



ENVIRONMENTAL, SOCIAL, GOVERNANCE OPERATION REPORT

Date:	2025.04.29
Name of issuer:	Trade and Development Bank JSC
Issuer code (MSE symbol):	Issuer code: MN00TDB05673 Symbol: TDB
Sector/industry (MSE sector):	Banking and Finance
Reporting boundary (legal entities/subsidiaries included in this report):	
Reporting period:	January 01, 2025 - December 31, 2025
Full name, job title, contact information of the person responsible for this report:	Nyamsuren D., Head of Green Funding Office nyamsuren@tdbm.mn, +97611319990
Full name, job title, contact information of CEO or Chairman of the Board:	ORKHON O - CEO
Sign off by CEO or Chairman of the Board:	



MS	Area	Question	Answer (previous year)	Answer (reporting year)	Unit of measure for target indicator	Notes	Explain	References	
MS	Sustainability Management System Indicators								
MS1.1	Senior management commitment	Does your company have a sustainability commitment statement in place?	1. Yes	1. Yes		On April 10, 2021, TDB announced Bank's long-term sustainable goal during its "Climate 30+ Green Forum 2021", which is to attract up to USD 2 billion in sustainable finance by 2030, furthermore to become a Net Zero Bank by 2050. This goal has since become a central focus of the bank's operations.	<a href="https://fb.watch/kyZWWGREwV7mibextid=v7Yzm3">https://fb.watch/kyZWWGREwV7mibextid=v7Yzm3</a>	GRI 102	
MS2.1	Sustainability policy and procedures	Does your company have a sustainability policy with targets?	1. Yes	1. Yes		TDB has approved and incorporated its sustainable development policy and objectives into its integrated strategic plan. Accordingly, within the framework of annual plans of departments and units, the implementation, measurement, reporting, and monitoring of these objectives are coordinated. In addition, within the scope of a project to comprehensively integrate International Financial Reporting Standards (IFRS) Sustainability Disclosure Standards S1 (General Requirements for Disclosure of Sustainability-related Financial Information) and S2 (Climate-related Disclosures) into the Bank's internal operations, the "Sustainable Development Policy" is being developed.		GRI 103, ISO 14001	
MS2.2	Governance structure	Does your company have dedicated committees that are entirely/partially responsible for sustainability?	1. Yes	1. Yes		On February 7, 2024, TDB established its Sustainability Committee under the Board of Directors. Sustainability Committee's responsibilities will include but not limited to support and advise on advancing the development of sustainability strategies and policies to address environmental, social and governance (ESG) matters within the banking operations and enhance governance on overseeing the implementation of sustainability goals and successful transition to climate disclosures. Additionally, the committee's objective is to implement international and domestic best practices in sustainability promote green and sustainable initiatives within the operations of the Bank and our stakeholders' operations. Information on the Committee members is publicly disclosed on the Bank's website: <a href="https://www.tdbm.mn/investment/tolooloon-udirdah-zov/oliin-dzgedh-thorood">https://www.tdbm.mn/investment/tolooloon-udirdah-zov/oliin-dzgedh-thorood</a> Committee member – name, title, and email: Chair of the Board of Directors, K. Randolph, r.koppa@tdbm.mn Deputy Chief Executive Officer in charge of International Business Development, N. Sergelen, sergelen.n@tdbm.mn Advisor for International Cooperation and ESG, G. Chimdbaldir Sustainable Development Advisor, P. Khaliun In addition, the Terms of Reference of the Sustainability Committee were approved by Resolution No. 35 of the Board of Directors dated 8 August 2025. These rules were developed based on the International Finance Corporation (IFC) guidance document "Focus 15: Sustainability Committee – Structure and Implementation." The Terms of Reference clearly define the mandate, roles, and decision-making principles of the Sustainability Committee. As a result, a solid foundation has been established to systematically oversee the Bank's ESG factors, strategy, and sustainable finance initiatives at the Board level.		GRI 103, ISO 14001	
MS3.1		Does your company have a dedicated ESG/sustainability director/s (full-time/part-time) at the board level?	1. Yes	1. Yes		In alignment with the Bank's Sustainability Goals, the Board of Directors has been prioritizing sustainable financing, environmental, social, and governance (ESG) policies, risk management, and related activities. To this end, the Board has appointed highly qualified members with extensive experience in sustainable financing, ESG policies, and risk management. Additionally, the Chairman of the Board has been designated as the Chairman of the Sustainability Committee. This strategic appointment facilitates the integration of sustainability principles across all levels of the Bank, enabling informed decision-making on pertinent issues and the provision of comprehensive recommendations and guidance.		GRI 102	
MS3.2		Does your company have a dedicated ESG/sustainability director/s (full-time/part-time) at the executive level?	1. Yes	1. Yes		At the executive management level, the Deputy CEO for International Business Development at TDB serves as the full-time official responsible for overseeing ESG (Environmental, Social, and Governance) issues, which directs the bank's efforts towards green and sustainable development, ensuring alignment with its organizational goals and values.		GRI 102	

MS3.3	Sustainability Management System		Does your company have a dedicated ESG/sustainability officer (full-time/part-time) at the operational level?	1. Yes	1. Yes		At the operational level, full-time employees of the Green Funding Office play pivotal role in both external and internal operations of the bank, focusing on determining policies for climate financing and integrating international best practices and initiatives. Furthermore, Green Funding Office is responsible for developing new sustainable and green loan products, assessing the green loans, organizing sustainability related events for TDB employees, and preparing and publishing annual Sustainability Report to disclose sustainability related activities. Meanwhile, the full-time Environmental and Social Risk Analyst at the Credit Risk Department holds the responsibility for conducting preliminary and comprehensive assessment of the environmental and social responsibility for business loan requests that are above MNT 100 million with the loan tenor of minimum 12 months.		GRI 102
MS3.4			Does your company cover sustainability issues in board meetings as part of the official agenda?	1. Yes	1. Yes		At the operational level, sustainability matters are overseen by the International Banking Department and the Green Financing Office. These units provide monthly internal reports, in accordance with established internal reporting formats, to the First Deputy CEO, Deputy CEO, the CEO, and the President on the implementation, reporting, and monitoring of sustainability objectives within the framework of departmental and unit annual plans. In addition, the Sustainability Committee is mandated to oversee sustainability, ESG factors, objectives, and implementation progress, and to provide strategic direction at the policy level. A consolidated annual report on the Committee's activities and outcomes is presented to the Board of Directors each year.		GRI 102
MS3.5		Materiality assessment process	Does your company have materiality assessment and matrix, explaining how your company avoids, mitigates, or remediates negative impacts to the economy, environment, and society, and enhances positive ones?	1. Yes	1. Yes		Bank implements its Environmental and Social Responsibility Policy, together with the relevant guidelines and procedures, across its lending operations, guided by principles aimed at identifying, assessing, avoiding, and mitigating potential economic, environmental, and social risks and adverse impacts that may be caused by borrowers. These policies and tools are applied in credit decision-making, contractual terms, and implementation monitoring. Within the scope of environmental impact management, the Bank is implementing the Green Office initiative to reduce energy and resource consumption. As part of this initiative, measures to improve energy efficiency and effectiveness are being implemented in phases starting from 2025, with a focus on reducing negative impacts arising from internal operations.		SASB
MS4.1		Organizational capacity	Annual average hours of sustainability training per employee (hr), by gender	1.60	0.12	hr	On average, each employee participated in 0.12 hours of sustainability-related training per year. In total, 253 hours of sustainability training were delivered.	In 2024, a total of 28 training sessions on "Sustainable Development" were conducted, amounting to 84 hours of training. These sessions were attended by a cumulative total of 502 employees.	GRI 102
MS4.2		Monitoring	Is sustainability included the scope of the audit committee and internal control functions?	1. Yes	1. Yes		In accordance with the Bank's internal audit policy, internal audit activities are conducted in the interests of the Bank's stakeholders and are guided by the following objectives and directions: to provide objective assurance and evaluation of the effectiveness of the organization's governance, risk management, and control processes, to ensure the Bank's operations, and to enhance the organization's value by identifying and addressing risk issues. Additionally, the internal audit provides recommendations to improve the Bank's strategy, operations, finances, and compliance. The Internal Audit Department also places significant emphasis on sustainability issues related to the Bank's governance, risk management, and control within the framework of its policy.		GRI 102, SDG 12
MS4.3		Sustainability reporting	Does your company disclose a sustainability report (stand-alone or integrated into annual report) at least annually?	1. Yes	1. Yes		Since 2022, TDB has been preparing and publicly disclosing its Sustainability Report, which is developed in alignment with international reporting frameworks and standards, including the Sustainability Accounting Standards Board (SASB), ESG and sustainability reporting guidelines, and the Global Reporting Initiative (GRI). <a href="https://www.tdbm.mn/en/sustainable-development/togtvorioi-hogjiin-tailan">https://www.tdbm.mn/en/sustainable-development/togtvorioi-hogjiin-tailan</a>  Sustainability-related information is also disclosed as a dedicated "Sustainability" subsection within the Bank's Annual Report. <a href="https://www.tdbm.mn/sites/default/files/2026-04/TDB-AR-2025.pdf">https://www.tdbm.mn/sites/default/files/2026-04/TDB-AR-2025.pdf</a>		GRI 102, SDG 12
MS5.1			Does the company prepare a TCFD-aligned climate disclosure?	2. No	2. No			TDB aims to comprehensively implement the IFRS Sustainability Disclosure Standards S1 and S2 across its operations by 2026 and has completed the necessary preparatory work to support their implementation.	GRI 102, SDG 12
MS5.2			Are the sustainability data assured by an independent third-party?	2. No	2. No			At present, the Bank has not yet formally engaged an independent, third-party organization to provide external assurance of its sustainability and environmental, social, and governance (ESG) disclosures.	GRI 102, SDG 17
MS5.3		Memberships	Number of sustainability associations, networks, and national or international advocacy organizations in which the company participates with a significant role.	1. Yes	1. Yes		Within the framework of its Environmental and Social Responsibility Policy for clients, the Bank not only complies with the relevant laws and regulations of Mongolia, but also applies and adheres to the following principles and declarations as core operational guidelines: -The Ten Principles of the United Nations Global Compact; -The United Nations Environment Programme Finance Initiative (UNEP FI) Statement of Commitment by Financial Institutions on the Environment and Sustainable Development; -The International Labour Organization (ILO) Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy; -The International Finance Corporation (IFC) Performance Standards (8 standards); -The Eight Principles of Sustainable Finance of the Mongolian Sustainable Finance Association; -The Seven Principles of Green Investment under the Belt and Road Initiative; -The Mongolian Sustainable Finance Association.		GRI 102, SDG 17
<b>Environmental Indicators</b>									
EI.1	Total energy consumption	Total direct energy consumption and cost spent	4,723,548.97	4,643,286.38	MWh, MNT	Total energy consumption in 2025 decreased by 1.7% from the previous year.		GRI 302, SDG 12	

E1.2	Energy	Electricity	Total electricity consumption, cost spent, and reduction (year-to-year)	2,469,382.30	2,439,533.38	MWh, MNT	Energy consumption decreased by 1.2% compared to the previous year. As total annual electricity consumption declined and fell below the threshold applicable to an Obligated Customer, the entity was removed from Obligated Customer status pursuant to Resolution No. 416 of the Energy Regulatory Commission. In connection with the reduction in energy consumption, a range of energy-efficiency measures has been implemented, including the dissemination of energy-saving guidelines and awareness materials through the internal network, measures to reduce heat loss, operation of electric air curtains under time-based schedules, selection and installation of energy-efficient lighting, installation of inverters in motor systems, and automated control of the operating schedules of cooling and heating equipment.		GRI 302, SDG 12
E1.3		Heat	Total heat consumption, cost spent, and reduction (year-to-year)	8,115.00	7,933.51	BTU & %, MNT	As part of improvements to the heating system, the auxiliary water pipeline was modified, resulting in reduced operating demand on the circulation pump. Consequently, heat consumption decreased by 2.30% compared to the previous year.		GRI 302, SDG 12
E1.4		Fuel	Total fuel consumption (coal, oil, gas etc.), cost spent, and reduction (year-to-year)	174.40	99.75	litre/kg & % & GJ, MNT	Outdated vehicle components were upgraded and replaced, resulting in reduced fuel consumption. Due to electricity restrictions and technical disruptions, 2 tonnes of diesel fuel were used to refill the backup fuel tank for the generator. Fuel consumption for the diesel generator at the head office is dependent on the occurrence of power outages. Overall, fuel consumption decreased by 42% compared to the previous year.		GRI 302, SDG 12
E1.5		Non-Renewable energy	Share of non-renewable energy consumption	100	100	%	Energy Source: Coal (The Bank sources its energy from the central power grid)		SFRD
E1.6		Renewable energy	Share of renewable energy consumption	0	0	%		There are currently no renewable energy sources utilized in the TDB headquarters building.	GRI 302, SDG 7
E2.1		GHG emissions	3.1 Emissions	Total Scope 1 and 2 emissions	-	-	tCO2e		As part of the implementation of IFRS Sustainability Disclosure Standards S1 and S2, the Bank plans to calculate greenhouse gas emissions arising from its internal operations as well as from its total financed loan portfolio.
E2.2	3.2 Emissions reduction		Reduction of total Scope 1 + 2 GHG emissions (year-to-year)		154,994	tCO2e	Through TDB's green loans, total of 154,993.9 tons of carbon dioxide equivalents are expected to be reduced annually.		GRI 305, SDG 13, WRI/WBCSD GHG protocol
E2.3	3.3 Carbon offsetting		Total carbon offset	-	-	tCO2e		As part of the implementation of IFRS Sustainability Disclosure Standards S1 and S2, the Bank aims to identify overall carbon offsetting measures and to calculate the potential for greenhouse gas emissions reductions arising from the Bank's implemented afforestation and tree-planting programs.	GRI 305, SDG 13, WRI/WBCSD GHG protocol
E3.1	Climate change	Climate policy	Does your company have a stand-alone/integrated climate change policy?	2, No	2, No	-		As part of the implementation of IFRS Sustainability Disclosure Standards S1 and S2, the Bank is working to approve a Climate Risk Management Policy, with the objective of strengthening its climate risk management framework and ensuring the resilience of its loan portfolio and long-term sustainable growth.	GRI 201, TCFD, SDG 13
E3.2		Climate risk and opportunity assessment	Did your company conduct a climate risk and opportunity assessment (scenario analysis, stress test etc.)?	1, Yes	1, Yes	-	The Bank recognizes climate change-related risks and opportunities as financially material and has initiated a phased approach to assessing their impacts. As of 2025, the Bank is working to establish a comprehensive climate risk management framework and to fully integrate it into its broader risk management systems. A qualitative assessment covering both physical and transition climate risks has been conducted, and a preliminary climate risk assessment has been implemented at the loan portfolio level, classified by economic sector. This assessment aimed to identify sectors and regions with elevated climate risk exposure and to develop a high-level understanding of the portfolio's sensitivity to climate-related risks. To further enhance its understanding of potential financial impacts, the Bank has piloted scenario analysis and stress testing. The scenario analysis and stress testing were limited to the Bank's loan portfolio and focused on assessing the transmission of climate-related risks into credit risk.		GRI 201, TCFD, SDG 13
E3.3		Economic loss	Total amount of economic loss faced due to climate related disasters and events	-	-	MNT		During the reporting period, the bank did not experience any disasters caused by climate change and did not incur any economic losses.	GRI 201, TCFD, SDG 13
E3.4		Climate investment	Total amount invested, annually, in climate-related infrastructure, resilience, and product development	-	379.6 billion	MNT	Since 2021, TDB has been introducing products and services tailored to meet customer needs and offering them to the market. As of the reporting period, the bank has provided 10 types of green loan products to individuals and organizations. By the fourth quarter of 2025, TDB has disbursed 379.6 billion MNT in financing for these green initiatives.		GRI 201, TCFD, SDG 13


E3.5	Prevention/adaptation to climate change	Does your company have activities/steps to prevent and (if not preventable) adapt to the impact of climate change?	2, No	2, No				As part of the implementation of IFRS Sustainability Disclosure Standards S1 and S2, the Bank aims to develop the infrastructure for climate risk data, portfolio classification, and key metrics, and to integrate scenario analysis and stress testing into the Bank's overall risk management framework. In addition, the Bank seeks to align climate risk considerations with its risk appetite, strategy, and business planning, and to systematically assess the medium- and long-term impacts on profitability, products, and service quality.	GRI, SABS, World Economic Forum
E4.1	Water	Water used	Total amount of water withdrawn/used	6337	7217	m3/L	Consumption increased by 13.88% compared to the previous year, primarily due to an increase in the number of employees.		GRI 303, SDG 6
E4.2		Water saved	Total amount of water saved due to conservation and efficiency improvements	105.7	10	m3/L	By replacing and installing an automatic shut-off valve on the backup water tank connected to the building's main external supply line, water consumption was reduced by preventing overflow and conserving water when the tank reaches full capacity.		GRI 303, SDG 6
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.	GRI 303, SDG 6
E4.4		Water discharged	Total water discharged	0	0	m3/L		In the reporting year, the bank did not implement wastewater reuse practices. However, ongoing research is focused on developing initiatives for water conservation and the utilization of wastewater.	GRI 303, SDG 6
E5.1	Waste (solid waste)	Waste discharged	Total amount of waste discharged	201.7	220	tons	General waste is transported to a contracted landfill for disposal. The amount of waste has increased by 9.4% from the previous year.		GRI 306, SDG 12
E5.2		Waste recycled	Waste recycling percentage	0.3	0.4	%	A contract was signed with a professional organization to collect and deliver used plastic bottles from employees, 49% more waste delivered for recycling compared to the previous year.	The information previously disclosed in the 2024 report was corrected, as it had been presented in kilograms instead of percentages.	GRI 306, SDG 12
E5.3		Hazardous waste	Total amount of hazardous waste (including e-waste) discharged	12	22	tons	The collected waste was delivered to designated collection points. Following the introduction of dedicated containers for used batteries, the volume of battery waste collected and handed over increased by 1.8 times compared to the previous year.		GRI 306, SDG 12
E6.1	Biodiversity	Landscape planning, design greenery	Share of sustainably managed public space, or green space created as of total area	40	40	%	Outside area of the building is covered with shrubs and trees, which are located on the front and right sides of the building. In support of the "Billion Tree" national movement, TDB financed the planting of a total of 45,218 trees during the reporting year, promoting environmentally friendly, sustainable, and green development.		GRI 304, SDG 15
E6.2		Wild plants and animals	Number of species conserved	0	0	no.	The Environmental and Social Risk Analyst ensures that all loan applicants are required to follow proper procedures, as outlined in section 7.2.4 of the Law on Soil Protection and Prevention of Desertification, for planting trees and lawns. This requirement contributes to ecosystem stability. Additionally, loan applicants operating in the mining sector must adhere to standards for biological and technical rehabilitation of disturbed soil.		GRI 304, SDG 15
E6.3		Activities negatively affecting biodiversity-sensitivity	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity or cultural value	0	0	%	In cases where the loan applicant's activities are evaluated to potentially cause significant environmental and societal damage or are listed as excluded for financing, the Bank adopts a preventive approach by declining to finance such activities, aiming to mitigate potential risks in the future.		SFRD, IFC Performance Standard 6
<b>Social Indicators</b>									
S1.1	Human capital development	Employee turnover	Year-over-year change of full-time employees	-	-	%	-		GRI 401, SDG 8
S1.2		Jobs created	Increase in the total number of full time employees compared to the same period of the previous year	1	4	no.	A total of four new full-time jobs were created during the reporting period.		GRI 401, SDG 8
S1.3		Training	Annual average hours of training per employee	0.8	1.57	hr	On average, 1.57 training hours were provided per employee per year.		GRI 401, SDG 8
S2.1	Occupational, health and safety	OHS policy	Does your company have an OHS Policy (stand-alone or integrated)?	1, Yes	1, Yes		In accordance with the Labor Safety and Health Law and relevant standards, bank ensures that employees work in a safe and healthy environment, promotes occupational safety at the organizational level, and enforces related laws and regulations. These requirements are detailed in Chapter 4 of the Bank's Building Utilization Regulations and are applied in its operations. Each position is provided with specific occupational safety instructions, including but not limited to: - Occupational safety instructions for drivers - Occupational safety instructions for service staff - Occupational safety instructions for electrical engineers - Occupational safety instructions for plumbers - Occupational safety instructions for carpenters - Occupational safety instructions for office employees		GRI 103, SDG 10

S2.2		Incidents	Annual work-related injury rate	0	0	%		No incidents or accidents resulting from breaches of workplace safety regulations have been reported.	GRI 403, SDG 3
S2.3		OHS training	Annual average hours of OHS training per employee	0	12	hr	In 2025, the Bank established an Occupational Health and Safety (OHS) Committee. During the reporting year, more than 300 employees from relevant departments and units participated in OHS training. A total of 9 training sessions, amounting to 12 hours, were conducted, focusing on daily operations and workplace occupational health and safety.		GRI 403, SDG 3
S2.4		Health programs	Percentage of employees covered by voluntary health programs such as medical checks	250	437	no.	At the national level, in order to actively engage all employees in the "Preventive Care, Early Detection, and Diagnostic Screening" program organized by the Ministry of Health of Mongolia, the Bank implemented initiatives such as conducting surveys and encouraging employee participation. According to the 2025 survey results, a total of 437 employees participated in the program.		GRI 403, SDG 3
S3.1	Equal opportunity	Gender policy	Does your company have a Gender Policy (stand-alone or integrated)?	1. Yes	1. Yes		TDB has been implementing "Gender Equality Policy" since its adoption in 2019. This policy outlines the principles to be adhered to bank's operations, including the establishment of structure, systems, capacity building measures, monitoring and reporting mechanisms to ensure gender equality.		GRI 405, SDG 5
S3.2		Anti-sexual harassment policy	Does your company have an anti-sexual harassment policy (stand-alone/integrated)?	1. Yes	1. Yes		TDB has approved "Procedures for the Prevention and Protection of Sexual Harassment in the Workplace" in 2023. The policy outlines the fundamental principles, measures to be taken in case of actual or potential sexual harassment, prevention strategies, and detailed procedures for protecting and restoring the rights of victims, as well as implementation and reporting guidelines.		GRI 103, SDG 5
S3.3		Non-discrimination policy	Does your company have a non-discrimination policy (stand-alone/integrated)?	2. No	2. No			The bank does not have a standalone policy against discrimination. Instead, these provisions are managed through the "Gender Equality Policy," "Human Resources Policy," "Employee Code of Ethics," and "Whistleblowing Policy."	GRI 103, SDG 5
S3.4		Gender balance	Percentage of total employee headcount by men and women	37/66	37/63	%	37% of the total employees at TDB are men, while 63% are women.		GRI 405, SDG 5
S3.5		Board level gender balance	Percentage of board-level positions held by men and women	50/50	56/44	%	Of the members of the Board of Directors, 56% are male and 44% are female.		GRI 405, SDG 5
S3.6		C-level gender balance	Percentage of C-level positions held by men and women	60/40	64/36	%	60% of executives at TDB are men, while 36% are women.		GRI 405, SDG 5
S3.7		Junior level gender balance	Percentage of junior-level positions held by men and women	51/49	46/54	%	46% of the staff in middle and primary units are male and 54% are female. /Directors of departments and units/		GRI 405, SDG 5
S3.8		Gender pay gap	Ratio of average male salary to average female salary	0.9	1.06	ratio	The average wage gap between female and male employees amounts to MNT 264,369. Compared to the previous year, wages of male employees increased by approximately 10%, primarily driven by higher skill levels, job grades, and position levels among male employees, which contributed to the overall increase.		GRI 405, SDG 5, SFRD
S4.1	Access & inclusion	Disability policy	Does your company have a Disability policy (stand-alone/integrated)?	2. No	2. Yes		In 2025, TDB developed and approved the "Regulation on Employment of Persons with Disabilities" and is implementing it in practice. The regulation comprehensively outlines the key principles in accordance with the Labor Law of Mongolia, including provisions on benefits and incentives, flexible working arrangements, compliance, and reporting requirements.		SDG 10
S4.2		Employees with disability	Percentage of employees with disability	0.8	-	%		Bank operates in compliance with Article 144 of the Labour Law of Mongolia.	SDG 10
S4.3		Access to facilities	Does your company have an assessment of facility accessibility	1. No	2. No		The bank does not have specific policies or regulations for individuals with disabilities. Instead, it adheres to the provisions outlined in the Labor Law. In accordance with the Labor Law, the bank supports its employees with disabilities by providing additional leave days and shortened working hours.		SDG 10
S4.4		Fines	Amount of fines paid for noncompliance with laws and regulations regarding disability	0	0	MNT		There were none during the reporting period.	SDG 10
S5.1	Community engagement & disclosure	Stakeholder engagement	Does your company have a stakeholder/community engagement policy approved by the Board?	1. Yes	1. Yes		In 2023, TDB developed and approved the "Policy on Engagement and Collaboration with External Stakeholders", which was approved by the Representative Governing Board. <a href="https://www.tdbm.mn/sites/default/files/2024-09/%D0%A3%D1%83%D0%B4%D0%B0%D0%B8%D0%B4%D0%B0%D0%B0%2C%20%D1%85%D3%A9%D0%B3%D0%B6%D0%B3%D0%B8%D0%B9%D0%BD%20%D0%B1%D0%B0%D0%B4%D0%BA%D0%BD%D0%B0%D0%B0%D1%81%20%D0%B1%D1%83%D1%81%D0%B0%D0%B4%20%D0%BE%D1%80%D0%BE%D0%BB%D1%86%D0%BE%D0%B3%D1%87%20%D1%82%D0%B0%D0%BB%D1%83%D0%B4%D1%82%D0%B0%D0%B9%20%D1%85%D0%B0%D1%80%D0%B8%D0%BB%D1%86%D0%B0%D1%85%2C%20%D1%85%D0%B0%D0%BC%D1%82%D1%80%D0%B0%D0%BD%20%D0%B0%D0%B6%D0%B8%D0%BB%D0%BB%D0%B0%D1%83%D0%B0%D0%B4%20%D0%B1%D0%B0%D1%80%D0%B8%D0%BC%D1%82%D0%BB%D0%B0%D1%85%20%D0%B1%80%BE%D0%B4%D0%BB%D0%BE%D0%B3%D0%BE.pdf">https://www.tdbm.mn/sites/default/files/2024-09/%D0%A3%D1%83%D0%B4%D0%B0%D0%B8%D0%B4%D0%B0%D0%B0%2C%20%D1%85%D3%A9%D0%B3%D0%B6%D0%B3%D0%B8%D0%B9%D0%BD%20%D0%B1%D0%B0%D0%B4%D0%BA%D0%BD%D0%B0%D0%B0%D1%81%20%D0%B1%D1%83%D1%81%D0%B0%D0%B4%20%D0%BE%D1%80%D0%BE%D0%BB%D1%86%D0%BE%D0%B3%D1%87%20%D1%82%D0%B0%D0%BB%D1%83%D0%B4%D1%82%D0%B0%D0%B9%20%D1%85%D0%B0%D1%80%D0%B8%D0%BB%D1%86%D0%B0%D1%85%2C%20%D1%85%D0%B0%D0%BC%D1%82%D1%80%D0%B0%D0%BD%20%D0%B0%D0%B6%D0%B8%D0%BB%D0%BB%D0%B0%D1%83%D0%B0%D0%B4%20%D0%B1%D0%B0%D1%80%D0%B8%D0%BC%D1%82%D0%BB%D0%B0%D1%85%20%D0%B1%80%BE%D0%B4%D0%BB%D0%BE%D0%B3%D0%BE.pdf</a>		IFC
S5.2		Policy and process for social impact assessment and land acquisition	Does your company have a policy or process for social impact assessment and land acquisition?	1. Yes	1. Yes		TDB's "Environmental and Social Responsibility Policy and its Implementation Guidelines" include detailed instructions for conducting social risk assessments for loan applicants. The evaluations are based on compliance with the eight Performance Standards of the International Finance Corporation (IFC). All eight standards aim to identify social risks of loan applicants. In particular, Standard 5 focuses on whether the financing activity requires land acquisition, based on official explanations and documents provided by the applicant.		IFC Performance Standards
S5.3		Grievance policy	Does your company have a grievance policy/mechanism?	1. Yes	1. Yes		The Customer Service Department (CSD) of the Trade and Development Bank (TDB) manages the reception and resolution of feedback and complaints about the bank in accordance with the "TDB Customer Service Policy" and the "TDB Customer Rights Protection Procedure." The CSD focuses on receiving customer feedback and complaints through all available channels, ensuring the utmost confidentiality of customer information at all levels of the bank. Additionally, the department works diligently to promptly resolve any customer feedback or complaints in collaboration with the bank's various departments, divisions, and units. In addition, the Trade and Development Bank aims to receive and resolve feedback and complaints from citizens regarding the outcomes of projects and programs financed by the Green Climate Fund (GCF). In case of complaints related to the project or program, it is possible to contact the Bank and the project implementers through the complaint mechanism. Bank receives complaints through the following channels: <a href="http://www.tdbm.mn/mn/suggestanket">http://www.tdbm.mn/mn/suggestanket</a> <a href="mailto:projectgrievances@tdbm.mn">projectgrievances@tdbm.mn</a> Through a letter – at the headquarters of TDB		GRI 102, SDG 16



G3.2	Compliance program/procedures	Does your company have a compliance program including information on employee training, auditing, and monitoring systems, reporting violations, guidance for conflicts of interest, sanctions etc.?	1. Yes	1. Yes		<p>In 2021, the Bank revised and updated the Trade and Development Bank Compliance Policy in line with the requirements of the ISO 37301 Compliance Management Systems standard. In 2022, the Trade and Development Bank Compliance Operations Regulation was likewise revised in accordance with ISO 37301. Both documents were approved by the Bank's Board of Directors and are applied in the Bank's day-to-day operations. These compliance policies and regulations aim to establish an effective and well-structured compliance framework, clearly define the compliance roles and responsibilities of the Bank's departments and units, ensure implementation at all organizational levels, prevent risks, and maintain regulatory compliance.</p> <p>In addition to compliance with ISO 37301, the Compliance Policy and regulations were developed in alignment with international conventions and standards, including the Basel Committee's recommendations on Compliance and the Compliance Function in Banks, as well as the Mongolian Bankers Association's guidelines on Bank Compliance Policy and Functions. This approach enables not only the Compliance Unit but also all relevant departments and units of the Bank to implement compliance across all activities and hierarchical levels.</p> <p>Furthermore, the Bank has approved and enforces supporting internal policies and codes, including the Trade and Development Bank Code of Ethics, the Trade and Development Bank Whistleblowing Policy, and the Trade and Development Bank Anti-Corruption Policy. Their implementation is monitored through relevant departments and committees to ensure effective oversight and compliance.</p> <p>As a result of these measures, the Bank has established an internal governance framework focused on ensuring that all internal policies, rules, regulations, and procedures consistently comply with international standards, as well as with the laws, regulations, and contractual obligations of Mongolia.</p>	GRI 102, OECD Principles of Corporate Governance, SDG 16	
Additional sector specific indicators (only fill out questions relevant to your company's operating industry/sector)								
FS1	Financial services	Access to finance	Annual number of participants in financial literacy and inclusion initiatives	167,468	997,828	no.	<p>In line with bank's focus on customer segmentation, TDB categorizes its clients into three segments: corporate, small and medium-sized enterprises (SMEs), and retail clients, and continuously promotes financial literacy among them.</p> <p>During the reporting year, the Bank successfully organized the "Mongolians with Savings" promotional savings campaign for the fifth consecutive year, with the objective of encouraging individuals to develop saving habits and to improve customers' understanding of the benefits of savings products. In the reporting year, the campaign was further expanded through the introduction of a dedicated sub-program in regional areas, thereby broadening its outreach.</p> <p>Throughout the reporting period, the Bank implemented a range of initiatives targeted at customers and the general public to enhance financial literacy and improve understanding of financial products and services. In particular, the Bank continues to successfully implement, in cooperation with the German Agency for International Cooperation (GIZ), the "Capacity Development Project to Support SMEs for Advancing Sustainable Development." Under this project, 220 SME clients have been supported, and a series of structured training programs are being implemented in phases for both existing and new SME clients of the Bank.</p>	SDG 1
FS2		E&S risk management	Percentage of transactions assessed by ESG risk criteria and Exclusion lists	2	51	%	As of December 31, 2025, 51% of the total loan portfolio had undergone Environmental and Social (E&S) risk assessment. Of the assessed portfolio, 69.2% was classified as low risk, 8.1% as medium risk, and 22.7% as high risk, for which assessments were conducted and conclusions reached accordingly.	Mongolian Sustainable Finance Principles
FS3		Sustainable issuance	Share of green/sustainable loans in compliance with Mongolia green/SDG taxonomy as of total loan portfolio	29	25	%	The share of green and social loans in the total loan portfolio was 25.16% as of December 31, 2025.	SDG 13, Mongolia Green Taxonomy

Reviewed by:  
Green Funding Office

  
Nyamsuren D.

