

Corporate Social Responsibilities Related to Employment, and Occupational Health and Safety

Policies

Human resources are an asset for Bank Mandiri, therefore the interests of its employees are the main priority that must be met. Bank Mandiri has a policy to provide equal treatment for all employees in terms of job opportunities, remuneration, and training and development.

Bank Mandiri also has a policy to provide a safe and comfortable work environment. The internal policy on Occupational Safety and Health (OSH) specified in several company documents, such as:

- Standard Operating Guidelines for Business Continuity Management (BCM)
These are guidelines to prepare Bank Mandiri to deal with and protect itself against potential catastrophic financial and non-financial losses as a result of disasters. These standard operating guidelines, among others, set out potential risks that may occur in Bank Mandiri, the causes, and ways to deal with them. These standard operating guidelines take effect as of June 8, 2017.
- Operating Technical Guidelines for the Emergency Response Plan (ERP)
These guidelines are one of the BCM components that serve as guidelines to safeguard security and safety of all employees, customers, and third parties in the event of disruption/disasters, including rescue of important data and assets of the Bank. ERP procedures focus on measures to protect and save lives. These operating technical guidelines take effect as of September 4, 2013.

In addition, in an effort to minimize the risks to work safety at Bank Mandiri, the Operating Technical Guidelines for the Emergency Response Plan (ERP) has been developed which are one of the Business Continuity Management (BCM) components that serve as guidelines to safeguard security and safety of all employees, customers, and third parties in the event of disruption/disasters around Bank Mandiri's work environment, including the rescue of the Bank's important data and assets.

Targets of the Activities

In relation to the employment, and occupational health and safety practices for employees throughout 2017, Bank Mandiri has established several targets to be achieved, which include:

- ensuring employee welfare in accordance with applicable regulations and as set forth in the Collective Labor Agreement;
- ensuring gender equality in terms of work opportunity as well as equal opportunities to attend training for all employees;
- improving the healthcare facilities scheme for employees and creating a decent and secure workplace for all employees of the Company.



Activities and their Impact

Employment-Related Activities



Gender Equality in Terms of Work Opportunity

In recruiting employees, Bank Mandiri always gives equal rights and opportunities to all people regardless of religion, ethnicity, race, social status, color, gender, and other physical conditions. Likewise, in the appointment of a prospective employee, Bank Mandiri does not practice discrimination for any reason as it makes a decision based on selection results and evaluation in the course of probation, and employee orientation.

Equal Opportunities to Participate in Education and Training Programs

In order to improve employees' skills and capacity, Bank Mandiri continuously organizes several methods of education and training programs to support the Company's operations. Bank Mandiri guarantees that every employee has an equal opportunity to participate in any education and training programs organized in accordance with the Company's development needs and plans. Further details of the Training and Education Programs held throughout 2017 can be seen in the Chapter on Company Profile in this Annual Report.

Hiring Local Labor

The Company always strives to implement employment-related practices in accordance with the applicable regulations. In addition to the practices of gender equality in relation to work opportunities, the Company always hire local labor as well as a key resource in all of its operations and banking activities. Until 2017, the number of employees of Bank Mandiri reached a total of 38,307 employees with only 1 foreign employee.

Remuneration

Bank Mandiri always complies with all applicable regulations governing employee remuneration. The amount of remuneration given has been adjusted to the prevailing provisions and is higher than the Minimum Wage applicable to the operational areas of Bank Mandiri. In relation to remuneration, Bank Mandiri always strives to minimize the gap in the salary ratio of one employee to another employee.

The following table describes the ratio of the highest salary to the lowest one in Bank Mandiri during 2017.

Table Describing the Ratio of the Highest Salary to the Lowest One

Description	Ratio
The Highest Employee Salary to the Lowest Employee Salary	47,78 : 1
The Highest Director Salary to the Lowest Director Salary	1,1 : 1
The Highest Commissioner Salary to the Lowest Commissioner Salary	1,1 : 1
The Highest Director Salary to the Highest Employee Salary	1,7 : 1

Employee Welfare Activities

Bank Mandiri always pays attention to the welfare of all employees in order that they can create synergy between one another so as to generate optimal work performance. The employee welfare improvement programs are provided in the form of either means or non-means. The first refers to a welfare program that directly relates to the achievement of an employee and the compensation given may be in the form of transportation allowance, food allowance, pension, religious holiday allowance, position allowance, bonus, tuition fee, healthcare allowance, uniform, paid leave, and death allowance.

As for the latter, this program refers to an employee welfare program implemented through the provision of facilities and services to all employees of Bank Mandiri without discrimination. Examples of such a program that are already underway at Bank Mandiri include a special program for nursing female employees, i.e. by providing them with a clean and comfortable lactation room equipped with various facilities to meet their needs, which can be found both at the Head Office and Regional/ Branch Offices. In addition to building a lactation room, Bank Mandiri also provides facilities to employees who already have children by opening a Daycare (TPA) called Mandiri Day Care located at Plaza Mandiri Basement 1 which opens every work day from 07.30 to 17.30 Western Indonesia Time (except on weekends and national holidays). Bank Mandiri through the Human Capital Engagement group also undertakes activities aimed at maintaining employee engagement levels on a regular basis, such as Happy Hours.



Employment-Related Complaint Submission Mechanism

As a manifestation of the Company's compliance with the prevailing regulations, one of which is the Law No. 13 of 2003 concerning Employment, Bank Mandiri has developed an employment-related complaint submission mechanism. This mechanism is applied in several forms such as drawing up a Collective Labor Agreement; establishing labor unions, a Bipartite Cooperation Institution between the Company and its employees; and providing a forum where employees can make a work-related complaint.

Freedom of Association

Bank Mandiri believes that the success of the Company's business activities can be achieved one of them with the existence of work practices that can accommodate the rights of employees in the form of Union Employees. In addition, of course, can be achieved through the implementation of competency-based human resources system in every HR function activity. Bank Mandiri Employees Union is a union formed to establish good relationships between employees and management of Bank Mandiri, resulting in a harmonious industrial relations. SPBM was established in 2000 and has been registered with the Ministry of Manpower and Transmigration of the Republic of Indonesia No. KEP.804/M/BW/2000 and registered at the Ministry of Manpower and Transmigration No.45/V/P/V/ 2001. SPBM is domiciled and headquartered in Jakarta, with the 12th floor of Plaza Mandiri, Jalan Jend. Gatot Soebroto Kav.36-38 Jakarta Selatan. SPBM and Bank Mandiri have held Collective Work Agreement (PKB), PKB is currently valid is the PKB-7 period 2017-2019 and has been registered and received approval from the Ministry of Manpower No. KEP.198 / PHIJSK.PK / PKB / XII / 2017 dated December 11, 2017.

Impact of the Employment-Related Activity

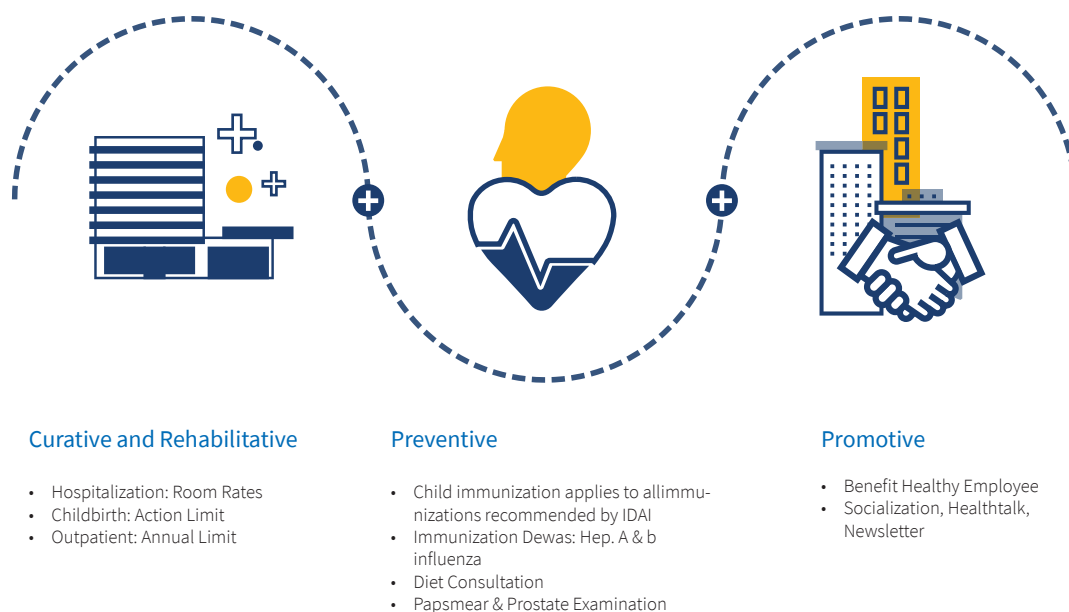
Bank Mandiri views that a conducive work environment can reduce the Company's turnover rate. In 2017, the employee turnover rate was equal to 5.92%, higher than that in the previous year. Nevertheless, this figure does not exceed at the average level of the banking industry. Moreover, to determine the employee engagement level, the Company has conducted a survey in 2016 which generated a percentage by 73.7%. This is the highest percentage (platinum category) ever generated in employee engagement surveys. Based on the survey result, Bank Mandiri received 2 (two) awards, namely Platinum and Best of the best Award Winner at the Indonesia Employee Engagement Award 2016.

The Activity of Providing Healthcare Facilities

Health is an essential element for everyone's life. Each individual is expected to maintain his/her health by implementing a healthy lifestyle as early as possible. In connection with this matter, the Bank also pays attention to the health of its employees by providing them and their family members with healthcare facilities. To improve welfare and enhance motivation of the employees, the extent to which these facilities are deemed beneficial are reviewed continuously for the betterment of such facilities.

Measures to improve those healthcare facilities are undertaken by considering results of the benchmarking of several banks and availability of the budget allocated for healthcare (the Bank's ability). The implementation of changes to these healthcare facilities aims to ensure that the program to provide Bank Mandiri's employees with

healthcare facilities is consistent with market developments, and that such a program can be run more effectively to make it easier to review it in an attempt to improve employee welfare and maintain competitiveness. In 2017, improvement was made to those healthcare facilities through the establishment of new programs as shown in the following figure:



Quantitative Impact of the Activity of Providing Healthcare Facilities

The Company's program of providing healthcare facilities aims to improve welfare and motivate employees, which eventually will affect their performance.

Good management of healthcare facilities performed by the Company during 2017 has affected performance of Bank Mandiri's employees. In 2017, productivity of the Company's employees was equal to Rp16,261.05 million per employee or increased by 12.73% from that in 2016 which was only Rp14,425.14 million per employee.

Occupational Safety Activities

Bank Mandiri always strives to create a decent and safe work environment for all of its employees. To this end, the Company has developed the so-called the Operating Technical Guidelines for the Emergency Response Plan (ERP) as guidelines to safeguard security and safety of all employees around Bank Mandiri's work environment. These ERP procedures focus on on readiness of building safety equipment and facilities, readiness to do rescue attempts, and training for employees and the ERP team. Some of the activities undertaken include the following:

1. Performing inspection/examination of fire protection equipment of the building on a regular basis to ensure that the fire protection equipment can function well. The inspection of fire extinguishers is done by security officers once a month while the inspection of the fire fighting system and the fire alarm system is done by the building management together with the Fire Department once a year.



2. Performing standardization of specifications and placement of building safety equipment and evacuation routes and including this information in the standard manual for office building renovation prepared together with the planning consultant and shall be reviewed once a year or as necessary.
3. Delivering emergency information to employees, guests, and the Emergency Response Team of the Building by putting up posters illustrating evacuation measures in an emergency in the event of fire or earthquakes, playing videos describing procedures that apply in the event of an emergency via televisions installed inside the building, conducting safety briefing before organizing a particular activity, and disseminating information about the function and role of the Emergency Response Team once a year by inviting speakers from the Fire Department.

The following table presents information about the employee safety-related activities.

Activity	Frequency	Participant
Distribution of Information about Emergency Situations	Once a Year	Employees appointed as part of the Emergency Response Team
Simulation of Evacuation in Emergency Situations	Once a Year	All employees/guests and other building occupants
Fire Fighting Training	Once a Year	Employees appointed as part of the Emergency Response Team
Emergency Response Team Training	Once a Year	Emergency Response Team (ERT)

Table Presenting Information about the Execution of Events to Distribute Information about Emergency Situations in the Building

Office Building Location	Information Distributed	Held on	Participant
Plaza Mandiri	Fire Safety Management	Oct 31, 2017	Employees and the Emergency Response Team of the Building
Menara Mandiri Jakarta		Nov 29, 2017	
Sentra Mandiri		Oct 19, 2017	
Wisma Mandiri II	Functions and Roles of the Building's Fire Fighting Team	Nov 24, 2017	RCO Employees and the Emergency Response Team
Menara Mandiri Palembang	How to Use Fire Extinguishers	July 5, 2017	
Gedung Training R. Soeprapto – Region IX Banjarmasin	How to Use Fire Extinguishers, Evacuation Techniques	July 8, 2017	

4. Conducting training in emergency response preparedness to building occupants and the building's Emergency Response Team, including training in fire fighting and basic first aid, training of first responders (search and rescue) minimally once a year

Table Presenting Information about the Execution of Training for the Emergency Response Team

Training	Location/Venue	Held on	Participant
Fire Fighting Training	Plaza Mandiri	Nov 18, 2017	Employees and the Emergency Response Team of the Building
	Sentra Mandiri	Oct 19, 2017	
	Wisma Mandiri II	Nov 24, 2017	
	Manara Mandiri Palembang	July 25, 2017	
	Gedung Training R. Soeprapto – Region IX Banjarmasin	July 8, 2017	RCO Employees and the Emergency Response Team
Basic Rescue Training	RS. Persahabatan	4 Batches	The Emergency Response Team of Region IV – Jakarta Thamrin

5. Conducting simulation of emergency evacuation in the event of fire in the building to building occupants to measure the preparedness of the Emergency Response Team and how long it takes to do evacuation from the building site to the gathering point. This simulation is done once a year and attended by representatives of the Fire Department.

Table Presenting Information about the Execution of Simulation of Emergency Evacuation in the Event of Fire in the Building

Location/Venue	Held on	Participant
Menara Mandiri Palembang	July 25, 2017	Employees and the Emergency Response Team of the Building
Wisma Mandiri II	November 24, 2017	
Menara Mandiri Sudirman	December 15, 2017	
Sentra Mandiri	December 08, 2017	
Plaza Mandiri	December 22, 2017	
Gedung Training R. Soeprapto – Region IX Banjarmasin	July 8, 2017	RCO Employees and the Emergency Response Team

In addition to the implementation of ERP Procedures, Bank Mandiri also enrol all its employees as participants of Jamsostek (employee social security) through BPJS Ketenagakerjaan for programs Jaminan Hari Tua (JHT), Jaminan Kecelakaan Kerja (JKK), and Jaminan Kematian (JK), while for employees who carry out activities of Escorting and Transporting Money and Valuables, the Company has enrolled them in the Life Insurance program.

Quantitative Impact of the Occupational Safety Activities

Throughout 2017, Bank Mandiri did not record any occupational accidents (zero accident) in the course of the Company's operations both at the Head Office and at Branch/Regional Offices. This indicates that all operations have been carried out in accordance with prevailing occupational safety procedures and standards.

Certification

Bank Mandiri has obtained several certifications to ensure occupational safety of its employees, namely:

<p>Type of Certification: BS OHSAS 18001:2007 - General Construction and Maintenance Services of Civil Engineering Works, Buildings, Roads, Bridges, and Irrigation</p> <p>Valid from: June 17, 2016 to July 23, 2018</p> <p>Issued by: NQA</p>	<p>Type of Certification: BS EN ISO 9001:2008 - General Construction and Maintenance Services of Civil Engineering Works, Buildings, Roads, Bridges, and Irrigation</p> <p>Validasi from: May 15, 2016 to July 14, 2018</p> <p>Issued by: NQA</p>
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