



SUSTAINABILITY REPORT 2023



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MESSAGE FROM OUR CHAIRMAN

Dear Shareholders,

I am delighted to report that 2023 marked a highly successful year for the Trade and Development Bank ("TDB"). We not only reaffirmed our position in the market but also demonstrated our innovation and commitment to delivering products and services of the highest international standards to our customers. For instance, our transition to a public joint-stock company and the expansion of collaborations with international banking and financial institutions, including the opening of our US Dollar direct clearing account at Bank of New York Mellon, one of the largest banks in the United States, exemplify our progress.

Mongolia's current economic conditions present both unique opportunities and challenges. Despite fluctuations in global commodity prices, the country's main export commodities performed well, contributing to a positive balance of payments, GDP growth, and favorable macroeconomic indicators such as controlled inflation, all of which reinforce the trend of further growth. While Mongolia boasts growth across all sectors, including mining, agriculture, and tourism, driven by abundant natural resources and a youthful workforce, unlocking the nation's full potential necessitates effective economic policies, transparent governance, and robust environmental, social, and governance (ESG) management practices.

As pioneers in development, we have dedicated the past decade

to promoting ESG management and sustainable financing. In this report, we reflect on our historical achievements, performance for the reporting year, and outline future objectives. Our commitment to embedding ESG principles into our operations to generate positive impact remains steadfast. At the board level, we are focused on creating long-term value for all stakeholders, mitigating risks, and ensuring business sustainability. To this end, we are preparing to adopt the International Sustainability Standards Board (ISSB)'s IFRS S1 (General Requirements for Disclosure of Sustainability-related Financial Information) and S2 (Climate-related Disclosures) standards into our operations by 2025, underlining our commitment to sustainable practices. We emphasize the importance of prioritizing the fulfillment of these standards and addressing sustainable development issues. Not only are these actions morally imperative, but they also confer a strategic advantage in today's competitive business environment.

We extend our heartfelt gratitude to our esteemed shareholders, customers, employees, and partners for their unwavering support and trust in our pursuit of sustainable development goals. We are confident in our continued collaboration with you and the collective progress towards sustainable development.

RANDOLPH KOPPA

Chairman

A handwritten signature in black ink, which appears to read 'Randolph Koppa', is positioned to the right of the printed name and title.



LETTER FROM OUR CEO

As we proudly present our bank's second Sustainability Report, it is a moment of reflection of our collective journey towards a more sustainable future. Over the past year, we have analyzed our accomplishments, challenges, and opportunities for growth, reaffirming our commitment to ESG principles.

From reducing our carbon footprint to fostering financial inclusion, our bank has remained steadfast in our dedication to creating lasting value for our stakeholders while positively impacting society.

We have witnessed tangible reductions in energy consumption, waste generation, and greenhouse gas emissions, demonstrating our commitment to environmental stewardship. Furthermore, our efforts to promote financial literacy and support underserved communities have yielded meaningful results, empowering individuals and fostering economic resilience.

However, our journey towards sustainability is not one that we undertake alone. We recognize the importance of collaboration and knowledge-sharing in driving positive change. Therefore, we extend an invitation to all companies to learn from our experiences and embrace ESG practices within their own operations. By sharing our successes, challenges, and best practices, we can inspire and empower others to embark on their own sustainability journey. Together, we can create a ripple effect of positive impact that transcends industries and transforms societies.

I would like to express my deepest gratitude to our employees, dear customers and the partners for their unwavering commitment to sustainability. With your continued support, we will continue to lead by example and drive meaningful change towards a more sustainable future.

Best regards,

ORKHON ONON
CEO

BANK OVERVIEW

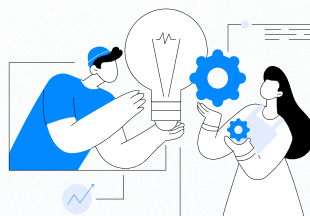
Trade and Development Bank (TDB) JSC was established in 1990 and over past decades, has become a leading banking and financial services provider in Mongolia. TDB, the oldest bank of Mongolia, prides itself for its leading position in the universal banking service provider, offering over 130 types of international standard banking products, professional and user-friendly banking services. TDB is undoubtedly the major player in financial and banking markets as well as a major innovator of the Mongolian financial sector.



Slogan

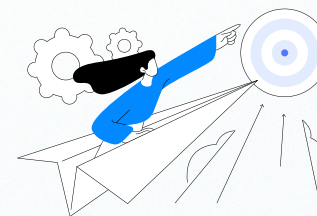
TOGETHER TOWARDS SUSTAINABILITY

It is a definition of sustainable development that encourages banks, customers, partners, and the country to work together for a common goal of meeting the needs of today's global population without diminishing the needs of the future generations.



Mission

We provide comprehensive financial services that exceed expectations of our customers through innovative technology, in order to enable them to achieve their desires and aspirations.



Vision

To be the leading bank in Mongolia's development and prosperity.

CREATOR

Customer centric

Recognition

Excellence

Accessible

Teamwork

Outperforming

Respect



Total assets

₮12.17 trillion



Net profit

₮151.21 billion



Operating income

₮376.29 billion



Total

2,299 employees



Social loan portfolio

₮1.3 trillion



94%

out of TOP-100 Mongolian corporations
are bank's long-term customer



Correspondent relationship with 340+
international banks and financial institutions

340+



Nostro accounts

78 accounts



Green loan portfolio

₮48.4 billion

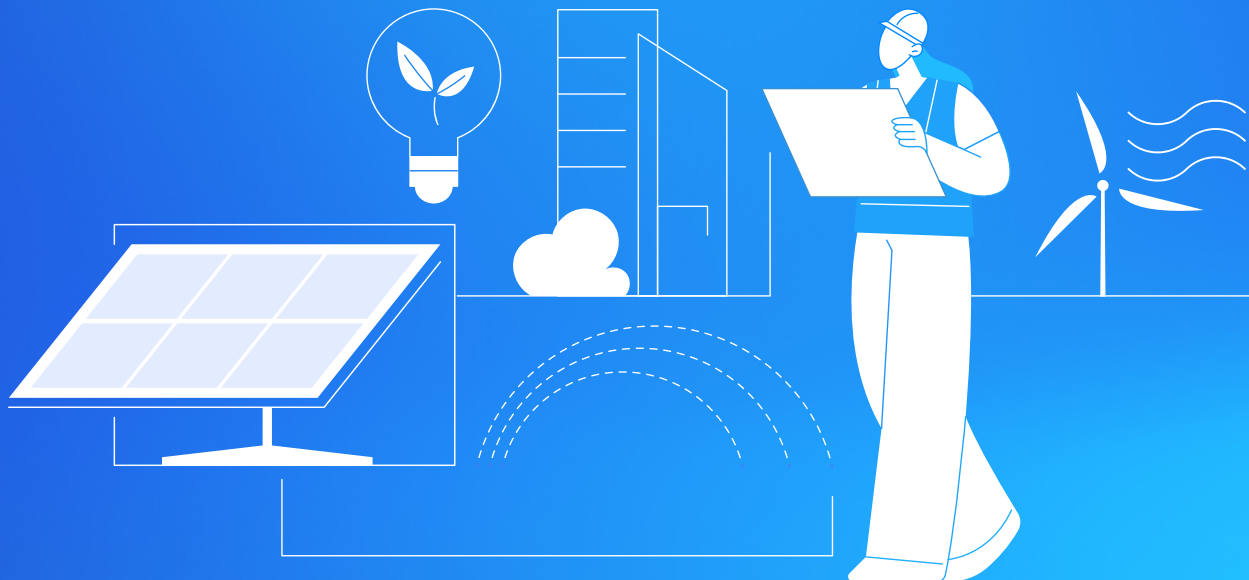
ABOUT THIS REPORT

Sustainability Development Report – 2023 covers the activities of the TDB for the financial year 1 January 2023 to 31 December 2023, and Bank's activities in the context of sustainable finance, environment, society and governance (ESG), each of the 13 brief covers our aspiration and strategy, the relevance of the issues to business and society, our key goals and progress to date. The 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). These indices and relevant metrics are provided at the end of this report.



SUSTAINABILITY

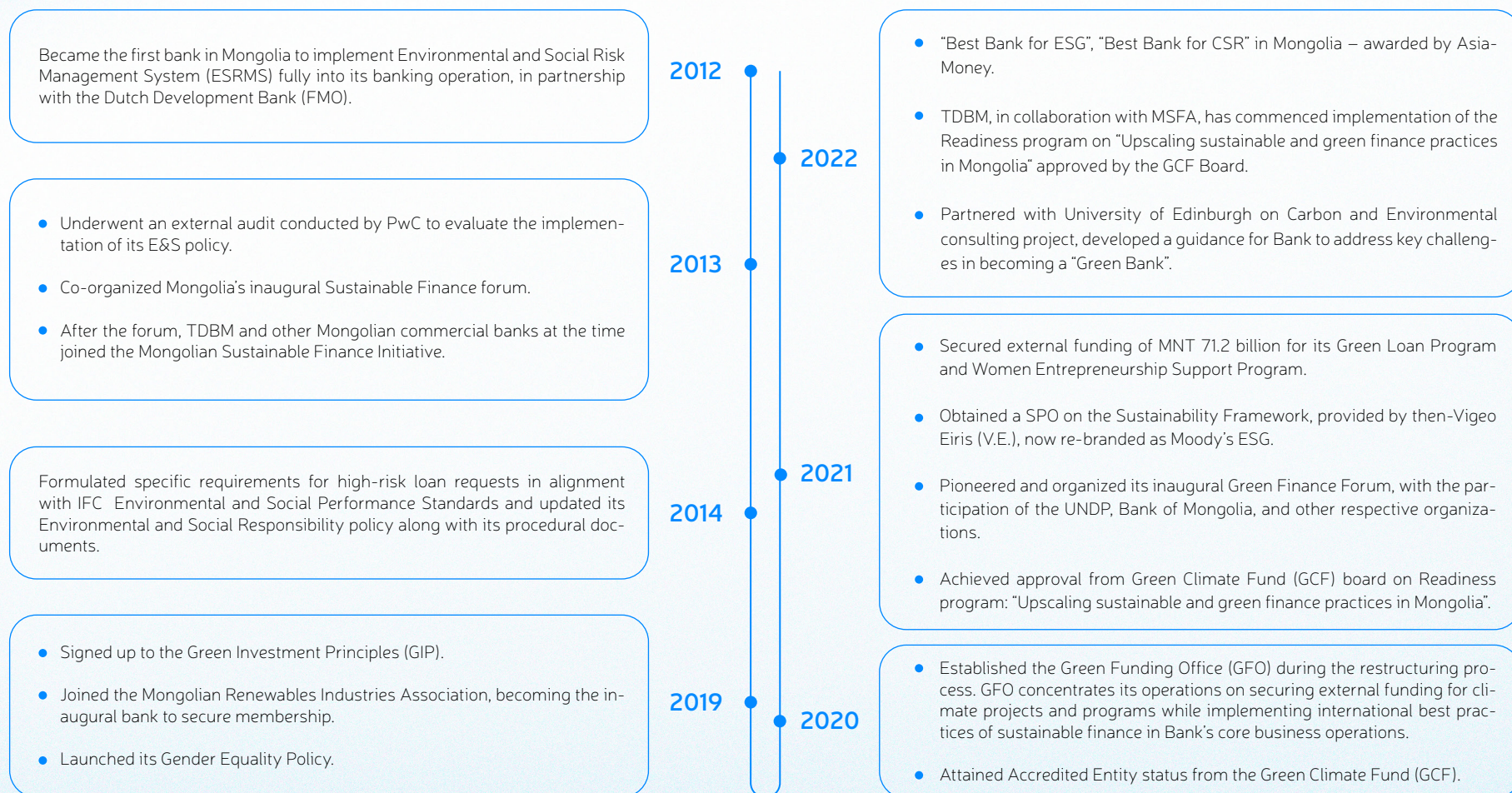
- Our approach
- Green Bank
- Alignment with UN SDGs
- Environment, Social, Governance (ESG)



OUR APPROACH

Bank's commitment lies in assisting our clients in addressing environmental and social risks by providing financing to businesses that prioritize environmental and social responsibility. We impose stringent requirements on our clients, ensuring they prioritize ESG risk management, uphold human rights, and protect labor rights in all their business endeavors. Furthermore, we foster close collaboration with our clients throughout the implementation of these principles.

MILESTONES FOR SUSTAINABILITY





GREEN BANK

In 2020, TDB celebrated its 30th anniversary, contemplating the journey that has propelled Mongolia's development and progress as a longest-standing commercial bank in the country. Recognizing the significance of sustainable and green development in shaping our collective future, Bank established its long-term objective to become a leading bank in the realm of sustainable finance.

In November 2013, all commercial banks in Mongolia jointly declared their commitment to implement the "Mongolian sustainable finance program," which was a significant stride towards the country's sustainable development. These banks are concentrating their united effort towards addressing the climate change, water, soil, and air pollution, and human rights violations, while

striving for sustainable development through mitigating environmental and social risks.

In 2020, Bank started working with its new organizational structure and the Green Funding Office (GFO) was established within the Foreign Fund Management and Monitoring Unit of the International Banking Department. The GFO is working proactively to develop and implement best global practices in terms of raising sustainable financing for co-financing projects together with international financial institutions.

Bank is currently in the phase of creating a foundational system for becoming a Green Bank in the long run through aligning its business and internal operations with the green economy model,

reaching Net-Zero operation, and providing sustainable financing worth of USD 2 billion by 2030 to its clients.

Furthermore, our objectives in this area include accurately measuring and disclosing our contributions to sustainable development by implementing IFRS S1 (General Requirements for Disclosure of Sustainability-related Financial Information) and S2 (Climate-related Financial Disclosures standards that were introduced by International Sustainability Standards Board (ISSB) by 2025. By doing so, we aim to identify potential climate-related risks and opportunities for both banks and its customers, thus paving the way for immediate actions.

SUSTAINABILITY FRAMEWORK

For the first time in Mongolia, TDB has developed the Sustainability Framework and started to provide green and social loans under this framework. TDB obtained a Second Party Opinion on its Sustainability framework from then Vigeo Eiris (V.E.), now re-branded as Moody's ESG, and confirmed its alignment to the International Capital Market Association (ICMA)'s Green Bond Principles 2018, Social Bond Principles 2020 and Sustainability Bond Guidelines 2018, with a rating of 'Robust'.

TDB's Sustainability Framework describes the process of issuing Green, Social and Sustainability bonds and selecting loans that can be financed within eligible categories to fulfill Bank's economic, environmental, and social responsibilities, as well as indicating the tracking, monitoring, reporting and disclosure processes of its net proceeds.

GREEN ELIGIBLE CATEGORIES



Renewable energy



Low pollution energy



Clean transport



Sustainable agriculture, land use, forestry & biodiversity conservation



Sustainable water and waste use and treatment




Green buildings




Energy efficiency


SOCIAL ELIGIBLE CATEGORIES




Access to essential services



Affordable housing



Affordable basic infrastructure



SME Financing and Microfinance

PARTNERSHIPS



ESG AND SUSTAINABLE FINANCE AWARDS

"Best Sustainable Finance Bank" for its outstanding implementation of Environmental and Social Risk Management System and sustainable practice in its operations by Mongolian Sustainable Finance Association (MSFA) and Bank of Mongolia.

2016
2017

2023

- "Honorable Sustainable Finance Bank of 2023" award from MSFA, Bank of Mongolia and Financial Regulatory Commission (FRC).
- TDB was awarded "Outstanding Service Award of 2023" by GIP of the Belt and Road Initiative.

"Honorable Sustainable Finance Bank" award from MSFA and Bank of Mongolia.

2021

2022

- "Good Workplace for Career Progression of Women" in the "Good Workplace Awards 2022" by Nitotech LLC, Mongolia's fastest-growing human resource platform.
- "Leadership in Gender Equality" award by MSFA.
- "Best Bank for ESG" and "Best Bank for CSR" in Mongolia from "2022 Asia-money Best Bank Awards".

"Leading Sustainable Finance Bank" by MSFA.

2018
2022

ALIGNMENT WITH THE SUSTAINABLE DEVELOPMENT GOALS (SDGS)

4 QUALITY EDUCATION



- 4.1 by 2030, ensure that all girls and boys complete free, equitable and quality primary and secondary education leading to relevant and effective learning outcomes.
- 4.3 by 2030 ensure equal access for all women and men to affordable quality technical, vocational and tertiary education, including university.
- 4.5 by 2030, eliminate gender disparities in education and ensure equal access to all levels of education and vocational training for the vulnerable, including persons with disabilities, indigenous people, and children in vulnerable situations
- 4.7 by 2030, ensure that all learners acquire the knowledge and skills needed to promote sustainable development, including, among others, through education for sustainable development and sustainable lifestyles, human rights, gender equality, promotion of a culture of peace and non-violence, global citizenship and appreciation of cultural diversity and of culture's contribution to sustainable development.

5 GENDER EQUALITY



- 5.1 end all forms of discrimination against women and girls everywhere
- 5.5 ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life.
- 5.c adopt and strengthen sound policies and enforceable legislation for the promotion of gender equality and the empowerment of all women and girls at all levels.

8 DECENT WORK AND ECONOMIC GROWTH



- 8.3 promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage formalization and growth of micro-, small- and medium- sized enterprises including through access to financial services.
- 8.10 strengthen the capacity of domestic financial institutions to encourage and to expand access to banking, insurance and financial services for all.

13 CLIMATE ACTION



- 13.3 Improve education, awareness raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction, and early warning
- 13.a Implement the commitment undertaken by developed country Parties to the UNFCCC to a goal of mobilizing jointly USD100 billion annually by 2020 from all sources to address the needs of developing countries in the context of meaningful mitigation actions and transparency on implementation and fully operationalize the Green Climate Fund through its capitalization as soon as possible.

Sustainable development is being raised as a crucial focus for businesses across all industries, especially for the financial sector, given its global reach. As a responsible financial institution, TDB remains committed to aligning its area of impacts with the United Nations Sustainable Development Goals (SDGs). Since 2020, while implementing all 17 SDGs, TDB has been concentrating more on the four of them, namely Quality education, Gender Equality, Decent work and economic growth, and Climate action.

4 QUALITY EDUCATION



- Under the "Boundless dreams" project initiated by TDB since 2018, a total of 55 schools, universities, and kindergarten libraries were renovated as of 2023, benefiting more than 200,000 children and youth by contributing to their education.
- TDB arranged the enrollment of 21 employees from banks, non-banking financial institutions (NBFIs), and financial regulatory organizations in Mongolia in sustainable finance and impact investing online courses offered by Frankfurt School in Germany. Upon completion of the course, participants will gain expert skills enabling them to introduce and implement policies and strategies related to sustainable finance and climate finance within their field of expertise.
- Mongolian Sustainable Finance Association's website, www.toc.mn, was renewed to promote the effective dissemination of sustainable finance knowledge, showcase green finance developments, reports, and guidelines developed, and to provide access to real-life examples and demonstrations of sustainable finance implementation.
- In 2023, TDB participated as one of the main sponsors and co-hosted "Global Green Finance Leadership Programme 2023", welcoming more than 800 participants from over 40 countries in person. The programme contributed to the capacity building of participants in green financing, SDG-aligned development, after which participants were provided relevant certificates.
- TDB's personnel in charge of sustainable finance participated 8 international trainings with professional certificates on the areas of sustainable finance, impact investment, renewable energy, sustainable agriculture, ESG information reporting, and regularly attended MSFA professional council meetings and seminars.
- In 2023, over 21,200 employees (with overlapping numbers) participated in various training programs offered by Bank. These programs included internal training, external online training, and professional organization training. Notably, over 847 employees engaged in internal training focused on sustainable development.
- As of 2023, total amount of loans granted by TDB to the education sector reached 72 billion MNT.
- In collaboration with universities, we implement paid and unpaid internships and job support programs. We are also working to provide regular jobs to students who have successfully completed internships. During the reporting period, a total of 76 students completed internships.

5 GENDER EQUALITY



- Bank has established a Gender Committee to supervise all gender-related activities, and has implemented the Gender Equality Policy throughout the organization and in its relation to clients. As a result, TDB is committed to promoting gender-sensitive participation of both women and men by ensuring that gender equality is upheld in all aspects of its operations, products, and services. In 2023, TDB successfully participated in a joint capacity building "Women Entrepreneurs Financial Accelerator Program", partnering with MSFA and Asia Foundation, to help micro and SME women entrepreneurs for better financial access and sustained business growth.
- As of the Q4 of 2023, Bank has provided a total loan amount of MNT 36 billion to support women entrepreneurs across 9 economic sectors.
- In 2023, Bank had a workforce comprised of 66 percent females and 34 percent males. Additionally, 46 percent of Bank's mid-level managers were female, while the remaining 54 percent were male.
- Furthermore, as of 2023, 33 percent of CEOs of TDB's corporate clients were women and 67 percent were men, while 37 percent of CEOs of SME clients were women and 63 percent were men. As for the retail segment, 71 percent of TDB's retail customers with business loan products are female, while 29 percent are male, whereas 56 percent of retail customers with consumer loans are female, and the remaining 44 percent are male.
- To foster a safe workplace environment, TDB approved its internal "Procedure on Prevention and Protection from Sexual Harassment" to refrain from condoning, encouraging, or participating in any sexual harassment activities within Bank.
- "Gender Networking Club" of the TDB has been established and is operating with the aim of spreading knowledge and information about gender within Bank. Successfully initiated "TDB - Flexible mom".

8 DECENT WORK AND ECONOMIC GROWTH



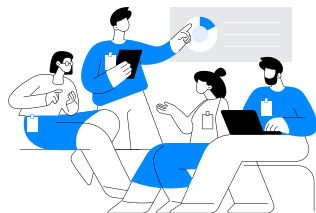
Vision of TDB is to be the leading commercial bank in Mongolia providing its customers with tailored banking services and products accordingly, to international standards while creating value for its shareholders. Bank's mission is to be close to customers both in traditional and digital ways helping them to realize their aspirations. TDB effectively mitigated COVID-19 pandemic-related unforeseen risks and played a significant role in contributing to the post-pandemic economic recovery of Mongolia.

- As of 2023, TDB holds second largest share in shareholders' equity among its peers, second largest share in loans outstanding and third largest share in deposits. Furthermore, TDB serves more than 2200 large enterprises across nearly all major economic sectors of the country, being headquartered in the capital city of Ulaanbaatar and operating well-established network of 87 branches and settlement centers, including representative office in Tokyo, Japan, as well as 275 ATMs and 12,322 POS terminals.
- As of 2023, a total of 448 corporate clients of TDB had total outstanding business loans of approximately MNT 3,085.8 billion (~USD 904.7 million); 7,183 SME clients had total outstanding business loans of around MNT 785.9 billion (~USD 230.4 million), while 84,474 retail clients had total outstanding consumer loans of around MNT 1.4 trillion (~USD 410.5 million).
- In 2023, TDB had around MNT 4.7 billion (~USD 1.4 million) outstanding consumer green loans. Bank's outstanding amount of Green business loans are totaling to around MNT 28.75 billion (~USD 8.4 million) in 2023. Moreover, TDB's social loan portfolio, including its Women Entrepreneurship Support Loans, amounted to nearly MNT 1.3 trillion (~USD 381 million) in 2023, representing 29% of Bank's total loans.
- In cooperation with the Credit Guarantee Fund, in August of the reporting year, the "Green Business Loan with Credit Guarantee" product was introduced to the market for the first time in order to support the environmentally friendly activities of small and medium-sized businesses.
- Bank's Initial Public Offering was launched successfully with 5% of its total issued shares being offered. Net proceeds from the offering are expected to be utilized for expanding green and sustainable lending operations of TDB in accordance with its medium-term strategy of becoming a "Green Bank".

13 CLIMATE ACTION

- Paperless and electronic technology based Ikh Nayad - Lite branch continues its operation in second year.
- As of 2023, TDB's total green loan portfolio amounts to 48.4 billion MNT. Projects and programs financed by TDB's Green Business Loan products are projected to reduce greenhouse gas emissions by 47,834 tons of CO2 equivalents annually.
- In 2023, TDB participated as one of the main sponsors and co-hosted "Global Green Finance Leadership Programme 2023", welcoming more than 800 participants from over 40 countries in person. The programme contributed to the capacity building of participants in green financing, SDG-aligned development, after which participants were provided relevant certificates.
- International study tour on green finance capacity building and knowledge sharing was successfully organized to the cities of Amsterdam, Utrecht, and The Hague in the Netherlands, as well as in Frankfurt, Germany, in cooperation with MSFA and International Finance Corporation. The delegation consisted of mid and high-level managers and supervisors from commercial banks, NBFIs, Mongolian Mortgage Corporation, Bank of Mongolia, Financial Regulatory Commission, Mongolian Bankers Association, Banking, and Finance Academy, Mongolia Green Finance Corporation, and MSFA.
- We continue to implement the Green Hour campaign to save energy by turning off the lights for 1 hour during lunch time every day.
- In 2022, Bank commissioned an energy audit conducted by a licensed professional organization and subsequently implemented various measures aimed at enhancing energy efficiency. Since 2023, Bank has been actively implementing recommendations and promoting energy-saving initiatives through internal channels. These efforts include minimizing heat loss, operating electric curtains in timed intervals, installing energy-efficient lighting, and integrating suggestions provided by the audit.
- The readiness proposal "Supporting Green Regional Development in Mongolia" developed by TDB, was approved by the Green Climate Fund, which aims to support regional green development and increase private sector investment.
- TDB started to supply its internal plastic waste as a raw material to one of the leading plastic recycling factories in the country.
- As part of the "One Billion Trees" national movement, Banking sector has committed to planting 50 million trees by 2030. During the reporting period, TDB staff members have planted 100 trees in the "International Eco-Park IGM" park.
- TDB supported the "Mongolian Entrepreneurs Summit 2023", which is organized annually by Business School of the National University of Mongolia, through participating as a speaker introducing green business opportunities and TDB's contribution towards sustainable development in Mongolia.
- TDB supported the Go Zero event hosted by Shambhala Engineering Campus LLC, where organizations of technology, manufacturing gather to exchange ideas and presented their environmentally friendly projects for reducing GHG emissions.
- TDB's Board member Mrs. Otgonbileg has vast experience in sustainable finance and activities related to ESG risks and policies. Therefore, the Representative Governing Board prioritizes sustainable development and its financing, facilitating precise decision-making, offering feedback on Bank's future plans and strategies, and maintaining close collaboration with relevant bank's units on sustainability-related matters.

SUSTAINABLE DEVELOPMENT TRAINING



847
employees

6
types of

51
training

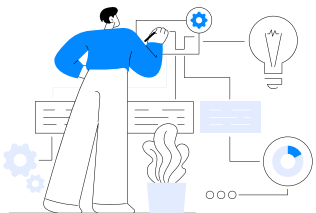
Bank arranges regular training sessions for its employees covering diverse areas such as sustainable development, environment, society, and governance. In 2023, average hours of sustainability training per employee were amounted to 0.4 hours. Moreover, the company ensures a constant flow of sustainable development-related news and information to its employees through internal web and e-mail channels.

SUSTAINABLE SUPPLY CHAIN



Through its procurement policy, TDB supports the acquisition of goods and services that contributes to sustainable development, such as through prioritizing measures to prevent soil, air, and water pollution, encouraging natural resource conservation and promoting corporate social responsibility. This approach is explicitly stated under Clause 4.7.7 of TDB's Operational procedure for purchasing goods, works, and services. Apart from considering aspects like price and quality while making any purchase, Bank endeavors to support national producers, women entrepreneurs, and people with disabilities.

SUSTAINABLE CONSUMPTION



Energy consumption: decreased by	Electricity consumption: decreased by	Generated waste: decreased by
4.2%	5%	3.6%
Heating consumption: decreased by	Fuel consumption /for heating/: decreased by	
3.6%	42%	

Bank submits its energy efficiency action plan to the Energy Regulatory Commission and ensures its diligent implementation. In 2022, Bank has undertaken an energy audit by a licensed professional organization and has implemented various measures to enhance energy efficiency. Notable actions include the replacement of basement lighting with energy-efficient alternatives, installation of automatic sensor faucets in bathrooms, and maintenance activities to minimize heat loss. To foster awareness and responsibility towards energy conservation, TDB consistently communicates relevant information through internal channels to its employees.

ENVIRONMENT, SOCIAL, GOVERNANCE (ESG)



Environmental and Social Risk MANAGEMENT SYSTEM

In 2012, TDB achieved a significant milestone by becoming the first commercial bank in Mongolia to adopt "Environmental and Social Risk Management System" (ESRMS), in partnership with the Dutch Development Bank (FMO). This comprehensive system aims to thoroughly assess, evaluate, and monitor the potential

adverse impacts and risks on the environment and society arising from borrowers' loan utilization. Bank strives to promote responsible lending practices and ensure sustainable outcomes for the environment and the community by implementing ESRMS.

ESG POLICIES AND PROCEDURES

As part the ESRMS implementation, TDB has been enforcing "Environmental and Social Responsibility Policy" since 2012, along with its accompanying document "Environmental and Social Responsibility Policy Implementation Guidelines" to monitor and evaluate the environmental and social risks associated with loans. Bank is committed to adhering to the Law of Mongolia on Environmental Protection, and other pertinent laws and regulations, while also aiming to comply with international agreements, protocols, concepts, and best practices related to environmental protection and sustainability.

Bank's Environmental and Social Responsibility Policy aims to recognize, evaluate, and mitigate environmental and social risks associated with customers. These considerations are then incorporated into the credit decision-making process to minimize any potential adverse effects on the environment and society resulting from both Bank's financing and its customers' business activ-

ities. Chief Risk Officer and the Credit Underwriting Department (CUD) ensures the policy is effectively implemented in Bank's core business operations. The Environmental and Social (E&S) Risk Analyst at CUD holds the responsibility for implementing environmental and social responsibility policies and guidelines, and ensuring regular information dissemination to Credit Officers at Bank's branches.

Bank adopts a distinct financing policy concerning sectors with potentially high environmental and societal risks. These sectors encompass:

- Financing policy for the mining sector
- Financing policy for the construction sector
- Financing policy for the sector of supplying, processing and manufacturing raw material of livestock

ASSESSMENT OF CLIENT ENVIRONMENTAL AND SOCIAL RESPONSIBILITY

WHAT

The borrower's main and financing activities undergo comprehensive environmental and social responsibility assessments, encompassing both the preliminary and comprehensive assessments. These assessments are conducted in adherence to Mongolia's laws, regulations, and international conventions.

WHEN

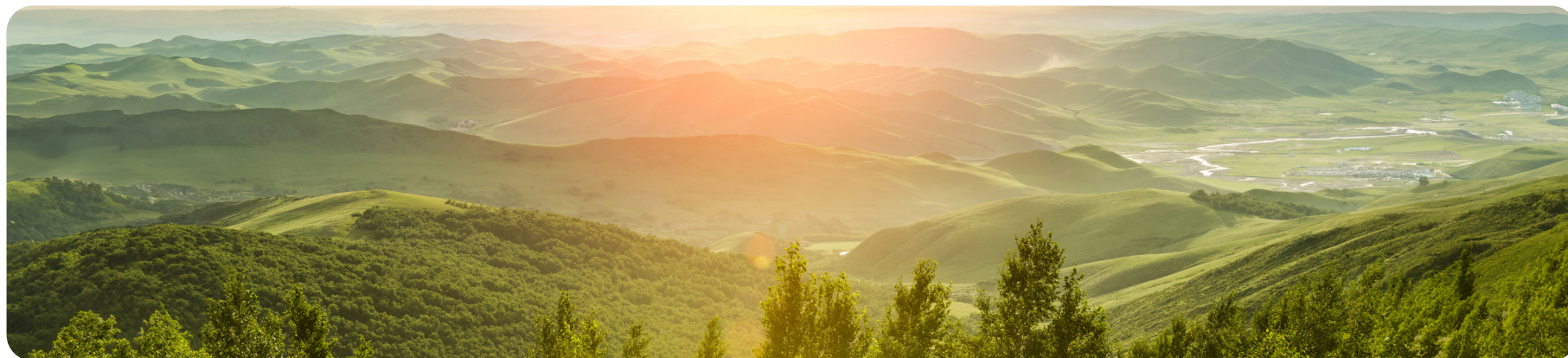
As per the "Environmental and Social Responsibility Policy" and the accompanying implementation guideline, the preliminary and comprehensive assessment of the environmental and social responsibility will be conducted for business loan requests that are above MNT 100 million with the loan tenor of minimum 12 months.

WHO

E&S Risk Analyst at the Credit Underwriting Department assesses the environmental and social risks associated with loan applicants' activities and provides recommendations during the loan approval process.

HOW

During a comprehensive assessment, various factors such as the loan applicant's environmental practices, social responsibility, and competence are thoroughly assessed historically. Assessment report is drawn based on the company's compliance with the IFC Environmental and Social performance standards. Should the environmental and social risk analyst assess that the loan applicant's activities carry potential environmental and social risks that can be mitigated, specific requirements designed to address and minimize these risks will be reflected on the loan agreement while the implementation will be closely monitored over the course of the loan. Moreover, 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, Bank adopts a preventive approach by declining to finance such activities, aiming to mitigate potential risks in the future.



ENVIRONMENT

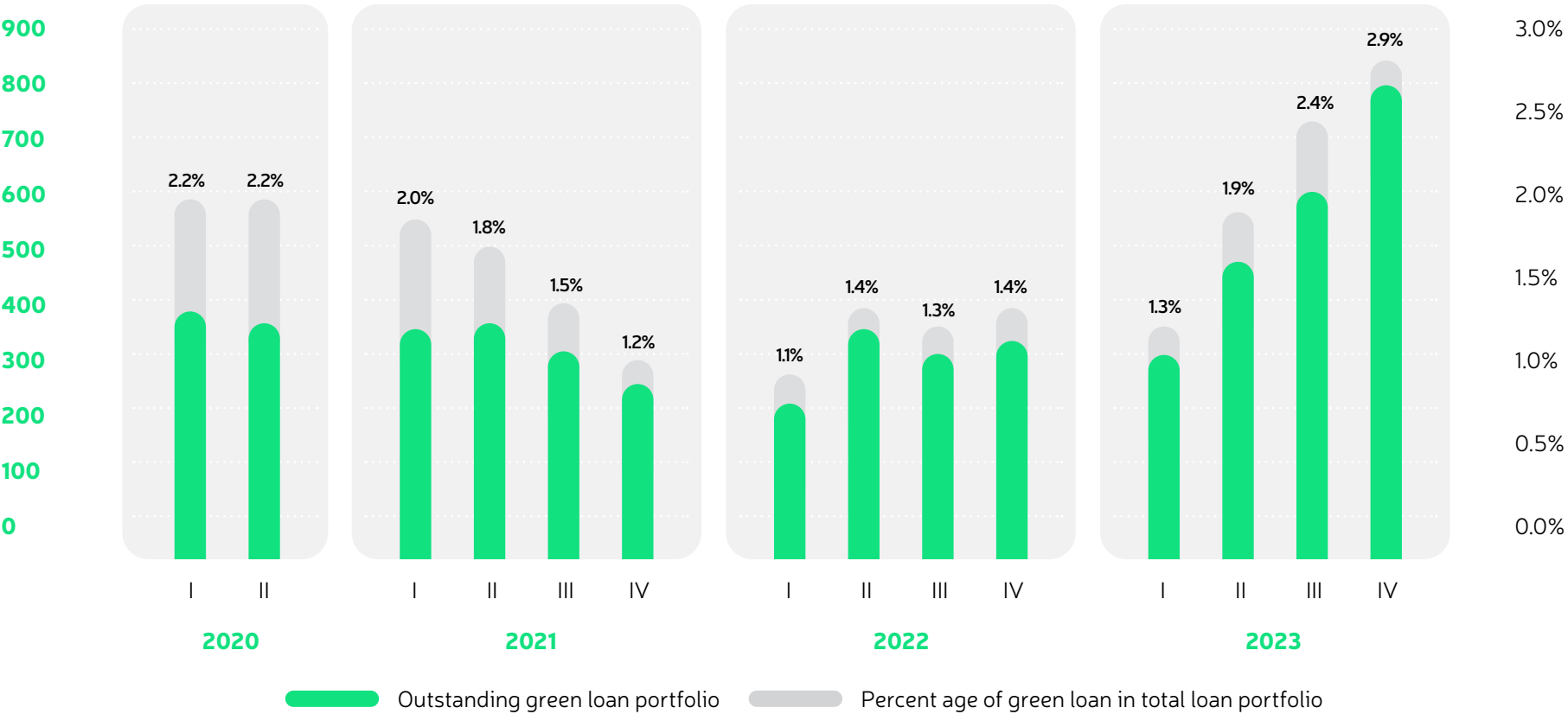
- Tackling Climate Change
- Sustainable Finance



SUSTAINABLE FINANCE

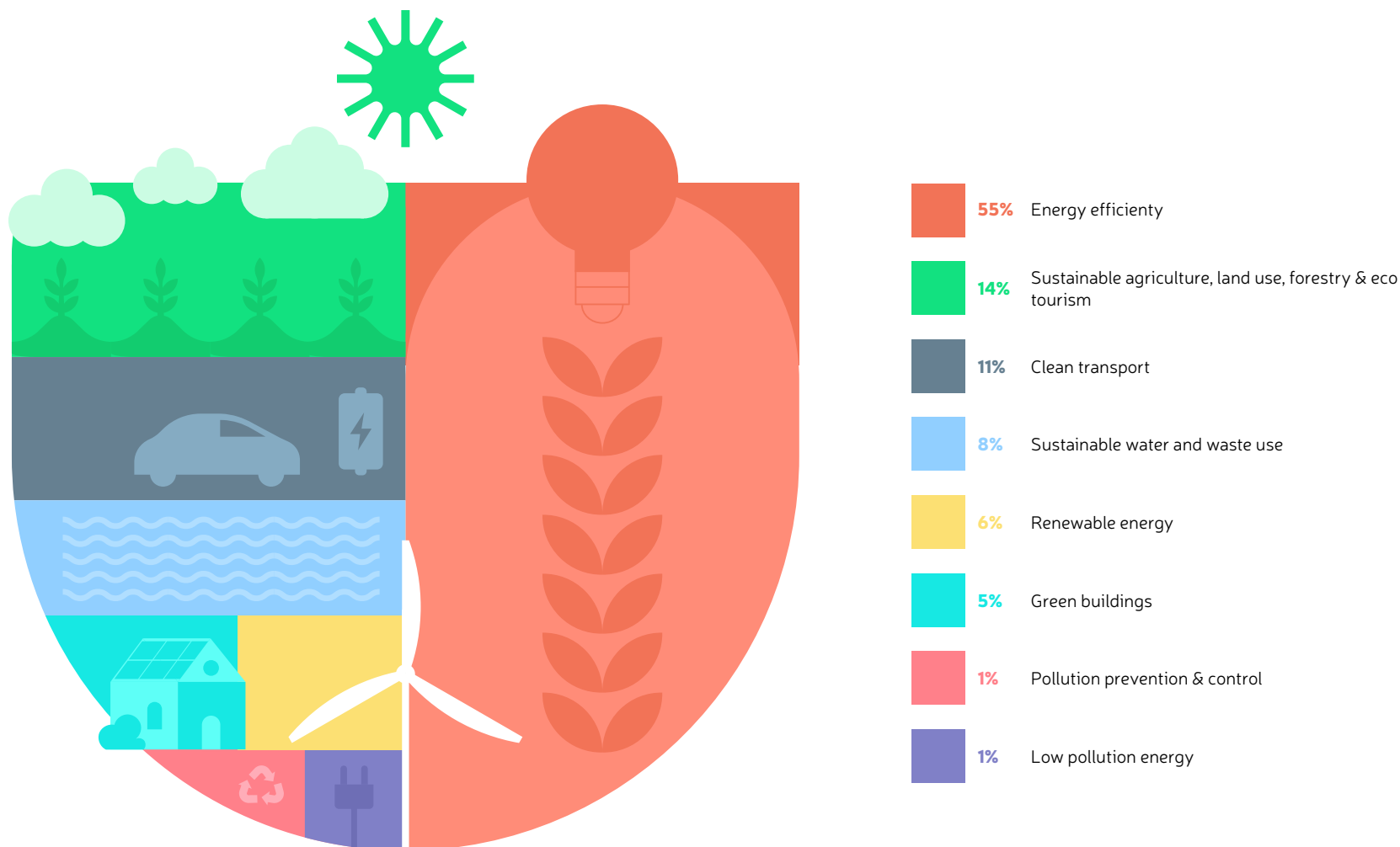
National Sustainable Finance Roadmap of Mongolia was approved in December 2018, comprising three sections: “Environmental and social risk assessment,” “Green loan” and “Sustainable finance partnership and policy environment”. The concept of sustainable finance has been expanding across all sectors in Mongolia. Notably, Banking sector has been actively championing green financing by offering dedicated financing products for climate mitigation and adaptation projects.

Outstanding green loan portfolio held by Mongolian banks /MNT, in billion/



OUTSTANDING GREEN LOAN PORTFOLIO BY MONGOLIAN GREEN TAXONOMY

The amount of green loans has doubled compared to the previous year, but it is about 2.9% of the total loans of Banking sector, which shows the need to support green financing.



TACKLING CLIMATE CHANGE

ACCREDITED ENTITY OF THE GREEN CLIMATE FUND

Green Climate Fund (GCF) is the largest global fund dedicated to mitigating greenhouse gas emissions, fostering climate change adaptation, and promoting sustainable and green development within developing countries. In 2020, following the GCF Board decision, TDB was accredited by the fund, enabling it to offer concessional financing of up to 250 million US dollars for large-scale national projects and programs supporting sustainable and green development.

As part of its ambition to enhance sustainable finance, Bank is actively engaged in executing several climate mitigation and adaptation projects and programs in collaboration with GCF and international financial institutions.



BELT AND ROAD INITIATIVE

The Green Investment Principles (GIP) were introduced for the first time at the “Belt and Road” conference held in April 2019. This initiative aims to establish a sustainable “Belt and Road” through financial means. It emphasizes the incorporation of environmental considerations into projects and programs, endorsing green investments, curbing carbon emissions, mitigating pollution-inducing investments via comprehensive environmental risk assessments, and encouraging transparency and innovation in the pursuit of its objectives. Representatives from TDB participated in the inaugural gathering of the GIP member organizations and the “Belt and Road - New Energy” international forum in August 2019. As a result of this participation, TDB became a member of the GIP principles and joined the working groups dedicated to Environmental and Climate Risk Assessment and Innovation of Green Financial Products.



VOLUNTARY PARTNERSHIP

Mr. Randolph S. Koppa, Chairman of the Board of TDB, holds the position of Vice-Chair of Climate change & Sustainable Finance WG at the Business Council of Mongolia.

Mr. Orkhon Onon, CEO of TDB, serves as Chairman of the Representative Governing Board for Mongolian Sustainable Finance Association and a member of the Representative Governing Board for "Billion Tree Fund".

Representatives from TDB actively participate in the MSFA's "Green Loan Policy and Products Professional Council" and the "ESG and Climate Risk Professional Council" as well as "50M" club under the "Billion Tree Fund".

SUSTAINABLE FINANCE INITIATIVE

TDB played a pivotal role in co-hosting the "Mongolia Sustainable Finance Forum 2013" event, serving as a foundational step towards advancing sustainable finance practices and establishing Mongolian Sustainable Finance Association. This collaborative effort involved partners such as Dutch Development Bank, Mongolian Bankers Association, International Finance Corporation, and Banking and Finance Academy. Following the forum, Mongolian commercial banks signed a declaration committing to socially and environmentally responsible sustainable finance initiative, which have been consistently upheld and implemented to this day.



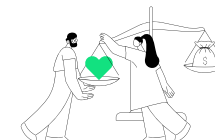
MONGOLIAN SUSTAINABLE FINANCE PRINCIPLES

Since 2015, TDB has been diligently adhering to the eight principles of sustainable finance outlined by MSFA. As a founding member of the association, bank submits a biannual report on sustainable finance implementation.

Protect the natural environment



Protect people and communities



Protect cultural heritage



Promote "Green economy" growth



Promote financial inclusion



Promote ethical investment and corporate governance



Promote transparency and accountability



Lead by example



As part of the GCF Readiness program on “Upscaling sustainable and green finance practices in Mongolia”, which commenced in 2022 with the support of GCF grant, TDB collaborated closely with Mongolian Sustainable Finance Association (MSFA) to conduct following activities.

- TDB arranged the enrollment of 21 employees from banks, non-banking financial institutions (NBFIs), and financial regulatory organizations in Mongolia in sustainable finance and impact investing online courses offered by Frankfurt School in Germany. Upon completion of the course, participants will gain expert skills enabling them to introduce and implement policies and strategies related to sustainable finance and climate finance within their field of expertise.
- International study tour on green finance capacity building and knowledge sharing was successfully organized to the cities of Amsterdam, Utrecht, and The Hague in the Netherlands, as well as in Frankfurt, Germany, in cooperation with MSFA and International Finance Corporation. The delegation consisted of 34 mid and high-level managers and supervisors from commercial banks, NBFIs, Mongolian Mortgage Corporation, Bank of Mongolia, Financial Regulatory Commission, Mongolian Bankers Association, Banking, and Finance Academy, Mongolia Green Finance Corporation, and MSFA. During the tour, joint meetings with renowned banking and financial institutions, associations, partnerships, and investment funds based in Netherlands and Germany were organized, to explore large-scale green projects and programs financed by these organizations, studying their experiences and practices.



SUSTAINABLE FINANCE PRODUCTS

TDB successfully secured external funding of MNT 71.2 billion for its Green Loan Program and Women Entrepreneurship Support Program. In order to ensure the effective implementation of these programs, Bank launched various sustainable finance products and services to the market.

In 2023, TDB successfully announced its Initial Public Offering (IPO) in the primary market, with total of 5% shares, in result Bank received orders worth 105.5 billion MNT from a total of 2,528 investors, and the target amount of 83.5 billion MNT was successfully closed with 126.4% completion. As part of its long-term goal of becoming a "Green Bank", TDB is disbursing lending in accordance with the categories of green and social loans which are reflected in TDB's "Sustainability Framework" document.

Retail GREEN LOAN PRODUCTS

TDB's retail green loan portfolio, by products (as of Q4, 2023)

Eco car loan, **94.90%**

Green consumption loan via an E-commerce platform, **5.10%**



Green consumption loan

Loan product with the aim to mitigate climate change and reduce air and soil pollution through promoting purchase of eco-labeled products and services. The product is available to support eco-labeled products that adhere to quality standards.



Green consumption loan via an E-commerce platform

Online loan product for financing eco-labeled products and services, launched in cooperation with E-commerce platforms.



Eco car loan

Loan product with favorable terms for financing hybrid and LPG vehicles.



Electric car loan

Loan product with favorable terms for financing pure electric vehicles.

TDB launched its Eco car loan, Consumer green loan, and Green consumption loan via an E-commerce platform respectively in 2018, 2020, and 2021. Green consumption loan was launched in partnership with Shoppy LLC, with the aim to encourage eco-conscious behavior among citizens by offering eco-friendly products from various businesses with highly favorable loan terms. TDB's Eco car loan is available for financing the purchase of a hybrid, LPG, and electric vehicles that are new or not more than 10 years old.

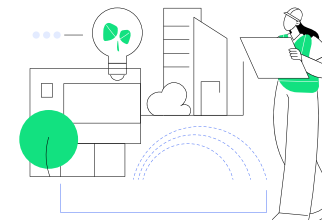
Green business loan WITH CREDIT GUARANTEE



Bank in cooperation with Credit Guarantee Fund has launched "Credit Business Loan with Credit Guarantee" within the framework of the United Nation's Sustainable Development Goal 13: Climate Action, to support the environmentally friendly activities of small and medium-sized businesses, in August of the reporting year.

The loan product, with its long-term and favorable requirements, aims to finance small and medium-sized businesses that lack sufficient collateral to expand their businesses, implement new projects.

Green BUSINESS LOAN

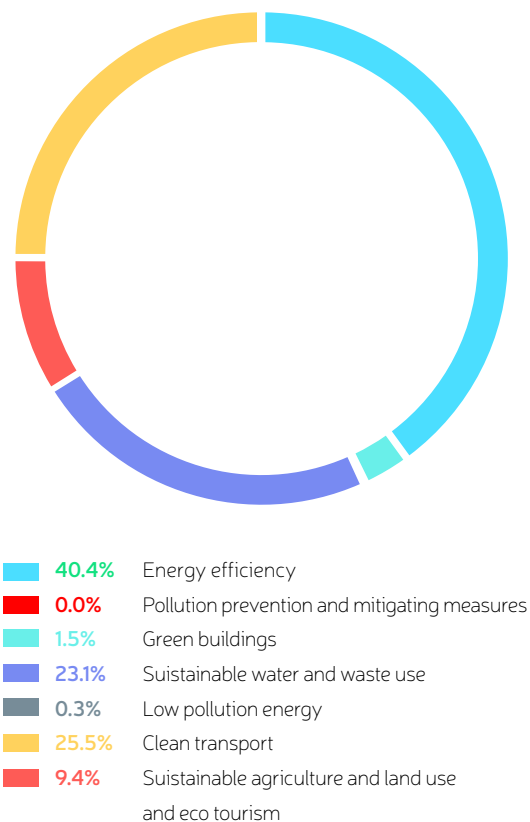


In support of the Sustainable Development Goal 13: Climate Action, TDB launched Green business loan product to the market in August 2021 with favorable loan terms, serving as a crucial pillar of support in achieving the goal. Green businesses that are aligned with the requirements outlined in both Mongolian Green Taxonomy and TDB's Sustainability Framework are available for financing. As of 2023, TDB's total green loan portfolio amounted to MNT 48.4 billion, of which 39.2% and 32.8% respectively was allocated to finance projects within Green taxonomy categories of Energy efficiency and Sustainable Water and Waste Use.

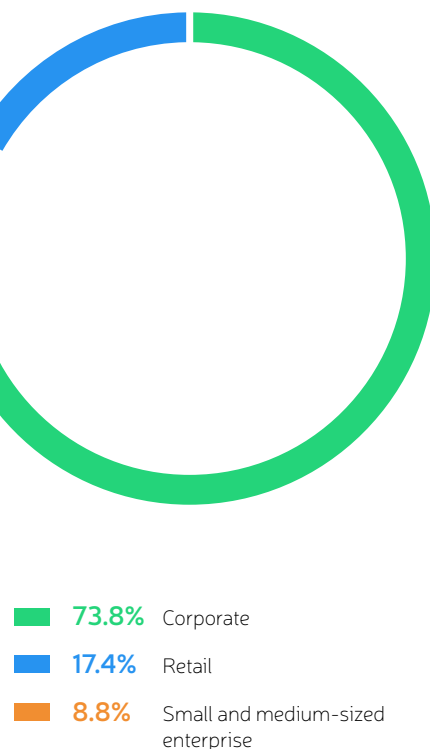
THROUGH TDB'S GREEN BUSINESS LOANS, TOTAL OF **47,834 TONS** OF CARBON DIOXIDE EQUIVALENTS ARE EXPECTED TO BE REDUCED ANNUALLY.



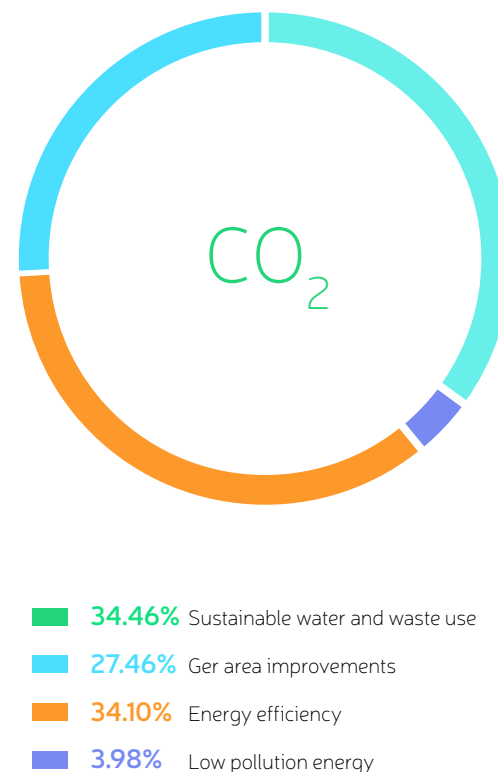
TDB's green loan portfolio BY TAXONOMY CATEGORIES



TDB's green loan portfolio BY SEGMENTS



Green taxonomy classifications of GHG emission reduction projects FINANCED BY TDB



SOCIAL

- Diversity, Equity & Inclusion
- Employee wellbeing and Human Resource Management
- Labor Practices and Human Rights
- Community Engagement



DIVERSITY, EQUITY & INCLUSION

GENDER EQUALITY POLICY

TDB is a committed bank to the elimination of all forms of inequality and discrimination and to promote gender sensitive banking services, thus approved its Gender Equality Policy in December of 2019, and re-established its Gender Committee in 2021. Within the framework of the "Gender Equality Policy", Bank will contribute to gender equality by promoting gender sensitivity and gender mainstreaming across its operations, products

GENDER COMMITTEE

The Gender Committee ensures the effective implementation of the Gender Equality policy within TDB. The Committee is responsible for preparing the annual implementation report, collecting gender disaggregated data, and conducting both qualitative and quantitative gender analysis of the departments and units within the organization.

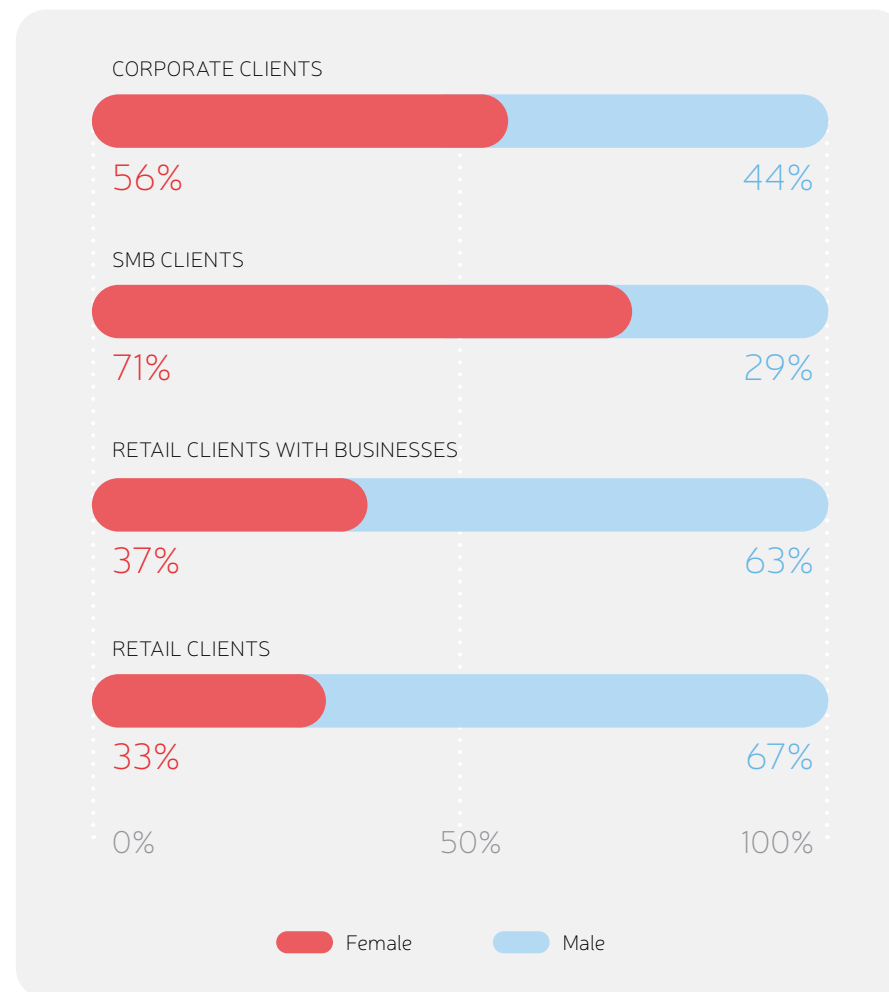
To enhance the skills and knowledge of Bank's staff and promote awareness of gender equality, TDB organized training sessions for approximately 100 mid-level management staff. Additionally, the new staff orientation program included dedicated training on "TDB's Gender Equality Policy." Under the Gender Committee, the Gender Networking Group was established

and services. This policy is aligned with the principles of the United Nation's Sustainable Development Goals, in particular with the SDG 5: Gender equality, Law on Promoting the Gender Equality, National Program on Gender Equality (2017-2021), and Gender strategy for organizations and agencies under the authority of the Minister of Finance of Mongolia (2016-2024) respectively.

with the aim of promoting gender equality and facilitating discussions on innovative topics, issues, and challenges relevant to corporate policies. The Gender Networking Club comprises of voluntary members from Bank's staff and hosts regular meetings to address various aspects of gender equality and diversity. The club also provides advice to the Gender Committee on innovative ideas and activities to promote diversity and gender equality.

TDB is committed to combating workplace sexual harassment and all forms of discrimination. This commitment is reflected in policies such as "TDB's Code of Conduct," "TDB's Whistleblowing Policy," and "TDB's Gender Equality Policy."

GENDER RATIO OF TOTAL CUSTOMERS



TDB'S PROCEDURES FOR THE PREVENTION AND PROTECTION of Sexual Harassment in the Workplace

"Procedures for the Prevention and Protection of Sexual Harassment in the Workplace of the TDB" approved by the CEO's Order No. A-23/703 is being implemented. The purpose of the regulation is to identify acts and omissions related to sexual harassment in the workplace, to prevent it, to resolve cases of sexual harassment, and to create a mechanism for imposing responsibility.

DIVERSITY

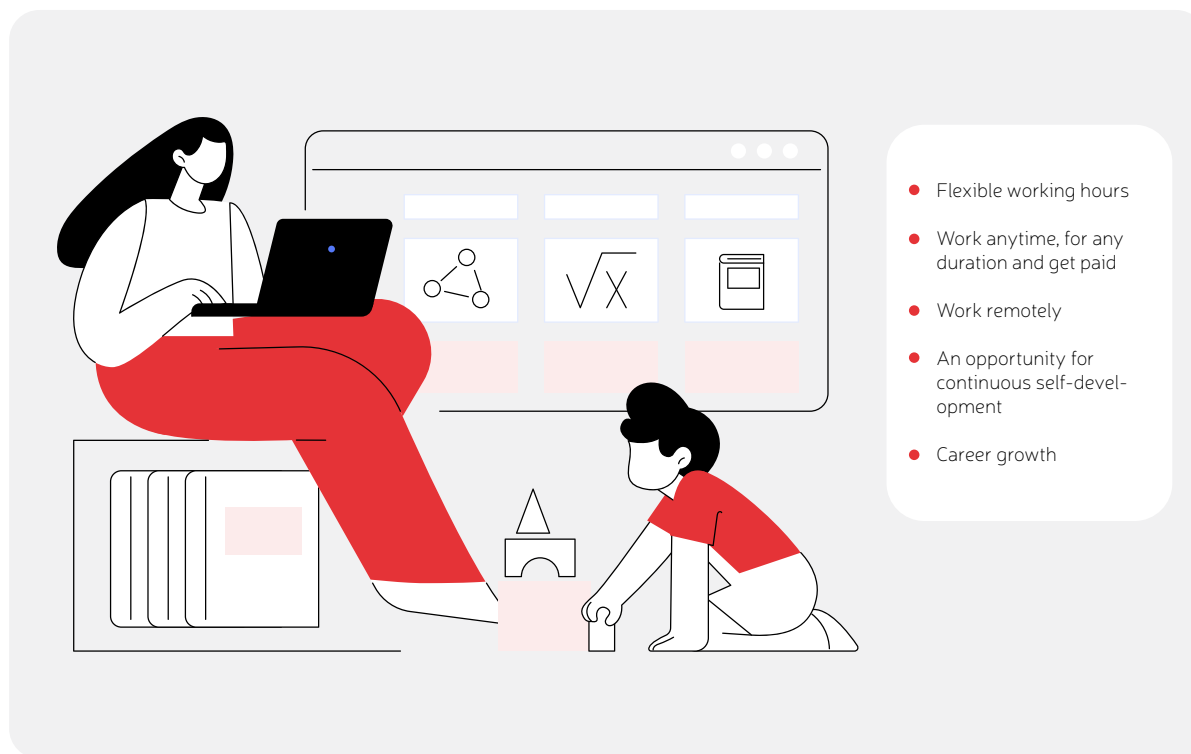
In partnership with MSFA, and as their "Leading Sustainable Finance Bank" for 2022, TDB is working to develop gender sensitive financial sector. Our current goal is to address the existing gap in the financial system and gender inequality by introducing gender sensitive and inclusive financial products in the market.

In line with this objective, TDB introduced its Women Entrepreneur Support Loan (WESP) in October of 2021 to further support SMEs and advance gender inclusivity. WESP is a concessional loan product that is offered for women-led SMEs, with a requirement to finance businesses where women make up the majority in terms of ownership, management, and employment.

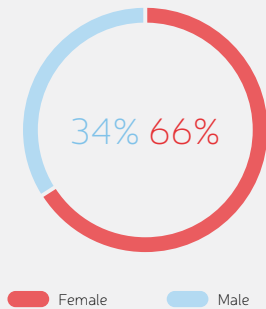
Bank grants parental leave based on employee requests and as per the requirements. In the specified reporting period, a total of 176 employees benefitted from childcare leave, resulting in total of 137 employees taking absence for childcare purposes. Additionally, 110 employees returned from their childcare leave and were successfully reinstated in their previous positions. The employee stability index reached 100%, indicating that all 110 employees who returned are currently employed and actively working at Bank.

TDB - FLEXIBLE MOM PROGRAMM

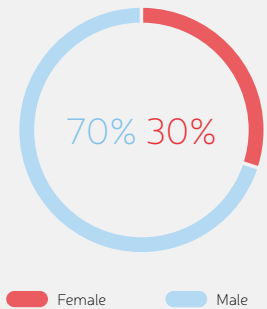
The program, which aims to ensure the continuous development and career stability of female employees by offering flexible hours and remote work positions for employees who took parental leave, has been successfully implemented since October.



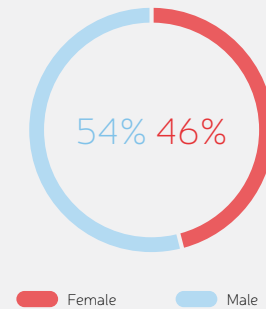
Staff by gender



C level staff by gender



Middle management by gender



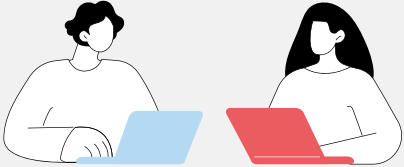
Our commitment is to advance fairness, diversity, and equal opportunities within the workplace. Additionally, we prioritize the well-being and sustainable growth of our employees by offering competitive salary and compensation packages. We are dedicated to maintaining our leading position in Banking industry and ensuring fair compensation for our employees. To achieve this, we continually enhance our internal systems by benchmarking against industry standards in the financial sector.

	Gender		Location		Age			Total
	Male	Female	UB	Provincial	Below 26	26-35	Above 36	
Total employees	767	1,532	2,116	183	575	1,195	529	2,299
New employees	192	314	456	50	—	—	—	506
Representative Governing Board	4	5	9	—	—	—	9	9

Bank adheres to the “Law on Labor of Mongolia” and provides appropriate compensation and working conditions to employees with disabilities. Currently, individuals with disabilities constitute 0.6% of TDB’s total workforce.

Diference in average salary

281,168₮



In 2023, Human Resource department resolved 100% of feedbacks on service quality and requests received from customers and employees by taking relevant measures.

EMPLOYEE WELLBEING AND DEVELOPMENT

TRAINING AND DEVELOPMENT

As an advocate for sustainable growth and responsible banking, TDB consistently invests in the professional development of its employees. Through providing essential trainings, Bank equips its staff with the skills required in an evolving sustainable finance landscape and in an inclusive society.

TDB holds a prominent position within the financial sector and has established comprehensive training models through its sustainability and human resource policies. Bank is committed to delivering innovative and diverse training programs aimed at developing technical skills, fostering a culture of participation, and promoting responsible investing.

In 2023, a total of 259 different types of training programs were conducted 511 times for 21,278 employees with reoccurring attendance. To provide a break down, on average, each employee attended 10.4 trainings throughout the year and average annual training to employee ratio was 1.1 hours.

To support the self-development and career growth of its employees, Bank offered various online learning platforms, including Udemy and Melarn.mn, accessible to all staff members. These platforms allowed employees to explore training programs related to their professional growth.

During the reporting period, out of the 511 internal training sessions, 215 (approximately 42%) were specifically designed for mid-level management. Additionally, 137 sessions (around 27%) were exclusively for C-level executives, while the remaining 31% of training sessions focused on capacity building and knowledge-sharing for all employees.

21,278
employees

259
varieties

511
trainings



TRAINING OF TDB EMPLOYEES

27%
C-level executives

42%
Middle management employees

31%
Total employees

Ensuring the continuous development of our employees is crucial for our enduring prosperity. In line with our commitment to sustainable and responsible business objectives, we prioritize a seamless transition process and offer a range of diverse opportunities to our staff. This process holds significant importance for our organization as it fosters talent retention, cultivates a culture of ongoing learning, and creates optimal experiences for both the company and its employees.

In 2023, we introduced an enhanced salary system aimed at bolstering the satisfaction of our esteemed workforce comprising 2,299 individuals. During the reporting period, 69 types of full-time positions were created, and 506 individuals were employed. Aligned with Bank's vision, mission, and long-term commitment to continual progress and employee advancement, we created and implemented the "TDB's Competency Guideline." This framework serves to identify the necessary qualifications essential for achieving desired job goals and objectives. Consequently, Bank has achieved sustainable business growth by fostering the development and enrichment of our employees' capacities and skills, while simultaneously redesigning our performance evaluation system.

KPI BASED EVALUATION

TDB carries out quarterly evaluations of its employees, assessing their performance based on key performance indicators (KPIs). The primary requirement for the evaluation is being employed for more than half of the reporting period. In 2023, 93% of the employees underwent this assessment.

CAREER PLANNING

Once the new employee is accepted into a full-time position, their career journey begins, and they receive feedback from the head of the relevant department and the HR officer as needed. Our HR department follows an insourcing policy, which involves posting internal job advertisements and ensuring a transparent hiring process. Employees have the opportunity to submit their medium and long-term career plans through the internal system. Based on these plans, the HR department assigns employees to suitable positions.

2,299

Employees had the opportunity
to increase their salaries

506

Individuals were
employed

400+

Employees have
been promoted



BANK PROVIDES FOLLOWING COMPENSATIONS AND BENEFITS



- Social insurance premium;
- Healthcare premium;
- Providing suitable remuneration and extra annual annual leave days for employees with disabilities;
- Childcare leave (maternity leave of 120 days, along with long-term childcare leave until the child reaches 3 years of age);
- Paternity paid leave of 10 days;
- 1 day of paid leave and financial compensation in the event of an employee's wedding;
- Bereavement leave of 5 days and financial compensation;
- Up to 4 hours of monthly paid leave for all employees;
- Pension plans, determined based on the number of years worked and are provided upon the retirement of employees;
- Every quarter, high-performing employees are rewarded with trips abroad;
- Performance based compensation and salary;
- Employees have the option to dress in business casual attire either every day or specifically on Fridays, depending on the nature of their work;
- TDB's Customer service policy has been updated, allowing front-line employees to work comfortably throughout the summer season;
- Gifts and phone allowances on special celebration days;
- Employees are eligible to join TDB's various workplace social clubs, such as the Good Readers, Hiking Club, English Speaking Club and more, to take part in organizing and participating in events and activities;
- Reimbursement of up to \$1,000 for employees successfully completed internationally recognized professional qualifications;
- Employee discounts at Bank's partnering companies;
- Depending on the nature of the work, "no-desk" or online working conditions are allowed

OCCUPATIONAL SAFETY AND HEALTH



Bank adheres to occupational safety and health standards by promoting safety of a workplace within the organization and incorporating relevant regulations and policies into clause 4 of Bank's premise use policy. All employees are informed about relevant occupational safety policies based on the nature of their work:

- Guidance on workplace safety procedures for drivers,
- Guidance on workplace safety procedures for front-line employees,
- Guidance on workplace safety procedures for electric engineers,
- Guidance on workplace safety procedures for plumbers,
- Guidance on workplace safety procedures for carpenters,
- Guidance on workplace safety procedures for office workers.

In 2023, a total of 75 hours of training were organized, comprising 43 hours of in-person courses and 32 hours of external professional trainings, all focusing on Occupational health and safety. OHS information is delivered to employees through internal channels on a regular basis.



Under the directive A/139 issued by the Minister of Health for the nationwide "Preventive examination, analysis, and diagnosis of the population" initiative, the organization has actively involved all employees.

LABOR PRACTICES & HUMAN RIGHTS



TDB places the well-being, rights, and prosperity of its employees above all else. We are committed to providing a work-life balance, recognizing excellent performance, fostering growth, promoting inclusivity, and maintaining a safe and supportive workplace environment. We also maintain an ethical approach to our partnerships.



Bank's "Dispute Resolution Committee" was established to ensure the honest, equal, and balanced resolution of any disputes that may arise between the employer and employees. This committee includes representatives from both the employer and employee sides.



TDB firmly opposes forced labor and strictly prohibits any such occurrences. Bank follows a proper procedure of mutual agreement and formal contracts at all levels of employment, whether for full-time or contract employees.

Bank follows following procedures for its procurement:

- Requirements for the supplier are specified in the article 4.8 of TDB's "Operational procedure for purchasing goods, works, and services":
 - In 4.8.5: the supplier's operation must not involve activities that are prohibited by the Mongolian laws and legislations;
 - In 4.8.6: the supplier's operation must not have negative impact on the environment or the society;
- Bank procurement process takes into account whether the supplier is involved in forced labor or not.

COMMUNITY ENGAGEMENT

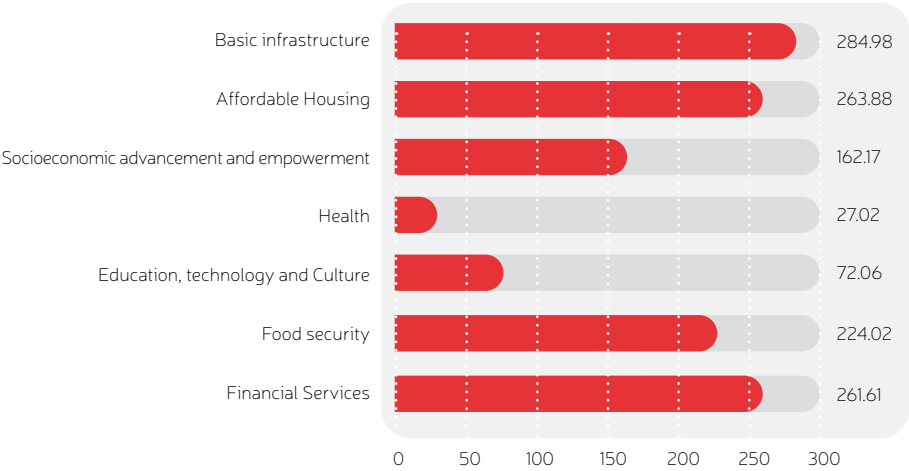
Financial inclusion, social development

SOCIAL FINANCING

As of 2023, TDB's social loans outstanding amounted to 1.3 trillion MNT, representing 29% of Bank's total loan portfolio. A total of MNT 711 billion was allocated to financings in "Social Development" sectors such as affordable housing, basic infrastructure, and socioeconomic advancement and empowerment.



Social loan portfolio /MNT, in billion/

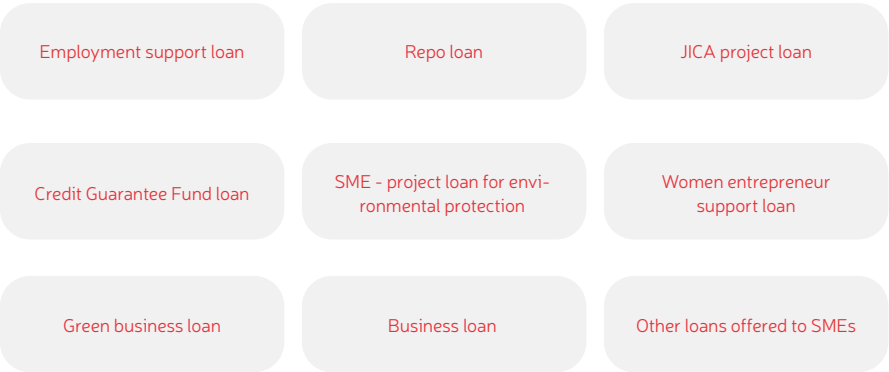


SUPPORTING SMES

TDB's SME Banking department has been supporting SMEs by offering fast and risk free, tailored products and services, to encourage environmentally friendly and socially responsible business practices. As a result, we are developing the TDB Incubator business center under the motto of "Together Development" by creating an eco-system that will follow large organizations.



As of 2023, Bank's total outstanding loans provided to SMEs amounted **MNT 592 billion:**





In 2023, TDB successfully announced its Initial Public Offering (IPO) in the primary market, with total of 5% shares, in result Bank received orders worth 105.5 billion MNT from a total of 2,528 investors, and the target amount of 83.5 billion MNT was successfully closed with 126.4% completion. As part of its long-term goal of becoming a "Green Bank", TDB is disbursing lending in accordance with the categories of green and social loans which are reflected in TDB's "Sustainability Framework" document.



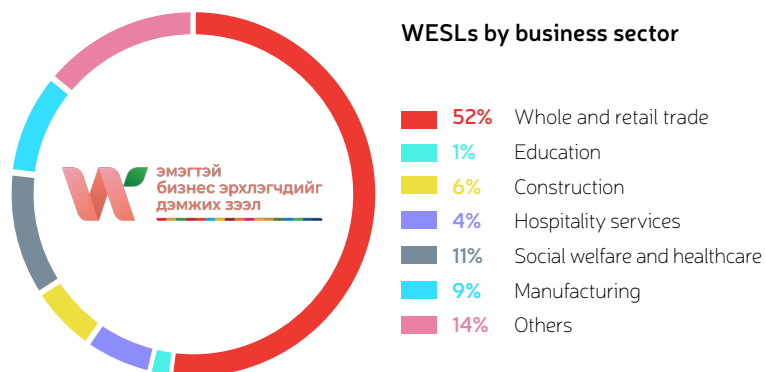
In our quest to provide innovative financial solutions that serve the broader economic interests of Mongolia, we have pioneered the introduction of new banking products and services designed to enhance the efficiency and competitiveness of our clients. A prime example of this innovation is our unique offering of international settlement through USD accounts, facilitated by our partnership with BNY Mellon.

This service is a game-changer for Mongolian businesses and individuals across all segments, including retail, SMBs, and corporates. By enabling quicker and more cost-effective international transactions, we are directly enhancing the operational efficiency of our clients. This capability empowers them to engage in global commerce more easily and affordably, providing a competitive edge in the international marketplace.

WOMEN ENTREPRENEURSHIP SUPPORT LOAN



Bank introduced the Women Entrepreneurship Support Loan (WESL) banking product in October 2021, specifically designed for Mongolian SMEs solely owned and led by women. The aim was to cater to those businesses that lacked sufficient collateral for accessing financial services. As of the Q4 2023, Bank has provided a total loan amount of MNT 36.2 billion to support women entrepreneurs across 9 economic sectors.



FINANCIAL LITERACY



To encourage citizens to have saving habits and be familiar with the benefits of savings, Bank has been organizing the "Mongolians with savings" campaign successfully for 9 months. As part of the campaign, 5 pairs of customers were rewarded with "Trip to Hainan", one customer became the owner of a "Studio apartment", and 290 customers were eligible for saving rewards ranging from MNT 100,000-2,000,000. During the campaign, it was noticed that customers chose term deposits more than usual, created the habit of saving through Bank's Easy saving service, and adjusted their deposit amounts.

FINANCIAL LITERACY OF RETAIL CUSTOMERS

In 2023, Bank encouraged customers financial literacy and promoted banks' products. In 2023, TDB organized 260 events to support the financial education of citizens and promote banking products and services. A total of 115,000, be overlapping, customers have participated in these activities and received product and service information

115,260 customers	6 forums	62 events	9 campaign
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Mongolians with Savings



XYYP Music Festival



World Savings Day



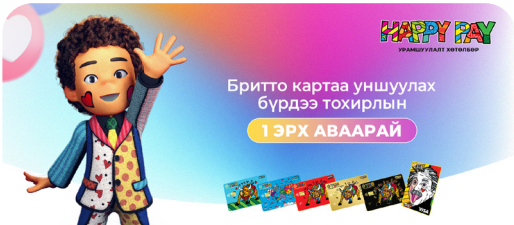
Happy Branch, Happy Staff



Visa direct cashback



Seksstsaaganbogd and 290 live concert



Happy Pay



Amazon Taobao, Netflix, Steam, Spotify cashback



Britto + BE Mobi



Britto cashback



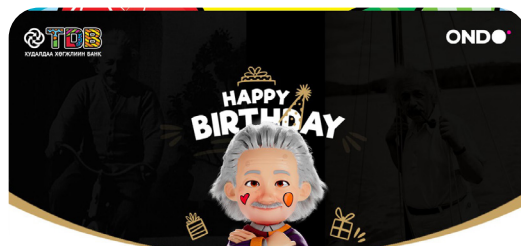
Britto tour



Britto + GS25



Skytell Inlive + Britto



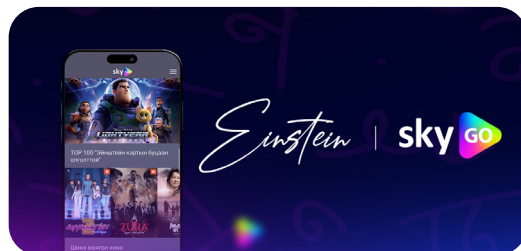
Ondo + Britto



Trade Finance Forum - 2023



Music Awards



Britto Skygo



Shoppo + Britto cashback

For Small and Medium-sized Enterprises, Bank hosted the **“Next Solution - Networking Event,”** which brought together 144 key buyers and suppliers from three organizations. Tailored products and services were showcased to meet customer needs, facilitating productive information exchange. Furthermore, in collaboration with the Ministry of Food, Agriculture and Light Industry of Mongolia and the Japan International Cooperation Agency (JICA TSL), Bank co-organized a Road Show in 2023 to promote SMEs nationwide. This initiative aims to intensify support for SMEs by informing 344 locally promising enterprises about discounted financing opportunities.



FINANCIAL LITERACY OF BUSINESS CUSTOMERS

During the reporting period, a total of 1,907 people were provided with trainings and information on products and services of TDB.

IN 2023 WE HAVE ORGANIZED THESE FOLLOWING EVENTS:

- Trade Finance forum 2023, which aims to discuss and solve the problems of trade finance and trade finance in Mongolia.
- ACSIC conference-Conference of Asian credit Guarantee Funds
- In the framework of the 33rd anniversary of TDB, an event aimed at promoting banking activities and providing information on financial products and services to customers.
- “Bloomberg Awards 2023” aims to highlight the best leaders of the current industry among the wealth creators who are making a real contribution to the development of Mongolia, and promote them not only to the public, but also to the international level.
- Casual meetings aimed at solving the financial problems of customers and providing information on new products and services.



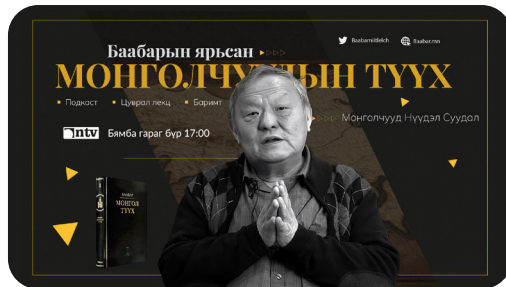
CORPORATE **SOCIAL RESPONSIBILITY**

In 2023, TDB organized and sponsored 18 diverse types of activities and events as part of its corporate social responsibility efforts:



Invest Khovd

Supported the Invest Khovd forum - 2023 investment conference organized in Khovd province, of the western region.



History of Mongolians

As a national bank that cherishes its heritage, it sponsored Mongolian historical content and supported the work of passing on its history and culture to the younger generations.



Boundless Dream 2023

Through this project, this year Bank has worked in a 1st State School of Kherlen sum, Dornod province, benefiting more than 2200 students and 120 teachers.



Save the Planet

In collaboration with Mobicom, Bank organized a "Save the Planet" campaign that encourages the new generation to love and protect the planet. Distributed content on various social platforms, urging people not to turn plastic parts of used cards into environmentally harmful waste.



Sustainable Finance Week - 2023

The Green Finance-International Forum 2023 was held by the Office of the President of Mongolia, Mongolian Sustainable Finance Association, Institute of Finance and Sustainability (IFS), International Finance Corporation (IFC) and other foreign and domestic partner supporting organizations. Mongolia becomes one of the first countries to adopt SDG Finance Taxonomy.



Everyone is Environmentalist

The video related to the Everyone is an Environmentalist campaign organized by the Ecology Department of the General Police Department has been uploaded free of charge for 14 days on the LED screens in their premises.



Trade Finance Forum-2023

Trade Finance Forum 2023 was organized in the first time in Mongolia. We discussed with our valued customers and trusted business partners to discuss challenges, achievements and new opportunities.



Open Innovation Co-Creation for SDGs

In cooperation with Japan International Cooperation Agency organized a project to provide proposals, initiatives and solutions to social problems faced by Mongolia. The winning project will be sponsored and supported.



Mongolia Economic Forum

The 2023 Mongolian Economic Forum, under the slogan "Welcome to Mongolia," marked a significant milestone in promoting sustainable financing and supporting green initiatives within the country. During this event, it was publicly announced that funds raised through Initial Public Offerings (IPOs) would be dedicated to green financing projects, furthering Mongolia's commitment to environmental sustainability and responsible investment.



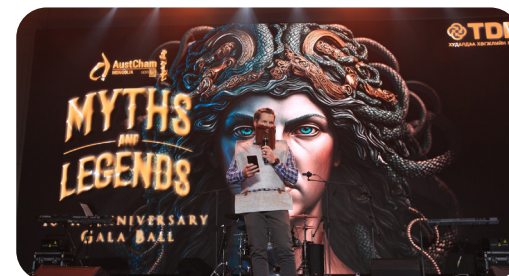
Doctors and medical employees

Doctors and medical employees, who are the owners of the noble work of promoting and protecting the health of population of Mongolia, were included in the mortgage loan in the first time.



BNY Mellon

Successfully opened USD direct clearing account at Bank of New York Mellon (BNY Mellon) since the country's inclusion in the Financial Action Task Force (FATF) grey list.



AUSTCHAM Mongolia

Participated in Austcham Mongolia's "Myths and Legends" event as a DIAMOND SPONSOR to improve the business environment between the two countries.



Business event

Sponsored the TDB and JICA business matching event, NEXT SOLUTIONS networking event, JAPANESE - MONGOLIAN Business networking event to improve economic and social importance between Mongolia and third neighboring countries.



Bloomberg Awards TV Mongolia 2023

By sponsoring the Bloomberg Awards TV Mongolia 2023 event, played an important role in improving Mongolia's business conditions, economic and social importance.



New green loan product

In collaboration with Credit Guarantee Fund, introduced guaranteed green business loans. Furthermore, to address the housing needs of rural communities, subsidized mortgage loans with loan guarantees were launched.



World Space Week

We sponsored World Space Week, Mongolia's premier science event for children and youth, impacting over 30,000 children and fostering a passion for science.



Happy Art

We have incorporated Happy Art pictures on the walls of buildings in high-traffic areas of Ulaanbaatar. Not only does it add vibrancy and beauty to the environment, but it creates moments of joy.



WEFAP

TDB supported "Women Entrepreneurs Financial Accelerator Program".

CUSTOMER SERVICE

Bank has regularly studied international customer service standards and best practices to improve the quality of services related to the delivery of products and services through Bank's branches, online network, and call centers. Furthermore, we implemented the International Service Standard in our operations, which aligns with Bank's strategy goals and objectives, and received our official ISO 23592:2021 certification.

The requirements of ISO standards support the Sustainable Development Goals. By implementing ISO 23592:2021, and ISO 9001:2015 standards, TDB contributes to the creation of sustainable development in the world. We became the first banking and financial institution to receive the ISO 23593:2021 International Service Standard certificate, ensuring that bank customer service be brought to an international level.



RESOLUTION OF CUSTOMER COMPLAINTS

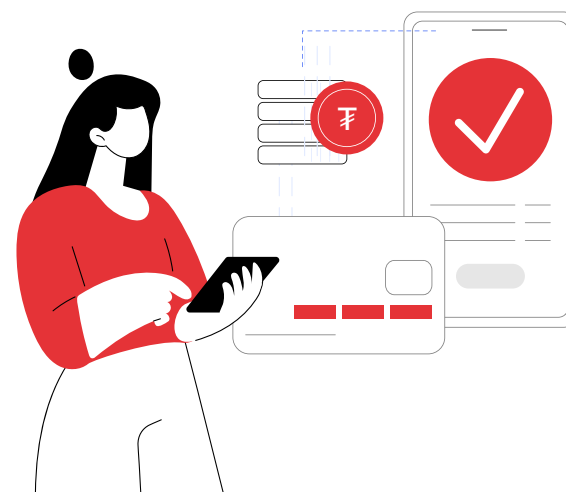
Under the guidance of TDB's Customer Service Policy and Regulations for Protecting the Rights of Customers of Bank, the Customer Service Department (CSD) is dedicated to promptly receiving and addressing customer requests and complaints while maintaining the highest level of confidentiality of customer information. In addition to receiving customer suggestions and requests through all available channels, the CSD ensures that any feedback or complaints are swiftly resolved. Our priority is to identify the root causes of recurring complaints or feedback, thereby continuously improving our processes for delivering products and services to customers in the most convenient and accessible manner possible.

Throughout 2023, as part of our commitment to excellence, we have implemented the ISO standard to streamline our approach to receiving and addressing customer feedback and complaints. By leveraging the voice of the customer as a crucial input, departments, and branches work closely together to enhance the overall customer experience and drive continuous improvement across the organization.

~20,000
disputed transaction requests

~6,000
comments and complaints

During the reporting period, we are proud to report that over 20,000 disputed transaction requests and more than 6,000 comments and complaints submitted by customers were promptly resolved. Furthermore, our efforts have safeguarded customers from financial risks equivalent to 9 billion MNT.



CUSTOMER SERVICE IMPROVEMENT



In its projects financed by the GCF, TDB aims to receive and resolve the complaints of citizens affected by the negative effects of the project. In case of complaints related to the project or program, it is possible to contact Bank and the project implementers through the complaint mechanism.

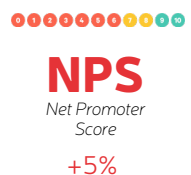
Bank receives complaints through the following channels:

- 📧 <http://www.tdbm.mn/mn/suggestanket>
- ✉ projectgrievances@tdbm.mn
- 📬 Through letter – at the headquarters of TDB

In accordance with our customer service policy, both our bank and our dedicated employees adhere diligently to the "Banking Service Code for the Protection of Customer Rights." This code, presented by the Mongolian Banking Association, serves as a unified standard for safeguarding the rights of customers across Banking industry.



At our bank branches and call centers, we prioritize providing exceptional service that not only meets but surpasses the needs of our valued customers. To ensure that we consistently meet our service quality goals and exceed customer satisfaction levels, we regularly utilize internationally recognized metrics such as Customer Satisfaction (CSAT) and Net Promoter Score (NPS) to measure the effectiveness of our services and identify areas for improvement.



Genesys Pure Cloud system is a comprehensive contact center software that offers a seamless multi-channel experience with OMNI channel functionality. Since its introduction in June 2022, Genesys Pure Cloud system has brought numerous benefits to our organization, including enhanced service capabilities, improved service quality, and elevated levels of customer satisfaction. We are thrilled to announce that our commitment to innovation and excellence has been recognized, as evidenced by the prestigious CX EXCELLENCE award bestowed upon us in October 2023. Particularly, it has enabled us to streamline our service delivery processes, leading to increased efficiency and productivity. Additionally, we have seen a significant decrease in the average conversation duration of a unit call. Previously averaging between 03-04 minutes, the average conversation duration has now been reduced to 2.2 (reduced by 30-40 seconds). This improvement not only reflects the increased efficiency of our operations but also signifies our dedication to streamlining customer interactions and maximizing productivity.

Since implementing this Genesys system, we have experienced a significant improvement in our call line capacity, resulting in enhanced accessibility and responsiveness for our customers. With the Genesys system in place, our call line now has the capability to accommodate simultaneous access from up to 75 callers, compared to the previous capacity of 35 accesses. As a direct result of this expanded capacity, we have observed a notable increase in the percentage of received and answered accesses, while simultaneously reducing the percentage of missed and unanswered accesses.

x2
call answer rate

↓30+sec
waiting period

↓1-2min
duration of a call

GOVERNANCE

- Corporate Governance
- Ethics & Compliance
- Data Protection & Information Security



CORPORATE GOVERNANCE

REPRESENTATIVE GOVERNING BOARD

TDB's Representative Governing Board (RGB) values transparency and honesty at all levels. Through its processes, it achieves transparent, open governance and communications under all circumstances addressed. The Board provides vision and strategy to direct and support banking operations.

MANAGEMENT TEAM

The management team of TDB consists of highly competent managers in banking and finance. Proper corporate governance structure and years of experience are the keys to the success of our management team. It also enables us to maintain the long-term profitability of Bank and increase shareholder value.

EMPLOYEES

The key to TDB's success is our energetic and competent employees and improving the development structure of fair incentives, support and promotion enables us to offer the best services to our clients.

CORPORATE GOVERNANCE PURPOSE

Our purpose is to improve corporate governance, bring it in line with international best practices and principles and become internationally recognized, with a good reputation, and raise valuable investment.

Excellence in corporate governance is the key factor of our sustainable corporate operations. This gives us opportunities to reflect on the environmental, social, and economic issues in the decision-making processes and Bank's long-term strategies. An accurate governance system establishes a solid framework for conducting sustainable activities, promoting transparency, responsibility, and ethics.

REPRESENTATIVE GOVERNING BOARD



RANDOLPH KOPPA
Chairman



D. ERDENEBILEG
Director



D. KHURELBAATAR
Director



D. YANJMAA
Director



D. OTGONBILEG
Director



A. ENKHMEND
Director



N. NYAMSUREN
Secretary of the board



J. BOLORMAA
Independent director



J. DELGERSAIKHAN
Independent director



Z. NARANTUYA
Independent director



D. OTGONBILEG
Director

A MEMBER OF THE BOARD AT TDB, BRINGS EXPERTISE IN SUSTAINABLE FINANCING AND ESG POLICY. WITH A DISTINGUISHED CAREER SPANNING 26 YEARS IN THE FINANCIAL SECTOR, SHE HAS EMERGED AS A VISIONARY LEADER IN DRIVING BANK'S ESG INITIATIVES FORWARD.

As the primary advocate for ESG operations within Bank, Mrs. Otgonbileg plays a pivotal role in providing efficient solutions and strategic recommendations to the board, ensuring that ESG considerations are woven into every aspect of Bank's decision-making process.

Throughout her career, she had significant role in introducing "Environmental and Social Risk Management System" (ESRMS) in cooperation with FMO, in Mongolia. She had important role in establishment of the MSFA since 2012, and has worked as the Chairman of the Board of Directors of the association. Additionally, she has led TDB to become an accredited entity of Green Climate Fund (GCF), as well as introducing and expanding the policies, risk activities and sustainable financing of the TDB.

RGB OFFICE



International cooperation and **environmental, social, and governance (ESG)** consultant



CORPORATE GOVERNANCE POLICY

TDB changed its legal entity form to a joint-stock company in 2023, and in this regard, it is regularly working to ensure and implement the compliance procedures and instructions approved by the regulatory bodies, and to reflect, modify and comply with the bank's internal operations.

Aligned with policies, rules, regulations, and directives governing corporate governance, we conduct thorough and pragmatic governance evaluations. Our aim is to safeguard the interests of investors and customers, foster long-term value creation, and adapt beneficial domestic and international practices across the RGB and all bank units. By defining Bank's strategic plan, organizational structure, and policies, we prioritize enhancing stakeholder value.



OPERATIONS OF REPRESENTATIVE GOVERNING BOARD

Bank has adopted and follows the governance policies and procedures under the Proper Governance Regulations of Bank of Mongolia. Bank adheres to the "Operational Procedures of the RGB" in its operations.

The operational aspects of RGB including its structure, appointment of the Chairman, director requirements, director assignment and recruitment, shareholder meeting rules, are effectively managed through this procedure. Additionally, Bank maintains specific operational policies and procedures for the Audit Committee, Nomination and Remuneration Committee, Risk Management Committee, and RGB office, which are consistently upgraded to enhance proper governance within Bank.

BOARD INDEPENDENCE

According to the charter of TDB, RGB has a total of 9 members, 1/3 of which are independent members. The adoption of the charter in compliance with the Company Law and Banking Law is the main guide for implementing the principles of good governance and ensuring the independence and participation of independent members in the decision-making of the RGB. Each member participates in the resolution of any issue discussed by the RGB with 1 voting right, and the independent members of the RGB are responsible for determining the market value of property rights specified in the Company Law, selecting an external audit organization, concluding a contract with it and In addition to mandatory participation in resolving the issue of approving a transaction with a conflict of interest, it also performs special functions within the scope of its powers granted by law. In order to improve its operations and make decision-making more efficient and effective, the RGB has established Remuneration and Nomination Committee, Risk Management Committee and an Audit Committee, and independent members of the RGB are elected as the heads of these committees.

RIGHTS OF MINORITY SHAREHOLDERS

The Investor Relations Program was approved by the RGB in order to provide equity to the shareholders. Furthermore, the full rights of the shareholders are included in the charter of the Company, which ensures equal and transparent access to information, regardless of the size of the holding.

Furthermore, detailed regulations outlined in the Company Law, as well as Banking Law of Mongolia and regulations sanctioned by relevant regulatory bodies protect the rights of all shareholders to receive information and vote on an equal basis. This approach not only delineates principles for equitable service and communication with each shareholder but also establishes an office under the RGB to efficiently engage with shareholders. This initiative supports organizational responsibility and governance, fosters trust and participation through relevant channels, and safeguards common interests, thus facilitating the expansion of stable and transparent communication.



MEMBERS OF THE BOARD

The charter of TDB JSC stipulates that Bank will have a total of 9 members, 1/3 of which will be independent members. The authority of the member of the Board shall begin on his/her elected date and expire on the date of release. The ordinary and independent members of the Board shall meet the professional, educational, ethical and other requirements set forth in Banking Law, Company Law, other related laws, and legislations and the Charter. TDB's Board members have decent work experience and the knowledge, skills, education, ethical and in terms of business reputation.

APPOINTMENT OF BOARD MEMBERS AND COMMITTEES

TDB aims to maintain a creative and effective structure of the RGB with members who adequately meet the needs of diverse skills, knowledge, experience, conflicts of interest, independence, and gender balance, and are elected by the Shareholders' Meeting. Requirements for RGB including professional, educational, ethical and the election, nomination, appointments of the members are regulated by the Company Law, Banking Law, and 'Procedures for the Selection and Nomination of Board Members of TDB'. Furthermore, the Nomination and Remuneration Committee, which operates under the RGB, is responsible for discussing matters related to the nomination and dismissal of RGB members, the structure and composition of committees under the RGB, and presents these issues to the Shareholders meeting for their approval.

COMMITTEES UNDER THE BOARD

Board has three permanent committees, which include Audit Committee, Remuneration and Nomination Committee, and Risk Management Committee. To ensure independence in Board's decisions, each committee is governed by independent members of the Board and committees does not include bank's employees. Committees have the authority to make conclusions on matters within their scope of responsibilities, presents them to the Board.

Remuneration and Nomination Committee



Committee consists of 3 members who have rights and duties to support the effective performance of the RGBs' supervision and management, 2/3 or 2 members are independent members. The committee is responsible for reviewing the composition of the RGB, selecting and evaluating members, nominating executive management and management level directors, evaluating and reporting on the activities of RGB, determining the amount and policy of their remuneration and incentives, Bank's structure, organization and governance.

Audit Committee



In order to ensure the independence of the internal audit, the Internal Audit Department works under the direct supervision of the Representative Governing Board and reports to the Audit Committee chaired by an independent member of the Board, which enables the independent implementation of the functions of the control. The Audit Committee is responsible for the management of the organization by providing accurate and factual information to Bank's shareholders, the RGB and other stakeholders, providing systematic opinions on Bank's governance, implementation of laws, ethical standards, financial reporting, internal control system, external and internal audit activities, with the aim of strengthening the good governance system at all organizational levels.

Risk Management Committee



Committee has 3 members and is chaired by an independent member of the Representative Governing Board according to Banking Law. It is a direction committee to support the implementation of the recommendations, standards, risk management systems and policies established by the Basel Committee, Mongolian laws and regulations, regulators and international organizations, and to provide direction to the RGB. Independently covering a wide range of operations, and performs verification of risk protection, market and operational risks, and compliance implementation as well as evaluations and recommendations.

MANAGEMENT TEAM



O. ORKHON
Chief Executive Officer



RAHN WOOD
President



STEPHANE LAMOUREUX
First Deputy Chief
Executive Officer



O. BANZRAGCH
First Deputy Chief
Executive Officer



A. ENKHMEND
First Deputy Chief
Executive Officer



CH. SOLOGO
Deputy Chief
Executive Officer



P. MUNKHNAST
Deputy Chief
Executive Officer



TS. GANBAYAR
Deputy Chief
Executive Officer



L. GANTUMUR
Deputy Chief
Executive Officer



S. BAATAR
Deputy Chief
Executive Officer



G. GANTSETSEG
Deputy Chief
Executive Officer

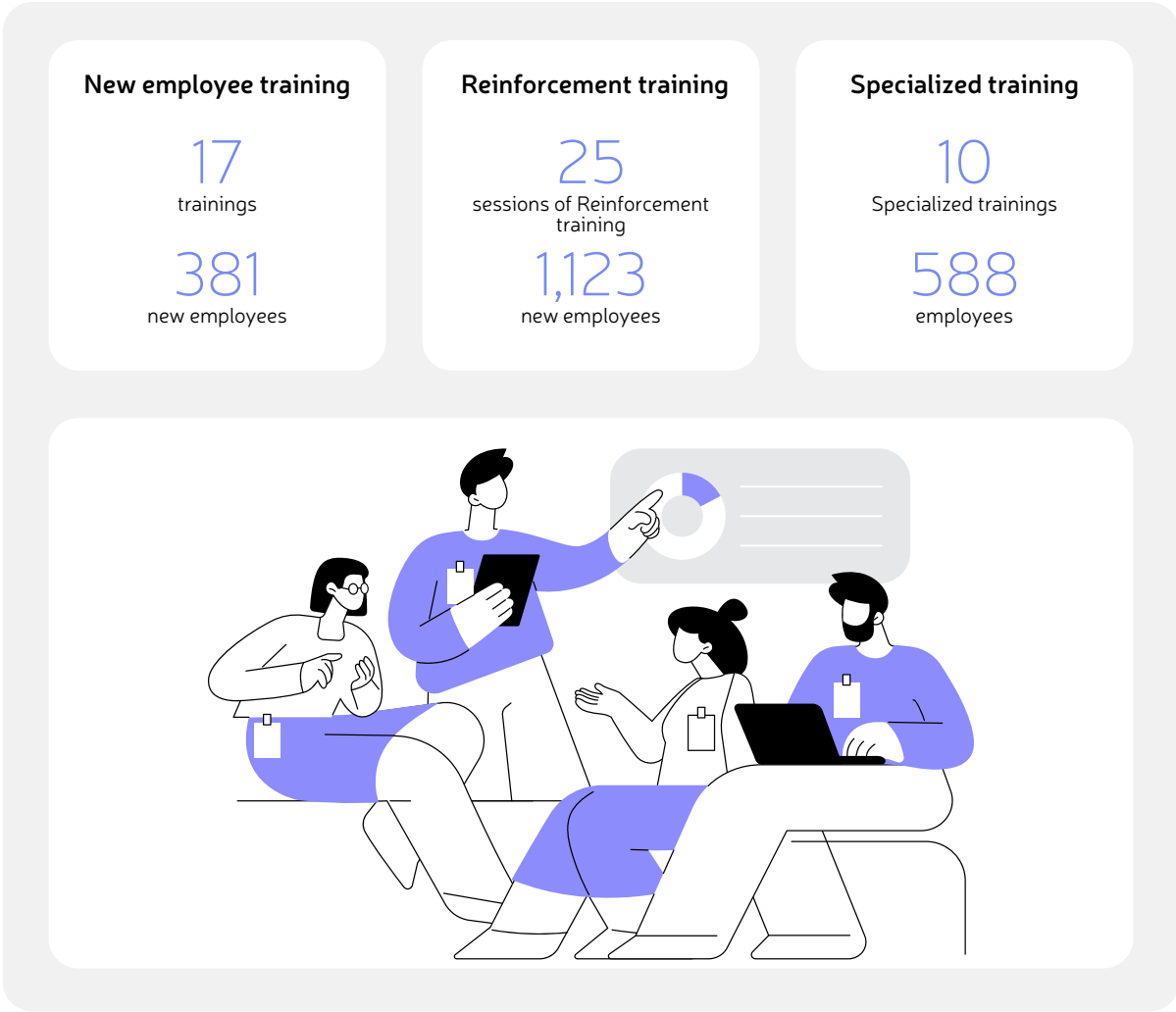
ETHICS & COMPLIANCE

COMPLIANCE POLICY

TDB revised its “Compliance Policy” as well as, “Anti-Money Laundering and Counter-Terrorist Program” in 2022 and approved it by the RGB. In October 2023, Bank made amendments to its Procedures on Anti-Money laundering and Counter-Terrorism financing and had approval from RGB. Bank is committed to upholding compliance obligations in alignment with its established policies and procedures. This commitment includes cooperating with State authorities, engaging with foreign and domestic financial institutions, ensuring adherence to legal requirements, integrating compliance into internal banking operations, and actively participating in activities aimed at combating money laundering and terrorist financing.

As a result, during the implementation of this policy and procedure, several principles were enhanced, including the Principle of Regulatory compliance, the Principle of Fairness, the Principle of Protecting the Reputation, Legal Rights, and Interests of Bank, the Principle of Respecting the Legal Rights and Interests of the Customers, the Principle of Transparency and Clarity, the Principle of Evidence-based decision-making, the Principle of Accountability, the Principle of Innovation, and the Principle of Independence.

This enabled Bank to broaden the scope of its compliance activities beyond anti-money laundering and combating the financing of terrorism to encompass international and sustainable development objectives. As mentioned earlier, the development and expansion of Bank’s Compliance policies and procedures were guided by adherence to the international standard ISO 37301: Compliance management system. This standard encompasses all international requirements essential for fostering long-term, accurate, and sustainable banking operations. Consequently, every unit and department within Bank has become an integral part of the compliance implementation process, ensuring that Bank, as a whole, operates in a compliant manner.



In 2021, Bank underwent a revision of its "Compliance Policy," while in 2022, the "Compliance Procedures" were similarly updated. These revisions were conducted in accordance with the ISO37301 standard and received approval from the Representative Governing Board. As a result, Bank now adheres to these policies and procedures in its daily operations.

The primary objective of these compliance policies and procedures is to optimize the organization of compliance functions, clearly define the compliance roles of various departments and units within Bank, and ensure their implementation at all levels of the organization. By doing so, Bank aims to prevent risks and ensure adherence to regulatory requirements.

The compliance policy and procedure not only comply with the ISO37301 standard but also align with international agreements, other standards, and recommendations provided by entities such as the Basel Committee on "Bank's Compliance and Compliance Duties," and the Mongolian Banking Association's "Bank's Compliance Policies and Duties." Moreover, this approach extends beyond the Compliance Unit alone, as other related departments and units within Bank have embraced the advantages of integrating compliance measures into their activities at all levels.

Additionally, Bank has also established and monitored the implementation of regulations such as the "Code of conduct," "Whistle Blowing Policy," and "Anti-corruption Policy." These regulations are overseen by relevant committees and departments. As a result of these collective efforts, Bank has cultivated a robust internal management system that ensures alignment with international and domestic laws, agreements, and standards, concerning internal policies, regulations, procedures, and instructions.

WHISTLE BLOWING POLICY

Bank operates in accordance with the laws of Mongolia and adheres to universally accepted moral norms and its own ethical standards. It formulates specific instructions, procedures, policies, and ethical principles that must be followed by its employees, thus fostering a highly ethical working environment and mechanism. To encourage the reporting of any actions that may potentially harm Bank's operations or reputation while safeguarding the dignity and reputation of its employees and Bank itself, a "TDB's Whistle Blowing Policy" has been implemented. This policy extends to all stakeholders of Bank, including the Representative Governing Board, Executive Management, employees, and individuals representing Bank through contracts and powers of attorney. The primary aim of this policy is to protect the interests of whistleblowers and facilitate the confidential and prompt resolution of issues.

Whistleblowers have multiple channels available to report concerns, ensuring a comprehensive and accessible mechanism, as follows:

- * Window of Internal Staff platform for submitting feedbacks and complaints;
- * Email address of the Ethics committee - ethic@tdbm.mn;
- *1799 internal number;
- *Submit paper applications and complaints in person.

In case of whistle-blowing by Bank's customer:

- 1900 1977, 7016 1988;
- info@tdbm.mn

CODE OF CONDUCT

Every employee at TDB adheres to the "Code of Conduct", also newly hired employees shall be familiarized with it and sign it on their first day of joining the organization. The Ethics Committee is responsible for overseeing the implementation of staff ethics and handling any complaints or disputes that arise. In the event an employee submits a petition or request to the Ethics Committee, they will receive protection in accordance with "TDB's Whistle Blowing Policy".

ANTI-CORRUPTION POLICY

The "Anti-corruption Policy of the TDB" was approved by the Order of the CEO No. 12/1575 dated September 12, 2012. This policy regulates Bank's anti-corruption activities, prevention of corruption and bribery, determination of anti-corruption measures, and prevention of operational risks.



INTERNAL AUDIT

Following TDB's Internal Audit Policy, the Internal Audit Department (IAD) operates with the objective of safeguarding the rights of Bank's stakeholders and ensuring the objectivity of corporate governance, risk management, and monitoring processes. Additionally, it strives to standardize assessment and analysis activities, identify areas of risk, and enhance financial, operational, and strategic integration by providing valuable advice to enhance corporate value.

Within its policy, the Internal Audit Department has been considering sustainability issues regarding Bank's governance, risk management, monitoring.

In reporting year, IAD includes the credit activities of branches and cash offices in its annual audit work plan, offering independent verification, evaluation, conclusions, and recommendations to assess, mitigate, and manage environmental and social responsibility risks related to loans that fall under the scope of the ESR risk assessment, as outlined by TDB's policies, procedures, and instructions.

RISK-BASED PLANNING

Bank compiles annual ICAAP (Internal Capital Adequacy Assessment Process) reports, adhering to Basel standards, to evaluate its capital adequacy. Within these reports, Bank identifies potential risks that may arise during the implementation of short-term and medium-term business strategies and plans, utilizing internal methodologies to assess whether it possesses sufficient capital to address these risks adequately.

Furthermore, Bank conducts stress tests concerning both external and internal factors that may arise in the future. These tests calculate how various scenarios would impact Bank's credit, market, operational, interest rate, concentration, liquidity (as part of the ILAAP report), and other risks. This analysis aids in formulating equity and liquidity capital plans for Bank.



DATA PROTECTION & INFORMATION SECURITY



TDB regularly implements activities such as adopting the best international practices and utilizing selected technologies to ensure the data protection and information security of customers and Bank, focusing on continuous personnel development by aligning these activities with Bank's vision, mission, and long- and medium-term strategic objectives. Furthermore, TDB takes a proactive approach in identifying potential risks and organizes ongoing security measures to safeguard Bank effectively.

The Information Security Department (ISD) implements Bank's information security policy, protects customer information, and ensures systemic security operations with a structure consisting of experts specializing in cyber security. Bank is working to improve the sustainable operation of Bank by introducing the latest technology, Redteam or red team structure in order to upgrade the reliable delivery of financial products and services to customers and ensure their security.

In order to ensure its security of information and operations as well as bank infrastructure, networks and servers, TDB has successfully obtained PCI DSS (Payment Card Industry Data Security Standard) requirements for payment card security for the 7th year.

EDUCATION

In 2023, TDB has led the "Information Security Professional Council" of the Mongolian Banking Association to organize the "E-Recommendation" information campaign to educate the public and influence the prevention of fraud-type crimes committed online, along with Bank of Mongolia and the General Police Department.

Furthermore, Bank has regularly organized security-related following activities and information for Bank's customers in order to improve the information security awareness customers, prevent electronic fraud and financial crimes, and protect the customers.

- Safe use of ATMs and Payment cards
- Internet banking security
- Identifying and preventing phishing attacks and fake e-mails
- Recommendations for ensuring the security of mobile banking
- How does Bank protect your data?
- Safe use of mobile phones and smart devices
- Prevention of electronic fraud
- Confidentiality of personal information
- Security of online shopping
- Safe use of passwords
- How to ensure personal safety on social networks?

APPENDIX

- ESG & sustainability reporting guidance for Mongolian companies Index
- SASB Index
- GRI Index



ESG & SUSTAINABILITY REPORTING GUIDANCE

for Mongolian companies Index

Ref	Area	Indicator	Description	Indicator 2022	Indicator 2023	Unit of measure for target	Response
MS Sustainability Management System Indicators							
MS1.1	Sustainability Management System	Senior management commitment	Does your company have a sustainability commitment statement in place ?	Yes	Yes		"See ""SUSTAINABILITY - Green bank"" in this report. 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. https://fb.watch/kyZWWGREwV/?mibextid=v7YzmG "
MS2.1		Sustainability policy and procedures	Does your company have a sustainability policy with targets?	Yes	Yes		TDB has reflected and approved the Sustainable Development Goals in its integrated strategic plan. Monitoring, reporting, and verification are managed within the annual plan of the Bank.
MS2.2			Does your company have a set of sustainability procedures?	Yes	Yes		See "SUSTAINABILITY -Environment, Social, Governance (ESG)" in this report.
MS3.1		Governance structure	Does your company have dedicated committees that are entirely/partially responsible for sustainability?	No	No		TDB prioritizes sustainable development and ESG (Environmental, Social, and Governance) considerations at the Board of Directors (BoD) level. In the reporting year, the Office of the BoD appointed a new consultant specializing in international cooperation and ESG matters, thereby broadening its operational scope. As a result, plans are underway to establish a Sustainable Development Committee. This committee will be tasked with offering support and recommendations across various areas including banking operations, sustainable financing, and environmental and social governance. These activities will be overseen by a board member and consultant responsible for ESG initiatives.
MS3.2			Does your company have a dedicated ESG/sustainability director/s (full-time/part-time) at the board level?	Yes	Yes		See "GOVERNANCE - Corporate governance" in this report.
MS3.3			Does your company have a dedicated ESG/sustainability manager/s (full-time/part-time) at the executive level?	Yes	Yes		At the executive management level, the First Deputy CEO for Business Development at TDB serves as the 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.
MS3.4			Does your company have a dedicated ESG/sustainability officer/s (full-time/part-time) at the operational level?	Yes	Yes		"See ""SUSTAINABILITY"" in this report. At the operational level, the Green Funding Office plays a 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. Meanwhile, the 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."
MS3.5			Does your company cover sustainability issues in board meetings as part of the official agenda on a regular basis?	No	No		Sustainable development issues are not formally listed on the agenda of the BoDs' meetings; however, they are included in the bank's periodic reports. Should the need arise, additional information is gathered, discussed, monitored, and directed in accordance with relevant instructions and regulations.

MS4.1	Sustainability Management System	Materiality assessment	Does your company have materiality process, assessment and/or matrix, explaining how your company avoids, mitigates, or remediates negative impacts to the economy, environment, and society, and enhances positive ones?	No	No		The bank adheres to the Environmental and Social Responsibility Policy and its implementation guidelines in loan activities, aiming to incentivize clients to identify, evaluate, and mitigate their environmental and social risks. However, there is currently no impact assessment matrix in place for the bank's internal activities.
MS5.1		Organizational capacity	Annual average hours of sustainability training per employee (hr), by gender	0.7	0.4	hours	See "SUSTAINABILITY - Sustainable development training" in this report.
MS6.1		Monitoring	Is sustainability included the scope of the audit committee (and other relevant board committee) and internal control functions?	Yes	Yes		Sustainability issues relate to the organization's governance, risk management, and monitoring systems, and although the Audit Committee's charter does not directly mention sustainability issues, the following regulations related to governance, internal control, and internal audit issues are included within the scope of the committee's goals, rights, and duties.
MS7.1		Sustainability reporting and verification	Does your company disclose a sustainability report (stand-alone/or integrated into annual report) at least annually?	Yes	Yes		https://www.tdbm.mn/bundles/public/Togtvortoi-hugjil-0928MON.pdf
MS7.2			Does the company prepare a TCFD-aligned climate disclosure?	No	No		By 2025, the Bank aims to comprehensively implement the International Sustainability Standards Board (ISSB) in its banking operations. Since 2022, TDB has been reporting its "Sustainability Report" to the public, and the report is prepared in accordance with the international and domestic reporting standards such as the Sustainable Accounting Standards Board (SASB), ESG & Sustainability Reporting Guidance for Mongolian companies and Global Reporting Initiative (GRI) .
MS7.3			Are the sustainability data assured by an independent third-party?	No	No		The preliminary and comprehensive assessment provided by the environmental and social risk analyst are not verified by an external organization. By 2025, the Bank aims to comprehensively implement the International Sustainability Standards Board (ISSB) in its banking operations.
MS8.1		Memberships	Number of sustainability associations, networks, and national or international advocacy organizations in which the company participates with a significant role including business declaration on human rights.	Yes	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. "

Ref	Area	Indicator	Description	Indicator 2022	Indicator 2023	Unit of measure for target	Response
MS Environmental Indicators							
E1.1	Energy	Total energy consumption	Total direct energy consumption and cost spent	4,522,041.90	4,327,674.51	kWh	See "SUSTAINABILITY - Alignment with UN SDGs - Sustainable consumption" in this report.
E1.2		Electricity	Total electricity consumption, cost spent, and reduction (year-to-year)	2,328,428.90	2,211,074.24	kWh	See "SUSTAINABILITY - Alignment with UN SDGs - Sustainable consumption" in this report.
E1.3		Heat	Total heat consumption, cost spent, and reduction (year-to-year)	7897.01	7619.7	Gcal, Gj - Gegajoule or kWh	See "SUSTAINABILITY - Alignment with UN SDGs - Sustainable consumption" in this report. among the projects and initiatives that created heat savings are: - The heating pump has been updated and replaced. - The amount of heat is adjusted according to the outside temperature."
E1.4		Fuel	"Total fuel consumption and reduction (year-to-year), including: 1.Coal, gas or fuel used for heating 2.Petroleum, diesel or fuel used for transport "	107,5	61.40	litr/kg & %, Ge- gajoule, MNT	1. Fuel used for heating, such as coal or gas. 2. Fuel used for transportation, including gasoline and diesel. Projects and initiatives leading to fuel savings comprise: - Replacement of outdated components in the bank's existing vehicles to diminish fuel consumption. - Decrease in the consumption of additional fuel utilized in the reserve tank, attributed to the reduction in operating time of the diesel generator. The diesel generator at the TDB HQ building is fueled during power outages. In 2023, a total of 61,385.3 liters of fuel were expended, amounting to 168,809,575.5 MNT. This reflects a 42% reduction in fuel consumption compared to the previous year."
E1.5		Non-Renewable energy	Share of non-renewable energy consumption	100	100	%	Type of energy source: Coal /As the Bank obtains its energy source from the central power grid/
E1.6		Renewable energy	Share of renewable energy consumption	0	0	%	There are no renewable energy sources in the TDB headquarters building.
E2.1	GHG emissions	3.1 Emissions	Total Scope 1 and Scope 2 emissions	-	-	CO2/tons	By 2025, the Bank aims to fully integrate the International Sustainability Standards Board (ISSB) S1 & S2 into its banking operations.
E2.2		3.2 Emissions reduction	Reduction of total Scope 1+2 GHG emissions (year-to-year)	47,834	47,834	CO2/tons	See "ENVIRONMENT - Sustainable finance - Green Business loan" in this report.
E2.3		3.3 Carbon offsetting	Total carbon offset (tree planting program or supporting the foreign projects to reduce the emissions, etc.)	-	-	CO2/tons	See "SUSTAINABILITY - Alignment with UN SDGs (p.15)" in this report.

E3.1	Climate change	Climate policy	Does your company have a stand-alone/integrated climate change policy?	No	No		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.
E3.2		Climate risk and opportunity assessment	Did your company conduct a climate risk and opportunity assessment (scenario analysis, stress test, etc.)?	No	No		
E3.3		Economic loss	Total amount of economic loss faced due to climate related disasters and events	-	-	MNT	In July and August of 2023, heavy rains in Ulaanbaatar resulted in a flood. In response, the Bank organized and developed a plan to efficiently decide whether to relocate ATMs and bank units situated in flood-prone areas. Fortunately, there were no direct monetary economic losses incurred.
E3.4		Climate investment	Total amount invested, annually, in climate-related infrastructure, resilience, and product development	52.5 billion	48.4 billion	MNT	See "ENVIRONMENT - Sustainable finance - Green Business loan" in this report.
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?	No	No		By 2025, the Bank aims to fully integrate the International Sustainability Standards Board (ISSB) S1 & S2 into its banking operations.
E4.1	Water	Water used	Total amount of water withdrawn/ used	5,190	5,689	m3/l	In 2022, the Bank utilized 5,190 m3 of water, while in 2023, the water usage increased to 5,689 m3, representing a rise of 499 m3 from 2022. This increase can be attributed to the relocation of departments and units within the bank's headquarters.
E4.2		Water saved	Total amount of water saved due to conversation and efficiency improvements	-	14.4	m3/l	TDB has installed automatic water dispensers on the 5th floor of the headquarters and in the driver's room.
E4.3		Water reuse	Percentage of water recycled and reused	0	0	%	In the reporting year, the bank did not recycle water and is currently working on introducing water-saving practices.
E4.4		Water discharged	Total water discharged	0	0	m3/l	In the reporting year, the bank did not incorporate wastewater reuse practices. However, ongoing research aims to develop initiatives for water conservation and the utilization of wastewater.

E5.1	Waste (solid waste)	Waste discharged	Total amount of waste discharged	304	192	tons	See "SUSTAINABILITY - Alignment with UN SDGs - Sustainable consumption" in this report.
E5.2		Waste recycled	Waste recycling percentage	0	0.062	%	"In the reporting year, the bank contracted with a leading plastic recycling factory to collect employees' waste plastic bottles and supplied a total of 118.6 kg of plastic waste as raw material for recycling."
E5.3		Hazardous waste	Total amount of hazardous waste (including e-waste) discharged	8	6	tons	The bank has a special container for collecting used batteries, resulting in a 25% decrease in quarterly waste generation compared to the previous year. Additionally, over 1,000 POS machines were supplied to the organization for recycling.
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.
E6.2		Wild plants and animals	Number of species conserved	0	0	number of species	<p>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. "Environmental and Social Responsibility Policy Implementation Guidelines" to monitor and evaluate the environmental and social risks associated with loans. The bank is committed to adhering to the Law of Mongolia on Environmental Protection, and other pertinent laws and regulations, while also aiming to comply with international agreements, protocols, concepts, and best practices related to environmental protection and sustainability.</p> <p>Furthermore, a comprehensive assessment process is undertaken. This includes assessing the environmental and social responsibility, competence, and operational history of loan applicants. A comparison with international industry standards is conducted, and conclusions are drawn based on whether the applicant meets the 8 standards outlined in the International Finance Corporation's performance guidelines.</p> <p>Section 6 of the standard focuses on assessing the borrower's Biodiversity Conservation and Sustainable Management of Living Natural Resources. According to the environmental and social risk expert, all loan applicants are required to adhere to proper procedures outlined in section 7.2.4 of the Law on Soil Protection and Prevention of Desertification, which entails planting trees and lawns. This requirement contributes significantly to ecosystem stability.</p>
E6.3		Activities negatively affecting biodiversity - sensitivity	Operational sites owned, leased, managed in, or adjacent to, projected 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.

Ref	Area	Indicator	Description	Indicator 2022	Indicator 2023	Unit of measure for target	Response
S Social Indicators							
S1.1	Human capital development	Employee turnover	Year-over-year change of full-time employees	21.3	-	%	N/A
S1.2		Jobs created	Increase in the total number of full-time employees compared to the same period of the previous year	116	69	units	See "SOCIAL - Employee well-being and development - Training and development" in this report.
S1.3		Training	Annual average hours of training per employee	4.1	1.1	hours	See "SOCIAL - Employee well-being and development - Training and development" in this report.
S2.1	Occupational, health and safety	OHS policy	Does your company have an OHS Policy (stand-alone or integrated)?	Yes	Yes		See "SOCIAL - Employee well-being and development" in this report.
S2.2		Incidents	Annual work-related injury rate	0	0	%	No accident has occurred.
S2.3		OHS training	Annual average hours of OHS training per employee	0.03	0.03	hours	See "SOCIAL - Employee well-being and development - Occupational safety and health" in this report.
S2.4		Health programs	Percentage of employees covered by voluntary health programs such as medical checks	≈1999	-	person	See "SOCIAL - Employee well-being and development - Occupational safety and health" in this report.
S3.1	Equal opportunity	Gender policy	Does your company have a Gender Policy (stand-alone or integrated)?	Yes	Yes		See "SOCIAL - Diversity, equity & Inclusion - Gender Equality Policy" in this report.
S3.2		Anti-sexual harassment policy	Does your company have an anti-sexual harassment policy (stand-alone/integrated)?	No	No		See "SOCIAL - Diversity, equity & Inclusion" in this report.
S3.3		Non-discrimination policy	Does your company have a non-discrimination policy (stand-alone/integrated)?	No	No		See "SOCIAL - Diversity, equity & Inclusion - Gender Equality Policy" in this report.
S3.4		Gender balance	Percentage of total employee head-count by men and women	33/67	34/66	%	See "SOCIAL - Diversity, equity & Inclusion - Diversity" in this report.
S3.5		Board level gender balance	Percentage of board-level positions held by men and women	33/67	44/56	%	See "SOCIAL - Diversity, equity & Inclusion - Diversity" in this report.
S3.6		C-level gender balance	Percentage of C-level positions held by men and women	73/26	70/30	%	See "SOCIAL - Diversity, equity & Inclusion - Diversity" in this report.
S3.7		Junior level gender balance	Percentage of junior-level positions held by men and women	55/44	54/46	%	See "SOCIAL - Diversity, equity & Inclusion - Diversity" in this report.
S3.8		Gender pay gap	Ratio of average male salary to average female salary	0.8	0.9	ratio	"See "SOCIAL - Diversity, equity & Inclusion - Diversity" in this report. The average salary difference between female and male employees is ₹281,168."

S4.1	Access & Inclusion	Disability policy	Does your company have a publicly available Disability policy (stand-alone/integrated)?	No	No		"The Bank adheres to the "Law on Labor of Mongolia" and provides appropriate compensation and working conditions to employees with disabilities. See "SOCIAL - Diversity, equity & Inclusion - Diversity" in this report."
S4.2		Employees with disability	Percentage of employees with disability	0.6	0.6	%	See "SOCIAL - Diversity, equity & Inclusion - Diversity" in this report.
		Access to facilities	Assessment of facility accessibility	No	Yes		N/A
S4.3		Fines	Amount of fines paid for noncompliance with laws and regulations regarding disability	0	0	MNT	No incident has occurred.
S5.1	Community engagement & disclosure	Stakeholder engagement	Does your company have a stakeholder/community engagement policy approved by the Board?	Үгүй	Yes		
S5.2		Policy and process forSOCIAL impact assessment and land acquisition	Does your company have a policy or process forSOCIAL impact assessment and land acquisition?	Yes	Yes		In the E&S responsibility assessment, the Bank monitors whether the company meets the 8 performance standards of the IFC. In Clause 5 of the standard, the bank's financing activities are assessed by determining the need for land acquisition or forced resettlement based on the official explanations and documents submitted by the loan applicant.
S5.3		Grievance policy	Does your company have a grievance policy/mechanism?	Yes	Yes		See "SOCIAL - Community engagement - Customer service" in this report.
S5.4		Disclosure to communities	Does your company have a mechanism and system to disclose relevant information to affected communities and stakeholders?	Yes	Yes		See "SOCIAL - Community engagement - Customer service" in this report.
S5.5		Worker/community complaints	Percentage of community complaints 1) addressed and 2) resolved	100	100	%	Customer complaints reports are being prepared in monthly basis and being published in internal network.
S5.6		Community investment	Percentage of revenue invested in community programs and initiatives, by SDG breakdown	0.032	0.127	%	See "SOCIAL - Community engagement - Corporate Social Responsibility" in this report.
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?	Yes	Yes		See "SUSTAINABILITY - Sustainable supply chain" in this report.
S6.2		Local procurement share	Percentage of the procurement budget used for significant locations of operation that is spent on local suppliers	30	98.6	%	"In addition to considering factors such as price and quality when making purchases, TDB also endeavors to support national producers, women entrepreneurs, and people with disabilities. Additionally, the bank aims to make sustainable purchases from suppliers and organizations that do not have a negative impact on the environment. Suppliers meeting the following criteria are preferred: - Buying and selling green or eco products, manufacturing and services - Female owned business with more than 51% or more ownership - Female-led business - Employs staff of 50% or more are female"
S6.3		Sustainable procurement share	Percentage of suppliers selected by ESG/sustainability criteria	8	10.2	%	In the reporting year, Bank collaborated with over 10 types of national developers, processing, printing, and manufacturing organizations to support products and services.

Ref	Area	Indicator	Description	Indicator 2022	Indicator 2023	Unit of measure for target	Response
G Governance indicators							
G1.1	Corruption and ethics	Anti-corruption policy	Does your company have an Anti-corruption policy and/or Code of Ethics	Yes	Yes		See "GOVERNANCE - Ethics & compliance" in this report.
G2.1	Corporate Governance	Board independence	Percentage of board seats occupied by independent members	33	33	%	See "GOVERNANCE - Corporate governance" in this report.
G2.2		Treatment/rights of minority shareholders	Does your company have a policy to protect minority shareholders?	No	Yes		See "GOVERNANCE - Corporate governance" in this report.
G2.3		Corporate governance policy	Does your company have a Corporate governance policy/codes?	Yes	Yes		See "GOVERNANCE - Corporate governance" in this report.
G3.1	Compliance	Compliance policy	Does your company have a Compliance policy?	Yes	Yes		See "GOVERNANCE - Ethics & compliance" in this report.
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.?	Yes	Yes		See "GOVERNANCE - Ethics & compliance" in this report.

FS Additional sector specific indicators (only fill out questions relevant to your company's operating industry/sector)

F1.1	Financial services	Access to finance	Annual number of participants in financial literacy and inclusion initiatives	≈128,000	≈141,000	person	See "SOCIAL - Community engagement - Financial literacy" in this report.
F2.1		E&S risk management	Percentage of transactions assessed by ESG risk criteria and Exclusion lists	77.3	78.6	%	"In cases where the loan applicant's activities are evaluated to potentially cause significant environmental and societal damage or are listed as prohibited for financing, the Bank adopts a preventive approach by declining to finance such activities, aiming to mitigate potential risks in the future. TDB has conducted an ESG assessment of 78.6 % of loans of the total loan portfolio. Assessment and analysis were conducted on 48.5% or 4040 loans of low risk, 14.3% or 557 loans of medium risk, and 37.2% of high risk."
F2.3		Sustainable issuance	Share of green/sustainable loans in compliance with Mongolia green/SDG taxonomy as of total loan portfolio	24	29	%	See "SOCIAL - Community engagement - Financial inclusion, social development" in this report.

SASB INDEX

Topic	Accounting metric	code	Disclosure	Additional
Data Security	(1) Number of data breaches, (2) percentage that are personal data breaches, (3) number of account holders affected	FN-CB-230a.1	In 2023, there were no data security breaches related to the indicators.	
	Description of approach to identifying and addressing data security risks	FN-CB-230a.2	See "GOVERNANCE - Data Protection & Information Security" in this report.	
Financial Inclusion & Capacity Building	(1) Number and (2) amount of loans outstanding that qualify for programmes designed to promote small business and community development	FN-CB-240a.1	For the reporting year, TDB has a outstanding loan amount of 752 billion MNT with 4329 number of loans to support SMEs, and loan amount of 1,336 billion MNT with 20,503 number of loans to support the community development.	According to the standard, when determining the amount of "loans granted to small businesses", the loans granted to businesses with an annual income of 1 million USD or less shall be included. Based on the Law "ON SUPPORTING SMALL AND MEDIUM-SIZED INDUSTRIES AND SERVICES", the Bank identifies small and medium-sized enterprises (SMEs) and prepares a report on loans granted to SMEs and submits them to the Bank of Mongolia. According to the law, an SME is an enterprise with up to 200 employees, an annual sales of up to 2.5 billion MNT, and operating in the fields of production, trade, and services. In order to use a category that approximates the amount of income specified in the standard, the indicator in this section - the amount of "loans granted to small businesses" - uses the above definition provided by law.
	(1) Number and (2) amount of past due and nonaccrual loans or loans subject to forbearance that qualify for programmes designed to promote small business and community development	FN-CB-240a.2	As of 2023, TDB has 319 past due loans worth 84 billion MNT to support SMEs, and 640 loans worth 301 billion MNT to support community development.	
	Number of no-cost retail checking accounts provided to previously unbanked or underbanked customers	FN-CB-240a.3	For the reporting year, TDB had 483,550 ordinary cardholders with worth of 261,373 MNT. In 2023, the number of new customers was 76,146, of which 45,911 were ordinary cardholders and 66,425 were current account holders.	
	Number of participants in financial literacy initiatives for unbanked, underbanked, or underserved customers	FN-CB-240a.4	See "SOCIAL - Community engagement - Financial literacy" in this report.	
Incorporation of Environmental, Social, and Governance Factors in Credit Analysis	Description of approach to incorporation of environmental, social and governance (ESG) factors in credit analysis	FN-CB-410a.2	See "SUSTAINABILITY - Environment, Social, Governance (ESG)" in this report.	

Financed Emissions	Absolute gross financed emissions, disaggregated by (1) Scope 1, (2) Scope 2 and (3) Scope 3	FN-CB-410b.1	See "SUSTAINABILITY - Sustainable finance - Sustainable finance products (p.26)" in this report.	
	Gross exposure for each industry by asset class	FN-CB-410b.2	3.6 trillion MNT (combined amount of 10 sectors with the largest disbursement)	
	Percentage of gross exposure included in the financed emissions calculation	FN-CB-410b.3	N/A	
	Description of the methodology used to calculate financed emissions	FN-CB-410b.4	See "SUSTAINABILITY - Sustainable finance - Sustainable finance products" in this report.	
Business Ethics	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behavior, market manipulation, malpractice, or other related financial industry laws or regulations	FN-CB-510a.1	341.7 million MNT	
	Description of whistleblower policies and procedures	FN-CB-510a.2	See "GOVERNANCE - Ethics & compliance - Whistle Blowing Policy" in this report.	
"Systemic Risk Management"	Global Systemically Important Bank (G-SIB) score, by category	FN-CB-550a.1	N/A	
	Description of approach to integrate results of mandatory and voluntary stress tests into capital adequacy planning, longterm corporate strategy, and other business activities	FN-CB-550a.2	<p>"See "GOVERNANCE - Risk-based Planning" in this report.</p> <ul style="list-style-type: none"> • The Bank has a long-term sub-strategy of becoming a Green Bank. The medium-term strategic goals of the bank include "Support Sustainable Growth and Environmentally Friendly Businesses" and "Be a Contributing Leader in Community". • KPIs to measure the Bank's strategic goals for 2024 include Green Credit Market Share. • The bank determines its annual operations and financial plan in line with the bank's risk appetite (RAS). These include indicators such as equity capital adequacy, profitability, and strategic execution. • Response measures and related strategies included in the "Stabilization Plan" will be coordinated with the strategic objectives of the current year." 	

Code	Activity metric	Category	Disclosure
FN-CB-000.A	(1) Number and (2) value of checking and savings accounts by segment: (a) personal and (b) small business	Quantitative	"(a) The number of savings account holders out of total customers of TDB is 378,936. (b) As of 2023, there were 136,295 accounts with a balance of 1,105,396.62 million MNT in SME segment."
FN-CB-000.B	(1) Number and (2) value of loans by segment: (a) personal, (b) small business, and (c) corporate	Quantitative	"(a) Out of total customers of TDB, the number of customers with loans is 97,412. (b) As of 2023, the loan portfolio of the SME segment is 13,032 loans with an amount of 785,857.79 million MNT. (c) A total of 965 loans worth 3,078,195,150,714 MNT."

LINKING THE SDGS AND THE GRI STANDARDS

SDG	Unit	Sources	Disclosure
SDG 4 Quality Education			
Target 4.3, 4.4, 4.5	Average hours of training that the organization's employees have undertaken during the reporting period, by:	GRI Standard 404-1	
	i. Gender;		N/A
	ii. Employee category		See "SOCIAL - Employee well-being and development - Training and development" in this report.
SDG 5 Gender Equality			
Target 5.1 End all forms of discrimination against all women and girls everywhere	a. When a significant proportion of employees are compensated based on wages subject to minimum wage rules, report the relevant ratio of the entry level wage by gender at significant locations of operation to the minimum wage.	GRI Standard 202-1	N/A
	b. When a significant proportion of other workers (excluding employees) performing the organization's activities are compensated based on wages subject to minimum wage rules, describe the actions taken to determine whether these workers are paid above the minimum wage.	GRI Standard 202-1	N/A
	a. Total number and rate of new employee hires during the reporting period, by age group, gender and region.	GRI Standard 401-1	See "SOCIAL - Diversity, equity & Inclusion - Diversity" in this report.
	b. Total number and rate of employee turnover during the reporting period, by age group, gender and region.	GRI Standard 401-1	N/A
	"Average hours of training that the organization's employees have undertaken during the reporting period, by: i. Gender; ii. Employee category."	GRI Standard 404-1-a	See "SOCIAL - Employee well-being and development - Training and development" in this report.
	"a. Total number of employees that were entitled to parental leave, by gender. b. Total number of employees that took parental leave, by gender. c. Total number of employees that returned to work in the reporting period after parental leave ended, by gender. d. Total number of employees that returned to work after parental leave ended that were still employed 12 months after their return to work, by gender. e. Return to work and retention rates of employees that took parental leave, by gender. "	GRI Standard 401-3	See "SOCIAL - Diversity, equity & Inclusion - Diversity" in this report.
	Percentage of total employees by gender and by employee category who received a regular performance and career development review during the reporting period	GRI Standard 404-3-a	See "SOCIAL - Employee well-being and development - Training and development" in this report.
	"a. Percentage of individuals within the organization's governance bodies in each of the following diversity categories: i. Gender; ii. Age group: under 30 years old, 30-50 years old, over 50 years old; iii. Other indicators of diversity where relevant (such as minority or vulnerable groups). b. Percentage of employees per employee category in each of the following diversity categories: i. Gender; ii. Age group: under 30 years old, 30-50 years old, over 50 years old; iii. Other indicators of diversity where relevant (such as minority or vulnerable groups). "	GRI Standard 405-1	See "SOCIAL - Diversity, equity & Inclusion - Diversity" in this report.
	Ratio of the basic salary and remuneration of women to men for each employee category, by significant locations of operation.	GRI Standard 405-2-a	N/A
	"a. Total number of incidents of discrimination during the reporting period. b. Status of the incidents and actions taken with reference to the following: i. Incident reviewed by the organization; ii. Remediation plans being implemented; iii. Remediation plans that have been implemented, with results reviewed through routine internal management review processes; iv. Incident no longer subject to action. "	GRI Standard 406-1	There were no cases of employee discrimination or related complaints during the reporting period.

SDG 5 Gender Equality			
Target 5.2 Eliminate all forms of violence against all women and girls in the public and private spheres, including trafficking and sexual and other types of exploitation	"Operations and suppliers considered to have significant risk for incidents of: i. child labor; ii. young workers exposed to hazardous work;"	GRI Standard 408-1-a	See "SOCIAL - Employee well-being and Development - Labor practices & Human Rights" in this report.
	"Operations and suppliers considered to have significant risk for incidents of forced or compulsory labor either in terms of: i. type of operation (such as manufacturing plant) and supplier; ii. countries or geographic areas with operations and suppliers considered at risk"	GRI Standard 409-1-a	See "SOCIAL - Employee well-being and Development - Labor practices & Human Rights" in this report.
	Percentage of new suppliers that were screened using social criteria	GRI Standard 414-1-a	When choosing a new supplier, indicators such as experience and financial responsibility, positive and negative information from the public is considered in selection.
	"a. Number of suppliers assessed for social impacts. b. Number of suppliers identified as having significant actual and potential negative social impacts. c. Significant actual and potential negative social impacts identified in the supply chain. d. Percentage of suppliers identified as having significant actual and potential negative social impacts with which improvements were agreed upon as a result of assessment. e. Percentage of suppliers identified as having significant actual and potential negative social impacts with which relationships were terminated as a result of assessment, and why."	GRI Standard 414-2	"See ""SUSTAINABILITY - Sustainable supply chain"" in this report. See ""APPENDIX - ESG & Sustainability reporting guidance (ESG indicators) - S6.2&6.3""
Target 5.4 Recognize and value unpaid care and domestic work through the provision of public services, infrastructure and social protection policies and the promotion of shared responsibility within the household and the family as nationally appropriate	"a. Extent of development of significant infrastructure investments and services supported. b. Current or expected impacts on communities and local economies, including positive and negative impacts where relevant. c. Whether these investments and services are commercial, in-kind, or pro bono engagements."	GRI Standard 203-1	N/A
	"a. Benefits which are standard for full-time employees of the organization but are not provided to temporary or part-time employees, by significant locations of operation. These include, as a minimum: i. life insurance; ii. health care; iii. disability and invalidity coverage; iv. parental leave; v. retirement provision; vi. stock ownership; vii. others. b. The definition used for 'significant locations of operation.'"	GRI Standard 401-2	See "SOCIAL - Employee well-being and development" in this report.
Target 5.5 Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life	"a. describe the nomination and selection processes for the highest governance body and its committees; b. describe the criteria used for nominating and selecting highest governance body members, including whether and how the following are taken into consideration: i. views of stakeholders (including shareholders); ii. diversity; iii. independence; iv. competencies relevant to the impacts of the organization."	GRI Standard 2-10	See "GOVERNANCE - Corporate governance - BoD operations" in this report.
	"c. describe the composition of the highest governance body and its committees by: i. executive and non-executive members; ii. independence; iii. tenure of members on the governance body; iv. number of other significant positions and commitments held by each member, and the nature of the commitments; v. gender; vi. under-represented social groups; vii. competencies relevant to the impacts of the organization; viii. stakeholder representation."	GRI Standard 2-9-c	"See ""GOVERNANCE - Corporate governance - RGB operations"" and ""SOCIAL - Diversity, equity & Inclusion - Diversity"" in this report.

SDG 8. Decent work and economic growth

Target 8.1 Sustain per capita economic growth in accordance with national circumstances and, in particular, at least 7 per cent gross domestic product growth per annum in the least developed countries	a. Direct economic value generated and distributed (EVG&D) on an accruals basis, including the basic components for the organization's global operations as listed below. If data are presented on a cash basis, report the justification for this decision in addition to reporting the following basic components:	GRI Standard 201-1	
	i. Direct economic value generated: revenues;		408,027,837,843.03
	ii. Economic value distributed: operating costs, employee wages and benefits, payments to providers of capital, payments to government by country, and community investments;		187,627,885,158.48
	iii. Economic value retained: 'direct economic value generated' less 'economic value distributed'.		220,399,952,684.55
	b. Where significant, report EVG&D separately at country, regional, or market levels, and the criteria used for defining significance.		N/A
Target 8.3 Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services	Percentage of the procurement budget used for significant locations of operation that is spent on suppliers local to that operation (such as percentage of products and services purchased locally).	GRI Standard 204-1-a	98.6%
Target 8.5 By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value	a. report the total number of employees, and a breakdown of this total by gender and by region.	GRI Standard 2-7-a	See "SOCIAL - Diversity, equity & Inclusion - Diversity" in this report.
	"b. report the total number of: i. permanent employees, and a breakdown by gender and by region; ii. temporary employees, and a breakdown by gender and by region; iii. non-guaranteed hours employees, and a breakdown by gender and by region; iv. full-time employees, and a breakdown by gender and by region; v. part-time employees, and a breakdown by gender and by region."	GRI Standard 2-7-b	See "SOCIAL - Diversity, equity & Inclusion - Diversity" in this report.
	"a. report the total number of workers who are not employees and whose work is controlled by the organization and describe: i. the most common types of worker and their contractual relationship with the organization; ii. the type of work they perform."	GRI Standard 2-8-a	-
	Percentage of senior management at significant locations of operation that are hired from the local community.	GRI Standard 202-2-a	-
Target 8.7 Take immediate and effective measures to eradicate forced labour, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labour, including recruitment and use of child soldiers, and by 2025 end child labour in all its forms	Measures taken by the organization in the reporting period intended to contribute to the elimination of all forms of forced or compulsory labor.	GRI Standard 409-1-b	See "SOCIAL - Employee well-being and Development - Labor practices & Human Rights" in this report.

SDG 8. Decent work and economic growth

Target 8.8 Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment	a. report the percentage of total employees covered by collective bargaining agreements; b. for employees not covered by collective bargaining agreements, report whether the organization determines their working conditions and terms of employment based on collective bargaining agreements that cover its other employees or based on collective bargaining agreements from other organizations."	GRI Standard 2-30	See "SOCIAL - Employee well-being and Development - Labor practices & Human Rights" in this report.
	"a. Minimum number of weeks' notice typically provided to employees and their representatives prior to the implementation of significant operational changes that could substantially affect them. b. For organizations with collective bargaining agreements, report whether the notice period and provisions for consultation and negotiation are specified in collective agreements."	GRI Standard 402-1	a. In accordance with the Labor Law, the employee is notified 30 days in advance of the termination of the employee's job or position or change of duties.
	"A statement of whether an occupational health and safety management system has been implemented, including whether: i. the system has been implemented because of legal requirements and, if so, a list of the requirements; ii. the system has been implemented based on recognized risk management and/or management system standards/ guidelines and, if so, a list of the standards/ guidelines."	GRI Standard 403-1-a	See "SOCIAL - Employee well-being and development" in this report.
	"a. If the organization has implemented an occupational health and safety management system based on legal requirements and/or recognized standards/guidelines: i. the number and percentage of all employees and workers who are not employees but whose work and/or workplace is controlled by the organization, who are covered by such a system; ii. the number and percentage of all employees and workers who are not employees but whose work and/or workplace is controlled by the organization, who are covered by such a system that has been internally audited; iii. the number and percentage of all employees and workers who are not employees but whose work and/or workplace is controlled by the organization, who are covered by such a system that has been audited or certified by an external party. b. Whether and, if so, why any workers have been excluded from this disclosure, including the types of worker excluded. c. Any contextual information necessary to understand how the data have been compiled, such as any standards, methodologies, and assumptions used."	GRI Standard 403-8	
	A description of the scope of workers, activities, and workplaces covered by the occupational health and safety management system, and an explanation of whether and, if so, why any workers, activities, or workplaces are not covered.	GRI Standard 403-1-b	
	"A description of the processes used to identify work-related hazards and assess risks on a routine and non-routine basis, and to apply the hierarchy of controls in order to eliminate hazards and minimize risks, including: i. how the organization ensures the quality of these processes, including the competency of persons who carry them out; ii. how the results of these processes are used to evaluate and continually improve the occupational health and safety management system."	GRI Standard 403-2-a	
	A description of the processes used to investigate work-related incidents, including the processes to identify hazards and assess risks relating to the incidents, to determine corrective actions using the hierarchy of controls, and to determine improvements needed in the occupational health and safety management system.	GRI Standard 403-2-d	
	"a. For all employees: i. The number and rate of fatalities as a result of work-related injury; ii. The number and rate of high-consequence work-related injuries (excluding fatalities); iii. The number and rate of recordable work-related injuries; iv. The main types of work-related injury; v. The number of hours worked. b. For all workers who are not employees but whose work and/or workplace is controlled by the organization: i. The number and rate of fatalities as a result of work-related injury; ii. The number and rate of high-consequence work-related injuries (excluding fatalities); iii. The number and rate of recordable work-related injuries; iv. The main types of work-related injury; v. The number of hours worked. c. The work-related hazards that pose a risk of high-consequence injury, including: i. how these hazards have been determined; ii. which of these hazards have caused or contributed to high-consequence injuries during the reporting period; iii. actions taken or underway to eliminate these hazards and minimize risks using the hierarchy of controls. d. Any actions taken or underway to eliminate other work-related hazards and minimize risks using the hierarchy of controls. e. Whether the rates have been calculated based on 200,000 or 1,000,000 hours worked. f. Whether and, if so, why any workers have been excluded from this disclosure, including the types of worker excluded. g. Any contextual information necessary to understand how the data have been compiled, such as any standards, methodologies, and assumptions used."	GRI Standard 403-9	N/A

SDG 13. Climate action			
Target 13.1 Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries	a. Total fuel consumption within the organization from non-renewable sources, in joules or multiples, and including fuel types used.	GRI Standard 302-1	In 2023, a total of 61,385.3 liters of fuel were expended, amounting to 168,809,575.5 MNT.
	In joules, watt-hours or multiples, the total:		
	i. Electricity consumption		2,211,074.24
	ii. Heating consumption		7,619.70
	iii. Cooling consumption		N/A
	iv. Steam consumption		134,979,025.95 MNT
	b. Total energy consumption within the organization, in joules or multiples.		4,522,041.9 MNT
	c. Energy intensity ratio for the organization.	GRI Standard 302-3-a	N/A
	d. Amount of reductions in energy consumption achieved as a direct result of conservation and efficiency initiatives, in joules or multiples.	GRI Standard 302-4-a	N/A