

- a. Prudential Principle. which entails capital adequacy. fulfillment of prevailing laws and regulations, and an early warning system.
- b. Risk Management. which entails Risk Appetite. Risk Profile. Bank Soundness Rating. Stress Testing. Recovery Plan, and Resolution Plan, as well as Integrated Risk Management.
- c. Risk Management for each type of risks. which entails processes of risk identification. measurement. oversight, and control.
- d. Risk Oversight. which entails monitoring of activities/ methodologies of risk management at Bank Mandiri, and the Internal Control System.

This Risk Management Policy is the basis for making procedures and technical guidelines concerning risk management at Bank Mandiri.

### 3. System & Data

The risk management system is developed to support more efficient business processes. enabling faster decision-making while maintaining prudent principles. Bank Mandiri has implemented the Integrated Processing System and Loan Origination System to improve credit process efficiency and ensure data quality across the Corporate, Commercial, and Retail segments. To enhance collection productivity in the Consumer and Retail segments, the Bank applies the Integrated Collection System. For managing trading book risk and FRTB reporting, Bank Mandiri uses the Summit System and the New Treasury Core System (NTCS). Meanwhile, the Balance Sheet Manager is utilized to manage banking book risk and liquidity risk in treasury and liability management activities. As an integrated risk information system for assessing the Bank's Risk Profile and Soundness Level, individually, consolidated, and integrated. Bank Mandiri has implemented the web-based Risk Assessment Consolidation Generator System (RACER), enabling risk assessments to become more effective, efficient, accurate, accountable, and supported by stronger access controls.

### 4. Metodologi/Model & Analytics

Bank Mandiri continuously applies risk measurement aligned with international best practices by using both quantitative and qualitative approaches, including the development of risk models such as rating, scoring, Value at Risk (VaR), portfolio management, stress testing, fraud models, and other models that support judgemental decision-making. These models are validated by an independent Model Validator Unit to ensure their quality and validity. In addition, model risk is managed through a Model Risk Management framework under the Model

Governance Unit, ensuring adequate controls over all model components used in business processes and decision-making. This model management framework includes:

- a. Model Inventory  
Through the model inventory, Bank Mandiri maintains a comprehensive record of all models in use. This inventory includes key information such as statistical results, model purpose, model owner, model developer, model user, validation outcomes, and related documentation. The model inventory system also shows each model's position within the Model Lifecycle, covering the stages of model initiation, development, validation, implementation, usage, and monitoring.
- b. Model Risk Assessment  
An assessment of the level of risk of the models based on quantifiable observations about the materiality and complexity of the models.
- c. Model Control  
The monitoring and control of models are carried out through continuous assessment. This includes model validation, both first-time validation and on-going validation. First-time validation is performed after model development to ensure the model complies with academic standards, best practices, and regulatory requirements. On-going validation is conducted periodically to ensure that the model continues to perform reliably and remains fit for its intended purpose.

With the adoption of the model management framework, there is a segregation of duties between the first line (model owner, model developer, and model user), the second line (model validator and model management guiding unit), and the third line (Internal Audit) based on three-line models.

Bank Mandiri also continues to implement Basel II, III, and ERM in compliance with the Financial Services Authority and the BCBS (Basel Committee on Banking Supervision) as well as the best practices, which cover Credit Risk, Market Risk, Liquidity Risk, Interest Rate Risk on Banking Book Position, Operational Risk, Capital Management, and Internal Capital Adequacy Assessment Process (ICAAP), as well as Stress Testing and Recovery Plan.

## TYPES OF RISKS AND ITS MITIGATIONS

Bank Mandiri manages 10 (ten) types of risks in an integrated manner:

1. Credit Risk
2. Market Risk
3. Liquidity Risk
4. Operational Risk
5. Legal Risk
6. Reputation Risk
7. Strategic Risk
8. Compliance Risk
9. Intra-Group Transaction Risk
10. Insurance Risk

## CREDIT RISK MANAGEMENT

Bank Mandiri manages and mitigates credit risk at every stage of the lending process.

In the Wholesale segment, credit risk management begins with market targeting based on the Loan Portfolio Guideline, which classifies industry sectors into Industry Classifications (attractive, neutral, selective, cautious) according to their outlook and portfolio quality. The Bank also sets Industry Limits to minimise credit concentration risk in specific sectors. To ensure a strong pipeline of quality prospective borrowers, the Bank conducts pre-approval processes using various credit risk tools, starting with Clearance Process to review assesses reputation, business operations, and financial condition. This is followed by a credit risk assessment that includes rating, financial analysis, and borrower potential, before a final decision is made by the Credit Approval Authority through the four-eyes principle involving both the Business Unit and the Credit Risk Management Unit independently. After loan disbursement, regular monitoring is carried out through quality review and early warning signals to detect potential issues early and prepare targeted action plans, including collection, recovery, or restructuring activities.

For the Retail segment, which targets the mass market, credit processes are more automated. A credit risk scorecard, aligned with the Risk Acceptance Criteria of each product, processes loans through an automated workflow system (Loan Factory). Monitoring is performed at the portfolio level through Portfolio Quality Reviews, followed by collection and recovery process for non-performing portfolios.

To anticipate macroeconomic uncertainties, a what-if analysis of wholesale and retail portfolios is carried out through a process of stress testing and sensitivity analysis using certain macroeconomic scenarios.

In all lending activities, Bank Mandiri prioritizes prudence by employing credit analysis through independent business units and credit risk units. Credit management is governed by the Credit Policy (KPKD), operationalized through Credit Standard Procedures (SPK) and Product Manuals, ensuring an end-to-end risk management process.

At the borrower level, credit concentration risk is managed by monitoring the Legal Lending Limit (LLL), and the application of Management Limits for large business groups. In general, credit processes and risk management are carried out end-to-end and integrated across the Business Unit, Credit Operation Unit, and Credit Risk Management Unit.

The Bank regularly reviews and updates its credit policies in general, credit for segment-specific procedures, and risk management tools. These guidelines provide comprehensive credit risk management instructions for identifying, measuring, and mitigating credit risk in the end-to-end credit process starting from determining the target market, credit analysis, approval, documentation, credit withdrawal, monitoring/supervision, to the process of resolving/ restructuring non-performing loans.

To enhance its social role and awareness of environmental risks, Bank Mandiri has integrated Environmental, Social, and Governance (ESG) aspects into the Industry Acceptance Criteria Technical Guidelines. These guidelines help evaluate and select prospective borrowers who meet the required qualifications and have implemented ESG principles in their business operations. This initiative aligns with OJK Regulation No. 40/POJK.03/2019 on the Asset Quality Assessment of Commercial Banks, which requires that a debtor's business prospects also consider environmental preservation efforts. In addition, Bank Mandiri has developed a Sustainable Finance Action Plan to strengthen its contribution to environmental conservation, in accordance with OJK regulations on Sustainable Finance for Financial Institutions, Issuers, and Public Companies. These efforts reinforce the Bank's commitment to promoting sustainability and responsible governance practices.

In principle, credit risk management at Bank Mandiri is implemented both at the transactional and portfolio levels. At the transactional level, the Bank applies a four-eyes principle, ensuring that every credit approval involves independent evaluations by the Business Unit and the Credit Risk Management Unit to achieve objective decision-making. This process is executed through the Credit Committee, adhering to the established authority limits, with credit approvals determined through the Credit Committee Meeting mechanism.

Credit risks from borrowers and products are accounted for through impairment loss provisions under PSAK 71, effective since 1 January 2020 (codified as PSAK 109 as of 1 January 2024). These provisions are monitored through the cost of credit indicator.



## MARKET RISK MANAGEMENT

Market risk management at Bank Mandiri is conducted by an independent unit following the principle of segregation of duties, ensuring a clear separation of functions and responsibilities among the front office, middle office, and back office. The Market Risk Management Organization is divided into two sections; Market Risk Management – Trading Book, and Market Risk Management – Banking Book.

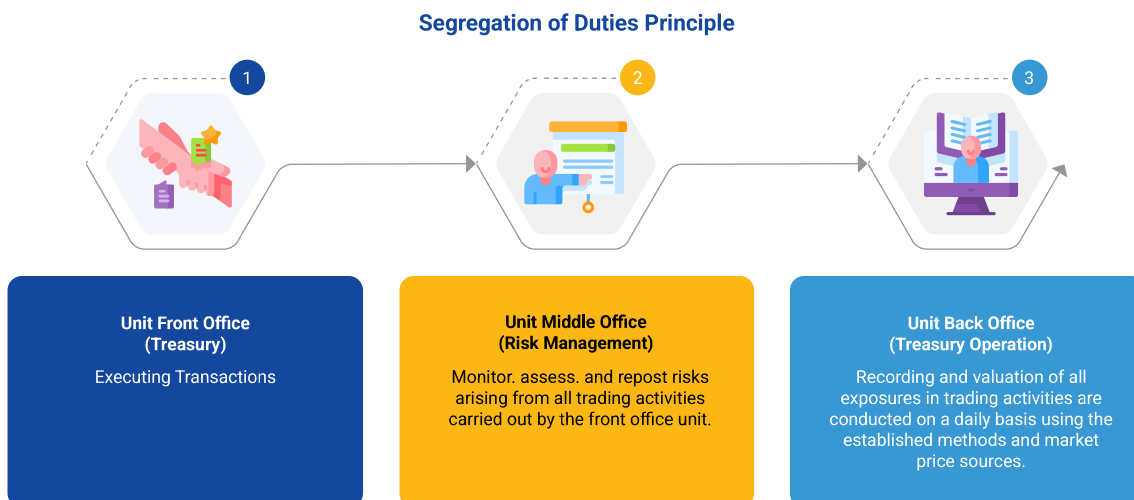
The framework for and governance of market risk management at Bank Mandiri consist of:

1. The Board of Commissioners, who are responsible for market risk oversight through the Risk Monitoring Committee, Integrated Governance Committee, and Audit Committee.
2. Directors, who are responsible for the risk policy function through the Executive Committee with respect to market risk management and recovery plan, the Assets & Liabilities Management Committee, Risk Management Committee.
3. Risk Management Unit together with the business units and Compliance Group unit, who perform risk identification, risk calculation, risk monitoring, and risk control.

Bank Mandiri's Risk Management Framework is designed by considering both internal and external factors, including but not limited to the Bank's business dynamics, regulatory requirements, advancements in methodologies and best practices, as well as risk data. The authority and responsibilities for implementing risk management are defined in the Risk Management Policy (RMP). Specific guidelines for managing market risk in the trading book and banking book portfolios are detailed in the Standard Procedure of Treasury (SPT) and Standard Asset & Liability Procedure Management (SP ALM).

### Management and Mechanism of Market Risk Measurement – Trading Book

Trading book market risk is the risk arising from potential losses resulting from trading book instrument activities, covering interest rate risk, exchange rate risk, credit spread risk, default risk, equity risk, and commodity risk that may adversely affect the Bank. Bank Mandiri manages market risk by adhering to the principle of segregation of duties, ensuring a clear separation of functions and responsibilities in treasury unit trade transactions, which consist of:



The measurement of trading book risk is conducted in accordance with regulatory requirements and several internal indicators, including Value at Risk (VaR), sensitivity simulations, and stress testing. Risk monitoring is carried out by applying various types of limits on treasury activities. These limits are set in a tiered manner, from the dealer level to the bank-wide level, to ensure that trading exposure remains consistent with the risk appetite established by management.

### Management and Mechanism of Market Risk Measurement – Banking Book

Banking book market risk refers to the risk arising from changes in interest rates and exchange rates related to banking book activities, which can impact the Bank's profitability (earnings perspective) and the economic value of its capital (economic value perspective). Bank Mandiri manages this risk by optimizing its balance sheet structure to achieve maximum returns within an acceptable risk level. Management also involves setting limits aligned with internal policies and prevailing laws and regulations, which are periodically monitored by the relevant work units.

## LIQUIDITY RISK MANAGEMENT

Liquidity risk arises from the Bank's inability to meet its due obligations through cash flow financing and/or high-quality liquid collateral assets without causing disruption to the Bank's operations and financial condition.

Liquidity risk can be divided into two categories:

1. **Funding Liquidity Risk**, which is a risk caused by the Bank's inability to liquidate its assets or secure funding from other sources. The inability to secure cash flow financing that causes liquidity risk can be explained by (1) the Bank's inability to generate cash flow from productive assets or asset liquidation including liquid assets; and/or (2) the Bank's inability to generate cash flow from funding, interbank transactions, and received loans.
2. **Market Liquidity Risk**, which is a risk caused by the Bank's inability to close out certain positions at a market price due to inadequate market liquidity conditions or disruptions in the market.

Liquidity Risk Management is carried out in the following 4 (four) stages:

1. **Identification**, to determine risk and sources of liquidity risk and the problems it poses so that it may be controlled and mitigated. The identification of liquidity risk can be conducted by identifying balance sheet components and administrative account components that may affect the Bank's liquidity and identifying market parameters such as crises and other things.
2. **Measurement**, to measure liquidity risk, which is done using 2 (two) approaches, namely (1) Nominal Stock-Based (Liquidity Ratio) which entails the use of various financial ratios as an indicator of the level of liquidity risk and (2) Flow-Based (Liquidity Gap Analysis).
3. **Monitoring** is conducted by tracking liquidity risk indicators against the established limits.
4. **Control**, which is an activity that aims to minimize the impact of liquidity risk by considering the level of income earned.

### Tools and Method

Bank Mandiri manages liquidity risk by measuring the liquidity risk using some indicators, such as primary reserve (Minimum Statutory Reserves, Macroprudential Liquidity Buffer, and Cash), secondary reserve (liquidity reserves), Macroprudential Intermediation Ratio (MIR), Liquidity Coverage Ratio (LCR), and Net Stable Funding Ratio (NSFR).

To manage liquidity risk in a measured and comprehensive manner, Bank Mandiri implements the following strategies:

1. Determine limits that refer to internal provisions and regulatory provisions.

2. Perform periodic liquidity risk stress testing to determine the impact of changes in market factors and internal factors in extreme conditions (crises) on liquidity conditions.
3. Arrange and conduct a periodic review of the Liquidity Contingency Plan (LCP) and Recovery Plan that regulate the Company's procedure for handling worsening liquidity conditions including alternative financing strategies such as sale/purchase of FX, Money Market instruments, and Interbank Securities Repo, Government Bond sale, and the use of Standing Facility and repo of the Bank Indonesia. The determination of liquidity conditions and financing strategies in the LCP and Recovery Plan has considered internal and external conditions.
4. Monitor external indicators such as Indonesia Overnight Index Average (IndONIA), USD Interbank, Rupiah interest rate, yield from SUN and UST with a 10-year tenor, Outstanding IDR banking liquidity, USD/IDR exchange rate, credit spread of default swaps (CDS), Composite Stock Price Index (CSPI), as well as current market information. This monitoring aims to increase awareness of less stable economic conditions, either due to a global crisis or various domestic issues.

### Liquidity Adequacy Ratio

Bank Mandiri's liquidity adequacy can be identified through Liquidity Coverage Ratio, Net Stable Funding Ratio, Macroprudential Intermediation Ratio (MIR), and Liquidity Reserves. The Liquidity Coverage Ratio (LCR) is a ratio of High-Quality Liquid Assets (HQLA) to the estimated net cash outflow within the next 30 (thirty) days in a crisis scenario. The LCR aims to improve the short-term liquidity of a bank during a crisis. As of December 2025, Bank Mandiri's LCR reached 137.40% (Bank Only) and 140.19% (consolidated), above the minimum LCR fulfillment target set by the Regulator which was 100%.

Another indicator used by Bank Mandiri to determine liquidity adequacy is the Net Stable Funding Ratio (NSFR). The Net Stable Funding Ratio (NSFR) is a ratio of available stable funding to required stable funding. As of December 2025, Bank Mandiri's NSFR reached 109.95% (Bank Only) and 111.09% (consolidated), above the minimum NSFR fulfillment target set by the Regulator which was 100%.

The Macroprudential Intermediation Ratio (MIR) is a ratio of distributed credit and corporate commercial paper fulfilling certain requirements and are owned by the Bank to third-party funds, commercial paper fulfilling certain requirements issued by the Bank, and loans fulfilling certain requirements received by the Bank. As of December 2025, Bank Mandiri's RIM (Bank Only) reached 84.52%.

In addition, Bank Mandiri has liquidity reserves, which serve as a liquid asset above minimum statutory reserves that are used to meet unscheduled liquidity needs. In managing its liquidity reserves, Bank Mandiri sets a limitation in the form of safety level, which is a projection of liquidity reserves for the next 1 (one) month. As of December 2025, the Bank's liquidity reserves were above the safety level.

## RISK OPERATIONAL MANAGEMENT

Operational risk arises from inadequacies and/or failures in internal processes, human errors, system malfunctions, and/or external events that impact the Bank's operations, including risks related to cyber security. Operational risks can lead to the emergence of other risks, such as reputational risk, strategic risk, legal risk, market risk, credit risk, compliance risk, and liquidity risk. Effective and consistent management of operational risk is crucial to minimizing the likelihood of these interconnected risks.

Operational risks are inherent in every product, activity, and operational process of the Bank as part of its business activities. These risks are also the responsibility of every individual within the Bank. The Risk & Control Owner holds the primary responsibility for implementing optimal operational risk management to minimize these risks.

In developing an Operational Risk Management Strategy, the Bank applies the following principles:

1. Long-term oriented to ensure the Bank's business continuity, by maintaining the Bank's risk exposure managed in a controlled manner in accordance with the Bank's internal regulations, as well as prevailing laws and regulations and other stipulations.
2. Comprehensive and extensive in all parts of the Bank, and remains focused on material and or significant risks and the most effective mitigation processes.
3. Proactive in identifying and detecting potential control weaknesses and the occurrence of risks hence risks can always be minimized.
4. Comply with the provisions for the fulfillment of capital adequacy operational risks in accordance with regulations and the development of risks appetite.

Operational risk management is implemented through a layered lines-of-defense model, where each line of defense has distinct roles and approaches to addressing operational risks. This framework is based on the principle of combined assurance, ensuring that a balance between risk & reward is also achieved.

The Risk & Control Owner is fully responsible for managing risks and implementing daily internal controls to ensure that existing risks are mitigated. This includes continuously improving control designs to align with changes in processes.

To ensure effective operational risk management, the process is carried out in four stages:



1. Identification, a process to identify potential inherent risks to a product/activity/process, taking into account internal and external factors, such as data of operational risk incidents, regulatory changes, and audit findings. This stage includes identifying risk mitigation and control measures.

2. **Assessment**, which is the process of evaluating by considering the potential impact and likelihood of a risk can inherently occur. This aims to find out which risks are more material/significant compared to others to ensure more focused control measures can be prepared. In addition, an assessment is also carried out on quantitative control through control testing activities to determine whether the control design regulated in the prevailing regulations at the bank has been effectively implemented (operating effectiveness) and or can still be effectively used (design effectiveness). The assessment produces a residual risk value which is the risk value after considering the controls.
3. **Monitoring**, a process to monitor risks that have been identified and assessed for their likelihood. Risk monitoring is carried out at all times in every work unit and by its members. The activity follows a hierarchy and is done collectively, including by the unit's head, adhering to the applicable procedures. Monitoring activities include the early warning systems in existing tools/reporting.
4. **Risk Control/Mitigation**, which is a process to control and mitigate before a risk event occurs through the implementation of adequate and consistent control procedures, as well as implementing follow-up actions plans on control weaknesses found (thereby potential risks occur) in the monitoring process and follow-up on incidents. The purpose of this process is to ensure that residual risk to the Bank is kept to a minimum. Controls must be consistently implemented according to existing control designs but must also be continuously reviewed to ensure existing control designs are still effective for mitigation of emerging risks.
3. **Key Indicator (KI)**  
KI contains key risk indicators (KRIs) and Key Control Indicators (KCIs) and serves as an early warning signal that encourages early control actions to be undertaken.
4. **Issue & Action Management (IAM)**  
IAM is a tool to monitor if known issues are follow-up using a range of activities, such as control testing, incidents, key indicators, and self-identified issues.
5. **Capital Modelling**  
A tool to calculate regulatory capital charge in accordance to applicable regulations and as part of operational risk mitigation.

To improve its operational risk management effectiveness, the Bank has developed an integrated Operational Risk Management System that covers all of the tools above. The system is also implemented in all work units at the head office and regions.

The output of operational risk management activities is an Operational Risk Profile Report that describes operational risk exposure. The report is submitted periodically to the Bank's Board of Commissioners and Board of Directors, and supports the boards' active role in operational risk management. The report also informs the Bank's risk management report to regulators as part of Risk-Based Bank Rating (RBBR) in accordance with applicable provisions.

#### Operational Risk Management Organization

Operational risk management is carried out by all of the Bank's elements, including the Board of Directors with active supervision from the Board of Commissioners. The Boards understand existing risks and have a key role in supporting and overseeing risk management activities at the operational unit level.

#### Operational Risk Management Tools

To enable work units in implementing operational risk management, the Bank provides the following risk management tools:

1. **Risk & Control Self Assessment (RCSA)**  
RCSA is a register of key risks and control measures that inform risk-based control testing to identify potential weaknesses as early on as possible. The tool allows its user to maintain minimum level of residual risks and to take necessary mitigation measures.
2. **Loss Event Database (LED)**  
A database of operational risk incidents that are recorded on a risk-based approach with the aim of being lesson learned, monitoring follow-up remediation and future improvements, and as one of the components of the calculation of operational risk capital (regulatory capital charge) of the Standardized Approach (SA) method.

The operational risk management organization and their duties and responsibilities are:

1. **Risk Management Committee (RMC)**. RMC leads the preparation, adjustment/ improvement of risk management. RMC's membership, duties, and authority are stipulated in a Board of Directors' Decision on RMC.
2. **Risk & Control Owner**. A unit that is fully responsible for operational risk management and ensuring the effectiveness and compliance of control measures in every operational activity. A Risk & Control Owner maintains the Bank's operational risk appetite at a level that has been identified, thereby allowing the Bank to achieve its goals and keep an optimal level of regulatory capital charge.
3. **Operational Risk Management Unit (Senior Operational Risk by Business Area)**. A unit (attached to a business area) that is responsible for implementing operational risk management



- policies, strategies, frameworks and tools in collaboration with the Risk & Control Owner.
4. Work Unit on Operational Risk Management Development (Bankwide/Enterprise). A unit that is responsible to formulate and disseminate policies, strategies, frameworks, and operational risk management tools.
  5. Internal Audit Unit. This unit carries out independent assurance function to ensure that all operational defense lines are functioning effectively and properly.

## LEGAL RISK MANAGEMENT

Legal risk is a type of risk faced by Bank Mandiri as a result of lawsuits and/or legal claims, whether initiated by internal or external parties, and/or the identification of legal weaknesses such as the absence of supportive regulations, flaws in agreements such as the failure to meet the requirements for a valid contract, or imperfect collateral binding.

The management of legal risk is handled by the Legal unit at the Head Office, which is responsible for regulatory, advisory, litigation, advocacy, and legal assistance functions, as well as coordination and supervision, legal education and transformation, and legal risk management for the Bank. In carrying out these functions, duties, and responsibilities, the Legal unit at the Head Office coordinates with the Legal units in work units and regional offices. The Head Office Legal unit acts as the system supervisor and provides guidance to the Legal units in work units and regions.

The risk management mechanism, encompassing the processes of identification, measurement, monitoring, and control, adheres to the applicable risk management regulations. Each work unit responsible for products and/or activities is required to identify and manage risks comprehensively, including but not limited to legal risks, which are inherently present in every product or activity created or carried out by the company. This is to ensure that legal risks do not have widespread impacts or trigger other risks, such as reputational risks.

The legal risk management efforts implemented by Bank Mandiri, both preventive and corrective, are deemed sufficient to protect the Bank's legal interests and minimize significant financial impacts. This is reflected in the 2025 Legal Risk Profile Report, which achieved a "Low" risk rating.

## REPUTATIONAL RISK MANAGEMENT

Reputational risk arises from a decline in the level of stakeholder trust caused by negative sentiments surrounding the Bank.

Reputational risk is managed through monitoring, supervision, handling, and resolution efforts coordinated by the Corporate Secretary, with support from relevant work units, including Customer Care, Legal, Retail Product & Fraud Risk Management, IT Application Development & IT Application Support, and Business Continuity Management. Reputational risk management adheres to internal policies and applicable laws and regulations.

To mitigate this risk, the Bank actively builds a positive image through conventional media and by producing positive content on social media platforms.

### The Mechanism for Managing Reputational Risk

Reputational risk is managed through monitoring, supervision, handling, and resolution mechanisms coordinated by the Corporate Secretary Group, in accordance with the Corporate Secretary Standard Guidelines. Based on these guidelines, there are four stages of reputational risk management: identification, measurement, monitoring, and control. These stages are reflected in each Corporate Secretary activity with potential reputational risk, such as the Bank's activities as a publicly listed company.

In such activities, reputational risks can be identified, such as delays, errors, or inconsistencies in reporting. These may stem from factors such as individuals lacking knowledge or understanding of disclosure obligations or insufficient supervision and review by supervisors. To control these risks, Bank Mandiri implements mitigation measures, such as maintaining a checklist of disclosure obligations and ensuring supervisors carry out thorough checks and reviews.

Should reputational risk incidents occur and result in negative perceptions of the Bank, mitigation activities can be carried out to reduce the impact. One method involves publishing positive articles in print, online, and electronic media, as well as sharing positive content on social media to neutralize the negative perceptions. These positive articles may highlight the Company's business and social activities or its support for government programs, in compliance with the Corporate Secretary Standard Guidelines.

### Reputational Risk Management Policy Implementation

As part of the implementation of the reputational risk management policy, the Company ensures that all work units perform their respective functions effectively and in compliance with applicable regulations. In cases where an incident with reputational risk implications occurs related to the duties and functions of a specific work unit, that unit is required to provide detailed information to the Corporate Secretary Group immediately. This enables prompt management of the incident to minimize its impact.

To address customer complaints and inquiries, Bank Mandiri currently maintains internal channels, including branch offices, the Call Center at 14000, its official website, and social media accounts. All complaints and inquiries are forwarded to the Customer Care Group for handling and resolution. In addition to internal channels, the Customer Care Group also manages complaints from external sources, such as print, online, electronic media, and social media.

In executing these duties, the Customer Care Group coordinates with the Corporate Secretary Group, particularly in handling customer complaints reported in conventional media and social media.

### Monitoring and Evaluation

The Corporate Secretary Group conducts periodic monitoring and evaluation of media coverage in print, online, electronic media, and social media to measure the effectiveness of the company's publication and communication activities. The results of this monitoring and evaluation serve as the basis for planning future publication and communication activities, with the goal of continuously strengthening the Bank's reputation.

### Communication Support for Government Programs

The Corporate Secretary Group continues to play an active role in supporting government strategic programmes through integrated communication activities. A key initiative is the collaboration with the Ministry of SOEs in developing joint publications using an agenda-setting approach, ensuring that the Bank's strategic messages align with government communication priorities and strengthening synergy among institutions in delivering relevant information to the public. The Corporate Secretary Group also supports government initiatives through international publications that highlight the global contributions of SOEs, reinforce Indonesia's SOEs as prominent international players, and enhance the nation's positive image globally. In addition, the Group conducts financial literacy campaigns and financial services awareness initiatives through social media, YouTube, WhatsApp official channels, and other platforms to promote financial inclusion and encourage prudent financial behaviour. Bank Mandiri also collaborates with public figures and influencers to ensure these messages reach the broader community and targeted segments more effectively.

### Crisis Management

In the event of a massive reputation crisis with significant impact on stakeholder trust, the Company will promptly implement immediate action plans to minimize the effects of the crisis. These actions include preparing issue management strategies, appointing internal spokespersons, scheduling crisis response activities, and conducting an overall evaluation.

## STRATEGIC RISK MANAGEMENT

### Strategic Risk Management Organization

The Bank has established a Risk Management Committee and a Risk Management Unit that aim to support comprehensive, integrated, measurable, and controlled risk management. Each committee is supported by a working group consisting of groups directly related to the risk issues within the scope of the respective committee.

### Strategic Risk Management Mechanism

The Bank's risk management is governed by a risk management policy developed in alignment with Bank Indonesia Regulations (PBI), Financial Services Authority Regulations (POJK), Basel standards, and international best practices. This policy is regularly reviewed to anticipate changes in business conditions, regulations, and the Bank's internal environment. In managing strategic risks, Bank Mandiri consistently reviews performance and evaluates policies for setting business targets. The Bank also takes corrective actions to refine its strategic planning and business targets, considering internal and external conditions when necessary.

### The Implementation of Strategic Risk Management

Bank Mandiri's strategic direction aligns with its Corporate Plan, which is designed by taking into account the Bank's core competencies and the shifting business patterns and consumer behavior toward digital platforms. Amid economic uncertainties, Bank Mandiri also emphasizes the importance of profitability and credit quality to mitigate future risks. As such, in addition to implementing initiatives outlined in the Corporate Plan, Bank Mandiri sharpens its business strategy by focusing on:

1. Focus on driving and implementing sustainable growth strategies, accompanied by optimal cost-efficiency programs, to enhance profitability growth.
2. Ensure the achievement of leading indicators for both revenue and cost across all financial metrics.
3. Prioritize maintaining and increasing a sustainable CASA Ratio to support loan growth.

### Measures and Plans in Anticipating Strategic Risk

In anticipating the risk factors faced by Bank Mandiri, it is essential to implement independent and prudent risk management without hindering the Company's business expansion processes.

The following outlines the strategic risk management strategies for 2024:



1. Conduct liquidity management by adjusting deposit and loan interest rates to maintain a healthy Net Interest Margin (NIM). Additionally, the Bank can diversify funding sources by reducing reliance on high-cost funds, exploring alternative, more affordable funding sources, and reviewing counter rates and special rates (retail deposits) in the small business, micro, and consumer (individual) segments.
2. Perform credit assessments that focus on industrial sectors demonstrating positive and sustainable growth while considering internal capabilities and resources in accordance with Bank Mandiri's Risk Acceptance Criteria to minimize default risks. Additionally, maintain adequate provisioning to anticipate potential credit losses.
3. The Bank focuses on maintaining and sustainably increasing the CASA Ratio and CASA volume to support credit expansion by:
  - a. Optimizing the use of Kopra by Mandiri through main operating account strategies (Kopra Portal and Kopra H2H) to capture the entire customer transaction ecosystem.
  - b. Managing the realization of the Cost of Fund (CoF) by balancing liquidity, supporting demand deposit growth through transactional solutions for business and corporate clients, and increasing savings market share using Livin' as an everyday financial app.
4. Strengthen capital accumulation from retained earnings (Tier-1) by optimizing revenue and overhead costs, while conducting a deeper review of initiatives that enhance productivity, provide added value, and deliver long-term benefits.
5. Enhance access to capital and financial markets to secure additional funding, either in the form of equity or debt (subordinated debt).

### COMPLIANCE RISK MANAGEMENT

Compliance risk arises from the Bank's failure to adhere to and/or implement the provisions of prevailing laws and regulations. To manage compliance risk, Bank Mandiri has established policies, guidelines, systems, and procedures to foster a compliance culture. This culture serves as a key factor in the successful implementation of compliance risk management, both individually and on a consolidated basis, as well as in an integrated framework within the Financial Conglomerate.

All levels of the Company are fully responsible for implementing compliance in each of their respective activities. The organization, duties, and responsibilities with respect to compliance are as follows:

#### 1. Board of Commissioners

With respect to Compliance and Integrated Governance, the Board of Commissioners is mandated to supervise the implementation of Compliance Function.

#### 2. Integrated Governance Committee

The committee is established to assist the Board of Commissioners in carrying out its supervisory function on the implementation of Integrated Governance and Integrated Compliance Functions at Bank Mandiri and its Subsidiaries.

#### 3. Board of Directors/SEVP

The Board of Directors is responsible to foster and realize Compliance Culture as well as to ensure that Compliance Function is implemented at all levels of the organization and the Bank's business activities.

#### 4. Director in Charge of Compliance Function

The Director in charge of the Compliance Function is responsible for formulating compliance culture strategies, minimizing compliance risk, establishing compliance systems and procedures, and ensuring that all policies, provisions, systems, and procedures implemented by the Bank are in accordance with applicable laws and regulations.

#### 5. Compliance Unit (i.e., Compliance Group)

The Compliance Unit assists and/or represents the Director in charge of the Compliance Function in carrying out its duties and responsibilities.

#### 6. Heads of Units

Heads of Units are responsible for realizing compliance culture in their respective units, managing compliance risk, and implementing system/process and/or procedure improvements related to compliance issues in their units.

### Compliance Risk Management Mechanism

Bank Mandiri has established compliance risk management policies and procedures based on the applicable rules and regulations, where the risk is managed in several stages:

1. Identification  
Identification of compliance risk is articulated in the Compliance Risk Statement (CRS). CRS entails reference of regulations, risk cause, risk control, and action plans for prevention purpose.
2. Evaluation  
All identified risks are assessed by each risk owner. The output of assessment is a compliance risk profile for every work unit. Risk assessment is carried out based on the risk's occurrence likelihood and its potential impacts. Risk owners also assess the effectiveness of control measures.

3. **Monitoring**  
Risk monitoring is part of an adequate compliance risk management. Monitoring activities include identifying and overseeing compliance risk appetite statement (RAS).
4. **Mitigation**  
Compliance risk mitigation is carried out by:
  - a. Reviewing risk identification process to ensure the process has been carried out appropriately.
  - b. Reviewing the appropriateness of control and mitigation activities.
  - c. Reviewing the appropriateness of compliance risk assessment process, including that the process has considered historical sanction data.
  - c. **Compliance Assessment Program**  
This program aims to increase compliance risk awareness of the risk owners on applicable compliance and regulation risks (according to their duties and responsibilities).
  - d. **Compliance Group Competency Improvement Program**  
To increase understanding related to compliance risk management, the Company partners with an independent party to organize compliance training and certification for all Compliance Group personnel.

#### Measures and Plans to Anticipate Compliance Risk

To improve compliance risk management, the following measures are taken:

#### Compliance Risk Management Implementation

Compliance risk management activities in 2025 were as follows:

1. **Defining Risk Appetite Statement (RAS)**  
In 2025, Bank Mandiri defined its compliance Risk Appetite Statement (RAS) at 4 (four) violations per month. Throughout the year, the Bank received 1 (one) sanction per month, which was well below the RAS threshold.
2. **Compliance Risk Assessment**  
Compliance risk assessment is carried out on a quarterly and semi-annual basis and submitted to the OJK as part of the Bank's Risk Profile Report. According to the self-assessment conducted in Quarter IV 2025, the Bank's compliance risk level was 2 (low to moderate). Several issues of concern for improvement were employees' compliance risk awareness, data quality, and monitoring of report submission to regulators.
3. **Compliance Risk Mitigation**  
To mitigate compliance risk, the Bank has implemented several compliance programs:
  - a. **Monitoring the Fulfillment of the Banks' Obligations on New Regulations**  
The Compliance Group conducts Prudential Meetings on new regulations, monitors action plans that need to be carried out, and issues reminders on regulatory obligations to the relevant Units.
  - b. **Control Testing Against High-Risk Activities**  
Control testing is carried out by the Senior Operational Risk Unit on high-risk activities. Where discrepancy with applicable regulations is identified, immediate actions are taken to prevent the Bank from suffering any losses.
  - c. **Compliance Assessment Program**  
This program aims to increase compliance risk awareness of the risk owners on applicable compliance and regulation risks (according to their duties and responsibilities).
  - d. **Compliance Group Competency Improvement Program**  
To increase understanding related to compliance risk management, the Company partners with an independent party to organize compliance training and certification for all Compliance Group personnel.

1. **Compliance Risk Management**
  - a. Define compliance Risk Appetite Statement (RAS) and monitor sanctions/finest to ensure the appetite that has been set out are under control.
  - b. Improve compliance risk assessment parameters.
  - c. Improve reporting process on compliance function.
2. **Improvement of compliance risk awareness**
  - a. Conduct compliance assessment to improve employee understanding of the prevailing rules and regulations, particularly those related to duties and responsibilities.
  - b. Provide advice on compliance issues.
3. **Strengthening monitoring on regulatory mandate fulfillment**
  - a. Disseminate information on the issuance of laws and regulations, or other policies or the results of legal analysis to the Bank's management and employees.
  - b. Monitoring the work units' action plans relating to new regulations that have significant impacts.
4. **Competency Building for Compliance Unit**  
To improve the quality of personnel in Compliance Unit, the Bank collaborates with independent parties to organize training and certification of compliance.

#### INTRA-GROUP TRANSACTION RISK MANAGEMENT

carried out with Subsidiaries within Bank Mandiri's business group in alignment with the Bank's overall business strategy. This process aims to ensure that intra-group transactions are conducted responsibly and do not adversely affect the Bank's performance or the financial stability of its Subsidiaries.

Bank Mandiri identifies and analyzes activities that may increase exposure to Intra-Group Transaction Risk, particularly those that could influence operational, financial, and reputational performance. The

identification process includes assessing the business activities of both Bank Mandiri and its Subsidiaries, with particular attention to the complexity and interconnectedness of transactions.

To effectively measure Intra-Group Transaction Risk, the Bank employs a combination of qualitative and quantitative approaches as regulated in the prevailing regulations. Regular monitoring Intra-Group Transaction Risk is conducted to ensure ongoing compliance with established risk management policies and procedures.

### INSURANCE RISK MANAGEMENT

Insurance risk arises from the inability of an insurance company to meet its obligations to policyholders due to inadequacies in underwriting, pricing, reinsurance usage, or claims handling.

Bank Mandiri manages this risk through its subsidiaries engaged in the insurance business. Bank Mandiri identifies and analyzes activities that may increase insurance risk exposure and impact the performance of the Bank. This risk identification process is tailored to the specific characteristics of the Subsidiaries' insurance business activities. To measure insurance risk, Bank Mandiri employs a combination of qualitative and quantitative approaches. These measurements are followed by periodic risk monitoring to ensure alignment with established procedures.

The assessment of the Integrated Insurance Risk Profile throughout 2025 was at Low to Moderate level. This reflects low potential loss faced by Financial Conglomerates due to Integrated Insurance Risk at a certain time in the future. The quality of the implementation of the Integrated Management of Insurance Risk is adequate, there are some weaknesses but these weaknesses can be resolved in the normal course of business.

## ENVIRONMENTAL, SOCIAL, & GOVERNANCE (ESG) RISK MANAGEMENT

### ESG RISK MANAGEMENT COVERAGE

Alignment of ESG aspects is also one of Bank Mandiri's priorities in long-term business transformation. Through the stream "Conduct Sustainable Business", Bank Mandiri has developed ESG frameworks, roadmaps and initiatives with a target focus on the transition to a low-carbon economy, emission reduction and net zero in bank operations and increasing social impact in achieving SDGs targets.

To achieve this target, particularly in fostering the transition to a low-carbon economy, Bank Mandiri continues to identify, measure and evaluate ESG risks

including climate risks, specifically in the financing aspect.

The ESG risk management system in the loan process includes Bank Mandiri's loan services for the wholesale and retail segments. Bank Mandiri establishes and implements Environmental and Social Risk Management (ESRM).

This is in line with the efforts made by the Financial Services Authority (OJK) regarding the Asset Quality Assessment of Commercial Banks, which regulates the assessment of the debtor's business prospects is also associated with the debtor's efforts in maintaining the environment.

### ESG Risk Management System

ESG risk assessment on loan is carried out at each stage of loan disbursement end-to-end and integrated by the Business Unit, Credit Operation Unit and Credit Risk Management Unit. Each Business Unit conducts an assessment based on the Loan Portfolio Guideline then carries out a pre-approval process using credit risk tools including the application of ESG aspects, for the wholesale segment, the assessment is stipulated in the Industry Acceptance Criteria (IAC), while for the retail segment, the assessment is carried out through a credit risk scorecard, with reference to the Risk Acceptance Criteria of each product.

Bank Mandiri establishes risk appetite and industry appetite in line with ESG issues in the Bank's policies as outlined in the Industry Acceptance Criteria (IAC). Details of businesses covered is presented in the Environmentally Friendly Financing Policy section of this report and in full in the Sustainability Report.

The Bank periodically reviews and refines general credit policies, credit procedures per business segment and risk management tools, particularly sectors with high ESG and climate risks. Each Business Unit conducts a more detailed and in-depth assessment of each business activity to determine related ESG requirements in IAC and RAC, including based on input and involvement from regulators and resource persons.

Bank Mandiri has an early warning system through the initiation of the ALERT Forum, engaging the Business Unit and Risk Management Unit. The ALERT Forum functions to identify and monitor risks that could affect credit quality, including risks related to ESG aspects, financial performance, and industry prospects. In addition, this forum serves a role in evaluating the implementation of ESG practices by debtors, assessing business sustainability, and monitoring mitigation measures for the impacts of climate change.

### ESG Risk Surveillance

The ESG Risk Management framework and governance at Bank Mandiri involves the active role of the Board of Commissioners and the Board of Directors. The Board of Directors monitors the implementation and fulfillment of ESG targets through the Risk Management Committee (RMC) forum, held quarterly with the topic of Sustainable Finance Action Plan (RAKB) performance. ESG trends, to discussion of critical issues in ESG aspects.

Furthermore, the Board of Commissioners supervises ESG implementation, fulfillment of ESG targets or commitments through the Risk Monitoring Committee (KPR) forum, which is with topics such as reviewing the effectiveness of ESG-related risk management and supervision in financing activities.

Bank Mandiri monitors compliance in lending related to ESG aspects in accordance with bank policy, with the following measures:

1. Periodically monitor the fulfillment of ESG requirements. Bank Mandiri reviews regularly to ensure that the progress of customer projects is in accordance with the action plan that has been set. To ensure compliance with lending policies and procedures, Bank Mandiri also conducts periodic reviews and audits. For debtors who have not been able to meet these minimum requirements, there will be a periodic monitoring mechanism, determination of action plans and schedules needed.
2. Implement the ALERT system (watchlist) as an early warning system to identify risks that can affect the debtor's credit quality to ensure that preventive actions can be taken immediately to prevent credit quality deterioration based on financial performance, industry prospects, and fulfillment of ESG requirements.
3. Conduct an annual review as a form of check and balance of compliance with the latest internal credit policy requirements, including ESG requirements.

### CLIMATE RISKS

Climate risk is an emerging risk embedded in key financial risks. Bank Mandiri has assessed key financial risk accordingly and has considered ESG aspects in it. Climate risk is also embedded in every other type of risk managed by the Bank. Accordingly, Bank Mandiri conducts a comprehensive risk management process in accordance with established procedures, including those addressing climate risk.

Bank Mandiri has conducted an Pilot Project Climate Risk Management & Scenario Analysis in accordance with OJK guidelines. On credit risk, credit portfolios

that are potentially vulnerable to floods and forest fires have been identified; and sectoral portfolios that are characteristically classified as high emission sectors and are affected by government policies to control climate risk. For market risk, the Bank identifies market value movements in the Bank's securities portfolio which are included in the high emission sector category as a result of changes in government policy for carbon emissions.

Bank Mandiri manages climate-related financial aspects in an integrated manner, encompassing the identification, measurement, monitoring, and mitigation of climate-related risks, as well as the assessment of transition opportunities relevant to the Bank's business model. This approach is supported by the development of a risk management framework, the conduct of scenario analysis, and the integration of ESG aspects into internal business processes. The results of this assessment provide the basis for strengthening the Bank's resilience to climate change impacts while also identifying growth areas that may support portfolio diversification, funding diversification, operational efficiency, and the development of sustainable products and services. The impact of climate change on Bank Mandiri's sustainability across the relevant time horizons is as follows:

1. Short-Term (1–5 Years): Includes the target to complete the transition plan by 2025, strengthening credit policies for high-emission sectors, and preparing to achieve net-zero emissions for Scope 1 and Scope 2 through offsetting strategies currently under internal review.
2. Medium-Term (5–10 Years): Encompasses strategic planning to mitigate risks associated with evolving climate regulations while enhancing efforts toward net-zero. These initiatives include targeted investments in green technology, collaborative partnerships, and adjustments to operational practices to meet emerging regulatory standards.
3. Long-Term (10–36 Years): Focuses on achieving net-zero emissions in financing by 2060, guiding strategies to build a low-carbon economy through portfolio diversification, green product offerings for customers, and the development of a green ecosystem.

### Climate Risk Mitigation

Bank Mandiri is committed to managing its business and operations by prioritizing ESG principles to become "Indonesia's Sustainability Champion for a Better Future". This commitment is Bank Mandiri's response in supporting the Government's aspirations towards a low-carbon economy.

In sectors that have high climate risk such as plantations, mining and energy, Bank Mandiri conducts intensive monitoring in fulfilling the ESG aspects that

have been required by the Bank. Going forward, Bank Mandiri strives to conduct more comprehensive climate risk impact measurements, such as conducting climate scenario analysis and testing credit portfolios for customers against climate risks including transition and physical risk.

In addition to risk mitigation measures, Bank Mandiri also responds to the transition toward a low-carbon economy through the development of sustainable financing solutions, the strengthening of the ESG Desk function to support customers' transition journeys, the optimisation of operational digitalisation, and the diversification of funding sources through sustainable funding instruments. This approach supports a balanced outcome between risk management, portfolio quality enhancement, cost of funds efficiency, and long-term value creation for the Bank.

| Climate related Risks  | Mitigation  |
|--|---|
| Compliance with policies and regulations related to climate risk in Indonesia, as well as the legal responsibilities arising as part of the implementation of policies addressing climate change.                        | <ul style="list-style-type: none"> <li>› Bank Mandiri implements sustainable finance in accordance with POJK 51/2017 and POJK 60/2017, and has developed a Sustainable Finance Action Plan (RAKB) for 2025–2029 to support the NZE 2060 target or an earlier achievement.</li> <li>› Bank Mandiri establishes an acceptable risk level (risk appetite) and industry-level standards (industry appetite) aligned with Environmental, Social, and Governance (ESG) aspects, as outlined in the Industry Acceptance Criteria (IAC) under Internal Regulation No. B3.P1.T16.IAC.</li> </ul>   |
| The impacts of climate change affecting debtors' financial conditions, the transition to low-emission technology products, changes in customer preferences, and negative publicity related to climate change management. | <ul style="list-style-type: none"> <li>› In the lending process, Bank Mandiri has implemented Environmental and Social Risk Management (ESRM), starting from the pre-selection process (feasibility tests), loan analysis, legal and compliance reviews, loan approval, to the monitoring process. The ESG risk management system in the loan process covers all of Bank Mandiri's loan services (retail, treasury, corporate finance, and consumer finance segments).</li> <li>› Bank Mandiri accelerates the digitization of banking services to enhance public access through digital innovations such as Livin', Kopra, and Smart Branch.</li> <li>› Bank Mandiri minimizes reputational risk by analyzing news and public opinion with negative sentiment and providing strategic and structured responses.</li> </ul> |
| Rising Temperatures, Sea Levels, and Extreme Weather.  | <ul style="list-style-type: none"> <li>› Conducting a Pilot Project on Climate Risk Stress Testing and creating a watchlist to regularly monitor customers affected by climate change-related issues.</li> <li>› The Business Continuity Management Group has implemented business continuity management in accordance with the international standard ISO 22301:2019 and applied the Business Continuity Management Framework to ensure organizational resilience through the readiness of components such as Building, Equipment, Technology, Human Resources, and Third Parties (BETH3).</li> </ul>  |

### Peluang Transisi Iklim

Sebagai respons terhadap peluang terkait iklim, Bank Mandiri mengintegrasikan agenda transisi ke dalam pengembangan bisnis, pendanaan, pendampingan nasabah, dan transformasi operasional. Hal ini dilakukan melalui penguatan solusi pembiayaan berkelanjutan, optimalisasi peran ESG Desk, perluasan akses pendanaan berorientasi ESG, serta pengembangan kapabilitas digital yang mendukung ekonomi rendah karbon. Langkah tersebut mendukung penguatan portofolio dan penciptaan nilai jangka panjang secara berkelanjutan.

| Category                       | Opportunity Factor   | Strategy  | Short-Term Impact  | Medium-Term Impact  | Long-Term Impact  |
|--------------------------------|--|---|--|---|---|
| Sustainable financial products | Development of innovative sustainable financial products that are relevant to customer needs | Provision of comprehensive sustainable financing solutions and products   | Increase in product, system, and process development costs                       | Increase in financing volume and portfolio diversification  | Stable and sustainable revenue growth                                 |
| Access to funding              | Improved access to funding from ESG-oriented investors                                       | Bank Mandiri has established an ESG Desk that serves as a coordination and advisory hub for customers in their transition toward more sustainable business practices. Through the ESG Desk, Bank Mandiri helps customers understand sustainable financing needs, ESG readiness, and financing opportunities that support the transition agenda, thereby encouraging gradual and measurable growth in sustainable financing. | Initial costs for the issuance and management of sustainable funding instruments | Lower funding costs through access to ESG investors with medium- to long-term investment horizons | Improved long-term profitability through more efficient funding costs |

| Category                           | Opportunity Factor   | Strategy  | Short-Term Impact   | Medium-Term Impact  | Long-Term Impact   |
|------------------------------------|--|---|---|---|--|
| Operational efficiency             | Operational efficiency through digitalisation and the use of environmentally friendly technology | Customer transition support through the ESG Desk  | Higher capital expenditure for investment in digital technology and environmentally friendly infrastructure | Gradual reduction in operating costs in line with the optimisation of digital systems and energy efficiency | Improved profitability and greater resilience of the business model to regulatory changes and energy costs |
| Development of new business models | Development of new business models based on digital services and low-emission products           | Bank Mandiri provides various comprehensive sustainable financing solutions and ESG-based products for both wholesale and retail customer segments. The availability of products such as green loans, sustainability-linked loans, and other financing solutions enables Bank Mandiri to address a wide range of customer needs while also encouraging greater adoption of sustainable financing across all business segments. On the funding side, Bank Mandiri issues Green Bonds and Sustainability Bonds in both domestic and international markets to support the financing of green and transition projects in line with international standards (ICMA, ASEAN Green Bond Standards) and national regulations. | Initial investment in product development, technology, and the digital ecosystem                            | Increase in transaction volume and non-interest income  | Sustainable revenue growth and improved long-term profitability  |

### Governance Bodies' Involvement on Climate Risk

Coordination of ESG-related aspects, including climate risk, at Bank Mandiri is carried out by ESG Group under the Vice President Director who is authorized to manage the framework, alignment of provisions in line with ESG and climate change issues, sustainable portfolio management, and responsible operational strategies of the Bank, including communication and reporting functions to external and internal parties. Reports from the ESG Unit are regularly forwarded to the Board of Directors as needed, as well as to the Board of Commissioners.

In the implementation of ESG and climate management, the Board of Directors takes a role in strategic functions, to:

1. integrate ESG aspects bank-wide, establish the direction of Bank Mandiri's Sustainable Finance (Sustainability) which includes Framework, Commitment, Strategy, Initiatives, Roadmap related to climate targets and SDGs achievement;
2. carry out supervisory functions related to ESG and climate risks and opportunities, implementation of Sustainable Finance, fulfillment of appropriate ESG targets and initiatives;
3. accountable in ensuring the achievement of sustainability aspirations to stakeholders; and
4. build the collaboration and partnership needed to accelerate the Company's progress towards achieving SDGs and climate targets.

The Board of Directors in this case is assisted by Risk Management Committee (RMC). The forum with Risk Management Committee (RMC) is held quarterly on

the topic of Sustainable Finance Action Plan (RAKB) performance, ESG trends, including discussion of critical issues in ESG aspects.

The Company's Board of Commissioners takes an important role in managing ESG and climate aspects, particularly to ensure the integration of ESG and climate aspects in Bank Mandiri's long-term goals, including fostering efforts beyond compliance and adoption of best practices, and overseeing the management of risks and opportunities related to sustainability and climate. To carry out this task, the Board of Commissioners is supported by the Risk Oversight Committee (ROC). The Risk Oversight Committee (ROC) forum is held periodically including discussing the effectiveness of ESG-related risk management and supervision in financing activities.

The functions and obligations of the Board of Directors and in the implementation of Bank Mandiri's sustainable finance are stipulated in Board of Directors Decree No. KEP.DIR/028/2024 on Risk Management Committee (RMC) and Decree of the Board of Commissioners No. KEP.KOM/004/2023 dated 13 September 2023 on the Risk Monitoring Committee Charter. The specific organ, ESG Group, was established in accordance with the Decree of the Board of Directors of KEP.DIR/32/2022 dated 12 September 2022.

### Climate Risk Resilience

In the reporting period, Bank Mandiri conducted a climate risk resilience assessment in accordance with OJK Letter No. S-37/D.03/2024, OJK Letter No. S-79/PB.01/2024, and OJK Letter No. S-134/PB.01/2024.