



TRADE & DEVELOPMENT BANK (TDB) CSR POLICY

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Context

In the recent years, it has become increasingly expected by governments, investors, consumers and local communities that companies must go beyond regulatory compliance to earn their license to operate by demonstrating impact.

Beyond their individual benefits there is a broader argument that business interests should be aligned to society and global development goals. Social and environmental goals cannot be achieved without business and in turn, a healthy environment and prosperous society make for a good business environment. Today, concern for the environment and communities are key and companies looking to the future have to recognize that investment decisions are not only driven by financial returns but also environmental, social and good governance.

This CSR policy is a guide for the Trade and Development Bank (TDB) to help identify, execute and monitor CSR projects. It will also function as a self-regulating mechanism for the bank's CSR activities and enable adherence of international best practices.

Policy Statement

TDB's CSR vision is to promote the social and economic wellbeing of its stakeholders in its areas of operation through a series of interventions that will enhance economic development and prosperity of the region.

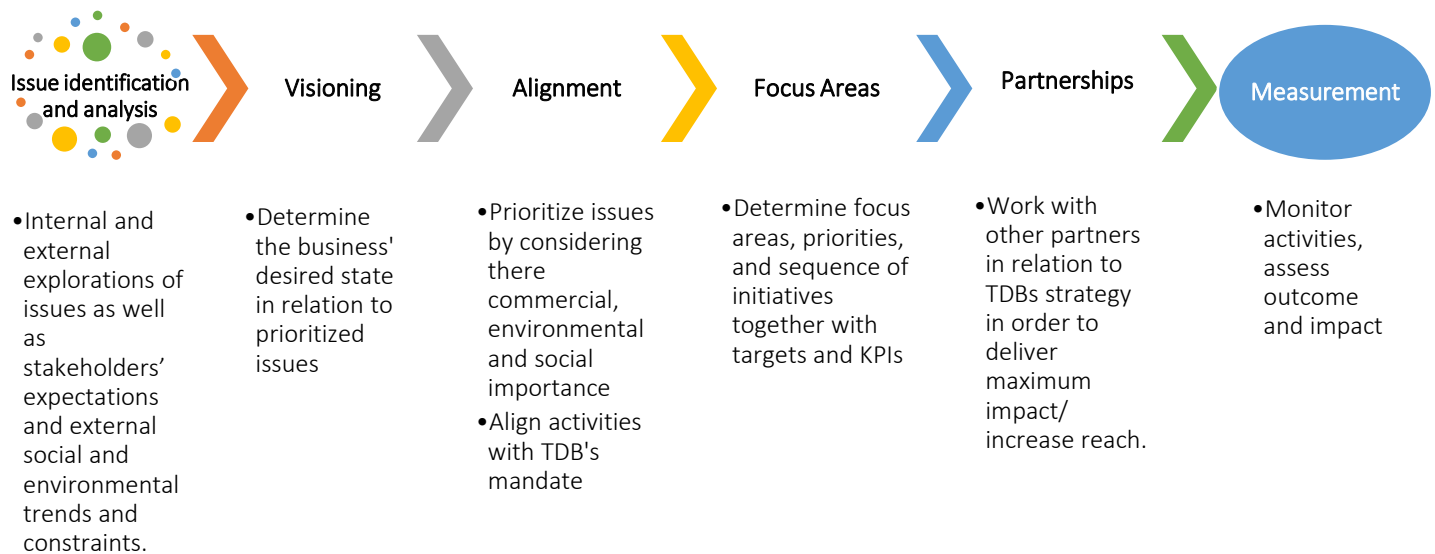
The bank is committed to supporting member countries to progress towards achieving the SDGs and AU agenda 2063 in the context of the region's development and economic integration agenda. The bank seeks to put systems in place to ensure inclusive and sustainable growth in the region, with focus on economic transformation.

Objectives of the CSR Policy

1. To increase awareness, improve knowledge and build support for TDB among key stakeholders
2. To guide TDB on selection and implementation of its CSR activities
3. To enable integration of CSR into the corporate strategic planning system
4. Ensure equitable CSR representation in member states where TDB is present

CSR Strategy Development Framework

The following framework was used to provide better visioning of how the bank wants to develop and embed CSR in its operations.



Focus Areas

Based on our corporate priority areas and intervention needs in our member states, our CSR activities will focus on:

A. Financial Inclusion and Empowerment

TDB is focused on economic growth in Africa which includes job creation, youth and women empowerment, and access to financial services.

B. Agriculture and Food Security

Africa's economy is inherently dependent on agriculture which is a significant contributor to most countries Gross Domestic Product (GDP). A vibrant, sustainable and resilient agriculture sector is vital for sub-Saharan Africa's economic future. TDB has identified agriculture as key in sustainable growth in the region and economic transformation, across the value chain which includes food production, value addition through agribusiness, sustainable agriculture and food security.

C. Environmental Improvement

Promoting a good environment is not only an issue of compliance but good for business sustainability. TDB is committed to fostering environmental conservation and reducing negative environmental effects. The bank has in place an Environmental and Social Management System (ESMS) for tracking environmental and social impact of its investments.

FOCUS AREA	AREAS OF INTERVENTION
Financial Inclusion and Empowerment	<ul style="list-style-type: none"> • Access to financial services • Women and youth empowerment in trade • Education and capacity building • Growth and formalisation of Micro SMEs and SMEs
Agriculture and Food security	<ul style="list-style-type: none"> • Development and availability of suitable credit facilities for players in the agriculture value chain • Development of value-add processes in agriculture • Development of trans-border trade in agricultural products and services • Improved market access
Environmental Improvement	<ul style="list-style-type: none"> • Environmental and Social assessment of our projects • Development and availability of friendly credit facility for climate action projects • Promote environmentally friendly business practices • Responsible consumption of natural resources

Governance

A CSR Committee will be responsible for planning, implementation and reporting on the company’s CSR activities. The CSR committee will play a significant role in ensuring that the CSR initiatives are in line with the policy and embedded across TDB’s operations.

The committee will comprise staff from different relevant departments to form a team of at least six members, with oversight from a CAIR representative, who will report to the board on the status of all CSR activities and seek approval for CSR plans.

The responsibilities of the CSR Committee include:

- Formulating the Bank’s CSR strategy, policy and goals
- Identification and selection of CSR projects
- Ensuring that CSR initiatives are in line with the policy
- Implementation and monitoring of CSR initiatives
- Recommending expenditure for CSR activities
- Ensuring compliance of the CSR initiatives
- Ensuring involvement of employees in CSR
- Reporting and regular communication on CSR initiatives
- Ensuring that projects have no political affiliation

Selection

The CSR committee will identify projects internally or receive requests for funding of projects throughout the financial year. Every quarter, the committee will assess the projects identified and proposals received, select and prioritize based on impact, reach and alignment to focus areas.

The committee will forward its recommendations to the board who will give approval for implementation. Implementation of the CSR initiatives can be through internal personnel or verified external implementation agencies.

Funding

The Board of Directors of TDB will allocate an annual budget for CSR. Upon receipt of CSR plans and budget for the year from the CSR Committee, the Board of directors will determine an allocation figure based on the budget evaluation or on a percentage of earnings. The Committee can also reach out to other corporates/NGOs/DFIs/Local Governments/National Governments for co-funding of projects. Any additional CSR expenditure must be approved by the Board of Directors.

Monitoring and Reporting

A monitoring system will be put in place to monitor progress and impact of the CSR initiatives. The CAIR department is responsible for development of the monitoring and evaluation (M&E) framework, rolling out the monitoring process and developing M&E reports. The framework will determine priorities, sequence and timing of initiatives against targets and KPIs. To ensure objectivity, it is critical that the monitoring is done by someone other than the people directly engaged in project implementation.

The CSR committee will review the M&E reports to ensure effective implementation and impact of the CSR initiatives. The committee will then present the reports to the Board of Directors annually. All CSR activities and achievements will be highlighted during the board meetings, in annual reports, staff updates and other regulatory reporting requirements.

Eastern and Southern African Trade and Development Bank (TDB)

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