

## Climate Change Risk Management

Bank Mandiri has comprehensive processes and policies to identify, measure, monitor, and control climate-related risks. These processes leverage various inputs and parameters, including historical data, projections of hazards caused by climate change, and relevant information from third parties. Additionally, climate scenario analyses is used to inform the risk identification process, accounting for potential future impacts.

Climate risk monitoring is conducted regularly through internal risk oversight mechanisms. In response to environmental changes, Bank Mandiri actively adjusts its

risk management processes to ensure that policies and approaches remain relevant and effective compared to the previous reporting period.

Bank Mandiri integrates quantitative and qualitative scenario analysis results related to climate change into environmental, social, and governance (ESG) risks. ESG risks are managed as part of core financial risks, including credit, market, and operational risks. The management of ESG risks is carried out in tandem with other types of risks within the Bank Mandiri framework.



Bank Mandiri has established the timeline and impact of climate risk periods as follows:

- **Short Term (1–5 years):** Focuses on completing the transition plan by 2025, strengthening credit policies for high-emission sectors, and preparing for achieving net zero emissions for Scope 1 and Scope 2 through offsetting strategies currently under internal review.
- **Medium Term (5–10 years):** Includes strategic planning to mitigate risks associated with evolving climate regulations while enhancing progress toward net zero emissions. This involves targeted investments in green technologies, collaborative partnerships, and operational adjustments to meet emerging regulatory standards.
- **Long Term (10–36 years):** Aims to achieve 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.