



ENVIRONMENTAL, SOCIAL, GOVERNANCE OPERATION REPORT

Date:	2025.05.01
Name of issuer:	Trade and Development Bank JSC
Issuer code (MSE symbol):	Issuer code: MN00TDB05673 Symbol: TDB
Sector/industry (MSE sector):	Banking and Finance
Reporting boundary (legal entities/subsidiaries included in this report):	
Reporting period:	January 01, 2024 - December 31, 2024
Full name, job title, contact information of the person responsible for this report:	Nyamsuren D - Green Funding Office
Full name, job title, contact information of CEO or Chairman of the Board:	ORKHON O / CEO
Sign off by CEO or Chairman of the Board:	



		Area	Answer (previous year)	Answer (reporting year)	Unit of measure for target/indicator	Notes	Explain	References
MS	Sustainability Management System Indicators							
MS1.1	Senior management commitment	Does your company have a sustainability commitment statement in place?	1. Yes	1. Yes		On April 10th of 2021, TDB announced Bank's long-term sustainable goal during its "Climate 30+ Green Forum 2021", which is to attract up to USD 2 billion in sustainable finance by 2030, furthermore to become a Net Zero Bank by 2050. This goal has since become a central focus of the bank's operations.	https://fb.watch/kyZWWGREwV/ ?mibextid=v7Y.zmG	GRI 102
MS2.1	Sustainability policy and procedures	Does your company have a sustainability policy with targets?	1. Yes	1. Yes		TDB has incorporated and endorsed the Sustainable Development Goals within its comprehensive strategic plan. In line with this, the implementation, measurement, reporting, and monitoring of these goals are coordinated within the annual plans of the departments and units.	<i>If not available, explain</i>	GRI 103, ISO 14001
MS2.2	Governance structure	Does your company have dedicated committees that are entirely/partially responsible for sustainability?	2. No	1. Yes		On February 7, 2024, TDB established its Sustainability Committee under the Board of Directors. Sustainability Committee's responsibilities will include but not limited to support and advise on advancing the development of sustainability strategies and policies to address environmental, social and governance (ESG) matters within the banking operations and enhance governance on overseeing the implementation of sustainability goals and successful transition to climate disclosures. Additionally, the committee's objective is to implement international and domestic best practices in sustainability promote green and sustainable initiatives within the operations of the Bank and our stakeholders' operations. The members of the committee: Chairman of Board, Deputy CEO of International business relation, Foreign relations and ESG advisor, and Sustainability advisor.	<i>If not available, explain</i>	GRI 103, ISO 14001
MS3.1		Does your company have a dedicated ESG/sustainability director/s (full-time/part-time) at the board level?	1. Yes	1. Yes		In alignment with the Bank's Sustainability Goals, the Board of Directors has been prioritizing sustainable financing, environmental, social, and governance (ESG) policies, risk management, and related activities. To this end, the Board has appointed highly qualified members with extensive experience in sustainable financing, ESG policies, and risk management. Additionally, the Chairman of the Board has been designated as the Chairman of the Sustainability Committee. This strategic appointment facilitates the integration of sustainability principles across all levels of the Bank, enabling informed decision-making on pertinent issues and the provision of comprehensive recommendations and guidance.	<i>If not available, explain</i>	GRI 102

MS3.2	Sustainability Management System	Governance structure	Does your company have a dedicated ESG/sustainability director/s (full-time/part-time) at the executive level?	1. Yes	1. Yes		At the executive management level, the Deputy CEO for Interational Business Development at TDB serves as the full-time official responsible for overseeing ESG (Environmental, Social, and Governance) issues, which directs the bank's efforts towards green and sustainable development, ensuring alignment with its organizational goals and values.	<i>If not available, explain</i>	GRI 102
MS3.3			Does your company have a dedicated ESG/sustainability officer (full-time/part-time) at the operational level?	1. Yes	1. Yes		At the operational level, full-time employees of the Green Funding Office play pivotal role in both external and internal operations of the bank, focusing on determining policies for climate financing and integrating international best practices and initiatives. Furthermore, Green Funding Office is responsible for developing new sustainable and green loan products, assessing the green loans, organizing sustainability related events for TDB employees, and preparing and publishing annual Sustainability Report to disclose sustainability related activities. Meanwhile, the full-time Environmental and Social Risk Analyst at the Credit Risk Department holds the responsibility for conducting preliminary and comprehensive assessment of the environmental and social responsibility for business loan requests that are above MNT 100 million with the loan tenor of minimum 12 months.	<i>If not available, explain</i>	GRI 102
MS3.4			Does your company cover sustainability issues in board meetings as part of the official agenda?	2. No	1. Yes		These types of issues fall under the purview of the Sustainable Development Committee under the Board of Directors and are subsequently presented and discussed with the Board.	<i>If not available, explain</i>	GRI 102
MS3.5		Materiality assessment process	Does your company have materiality assessment and matrix, explaining how your company avoids, mitigates, or remediates negative impacts to the economy, environment, and society, and enhances positive ones?	2. No	1. Yes		Through the financing provided to its customers, the Bank identifies and assesses potential environmental and social risks in accordance with the same principles used for evaluating and mitigating credit risks. This approach not only protects customers from financial losses that may arise from these risks but also fulfills the Bank's social responsibility. In doing so, the Bank adheres to its Environmental and Social Responsibility Policy and the associated implementation guidelines within its lending activities, ensuring the identification, assessment, and mitigation of environmental and social risks posed by its customers.	<i>If not available, explain</i>	SASB
MS4.1		Organizational capacity	Annual average hours of sustainability training per employee (hr), by gender	0.4	1.6	hr	Among the employees who participated in the training, there were 358 women and 144 men.	<i>In 2024, a total of 28 training sessions on "Sustainable Development" were conducted, amounting to 84 hours of training. These sessions were attended by a cumulative total of 502 employees.</i>	GRI 102
MS4.2		Monitoring	Is sustainability included the scope of the audit committee and internal control functions?	1. Yes	1. Yes		In accordance with the Bank's internal audit policy, internal audit activities are conducted in the interests of the Bank's stakeholders and are guided by the following objectives and directions: to provide objective assurance and evaluation of the effectiveness of the organization's governance, risk management, and control processes, to ensure the Bank's operations, and to enhance the organization's value by identifying and addressing risk issues. Additionally, the internal audit provides recommendations to improve the Bank's strategy, operations, finances, and compliance. The Internal Audit Department also places significant emphasis on sustainability issues related to the Bank's governance, risk management, and control within the framework of its policy.	<i>If not available, explain</i>	GRI 102, SDG 12
MS4.3			Does your company disclose a sustainability report (stand-alone/or integrated into annual report) at least annually?	1. Yes	1. Yes		Since 2022 TDB has been developing and publicly reporting "Sustainability report" which is prepared in accordance with reporting frameworks and standards such as the Sustainability Accounting Standards Board (SASB), ESG guidelines, sustainable development reporting guidelines, and the Global Reporting Initiative (GRI). Sustainability report 2022 and 2023: https://www.tdbm.mn/en/sustainable-development/togtvtortoi-hogjliin-tailan	<i>If not available, explain</i>	GRI 102, SDG 12

MSS.1	Sustainability reporting	Does the company prepare a TCFD-aligned climate disclosure?	2. No	2. No	-	-	TDB publishes the annual "Sustainability report" aligned with reporting frameworks and standards such as Sustainable Accounting Standards Board (SASB), ESG & Sustainability Reporting Guidance for Mongolian companies and Global Reporting Initiative (GRI). However, in line with the objectives of reporting under IFRS S1 and S2 standards, we are committed to fully implementing the International Sustainability Standards Board (ISSB) guidelines for climate risk management in our operations by 2025.	GRI 102, SDG 12	
MSS.2		Are the sustainability data assured by an independent third-party?	2. No	2. No	-	-	The assessment provided by the environmental and social risk analyst are not verified by a third-party organization. By 2025, the Bank aims to comprehensively implement the International Sustainability Standards Board (ISSB) in its banking operations.	GRI 102, SDG 17	
MSS.3		Memberships	Number of sustainability associations, networks, and national or international advocacy organizations in which the company participates with a significant role.	1. Yes	1. Yes	-	"TDB is a signatory toward sustainable development for the following organizations: - GIP for the Belt and Road Initiatives; - Mongolian Sustainable Finance Association; - Mongolian Renewables Industries Association."	If not available, explain	GRI 102, SDG 17
Environmental Indicators									
E1.1	Energy	Total energy consumption	Total direct energy consumption and cost spent	4,327,674.51	4,723,548.97	MWh, MNT	Total energy consumption in 2024 increased by 9.1% from the previous year.	If not available, explain	GRI 302, SDG 12
E1.2		Electricity	Total electricity consumption, cost spent, and reduction (year-to-year)	2,211,074.24	2,469,382.30	MWh, MNT	In 2024, there was a 10.5% increase in electricity consumption compared to 2023.	If not available, explain	GRI 302, SDG 12
E1.3		Heat	Total heat consumption, cost spent, and reduction (year-to-year)	7619.7	8,115.00	BTU & %, MNT	The heating pump has been updated and replaced. Adjusted the heating level in accordance with the outside temperature.	The 6.5% increase in heat consumption compared to the previous year is due to the increased heating capacity in response to weather conditions.	GRI 302, SDG 12
E1.4		Fuel	Total fuel consumption (coal, oil, gas etc.), cost spent, and reduction (year-to-year)	61.40	174.40	litre/kg & % & GJ, MNT	By upgrading and replacing the old parts of the vehicle, the fuel consumption was reduced. The diesel generator at the TDB HQ building is fueled during power outages. In 2024, a total of 7.5 tons of diesel fuel were used to power the generator.	Due to power outages, in 2024, the bank used a total of 166,563 liters of fuel, costing 416,409,042.5 MNT. This represents an increase of 184% compared to the previous year.	GRI 302, SDG 12
E1.5		Non-Renewable energy	Share of non-renewable energy consumption	100	100	%	Energy Source: Coal (The Bank sources its energy from the central power grid)	If not available, explain	SFRD
E1.6		Renewable energy	Share of renewable energy consumption	0	0	%	Type of renewable energy source (solar, wind, hydro etc.)	There are currently no renewable energy sources utilized in the TDB headquarters building.	GRI 302, SDG 7
E2.1	GHG emissions	3.1 Emissions	Total Scope 1 and 2 emissions	-	-	tCO2e	Briefly describe emission calculation methodology used	The bank is in the process of contracting with a professional organization to calculate greenhouse gas emissions from its internal operations and financed activities. This initiative aims to determine the scope of emissions and establish science-based targets for their reduction.	GRI 305, SDG 13, WRI/WBCSD GHG protocol
E2.2		3.2 Emissions reduction	Reduction of total Scope 1 + 2 GHG emissions (year-to-year)	47,834		tCO2e	Through TDB's green loans, total of 55,163.2 tons of carbon dioxide equivalents are expected to be reduced annually.	If not available, explain	GRI 305, SDG 13, WRI/WBCSD GHG protocol

E2.3		3.3 Carbon offsetting	Total carbon offset	-		tCO2e	TDB has joined the The United Nations Development Program's (UNDP) "If Only I Could Go Solar" crowdfunding campaign to support households in ger districts to switch from coal to solar heating systems, with the aim of reducing air pollution in Ulaanbaatar city through renewable energy-based solutions and having a positive impact on public health and their livelihoods.	<i>If not available, explain</i>	GRI 305, SDG 13, WRI/WBCSD GHG protocol	
E3.1	Climate change	Climate policy	Does your company have a stand-alone/integrated climate change policy?	2. No		-	Add link	<i>TDB is aiming to introduce International Sustainability Standards Board (ISSB) into its banking operations by 2025. In line with this, Bank is planning to predict the climate-related risks from internal and client activities, assess the opportunities from the anticipated risks, as well as to develop and follow the required guidelines and policies.</i>	GRI 201, TCFD, SDG 13	
E3.2		Climate risk and opportunity assessment	Did your company conduct a climate risk and opportunity assessment (scenario analysis, stress test etc.)?	2. No		-	Add link		GRI 201, TCFD, SDG 13	
E3.3		Economic loss	Total amount of economic loss faced due to climate related disasters and events	-			MNT	During the reporting period, the bank did not experience any disasters caused by climate change and did not incur any economic losses.	<i>If not available, explain</i>	GRI 201, TCFD, SDG 13
E3.4		Climate investment	Total amount invested, annually, in climate-related infrastructure, resilience, and product development	48.4 billion			MNT	Since 2021, TDB has been introducing products and services tailored to meet customer needs and offering them to the market. As of the reporting period, the bank has provided 10 types of green loan products to individuals and organizations. By the fourth quarter of 2024, TDB has disbursed 112.8 billion MNT in financing for these green initiatives.	<i>If not available, explain</i>	GRI 201, TCFD, SDG 13
E3.5		Prevention/adaptation to climate change	Does your company have activities/steps to prevent and (if not preventable) adapt to the impact of climate change?	2. No	2. No			Briefly describe activities.	<i>By 2025, the Bank aims to comprehensively implement the International Sustainability Standards Board (ISSB) in its banking operations.</i>	GRI, SABS, World Economic Forum
E4.1	Water	Water used	Total amount of water withdrawn/used	5,689.00	6337	m3/L	Consumption increased by 10.3% compared to the previous year.	<i>If not available, explain</i>	GRI 303, SDG 6	
E4.2		Water saved	Total amount of water saved due to conservation and efficiency improvements	14.4	105.7	m3/L	By installing integrated water purifiers at the headquarters and some branches, we managed to save 734% more water compared to the previous year.	<i>If not available, explain</i>	GRI 303, SDG 6	
E4.3		Water reuse	Percentage of water recycled and reused	0	0	%	Briefly describe recycling/reuse activities	<i>In the reporting year, the bank did not recycle water and is currently working on introducing water-saving practices.</i>	GRI 303, SDG 6	
E4.4		Water discharged	Total water discharged	0	0	m3/L	Briefly describe how water is discharged including destination and methods	<i>In the reporting year, the bank did not implement wastewater reuse practices. However, ongoing research is focused on developing initiatives for water conservation and the utilization of wastewater.</i>	GRI 303, SDG 6	
E5.1	Waste (solid waste)	Waste discharged	Total amount of waste discharged	192	201	tons	General waste is transported to a contracted landfill for disposal.	<i>The amount of waste has increased by 10% from the previous year.</i>	GRI 306, SDG 12	
E5.2		Waste recycled	Waste recycling percentage	0.062	759	%	A contract was signed with a professional organization to collect and deliver used plastic bottles from employees.	<i>639% more waste delivered for recycling compared to the previous year.</i>	GRI 306, SDG 12	
E5.3		Hazardous waste	Total amount of hazardous waste (including e-waste) discharged	6	12	tons	By introducing designated containers for collecting used batteries, we have successfully doubled the amount of waste collected and disposed of compared to the previous year.	<i>If not available, explain</i>	GRI 306, SDG 12	
E6.1	Biodiversity	Landscape planning, design greenery	Share of sustainably managed public space, or green space created as of total area	40	40	%	40 percent of the outside area of the building is covered with shrubs and trees, which are located on the front and right sides of the building.	<i>If not available, explain</i>	GRI 304, SDG 15	
E6.2		Wild plants and animals	Number of species conserved	0	0	no.	The Environmental and Social Risk Analyst ensures that all loan applicants are required to follow proper procedures, as outlined in section 7.2.4 of the Law on Soil Protection and Prevention of Desertification, for planting trees and lawns. This requirement contributes to ecosystem stability. Additionally, loan applicants operating in the mining sector must adhere to standards for biological and technical rehabilitation of disturbed soil.	<i>If not available, explain</i>	GRI 304, SDG 15	

E6.3		Activities negatively affecting biodiversity-sensitivity	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity or cultural value	0	0	%	In cases where the loan applicant's activities are evaluated to potentially cause significant environmental and societal damage or are listed as excluded for financing, the Bank adopts a preventive approach by declining to finance such activities, aiming to mitigate potential risks in the future.	<i>If not available, explain</i>	SFRD, IFC Performance Standard 6
Social Indicators									
S1.1	Human capital development	Employee turnover	Year-over-year change of full-time employees	-	-	%	The Human Resources Department announces monthly employee workforce data. For 2024, the turnover rate is classified as level B.	<i>If not available, explain</i>	GRI 401, SDG 8
S1.2		Jobs created	Increase in the total number of full time employees compared to the same period of the previous year	69	1	no.	A new full-time position titled "Senior Data Scientist" was created.	<i>If not available, explain</i>	GRI 401, SDG 8
S1.3		Training	Annual average hours of training per employee	1.1	0.8	hr	In 2024, a total of 19,944 employees participated in 499 training sessions. Among these, 459 were internal trainings and 40 were external or professional organizational trainings. A total of 1,955.5 hours of training were conducted, with each employee participating in an average of 0.8 hours of training.	<i>If not available, explain</i>	GRI 401, SDG 8
S2.1	Occupational, health and safety	OHS policy	Does your company have an OHS Policy (stand-alone or integrated)?	1. Yes	1. Yes		In accordance with the Labor Safety and Health Law and relevant standards, bank ensures that employees work in a safe and healthy environment, promotes occupational safety at the organizational level, and enforces related laws and regulations. These requirements are detailed in Chapter 4 of the Bank's Building Utilization Regulations and are applied in its operations. Each position is provided with specific occupational safety instructions, including but not limited to: - Occupational safety instructions for drivers - Occupational safety instructions for service staff - Occupational safety instructions for electrical engineers - Occupational safety instructions for plumbers - Occupational safety instructions for carpenters - Occupational safety instructions for office employees	<i>If not available, explain</i>	GRI 103, SDG 10
S2.2		Incidents	Annual work-related injury rate	0	0	%	No incidents or accidents resulting from breaches of workplace safety regulations have been reported.	<i>If not available, explain</i>	GRI 403, SDG 3
S2.3		OHS training	Annual average hours of OHS training per employee	0.03	0	hr	Briefly describe activities.	<i>Starting from 2025, Occupational Health and Safety (OHS) trainings are planned to be provided to the relevant employees.</i>	GRI 403, SDG 3
S2.4		Health programs	Percentage of employees covered by voluntary health programs such as medical checks	-	250	no.	Over 50 employees from Customer Service Department (CSD) and Customer Information Department (CID), actively participated in the "Preventive, Early Detection and Diagnostic Screening" campaign organized by the Ministry of Health of Mongolia.	<i>If not available, explain</i>	GRI 403, SDG 3
S3.1	Equal opportunity	Gender policy	Does your company have a Gender Policy (stand-alone or integrated)?	1. Yes	1. Yes		TDB has been implementing "Gender Equality Policy" since its adoption in 2019. This policy outlines the principles to be adhered to bank's operations, including the establishment of structure, systems, capacity building measures, monitoring and reporting mechanisms to ensure gender equality.	<i>If not available, explain</i>	GRI 405, SDG 5
S3.2		Anti-sexual harassment policy	Does your company have an anti-sexual harassment policy (stand-alone/integrated)?	1. Yes	1. Yes		TDB has approved "Procedures for the Prevention and Protection of Sexual Harassment in the Workplace" in 2023. The policy outlines the fundamental principles, measures to be taken in case of actual or potential sexual harassment, prevention strategies, and detailed procedures for protecting and restoring the rights of victims, as well as implementation and reporting guidelines.	<i>If not available, explain</i>	GRI 103, SDG 5
S3.3		Non-discrimination policy	Does your company have a non-discrimination policy (stand-alone/integrated)?	2. No	2. No		Add link	<i>The bank does not have a standalone policy against discrimination. Instead, these provisions are managed through the "Gender Equality Policy," "Human Resources Policy," "Employee Code of Ethics," and "Whistleblowing Policy."</i>	GRI 103, SDG 5
S3.4		Gender balance	Percentage of total employee headcount by men and women	34/66	37/66	%	37% of the total employees at TDB are men, while 63% are women.	<i>If not available, explain</i>	GRI 405, SDG 5
S3.5		Board level gender balance	Percentage of board-level positions held by men and women	44/56	50/50	%	2024.01.01-2024.11.04 Men 44.4% and Women 55.6% 2024.11.04-2024.12.31 Men 50%, Women 50% 1 independent member of the Representative Governing Board resigned on November 4, 2024.	<i>If not available, explain</i>	GRI 405, SDG 5

S3.6		C- level gender balance	Percentage of C-level positions held by men and women	70/30	60/40	%	60% of executives at TDB are men, while 40% are women.	<i>If not available, explain</i>	GRI 405, SDG 5
S3.7		Junior level gender balance	Percentage of junior-level positions held by men and women	54/46	51/49	%	51% of the staff in middle and primary units are male and 49% are female. /Directors of departments and units/	<i>If not available, explain</i>	GRI 405, SDG 5
S3.8		Gender pay gap	Ratio of average male salary to average female salary	0.9			The average salary gap between female and male employees is MNT 2,589.	<i>If not available, explain</i>	GRI 405, SDG 5, SFRD
S4.1	Access & inclusion	Disability policy	Does your company have a Disability policy (stand-alone/integrated)?	2. No	2. No		Add link	<i>The bank does not have specific policies or regulations for individuals with disabilities. Instead, it adheres to the provisions outlined in the Labor Law. In accordance with the Labor Law, the bank supports its employees with disabilities by providing additional leave days and shortened working hours.</i>	SDG 10
S4.2		Employees with disability	Percentage of employees with disability	0.6	0.8	%	Currently, employees with disabilities constitute 0.8% of TDB's total workforce.	<i>If not available, explain</i>	SDG 10
S4.3		Access to facilities	Does your company have an assessment of facility accessibility	1. Yes	2. No		The bank does not have specific policies or regulations for individuals with disabilities. Instead, it adheres to the provisions outlined in the Labor Law. In accordance with the Labor Law, the bank supports its employees with disabilities by providing additional leave days and shortened working hours.	<i>If not available, explain</i>	SDG 10
S4.4		Fines	Amount of fines paid for noncompliance with laws and regulations regarding disability	0	0	MNT	N/A	<i>There were none during the reporting period.</i>	SDG 10
S5.1		Stakeholder engagement	Does your company have a stakeholder/community engagement policy approved by the Board?	1. Yes	1. Yes		In 2023, TDB developed and approved the "Policy on Engagement and Collaboration with External Stakeholders", which was approved by the Representative Governing Board. https://investor.tdbm.mn/pd/%D0%A5%D1%83%D0%B4%D0%B0%D0%BB%D0%B4%D0%B0%D0%B0.%20%D1%85%D3%A9%D0%B3%D0%B6%D0%BB%D0%B8%D0%B9%D0%BD%20%D0%B1%D0%B0%D0%BD%D0%BA%D0%BD%D0%B0%D0%B0%D1%81%20%D0%B1%D1%83%D1%81%D0%B0%D0%B4%20%D0%BE%D1%80%D0%BE%D0%BB%D1%86%D0%BE%D0%B3%D1%87%20%D1%82%D0%B0%D0%BB%D1%83%D1%83%D0%B4%D1%82%D0%B0%D0%B9%20%D1%85%D0%B0%D1%80%D0%B8%D0%BB%D1%86%D0%B0%D1%85.%20%D1%85%D0%B0%D0%BC%D1%82%D1%80%D0%B0%D0%BD%20%D0%B6%D0%B8%D0%BB%D0%B0%D1%85%D0%B0%D0%B4%20%D0%B1%D0%B0%D1%80%D0%B8%D0%BC%D1%82%D0%BB%D0%B0%D1%85%20%D0%B1%D0%BE%D0%B4%D0%BB%D0%BE%D0%B3%D0%BE.pdf	<i>If not available, explain</i>	IFC
S5.2		Policy and process for social impact assessment and land acquisition	Does your company have a policy or process for social impact assessment and land acquisition?	1. Yes			TDB's "Environmental and Social Responsibility Policy and its Implementation Guidelines" include detailed instructions for conducting social risk assessments for loan applicants. The evaluations are based on compliance with the eight Performance Standards of the International Finance Corporation (IFC). All eight standards aim to identify social risks of loan applicants. In particular, Standard 5 focuses on whether the financing activity requires land acquisition, based on official explanations and documents provided by the applicant.	<i>If not available, explain</i>	IFC Performance Standards

S5.3	Community engagement & disclosure	Grievance policy	Does your company have a grievance policy/mechanism?	1. Yes	1. Yes		<p>The Customer Service Department (CSD) of the Trade and Development Bank (TDB) manages the reception and resolution of feedback and complaints about the bank in accordance with the "TDB Customer Service Policy" and the "TDB Customer Rights Protection Procedure." The CSD focuses on receiving customer feedback and complaints through all available channels, ensuring the utmost confidentiality of customer information at all levels of the bank. Additionally, the department works diligently to promptly resolve any customer feedback or complaints in collaboration with the bank's various departments, divisions, and units. In addition, the Trade and Development Bank aims to receive and resolve feedback and complaints from citizens regarding the outcomes of projects and programs financed by the Green Climate Fund (GCF). In case of complaints related to the project or program, it is possible to contact the Bank and the project implementers through the complaint mechanism. Bank receives complaints through the following channels:</p> <p>http://www.tdbm.mn/mn/suggestanket projectgrievances@tdbm.mn Through a letter – at the headquarters of TDB</p>		102, SDG 16
S5.4		Disclosure to communities	Does your company have a mechanism and system to disclose relevant information to affected communities and stakeholders?	1. Yes	1. Yes		<p>To ensure that information about products and services is promptly delivered to customers, TDB uses available channels such as messages, emails, notification services, and bank staff. The bank also openly receives customer feedback and requests through all channels and resolves them promptly within standard timeframes. In recognition of March 15th as World Consumer Rights Day, the bank actively informs the public about the procedures for resolving customer feedback and complaints. The call center promptly addresses and resolves customer feedback and complaints, striving to reduce repeat calls and complaints while consistently maintaining high SLA call quality.</p>	<i>If not available, explain</i>	IFC Performance Standards
S5.5		Worker/community complaints	Percentage of community complaints I addressed and ii resolved	100	100	%	<p>All feedback and complaints received from employees and the public were fully addressed and resolved.</p>	<i>If not available, explain</i>	GRI 413, SDG 8
S5.6		Community investment	Percentage of revenue invested in community programs and initiatives, by SDG breakdown	0.127	0.333	%	<p>During the reporting period, TDB actively engaged in numerous social responsibility initiatives. Detailed information on these initiatives can be found in the Corporate Social Responsibility section of the TDB's Annual Report: https://www.tdbm.mn/sites/default/files/2025-04/AR24_mgl_1_0.pdf</p>	<i>If not available, explain</i>	GRI 413, SDG 8
S6.1	Supply chain management	Procurement policy	Does your company have a policy in place to related to local procurement and supply chain ESG risk and opportunity management?	1. Yes	1. Yes		<p>TDB promotes sustainable procurement practices aimed at adapting to climate change, reducing soil, air and water pollution, conserving energy and natural resources, minimizing greenhouse gas emissions and waste, ensuring human health safety. These principles are reflected in Clause 4.7.7 of the "TDB's Procurement Guidelines for Goods, works and Services."</p>	<i>If not available, explain</i>	GRI 204, SDG 8
S6.2		Local procurement share	Percentage of the procurement budget used for significant locations of operation that is spent on local suppliers	98.6	96.92	%	<p>TDB sources a wide range of products and services necessary for daily operations, including computers, servers, technical equipments and materials. Of all procurements, 96.9% are made from domestic producers.</p>	<i>If not available, explain</i>	GRI 204, SDG 8
S6.3		Sustainable procurement share	Percentage of suppliers selected by ESG/sustainability criteria	10.2	9.7	%	<p>When repairing branches or purchasing furnitures and necessary equipments, TDB prioritized the use of environmentally friendly materials that do not harm human health:</p> <ul style="list-style-type: none"> - Purchases energy-labeled and water efficient electrical equipments. - Procures bags made from recycled fabric, paper, or plastic materials for daily use. 	<i>If not available, explain</i>	GRI 204, SDG 8
Governance indicators									
G1.1	Corruption and ethics	Anti-corruption policy	Does your company have an Anti-corruption policy and/or Code of Ethics?	1. Yes	1. Yes		<p>The "Anti-corruption Policy of the Trade & Development Bank of Mongolia" was approved by the Order of the CEO No. 12/1575 dated September 12, 2012. This policy regulates the Bank's anti-corruption activities, prevention of corruption and bribery, determination of anti-corruption measures, and prevention of operational risks.</p>	<i>If not available, explain</i>	GRI 205, SDG 16

G2.1	Corporate governance	Board independence	Percentage of board seats occupied by independent members	33	33	%	The TDB Charter specifies the number of seats on the RGB: https://investor.tdbm.mn/pdf/%D0%A5%D0%A5%D0%91%20%D0%A5%D0%9A%D0%B8%D0%B9%D0%BD%20%D0%B4%D2%AF%D1%80%D1%8D%D0%BC.pdf	If not available, explain	GRI 102, OECD Principles of Corporate Governance, SDG 16
G2.2		Treatment/rights of minority shareholders	Does your company have a policy to protect minority shareholders?	1. Yes	1. Yes		Regardless of ownership percentage, TDB maintains a fair and equal communication policy with investors, as outlined in the "Investor Relations Program" and the "Policy on Engagement and Collaboration with External Stakeholders" both approved by the RGB. https://www.tdbm.mn/sites/default/files/2024-09/%D0%A5%D3%A9%D1%80%D3%A9%D0%BD%D0%B3%D3%A9%20%D0%BE%D1%80%D1%83%D1%83%D0%BB%D0%B0%D0%B3%D1%87%D1%82%D0%B0%D0%B9%20%D1%85%D0%B0%D1%80%D0%B8%D0%BB%D1%86%D0%B0%D1%85%20%D1%85%D3%A9%D1%82%D3%A9%D0%BB%D0%B1%D3%A9%D1%80.pdf	If not available, explain	GRI 102, OECD Principles of Corporate Governance, SDG 16
G2.3		Corporate governance policy	Does your company have a Corporate Governance policy/codes?	1. Yes	1. Yes		Following the transformation into a joint-stock company, TDB continually ensures compliance with regulations and instructions approved by regulating authorities and reflects necessary changes in its internal rules and procedures.	If not available, explain	GRI 102, OECD Principles of Corporate Governance, SDG 16
G3.1	Compliance	Compliance policy	Does your company have a Compliance policy?	1. Yes	1. Yes		TDB's "Compliance Policy" and "Internal Control Program of the TDB to Combat Money Laundering and Terrorist Financing" were revised and approved by RGB in 2021. In October 2023, amendments were made to the "Trade and Development Bank of Mongolia's internal monitoring program for Anti-money laundering and counter terrorist financing" and "Procedures of Anti-money laundering and counter terrorist financing" were approved by the board of directors. https://www.tdbm.mn/en/about-tdbm/compliance	If not available, explain	GRI 102, OECD Principles of Corporate Governance, SDG 16
G3.2		Compliance program/procedures	Does your company have a compliance program including information on employee training, auditing, and monitoring systems, reporting violations, guidance for conflicts of interest, sanctions etc.?	1. Yes	1. Yes		TDB's Compliance Policy (2021) and Compliance Operational Procedure (2022) were updated to align with ISO 37301 standards and have been applied to daily operations. https://www.tdbm.mn/en/about-tdbm/compliance/muts-temtseh-ajillagaanii-yeronhiitogoltsoo	If not available, explain	GRI 102, OECD Principles of Corporate Governance, SDG 16
Additional sector specific indicators (only fill out questions relevant to your company's operating industry/sector)									
FS1	Financial services	Access to finance	Annual number of participants in financial literacy and inclusion initiatives	≈141,000	167,468	no.	In line with bank's focus on customer segmentation, TDB categorizes its clients into three segments: corporate, small and medium-sized enterprises (SMEs), and retail clients, and continuously promotes financial literacy among them. In the reporting year, bank successfully organized the "Mongolians with Savings" campaign for the sixth consecutive year to promote savings among individuals. Additionally, in cooperation with the German Agency for International Cooperation (GIZ), financial literacy trainings were conducted for 523 SMEs in Ulaanbaatar, Darkhan, and Erdenet. Furthermore, through our flagship corporate events and consulting services, TDB provided financial accessibility to over 1,200 corporate clients.	If not available, explain	SDG 1
FS2		E&S risk management	Percentage of transactions assessed by ESG risk criteria and Exclusion lists	78.6	2	%	In 2024, due to the reasons listed in the bank's Prohibited Activities List, five loan applications were rejected based on environmental and social risk assessment conducted by the Environmental and Social Risk Officer.	If not available, explain	Mongolian Sustainable Finance Principles
FS3		Sustainable issuance	Share of green/sustainable loans in compliance with Mongolia green/SDG taxonomy as of total loan portfolio	29	29	%	The share of green and social loans in the total loan portfolio was 28.9% as of December 31, 2024.	If not available, explain	SDG 13, Mongolia Green Taxonomy

Reviewed by: Nyamsuren D.
Green Funding Office