

ESG Governance

Bank Mandiri has established a sustainability vision of “Becoming Indonesia's Sustainability Champion for a Better Future,” to be realized through 3 (three) main strategies and various derived initiatives aligned with the Sustainable Development Goals (SDGs). To ensure the initiatives under these three strategies are implemented effectively, Bank Mandiri has built a solid foundation for ESG governance. The initiatives are focused on strengthening ESG governance, capacity development, and disclosure enhancements in line with best practices, ensuring that ESG principles are fully integrated across all operational aspects and decision-making processes.

Bank Mandiri has established an ESG governance structure involving all organizational units responsible for policymaking, decision-making, oversight, and the implementation of ESG strategies.

ESG Governance Structure [GRI 2-9, 2-12, 2-13, 2-24]



To ensure alignment between the Company's strategic policies and ESG principles, the Board of Directors, Board of Commissioners, and ESG Unit play complementary roles. The Board of Directors and Board of Commissioners are responsible for overseeing the Company's compliance with regulations and providing recommendations regarding the formulation of policies and risk management strategies. The ESG Unit focuses on planning and implementing sustainability initiatives, including developing the ESG framework and targets, monitoring the sustainable portfolio, and integrating ESG aspects into all business processes.

Roles and Responsibilities—Board of Directors and Commissioners

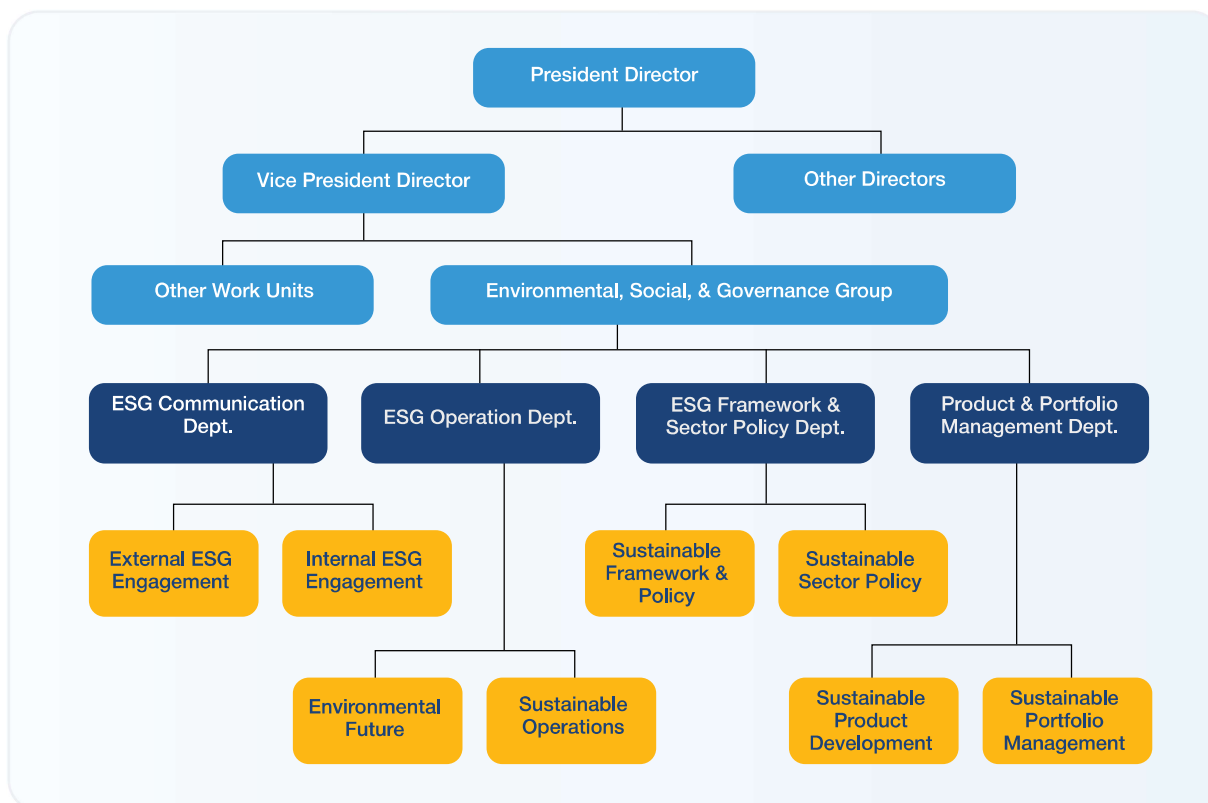
- Monitor and evaluate the Company's compliance with the Articles of Association, regulatory authorities, and regulations related to risk management.
- Provide recommendations to the President Director regarding policies, strategies, and guidelines for implementing risk management.

Roles and Responsibilities—ESG Unit [GRI 2-12, 2-13, 2-14]

- Develop ESG frameworks, commitments, roadmaps, and targets.
- Monitor Bank Mandiri's sustainable portfolio (in accordance with POJK 51/2017) and report on alignment with Indonesia's Green Taxonomy.
- Promote the development of sustainable financial products and services.
- Define key performance indicators (KPIs) for ESG 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 Directors to be presented at the GMS.

ESG Unit Structure [GRI 2-9, 2-12, 2-13, 2-24]

ESG Unit Structure



ESG Unit Responsibilities [GRI 2-12, 2-13, 2-14]

ESG Communication Department

- Prepare ESG disclosures.
- Encourage stakeholder engagement through various internal and external activities and publications.
- Communicate ESG strategies and performance to investors.
- Responsible for creating and disseminating all ESG messages of the Company.
- Prepare press releases, statements, and communication materials related to ESG achievements and initiatives.

ESG Framework & Sector Policy Department

- Develop frameworks, roadmaps, and commitments for ESG and climate change.
- Establish ESG-related policies and sustainable banking across the credit process on a bank-wide basis.
- Advocate policies and provide insights to regulators regarding best practices in sustainable finance implementation.

ESG Operation Department

- Prepare operational GHG emission reports.
- Develop strategies to reduce operational GHG emissions.
- Prepare and monitor the implementation of the Sustainable Finance Action Plan (SFAP).

Product & Portfolio Management Department

- Enhance the Sustainable Portfolio by developing various sustainable financial products, including providing advisory services to product owners.
- Report the Sustainable Portfolio in compliance with POJK 51 and the Taxonomy for Sustainable Finance in Indonesia (TKBI).
- Develop transition strategies to reduce financed emissions in alignment with national NZE targets and best practices.
- Create systems and methodologies for managing the Sustainable Portfolio in line with best practices.

ESG Governance Oversight and Evaluation [GRI 2-16]

Bank Mandiri ensures that the management of environmental, social, and governance (ESG) policies is conducted effectively, meeting the expectations of stakeholders and applicable regulations, while adhering to banking best practices and sustainability initiatives. In general, the Board of Directors and Board of Commissioners establish policies, strategies, and sustainability targets, while managing the impacts of social, economic, environmental, and climate change aspects. Furthermore, Bank Mandiri has ratified the ESG Guiding Principle through the decision of the Risk Management and Credit Policy Committee (RMPC) No. RMPC/051/2023, dated December 13, 2023. This guideline serves as a framework for Bank Mandiri to integrate ESG aspects into all internal policies related to business and operational activities.

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

Sustainability impact management is delegated to the ESG Unit, supervised by the Vice President Director, with its results reported to RMC and KPR. Reports from the ESG Unit are further escalated as needed to the Board of Commissioners at least 4 (four) times annually. Additionally, the Board of Directors oversees the implementation of integrity and ethics through the Internal Control System to ensure a corporate culture that upholds high ethical standards and risk management across all organizational levels.

Responsibilities for ESG Governance Oversight and Evaluation

ESG Group

Quarterly reports on ESG implementation covering progress in sustainable finance initiatives, commitments, and the sustainability framework, as well as other issues related to climate management and the achievement of SDGs.

RMC/Directors/ESG Forum

Provide direction to the ESG Unit and ESG Contributing Members to conduct reviews, develop, and align the achievements of sustainable finance initiatives with the latest sustainability issues and stakeholder expectations.

Board of Directors

- Quarterly reports to the Board of Commissioners through the Risk Monitoring Committee (KPR) on progress in sustainable finance initiatives, commitments, and the ESG framework, as well as key issues regarding climate and SDG achievements.
- Present achievements, plans, and sustainable finance initiatives to investors, the media, and regulators through analyst meetings, public exposés, GMS, sustainability landing pages, websites, and prudential meetings.