




ENVIRONMENTAL, SOCIAL, GOVERNANCE OPERATION REPORT

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, 2023-December 31, 2023
Full name, job title, contact information of the person responsible for this report:	Nyamburhan D - Green funding office
Sign off by CEO or Chairman of the Board:	 ORKHON O - CEO

Area	Indicator	Description AND DEVELOPMENT	Answer (previous year)	Answer (reporting year)	Unit of measure for target/ indicator	Notes	Explanation	References
MS	Sustainability Management System Indicators							
MS1.1	Senior management commitment	Does your company have a sustainability commitment statement in place?	Yes	Yes		On April 10th of 2021, TDBM 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.watchky/ZWWGREwV/7mbextid-v7YzmG	If no, explain	GRI 102
MS2.1	Sustainability policy and procedures	Does your company have a sustainability policy with targets?	Yes	Yes		TDBM 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.	If no, explain	GRI 103, ISO 14001
MS2.2	Governance structure	Does your company have dedicated committees that are entirely/partially responsible for sustainability?	No	No		Please name committees that have this responsibility	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.	GRI 102
MS3.1		Does your company have a dedicated ESG/sustainability director/s (full-time/part-time) at the board level?	Yes	Yes		Within the context of the Sustainable Development Goals, the Board of Directors at TDB has appointed a qualified member with extensive experience in sustainable financing, environmental, social, and governance policies and risks. In response, effective collaboration between the board and the bank's relevant units is nurtured, facilitating efficient decision-making on pertinent issues. The board offers recommendations and essential information for the effective implementation of policies, thereby enhancing the bank's impact.	If no, explain	GRI 102
MS3.2		Does your company have a dedicated ESG/sustainability director/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.	If no, explain	GRI 102

MS3.3	Sustainability Management System		Does your company have a dedicated ESG/sustainability officer (full-time/part-time) at the operational level?	Yes	Yes		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.	<i>If no, explain</i>	GRI 102	
MS3.4			Does your company cover sustainability issues in board meetings as part of the official agenda?	No	No		-	<i>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.</i>	GRI 102	
MS3.5		Materiality assessment process	Does your company have materiality assessment and matrix, explaining how your company avoids, mitigates, or remediates negative impacts to the economy, environment, and society, and enhances positive ones?	No	No		Add link and date	<i>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.</i>	GRI 102, SASB	
MS4.1		Organizational capacity	Annual average hours of sustainability training per employee (hr), by gender	0.7	0.4	hr		The company arranges regular training sessions for its employees covering diverse areas such as sustainable development and ESG. In 2023, average hours of sustainability training per employee were 0.4 hours. Moreover, the company ensures a constant flow of sustainable development-related news and information to its employees through internal network.	<i>If no, explain</i>	GRI 102
MS4.2		Monitoring	Is sustainability included the scope of the audit 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.	<i>If no, explain</i>	GRI 102
MS4.3			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	<i>If no, explain</i>	GRI 102
MS5.1		Sustainability reporting	Does the company prepare a TCFD-aligned climate disclosure?	No	No		Add link		<i>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).</i>	GRI 102, SDG 13, TCFD
MS5.2			Are the sustainability data assured by an independent third-party?	No	No		Add link to assurance statement		<i>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.</i>	GRI 102, SDG 12
MS5.3		Memberships	Number of sustainability associations, networks, and national or international advocacy organizations in which the company participates with a significant role.	Yes	Yes			TDBM 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.	<i>If no, explain</i>	GRI 102, SDG 17

E		Environmental Indicators							
E1.1	Energy	Total energy consumption	Total direct energy consumption and cost spent	4,522,041.90	4,327,674.51	MWh, MNT	Main energy source: Coal /As the Bank obtains its energy source from the central power grid/ Total energy consumption in 2023 decreased by 4.2% from the previous year.	If not available, explain	GRI 302, SDG 12
E1.2		Electricity	Total electricity consumption, cost spent, and reduction (year-to-year)	2,328,428.90	2,211,074.24	MWh, MNT	In 2023, there was a 5% decrease in electricity consumption compared to 2022. In line with its commitment to energy efficiency, the bank has submitted its energy efficiency action plan to the Energy Regulatory Commission and ensures its execution. In 2022, the bank commissioned an energy audit conducted by a licensed professional organization and subsequently implemented various measures aimed at enhancing energy efficiency. Since 2023, the 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.	If not available, explain	GRI 302, SDG 12
E1.3		Heat	Total heat consumption, cost spent, and reduction (year-to-year)	7897.01	7619.7	BTU & %, MNT	Heat consumption decreased by 3.6% from the previous year, and 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.	If not available, explain	GRI 302, SDG 12
E1.4		Fuel	Total fuel consumption (coal, oil, gas etc.), cost spent, and reduction (year-to-year)	107,6	61.40	litre/kg & % & GJ, 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.	If not available, explain	GRI 302, SDG 12
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/	If not available, explain	SFRD
E1.6		Renewable energy	Share of renewable energy consumption	0	0	%	Type of renewable energy source (solar, wind, hydro etc.)	There are no renewable energy sources in the TDB headquarters building	GRI 302, SDG 7
E2.1	GHG emissions	Emissions	Total Scope 1 and 2 emissions	-	-	tCO2e	Briefly describe emission calculation methodology used	By 2025, the Bank aims to fully integrate the International Sustainability Standards Board (ISSB) into its banking operations.	GRI 305, SDG 13, WRI/WBCSD GHG protocol.
E2.2		Emissions reduction	Reduction of total Scope 1 + 2 GHG emissions (year-to-year)	47,834	47,834	tCO2e	Through TDB's Green Business Loans, total of 47,834 tons of carbon dioxide equivalents are expected to be reduced annually.	If not available, explain	GRI 305, SDG 13, WRI/WBCSD GHG protocol.
E2.3		Carbon offsetting	Total carbon offset	-	-	tCO2e	As part of the "One Billion Trees" national movement, the 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.	By 2025, the Bank aims to fully integrate the International Sustainability Standards Board (ISSB) into its banking operations.	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?	No	No		Add link	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.	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.)?	No	No		Add link		GRI 201, TCFD, SDG 13
E3.3		Economic loss	Total amount of economic loss faced due to climate related disasters and events	-	-	MNT	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.	If not available, explain	GRI 201, TCFD, SDG 13

E3.4		Climate investment	Total amount invested, annually, in climate-related infrastructure, resilience, and product development	52.5 billion	48.4 billion	MNT	Through Green Business Loans, TDB provides financing by monitoring whether it meets the criteria set out in Mongolia's Green Taxonomy and TDB's "Sustainability Framework" document, and as of the Q4 of 2023, TDB's green loan portfolio totals 48.4 billion MNT. In this, 39.2% and 32.8%, or the majority of loans, were disbursed to the Energy Saving and Sustainable Water and Waste Use categories of the "Green Taxonomy of Mongolia", respectively.	<i>If not available, explain</i>	GRI 201, TCFD, SDG 13
E3.5		Prevention/adaptation to climate change	Does your company have activities/steps to prevent and (if not preventable) adapt to the impact of climate change?	No	No		Briefly describe activities	<i>By 2025, the Bank aims to comprehensively implement the International Sustainability Standards Board (ISSB) in its banking operations.</i>	GRI, SASB, World Economic Forum
E4.1	Water	Water used	Total amount of water withdrawn/used	5,190.00	5,689.00	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.	<i>If not available, explain</i>	GRI 303, SDG 6
E4.2		Water saved	Total amount of water saved due to conservation and efficiency improvements	-	14.4	m3/L	TDB has installed automatic water dispensers on the 5th floor of the headquarters and in the driver's room.	<i>If not available, explain</i>	GRI 303, SDG 6
E4.3		Water reuse	Percentage of water recycled and reused	0	0	%	Briefly describe recycling/reuse activities	<i>In the reporting year, the bank did not recycle water and is currently working on introducing water-saving practices.</i>	GRI 303, SDG 6
E4.4		Water discharged	Total water discharged	0	0	m3/L	Briefly describe how water is discharged including destination and methods	<i>In the reporting year, the bank did not incorporate wastewater reuse practices. However, ongoing research aims to develop initiatives for water conservation and the utilization of wastewater.</i>	GRI 303, SDG 6
E5.1	Waste (solid waste)	Waste discharged	Total amount of waste discharged	304	192	tons	Ordinary waste is transported to a contracted landfill for disposal. The amount of waste has decreased by 36% compared to the previous year, and the bank regularly shares information about sustainable waste management and environmentally friendly choices with all employees.	<i>If not available, explain</i>	GRI 306, SDG 12
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.	<i>If not available, explain</i>	GRI 306, SDG 12
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.	<i>If not available, explain</i>	GRI 306, SDG 12
E6.1	Biodiversity	Landscape planning, design greenery	Share of sustainably managed public space, or green space created as of total area	40	40	%	40 percent of the outside area of the building is covered with shrubs and trees, which are located on the front and right sides of the building.	<i>If not available, explain</i>	GRI 304, SDG 15
E6.2		Wild plants and animals	Number of species conserved	0	0	no.	The Environmental and Social Risk Analyst ensures that all loan applicants are required to follow proper procedures, as outlined in section 7.2.4 of the Law on Soil Protection and Prevention of Desertification, for planting trees and lawns. This requirement contributes to ecosystem stability. Additionally, loan applicants operating in the mining sector must adhere to standards for biological and technical rehabilitation of disturbed soil.	<i>"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. 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. 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.</i>	GRI 304, SDG 15
E6.3		Activities negatively affecting biodiversity-sensitivity	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity or cultural value	0	0	%	In cases where the loan applicant's activities are evaluated to potentially cause significant environmental and societal damage or are listed as excluded for financing, the Bank adopts a preventive approach by declining to finance such activities, aiming to mitigate potential risks in the future.	<i>If not available, explain</i>	SFRD, IFC Performance Standard 6

S	Social Indicators								
S1.1	Human capital development	Employee turnover	Year-over-year change of full-time employees	-	-	%	-	<i>If not available, explain</i>	GRI 401, SDG 8
S1.2		Jobs created	Increase in the total number of full time employees compared to the same period of the previous year	116	69	no.	69 new full-time jobs were created.	<i>If not available, explain</i>	GRI 401, SDG 8
S1.3		Training	Annual average hours of training per employee	4.1	1.1	hr	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.	<i>If not available, explain</i>	GRI 401, SDG 8
S2.1	Occupational health and safety	OHS policy	Does your company have an OHS Policy (stand-alone or integrated)?	Yes	Yes		The 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 the 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.	<i>If not available, explain</i>	GRI 103, SDG 10
S2.2		Incidents	Annual work-related injury rate	0	0	%	No accident has occurred.	<i>If not available, explain</i>	GRI 403, SDG 3
S2.3		OHS training	Annual average hours of OHS training per employee	0.03	0.03	hr	In 2023, 10 employees took OHS training.	<i>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.</i>	GRI 403, SDG 3
S2.4		Health programs	Number of employees covered by voluntary health programs such as medical checkups	≈2000	-	no.	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.	<i>If not available, explain</i>	GRI 403, SDG 3
S3.1	Equal opportunity	Gender policy	Does your company have a Gender Policy (stand-alone or integrated)?	Yes	Yes		TDB is a committed 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", the Bank will contribute to gender equality by promoting gender sensitivity and gender mainstreaming across its operations, products 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. Under the Gender Committee, the Gender Networking Group was established 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 the bank's staff and hosts regular meetings to address various aspects of gender equality and diversity.	<i>If not available, explain</i>	GRI 405, SDG 5
S3.2		Anti-sexual harassment policy	Does your company have an anti-sexual harassment policy (stand-alone/integrated)?	Yes	Yes		"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 dated 27.12.2023 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.	<i>If not available, explain</i>	GRI 103, SDG 5
S3.3		Non-discrimination policy	Does your company have a non-discrimination policy (stand-alone/integrated)?	No	No		Add link	<i>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."</i>	GRI 103,SDG 10
S3.4		Gender balance	Percentage of total employee headcount by men and women	33/67	34/66	%	34% of the total employees at TDB are men, while 66% are women.	<i>If not available, explain</i>	GRI 405, SDG 5

S3.5	Board level gender balance	Percentage of board-level positions held by men and women	33/67	44/56	%	At the Board of Directors (BoD) level, there is a gender distribution of 44% men and 56% women among board members.	<i>If not available, explain</i>	GRI 405, SDG 5	
S3.6	C- level gender balance	Percentage of C-level positions held by men and women	73/27	70/30	%	70% of executives at TDB are men, while 30% are women.	<i>If not available, explain</i>	GRI 405, SDG 5	
S3.7	Junior level gender balance	Percentage of junior-level positions held by men and women	55/45	54/46	%	54% of the staff in middle and primary units are male and 46% are female. /Directors of departments and units/	<i>If not available, explain</i>	GRI 405, SDG 5	
S3.8	Gender pay gap	Ratio of average male salary to average female salary	0.8	0.9	ratio	The average salary difference between female and male employees is ₮ 281,168.	<i>If not available, explain</i>	GRI 405, SDG 5, SFRD	
S4.1	Access & inclusion	Disability policy	Does your company have a Disability policy (stand-alone/integrated)?	No	No		The Bank adheres to the "Law on Labor of Mongolia" and provides appropriate compensation and working conditions to employees with disabilities.	SDG 10	
S4.2		Employees with disability	Percentage of employees with disability	0.6	0.6	%	Currently, employees with disabilities constitute 0.6% of TDB's total workforce.	<i>If not available, explain</i>	SDG 10
S4.3		Access to facilities	Does your company have an assessment of facility accessibility	No	Yes		The Bank adheres to the "Law on Labor of Mongolia" and provides appropriate compensation and working conditions to employees with disabilities.	<i>If not available, explain</i>	SDG 10
S4.4		Fines	Amount of fines paid for noncompliance with laws and regulations regarding disability	0	0	MNT	N/A	<i>If not available, explain</i>	SDG 10
S5.1	Community engagement & disclosure	Stakeholder engagement	Does your company have a stakeholder/community engagement policy approved by the Board?	No	Yes		https://investor.tdbm.mn/pd/%D0%A5%D1%83%D0%B4%D0%B0%D0%BB%D0%B4%D0%B0%D0%B0.%20%D1%85%D3%A9%D0%B3%D0%B6%D0%BB%D0%B8%D0%B9%D0%BD%20%D0%B1%D0%B0%D0%BD%D0%BA%D0%BD%D0%B0%D0%B0%D1%81%20%D0%B1%D1%83%D1%81%D0%B0%D0%B4%20%D0%BE%D1%80%D0%BE%D0%BB%D1%86%D0%BE%D0%B3%D1%87%20%D1%82%D0%B0%D0%BB%D1%83%D1%83	<i>If not available, explain</i>	IFC
S5.2		Policy and process for social impact assessment and land acquisition	Does your company have a policy or process for social impact assessment and land acquisition?	Yes	Yes		The bank strives to promote responsible lending practices and ensure sustainable outcomes for the environment and the community by implementing "Environmental and Social Responsibility Policy Implementation Guidelines". 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. 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 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.	<i>If not available, explain</i>	IFC Performance Standards
S5.3		Grievance policy	Does your company have a grievance policy/mechanism?	Yes	Yes		TDB's Customer Service Department (CSD) is responsible for receiving and resolving customer requests, inquiries, and complaints regarding the Bank, under the "TDB's Customer Service Policy" and "TDB's Consumer Right Protection Procedure". The CSD consistently ensures that customer requests and inquiries are received through various channels, prioritizing the security of customer information throughout the bank. The CSD promptly and comprehensively addresses inquiries, working in collaboration with other departments of the bank via an internal platform, to prevent the recurrence of similar issues. Furthermore, the bank is committed to receiving and addressing complaints from citizens affected by projects financed by the Green Climate Fund that have a negative impact. In the event of project-related complaints, individuals can reach out to the bank and project implementers through the designated complaint mechanism. The Bank accepts complaints through various channels, including online applications via http://www.tdbm.mn/mn/suggestanket , email at projectgrievances@tdbm.mn , and letters sent to the TDB HQ.	<i>If not available, explain</i>	GRI 102, SDG 16

S5.4		Disclosure to communities	Does your company have a mechanism and system to disclose relevant information to affected communities and stakeholders?	Yes	Yes		<p>In delivering products and services to customers, the Bank prioritizes timely and efficient communication through various available channels, including text messages, emails, notification services, and interactions with bank employees. The Bank openly welcomes customer suggestions and requests through all communication channels and commits to adhering to standard deadlines for prompt resolution of feedback.</p> <p>To facilitate swift customer feedback, QR code banners have been strategically placed at all branches of the bank, enabling customers to provide feedback promptly.</p> <p>Furthermore, the Customer Service Department (CSD) disseminates essential information to the public regarding customer feedback management, particularly in observance of World Consumer Rights Day, which occurs annually on March 15th.</p>	<i>If not available, explain</i>	IFC Performance Standards
S5.5		Worker/community complaints	Percentage of community complaints I addressed and ii resolved	100	100	%	The report of customer complaints and requests is prepared on a monthly basis and circulated within the internal network.	<i>If not available, explain</i>	GRI 413, SDG 8
S5.6		Community investment	Percentage of revenue invested in community programs and initiatives, by SDG breakdown	0.032	0.127	%	<p>In 2023, TDB organized and supported over 15 events and initiatives encompassing various aspects of social responsibility, including education, health, economy, and environmental protection. Notably, in collaboration with Mobicom Be, a telecommunications brand, efforts were made to raise awareness about the environmental impact of plastic card waste. Additionally, partnerships with the Office of the President of Mongolia, MSFA, IFS, IFC, and other local and international organizations led to the establishment of the Green Finance International Leadership Program 2023. Moreover, a memorandum was initiated to prioritize mortgage loans for doctors and medical staff.</p> <p>Within the scope of the Boundless Dreams 2023 program, TDB implemented initiatives benefiting more than 2,200 children, along with over 120 teachers and educators.</p>	<i>If not available, explain</i>	GRI 413, SDG 8
S6.1	Supply chain management	Procurement policy	Does your company have a policy in place to related to local procurement and supply chain ESG risk and opportunity management?	Yes	Yes		<p>2023.01.25</p> <p>Through its procurement policy, TDB supports the acquisition of goods, works, 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, the bank endeavors to support national producers, women entrepreneurs, and people with disabilities.</p>	<i>If not available, explain</i>	GRI 204, SDG 8
S6.2		Local procurement share	Percentage of the procurement budget used for significant locations of operation that is spent on local suppliers	30	98.6	%	<p>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:</p> <ul style="list-style-type: none"> - Buying and selling green or eco products, manufacturing and services - 51% of shares or more are owned by women - To have a female CEO - 50% of employees or more are female 	<i>If not available, explain</i>	GRI 204, SDG 8
S6.3		Sustainable procurement share	Percentage of suppliers selected by ESG/sustainability criteria	8	10.2	%	In the reporting year, the bank collaborated with over 10 types of national developers, processing, printing, and manufacturing organizations to support products and services.	<i>If not available, explain</i>	GRI 204, SDG 8

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		The "Anti-corruption Policy of the Trade & Development Bank of Mongolia" was approved by the Order of the CEO No. 12/1575 dated September 12, 2012. This policy regulates the Bank's anti-corruption activities, prevention of corruption and bribery, determination of anti-corruption measures, and prevention of operational risks.	If not available, explain	GRI 205, SDG 16
G2.1	Corporate governance	Board independence	Percentage of board seats occupied by independent members	33	33	%	https://investor.tdbm.mn/pd/%D0%A5%D0%A5%D0%91%20%D0%A5%D0%9A-%D0%B8%D0%B9%D0%BD%20%D0%B4%D2%AF%D1%80%D1%8D%D0%BC.pdf	If not available, explain	GRI 102, OECD Principles of Corporate Governance, SDG 16
G2.2		Treatment/rights of minority shareholders	Does your company have a policy to protect minority shareholders?	No	Yes		The Investor Relations Program was approved by the Board of Directors 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 Board of Directors 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.	If not available, explain	GRI 102, OECD Principles of Corporate Governance, SDG 16
G2.3		Corporate governance policy	Does your company have a Corporate Governance policy/codes?	Yes	Yes		TDB has changed its form of legal entity to a joint-stock company. Consequently, the company is diligently engaged in ensuring and implementing compliance procedures and instructions endorsed by regulatory bodies. This involves integrating, modifying, and adhering to the bank's internal directives. 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 board of directors and all bank units. By defining the bank's strategic plan, organizational structure, and policies, we prioritize enhancing stakeholder value.	If not available, explain	GRI 102, OECD Principles of Corporate Governance, SDG 16
G3.1		Compliance policy	Does your company have a Compliance policy?	Yes	Yes		In 2021, the bank revised and approved the "Compliance Policy of the Trade and Development Bank", alongside the "Trade and Development Bank of Mongolia's internal monitoring program for Anti-money laundering and counter terrorist financing". In October 2023, amendments were made to the "Trade and Development Bank of Mongolia's internal monitoring program for Anti-money laundering and counter terrorist financing" and "Procedures of Anti-money laundering and counter terrorist financing" were approved by the board of directors.	If not available, explain	GRI 102, OECD Principles of Corporate Governance, SDG 16

G3.2	Compliance	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		<p>In 2021, the Bank revised the "Compliance Policy of the Trade and Development Bank" and the "Compliance Procedures of the Trade and Development Bank" in 2022, respectively, in accordance with the ISO37301 standard, and was approved by the bank's Board of Directors, and is working in accordance with the bank's daily operations.</p> <p>The purpose of the above compliance policy and procedure is to organize the compliance policy and functions optimally, define the compliance functions of the bank's departments, implement them at all levels of the bank, prevent risks and ensure compliance.</p>	<i>If not available, explain</i>	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	≈128,000	≈141,000	no.	<p>Based on the characteristics of its products and services, the Bank classifies its customers into three segments: organizations, small and medium businesses, and individuals, with a consistent focus on enhancing their financial knowledge and education. Throughout the reporting year, the Bank organized events in 197 organizations aimed at supporting financial literacy among citizens and promoting awareness of banking products and services. These activities engaged a total of 139,260 customers, delivering valuable insights into our offerings.</p> <p>For small and medium-sized enterprises, the 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 Agriculture, Forestry, and Fisheries of Mongolia and the Japan International Cooperation Agency (JICA TSL), the Bank will conduct 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.</p> <p>In servicing organizational clients, the Bank organized prominent events such as the Trade Finance Forum, ACSIC Conference, and Bloomberg Awards, collectively reaching out to 1,907 individuals to disseminate essential information.</p>	<i>If not available, explain</i>	SDG 1
FS2		E&S risk management	Percentage of transactions assessed by ESG risk criteria and Exclusion lists	77.3	78.6	%	<p>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.</p> <p>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.</p>	<i>If not available, explain</i>	Mongolian Sustainable Finance Principles
FS3		Sustainable issuance	Share of green/sustainable loans in compliance with Mongolia green/SDG taxonomy as of total loan portfolio	24	29	%	<p>As of 2023, the amount of social loans of TDB is 1.3 trillion MNT, which accounts for 29% of the bank's total loan portfolio. These include: Business Green Loans, Consumer Green Loans, Women Entrepreneurs Support Loans, and other social loan products.</p>	<i>If not available, explain</i>	SDG 13, Mongolia Green Taxonomy