

## Corporate Social Responsibility Related to Responsibilities to Suppliers



### Policy

Internal policy related to Procurement of Goods and Services, namely Procurement SPO has been updated and approved on March 1, 2017. Procurement SPO is a guideline of Bank Mandiri in carrying out the process of procurement of goods and services that are strategic and non-strategic to support the Bank's operational activities according to quality, quantity and the time set with the best price and applying risk control management principles.

In carrying out the process of procuring procurement executives must sign the Integrity Pact to be able to carry out the procurement of goods and services, in addition the procurement process must also refer to the basic principles of procurement implementation including:

<b>Effective</b>	Procurement activities must be in accordance with the requirements/plans that have been determined and can provide optimal benefits for the Bank.
<b>Efficient</b>	Procurement activities are carried out to achieve the quality as specified, with the agreed time at the best price level.
<b>Open and competitive</b>	Procurement implementation must be open to Goods and Services Providers who have fulfilled the requirements and carried out through fair competition among Goods and Services Providers and fulfill certain conditions/criteria based on clear and transparent provisions and procedures.
<b>Transparent</b>	All provisions and information regarding the implementation of Procurement, including technical and administrative requirements, procedures for evaluation, results of evaluation, determination of prospective Providers of Goods and Services are open in nature.
<b>Fair and Non-discriminatory</b>	Providing the same treatment for all prospective suppliers of goods and services and does not lead to providing benefits to certain parties by means of or for any reason.
<b>Accountable</b>	The process, results, and payment of procurement must be accountable.
<b>Responsible</b>	The procurement process is carried out carefully and complies with applicable regulations.
<b>Independent</b>	The procurement decision is taken objectively and is free from the pressure of any party. The Company makes decisions objectively and free from pressure from any parties.

To realize procurement activities with the principles as above, Bank Mandiri implements the following:

1. Separating functions in the Procurement Implementing Unit, i.e. the unit tasked with selection partner/vendor candidates, the unit tasked with performing the procurement process, the unit tasked with preparation of the Self-Estimated Price; and the Work Compliance Unit
2. Always observing and complying with internal and external regulations
3. Implementing the principles of risk management, that include identification, assessment, mitigation, and monitoring as well as measurement of operational risks;
4. Upholding the Company's Work Culture grounded in
  - TIPCE values (Trust, Integrity, Professionalism, Customer Focus, and Excellence), GCG, and complying with the Code of Conduct and implementing the principles of prudence
  - Good Corporate Governance (GCG), and
  - complying with the Code of Conduct and implementing the principles of prudence.
5. As well as complying with behavioral guidelines of Bank Mandiri, namely:
  - One Heart One Mandiri (How does our Team work)
  - Strong Mandirian (How as individuals we work)
  - Growing Healthy (How we develop business and performance)
  - Meeting Customer Needs (What is our behavior to customers)
  - Together Building the Country (How we interpret work and responsibilities)

## Activity Target

Bank Mandiri targets that the entire process of procurement of goods and services has implemented the principles of Effective, Efficient, Open and Competitive, Transparent, Fair and Non-discriminatory, Accountable, Responsible, and Independent. By applying these principles, it is expected that supplier satisfaction levels will be well maintained and further will have an impact on improving the overall performance of the Bank.