk assessments and implementing risk mitigation measures prior to launching or executing any product or activity, ensuring sustainable performance achievements in the long term.</p>
Bank Mandiri needs to develop mitigation measures and process improvements to prevent the occurrence or recurrence of fraud, non-fraud cases, sanctions/fines, and other violations.	<p>To prevent and mitigate potential fraud, Bank Mandiri implements the Anti-Fraud Strategy (SAF), which consists of four pillars:</p> <ul style="list-style-type: none"> • Prevention • Detection • Investigation, Reporting, Sanctions, and Legal Processes • Monitoring, Evaluation, and Follow-Up <p>The implementation of this strategy is continuously evaluated to ensure its effectiveness.</p>
Bank Mandiri needs to develop an evaluation framework for measuring the maturity of its human capital governance system. This will support the alignment of human resource management with the company's strategy and position the organization in accordance with international best practice standards.	Bank Mandiri has implemented human capital management to develop globally competitive banking talents, ensuring the creation of a high-performing organization with a strong reputation. Guided by the spirit of learning, synergy, growth, and contribution to Indonesia, human capital management at Bank Mandiri is structured through a Human Capital strategy aligned with the Bank's overall strategy. This aims to cultivate Strategic Business Leaders with the characteristics of Always Deliver and Always Ahead, supporting Bank Mandiri's vision of becoming the Undisputed Industry Leader in Indonesia.
Bank Mandiri needs to develop a reliable structure and system for consumer protection and empowerment, as well as conduct periodic evaluations of its implementation.	As part of Bank Mandiri's commitment to support the establishment of a reliable consumer protection system and fostering a sustainable, stable financial system that protects the interests of consumers and the public, the Bank has implemented an Operational Policy governing the application of consumer protection functions. Bank Mandiri has also established a Consumer Protection Unit.
Bank Mandiri needs to maintain the reliability and security of the data, network, systems, and information technology used to remain free from the risks of hacking and unauthorized data usage.	As part of its efforts to ensure information security, Bank Mandiri has developed and implemented an IT security strategy that complies with regulations and aligns with international standards and best practices. This strategy is divided into 3 (three) main areas: People, Process, and Technology.



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RECOMMENDATION	FOLLOW-UP
Bank Mandiri needs to optimize systems and mechanisms that create corporate value through knowledge by implementing and certifying according to ISO 30401:2018 – Knowledge Management Systems.	Bank Mandiri implements knowledge management to ensure that employee and organizational knowledge (both explicit and tacit knowledge) can be extracted, documented, and evenly redistributed. This initiative is aimed at maintaining and enhancing the organization's competitive advantage.
Bank Mandiri needs to optimize the systems and mechanisms for the establishment, implementation, maintenance, and continuous improvement of an innovation management system by implementing and certifying according to ISO 56002:2019 – Innovation Management Systems.	Bank Mandiri continues to optimally drive transformation and innovation to deliver added value for all stakeholders and to promote healthy and sustainable business growth.
GOVERNANCE OUTCOME	
Bank Mandiri needs to periodically evaluate the maturity of its integrated corporate governance, risk management, and compliance.	The evaluation of the implementation of governance, risk management, and compliance has been conducted by Bank Mandiri through regular meetings and coordination among functional work units, as well as guidance and monitoring mechanisms by the company's committee elements.
Bank Mandiri needs to take progressive action on all ongoing legal matters, ensure optimal risk mitigation for all legal claims, and prevent the recurrence of legal cases involving the Company.	Bank Mandiri has established a system and mechanism for handling and resolving legal issues faced by the Company, as well as mitigating the risks associated with legal claims.
Bank Mandiri needs to enhance the handling of complaints received from various sources to strengthen stakeholder trust in the Company.	Bank Mandiri places high priority on customer satisfaction and provides mechanisms for lodging complaints or expressing concerns, in accordance with regulatory requirements. The Bank has established a dedicated customer service unit, the Customer Care Group, to handle and resolve all customer complaints promptly and in line with the established Service Level Agreement (SLA). Bank Mandiri provides various accessible platforms for customers to submit their complaints.

In the 2023 CGPI conducted in 2024, 3 (three) Subsidiaries received the "Most Trusted" designation, while 3 (three) Subsidiaries were rated as "Trusted," with the following score details:

No.	Entitas Anak	Predikat	Nilai
1.	PT Bank Syariah Indonesia	"Most Trusted"	91.80
2.	PT Bank Mandiri Taspen	"Most Trusted"	90.56
3.	PT Mandiri Sekuritas	"Most Trusted"	85.81
4.	PT AXA Mandiri Financial Services	"Trusted"	84.18
5.	PT Mandiri Tunas Finance	"Trusted"	84.01
6.	PT Mandiri Utama Finance	"Trusted"	82.05

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ASEAN CORPORATE GOVERNANCE SCORECARD (ACGS)

Another form of assessment conducted regarding Corporate Governance implementation at Bank Mandiri is the ASEAN Corporate Governance Scorecard, which serves as a benchmark for governance practices agreed upon by the ASEAN Capital Market Forum (ACMF). This parameter is based on OECD Principles and is expected to enhance investor confidence in publicly listed companies in ASEAN.

Applied Criteria

The components of the ASEAN Corporate Governance Scorecard are as follows:

1. Rights and Equitable Treatment of Shareholders
2. Sustainability and Resilience
3. Disclosure and Transparency
4. Responsibilities of the Board of Directors and Board of Commissioners

Assessor

The ASEAN Corporate Governance Scorecard is assessed by the ASEAN Capital Market Forum (ACMF).

Independent Party Assessment Score

Bank Mandiri is included in the list of companies awarded the ASEAN Asset Class Public Listed Companies designation in the ASEAN Corporate Governance Scorecard assessment.