PT Bank Mandiri (Persero) Tbk.

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Introduction

In April 2021, PT Bank Mandiri (Persero) Tbk. ("Bank Mandiri" or the "Issuer") issued a Sustainability Bond aimed at financing and refinancing of projects related to Renewable Energy, Sustainable Water and Wastewater Management, Healthcare, Sustainable Cities and Communities, Gender Equality and Decent Work and Economic Growth. In March 2021, Sustainalytics provided a Second Party Opinion[1] on Bank Mandiri's Sustainability Bond Framework[2]. In March 2022, Bank Mandiri engaged Sustainalytics to review the projects, programmes and companies funded through the issued Sustainability Bond and provide an assessment as to whether the projects, programmes and companies met the Use of Proceeds criteria and the Reporting commitments outlined in the Bank Mandiri Sustainability Bond Framework.

Evaluation Criteria

Sustainalytics evaluated the projects and assets funded with proceeds as of April 2022 based on whether the projects, programmes and companies financed:

1. Met the Use of Proceeds and Eligibility Criteria outlined in the Bank Mandiri Sustainability Bond Framework; and
2. Reported on at least one of the Key Performance Indicators (KPIs) for Use of Proceeds criteria outlined in the Sustainability Bond Framework.

Table 1 lists the Use of Proceeds, Eligibility Criteria, and associated KPIs

Table 1: Use of Proceeds, Eligibility Criteria, and associated KPIs

Use of Proceeds	Eligibility Criteria	Key performance indicators (KPIs)
Renewable Energy	Manufacture components of renewable energy technology. Transmission and distribution projects when connecting to defined renewable energy assets. The geothermal projects must meet a 100 gCO_2/kWh threshold, which aligns with market practice.	• Installed capacity MW • Expected annual generation MWh • Estimated annual GHG emissions avoided • Number of households benefitting from affordable and clean energy • Transmission lines miles
Sustainable Water and Wastewater Management	Installation or upgrade of infrastructure for clean and/or drinking water. Water recycling or wastewater treatment facilities. Flooding mitigation system.	Wastewater treatment plant: • Annual amount of wastewater transported for treatment. • Number of sewer house connection • Potential number of people/houses served. Coastal protection: • Catchment area • Potential catchment of water.

[1] Bank Mandiri, "Second-Party Opinion Bank Mandiri Sustainability Bond Framework", (2021) at: a3914fa1-93c1-9035-290b-d51bb4f37e23 (bankmandiri.co.id)
[2] Bank Mandiri, "Bank Mandiri Sustainability Bond Framework", at: Rev-10 Update Design_Sustainability Framework-BMRI 2021_080421 (bankmandiri.co.id)

Healthcare	Hospitals Medical equipment and related technologies. The loans aim to ensure that middle-class and lower-class people receive optimal health benefits while simultaneously maintaining the cash flow/liquidity of hospitals.	• Number of hospitals and other healthcare facilities built/upgraded • Number of beds • Number of residents benefitting from healthcare
Gender Equality	Socioeconomic advancement and empowerment for both genders.	• Number of loans to women-owned ultra-micro enterprises • Number of loans to women-owned micro enterprises in rural areas • Estimation of number of people employed from the financed micro enterprises
Decent Work and Economic Growth	Employment generation through SME financing and micro financing. Access to banking and financial services in underserved population. Financial Literacy. For SME financing and micro-financing, Bank Mandiri targets individual entrepreneurs and business entities that do not have sufficient collateral guarantees, including Indonesian Migrant Workers.	• Number of SMEs financed • Estimation of the number of employees of the financed SMEs
Sustainable Cities and Communities	Affordable housing or housing loans for low-income communities.	• Number of passengers • Estimated GHG emissions reduced or avoided • Length of low carbon tracks build • Number of electric/hybrid/low-emission vehicles provided • Number of supported affordable housing units financed

Issuing Entity’s Responsibility

Bank Mandiri is responsible for providing accurate information and documentation relating to the details of the projects, programmes and companies that have been funded, including description of projects, programmes and companies, amounts allocated, and impact.

Independence and Quality Control

Sustainalytics, a leading provider of ESG and corporate governance research and ratings to investors, conducted the verification of Bank Mandiri’s Sustainability Bond Use of Proceeds. The work undertaken as part of this engagement included collection of documentation from Bank Mandiri employees and review of documentation to confirm the conformance with the Bank Mandiri Sustainability Bond Framework.

Sustainalytics has relied on the information and the facts presented by Bank Mandiri with respect to the Nominated projects, programmes and companies. Sustainalytics is not responsible, nor shall it be held liable if any of the opinions, findings, or conclusions it has set forth herein are not correct due to incorrect or incomplete data provided by Bank Mandiri.

Sustainalytics made all efforts to ensure the highest quality and rigor during its assessment process and enlisted its Sustainability Bonds Review Committee to provide oversight over the assessment of the review.

Conclusion

Based on the limited assurance procedures conducted,[3] nothing has come to Sustainalytics' attention that causes us to believe that, in all material respects, the reviewed bond projects, programmes and companies, funded through proceeds of Bank Mandiri's Sustainability Bond, are not in conformance with the Use of Proceeds and Reporting Criteria outlined in the Bank Mandiri Sustainability Bond framework. Bank Mandiri has disclosed to Sustainalytics that the proceeds of the sustainability bond were fully allocated as of Dec 31, 2021.

Detailed Findings

Table 3: Detailed Findings

Eligibility Criteria	Procedure Performed	Factual Findings	Error or Exceptions Identified
Use of Proceeds Criteria	Verification of the projects, programmes and companies funded by the sustainability bond in 2021 to determine if projects, programmes and companies aligned with the Use of Proceeds Criteria outlined in the Bank Mandiri Sustainability Bond Framework and above in Table 1.	All projects, programmes and companies reviewed complied with the Use of Proceeds criteria.	None
Reporting Criteria	Verification of the projects, programmes and companies funded by the sustainability bond in 2021 to determine if impact of projects, programmes and companies was reported in line with the KPIs outlined in the Bank Mandiri Sustainability Bond Framework and above in Table 1. For a list of KPIs reported please refer to Appendix 1.	All projects, programmes and companies reviewed reported on at least one KPI per Use of Proceeds criteria.	None

[3] Sustainalytics limited assurance process includes reviewing the documentation relating to the details of the projects that have been funded, including description of projects, estimated and realized costs of projects, and project impact, which were provided by the Issuer. The Issuer is responsible for providing accurate information. Sustainalytics has not conducted on-site visits to projects.

Appendix

Appendix 1: Allocation of Proceeds and Impact Reporting by Eligibility Criteria

Use of Proceeds Category	Technology	Financing or Refinancing	Year of Disbursement	Allocation Amount (Million USD)	Impact Reporting by Eligibility Criteria
Renewable Energy	Geothermal power plant[4]	Finance	2021	105	• Installed capacity of own operated plant is 672 MW. • Total steam generated is 35,730,613 tonnes and electricity generated is 4,660,477 MWh annually. • GHG emission reduced is approximately 1,804,071 tCO_2e • Approximately 1,097,000 homes served
Sustainable Water and Wastewater Management	Retention basin and polder	Refinance	2020	34	• Catchment area of retention basin and polder area is 148.78 ha. • Potential water retained from retention basin and polder is 137,500 m^3.
	Sewerage piping system project #1				• Wastewater transported to be treated is 2,774, 000 m^3 annually. • 10,000 sewer house connections added • Approximately 51,000 people served.
	Sewerage piping system project #2				• Wastewater transported to be treated is 5,840,000 m^3 annually. • 14,000 sewer connections added (8,600 connections for houses and

[4] The bank has confirmed that the CO_2 emissions from the project are less than 36 gCO_2/kWh.

					5,400 connections for commercial buildings). • Approximately 70,000 people benefitted.
	Wastewater treatment plant				• 7,300,000 m^3 wastewater treated annually. • Approximately 131,000 people served.
	Coastal protection				• Total area covered is 3,549 ha. • Approximately 37, 603 houses benefitted. • Approximately 109,486 people benefitted.
Healthcare	Build and upgrade hospitals	Refinance	2019	50	• Sixteen hospitals built. • 2,268 beds. • Approximately 1,620,000 residents[5] benefitted.
Gender Equality	Women owned ultra-micro financing	Refinance	2019	68	• 427,201 loans provided to women-owned ultra-micro enterprises.
	Women owned micro financing				• 22,101 loans provided to women-owned micro enterprises. • Approximately 44,202 people employed from the financed micro-enterprises.
Decent Work and Economic Growth	Micro financing – channeling to farmers	Finance and Refinance	2021 and 2019	28	• 4,698 microenterprises[6] financed. • Approximately 23,490 people employed from the

[5] The residents stated are not included in any specific class category and is applied to all Indonesian residents. However, these hospitals also serve lower-class and middle-class categories using universal healthcare provided by Indonesian Government's Social Security Administrator for Health (BPJS Kesehatan). The bank has confirmed that the calculation for the number of residents benefitted is done on an assumption of bed ratio per 1,000 residents in Indonesia, which was released by Ministry of Health, Indonesia.

[6] The bank has confirmed that the micro enterprises are targeting business entities that do not have sufficient collateral guarantees and does not include Indonesian migrant workers. The finance is disbursed to the microenterprises which then channels it exclusively to farmers.

					financed micro-enterprises.
	Micro, Small and Medium Enterprise (MSME) Financing – Kredit Usaha Rakyat (KUR) in agriculture sector				• 5,612 MSMEs[7] financed. • Approximately 28,060 people employed through financed SMEs or micro-enterprises.
Sustainable Cities and Communities	Affordable housing financing	Refinance	2019	14	• Approximately 6,100 affordable housing units financed. • Approximately 18,300 individuals/families benefitted from subsidized housing.
Total Allocated				**300.0**	
Total Funds Raised				**300.0**	
Total Unallocated				**0**	
Total projects/programmes/companies Financed				**120**	
Total projects/programmes/companies Refinanced				**180**	

[7] The bank has confirmed that the MSMEs are targeting business entities that do not have sufficient collateral guarantees and does not include Indonesian migrant workers.

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