

SUSTAINABILITY STRATEGY

As part of its long-term efforts, Bank Mandiri has outlined its 2025–2029 sustainability strategy, anchored by the aspiration to “Become Indonesia’s Sustainability Champion for a Better Future.” This aspiration is embodied in three major goals: Leading Indonesia’s Transition to a Low Carbon Economy, Achieving Net Zero Emission (NZE) in Operations by 2030, and Catalyzing Multiple Growth for Social Impact to Achieve SDGs.

To realize this vision, Bank Mandiri has developed an ESG Framework comprising three main pillars and eight strategic initiatives to be implemented during the 2025–2029 period. This framework is designed to integrate sustainability into every aspect of Bank Mandiri’s operations and business activities, delivering significant impacts for the environment, society, and the national economy.





SUSTAINABILITY STRATEGY



SUSTAINABILITY STRATEGY PILLARS

Bank Mandiri's sustainability strategy is founded on three key pillars: Sustainable Banking, Sustainable Operation, and Sustainability Beyond Banking, reflecting a holistic approach to integrating Environmental, Social, and Governance (ESG) principles into the Bank's business and operational activities.



SUSTAINABLE BANKING

The first pillar emphasizes Bank Mandiri's focus on conducting sustainable business by committing to lead Indonesia's transition to a low-carbon economy. This commitment is reflected in the integration of ESG principles across all of the Bank's business activities, encompassing risk management as well as the development of sustainable financial products and services. In addition, Bank Mandiri consistently serves as a collaborative partner for stakeholders in shaping sustainability-related policies and as a strategic partner for customers transitioning to more environmentally friendly business practices.



SUSTAINABLE OPERATION

In the second pillar, Bank Mandiri is committed to supporting its sustainability targets by achieving carbon neutrality in its operations by 2030, aligning with the aspiration of Net Zero Emissions (NZE). This commitment is realized by integrating ESG principles throughout all operational activities, including raising awareness, implementing environmentally friendly practices, applying technologies that ensure customer data protection, and managing human resources with a focus on enhancing diversity and equity in the workplace.



SUSTAINABILITY BEYOND BANKING

In the third pillar, Bank Mandiri expands its sustainability commitment by enhancing activities beyond its core banking operations, particularly in the social domain. These efforts aim to uplift local economies through various empowerment programs involving communities and local stakeholders. Through these initiatives, Bank Mandiri is determined to drive diverse forms of growth that deliver meaningful social impact, thereby supporting the Sustainable Development Goals (SDGs) in line with its commitment to "Catalyzing Multiple Growth for Social Impact to Achieve SDGs."

STRENGTHENING ENABLERS TO CONSOLIDATE VISION AND SUSTAINABILITY COMMITMENT

Enablers play a crucial role in ensuring the successful implementation of ESG principles across all operational aspects. These enablers include strengthening governance by integrating ESG into policies and decision-making processes, enhancing Mandirian capacity to support a sustainable transition, and improving transparency through comprehensive ESG disclosures to stakeholders.



SUSTAINABILITY JOURNEY



2023

- Commitment to support NDC during Mandiri ESG Festival: "Bank Mandiri has committed to achieving NZE (Net Zero Emission) in Operations by 2030, Financing by 2060 (or sooner) and empowering Digipreneurship."
- Simplification of RAKB 2024–2028 into 8 initiatives
- First national bank to launch eco-friendly bank cards (recycled prepaid and debit cards)
- Pioneer in cardless credit card products
- Pioneer in Digital Carbon Tracking
- Issuance of Green Bond Phase 1 (Rp5 trillion)
- Marketing ESG Mutual Funds
- Member of the Partnership for Carbon Accounting Financials (PCAF)
- Participation in Indonesia's inaugural carbon exchange

2018

- First Movers IKBI (Indonesia Sustainable Finance Initiative)
- Developed RAKB in accordance with POJK 51/2017

2019

- Implementation of the RAKB across 3 pillars:
1. Sustainable Banking
 2. Sustainable Operation
 3. Sustainable CSR & Financial Inclusion

Comprising 14 initiatives

SUSTAINABILITY JOURNEY

Journey to Becoming Indonesia's Sustainability Champion for a Better Future

2024

- Issuance of ESG Guiding Principles and Sustainable Finance Standard Operating Procedures
- Pilot Climate Risk Stress Testing (CRST) covering 50% of the portfolio
- Pilot Reporting for Indonesia's Sustainable Finance Taxonomy (TKBI) in the Energy Sector
- Launch of Green Mortgage and Livin' Planet
- Establishment of Personal Data Protection (PDP) Unit and Adjustment of Affected Internal Policies
- Issuance of Sustainable Finance Framework and Transition Finance Framework
- Calculation of Financed Emissions for Second Year Disclosure
- Development of Sustainable Portfolio and Products (Wholesale Financing & Retail Products)
- MSCI ESG Rating upgraded to BBB

2020

Alignment of Sustainable Finance Action Plan (RAKB) and sustainability reporting disclosures with SDGs, GRI, SASB, and MSCI

2021

1. Member of the National Sustainable Finance Task Force
2. Issuance of a US\$300 million Sustainability Bond
3. Calculation of operational carbon emissions

2022

- Stipulation of Sustainability Vision and Commitment
- Refinement of 3 Pillars into 9 initiatives:
 1. Sustainable Banking
 2. Sustainable Operation
 3. Sustainability Beyond Banking
- Formation of ESG Group as the supervisory unit for ESG implementation
- Initiation of Mitigation Action Projects through land conservation and restoration
- Credit Policies for palm oil and CPO sectors, energy, coal, mining, and FMCG
- First ESG Repo transaction in Indonesia amounting to US\$500 million



REALIZATION OF ESG PROGRAM ACHIEVEMENTS COMPARED TO TARGETS

In 2024, through the implementation of various sustainability programs across the Environmental, Social, and Governance (ESG) pillars, Bank Mandiri successfully achieved multiple targets set at the beginning of the year. These accomplishments align with the parameters outlined in ACGS item B.1.5 and include:

ESG ASPECTS ACHIEVEMENT COMPARED TO TARGETS IN 2024



ENVIRONMENTAL PILLAR

ESG Aspects	Indicators	2024 Target	2024 Achievement
Sustainable Loan Financing	Total sustainable loan/ financing (Rp trillion, Parent only)	274.77	293
Operational Carbon Emissions	% Reduction in operational emissions (Scope 1 and 2) compared to the 2019 baseline	25%	33%



SOCIAL PILLAR

ESG Aspects	Indicators	2024 Target	2024 Achievement
Employee Development	% Employee participation in training programs	85%	97.87%
Employee Development	Average training hours per employee	40 hours	107.8 hours
Employee Development	% of employees participating in training programs out of total employees	10%	22.70%
Financial Inclusion	% Disbursement of KUR from the allocated quota	95%	100%
Employee Diversity	Average composition of Nominated Talent employees (female and young talent)	25%	26.5%



GOVERNANCE PILLAR

ESG Aspects	Indicators	2024 Target	2024 Achievement
Cyber Security Breach	Number of reported Cyber Security Breaches	0	0

BANK MANDIRI SUSTAINABLE FINANCE INITIATIVES

Over the past five years, Bank Mandiri has focused its sustainable finance initiatives on increasing financing for green business activities, capacity development, and enhancing management systems to effectively implement sustainable finance. These improvements include organizational changes, risk management, systems and procedures, and relevant documentation. Bank Mandiri is committed to playing an active role in sustainable finance implementation by positioning itself as Becoming Indonesia's Sustainability Champion for a Better Future and has developed and implemented a framework, vision, commitments, and strategies for Corporate Sustainability and Environmental, Social, and Governance (ESG) integration.

For the 2025-2029 period, Bank Mandiri's sustainable finance initiatives consist of 8 programs across three main pillars: (1) Sustainable Banking, (2) Sustainable Operation, and (3) Sustainability Beyond Banking.

Bank Mandiri has also secured ESG-based funding through the issuance of Sustainability Bonds and other financing products. Since 2019, the Bank has had a sustainability framework aligned with POJK No. 51/POJK.03/2017 and other international best practices.

The establishment of the ESG Group marks a significant step for Bank Mandiri in implementing sustainable finance, serving as the focal point for sustainability initiatives within the Bank. Initially formed as a task force appointed by the Board of Directors in 2019, the ESG Group has now transformed into a full-time permanent unit under the Vice President Director. The ESG Group is responsible for overseeing sustainable finance at Bank Mandiri.

Detailed achievements in sustainable finance for the 2024 reporting period are elaborated further in the Sustainability Report.



ENVIRONMENTAL PILLAR



Bank Mandiri is committed to implementing three key approaches: (1) Green Business Mindset, (2) Measurement and Monitoring of Operational Carbon Emissions, and (3) Carbon Neutral Initiatives through Green Operations. These initiatives include energy efficiency, the use of low-emission office equipment, and Carbon Offsetting through carbon credit purchases and early-stage climate mitigation projects, all aimed at achieving the aspiration of “Net Zero Emission (NZE) in Operations by 2030”. Through the pursuit of this aspiration, Bank Mandiri demonstrates leadership in the banking sector by prioritizing operational activities that balance environmental performance with economic and social performance.

PROMOTING GREEN OPERATION

Environmental Pillar Performance



The first bank in Indonesia to launch **Digital Carbon Tracking**



The first bank in Indonesia to launch an **environmentally friendly card**

3 Green Building Certified Building

10 Green Office

241 Smart Branch

870 Unit Solar Panel

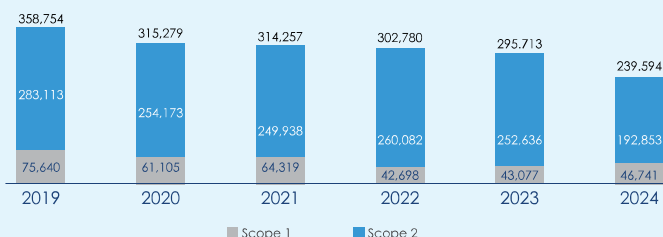
404 Operational Vehicles with Electric Vehicles (EV) and Hybrid

GHG EMISSION MEASUREMENT

GHG Emissions Scope 1 and 2

Bank Mandiri has measured its operational carbon emissions for Scope 1 and Scope 2, using 2019 emissions as the baseline year. For Scope 3 emissions, the Bank has calculated emissions from financing activities (Financed Emissions) in accordance with the Partnership for Carbon Accounting Financials (PCAF) methodology.

Data Historis emisi karbon Scope 1&2 Bank Mandiri (tCO₂e)



33%

Reduction in Scope 1 and Scope 2 emissions compared to the 2019 baseline

239,594 tCO₂e

Scope 1+2 emissions of Bank Mandiri

ELECTRICITY CONSUMPTION (GJ)



▼ 17% yoy



2024

863,024 GJ

2023

1,040,757 GJ

2022

1,046,804 GJ

FUEL CONSUMPTION (GJ)



▲ 7% yoy



2024

642,865 GJ

2023

599,750 GJ

2022

569,528 GJ



ENVIRONMENTAL PILLAR

USE OF RECYCLED WATER (m³)

- 3 Buildings with Reverse Osmosis Systems (Plaza Mandiri, Wisma Mandiri, and Menara Mandiri)
- 13% decrease in recycled water consumption in 2024

WATER
CONSUMPTION: ▶

2024

88,788 m³

2023

141,106 m³

2022

138,580 m³

WASTE REDUCTION

REDUCE
REUSE
RECYCLE ▶

- There were no incidents of Bank Mandiri's effluent spills into the environment.
- Through the reverse osmosis process, the water is further treated into drinking water, and the processed wastewater is reused for plant irrigation.

HAZARDOUS
WASTEHazardous
Waste
▼ 87% yoy ▶

2024

196 Kg

2023

1,520 Kg

2022

4,400 Kg

LIQUID WASTE

Liquid
Waste (m³) ▶

2024

81,400 m³

2023

100,200 m³

2022

63,693 m³LIQUID WASTE
TREATED
THROUGH
REVERSE
OSMOSIS (m³)Reverse
Osmosis Liquid
Waste (m³) ▶

2024

32,134 m³

2023

31,610 m³

2022

28,104 m³

ENVIRONMENTAL PILLAR

PRODUCTS AND SERVICES SUPPORTING CLIMATE CHANGE MITIGATION

In response to climate change, Bank Mandiri recognizes the importance of meeting customer needs through innovative products and services. The products and services supporting climate change mitigation offered by Bank Mandiri in 2024 are presented in the table below.

Livin' Planet

Bank Mandiri introduced Livin' Planet, an innovative feature within the Livin' by Mandiri application aimed at raising awareness and driving customer participation in environmental preservation. Through Livin' Planet, customers can calculate their daily carbon footprint using an integrated carbon calculator, contribute to tree planting programs, and track their planting contributions.

Green Mortgage

Bank Mandiri is promoting green financing through the Green Mortgage program for properties certified as green buildings, such as NavaPark BSD City, which has received GreenShip Platinum certification from GBCI. Customers benefit from incentives such as low interest rates and reduced down payments, aligning with the push toward sustainable development.

Digital Banking

Bank Mandiri leverages digital banking to support climate change mitigation through the Livin' app for retail customers and the Kopra platform for wholesale customers, enabling convenient financial services without the need to visit physical branches. In addition, Bank Mandiri operates 241 Smart Branches as part of its digital transformation, providing fast, easy, and secure banking services. This initiative not only enhances customer convenience but also reduces carbon emissions by minimizing physical document consumption and transportation, aligning with Bank Mandiri's commitment to sustainability.

MSME Loans

Bank Mandiri has a robust policy framework in place to support the growth and strengthening of the MSME sector, recognizing the vital role of MSMEs in Indonesia's economy. This includes providing Working Capital Loans, Investment Loans, Micro Business Loans (KUM), and participating in the People's Business Loans (KUR) program to empower MSMEs.

Corporate in Transition Financing

Bank Mandiri offers financing to help clients transition their businesses in alignment with the Paris Agreement or NDC targets. Clients must demonstrate a clear climate transition strategy, measurable goals, and evidence of implementation within the past 12 months.

Renewable Energy Financing

Bank Mandiri provides loans to support business activities that contribute renewable energy projects. By 2024, the total loans disbursed reached Rp11.8 trillion.

Cardless Credit Card

Bank Mandiri launched a virtual credit card without physical cards to reduce plastic waste and carbon emissions from the production, printing, and delivery of cards to customers.

Recycled Cards

Bank Mandiri continues to innovate by introducing environmentally friendly products such as debit cards and prepaid cards made from recycled PVC materials.

Green Loans

In 2024, Bank Mandiri provided green loan facilities amounting to Rp3.5 trillion for the electricity sector as an ESG Coordinator in energy transition, and US\$226 million for the transportation sector to support the distribution of electric vehicles and their infrastructure.

Comprehensive information on environmental impact reduction is available in Bank Mandiri's Sustainability Report, published separately but as an integral part of this Annual Report.

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Green Financing Policies

In 2024, Bank Mandiri completed the review process and integrated sectoral credit policies for 5 (five) new sectors, namely: Hotel, restaurant & Accommodation, fertilizer & Pest Management, Cement, Automotive, and Chemicals, Bank Mandiri has outlined this in the technical instructions for Industry Acceptance Criteria (IAC).

Bank Mandiri is committed to indirectly contributing to environmental impact reduction by implementing green financing policies. Conversely, the Bank avoids financing projects/activities that negatively impact the environment, as outlined in the following exclusion/negative list:

- a. Illegal logging;
- b. Land clearing on peatlands;
- c. Human rights violations under labor laws and ILO conventions;
- d. Drug abuse;
- e. Business activities that harm the environment, including those that disrupt protected areas such as UNESCO World Heritage Sites, wetlands under the Ramsar Convention criteria, high biodiversity sites, and areas classified as protected under IUCN Category 1 & Category 2 in the Convention on Biological Diversity;
- f. Other business activities that do not comply with prevailing laws and regulations, including but not limited to: pornography, gambling, money laundering, activities involving corruption, collusion, and nepotism, and other goods and services that are not in accordance with applicable legal provisions.

Bank Mandiri gradually integrates ESG aspects into its credit policies, requiring debtors to meet minimum criteria such as positive and negative screening of business activities. Integration is carried out in the Credit Procedure Standards that requires:

- a. Have environmental management documents in accordance with the industrial sector and prevailing laws and regulations, including an Environmental Impact Assessment (AMDAL) document for mandatory business/activity plans or an Environmental Management Effort (UKL) - Environmental Monitoring Effort (UPL) document;
- b. Have a PROPER Assessment result (Corporate Performance Rating Program in Environmental Management) in accordance with relevant regulations;
- c. Have environmental management permits/certifications or other related environmental criteria in accordance with relevant laws and regulations.

Bank Mandiri has implemented credit policies that integrate ESG aspects and enforce sectoral credit policies as binding provisions for business activities deemed to have high ESG risks.

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Bank Mandiri Industry Acceptance Criteria

Industry Sector	ESG Aspect Criteria
Agriculture (including the Palm Oil Sector)	In managing ESG risks in the agricultural sector, particularly in palm oil plantations and CPO production, Bank Mandiri requires compliance with the Indonesian Sustainable Palm Oil (ISPO) certification or, at a minimum, proof of ISPO registration from an ISPO Certification Institution. The Bank also considers the environmental and labor policies of debtors (including Occupational Health and Safety/OHS), the procedures for preventing and handling land fires in accordance with applicable standards, and adherence to No Deforestation, No Peat, No Exploitation (NDPE) policies. These include policies on land clearing, preservation of High Conservation Value (HCV) areas, and Waste Treatment Plant (WTP) installations. Financing to new companies planning to clear new land will not be provided.
Construction Sector	In managing ESG risks in the construction sector, Bank Mandiri requires debtors to have internal policies (code of conduct) related to environmental and labor standards. In addition, debtors involved in toll road operations must have internal policies and standard operating procedures (SOPs) for accident handling.
Energy Sector	In managing ESG risks in the Energy and Energy Use sector, Bank Mandiri requires PROPER documents or environmental documents approved by the Environmental Agency (BLH), as well as environmental management certification. For the development of new Coal-Fired Power Plants (PLTU), Bank Mandiri considers the financing tenure to align with the coal phase-out strategy in line with the applicable PLN RUPTL while taking into account the debtor's environmental policies (carbon emissions, coal ash, water, and waste management) and labor policies. Meanwhile, for Hydropower Plants (PLTA), a hydrological feasibility study is mandatory to ensure adequate water flow and to prevent disruption to the ecosystem or public access.
Fast Moving Consumer Goods (FMCG) Sector	In managing ESG risks in the Fast-Moving Consumer Goods (FMCG) sector, Bank Mandiri requires its debtors to have environmental policies in place (such as those related to the use of chemicals and water & waste management) and to obtain certification from the National Food and Drug Supervisory Agency (BPOM).
Metal Mining Sector	Bank Mandiri requires its debtors to implement Good Mining Practices in accordance with applicable laws and regulations. This includes providing an annual Work Plan and Budget (RKAB) approved by the Ministry of Energy and Mineral Resources (ESDM) and/or other necessary documents related to Good Mining Practices. Debtors must also have an internal policy (code of conduct) addressing environmental and labor concerns. In addition, Bank Mandiri mandates that debtors achieve a minimum Blue rating in the PROPER assessment and/or have an Environmental Impact Analysis (AMDAL) or Environmental Management and Monitoring Efforts (UKL-UPL) report approved by the Environmental Agency (BLH). Debtors are also required to have Environmental Management certifications, such as ISO 14001/ISO 45001, or equivalent documents acceptable to the Bank.
Coal Sector	In managing ESG risks in the Coal sector, Bank Mandiri does not provide financing for mines in the exploration stage and requires companies to have a minimum Green PROPER rating. Specifically for Coal-Fired Power Plants (PLTU), Bank Mandiri considers the financing tenure to align with the coal phase-out strategy in accordance with the applicable PLN RUPTL.
Other Transport Equipment Industry (Shipyards)	Bank Mandiri requires debtors in this sector to demonstrate efforts toward energy efficiency and emission reductions, supported by documents acceptable to the Bank. Public companies are also required to produce a sustainability report.



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Industry Sector	ESG Aspect Criteria
Healthcare Services and Pharmaceutical Sector	Debtors must have approved industrial forest management permits, such as the Timber Forest Product Utilization Permit (IUPHHK) or Non-Timber Forest Product Utilization Permit (IUPHHBK), and an approved Business Work Plan (RKU) from the Ministry of Environment and Forestry. They must also have internal policies for Environmental Management and Occupational Health and Safety (OHS) Management acceptable to the Bank.
Pulp & Paper Sector	Bank Mandiri requires companies to have a minimum Blue PROPER rating, implement energy efficiency and emission reduction measures, and ensure adequate electricity supply and water resources. Companies must also have a Wastewater Treatment Plant (IPAL), Waste Treatment Facility (IPL), Liquid Waste Disposal Permit (IPLC), and a hazardous and toxic waste (B3) treatment facility, as evidenced by acceptable documentation submitted to the Bank.
Telecommunication Sector	Debtors must demonstrate energy efficiency and emission reduction efforts supported by acceptable documentation (if applicable). They are also required to have internal policies on data privacy in compliance with prevailing regulations and possess high-capacity systems and capabilities in cybersecurity.
Transportation Sector	Debtors must demonstrate energy efficiency and emission reduction efforts, supported by documentation acceptable to the Bank.
Oil and Gas Sector	In managing ESG risks in the Oil and Gas sector, particularly in upstream oil and gas exploitation, Bank Mandiri requires environmental management certification, energy efficiency initiatives, and emission reduction measures in compliance with regulatory requirements at the business location. Public companies must provide a Sustainability Report or equivalent documentation. Oil and gas business activities must acquire documents verifying compliance with all Oil and Gas Safety requirements, including installation and equipment, workforce, general safety, and environmental standards. Supporting must provide proof of compliance through a Supporting Business Certificate (SKUP).
Hotel, Restaurant and Accomodation	Bank Mandiri requires certifications such as ISO 14001, ISO 45001, or ISO 22483, as well as compliance with Occupational Health and Safety (OHS) standards. Companies must implement energy efficiency and emission reduction measures, supported by acceptable documentation, including the SNI CHSE certification.
Fertilizer & Pesticides	In managing ESG risks in the Fertilizers and Pesticides sector, Bank Mandiri requires the environmental management certification, OHS standards, a sustainable corporate social and environmental responsibility program, efforts to improve energy efficiency, and hazardous and toxic waste (B3) management documentation. If generating liquid waste, a Liquid Waste Disposal Permit (IPLC) is mandatory, including SOPs for wastewater treatment plant (IPAL) management.
Cement	Bank Mandiri requires efforts in energy efficiency, environmental management certification, and compliance with OHS standards. Cement plants must have hazardous and toxic waste (B3) management documentation as well as permits or approvals related to liquid waste management.
Automotive	In managing ESG risks in the Automotive sector, Bank Mandiri requires efforts in energy efficiency, environmental management certification, and compliance with OHS standards. Companies must have a liquid waste disposal permit and hazardous and toxic waste (B3) management documentation acceptable to the Bank.

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Industry Sector	ESG Aspect Criteria
Chemical	Bank Mandiri requires efforts in energy efficiency, environmental management certification, and compliance with OHS standards. Companies must have a liquid waste disposal permit and hazardous and toxic waste (B3) management documentation acceptable to the Bank.
Sectors Sensitive to ESG Aspects	For sensitive sectors, Bank Mandiri enforces binding credit policies requiring compliance with ESG-related regulations and standards, including certifications such as ISO 14001 for environmental management and ISO 45001 or equivalent for occupational health and safety. For debtors unable to meet these requirements, a monitoring mechanism and action plan framework are established to improve their ESG aspects.

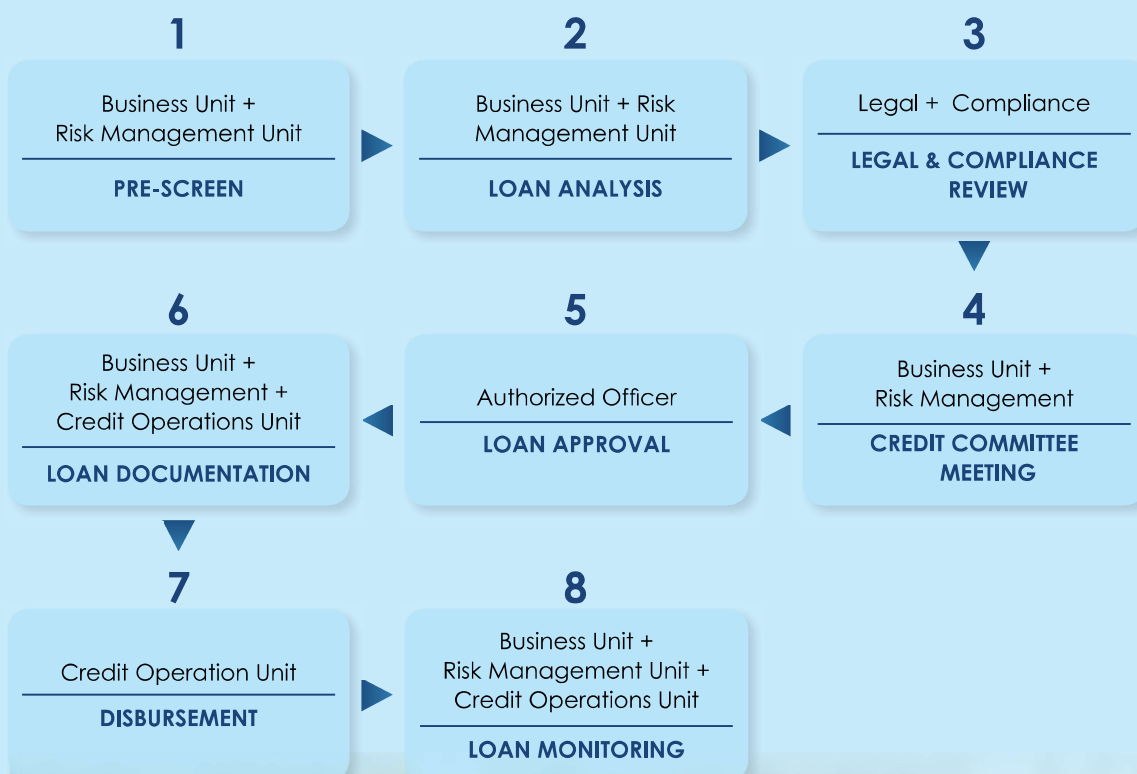
To enhance ESG aspects, Bank Mandiri has established strict monitoring mechanisms and action plan development for debtors who have not yet met the required criteria. In addition to developing sectoral credit policies as mentioned above, Bank Mandiri also implements **Environmental Social Risk Management (ESRM)** through the use of an **Environmental and Social Compliance Checklist (ESCC)**.

In practice, Bank Mandiri conducts an initial ESG risk screening in accordance with existing policies prior to proceeding with the lending process for debtors. This process involves the Business Unit, Risk Unit, Legal & Compliance, Credit Operations, and Credit Decision Executives. Below is the lending workflow at Bank Mandiri, incorporating ESG risk considerations.



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INTEGRATION OF ESG IN CREDIT APPROVAL PROCESS



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Bank Mandiri Sustainable Portfolio

The following are Bank Mandiri Sustainable Portfolio List as per the Sustainable Business Activities Category (KKUB) in POJK 51/2017 in 2022-2024:

Sustainability Business Category Portfolio

(Rp Billion)

No.	Sustainable Financing (In accordance with KKUB POJK 51/2017)	2024	2023	2022
1	Renewable Energy	11,773	9,727	6,149
2	Energy Efficiency	-	-	-
3	Pollution Prevention and Control	-	-	-
4	Sustainable Natural Resources Management and Land Use	111,432	102,413	92,956
5	Conservation of Land and Water Biodiversity	-	-	-
6	Clean Transportation	7,545	3,926	3,107
7	Sustainable Water and Wastewater Management	1,176	1,171	867
8	Climate Change Adaptation	-	-	-
9	Eco-Efficient and/or Circular Eco. Adapted Products, Technology & Processes	10,621	5,354	3,307
10	Green Building	6,268	6,612	16
11	Other Environmentally Friendly Business Activities	9,644	8,776	5,067
12	Micro, Small, and Medium Business Activities	134,048	126,101	117,295
Total Sustainable Financing		292,507	264,080	228,764

SUSTAINABLE FINANCING

Green Portfolio

Rp **148.81** trillion

Sustainable Portfolio

Rp **292.51** trillion

Social Portfolio

Rp **143.69** trillion



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GREEN PORTFOLIO



Rp 148.81 trillion

Renewable
Energy

Rp 11.8 trillion

Management of Biological
Natural Resources and
Sustainable Land Use

Rp 111.4 trillion

Clean Transportation

Rp 7.5 trillion

Sustainable Water and
Wastewater Management

Rp 1.2 trillion

Eco-Efficient and/or Circular
Eco Adapted Products,
Technology & Processes

Rp 10.6 trillion

Green Buildings

Rp 6.3 trillion

GREEN PORTFOLIO BY SEGMENT



Rp 148.81 trillion

Corporate Segment

Rp 78.8 trillion

Commercial Segment

Rp 68.6 trillion

Consumer Segment

Rp 1.5 trillion

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SOCIAL PORTFOLIO

Rp **143.7** trillion

SME Segment

Rp **40.2** trillion

Micro Segment

Rp **90.8** trillion

Corporate Segment

Rp **2.3** trillion

Commercial Segment

Rp **10.4** trillion

Bank Mandiri Sustainable Financing Products

Bank Mandiri provides sustainable financial products in the form of sustainable/green/social bonds, which are debt-based funding instruments. The proceeds from these bonds are allocated to finance or refinance green projects, social development projects, or a combination of both (sustainable financing).

Sustainable Financing Products

1. Sustainability Linked Loan (SLL)

A sustainability-linked loan (SLL) is designed to support clients in improving their sustainability profile throughout the loan tenure without requiring financing allocation for specific sustainable projects or activities.

This financing structure aligns loan terms with predetermined sustainability objectives, measured through key performance indicators (KPI) and evaluated against sustainability performance targets (SPT). By incorporating KPIs, SLLs not only support sustainability-

focused projects but also provide incentives for borrowers to achieve agreed-upon ESG targets.

2. Sustainable Client Financing

This financing is provided for entity-level client funding. The facility is designed to support clients whose businesses promote environmental sustainability or transition toward a sustainable economy, in accordance with the eligible activity criteria outlined in this framework, as well as applicable regulations or international best practices. Clients qualify for this financing if their primary business, or at least 90% of their revenue, originates from activities that meet the eligible criteria defined under this framework.

- **Green Loan**

This facility is specifically designed to finance projects and initiatives that have a positive environmental impact, in accordance with the Green Loan Principles established by the Loan Market Association (LMA). Launched in



ENVIRONMENTAL PILLAR

2022, this facility was marked by Bank Mandiri's role as a Mandated Lead Arranger in structuring a syndicated Green Loan totaling USD300 million, aimed at supporting the comprehensive development of the lithium battery industry.

As a demonstration of its commitment to sustainability, in 2024 Bank Mandiri took strategic steps by providing green financing facilities for the electricity and transportation sectors. In the electricity sector, Bank Mandiri acted as an ESG Coordinator by offering a green loan facility of Rp3.5 trillion to support the energy transition program. Meanwhile, in the transportation sector, the bank provided a green loan facility of USD226 million to support the distribution of electric vehicles, including the development of the electric vehicle infrastructure ecosystem.

- **Green Mortgage**

Bank Mandiri continues to innovate in developing sustainable financial products that contribute to green property development. This green financing innovation is part of Bank Mandiri's efforts to integrate the Environmental, Social, and Governance (ESG) framework into its financial products through the Sustainable Banking pillar. As of December 2024, Bank Mandiri recorded loan disbursement for environmentally friendly buildings that meet standards/certifications reaching Rp6.3 trillion. This includes retail financing through the Green Mortgage (KPR Hijau) program, contributing to the growth of Bank Mandiri's total sustainable portfolio to Rp292.5 trillion, an increase of 10.8% (yoy) over the same period.

Sustainable Funding

As a pioneer in the First Movers on Sustainable Banking initiative, Bank Mandiri has proactively strengthened its sustainable funding structure

through the issuance of green bonds and sustainable bonds, as well as innovations such as ESG Repo transactions. Since 2021, Bank Mandiri has not only successfully raised sustainable funds but has also expanded its financing portfolio to support the transition to a low-carbon economy, reinforcing its role as a key driver in the sustainable finance ecosystem.

1. Sustainability Bond & ESG Repo Framework

Bank Mandiri's Sustainability Bond & ESG Repo Framework aligns with the four key pillars of the Sustainability Bond Guidelines issued by the International Capital Market Association (ICMA 2021), which include use of proceeds, project evaluation and selection, management of proceeds, and reporting.

2. Green Bond Framework

Bank Mandiri's Green Bond Framework, which supports the issuance of Green Bond Rupiah, is aligned with POJK No. 60/2017 and encompasses four key pillars, including use of proceeds, project evaluation and selection, management of proceeds, and reporting.

Bank Mandiri has designed a Sustainable Public Offering Program (PUB) for Sustainable Green Bonds I worth Rp10 trillion. In 2023, Bank Mandiri issued the first phase of the Sustainable Green Bond amounting to Rp5 trillion. The entire allocation of green bond proceeds has been verified by a Second Party Opinion (SPO) from SDGs Hub UI.

Sustainability Bonds

In 2021, Bank Mandiri successfully raised USD300 million through its inaugural issuance of a Sustainability Bond. The proceeds were allocated to finance or refinance environmentally and socially responsible projects, in accordance with the criteria outlined in Bank Mandiri's Sustainability Bond Framework. During the offering process, the bond received demand exceeding USD2.5 billion, or 8.3 times the target fundraising amount, indicating a significant oversubscription.

Bank Mandiri's Sustainability Bond Framework has been aligned with international market standards, such as the Sustainability Bond Guidelines, Green

ENVIRONMENTAL PILLAR

Bond Principles, and Social Bond Principles issued by the International Capital Market Association (ICMA).

ESG Repo

In 2022, Bank Mandiri successfully executed an ESG Repo transaction worth USD500 million with two counterparties. This was the first ESG Repo transaction in Indonesia and one of the first in Southeast Asia. The funds raised from this transaction were used to finance or refinance environmental, social, and governance (ESG)-related assets, supporting broader sustainability efforts in the banking and finance sector.

Involvement in Green Bonds

In 2024, Mandiri Group, through Mandiri Sekuritas, actively serves as a trusted advisor for clients in structuring green bonds and sustainable bonds. This service includes guidance in identifying projects that meet sustainability criteria, ensuring

alignment with international standards such as the Green Bond Principles and Green Loan Principles issued by the International Capital Market Association and Loan Markets Association, and providing direction on reporting and transparency. Through this approach, Mandiri Sekuritas supports clients in accessing sustainable financing while meeting investor expectations for responsible investments.

In 2024, Mandiri Sekuritas served as one of the Joint Lead Underwriters for the issuance of Social Bonds by PT Pegadaian worth Rp252 billion and PT Sarana Multigriya Finansial (Persero) worth Rp5.64 trillion, as well as Green Bonds by PT Oki Pulp & Paper worth Rp7.59 trillion. All issuances underwent an independent verification process. Additionally, Mandiri Sekuritas has provided advisory support to several companies in the financial services, property, agriculture, energy, and pulp & paper sectors.

Sustainable Investment

As part of its commitment to achieving sustainability goals, Bank Mandiri has also developed a sustainable investment approach through Mandiri Manajemen Investasi (MMI). MMI supports Bank Mandiri's commitment to creating sustainable value by integrating ESG factors into its investment portfolio and decision-making processes, ensuring outcomes that align with long-term growth and generate a positive impact on society.

The investment process employs both quantitative and qualitative methods to assess the ESG factors of each company. In evaluating ESG profiles, Bank Mandiri has developed an internal checklist designed to ensure that ESG assessments are conducted in a measurable, consistent, and relevant manner based on the company's characteristics.

As part of Bank Mandiri's commitment to sustainability principles, Mandiri Capital Indonesia (MCI) has established environmental and social criteria for all its investments. These criteria are not only aligned with established standards but also reflect the Bank's broader sustainability objectives. lebih luas.

Examples of Bank Mandiri's sustainable investment portfolio products include:

- Green Sukuk and Green Bonds
- ESG Mutual Funds

ENVIRONMENTAL PILLAR



Efforts To Build An Environmentally Friendly Value Chain And Support Sustainable Development

As part of its commitment to actively implementing Sustainable Finance and becoming Indonesia's First Movers on Sustainable Banking, Bank Mandiri strives to build and develop an environmentally friendly value chain as part of its efforts to support various sustainable development targets and programs. The various initiatives implemented in 2024 reflect the Bank's commitment to supporting the Indonesian Government's target of achieving Net Zero Emission (NZE) by 2060 or sooner. These efforts align with the ACGS parameter 8.4.3, "The Bank's efforts to ensure the formation of an environmentally friendly value chain and consistently promote/support sustainable development."

In 2024, Bank Mandiri implemented several programs aimed at building an environmentally friendly value chain while supporting sustainable development goals, including:

- Calculating and reporting Scope 3 greenhouse gas (GHG) emissions from financing activities in 10 economic sectors.
- Actively participating in the Carbon Offsetting market through purchasing carbon units, investing in Nature-Based Solution (NBS) projects, and undertaking other mitigation actions.
- Implementing green financing policies.
- Integrating ESG aspects into the Bank's loan policies.
- Regularly reviewing and establishing Industry Acceptance Criteria.
- Applying **Environmental Social Risk Management (ESRM)** through the use of an **Environmental and Social Compliance Checklist (ESCC)**.

ENVIRONMENTAL PILLAR

Strengthening Indonesia's Electric Vehicle Ecosystem, Bank Mandiri Signs Mou With BYD

Bank Mandiri continues to reinforce its commitment to sustainable economic growth by promoting environmentally friendly business practices. One such initiative involves Bank Mandiri's support for the expansion of the electric vehicle ecosystem by offering various banking products and services, including financing solutions accessible to the public.

This commitment has once again been demonstrated by Bank Mandiri through the signing of a Memorandum of Understanding (MoU) with PT BYD Motor Indonesia. The signing was carried out by Bank Mandiri's Vice President Director, Alexandra Askandar, and BYD, during the annual Indonesia International Motor Show (IIMS) 2024 in Jakarta.

In this collaboration, Bank Mandiri will provide various financial support and strategic banking services required by BYD, including the optimization of its subsidiaries in the financing sector, Mandiri Tunas Finance and Mandiri Utama Finance, to further strengthen the electric vehicle ecosystem. This collaboration also leverages digital banking products such as Kopra and Livin' by Mandiri to enhance BYD's ecosystem. In



addition, Bank Mandiri supports the government's program to accelerate electric vehicle adoption in Indonesia through the import of electric vehicles with the issuance of a Bank Guarantee as BYD's commitment to establishing its factory in Indonesia.

This collaboration is expected to support Indonesia's transition toward net zero emissions (NZE) by 2060, while accelerating the Green Economy through the development of sustainable financing and green financial products.

Comprehensive information on financing policies that impact the environment and sustainable financial products are presented in Bank Mandiri's Sustainability Report, published separately but as an integral part.

SOCIAL PILLAR



Through the Social Pillar, Bank Mandiri implements community empowerment programs focused on Financial Inclusion, emphasizing Human Resource Development, Consumer Financial Protection, and Data Privacy and Security.

SOCIAL PILLAR

For Our Customers



Satisfaction Score
8,6 out of 10



Resolution Rate Customer Complaint
100%



more than
29 million
users as of
December, 2024

Mandiri's super app to grow retail customer base and at the same time ensuring its stickiness through constant release of features



2,4 million
users, with more
than 1.47 million
users in Non-Urban
area

Mandiri's enabler to acquire offline merchants, which started as complete point-of-sales platform with huge scalability



Launching new apps:
• Livin' Points, October 24
• Livin' Loyalty, October 24
• Livin' Mortgage, June 24
• Livin' Auto, October 24
• Livin' Planet, October 24

One stop solution for answer lifestyle needs, 1st banking app with one-of-a-kind entertainment and shopping experience inside

For Communities

3 million

Bank Mandiri accounts have been acquired through Mandiri Agent

20,482
participants

Indonesia Migrant Workers through Mandiri Sahabatku

110,481
Mandiri Agents

3 million Bank Mandiri accounts opened through Mandiri Agents

6,5 million

beneficiaries of TJSL program and financial inclusion

27,520 farmers

in Pamarican and Kebumen received training from Rice Milling Unit (RMU) Program

15.101 MSMEs

Has received training through Rumah BUMN program

For Mandirians



38,874
Total Employee
(Mandirian)

GENDER DIVERSITY

Board of Commissioners & Directors

Male **87%** Female **13%**

Management Level

Male **54%** Female **46%**

Total All Employee

Male **48%** Female **52%**

4,315,947
Training hours

89.93%

Employee
engagement rate



SOCIAL PILLAR

For Our Customers

Consumer Protection

Bank Mandiri has established Operational Policies governing the implementation of consumer protection functions, detailed further in the internal provisions of each work unit. This reflects the Bank's commitment to creating a reliable consumer protection system, fostering a financial system that grows sustainably, remains stable, and protects the interests of consumers and the public.

Since October 2022, Bank Mandiri has established a Consumer Protection unit as mandated by Financial Services Authority Regulation No. 22 of 2023 concerning Consumer and Public Protection in the Financial Services Sector and Bank Indonesia Regulation No. 3 of 2023 concerning Bank Indonesia Consumer Protection, which is responsible for:

1. Disseminating consumer protection principles to all employees of financial services providers (PUJK).
2. Coordinating the planning and implementation of PUJK compliance with consumer protection regulations.
3. Coordinating the monitoring and evaluation of PUJK compliance with consumer protection regulations.
4. Reporting on the implementation and providing recommendations for improvement and development to the Board of Directors regarding Consumer Protection.
5. Coordinating the preparation and submission of reports related to Consumer Protection.
6. Receiving, handling, and resolving complaints submitted by consumers.
7. Preparing complaint handling materials to be included in the annual report, on the official website, and/or other media officially managed by PUJK.

8. Serving as the liaison for complaints submitted by consumers to the Financial Services Authority and/or other relevant authorities.

Bank Mandiri also has a debt collection policy that ensures the fulfillment of debtor rights as outlined in:

1. Bank Mandiri Credit Policy, with the latest amendments signed by the Board of Directors and effective since March 7, 2022.
2. Standard Operating Procedure for Credit Collection & Recovery, last updated in 2022.
3. Other relevant internal regulations.

These regulations generally emphasize debt collection procedures that protect the comfort and rights of debtors as consumers. When debt collection is carried out by a Debt Collection Service Provider, Bank Mandiri is obligated to ensure the following:

1. Collection is permissible only if the debtor's account is classified as non-performing.
2. The debtor must be informed if their debt collection has been handed over to a Debt Collection Service Provider.
3. Physical or verbal coercion is strictly prohibited in debt collection activities.
4. Collection efforts must not target individuals other than the debtor.
5. Communication for collection must not be conducted in a repetitive or disruptive manner.
6. Collection must only be carried out at the debtor's billing address or place of residence.
7. Collection can only be conducted between 08:00 and 20:00 in the debtor's local time zone.

SOCIAL PILLAR

The policy also outlines the rights of creditors to:

1. Receive adequate explanations about the characteristics of the products.
2. Access the terms and conditions of deposit products through Bank Mandiri's website.
3. Enjoy ease of transactions via branches, e-banking services, or other facilities designated by the Bank.
4. Obtain interest rates in accordance with the prevailing regulations at the Bank.
5. Receive information on the procedures for handling and resolving customer complaints.

Bank Mandiri prioritizes prudential principles and periodic portfolio monitoring in processing loan disbursement. The application of due diligence steps in the loan granting process is reflected in the escalation mechanism for loan approval and monitoring for large-scale and high-risk debtors.

In the loan granting process, during the Loan Monitoring stage, the quality of existing debtor loan is reviewed through various methods, one of which is the Watchlist mechanism. This mechanism serves as an Early Warning Signal to assess the quality of credit provided by analyzing three key aspects: the debtor's future business prospects, financial performance, and repayment history.

If the review process indicates a decline in credit quality, Bank Mandiri implements a non-performing loan rescue effort. This initiative focuses on debtors with non-performing loans who still demonstrate business potential, operational performance, and repayment ability. The objective is to minimize potential losses for the Bank and recover the granted loan effectively.

Loan rescue efforts may include restructuring, which can be applied through the following measures:

1. Reduction of loan interest rates;
2. Extension of the loan term;
3. Reduction of overdue interest payments;
4. Reduction of overdue principal payments;
5. Provision of additional loan facilities; and/or
6. Conversion of loan into temporary equity participation.

Bank Mandiri also has a Business Committee and a Risk Management & Credit Policy Committee (RMPC) tasked with evaluating the Bank's products and services, including assessing the risks associated with products and services issued by the Bank.

A comprehensive review of the Business Committee and the Risk Management & Credit Policy Committee (RMPC) is presented in the Corporate Governance chapter in the section of Committees under the Board of Directors in this Annual Report.

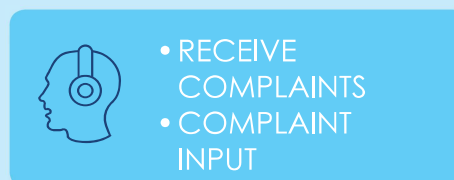
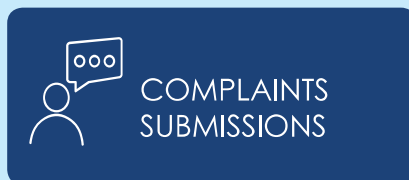
Bank Mandiri has its own internal regulations governing the marketing communication activities for its products and services. These regulations include provisions on communication materials intended for the public, adhering to and considering regulatory requirements, such as OJK Regulation No. 22 of 2023 on Consumer and Community Protection in the Financial Services Sector and the OJK Guidelines on Financial Services Advertising. Thereby, the communication materials published take into account the interests of consumers/customers. In practice, all marketing communication activities for products and services are periodically reported to the Board of Directors.

Bank Mandiri conducts several financial literacy programs to enhance public understanding of finance and banking. These programs include:

SOCIAL PILLAR

1. MSME Livestock Education – “Seizing Business Opportunities in the Layer Chicken Farming Ecosystem.”
2. MSME Education to Support Infrastructure Development.
3. Mandiri Edukasi Program.
4. Education and Socialization of Student Savings Accounts (SIMPEL) and the One Account One Student Program (KEJAR).
5. Financial Management and Planning for Payroll Customers.
6. Personal Finance Webinars.
7. Empowerment of Indonesian Migrant Workers through the Mandiri Sahabatku Entrepreneurship Program.
8. Financial Literacy Program (SME Group):
 - Mandiri UKM Center (UKMC): A business model designed to comprehensively tap into the potential of MSME entrepreneurs within a certain radius, particularly in cities contributing significantly to Indonesia's GDP.

CUSTOMER COMPLAINTS HANDLING



**MASS MEDIA, TELEPHONE, EMAIL,
SOCIAL MEDIA, BRANCH MAIL**



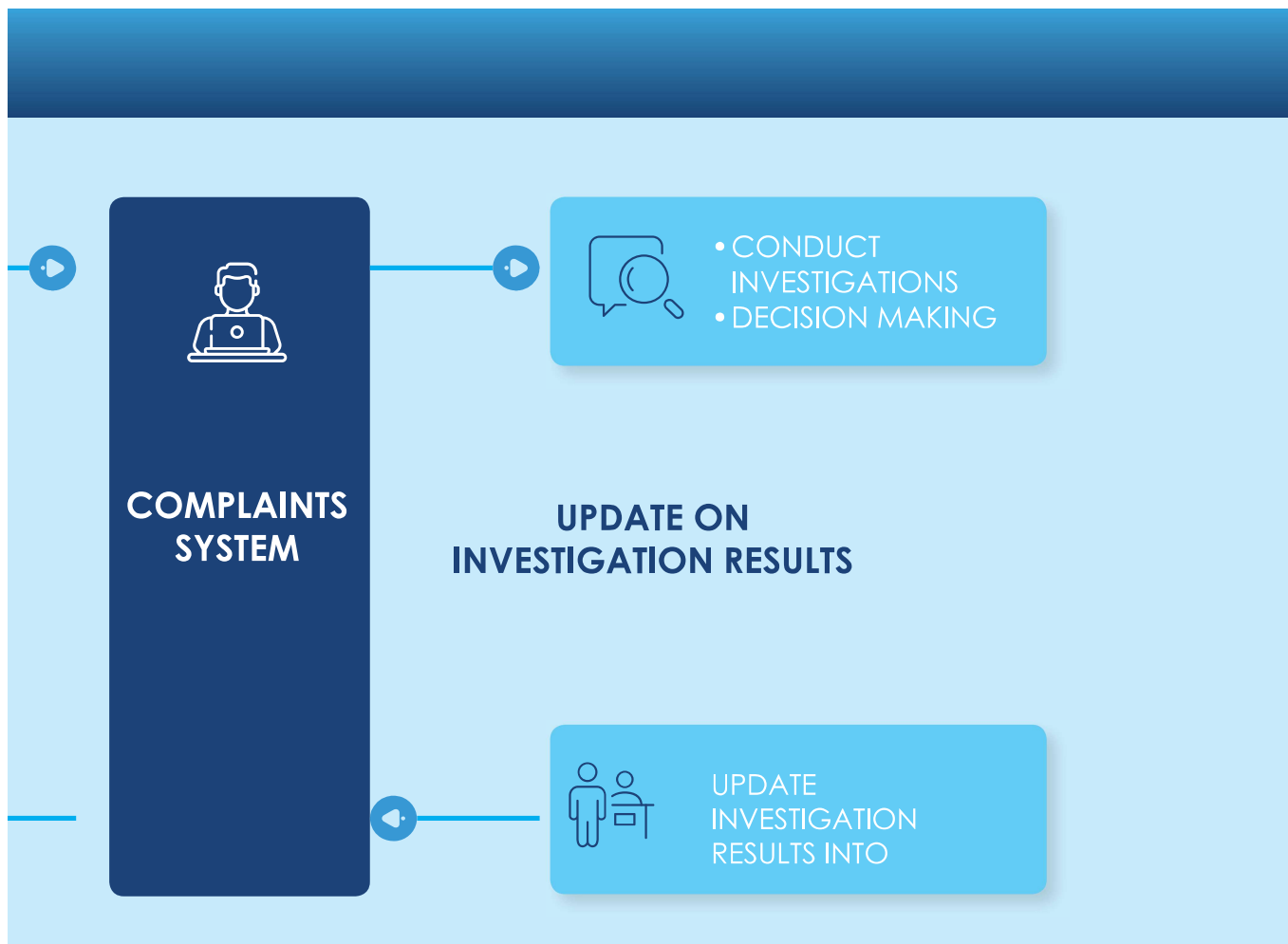
SOCIAL PILLAR

- Mandiri UKMC Objectives: Providing a platform for MSMEs to access credit financing more quickly and easily while improving their competencies through literacy programs, mentoring, and training, such as tax advisory, financial report education, and more.

Bank Mandiri also conducts various training programs to enhance employee capabilities in providing consumer protection, with details

available in the Bank Mandiri Annual Report and Sustainability Report under the Sustainable Operation chapter.

Moreover, Bank Mandiri provides a complaint submission mechanism for customers who encounter transaction difficulties or have other complaints. The bank has established a dedicated unit, the Customer Care Group, to deliver top-notch service. The primary responsibility of this unit is to manage customer complaints and monitor their resolution in line with the established Service Level Agreement (SLA).





SOCIAL PILLAR

Customers are given easy access to complaint services with various media choices both oral and written, such as the following:

Mandiri Call Service

24 hours via Line



Akun Twitter



@mandiricare
and @bankmandiri

MITA WhatsApp



0811-8414-000



Website

www.bankmandiri.co.id

by selecting the "Contact us" menu.



Facebook Account

"Mandiri Care" and
"Bank Mandiri"



Email:

mandiricare@bankmandiri.co.id.



Instagram Account

@bankmandiri

Bank Mandiri
Branch Offices
throughout Indonesia



An official letter addressed to Bank Mandiri, either delivered directly, or sent by post.

Bank Mandiri also provides a reporting media called Whistleblowing System-Letter to CEO (WBS-LTC) in addition to the mechanism mentioned above. WBS-LTC is managed by an independent third party with the following objectives:

1. Be independent and professional.
2. Minimize the risk of conflict of interest.
3. Provide a sense of security for the whistleblower.
4. Increase stakeholder confidence in WBS-LTC management.
5. The whistleblower can monitor the follow-up status of the WBS-LTC report submitted.

Complete information on whistleblowing systems and mechanisms is detailed in this Annual Report - Governance Chapter, and Sustainability Report - Customer Service and Satisfaction Chapter.

SOCIAL PILLAR

Privacy and Data Security

Bank Mandiri prioritizes securing customer data privacy as part of fulfilling human rights (HAM) and based on applicable laws and regulations. The Bank protects customer personal information through the implementation of information technology security, business processes, organization and physical security. The Bank develops a code of business ethics/conduct including standards for safeguarding confidential customer information that must be implemented by employees.

In line with the implementation of Personal Data Protection, Bank Mandiri and Subsidiaries have established the basis for processing personal data, including consent. The Bank ensures that offers will only be made in accordance with the approval given by the Customer. If the Customer wishes to make changes to the marketing agreement for personal communication facilities, this can be done at any time.

Futhermore, Bank Mandiri requires a Non-Disclosure Agreement (NDA) and personal data protection clauses in cooperation agreements for third parties if there is cooperation that uses personal data.

As for aspects of personal data protection, Bank Mandiri, through the Personal Data Protection Officer (PPDP) / Data Protection Officer (DPO), also aligns the implementation of data protection in the Mandiri Group Financial Conglomeration through monitoring and assistance to Subsidiaries. In this case, all Subsidiaries have a privacy policy, and it is listed on their respective corporate websites.

Further information regarding privacy and data security policies (including subsidiaries) can be accessed through each company's website.



Mandiri Group is determined to build and update reliable cyber security defenses by developing standard security requirements as a reference for each subsidiary based on the Bank Mandiri Cyber Security Framework. For each subsidiary, carries out a self-assessment and prepares a compliance action plan if there are gaps with assistance from the CISO Division. Futhermore, the action plans of each subsidiary are reported to Bank Mandiri Management by the Directors of the subsidiary to obtain feedback on adapting Bank Mandiri's cyber security defenses.

SOCIAL PILLAR



To harmonize data management across subsidiaries, including data privacy and security, the Mandiri Subsidiary Management Principal Guideline (MSMPG) has regulated data management that can be adopted and aligned by subsidiaries.

Issues and topics related to privacy management, cybersecurity, and data protection are reported and discussed at board-level committees and overseen by the Board of Directors and Commissioners, including through the Risk Management Committee (RMC), Risk Monitoring Committee, and the Personal Data Protection Steering Committee.

Bank Mandiri's seriousness in monitoring information security is expressed by the direct involvement of the Board of Commissioners and Directors in this topic through the Risk Oversight Committee, Audit Committee and Integrated Governance Committee which are carried out regularly. The agenda of discussion at the committee meeting included reporting on ESG initiatives in the quarterly Privacy & Data Security aspect, multi-layer defense mechanism, and fulfillment of Mandiri Group's security requirements. In addition, it also involves updating the cyber security posture fulfillment across all Mandiri Group entities including the implementation of non-negotiable controls to prevent cyberattacks.

In the aspects of managing the confidentiality and security of personal data, Bank Mandiri has established and implemented a Cyber Security Framework and Data Protection Framework which are adopted from best practice. Key practices include:



1. Customers are enabled to add, update, and amend (rectify, change, control) their personal data through branches or call centers.
2. Implementation of masking for sensitive data to enhance data security.
3. Protection of sensitive data from unauthorized access through data classification processes.
4. Prevention of data breaches through the implementation of Data Loss Prevention (DLP) tools.
5. Security awareness and personal data protection awareness are conducted regularly to educate employees and customers on the importance of maintaining the confidentiality and security of personal data.
6. Security Awareness and Personal Data Protection Awareness are carried out periodically to educate employees and customers about the importance of maintaining the confidentiality and security of personal data.
7. Protection of personal data against loss, leaks, and damage through adequate security controls.
8. Data resiliency measures, including backup protocols, switchover mechanisms, and disaster recovery training.

Bank Mandiri has introduced the Livin' Super Apps, equipped with liveness detection and face recognition features to minimize misuse of customer data, enabling secure financial transactions through mobile banking. These features ensure that customer data is stored directly in the system without the need for physical documentation. Livin' users can update

SOCIAL PILLAR

and correct personal information, open savings accounts and use credit cards, cardless cash withdrawals, select favorite transactions, instant e-money top-ups, and online shopping payments. In addition, Bank Mandiri ensures customers' rights to correct and control their personal data, which can be facilitated through all branches or by contacting the call center at 14000.

Bank Mandiri implements Security Awareness Programs to cultivate awareness of information security in daily behavior, ultimately embedding it as part of the Bank's culture. The Bank mandates annual security awareness certifications for all employees (across all levels in both domestic and international offices) and third-party contractors. Additionally, the Bank conducts regular security awareness campaigns through various media channels, including newsletters (monthly), posters (quarterly), podcasts (quarterly), and phishing drills (semi-annually). A security awareness campaign program delivered in the form of newsletters was also provided to all Mandiri Group entities as a reference for implementing a security awareness campaign within each entity. The campaigns cover key topics such as data security protection, confidentiality maintenance, emerging cyberattack trends, identifying and avoiding phishing scams, and ensuring safe online transactions.

Bank Mandiri also prioritizes in raising customer security awareness through educational programs delivered via official Bank channels, including the Bank's website, social media platforms (Instagram, Facebook, X), and YouTube. For example, on the Bank Mandiri website, a Digital Transaction Security section provides guidance on safeguarding personal data such as PINs, card expiration dates, CVV numbers, card limits, User IDs, passwords, and OTPs.

Bank Mandiri also realizes the importance of Personal Data Protection (PDP). Bank Mandiri has made various efforts to educate and increase internal awareness of employees and partners/vendors. The increase in awareness and education in question has been carried out in various program including:

1. One Page poster containing quotes/sentences inviting employees to be aware of potential risks and mitigation for implementing personal data protection.
2. Articles/infographics containing comprehensive explanations of risk issues and tips regarding personal data protection.
3. Comics/Toons with short cartoon characters with light and contemporary daily work content.
4. Short Video containing information, invitations and awareness regarding the implementation of personal data protection and its sanctions.
5. Education on PDP Approval (Consent) to customers via social media videos/posters Meta, Tiktok, Google-Android & iOS and X. Video campaign Meta (consent), Tiktok, Google.
6. The Survey/Checklist contains a brief statement to employees regarding readiness to implement personal data protection in each work area, both at the Head Office and Regional Offices.
7. Certified Information Privacy Manager (CIPM) training, Good practices for Personal Data Protection and others.
8. Vendor Meeting which is an annual agenda to strengthen collaboration with strategic partners with several topics presented in the form of Implementation of Personal Data Protection and Implementation Vendor Security Requirements.
9. Personal Data Protection Playbook for Vendors to make it easier for partners/vendors to carrying out the scope of cooperation related to personal data processing.

SOCIAL PILLAR

Training related to Data Privacy and Security

Certified Information Privacy Manager (CIPM), Certified Information Systems Auditor (CISA), Certified Information Systems Security Professional (CISSP), Certified Cloud Security Professional (CCSP), Building a Cybersecurity Awareness Program, Cybersecurity Awareness: Phishing Attacks, Data-Driven Network Security Essentials, Cybersecurity for Executives, ISO 27001:2022-Compliant Cybersecurity: Getting Started, Privacy in the New World of Work, dan sebagainya.

Number of Training

412 Title

Number of Training Hours

190,502 Hour

Number of Training Participants

81,929 Employee

Bank Mandiri conducts regular audits to provide assurance on all information security activities, including customer protection, data privacy, and fraud management, ensuring compliance with internal policies and regulatory requirements. The audit process encompasses the following activities:

1. Internal Audit

Internal audits are conducted at least once a year by specific IT Security Audit Unit, operating under the supervision of the IT Audit Unit (SKAI – Internal Audit Unit).

2. External Audit

External audits are carried out at least once every two years by reputable international consultants (independent external parties). These audits also ensure compliance with regulatory requirements, including Bank Indonesia Regulation (PBI) No. 23/6/PBI/2021 concerning Payment Service Providers. In 2024, an external audit was conducted by an internationally reputable consultant covering customer protection, information security, data privacy, and fraud management.

Bank Mandiri also facilitates assessments conducted by independent external assessors, namely the National Cyber and Crypto Agency (BSSN), in relation to:

1. Cyber Security Maturity (CSM) Assessment, resulted in a maturity level of 5 – “Optimal” (the highest score). The CSM assessment, developed by BSSN, evaluates an organization's cybersecurity maturity, including its management and protection of personal data privacy.
2. Incident Handling Maturity Level (TMPI) Measurement, achieved a maturity level of 5 – “Optimize” (the highest score). TMPI is a tool designed to mapping an organization's readiness for handling and recovering from cybersecurity incidents, including detecting and responding to data breaches caused by system vulnerabilities.

For Communities

Financial Inclusion

Bank Mandiri actively participates in enhancing financial inclusion by expanding and simplifying access to financial services for the community. Improving access to financial services helps reduce economic disparities and promotes more equitable national economic growth. Bank Mandiri's financial inclusion targets include:

1. Low-income or irregular-income individuals.
2. Communities having difficulties in accessing banking services.
3. Persons with disabilities.
4. Workers without legal identification documents.
5. Areas with limited access to formal financial networks due to geographical constraints, dispersed populations, or low financial literacy.
6. Marginalized and/or vulnerable groups, such as women and children.
7. Micro-entrepreneurs having difficulties in accessing capital or banking services.

To maximize access to banking services and contribute to addressing social inequality, Bank Mandiri participates in the Financial Inclusion Program by providing banking services for MSME entrepreneurs, including micro-business operators.

MSME Loan Access

Micro, Small, and Medium Enterprises (MSMEs) play a significant role in Indonesia's economy due to their large proportion and direct absorption of labor. As the backbone of the economy, the government encourages MSME entrepreneurs to continue innovating, advancing to higher levels, and contributing more significantly to improving societal economic conditions.

Bank Mandiri supports the growth of MSMEs by providing adequate access to financing, recognizing that the development of the MSME portfolio generates various positive social impacts, such as improving living standards, creating jobs, and alleviating poverty.

By the end of 2024, Bank Mandiri supported 1.3 million MSME borrowers, benefiting from MSME loans amounting to Rp134 trillion, reflecting a growth of 6.5% from the previous year. This achievement was accompanied by a well-maintained non-performing loan (NPL) ratio in the MSME segment at 1.4%. The MSME loan portfolio accounted for 11% of Bank Mandiri's total loan portfolio.

To deepen its market share, Bank Mandiri offers special packages for MSMEs connected to the Bank's wholesale customers or ecosystem financing. Bank Mandiri's customers, ranging from multinational companies and large corporations to State-Owned Enterprises, form the center of this ecosystem. MSMEs within the ecosystem can benefit from more competitive interest rates compared to the prevailing Micro Business Loan (KUM) Program rates.

MSME loans are provided in the form of Working Capital Loans and Investment Loans. In addition, Bank Mandiri offers Micro Business Loans (KUM) and participates in the government program by providing People's Business Loans (KUR) under the micro banking segment.



SOCIAL PILLAR

In the 2024 reporting year, Bank Mandiri demonstrated its commitment to expanding financial service access for MSME entrepreneurs through a tripartite collaboration with Meratus Group and financial technology company PT Modal Rakyat Indonesia (Modal Rakyat) to provide financial solutions for the maritime transportation industry. This initiative, known as 'smart financing,' is a digital financial product aimed at logistics SMEs within the Meratus Group ecosystem, enabling easier access to bridging loans needed for working capital in the logistics business. This tripartite collaboration is part of Mandiri's strategy to expand financing access through digital channels. It also serves to enhance Bank Mandiri's MSME loan disbursement in Indonesia, particularly in the logistics sector.

Digitalization is one of the key issues that MSME entrepreneurs must address. Bank Indonesia (BI) data reveals that during the pandemic, the number of e-commerce transactions nearly doubled, rising from 80 million transactions in 2019 to 140 million transactions in August 2022. This highlights that adapting to e-commerce transactions based on digital technology has become a necessity for MSMEs, given the vast market opportunities it presents (Bank Indonesia, 2022).

Bank Mandiri has launched the Livin' Merchant by Mandiri application to expand banking access for micro-scale productive enterprises. Livin' Merchant is a point-of-sale (POS) cashier application designed to digitalize payment transactions for MSME merchants, enabling them to directly accept QRIS payments from various

banks and e-wallets. Currently, the Livin' Merchant app is offered free of charge, with no transaction fees. MSME merchants can also withdraw funds on the same day, up to three times per day.

Bank Mandiri's digital distribution network innovations consist of the Livin' App with 29 million registered users; Livin' Merchant with approximately 2.4 million registered merchants; the KOPRA platform, currently utilized by over 95% of Bank Mandiri's wholesale customers; and 241 Smart Branches, which represent the digital transformation of Bank Mandiri's conventional branch offices.

SOCIAL PILLAR

Transforming Coffee Waste into Economic Value, Bank Mandiri Launches Mandiri Lingkar Hijau



Bank Mandiri has initiated the Mandiri Lingkar Hijau program to process coffee waste into economically valuable products. In addition to addressing waste management issues, this initiative also aims to empower local communities.

The Mandiri Lingkar Hijau program collaborates with Bell Living Lab, a coffee husk waste processing company based in Bandung, West Java, and the winner of the Best of the Best award in the 2023 Wirausaha Muda Mandiri competition.

Bank Mandiri and Bell Living Lab work together on waste collection, research, processing, training, and product marketing. The program will run until September 2025, with a target to collect up to 2.5 tons of coffee grounds per month and 2 tons of coffee husks per season for processing.

Financing Balance of Micro, Small and Medium Enterprises Segment

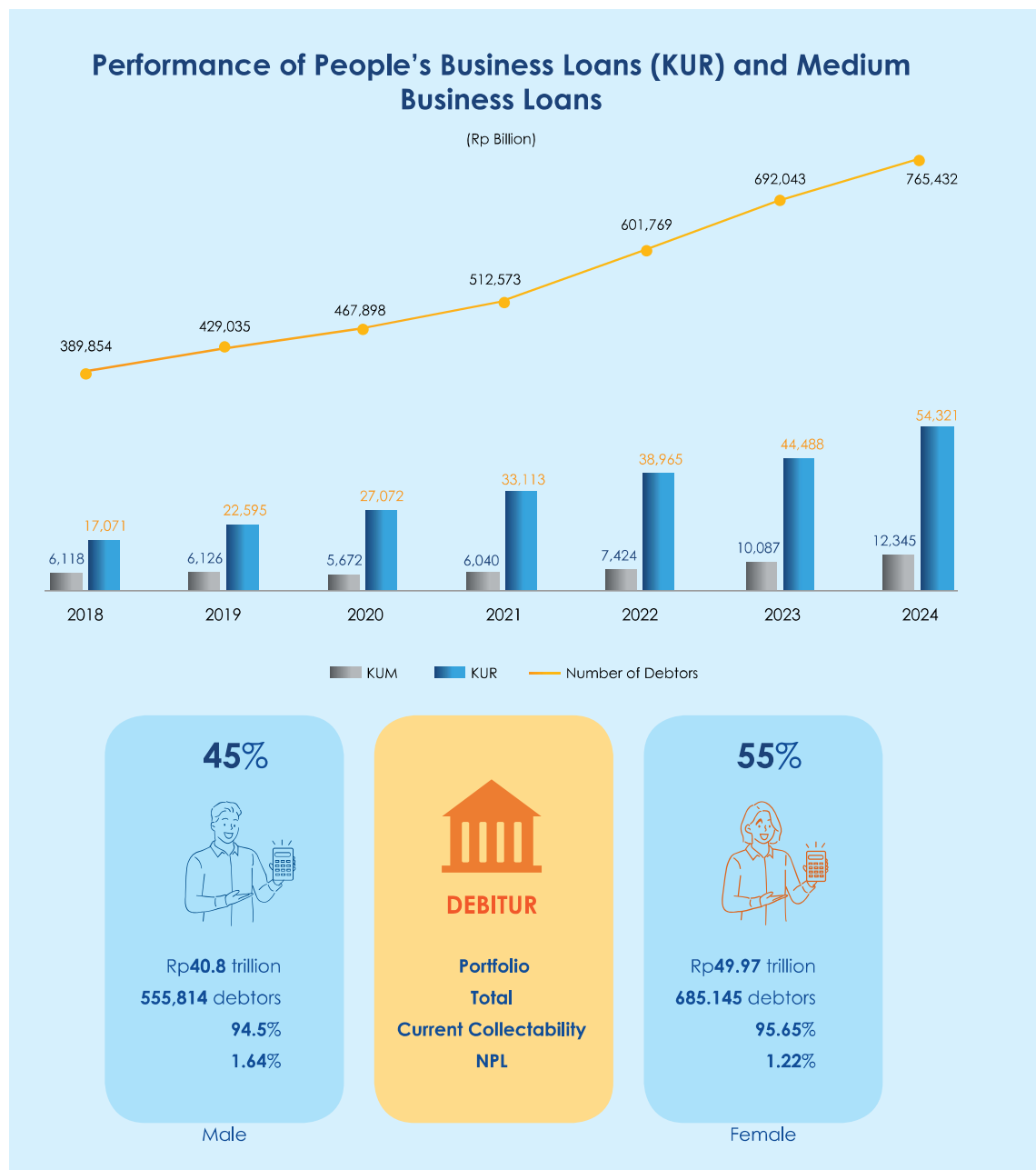
(Rp Billion)

No.	Sectors	2024	2023	2022
1	Palm Oil Plantations and CPO	23,296.20	21,651.18	19,278.91
2	Retail Trade of Food, Beverages, and Tobacco	18,671.32	16,881.72	36,772.69
3	Hotels, Restaurants, and Accommodation	11,053.79	9,971.93	9,380.37
4	Retail Trade of Household Appliances	9,223.67	8,630.64	8,411.45
5	Agriculture	5,520.31	5,722.69	5,491.57
6	Non-Financial Business Services	3,780.32	5,208.41	5,343.10
7	Social Services and Institutions	5,740.39	4,911.95	4,374.70
8	Land Transportation Services	4,406.21	3,846.86	3,348.76
9	Livestock and Animal Feed	3,988.75	3,756.88	3,510.38
10	Retail Trade of Agricultural and Forestry Products	4,097.73	3,364.03	3,680.76
11	Others	43,769.79	41,548.40	37,702.34
Total		133,548.48	125,494.69	137,295.03

SOCIAL PILLAR

Micro Financing Access

Bank Mandiri supports the development of MSME entrepreneurs by enhancing their business competitiveness, which helps drive economic growth and create jobs through Micro Credit Financing. The disbursement of microcredit to MSMEs is carried out using an upstream-downstream (close-loop) scheme aligned with regional strategies, leveraging the value chain ecosystem of Bank Mandiri's wholesale customers.



SOCIAL PILLAR

People's Business Loan (KUR)

People's Business Loan (KUR) is a working capital and/or investment loan provided to individual borrowers, business entities, and/or productive and viable business groups that lack or have insufficient additional collateral. The KUR program aims to improve access to financing for MSMEs, enhancing their business capacity and competitiveness.

As a wholesaler-focused bank, Bank Mandiri has developed an ecosystem-based KUR distribution strategy. Under this strategy, Bank Mandiri collaborates with its wholesale debtor companies, which then recommend their managed partners to qualify for KUR financing.

Bank Mandiri Offers Three Types of KUR:

- Retail KUR, for loan ceilings above Rp25 million up to a maximum of Rp200 million per borrower, with a maximum tenure of 3 years for working capital loans and 5 years for investment loans.
- Micro KUR, for loan ceilings up to Rp25 million per borrower, with a maximum tenure of 2 years.
- KUR for Migrant Workers (KUR TKI), for loan ceilings up to Rp25 million per borrower, with a tenure aligned to the employment contract or a maximum of 12 months.

By implementing this ecosystem-based KUR disbursement strategy, MSMEs gain better access to financial services, including fast-track KUR disbursement processes.

Since its inception in 2008 through 2024, Bank Mandiri has disbursed KUR to 3.02 million borrowers with a total disbursement ceiling of Rp63.9 trillion.

Micro Business Loan (KUM)

Micro Business Loan (KUM) is a loan facility provided to micro-entrepreneurs to finance their productive business needs, including both investment and working capital requirements. One of the key advantages of KUM is its competitive interest rates, with fixed monthly installments, easy application requirements, and a quick approval process.

The disbursement of KUM reflects Bank Mandiri's commitment to supporting MSMEs by helping them grow, expand their reach, increase production, and better compete in the market, thereby contributing positively to the local economy.

Throughout 2024, Bank Mandiri disbursed Rp26.9 billion in Micro Business Loans to 351,066 active borrowers.

Financing for Women through MSME Loan

Women play a significant role in advancing the MSME ecosystem in Indonesia. Bank Mandiri continues to demonstrate its commitment to empowering women entrepreneurs in the MSME sector by enhancing their business competitiveness, enabling them to actively contribute to economic growth and create new job opportunities.



SOCIAL PILLAR

Over the past five years, Bank Mandiri has maintained a portfolio of 685,145 active women borrowers in the micro-business sector, with total loan disbursement of Rp50 trillion through KUR and KUM products. Women micro-entrepreneurs constitute the majority of Bank Mandiri's active borrowers, accounting for 55% of the total 1.24 million active micro-segment borrowers.

The credit quality of women borrowers also outperforms that of male borrowers, with 95.65% of women borrowers maintaining a current loan status and a Non-Performing Loan (NPL) ratio of 1.22% as of December 2024. In comparison, male borrowers have a current loan status of 94.5% and an NPL ratio of 1.64%.

Mandiri Makmur Savings (SiMakmur)

The SiMakmur service is a personal savings account in Indonesian Rupiah, leveraging technology and information through Mandiri Agents to provide banking access to all communities. SiMakmur offers several benefits, including no minimum balance requirement and no monthly administration fees. Customers with SiMakmur accounts can conveniently perform transactions without visiting Bank Mandiri branches, simply by accessing the nearest Mandiri Agent. SiMakmur accounts are insured by the Indonesia Deposit Insurance Corporation (LPS).

Bank Mandiri actively promotes inclusivity for persons with disabilities through the Inclusive Economic Acceleration Movement, facilitating the opening of 10,000 new savings accounts for individuals with disabilities across West Java, Central Java, and Yogyakarta. Bank Mandiri provides various savings products tailored to the needs of potential customers, including Tabungan Now, Tabungan Mitra Usaha, and Simpanan Pelajar (SimPel) savings accounts for individuals with disabilities who do not yet have a National Identity Number (NIK).

Comprehensive information on Bank Mandiri's Financial Inclusion is detailed in the Sustainability Report of Bank Mandiri, which is published concurrently but in a separate publication.

For Mandirians

Activities Supporting The Implementation of Sustainability Strategy

This program has been reintroduced to realize Bank Mandiri's commitment to achieving Net Zero Emission (NZE) in Operations by 2030. It requires active participation and collaboration from all employees in their daily operational activities, including organizing events, meetings, and other activities, to ensure alignment with the provided guidelines.

NO MORE



Disposable Plastic/
Drinking Water in
Packaging (AMDK)



Leaving food and drink



Using balloons
and confetti in the
implementation of
events

SAY YES TO



Using a pitcher/tumbler
to consume drinking
water



Sorting garbage
before disposal



Save water
consumption



Electronic
distribution of
internal documents



Save electricity and
set the air conditioner
at 23-25C°



Using public
transportation

* Refer to Letter No. DCO/1268/2023 and Letter No. DCO/1269/2023 and Memorandum No. DCO/704/2023 Regarding the Appeal for ESG Program Implementation in order to Achieve Net Zero Emission (NZE) Operations 2030 and Guidelines for the Implementation of More Eco-Friendly Activities/ Events/ Meetings submitted to Subsidiaries, Regions, and each work unit.

Development For Mandirians

Bank Mandiri adopts the Human Capital Life Cycle concept to develop its human resources, aiming to deliver the best Employee Value Proposition (EVP) aligned with the Bank's Corporate Plan. The Human Capital Life Cycle at Bank Mandiri encompasses the following stages:

1. Organization Structure & Capacity – Organizational Development

Support for organizational development includes activities such as organizational structure design, job evaluation, career development, planning, and capacity planning.

2. Recruitment – Human Resource Recruitment

Various programs are implemented to enhance a reliable Human Capital system, sourced both internally and externally, with strategies to attract employees, including:

- MyDigital Academy Scholarship collaborates with the top 10 universities in Indonesia to provide scholarships from Bank Mandiri for outstanding students meeting specific criteria. This program also serves as an effective talent sourcing channel to recruit the best talent to work at Bank Mandiri.
- Campus Hiring is conducted regularly, targeting graduates from various universities with the goal of building relationships and fostering win-win collaboration to attract the best talent from campuses.
- Internship Program in collaboration with the

Ministry of Education, Culture, Research, and Technology, the Ministry of SOEs, and Diaspora Indonesia, provides opportunities for students in their final semesters or recent graduates.

- MyDigital Academy Competitions are a student competition held for selected students from the best universities in Indonesia. This program also serves as a form of employer branding and talent scouting activity to recruit the best talent to work at Bank Mandiri.

3. Onboarding & Employee Relations – Employee Onboarding System and Employee Relations

A friendly Employee Onboarding System and Employee Relations, including new employees and employees rotating to new work units. As part of the digitalization of the onboarding system, the new onboarding process has been made more interactive through gamification-based learning. This process includes 10 learning topics over a duration of three months, accessible online.

SOCIAL PILLAR

4. Learning & Development

Training and development of Human Capital capabilities are conducted to support business needs. Through these initiatives, each talent is developed in the areas of technical and leadership capabilities using the engage, expose, and educate mechanisms. For talents projected as successors, the Bank specifically prepares a tailored Individual Development Plan (IDP) to ensure their readiness. Development programs are designed based on assessment results to align the provided training with the talent's profiling.

Specific development programs planned for talents include the Leadership Development Program, scholarships for postgraduate studies both abroad and domestically, and sharing sessions with top executive leaders from Indonesia and globally. Another program is Mandiri Young Leaders (MYLead), an accelerated development program aimed at grooming Bank Mandiri's future leaders by sourcing high-potential young talents from within the organization. Moreover, the Bank implements coaching and mentoring programs to enhance leadership talent, delivered by professional coaches and mentors in their respective fields.

5. Performance – Individual Performance Management

An accountable and transparent employee performance assessment and feedback system.

6. Reward – Total Reward System

A competitive and targeted employee reward system.

7. Talent & Succession Management

A high-quality and timely talent management and succession system is implemented through 4 (four) main processes:

- Talent Classification: Based on performance, leadership characteristics, ability, agility, and engagement.
- Talent Profiling: Evaluating track records, technical and leadership capabilities, and personality.
- Talent Development: Crafting and executing development plans to address capability gaps.
- Strategic Talent Review: Monitoring talent development and preparing succession plans.

8. Retire & Exit – Employee Termination and Retirement

A comprehensive system for employee termination and retirement programs.

SOCIAL PILLAR

Sustainability Culture for Mandirians

Bank Mandiri began implementing sustainable finance by enhancing the capacity of its employees, known as Mandirians, to master ESG-related topics relevant to the Bank's business. This includes developing financial products and services as well as adapting the organization to integrate ESG principles into banking systems and procedures.

The engagement of all Mandirians through the development of a sustainability culture is crucial for driving these changes. This effort starts with building awareness among Mandirians to protect and preserve the environment in their daily activities. Sustainability culture programs include enhancing technical capacity and expertise on ESG topics for all levels of employees and work units through training, workshops, webinars, and certifications.

The ESG Group acts as the ESG coordinator within Bank Mandiri and then bankwide, and collaborates with the Culture Squad in all work units managed by the Internal Culture Team. The Culture Squad serves as a liaison to convey information related to ESG in their respective work environments.

Throughout 2024, Bank Mandiri actively conducted ESG awareness campaigns within its internal environment. The agenda covered topics such as global and national commitment statements, regulatory requirements, and ESG implementation across Bank Mandiri in various aspects. Additionally, the campaigns were aligned with the scope of work of the related units to enhance support for achieving Net Zero Emissions (NZE) by 2030.



SOCIAL PILLAR

Gender Equity

Bank Mandiri implements policies aligned with ESG principles, particularly in the social aspect. In this regard, the Bank has initiatives consistent with the principles of the Respectful Workplace Policy (RWP), specifically focusing on Human Rights, emphasizing how the company manages and respects human rights within its operations. This includes accepting and treating employees equally, regardless of religious background, ethnicity, race, ethnicity, gender, social/economic status, and disability. The policies promoting equality and diversity are applied from the initial stages of employee recruitment and are further reinforced through the training and promotion systems as well as in all aspects of Human Resources management.

In terms of equality, Bank Mandiri provides equal opportunities for all employees to contribute and develop their careers, regardless of gender. Bank Mandiri ensures that all employees have the same opportunities for career advancement, participation in development programs, and promotions to all available positions, including the corresponding compensation and benefits.

In 2024, female employees constituted 52% of Bank Mandiri's total workforce. Female positions in management and executive positions, from the level of Manager to Director, accounted for 46%. Meanwhile, the salary and benefits ratio between male and female employees is 1:1, determined solely based on performance.

Bank Mandiri consistently supports its female employees through the Srikandi Mandiri initiative. Activities under this initiative include women's leadership sessions, mentoring programs for female employees, and more.

In 2024, Bank Mandiri employed 38,874 employees, comprising 52.43% female and 47.64% male, reflecting a 0.2% decrease from the previous year's total of 38,940 employees. Of the total workforce, 25% of female employees held top-level management positions (BOD-1).



SOCIAL PILLAR

Bank Mandiri Employee by Employment Status and Gender

Description	2024		2023		2022	
	Male	Female	Male	Female	Male	Female
Permanent	16,616	17,590	16,601	17,762	16,630	18,017
Contract	1,713	2,636	1,721	2,416	1,478	1,701
Trainee	176	143	244	196	214	136
Total	18,505	20,369	18,566	20,374	18,322	19,854

Employee Turnover

The voluntary turnover rate, which stood at 2.63% or a total of 1,024 employees in 2024, marking a decrease 2% compared to the previous year's rate of 2.68% or a total of 1,044 employees.

Employee Training and Development

In addition to receiving benefits, Bank Mandiri employees are also provided with education and training opportunities to develop their potential and enhance their competencies.

In 2024, the total number of training participants was 949,438, with 40,034 employees receiving training, comprising 19,118 male employees and 20,916 female employees. The total training hours recorded for 2024 reached 4,315,947 hours, with an average of 107.8 hours/employee.

Comprehensive information on Bank Mandiri's human resource development is presented in the Human Capital subsection of this Annual Report.

versi inggris :

The voluntary turnover rate, which stood at 2.63% or a total of 1,024 employees in 2024, marking a decrease 2% compared to the previous year's rate of 2.68% or a total of 1,044 employees.

versi indonesia :

Tingkat perputaran sukarela (*voluntary turnover*) pegawai yang mencapai 2,63% atau sebanyak 1.024 pegawai pada tahun 2024, menurun sebesar 2% dibandingkan tahun sebelumnya yang tercatat sebesar 2,68% atau sebanyak 1.044 pegawai. Capaian ini menunjukkan upaya berkelanjutan Bank Mandiri dalam mempertahankan pegawai serta menjaga retensi yang positif dibandingkan dengan industri sejenis.v

GOVERNANCE PILLAR



Bank Mandiri aims to become the leading Bank in both domestic and regional markets by continuously improving the quality of its governance, guided by the laws and regulations, ACGS as well as best practices while striving to expand its growth sources.



GOVERNANCE PILLAR

Governance Pillar Performance

**Most Trusted Company****95,30**

Bank Mandiri received the title as one of the **top performers** in the **Corporate Governance & Perception Index (CGPI)**

*)Previous Rating: 95.01

Strengthening ESG Practices



Establishment of ESG Group as a 'control tower' for ESG implementation at Bank Mandiri



ESG Implementation in Bank Mandiri is supervised by the Vice President Director, with its results reported to Risk Management Committee (RMC) and Board of Commissioners through the Risk Monitoring Committee (KPR).



Privacy Policy on Bank Mandiri products and all Subsidiaries



Whistleblowing System – Letter to CEO (WBS-LTC) managed by an independent external party

ESG GOVERNANCE

Bank Mandiri adopts a comprehensive approach to sustainability management, integrating ESG topics within its sustainable finance framework to achieve the sustainability vision: "Becoming Indonesia's Sustainability Champion for A Better Future."

To realize this vision, the Bank has established governance bodies that oversee the planning, decision-making, monitoring, evaluation, and implementation of ESG strategies across the organization. A summary of the structure and roles of the Bank's primary governance bodies is as follows:

GOVERNANCE PILLAR

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 Coordinator Work Unit

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

Duties and Responsibilities of the Board of Directors & Board of Commissioners

- Monitor and evaluate the Company's compliance with its Articles of Association, regulatory authority provisions, and other laws and regulations related to Risk Management.
- Provide recommendations to the President Director on the formulation of policies, strategies, and guidelines for implementing Risk Management.

Duties and Responsibilities of ESG Unit

- Develop ESG frameworks, commitments, roadmaps, and targets.
- Monitor Bank Mandiri's sustainable portfolio (in line with POJK 51/2017) and report based on the Indonesia Green Taxonomy.
- Drive the development of Sustainable Finance products and services.
- Integrate ESG key performance indicators (KPIs) across all units.
- Ensure ESG disclosures align with best practices.
- Internalize ESG awareness among all employees.
- Align ESG aspects with all business processes and internal policies.
- Prepare ESG performance reports for the Board of Commissioners and Board of Directors, presented at the GMS.

GOVERNANCE PILLAR

Sustainable Finance Responsibility

The Board of Directors holds full responsibility for establishing the Company's sustainability direction (Framework, Commitment, Strategy, Initiatives, Roadmap) concerning climate change and the achievement of Sustainable Development Goals (SDGs). This is realized through the Sustainable Finance Action Plan (RAKB) 2025-2029, approved by the Board of Commissioners, and submitted to regulators in November each year.

Each member of the Board of Directors ensures the implementation of the RAKB and the management of relevant ESG topics within their respective directorates, following the timelines set in the RAKB. The integration and coordination of ESG topic management fall under the specific authority of the Vice President Director, executed by the ESG Group with the following scope:

- Management of the ESG Framework,
- Alignment of regulations with ESG and climate change issues,
- Management of the sustainable portfolio,
- Strategies for responsible operations,
- Communication and reporting functions for internal and external stakeholders.

Bank Mandiri has established a new unit, the ESG Group, as part of its sustainable finance implementation framework. This initiative is in accordance with SK/KOM/05.2/2022 dated 18 July 2022, and formalized through the Board of Directors Decree KEP.DKP/32/2022 dated 12 September 2022. The ESG Group is designated as the responsible entity for sustainable finance, as mandated by POJK-51/2017. This Group replaces the previous sustainable finance task force, functioning as a full-time, permanent unit.

The ESG Group serves as the control tower for ESG implementation across Bank Mandiri and all its subsidiaries. Led by a Senior Vice President, the unit operates under the authority of the Vice President Director of the Company. The daily functions of the ESG Group include managing the ESG framework, aligning regulations with ESG and climate change issues, overseeing sustainable portfolio management, formulating responsible operational strategies, and handling communication and reporting to both internal and external stakeholders.



ESG Management and Oversight

The Company ensures effective ESG governance aligns with stakeholder expectations. ESG governance is continuously monitored to ensure that sustainability considerations are fully integrated into the Company's overall governance structure. Bank Mandiri has established clear objectives for addressing ESG-related issues effectively, in compliance with applicable laws and regulations, while considering global ESG practices and banking initiatives.

Specifically in climate risk management, the Board of Directors involves the Risk Management Committee (RMC) while the supervision is carried out by the Board of Commissioners through the Risk Monitoring Committee (KPR). Climate risk monitoring is carried out through Board of Directors meetings, RMC, and ESG Forum at least six times a year.

In its implementation, the Board of Commissioners and the Board of Directors delegates the responsibility of managing climate change risks and opportunities to the ESG Unit, with direct supervision by the Deputy President Director and reporting to RMC and KPR. The ESG Unit report is submitted regularly to the Board of Directors and the Board of Commissioners. In addition, the Board of Directors is actively involved in climate risk, participating in discussions on climate change and ESG issues, including involvement in Climate Risk Stress Testing (CRST). Collaboration with policymakers, in this case the Financial Services Authority (OJK), is one of the main drivers in Bank Mandiri's climate strategy.