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Climate-related Disclosures 2026

Bank Mandiri Hong Kong Branch ("BMHK")

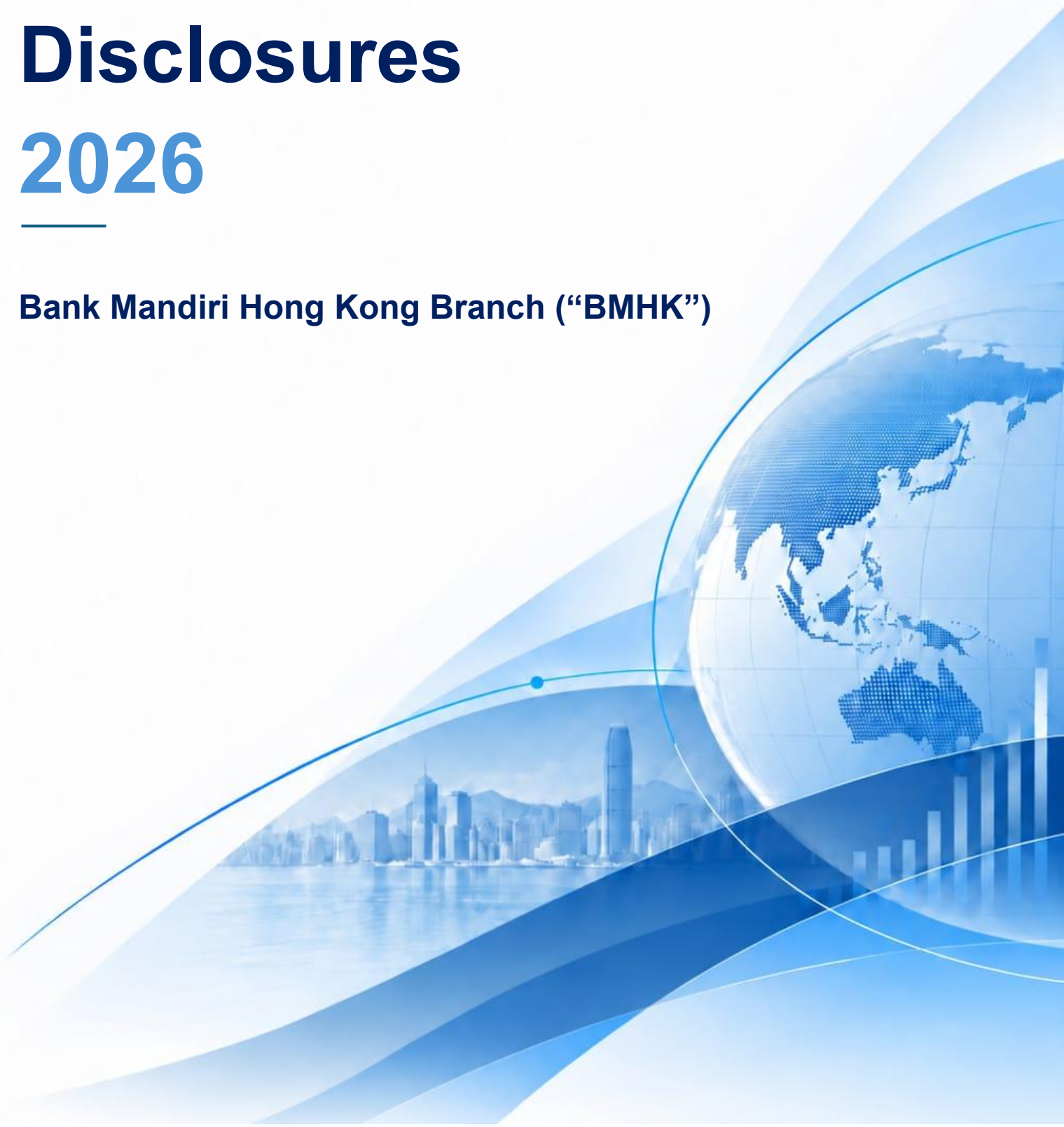


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PART 1
Introduction

The financial sector continues to recognize climate-related risk as a material source of financial exposure. Evolving market developments and increasing focus on sustainability have further highlighted the potential financial, operational, reputational, and strategic implications of climate change. Accordingly, Bank Mandiri Hong Kong ("BMHK") has instituted a formal climate risk management framework in late 2022.
This Climate-related Financial Disclosure has been prepared with reference to the following guidelines:

1. The Hong Kong Monetary Authority's Supervisory Policy Manual GS-1 on Climate Risk Management;
2. IFRS S2 Climate-related Disclosures.

As an overseas branch of Bank Mandiri's Head Office ("BMRI"), BMHK aligns its climate risk management approach with the Bank Mandiri Group's sustainability commitments and climate-related initiatives. This report outlines BMHK's governance, strategy, risk management practices, and metrics and targets relating to climate-related risks and opportunities.

For a comprehensive view of climate-related risk management and sustainability performance at the Group level, this disclosure should be read in conjunction with BMRI's Sustainability Report 2025.

Throughout this Climate-related Disclosure, the term "Bank" refers to PT Bank Mandiri (Persero) Tbk, Hong Kong Branch ("BMHK"), while "Bank Mandiri" or "Bank Mandiri Group" or "Group" refers to PT Bank Mandiri (Persero) Tbk Head Office ("BMRI") together with its overseas branches.

Unless otherwise stated, the information and data presented herein cover the period from 1 January 2025 to 31 December 2025.

Hong Kong, 29 October 2026

Best Regards,

PT. BANK MANDIRI (PERSERO) Tbk
HONG KONG BRANCH

Yudha Marthexaphala Ekalaya

General Manager

PART 2

Summary of Bank Mandiri Climate-related Initiatives

As an overseas branch of BMRI, BMHK aligns its climate risk management approach with the sustainability commitments, governance framework, and climate-related initiatives established by the Bank Mandiri Group. The summary below provides a high-level overview of BMRI's climate-related initiatives under the four IFRS S2 pillars. For comprehensive information, please refer to Bank Mandiri's Sustainability Report 2025.

IFRS S2 Pillar	Summary of BMRI Implementation
Governance Oversight of climate-related risks and opportunities	Climate-related risks and opportunities are overseen by the Board of Directors, supported by the Risk Management Committee (RMC) and ESG Unit, while the Board of Commissioners provides oversight through the Risk Oversight Committee (KPR). Climate-related matters are reviewed periodically through relevant governance forums to support strategic decision-making and the integration of climate considerations into the Group's strategy and policies.
Strategy Integration of climate considerations into business strategy	Bank Mandiri's climate change strategy is anchored in three main approaches, namely strengthening the commitment and implementation of sustainability strategies in responding to climate change, providing financing to support customers' transition toward NZE and promoting GHG emission reduction initiatives through carbon offsets by participating in carbon markets or climate change mitigation activities. Bank Mandiri identifies and analyses the impacts of climate-related risks by classifying them into transition risks and physical risks. During 2025, the Group continued to expand sustainable and transition financing, strengthen portfolio decarbonisation initiatives, enhance climate risk management capabilities, and support customers' transition efforts through sustainable finance solutions. The Group remains committed to achieving Net Zero Emissions in Operations by 2030 and in Financing by 2060 or sooner.
Risk Management Identification, assessment, and management of climate-related risks	Bank Mandiri integrates climate-related risks into its enterprise risk management framework through Environmental & Social Risk Management (ESRM), Industry Acceptance Criteria (IAC), Environmental & Social Compliance Checklist (ESCC), climate scenario analysis, and portfolio monitoring processes. Climate-related risks are assessed across financing activities and managed through sector-specific policies, due diligence procedures, and ongoing monitoring of both physical and transition risks. During 2025, the Group further enhanced its Climate Risk Management & Scenario Analysis (CRMS) framework, expanding coverage from 50% to 100% of the financing portfolio and strengthening climate resilience assessments, stress testing, and risk-informed decision making.

Metrics & Targets Monitoring and measurement of climate-related performance	Bank Mandiri monitors climate-related performance through sustainability-related metrics and targets covering greenhouse gas emissions, financed emissions, sustainable financing growth, and progress towards its Net Zero Emissions (NZE) commitments. The Group measures Scope 1 and Scope 2 emissions using the Greenhouse Gas Protocol (GHG Protocol) and applicable national methodologies. Financed emissions across relevant asset classes are assessed using the GHG Protocol's technical guidance for Scope 3, Category 15 (Investments), OJK's Climate Risk Management and Scenario Analysis (CRMS) guidelines, and the Partnership for Carbon Accounting Financials (PCAF) methodology. Climate-related performance is monitored through sustainable finance portfolios, climate risk assessments, financed emissions metrics, and emissions management initiatives. The Group targets achieving NZE in Operations by 2030 and NZE in Financing by 2060 or sooner.

PART 3

Summary of BMHK Climate Risk Management

Climate-related risks and opportunities are increasingly considered within BMHK's business and risk management activities. Through the implementation of its Climate Risk Management Framework, BMHK seeks to identify, assess, monitor, and manage climate-related risks while supporting the Group's broader sustainability objectives. The following summarises BMHK's approach across governance, strategy, risk management, and metrics and targets.

Governance

Climate-related risks and opportunities are overseen by the General Manager and Climate Risk Management Committee (CRM). The Committee coordinates climate risk management initiatives, monitors activities, and facilitates the escalation of material climate-related matters through Branch's framework.

Strategy

BMHK supports Bank Mandiri Group's sustainability commitments through Sustainable Banking, Sustainable Operation, and Sustainability Beyond Banking initiatives. Climate-related risks and opportunities are incorporated into the Branch's business activities and strategic planning processes.

Risk Management

BMHK manages climate-related risks through its Climate Risk Management Framework, which is integrated into the Branch's overall risk management framework. Physical and transition risks are identified, assessed, monitored, and managed through existing risk governance and control process.

Metrics & Targets

BMHK monitors climate-related objectives through sustainable portfolio development and supports Bank Mandiri Group Net Zero Emissions commitments. Climate-related metrics and targets are reviewed periodically to ensure continued alignment with the Group's sustainability strategy.

Detailed Disclosures

The following sections provide detailed disclosures relating to governance, strategy, risk management, scenario analysis, and metrics and targets.

PART 4

Governance

4.1 Group-Level Climate Governance

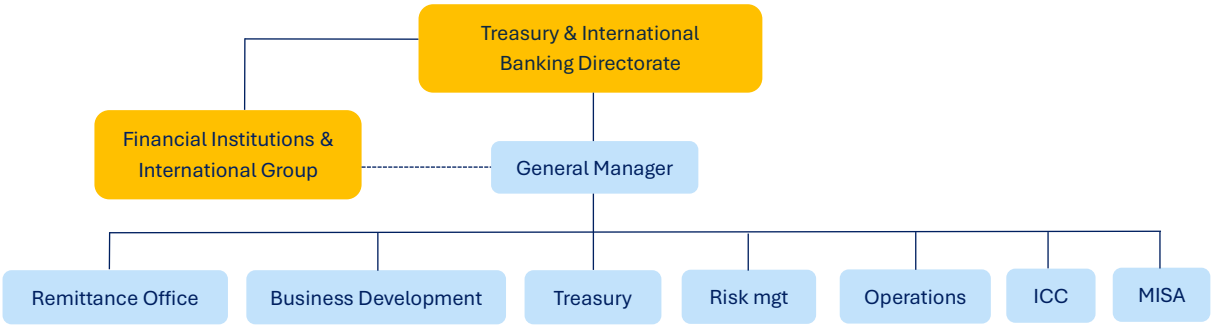
Climate-related risks and opportunities are overseen at the Group level through Bank Mandiri's governance framework, which includes the Board of Directors, Board of Commissioners, Risk Management Committee (RMC), Risk Monitoring Committee (KPR), and ESG governance structure.

To implement its sustainable finance strategy, Bank Mandiri has established an ESG Group responsible for coordinating sustainability initiatives, policy alignment, portfolio oversight, and stakeholder engagement across the Group.

4.2 BMHK Climate Risk Governance Structure

Led by the General Manager, the CRM comprises managers from various departments across the Branch, with voting rights granted to all members except the ICC Manager.

The Committee is responsible for coordinating climate risk management initiatives, establishing goals and strategies, and monitoring the implementation of climate-related activities in support of Bank Mandiri's sustainability objectives.



4.3 Reporting and Oversight

Climate-related matters are discussed through the Branch's Climate Risk Management Committee and relevant management forums. The Committee supports the monitoring of climate-related risks and opportunities and facilities coordination across departments in relation to climate risk management activities.

Material climate-related matters are escalated through the Branch's existing governance and risk management framework to support effective oversight and decision-making.

PART 5

Strategy

5.1 Climate-related Risks and Opportunities

Climate change presents both risks and opportunities that may affect BMHK's financial position, performance and cash flows over the short, medium and long term. As part of Bank Mandiri Group, BMHK aligns its climate-related assessments, methodologies and strategic direction with the Group's sustainability strategy, while taking into account the characteristics of the Branch's business activities and customer portfolio.

We consider climate-related risks and opportunities in the context of our role in supporting Indonesian and regional clients, facilitating cross-border business activities, and contributing to a more inclusive and low-carbon economy.

Our strategic focus

Support clients' transition
Provide financial solutions to support decarbonisation and sustainable growth.

Enhance resilience
Strengthen risk management and business continuity against climate-related challenges.

Capture opportunities
Identify and develop new business opportunities in the transition to a low-carbon economy.

5.2 Time Horizon Definitions

BMHK assesses climate-related risks and opportunities over the following time horizons, aligned with Bank Mandiri Group's approach.

Short-term (S)
≤ 1 year
Near-term regulatory, market and operational developments.

Medium-term
(M) 2-5 years
Transition, portfolio and strategic developments.

Long-term (L)
> 5 years
Structural transition and longer-term physical climate effects

Alignment with Bank Mandiri Group

BMHK's climate-related strategy and assessment approach are aligned with the broader climate and sustainability strategy established by BMRI, while taking into account the Branch's business activities, portfolio characteristics, and applicable local regulatory requirements.

The following sections outline the key climate-related risks assessed across these time horizons.

For further information, please refer to the Bank Mandiri Sustainability Report 2025

5.3 Transition Risks

Transition risks arise from the shift toward a lower-carbon economy, including policy, regulatory, technological and market changes. These risks may affect BMHK's operations, customers and our financial position.

Risk Category	Risk Factor	Potential Financial Impact	Impact Level	Time Horizon
Credit Risk	Reduced borrower repayment capacity due to transition	Increased probability of defaults and credit quality deterioration	**High**	**S/M/L**
Market Risk	Asset repricing and market volatility	Volatility in base and increased volatility in market exposures	**High**	**S/M**
Operational Risk	Increased operating and compliance costs	Higher operating expenditures from regulatory, systems and process implementations	**Moderate**	**S/M**
Liquidity Risk	Funding and customer behaviour changes	Pressure on funding costs and liquidity requirements	**Moderate**	**S/M**
Strategic Risk	Changes in business strategy and financing policies	Impact on revenue mix, portfolio allocation and business growth	**High**	**M/L**
Reputational Risk	Stakeholder expectations and sustainability	Customer attrition, reduced business opportunities or reputational remediation costs	**Moderate**	**S/M**
Compliance Risk	Regulatory and disclosure obligations	Additional compliance costs and potential regulatory consequences	**Moderate**	**S/M**

Key Transition Risk Driver

- Regulatory and policy developments
- Technological innovation
- Market expectation
- Changing customer behaviour

5.4 Physical Risks

Physical risks arise from the direct and indirect impacts of climate change, including acute events and chronic changes in climate patterns. These risks may affect our clients, collateral values, supply chains, operations and business continuity.

Risk Category	Risk Factor	Potential Financial Impact	Impact Level	Time Horizon
Credit Risk	Damage to customer assets and collateral	Decline in collateral value, higher credit losses and increased impairment risk	**High**	**S/M/L**
Market Risk	Declining asset values in affected sectors	Valuation losses and reduced market liquidity	**Moderate**	**S/M**
Operational Risk	Disruption to operations and facilities	Higher operating costs and potential service disruptions	**High**	**S/M/L**
Liquidity Risk	Funding disruptions following natural disasters	Increased liquidity needs and higher funding costs	**Moderate**	**S/M**
Strategic Risk	Changes in business conditions and customer demand	Impact on portfolio composition and business growth	**Moderate**	**M/L**
Reputational Risk	Stakeholder concerns regarding disaster response	Reputational impact and loss of customer trust	**Moderate**	**S/M**
Compliance Risk	Increasing regulatory expectations	Additional compliance costs and potential regulatory actions	**Moderate**	**S/M**

Key Physical Risk Driver

- Floods and storms
- Rising temperatures
- Water Stress & Draught
- Sea Level Rise
- Changing rainfall patterns and extreme weathers

5.5 Strategic Response to Climate-related Risks

BMHK implements strategic measures to manage climate-related risks, leveraging Bank Mandiri Group's framework while considering the Branch's specific context. Our response aims to enhance resilience, maintain business continuity and capture opportunities arising from the low-carbon transition.

Strategic Focus Area	Key Actions
Risk Management and Integration	• Integrate climate-related risks into credit, market, operational and liquidity risk management • Enhance climate risk assessments and portfolio monitoring • Incorporate climate considerations into client due diligence and review processes
Governance and Policies	• Align with Bank Mandiri Group's climate strategy, policies and risk appetite • Strengthen internal governance, oversight and reporting • Embed climate considerations in relevant policies and procedures
Business and Portfolio	• Support clients' transition plans through sustainable financing solutions • Adjust portfolio composition toward more sustainable sectors • Identify and manage sectoral exposures to higher climate risk
Operations and Business Continuity	• Enhance climate resilience of critical operations and infrastructure • Strengthen disaster preparedness and response plans • Invest in technology and systems to improve climate risk monitoring
People and Culture	• Build awareness and capabilities on climate-related risks and opportunities • Provide training and expertise for relevant teams • Foster a culture of sustainability and responsible banking
Stakeholder Engagement	• Engage clients, regulators and other stakeholders on climate-related developments • Collaborate with bank Mandiri Group and industry partners • Support knowledge sharing and capacity building initiatives



5.6 Climate-related Opportunities

The transition to a low-carbon and more climate-resilient economy creates opportunities for BMHK to support our customers, grow sustainable business and enhance long-term value.

Transition Opportunities			
Opportunity Area	**Strategic Opportunity**	**Potential Financial Effect**	**Time Horizon**
Sustainable Finance Products	Expansion of sustainable financing solutions, ESG-linked products and transition finance	Growth in financing volume, fee income and deeper client relationships	S/M/L
Access to Funding	Broader engagement with sustainability-focused investors and funding sources	Diversification of funding sources and improved access to capital	S/M
Operational Efficiency	Digitalization, energy efficiency and process optimization	Reduction in operating cost and improved productivity	S/M
New Business Models	Development of financing solutions supporting low-carbon activities	New revenue streams and expansion into emerging sectors	M/L
Market Positioning	Strengthening reputation as a sustainable and responsible financial institution	Increased business opportunities and customer loyalty	S/M

Physical Opportunities			
Opportunity Area	**Strategic Opportunity**	**Potential Financial Effect**	**Time Horizon**
Climate Adaptation Financing	Financing solutions supporting climate-resilient infrastructure and adaptation measures	Growth in financing opportunities in adaptation and resilience sectors	M/L
Resilient Supply Chains	Support for clients in enhancing supply chain resilience	Stronger and more stable client relationships	S/M
Disaster Recovery Financing	Financing solutions for post-disaster recovery and reconstruction	Increased financing demand following climate-related events	S/M

PART 6

Risk Management

6.1 Overview

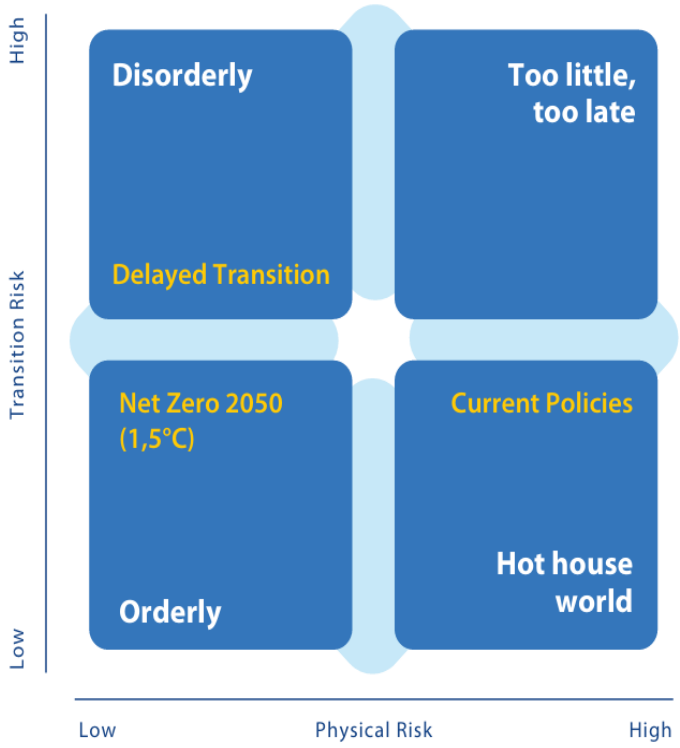
BMHK references BMRI's Climate Risk Management & Scenario Analysis (CRMS) framework, methodologies and climate risk assessments, as developed under the Bank Mandiri Group's climate risk management framework. BMRI has expanded the coverage of its CRMS from 50% of the financing portfolio in 2024 to 100% in 2025, reflecting continued progress in integrating climate considerations into the Group's risk management practices.

A significant portion of BMHK's borrowers are in Indonesia and operate in sectors covered by BMRI's climate risk assessments. While BMHK's portfolio characteristics may differ from those of BMRI, the Group-level scenario analysis provides a representative reference point for understanding potential climate-related impacts across relevant sectors and geographies.

6.2 Climate Scenario Framework

BMRI uses climate scenarios developed by the Network for Greening the Financial System (NGFS) to assess a range of possible transition pathways and associated physical and transition risks. These scenarios are used to explore how different climate pathways could affect the economy, industries and borrowers, and to inform risk management and strategic planning.

NGFS Climate Scenarios



Scenario descriptions

Current Policies (Hot House World)
Climate policies remain largely unchanged. Physical risks are higher due to global temperature increases, while transition risks remain comparatively lower.

Delayed Transition (Disorderly)
Transition is delayed until around 2030, followed by stronger policy intervention, resulting in higher transition risks in the near term.

Net Zero 2050 (Orderly)
Early and coordinated policy action to achieve net zero by 2050, resulting in lower long-term physical risk.

6.3 Physical and Transition Risk Analysis

Indonesia-Located Debtors (Sector Based Assessment)

This section maps BMHK's Indonesia-located debtors to Bank Mandiri Group's climate risk assessment framework to identify key physical and transition risk exposures and selected Group-level reference findings relevant to BMHK.

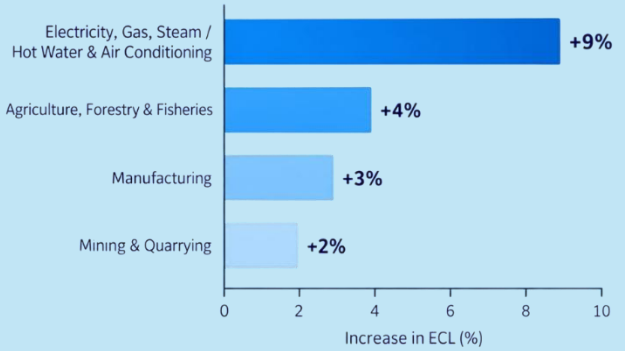
INDONESIA DEBTOR SECTORS (Based on BMHK Indonesia-located debtors only)

- **Government** — Not assessed in CRMS
- **Copper, Nickel & Coal Mining**
- **Metal Industry**
- **Oil & Gas Industry**
- **Farming & Animal Feed**
- **Energy & Water**

PHYSICAL RISK ANALYSIS

Physical risks arise from acute events such as floods, extreme rainfall, storms and fires, and chronic changes such as rising temperatures, water stress and sea-level rise. Bank Mandiri Group assesses physical climate risks through scenario analysis, hazard-based modelling and collateral sensitivity analysis, considering impacts on borrower resilience, collateral values, operational continuity and financial risk metrics. Under the high-emissions RCP 8.5 scenario, selected sectors relevant to BMHK show differing levels of ECL sensitivity.

BMRI Reference: Increase in ECL due to Physical Risk by Sector (RCP 8.5)



TRANSITION RISK ANALYSIS

Transition risks arise from policy, regulatory, technological and market changes associated with the shift to a lower-carbon economy. Bank Mandiri Group applies NGFS climate scenarios to assess how these changes may affect borrower performance, portfolio resilience and credit risk metrics. For BMHK, sector mapping provides a directional view of transition sensitivity based on the Branch's Indonesia-located exposures.

BMHK Sector	CRMS Sector Mapping (Proxy)	Transition Risk Sensitivity
Copper, Nickel & Coal Mining	Mining & Quarrying	High
Oil & Gas Industry	Mining & Quarrying (proxy)	High
Metal Industry	Manufacturing	High
Energy & Water	Electricity, Gas, Steam / Hot Water & Air Conditioning	High
Farming & Animal Feed	Agriculture, Forestry & Fisheries	Medium
Government	Not assessed in CRMS	N/A

SELECTED FINDINGS

1. BMHK's Indonesia-located debtors are concentrated in several climate-sensitive sectors, especially mining, metals and energy.
2. Sector mapping indicates higher physical sensitivity for energy/water and agriculture, and higher transition sensitivity for mining, metals and oil & gas.
3. Group-level climate analysis suggests potential implications for asset quality, including changes in ECL and credit deterioration under stressed scenarios.
4. Next steps include deeper debtor-level assessment of location, collateral, transition readiness and sector vulnerability.

PART 7

Metrics & Targets

Introduction

BMHK monitors climate-related performance through the branch-level targets and selected Group-level metrics established by BMRI. These metrics support the Branch's climate risk management efforts and alignment with Bank Mandiri Group's sustainability commitments

BMHK Metrics & Targets

Metric	Target
Sustainable Portfolio	Support BMRI's Sustainable Financing target
Net Zero Operations	Support BMRI's NZE Operations target by 2030

*Subject to periodic review and update

Bank Mandiri Reference Metrics (2025)

Metric	2025 Status
Sustainable Financing Portfolio	IDR 315.8 trillion
CRMS Coverage	100% of financing portfolio
NZE Operations Target	2030
NZE Financing Target	2060 or sooner

Looking Ahead

BMHK will continue to review and enhance its climate-related metrics and targets in line with evolving regulatory expectations, data availability, and Bank Mandiri Group's sustainability strategy.