

Bank Mandiri regularly monitors the progress of the debtor's action plan and conducts evaluations to ensure that improvements are implemented according to the agreed schedule. This monitoring continues until the debtor has fully executed the action plan and met the necessary improvements.

Strengthening Governance and Oversight of ESG Risks at Bank Mandiri

Oversight of ESG risk management in financing activities at Bank Mandiri is led by the President Director. As a strategic step to strengthen governance and enhance oversight of the company's sustainability agenda, Bank Mandiri has established a Risk Monitoring Committee (KPR). KPR focuses on integrating Environmental, Social, and Governance (ESG) aspects into core business processes, including strengthening sector-based credit policies, implementing Environmental and Social Risk Management (ESRM), Climate Risk Stress Tests (CRST), and managing other ESG aspects. The committee is chaired by the President Commissioner, with members from the Board of Commissioners and the Board of Directors, bringing diverse backgrounds in business and risk management to ensure synergy of expertise and experience.

In addition to the KPR, Bank Mandiri also formed a Risk Management Committee (RMC) at the Director level, chaired by the Vice President Director. The RMC members include the Director of Risk Management, the Director of Finance & Strategy, the Director of Business, and several other members of the Board of Directors. This committee is responsible for monitoring risks, setting policies, and developing risk management strategies, including aspects related to ESG. The RMC holds quarterly meetings to discuss strategic topics related to risk management.

Bank Mandiri continues to strengthen its sustainability governance structure by separating the functions of the Credit Policy Committee (CPC) from the Risk Management Committee (RMC). The CPC is chaired by the President Director, with voting members comprising the Business Director, Operations Director, Risk Management Director, and SEVP Internal Audit. This committee is tasked with evaluating and overseeing the implementation of credit policies, providing recommendations to the Board of Directors regarding credit policy improvements, monitoring and assessing compliance with the Maximum Limit for Credit Provision (BMPK), and evaluating management limits. Policies that have been reviewed are subsequently

submitted to the Board of Commissioners for approval. As part of Good Corporate Governance practices, these credit policies are reviewed annually to ensure alignment with best practices and compliance with applicable laws and regulations.

Throughout 2024, the KPR, RMC, and CPC held regular meetings to discuss various strategic topics related to sustainability, including:

- Monitoring relevant international trends and policies to strengthen Bank Mandiri's sustainability strategy.
- Evaluating physical and transition risks related to climate, as well as enhancing ESG risk assessments to ensure business resilience.
- Refining reporting in accordance with international standards such as TCFD, SASB, and GRI to enhance transparency.
- Promoting business strategies that encourage the transition of customers through innovative green and sustainable financial solutions.
- Approving the underlying assets for the preparation of the Sustainability Bond Report, ESG Repo Report, and Green Bond Rupiah Report.
- Approving the Sustainable Finance Framework (SFF) and Transition Finance Framework (TFF).

The outcomes of discussions and recommendations from these committees are regularly communicated to the relevant Board of Directors and Board of Commissioners. This mechanism ensures accountability, transparency, and optimal integration in the strategic decision-making process.

With a comprehensive governance structure, Bank Mandiri affirms its commitment to making sustainability aspects, including climate risk and opportunity management, an integral part of its long-term business strategy. This step reflects Bank Mandiri's continuous efforts in supporting sustainable development and creating a positive impact for the environment, society, and stakeholders.