

GOVERNANCE PILLARS

ESG Governance

Bank Mandiri manages sustainability comprehensively, including ESG topics, within the framework of sustainable financial work to achieve the vision of sustainability, "Becoming Indonesia's Sustainability Champion for A Better Future."

To achieve this goal, the company establishes governance bodies involved in planning, decision-making, monitoring, evaluation, and implementation of bank-wide ESG strategies within the following structure.

Duties and Responsibilities – Directors & Commissioners

- Monitoring & evaluating the Company's compliance with the Articles of Association, Authority regulations, and other laws and regulations related to Risk Management.
- Provide recommendations to the President Director regarding the preparation of Risk Management Policies, Strategies and Implementation Guidelines.

Duties and Responsibilities – ESG Unit

- Develop frameworks, commitments, roadmaps and targets related to ESG/Sustainability.
- Monitoring Bank Mandiri's Sustainable Portfolio (according to POJK 51/2017 criteria) and reporting Bank Mandiri's Portfolio in accordance with the Indonesian Green Taxonomy.
- Encourage the development of Sustainable Financial services/products.
- Cascading relevant ESG KPIs across all units.
- Ensure ESG disclosure is in line with best practice.
- Internalizing ESG awareness to all employees.
- Ensure alignment of ESG aspects into all business processes and internal regulations.

SUSTAINABILITY GOVERNANCE STRUCTURE



Board of Commissioners / Related Board of Commissioners Committee



Board of Directors / Related Board of Directors Committee



ESG Working Group



ESG Coordinator Work Unit



ESG Contributor Work Unit

- Business Unit
- Risk Management Unit
- Supporting Unit
- Regional Offices I-XII

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Sustainable Finance Management

The Board of Directors is fully responsible for determining the Company's sustainability direction (Framework, Commitment, Strategy, Initiatives, Roadmap) related to climate change and the achievement of Sustainable Development Goals (SDGs); which is embodied in the Sustainable Finance Action Plan (RAKB) 2024-2028, approved by the Board of Commissioners, and submitted to the regulator in November every year.

Each member of the Board of Directors ensures the implementation of the RAKB and the management of relevant ESG topics in each directorate in accordance with the time frame set out in the RAKB. The integration and coordination of ESG topics management is specifically under the authority of the Vice President Director and is carried out by ESG Group with the scope as follows:

1. ESG Framework Management,
2. Coordination of provisions consistent with ESG and climate change issues,
3. Sustainable portfolio management,
4. Responsible operational strategy,
5. Communication and reporting functions to external and internal parties.

Within the framework of implementing sustainable finance, Bank Mandiri has added a new unit, namely ESG Group, in accordance with SK/KOM/05.2/2022 dated 18 July 2022 and stated in the Decree of the Board of Directors of KEP. DKP/32/2022 dated 12 September 12. ESG Group is responsible for sustainable finance in accordance with the mandate of POJK-51/2017. ESG Group is a full-time permanent unit that replaces the previous sustainable finance task force.

ESG Group is the control tower of ESG implementation at Bank Mandiri and all subsidiaries. ESG Group is led by a Senior Vice President under the authority of the Company's Vice President Director. The daily functions of ESG Group include ESG framework management, alignment of provisions in line with ESG and climate change issues, sustainable portfolio management, responsible operational strategies, including communication and reporting functions to external and internal parties.

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ESG Management and Supervision

The Company ensures that ESG governance performs effectively in accordance with stakeholder expectations. ESG governance is monitored continuously to ensure that matters related to sustainability are internalized in the overall governance structure of the Company. Bank Mandiri has also set a goal to manage ESG-related matters effectively in accordance with laws and regulations and pay attention to ESG practices implemented by banks and global initiatives.

Specifically for climate risk management, the Board of Directors is assisted by the Risk Management and Policy Committee (RMPC) and in its supervision the Board of Commissioners is assisted by the Risk Monitoring Committee (RMC). Climate risk monitoring is carried out through board meetings, Risk Management and Credit Policy Committee (RMPC) and ESG Forum at least six times a year. As the highest governance body, the Board of Commissioners and Board of Directors sets the company's direction through sustainability policies, strategies, and targets in social, economic, and environmental topics, including climate change issues which are then embodied in Bank Mandiri's policies and strategies. The Board of Commissioners and Board of Directors actively identify and evaluate the impacts of sustainability and climate change

aspects, in consultation with stakeholders, such as shareholders, regulators, the community and other parties. This consultation can be in the form of face-to-face meetings, online meetings, or through reports received. The frequency of meetings or reports is adjusted to the needs. In its implementation, the Board of Commissioners and Board of Directors delegate the responsibility to manage sustainability impacts to the ESG Unit, which is directly supervised by the Vice President Director, and reports to the Risk Management Policy and Committee (RMPC) and Risk Monitoring Committee (RMS). Reports from the ESG Unit are then forwarded to the Board of Directors regularly as needed and to the Board of Commissioners with a frequency of at least 4 times per year.

Management supervision in the enforcement of the Code of Conduct includes supervision by the Board of Directors related to the implementation of integrity and ethics which are part of the Implementation of the Internal Control System. In supervision, the Board of Directors ensures the growth of a corporate culture that upholds ethical values, the integrity of each Mandirian, makes management an example that fosters the involvement of everyone and makes a culture of risk inherent at every level of the organization.