CLIMATE CATALYST
FOR RESILIENCE 2025

Catalyzing the Transition Towards a more Climate Resilient Banking

Climate Catalyst

TEXT & EDITING
Tahmina Zaman Khan, Head of Sustainability
Md. Rabby Hasan, Associate, Sustainable Finance Department
Md. Mahmudul Hasan, Associate, Sustainable Finance Department
Sk Mofak Kharul Islam Shihab, Associate, Sustainable Finance Department

PRODUCTION SUPERVISION
MTB Group Communication & MTB Sustainable Finance Department

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MTB Group Communication

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MUTUAL TRUST BANK PLC (MTB) PRESENTS ITS

CLIMATE CATALYST FOR RESILIENCE 2025

FOR THE PERIOD FROM

JANUARY 2025 TO DECEMBER 2025

THIS REPORT HAS BEEN PREPARED WITH REFERENCE TO THE ISSB STANDARDS, IFRS S1 AND IFRS S2.

PREFACE

Mutual Trust Bank PLC (MTB) presents its Climate Catalyst for Resilience 2025, covering the reporting period from January 2025 to December 2025.

This report has been prepared with reference to the disclosure requirements of IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures, issued by the International Sustainability Standards Board (ISSB).

MTB remains committed to maintaining compliance with the statutory, regulatory and reporting requirements prescribed by the relevant regulatory authorities of Bangladesh. At the same time, the Bank continues to strengthen its sustainability and climate-related reporting practices in alignment with evolving international expectations and emerging global disclosure standards.

This report serves as an important communication instrument regarding the Bank's sustainability philosophy, governance approach, management practices, policies and climate initiatives. It reflects MTB's ongoing efforts to contribute to the long-term sustainability of its business, the environment and the communities it serves.

Feedback

We welcome any feedback on this Climate Catalyst for Resilience 2025 report. For further information and comments, please contact 'Sustainable Finance Department' of the bank through following addresses:

Postal address:

Mutual Trust Bank PLC, Corporate Head Office, 26, Gulshan Avenue
Plot 5, Block SE (D), Gulshan 1, Dhaka 1212, Bangladesh.

Web:

https://www.mutualtrustbank.com/sustainability/

E-mail:

sustainability@mutualtrustbank.com

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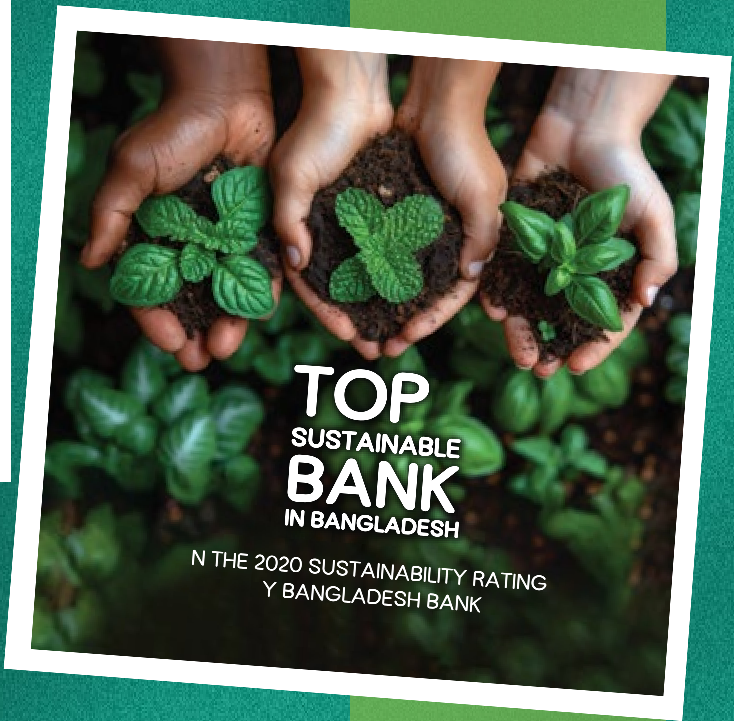
TOP SUSTAINABLE BANK IN BANGLADESH

2024
2023
2020



Chairman's *Message*

Strengthening Foundations for Sustainable Growth

At Mutual Trust Bank PLC (MTB), the Board of Directors view sustainability as a core element of long-term stewardship, closely linked to the Bank's resilience, governance standards and fiduciary responsibility to stakeholders.

As the operating environment continues to evolve, shaped by climate change, regulatory developments and shifting market expectations, the Board's role is to ensure that these dynamics are appropriately reflected in the Bank's strategic direction and risk oversight. Sustainability and climate-related considerations are therefore embedded within our governance framework and form part of our ongoing Board deliberations.

During the reporting period, the Board has focused on strengthening oversight of environmental, social and climate-related risks within the Bank's broader enterprise risk management architecture. This includes reviewing sectoral exposures, monitoring emerging regulatory expectations and guiding management in integrating sustainability considerations into core banking activities.

The Board also recognizes that climate-related risks may have implications for asset quality, portfolio composition and operational continuity over time. Accordingly, we continue to support the development of internal capabilities, governance structures and reporting processes that enhance the Bank's preparedness in this area.

At the same time, we acknowledge the opportunities associated with sustainable finance. By supporting responsible investment and financing activities aligned with national and global priorities, MTB is well-positioned to contribute to Bangladesh's sustainable development while maintaining prudent risk management.

The Board remains mindful that the Bank's sustainability journey is still evolving. Strengthening data quality, analytical capability and disclosure practices will be key priorities as MTB advances toward a more mature and integrated approach to climate-related governance and reporting.

On behalf of the Board, I extend our appreciation to management, employees, regulators and stakeholders for their continued commitment and support. The Board remains dedicated to ensuring that MTB operates with integrity, resilience and a clear focus on long-term value creation.

Rashed Ahmed Chowdhury
Chairman
Mutual Trust Bank PLC


SUSTAINABLE LIFE

MD & CEO's *Message*

Shaping a Greener and More Inclusive Future

Sustainability is reshaping the future of banking and at Mutual Trust Bank PLC (MTB), we view this not as a challenge, but as a defining opportunity. Our ambition is to position MTB as a leading force in sustainable finance, one that actively contributes to Bangladesh's transition towards a low-carbon, climate-resilient and inclusive economy.

We recognize the critical role financial institutions play in directing capital towards responsible and future-ready sectors. In line with this, MTB continues to strengthen its presence in green and sustainable finance, supporting renewable energy, energy efficiency, sustainable agriculture and environmentally responsible industries. The steady growth of our portfolio in these areas reflects both our strategic commitment and our confidence in the long-term value of sustainable investment.

At the same time, we are transforming how we operate. By integrating ESG considerations into our credit and risk assessment frameworks and investing in green infrastructure and digital banking solutions, we are embedding sustainability into the core of our institution. These efforts not only reduce our environmental footprint but also enhance operational efficiency, resilience and customer experience.

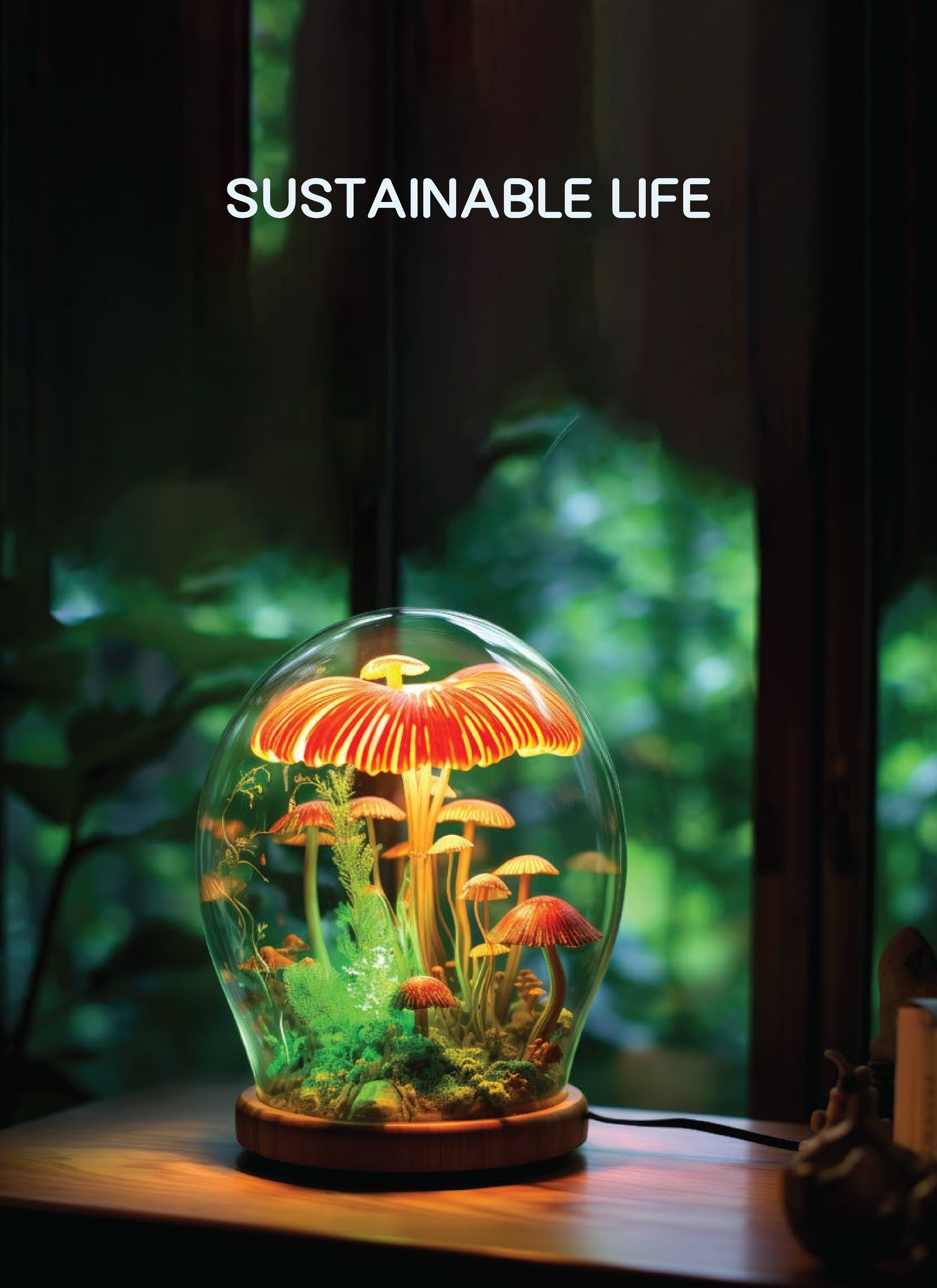
Our approach extends beyond environmental priorities. We remain equally committed to inclusive growth, expanding access to finance, supporting entrepreneurship and engaging with communities to create shared value. We believe a truly sustainable bank is one that grows alongside the people and economies it serves.

As the regulatory and global landscape evolves, MTB is proactively aligning with emerging standards while strengthening its climate risk management capabilities. We are building the systems, governance structures and institutional capacity required to navigate future risks and capture opportunities in the sustainable finance space.

Our journey is guided by a clear conviction: sustainability is not an adjunct to our business, it is central to our long-term competitiveness and relevance. By positioning ourselves at the forefront of this transformation, we aim to create enduring value for our stakeholders and contribute meaningfully to the sustainable development of Bangladesh.

Syed Mahbubur Rahman
Managing Director & CEO
Mutual Trust Bank PLC

SUSTAINABLE LIFE



SFC Chairman's *Message*

Driving Business Transformation through Sustainable Finance

At Mutual Trust Bank PLC (MTB), sustainability is increasingly shaping the way we conduct business, engage with clients, and pursue growth. From a business perspective, our focus is on integrating sustainability into core banking activities in a manner that supports both long-term value creation and responsible portfolio expansion.

As the financial sector evolves, client expectations are shifting towards more sustainable and forward-looking solutions. In response, MTB continues to strengthen its green finance offerings, supporting projects and enterprises that contribute to environmental resilience and resource efficiency. This includes financing in areas such as renewable energy, energy-efficient technologies, and environmentally responsible business practices.

Our approach is grounded in the belief that sustainable finance is not a separate line of business, but an integral component of our overall growth strategy. By embedding environmental and social considerations into client selection, product structuring, and relationship management, we are aligning business development with emerging market dynamics and regulatory expectations.

At the same time, we are actively working with our clients to support their transition journeys. Through advisory engagement and tailored financial solutions, we aim to facilitate the adoption of more sustainable practices across sectors, thereby strengthening the quality and resilience of our portfolio over time.

Internally, we continue to enhance coordination between business units, risk management, and sustainability functions to ensure a consistent and informed approach to green and sustainable financing. This integrated model enables us to respond more effectively to opportunities in the market while maintaining prudent business discipline.

Looking ahead, we see sustainable finance as a key driver of competitive advantage. By positioning MTB as a trusted partner for responsible growth, we are not only expanding our business horizons but also contributing to broader economic and environmental objectives.

Our commitment remains focused on delivering business growth that is both resilient and responsible, ensuring that sustainability continues to be embedded at the heart of our commercial strategy.

Chowdhury Akhtar Asif
Chairman, Sustainable Finance Committee
Additional Managing Director & Chief Business Officer
Mutual Trust Bank PLC

SUSTAINABLE LIFE

Group Chief Risk Officer's *Message*

A Climate Resilient Bank for a Changing World

The global financial environment continues to evolve at an unprecedented pace, shaped by a combination of economic, geopolitical, technological, and environmental factors. According to the World Economic Forum Global Risks Report 2025, the global risk environment is becoming increasingly complex and interconnected.

Environmental risks remain a major concern. Extreme weather events, climate change, biodiversity loss, and ecosystem collapse continue to rank among the most severe long-term risks. These environmental challenges have significant implications for economic stability, infrastructure resilience, and global supply chains. Consequently, financial institutions must adopt a forward-looking and integrated risk management approach that considers both immediate risks and long-term structural challenges.

Climate Risk and Sustainable Finance

Climate change is emerging as a critical factor shaping the financial landscape, presenting both risks and opportunities for banks. At MTB, we recognize that climate-related risks, including extreme weather events, flooding, cyclones, and long-term environmental changes can impact borrowers' repayment capacity, asset values, and operational continuity. Effective management of these risks is essential to ensure the Bank's resilience and long-term sustainability.

Sustainable finance has become a central pillar of MTB's strategy, aligning our lending, investment, and operational practices with environmental and social considerations. By integrating environmental, social, and governance (ESG) criteria into credit appraisal and investment decisions, the Bank supports projects that promote clean energy, resource efficiency, and climate adaptation, while reducing exposure to high-risk sectors. Regulatory expectations in Bangladesh increasingly reflect global trends in sustainable finance and climate risk disclosure. Compliance with Bangladesh Bank guidelines, including green financing directives and climate risk reporting requirements, ensures that MTB remains aligned with best practices while contributing to national development priorities and global sustainability goals.

Way Forward: Strengthening Risk Resilience

Looking ahead, the focus of MTB remains on strengthening risk resilience across all dimensions of our operations. Sustainability and climate risk considerations will also guide our forward-looking strategies. By promoting green finance, integrating environmental, social, and governance (ESG) criteria, and embedding climate risk assessment in our decision-making, the Bank seeks to support long-term economic growth while mitigating environmental exposures.

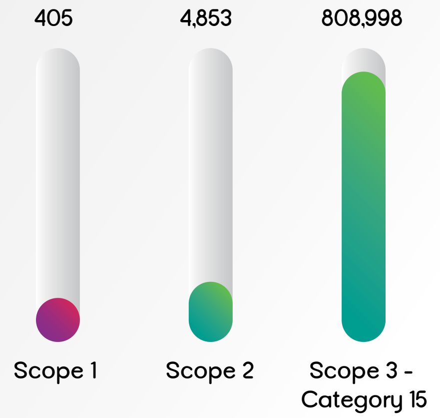
Usman Rashed Muyeen
Deputy Managing Director & Group Chief Risk Officer
Mutual Trust Bank PLC

SUSTAINABILITY

SUSTAINABILITY
AND CLIMATE AT A GLANCE

405 tCO2e Scope 1 Emissions	**4,853 tCO2e** Scope 2 Emissions	**808,998 tCO2e** Scope 3 - Category 15 Emission	**814,256 tCO2e** Total GHG Emissions
5,258 tCO2e Internal GHG Emission	**92.83%** Scope 3 Portfolio Coverage	**51.8 kW** Solar Capacity Installed	**27** Solar-Powered ATMs

GHG emission profile and Environmental Coverage



- Scope 3 Portfolio coverage **92.83%**
- Solar capacity installed **51.8 kW**
- Solar-powered ATMs **27**
- Solar-powered branches/sub-branches **3**
- Rainwater harvesting facilities in MTB Tower
- Solar-powered agent outlets **4**
- DHL GoGreen Plus Initiative
- Logistics emissions reduced **1.40 tCO2e**
- Carbon reduction achieved: **45.31%** through SAF- enabled shipping vs standard logistics

All figures are reported in tCO2e unless otherwise stated.

IFRS S1 & S2 DISCLOSURE

Chapter 1

Introduction

1.1 About This Report

This report presents Mutual Trust Bank PLC's (MTB) current approach to sustainability and climate-related governance, strategy, risk management and performance measurement. It has been prepared to provide stakeholders with a structured view of how the Bank is responding to evolving sustainability and climate-related expectations within the banking sector, while strengthening its own institutional readiness in these areas.

The report brings together information on MTB's governance arrangements, strategic priorities, climate-related risk management practices and key climate-related metrics, including operational and financed emissions. It is intended to support transparency for regulators, investors, lenders, customers and other stakeholders by explaining both the progress made to date and the areas that continue to evolve as the Bank strengthens its sustainability and climate reporting capability.

1.2 Reporting Context and Scope

This report covers sustainability and climate-related matters that could reasonably be expected to affect MTB's strategy, operations, financed activities and long-term resilience. The disclosures focus on the areas currently most relevant to the Bank's business model and operating context, particularly in relation to governance oversight, strategic response, risk management and climate-related metrics.

Unless otherwise stated, the report reflects the position of Mutual Trust Bank PLC as at the reporting date and is intended to be read alongside the Bank's broader annual, financial and regulatory disclosures where relevant. The report primarily addresses matters relating to MTB's operational activities and financed portfolio, with particular attention to climate-related issues that may influence credit quality, operational continuity, portfolio composition, regulatory readiness and long-term value creation.

The report also reflects the Bank's current level of maturity in sustainability and climate disclosure. Certain elements of MTB's approach are already established and operational, while others, particularly in relation to climate-related scenario analysis, target-setting and decarbonization planning, are still developing. Accordingly, the report should be understood as a fair and proportionate representation of the Bank's current practices, progress and direction of travel. The scope of disclosures presented in this report has been informed by the Bank's current climate-focused materiality assessment, as described below.

1.3 Materiality Assessment

For this IFRS S1 and IFRS S2 disclosure, Mutual Trust Bank PLC (MTB) has undertaken an initial climate-focused materiality assessment to support the identification and disclosure of climate-related risks and opportunities that could reasonably be expected to affect the Bank's prospects.

1.3.1 Definition of Materiality

In accordance with IFRS S1, climate-related information is considered material if omitting, misstating, or obscuring that information could reasonably be expected to influence the decisions of primary users of general-purpose financial reports, including investors and lenders. Materiality is assessed in the context of MTB's exposure to climate-related risks and opportunities and their potential effect on the Bank's financial position, performance and future cash flows.

1.3.2 Approach to Identifying Material Climate-related Topics

MTB's current assessment has been carried out using reasonable and supportable information available without undue cost or effort, consistent with IFRS S1 and IFRS S2. The assessment considers both the Bank's operations and financed activities and draws on currently available internal and external information, including:

- Portfolio-level exposure to climate-sensitive sectors;
- Physical risks such as flooding, cyclones and extreme weather events affecting operations and borrowers;
- Transition risks arising from regulatory changes, market expectations and decarbonization trends;
- Financed emissions associated with lending and investment activities;
- Opportunities related to green finance, renewable energy and sustainable financial products;

The assessment is supported by existing processes already in place within the Bank, including Environmental and Social Due Diligence (ESDD), portfolio monitoring and internal governance and risk management discussions. At the current stage of development, the assessment is intended to represent a methodologically appropriate approach for scoping and prioritizing climate-related disclosures in this report, rather than as a fully mature standalone climate materiality framework.

1.3.3 Assessment and Prioritization

Identified climate-related topics have been assessed using management judgement, supported by available data and portfolio analysis, with reference to their potential to affect:

- Credit risk and asset quality;
- Portfolio concentration and sectoral exposure;
- Operational resilience and business continuity;
- Regulatory compliance and reputational considerations;
- Long-term strategic positioning and growth opportunities;

This approach reflects MTB's current level of climate data availability and analytical capability and is expected to become more refined over time.

1.3.4 Material Climate-related Topics Identified

Based on the current assessment, MTB considers the following climate-related matters to be material:

- Physical climate risks affecting operations and borrower performance;
- Transition risks linked to policy, market and technological changes;
- Financed emissions and portfolio carbon intensity (scope 3, category 15);
- Sectoral exposure to climate-sensitive and higher-emission industries;
- Growth of green finance and climate-aligned lending opportunities;
- Integration of climate-related considerations into risk management and governance;

These topics represent the areas currently considered most relevant to MTB's financial performance, resilience and long-term value creation and they are addressed throughout this report across governance, strategy, risk management and metrics disclosures.

1.3.5 Ongoing Review

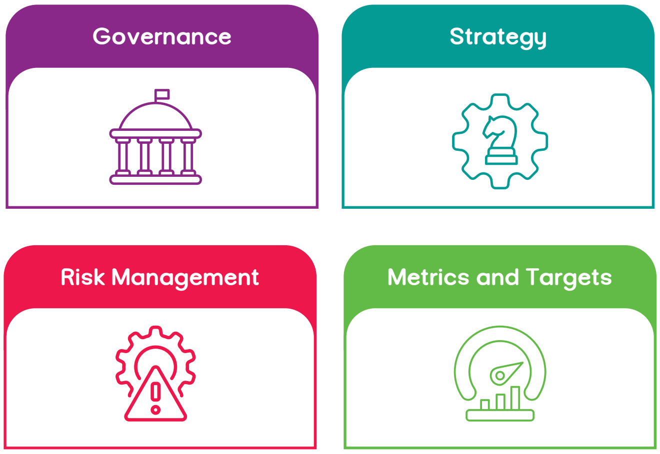
As MTB's financed emissions measurement, climate risk assessment, scenario analysis and internal reporting capabilities continue to develop, the Bank expects to review and refine this materiality assessment over time. Future iterations are likely to become more data-driven, granular and integrated with broader internal risk and strategic planning processes.

Summary of Material Climate-related Risks and Opportunities

Category	Material Area	Description
Physical Risks	Operational disruption	Flooding, cyclones and extreme weather events affecting branches, infrastructure and service continuity
	Credit risk impact	Climate-related events affecting borrower repayment capacity and collateral values
Transition Risks	Regulatory and policy changes	Climate-related regulations and Bangladesh Bank requirements impacting lending and compliance
	Sectoral exposure	Higher-emission sectors facing transition pressure, affecting portfolio risk and asset quality
Metrics & Exposure	Financed emissions	Portfolio-level emissions (Scope 3) and carbon intensity across sectors
Opportunities	Green finance growth	Expansion of renewable energy, sustainable finance and climate-aligned lending
	Operational efficiency	Digitalization and low-emission initiatives reducing operational footprint

1.4 Basis of Preparation and Reporting Approach

This report has been prepared with reference to the disclosure architecture of IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures. In line with those standards, the report is structured around four core disclosure pillars:



This Sustainability and Climate-related Disclosure Report covers the reporting period from 1 January 2025 to 31 December 2025.

In addition to IFRS S1 and S2, the report reflects relevant regulatory expectations applicable to the banking sector in Bangladesh, including guidance and policy direction issued by Bangladesh Bank in relation to sustainable finance, green finance and environmental and social risk management. The report also draws, where relevant, on recognized external methodologies and reference frameworks for greenhouse gas and financed-emissions disclosure.

For operational greenhouse gas emissions, the Bank has applied an operational-control-based approach using available emissions factors and related assumptions for the current reporting cycle. For financed emissions, the Bank has used portfolio-level estimation through the Joint Impact Model (JIM), supported by relevant climate accounting principles and the Bank's current data capability. As with all developing climate disclosures, certain metrics and methodologies remain subject to estimation, assumptions and continuing refinement as data quality and internal systems improve.

This report should therefore be understood as an important step in MTB's evolving sustainability and climate disclosure journey. It aims to provide useful, decision-relevant and transparent information while recognizing that some aspects of the Bank's climate-related reporting framework are still being strengthened.

1.5 MTB's Sustainability and Climate Journey

MTB's sustainability and climate journey has developed through a combination of governance strengthening, sustainable finance initiatives, environmental and social risk management practices, operational improvements and growing stakeholder engagement. Over time, the Bank has expanded its focus beyond compliance-oriented sustainability activity toward a more structured consideration of how climate-related risks and opportunities may affect banking operations, financing decisions and long-term resilience.

This journey is reflected in a number of practical developments already underway across the Bank. These include stronger governance oversight, deeper integration of environmental and social due diligence into business processes, expansion of green finance activity, improvement of operational environmental practices, development of financed-emissions measurement and increasing coordination across business, risk, finance, operations and sustainability functions.

At the same time, MTB recognizes that climate-related reporting is not a one-time exercise, but an evolving process that requires stronger data, clearer methodologies, improved internal systems and deeper analytical capability over time. As regulatory expectations, stakeholder needs and market practices continue to develop, the Bank expects its climate-related disclosures to become progressively more detailed, data-driven and integrated with internal strategy and risk management processes.

This report therefore represents both a disclosure milestone and a foundation for future progress. It reflects MTB's current position while supporting the Bank's longer-term objective of building a more mature, transparent and resilient approach to sustainability and climate-related management and reporting.

Chapter 2

Governance

Governance is central to Mutual Trust Bank PLC's approach to managing sustainability and climate-related risks and opportunities. Oversight begins at the Board level and is supported by committee structures, management responsibilities and internal control processes that connect sustainability considerations with strategy, risk management and business decision-making. MTB's governance approach is designed to ensure that climate and broader sustainability matters are reviewed through established reporting lines, embedded in relevant policies and procedures and considered in both ongoing operations and major decisions.

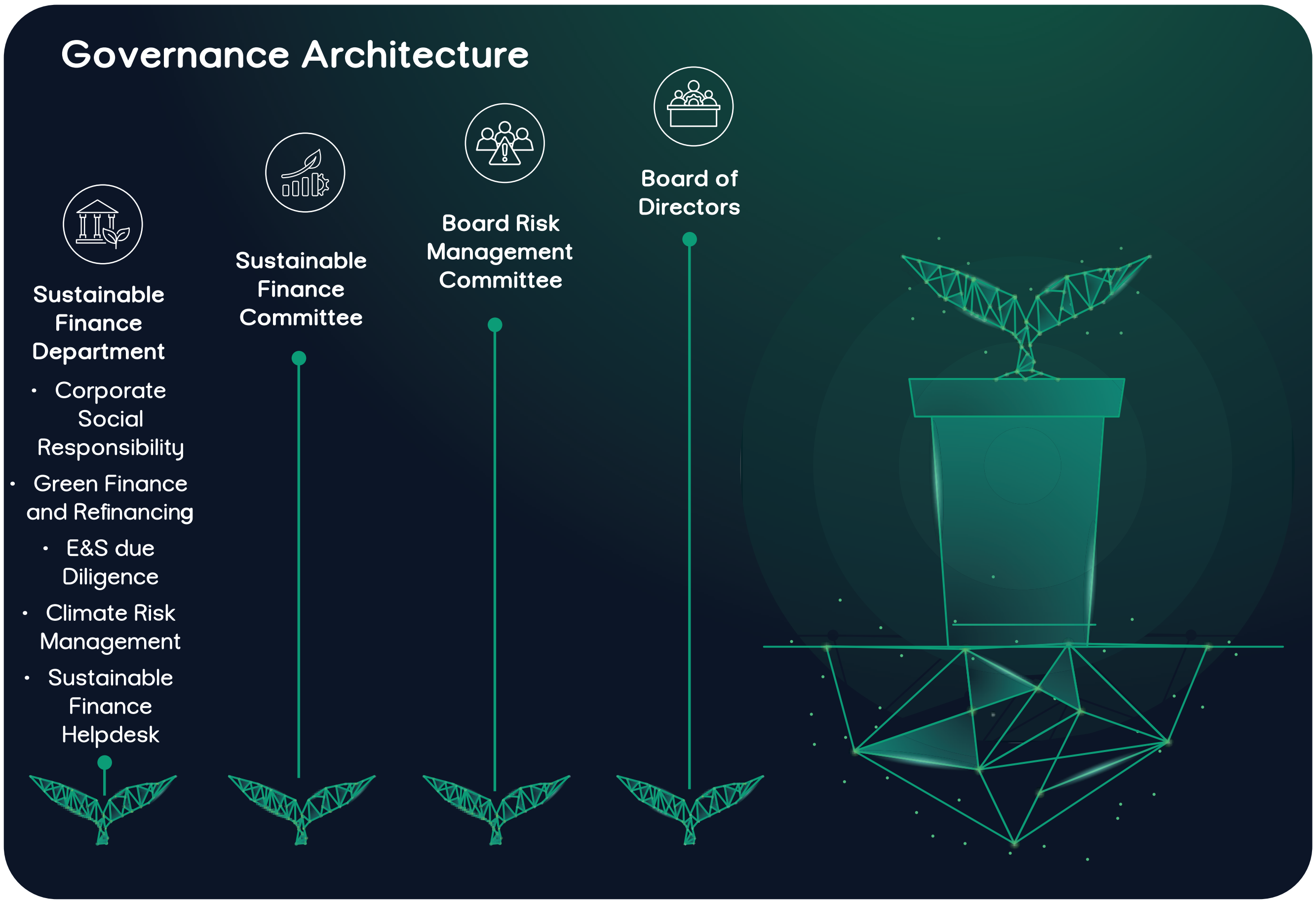
2.1 Governance Architecture and Board Stewardship

Mutual Trust Bank PLC (MTB) maintains a governance framework in which the Board of Directors holds ultimate accountability for overseeing sustainability and climate-related risks and opportunities. These matters are integrated into the Bank's strategic direction, enterprise risk management framework, policy oversight and major decision-making processes.

2.1.1 Board of Directors

The Board provides the highest level of oversight for climate and sustainability-related matters. Its role includes:

- Setting the overall tone for risk governance, including the treatment of environmental, social, climate-related and other emerging risks;
- Approving the bank's risk appetite, tolerance levels and key policy directions relevant to sustainability and climate risk;
- Overseeing the alignment of sustainability-related considerations with business strategy, long-term resilience and regulatory expectations;
- Reviewing whether management is adequately identifying, assessing and responding to material sustainability and climate-related risks and opportunities;
- Considering sustainability-related implications in major transactions, strategic initiatives, policy approvals and portfolio decisions;
- Overseeing progress on material sustainability priorities and key performance indicators relevant to climate and sustainable finance; and
- Ensuring that management, control functions and relevant committees have the authority and resources necessary to discharge their responsibilities effectively.



2.1.2 Board Risk Management Committee (BRMC)

The Board Risk Management Committee supports the Board in the detailed oversight of risk-related matters, including climate and sustainability-related exposures. Its responsibilities include:

- Reviewing risk policies and recommending updates where environmental and sustainability considerations need to be strengthened;
- Overseeing the integration of climate and sustainability-related risks into the bank's enterprise risk management processes;
- Reviewing material sectoral and portfolio exposures that may be affected by physical or transition-related climate risks;
- Monitoring compliance with Bangladesh bank guidance and other relevant internal and external requirements relating to sustainability and environmental risk management;
- Reviewing management reporting on risk trends, control effectiveness and mitigation actions relevant to sustainability-related matters;
- Supporting escalation of material issues to the board where strategic attention or policy direction is required;
- Encouraging development of relevant risk capability and awareness across the institution;

2.1.3 Sustainable Finance Committee (SFC)

The Sustainable Finance Committee serves as the Bank's principal cross-functional forum for coordination of sustainable finance and related implementation matters. The SFC is scheduled to meet on a monthly basis and convened six times during the reporting period. Drawing representation from relevant business and support functions, the committee supports integration of sustainability into core banking activities. Its responsibilities include:

- Guiding implementation of the Bank's sustainable finance agenda in alignment with business priorities and governance expectations;
- Supporting the integration of climate and sustainability considerations into products, services and business processes;
- Monitoring progress of sustainable finance initiatives and related internal action points;
- Reviewing sustainability-related reporting, disclosure readiness and implementation progress;
- Facilitating cross-functional coordination among business, risk, finance, operations, communications and other relevant teams;
- Supporting stakeholder engagement on sustainable finance matters, including interactions with regulators, development partners, customers and other relevant parties; and
- Reviewing progress on sustainability-related initiatives and identifying areas requiring management attention or improvement.

2.1.4 Sustainable Finance Department

The Sustainable Finance Department (SFD) of Mutual Trust Bank PLC plays a central role in embedding environmental, social and governance (ESG) principles across the Bank's lending, investment and operational activities. As a forward-looking financial institution, MTB recognizes that sustainable growth depends on responsible credit decisions, climate resilience and inclusive financing. Through policy implementation, capacity building, monitoring and client engagement, the SFD supports the integration of sustainability considerations into business decisions.

Activities of SFD

Key activities:

- Green banking
- Sustainable Finance
- Refinancing and Concessional Loans
- Carbon Footprint Measurement (Annually)
- Sustainability Reporting and Disclosure
- Environment and Social Risk Management (ESRM) principle and sector wise guidelines
- Green Office guide
- Green Strategic planning
- Conduct factory visits and follow up E&S status of Client
- Ensure proper Environment Social Due Diligence
- Policy Development
- CSR Activities

2.1.5 Board capability, information flow and oversight quality

MTB supports governance effectiveness through periodic information flows, management reporting and ongoing capacity development. Sustainability and climate-related matters are incorporated into routine governance channels rather than treated as isolated topics. In practice, this includes:

- Periodic reporting to the BRMC on relevant sustainability and climate-related risk matters;
- More frequent management-level review through the SFC;
- Reporting through dashboards, committee papers, risk updates and implementation progress reports;
- Review of regulatory developments, disclosure requirements and relevant risk or business implications;
- Management presentations and committee discussions on material sustainability issues; and
- Targeted briefings and capacity-building initiatives to strengthen institutional understanding of climate risk, sustainable finance and related disclosure expectations.

2.1.6 Major transactions, trade-offs and decision-making

The Board and its supporting governance structure consider sustainability and climate-related matters in the context of strategic decisions and material transactions. This is supported through the Bank's Environmental and Social Management System (ESMS) and Environmental and Social Due Diligence (ESDD) processes. These mechanisms help ensure that sustainability-related factors are considered alongside financial, credit, operational, compliance and reputational considerations.

Key decision-support mechanisms include:

- Screening of transactions against prohibited or excluded activities;
- Categorization of transactions based on environmental and social risk characteristics;
- Application of environmental and social due diligence for relevant transactions;
- Escalation of higher-risk matters through the appropriate approval matrix;
- Development of corrective action requirements and monitoring conditions where necessary; and
- Post-approval review of compliance with agreed environmental and social requirements.

Through this process, the Board and relevant committees are able to consider trade-offs between near-term commercial objectives and longer-term resilience, including issues such as sector concentration, credit quality, transition exposure, compliance requirements, reputational considerations and the sustainability profile of financed activities.

2.1.7 Monitoring of priorities and performance indicators

The Board oversees management's monitoring of relevant sustainability-related performance indicators through established reporting channels. These indicators include operational emissions, financed emissions, green financing activity, implementation progress on sustainability initiatives and other internal measures relevant to the Bank's sustainable finance and risk management agenda. As at the reporting date, climate-related considerations were not yet directly linked to executive remuneration, although this area remained under evaluation as part of the Bank's broader performance management development.

2.2 Management Execution and Control Environment

Management is responsible for translating governance direction into day-to-day implementation, operational controls and reporting processes. At MTB, this role is carried through designated senior management responsibilities, cross-functional coordination and internal control mechanisms that support the identification, assessment, monitoring and management of sustainability and climate-related risks and opportunities.

2.2.1 Management leadership and delegated responsibility

Management oversight is led through relevant senior roles and internal coordination mechanisms. In particular:

- the Sustainable Finance Committee (SFC) Chairman plays a central role in coordinating the Bank's climate and sustainability-related risk management within the broader ERM architecture;
- the Head of Sustainability and Sustainable Finance Department supports implementation of sustainable finance initiatives, disclosure coordination, stakeholder

engagement and integration of environmental, social and climate-related considerations into relevant business activities; and business, risk, finance, operations, compliance, IT and other control and support functions contribute to implementation within their respective mandates.

These responsibilities are discharged through established governance channels and reporting lines, enabling management-level issues to be reviewed, coordinated, escalated and monitored in a structured way.

2.2.2 Controls, procedures and cross-functional integration

Management applies controls and procedures that support sustainability oversight and embed climate-related considerations into relevant internal functions. These controls continue to evolve as the Bank strengthens its data, risk and disclosure capabilities. Key elements include:

- Use of Environmental and Social Due Diligence (ESDD) within relevant credit and transaction review processes;
- Collection and consolidation of sustainability-related information through internal reporting channels;
- Monitoring of relevant operational, portfolio and sustainable finance indicators;
- Coordination among Risk, Compliance, Finance, Operations, IT and business teams to support implementation consistency;
- Strengthening of data management and reporting processes relevant to emissions, green finance activity and sustainability disclosures; and
- Alignment of internal monitoring and reporting with regulatory guidance and evolving disclosure expectations.

Sustainable Finance Policy	Environment Social Safeguard Policy	Corporate Social Responsibility (CSR) Policy	Climate Risk Management Guidelines	Green Office Guideline
Credit Risk Management Policy	Money Laundering & Terrorist Financning Risk Management Policy	Foreign Exchange Risk Management Policy	Assets Liability Management Policy	ICC Policy
ICT Security Policy	Anti-Harassment Policy	Speak-up Policy	Employees Grievance Redressal Policy	

These policies are intended to support the consistent application of sustainability principles across financing, operations and stakeholder engagement.

2.2.4 Environmental and Social Risk Management (ESRM)

Environmental and social risk considerations are embedded within the Bank's credit risk management process. All relevant lending proposals undergo Environmental and Social Due Diligence (ESDD) to assess potential risks and impacts.

Key components include:

- Risk screening and categorization (Low, Moderate, High Risk)
- Sector-specific risk assessment
- Site visits and monitoring for clients
- Inclusion of environmental and social covenants where required
- Ongoing monitoring of compliance and performance

2.2.5 Impact on the internal control environment

MTB is strengthening its control environment to ensure that sustainability and climate-related considerations are increasingly reflected in the Bank's internal systems and oversight practices. This includes:

- Incorporating physical, transition and reputational climate-related risk factors into risk identification and assessment processes;
- Strengthening business continuity and operational resilience considerations in light of climate-related disruption risks;

- Embedding environmental and sustainability considerations more consistently into relevant internal procedures and review processes;
- supporting periodic internal review, compliance oversight and audit attention to the effectiveness of related controls; and
- continuing staff engagement and capability-building efforts to strengthen institutional understanding and implementation quality.

Taken together, these governance, management and control arrangements support MTB's effort to manage sustainability and climate-related matters through established institutional structures, rather than as a standalone reporting exercise.

2.2.6 Stakeholder Engagement

Engaging with stakeholders is an integral part of MTB's approach to sustainability and responsible banking. The Bank recognizes that achieving long-term sustainable outcomes requires ongoing dialogue and collaboration with a diverse range of stakeholders, including customers, shareholders, employees, regulators, communities, suppliers and environmental partners.

MTB maintains structured engagement channels to understand stakeholder expectations, communicate its initiatives and incorporate feedback into decision-making processes. These interactions support transparency, strengthen relationships and contribute to the continuous improvement of the Bank's products, services and sustainability practices.

For customers, MTB remains committed to delivering reliable and accessible banking services, responding to evolving needs and maintaining transparency in its operations. Customer feedback is considered an important input in shaping service delivery, product development and broader sustainability initiatives.

Chapter 3

Strategy

MTB's strategy reflects the view that sustainability and climate-related risks and opportunities are increasingly relevant to asset quality, operating resilience, portfolio composition and long-term value creation. The Bank's strategic response therefore combines business model adjustments, sustainable finance growth, operational efficiency and strengthening of climate-related risk awareness across lending, operations and stakeholder engagement. This section explains where those risks and opportunities are most concentrated, how they are influencing strategic priorities and how MTB is building resilience over the short, medium and long term.

3.1 Strategic Context, Portfolio Exposure and Planning Horizons

MTB considers sustainability and climate-related matters across both its business model and its wider value chain. Physical risks such as flooding, cyclones, extreme heat and sea-level rise may affect branch operations, infrastructure, service continuity, borrower repayment capacity and collateral values. Transition risks may arise from regulatory changes, evolving market expectations, technology shifts, reputational pressures and increased sensitivity to higher-emission sectors. At the same time, the Bank identifies strategic opportunities in green finance, renewable energy, electric vehicle financing, climate-smart agriculture, digital banking and broader sustainable financial services.

The Bank's current assessment indicates that the most material concentrations of climate-related risk and opportunity are visible in the following areas:

- **Lending activities:** Exposures in climate-sensitive sectors such as agriculture, real estate, SMEs, power, textiles and ready-made garments may be affected by physical disruption, changing market conditions and transition-related pressures.
- **Investment positioning:** Transition-sensitive sectors and higher-emission activities may face repricing risk over time, while sustainable and lower-carbon assets may provide growth opportunities.
- **Operational footprint:** Branches, sub-branches, ATMs and related infrastructure may be exposed to flooding, cyclones, extreme heat and utility disruption, particularly in climate-vulnerable geographies.
- **Supply chain and service providers:** Inadequate environmental and social practices among suppliers may create indirect operational, reputational and compliance-related exposure.
- **Customer relationships and product development:** Customers affected by climate disruption may face financial stress, while demand for adaptation-oriented and sustainability-linked products may increase.

To support strategic planning, MTB links climate-related considerations to defined planning horizons:

Time Horizon	Duration	Strategic Priorities
Short Term	‹ 1 year	Focus on immediate operational enhancements, regulatory compliance, pilot initiatives and early-stage integration of climate-related considerations into risk management and business processes.
Medium Term	1-5 years	Emphasis on scaling sustainable finance, embedding sustainability metrics into planning and performance frameworks and progressively strengthening operational resilience.
Long Term	› 5 years	Targeted transformation of the portfolio toward low-carbon sectors, full integration of climate risk into core functions and development of a mature, climate-resilient business model.

This time-horizon approach helps MTB sequence its actions, evaluate trade-offs and connect near-term execution with longer-term resilience and business positioning.

3.2 Strategic Response, Business Model Evolution and Transition Approach

MTB is progressively embedding sustainability and climate-related considerations into its operating model, product offering, risk processes and resource allocation. This transition is already visible in several parts of the business and continues to evolve as the Bank strengthens its sustainable finance and climate-related capabilities.

3.2.1 Business model evolution

The Bank's current strategic response includes:

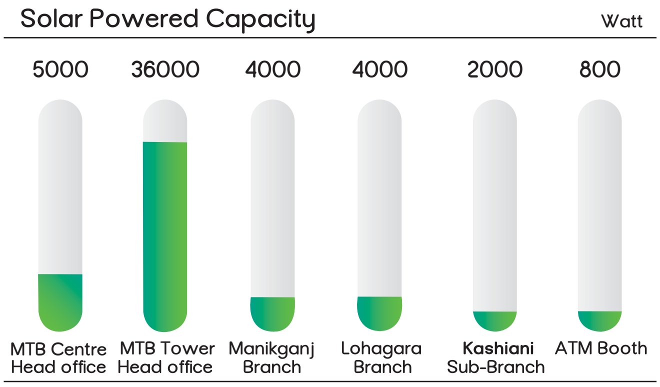
- Continued allocation of resources toward green financing, renewable energy-related activities and sustainability-focused initiatives;
- Expansion of digital banking and paper-light service delivery to improve efficiency and reduce operational environmental impact;
- Application of Environmental and Social Due Diligence (ESDD) practices in credit appraisal to strengthen risk identification and compliance outcomes; and
- Increasing focus on sustainable finance products and climate-aligned business opportunities.

3.2.2 Direct mitigation and adaptation actions

During the reporting period, MTB continued direct operational and community-facing initiatives that support mitigation and adaptation. These included:

- Installation of 51.8 kW of solar capacity across the Corporate Head Office, selected branches, ATMs and solar-powered agent outlets;
- Introduction of rainwater harvesting systems and energy-efficient lighting in relevant locations;

- Expansion of digital banking services to 323,575 internet banking users, alongside practices such as Green PIN and e-statement and virtual meetings that reduce paper and travel intensity;
- Adoption of low-emission logistics solutions through the DHL GoGreen Plus programme to reduce emissions associated with document and parcel transportation across the Bank's operational value chain;
- Strengthening of environmental and social due diligence through collaboration with development partners and increased on-site client assessment; and
- Support for climate and community-related initiatives such as mangrove plantation, Alternate Wetting and Drying (AWD) pipes for climate-smart rice cultivation, public drinking water facilities, pond sand filter restoration, plastic reduction awareness activities and skills development through the MTB UCEP Skills Training Institute (MUSTI).



3.2.3 Indirect mitigation and adaptation actions

MTB's strategy also extends beyond its own operations. Current indirect actions include:

- Promotion of financial literacy and sustainability awareness through programmes such as Uthan Boithak and Swapna Sarathi;
- Incorporation of environmental and ESG considerations into procurement and supplier engagement practices;
- Strengthened financed-emissions capability following the Bank's 2025 association with PCAF and partnership with the JIM Foundation; and
- Stakeholder engagement with customers, communities, development partners and external institutions on sustainable finance and climate resilience.

3.2.4 Resource deployment

Execution of strategy is supported through financial, human and technological resources. Current deployment includes funding for green finance activities, renewable energy and efficiency improvements, digital infrastructure, internal capability-building and collaboration with NGOs and development finance institutions. Over time, MTB is seeking to deepen these capabilities through stronger climate-related data systems, improved financed-emissions measurement, enhanced analytics and continued staff training across relevant business and control functions.

3.2.5 Transition approach

As at the reporting date, MTB's climate-related strategic response is best described as a developing transition approach rather than a fully mature formal transition plan. The Bank's current focus is on progressively realigning parts of its portfolio, operations and capital deployment toward lower-carbon and climate-resilient activities, while improving the data, governance and analytical tools needed to support future transition decisions. This approach is being shaped by regulatory developments, technology changes, customer demand for green products and the practical challenges of implementation in the Bangladeshi market.

In strategic terms, this means MTB is:

- Expanding green and climate-aligned financing;
- Strengthening operational efficiency and renewable energy use;
- Progressively deepening climate-related considerations in credit and portfolio processes;
- Improving financed-emissions measurement and disclosure capability; and
- Continuing engagement with regulators, peers, NGOs and development partners to support sustainable finance market development.

3.3 Execution Priorities, Progress and Strategic Trade-offs

During the reporting period, MTB continued to make progress in implementing its sustainability and climate-related priorities. Progress was visible across green financing, operational decarbonization, waste reduction, governance strengthening, employee engagement, technological improvement and stakeholder outreach. The Bank expanded green lending activity, continued solar deployment and operational efficiency measures, strengthened digital documentation and paperless practices and supported wider community and customer-focused initiatives related to resilience and sustainability.

Key areas of progress during the reporting period included:

- Continued expansion of green and sustainability-linked financing activities;
- Further operational efficiency gains through lighting, HVAC optimization, solar deployment and paper-light processes;
- Broader internal training and staff engagement on sustainability and climate-related themes;
- Stronger integration of climate and environmental considerations into risk and governance processes; and
- Continued outreach to climate-vulnerable communities and clients through awareness, capacity-building and targeted programmes.

At the same time, MTB recognizes that strategic decision-making in this area involves trade-offs. These are not treated as isolated sustainability issues, but as part of broader business judgement. The principal trade-offs include:

Trade-off Area	Description
Near-term expenditure vs. long-term efficiency and resilience	Investments in solar, energy efficiency, digitalization and climate-related systems may increase short-term costs but are intended to improve long-term operating efficiency and resilience.
Tighter risk screening vs. short-term revenue opportunities	Enhanced ESG and climate-related screening may reduce exposure to higher-carbon activities in the near term, while creating opportunities in green lending and lower-carbon sectors.
Innovation vs. implementation complexity	Introduction of new products, systems and climate integration initiatives requires process changes, staff training and cross-functional coordination.
Compliance cost vs. strategic positioning	Strengthened climate-related disclosure and governance may increase administrative effort in the short term, while improving regulatory readiness and stakeholder confidence over time.

MTB's strategic approach is therefore to sequence implementation in a disciplined manner, continuing to strengthen current practices while expanding higher-impact initiatives over time. This supports balanced decision-making between near-term financial considerations and longer-term resilience.

3.4 Financial Effects and Climate Resilience

During the reporting period, MTB incurred sustainability-related expenditure on renewable energy deployment, energy-efficient infrastructure, digitalization initiatives and related implementation measures. These expenditures were absorbed within normal operating activity and were not separately identified as having a material adverse effect on the Bank's financial position. At the same time, the Bank observed growing business activity linked to green finance and sustainable financial services. Some climate-related financial effects remain qualitatively assessed at this stage, given the evolving nature of data, scenario analysis and measurement methodologies.

From a forward-looking perspective, MTB expects climate-related strategy to influence financial performance and cash flows over different horizons:

Expected Financial Effects Across Time Horizons

Time Horizon	Duration	Expected Financial Effects
Short Term	< 1 year	Continued expenditure on infrastructure improvement, compliance, data capability and climate-related systems may place some pressure on near-term budgets, although this is expected to remain manageable within existing planning and partnerships.
Medium Term	1-5 years	Improved efficiency from digitalization, paper reduction, renewable energy use and enhanced resource management, together with revenue diversification from expanded green finance activities.
Long Term	> 5 years	Stronger strategic resilience driven by a more climate-aware portfolio, improved operational efficiency and greater alignment between capital allocation and sustainability-related risk and opportunity management.

3.4.1 Strategic resilience

At the reporting date, MTB's resilience assessment remained primarily qualitative and was informed by portfolio exposure analysis, operational footprint considerations, risk monitoring, governance oversight and management judgement. The Bank's current assessment indicates that key areas of sensitivity include climate-exposed lending segments, physical disruption to operating locations, evolving regulatory requirements, financed-emissions visibility and transition-related market changes.

MTB is developing climate-related scenario-analysis capability to support future resilience assessment and capital planning. This includes work toward the use of recognized scenario pathways to better understand how physical and transition risks may affect credit quality, collateral values, sector exposures, operating costs and strategic options over time. Until that capability becomes more mature, MTB's resilience disclosures remain grounded in current business knowledge, available data and structured qualitative assessment rather than a completed full-scale quantitative climate scenario analysis.

Current resilience priorities include:

- Strengthening climate-related risk integration in credit and portfolio review processes;
- Improving resilience of branches, ATMs and related infrastructure in climate-vulnerable areas;
- Expanding green lending and other sustainability-linked business activities;
- Building climate data, financed-emissions and reporting capability; and
- Maintaining flexibility through internal funding capacity, external partnerships and phased resource allocation.

Taken together, these actions reflect a strategy that is moving from broad sustainability ambition toward more structured climate integration. MTB's near-term focus remains on strengthening implementation quality, deepening risk awareness and building the operational and analytical foundations needed for a more mature transition and resilience framework in future reporting periods.

Chapter 4

Risk management

Risk management is central to MTB's approach to sustainability and climate-related activities. The Bank addresses these issues through its broader enterprise risk management framework, supported by Environmental and Social Risk Management practices, governance oversight, internal monitoring and progressively improving data and analytical capability. MTB's current approach combines established risk-management tools with ongoing enhancement of climate-specific assessment, monitoring and reporting practices.

4.1 Risk Architecture, Assessment Discipline and Ongoing Surveillance

MTB manages sustainability-related aspects through its broader risk governance framework, with integration across credit, operational, compliance, reputational and other relevant risk areas. Climate-related considerations are being progressively incorporated into risk identification, assessment, prioritization and monitoring processes, in line with the Bank's risk profile and regulatory environment.

4.1.1 Inputs and data sources

Risk assessment draws on a combination of internal, external and stakeholder-informed inputs, including:

- **Internal data:** Financial performance trends, portfolio composition, sectoral exposures, loan performance, borrower risk ratings and operational metrics such as energy use, carbon footprint, water use and waste generation.
- **External data:** Climate and hazard information relevant to Bangladesh, weather alerts, sector-specific studies, regulatory guidance and reference materials linked to evolving sustainability and climate-related expectations.
- **Stakeholder inputs:** Engagement with customers, regulators, investors and other stakeholders that helps identify changing expectations, sector pressures and emerging sustainability-related concerns.

This combination supports MTB's understanding of exposure concentration and emerging vulnerability across operations and financed activities.

4.1.2 Scenario analysis capability

MTB is developing climate-related scenario analysis to support forward-looking assessment of transition and physical risks. At the reporting date, this capability remained under development and was being used primarily to support qualitative planning, sectoral review and risk awareness rather than full quantitative climate resilience modelling. As this capability matures, MTB expects to draw on recognized scenario reference sources, including NGFS, IPCC and IEA pathways where relevant, to inform portfolio steering, risk appetite calibration, strategic planning and climate-related disclosure.

4.1.3 Risk assessment methodology

MTB assesses sustainability and climate-related risks by considering:

- The nature of the risk, including physical and transition dimensions;
- The likelihood of occurrence, using available internal data, regulatory developments, scientific information and management judgement; and
- The magnitude of potential impact, including potential effects on credit quality, collateral values, operations, compliance and reputation.

MTB's broader enterprise risk management framework includes established tools and governance channels such as risk registers, heat maps, KRIs and management forums including ERAF and ERMC. While these mechanisms are currently used for enterprise-wide risk oversight, their application to climate-related risk assessment and escalation is still being strengthened.

While climate-related risk integration remains at a developing stage, MTB continues to strengthen its methodologies, data inputs and governance processes to enable more structured and consistent assessment over time.

In developing its climate-risk framework, MTB has identified two broad categories of climate-related risk:

- Physical risks, such as floods, cyclones, extreme heat, sea-level rise, rainfall variability and other acute or chronic environmental disruptions; and
- Transition risks, including policy and regulatory change, market shifts, technological disruption, legal exposure and reputational sensitivity.

As the framework matures, this approach is expected to support the evaluation of climate-related risks using the same discipline applied to other material enterprise risks, while recognizing their cross-cutting and longer-horizon characteristics.

Summary of Climate-related Risks and Current Risk Management Approach

Risk Category	Climate-related Driver	Potential Effect on MTB	Current Approach
Credit risk	Physical disruption to borrower operations and transition pressure in higher-emission sectors	Reduced borrower repayment capacity, cash flow stress and possible collateral impairment	Addressed through Environmental and Social Due Diligence (ESDD), credit appraisal, sectoral exposure review and enhanced due diligence where relevant
Operational risk	Flooding, cyclones, extreme heat and other climate events affecting premises and service delivery	Disruption to branches, ATMs, infrastructure and operational continuity	Managed through business continuity planning, infrastructure resilience measures and operational monitoring
Compliance and regulatory risk	Evolving Bangladesh Bank requirements and broader climate-related disclosure expectations	Increased compliance burden, reporting requirements and control enhancement needs	Managed through surveillance of regulatory developments, governance oversight and cross-functional coordination
Reputational risk	Stakeholder sensitivity to financed activities and sustainability performance	Potential adverse stakeholder reaction and reputational damage	Managed through governance review, monitoring of financed activities and strengthening of disclosure and control processes
Strategic and portfolio risk	Concentration in climate-sensitive or higher-emission sectors, changing market demand and technology shifts	Portfolio transition risk, reduced competitiveness and need for portfolio realignment	Managed through portfolio review, opportunity assessment and progressive integration of climate considerations into strategic and risk processes

4.1.4 Prioritization relative to other risks

MTB intends to prioritize sustainability and climate-related risks using the same broad principles applied across enterprise risk management. Risks are considered in light of:

- Potential effects on profitability, capital adequacy, asset quality and portfolio performance;
- Operational continuity and service delivery implications;
- Regulatory and compliance exposure;
- Reputational consequences; and
- Alignment with the Bank's overall risk appetite and strategic objectives.

Where higher-priority exposures are identified, management response may include stronger monitoring, enhanced due diligence, sector-focused controls, review of exposure limits, or operational resilience measures in more vulnerable locations.

4.1.5 Monitoring and reporting

MTB monitors sustainability-related matters through periodic reviews, internal reporting and cross-functional coordination and is strengthening climate-specific monitoring within this broader framework. Current monitoring practices relevant to this process include:

- Regular review of portfolio exposures and emerging sector risk;
- Surveillance of regulatory, environmental and market developments;
- Management dashboards and reporting to relevant governance bodies;
- Monitoring of KRIs and other internal indicators where applicable; and
- Coordination across Risk Management, Finance, Operations, Sustainability, Compliance and business teams.

Monitoring outcomes are reported through established governance channels to support timely management action, policy refinement and escalation where necessary.

4.1.6 Evolution of the framework

Compared with earlier stages of development, MTB continues to strengthen its climate-related risk management practices through broader data integration, more structured monitoring, stronger governance linkage and refinement of analytical tools. Key areas of ongoing enhancement include wider use of climate-relevant data, improvement in risk reporting quality, continued development of scenario-analysis capability and deeper integration of sustainability-related considerations into core risk processes.

4.2 Opportunity Lens and Enterprise Integration

MTB's risk management approach also supports identification and evaluation of sustainability and climate-related opportunities. The Bank does not view climate solely through a downside-risk lens; it also considers how changes in regulation, technology, customer demand and market structure may create opportunities for sustainable growth.

4.2.1 Identification and assessment of opportunities

Opportunities are identified and assessed through a combination of business planning, stakeholder engagement, market observation and environmental and social review processes. Relevant opportunity areas include renewable energy financing, sustainable agriculture, energy efficiency, climate-resilient infrastructure and other green or sustainability-linked financial solutions. Opportunity assessment considers:

- Strategic alignment with the Bank's business objectives;
- Market demand and growth potential;
- Financial viability and implementation practicality;
- Contribution to broader sustainability objectives; and
- Resilience under changing regulatory, economic and climate-related conditions.

As MTB's climate-related scenario-analysis capability matures, it is expected to further support forward-looking opportunity identification, particularly in areas where transition trends and policy incentives may influence customer demand and financing need.

4.2.2 Monitoring and scaling of opportunities

Priority opportunities are reviewed through management assessment, internal performance measures and ongoing business evaluation. Depending on the initiative, relevant metrics may include green finance growth, product uptake, operational efficiency gains, energy savings and other sustainability-related indicators. MTB also continues to work with development partners, industry bodies and external stakeholders to strengthen implementation capability and expand sustainable finance solutions where appropriate.

4.2.3 Integration with overall risk management

MTB is progressively integrating sustainability and climate-related risk and opportunity processes into its overall risk management system so that climate considerations are treated as part of core governance rather than as a standalone exercise. In practice, this means:

- Alignment with Bangladesh Bank's ESRM guidance and related sustainability expectations;
- Integration of environmental and social considerations into credit appraisal and risk review;
- Coordination among Risk Management, Credit, Sustainability, Finance and business teams;
- Use of sustainability-related insights and the gradual incorporation of climate-related considerations, in exposure management, product development and strategic planning; and
- Support from Internal Audit and Compliance in reviewing the effectiveness of related controls and processes.

Taken together, this approach helps MTB manage climate-related downside risk while also strengthening its ability to respond to emerging sustainable finance opportunities in a disciplined and risk-aware manner.

Chapter 5

Metrics and Targets

5.1 GHG Emission Methodology

Mutual Trust Bank PLC (MTB) is committed to comprehensive climate-related disclosures in alignment with IFRS S1 & S2 and the GHG Protocol Corporate Standard. To ensure transparency, the Bank employs a data-driven approach to quantify its operational and financed emissions in 2025.

Total Internal GHG Emission 5,258 tCO2e	GHG Emission (internal) Per Employee 1.76 tCO2e
Total Financed Emission 808,998 tCO2e	Total GHG Emission 814,256 tCO2e

5.1.1 Operational Boundary and Scopes

MTB adopts the Operational Control Approach, encompassing all 180 branches, sub-branches and the corporate head office.

- **Scope 1 (Direct Emissions):** Emissions from the combustion of Octane/Diesel.
- **Scope 2 (Indirect Emissions):** Emissions from the generation of Purchased Electricity consumed by the Bank's network.
- **Scope 3 (Financed Emissions):** Indirect emissions associated with the Bank's lending and investment portfolio (Category 15).

5.1.2 Calculation Framework: Scopes 1 & 2

MTB utilized the U.S. EPA Greenhouse Gas Equivalencies Calculator (updated February 2024) to ensure a standardized and verifiable approach.

- **Fossil Fuel Factor:** Following the EPA "Calculations and References" guide, octane and diesel were converted at factors of 8.887 × 10^-3 metric tons CO2 per gallon.
- **Electricity Factor:** The calculation utilized the EPA's national weighted average of 823.1 lbs CO2 per MWh (eGRID 2022), adjusted for 5.1% Transmission and Distribution (T&D) losses.
- **Global Warming Potentials (GWP):** All results are unified using IPCC Fifth Assessment Report (AR5) values (CO2 = 1, CH4 = 28, N2O = 265).

MTB acknowledges that while the Bank operates within Bangladesh, the U.S. EPA national default emission factors were utilized for this reporting cycle to leverage the technical rigor and reproducibility of the EPA Equivalencies framework. This provides a high-integrity baseline as the Bank works toward further localizing its carbon accounting data in future reporting periods.

5.1.3 Scope 3: Financed Emissions (Portfolio Level)

MTB recognizes that the most significant portion of a financial institution's carbon footprint resides within its lending portfolio.

- **Partnership:** We are disclosing our GHG emissions at the portfolio level through Carbon Accounting calculations in partnership with the Joint Impact Model (JIM) Foundation. The JIM enables the quantification of GHG emissions related to our financing, aligned with Bangladesh Bank requirements and international standards.
- **Methodology:** The Bank utilized JIM 4.0, the latest version of the model. JIM 4.0 provides sophisticated input-output modeling and sector-specific emission intensities tailored for emerging economies. As reference on the assumption and Limitation associated with JIM Methodology, the following link is enclosed (https://www.jointimpactmodel.org/documentation).
- **Emission Intensity:** Financed emissions intensity was also calculated and expressed as tCO2e per million BDT of funded exposure. This metric supports portfolio-level analysis by showing the carbon intensity of financing across sectors and helps identify higher-emission segments relative to the Bank's exposure.
- **Portfolio Coverage:** The current assessment achieves a comprehensive 92.83% portfolio coverage.
- **Exclusions and Materiality:** Certain sectors (e.g., SBS codes 903009, 910000, 911000) corresponding to individuals, households, wage earners, or self-employed categories have been excluded. Per PCAF (Partnership for Carbon Accounting Financials) and IFRS S1 & S2 guidance, financed emissions calculations focus on corporate, commercial and industrial exposure where emissions are measurable and attributable. These sectors are excluded on the basis of immateriality and data irrelevance to the Bank's financed carbon risk. These sectors are excluded on the basis of immateriality, as determined through the Bank's current materiality assessment and data relevance considerations.

Table: GHG Emission

GHG Emission	2025	2024
Scope 1	405 tCO_2e	526 tCO_2e
Scope 2	4853 tCO_2e	4610 tCO_2e
Scope 3 (category 15)	808998 tCO_2e	910131 tCO_2e
Total Emission	814256 tCO2e	915267 tCO_2e

5.1.4 Baseline Recalculation Policy for Financed Emissions

MTB has established a baseline recalculation policy to ensure the consistency, comparability and relevance of financed emissions reported over time, in alignment with the GHG Protocol Corporate Value Chain (Scope 3) Standard and PCAF principles.

MTB has selected 2024 as the base year for financed emissions reporting. This represents the first year for which the Bank established a consistent and comprehensive approach to measuring portfolio-level emissions using the Joint Impact Model (JIM), forming a reference baseline for tracking emissions over time.

The Bank will recalculate its 2024 base year financed emissions when material changes occur that significantly affect emissions comparability. These include:

- Structural changes in the portfolio, including acquisitions, divestments, or significant shifts in sectoral exposure
- Improvements in data quality or model inputs, including updates to Joint Impact Model (JIM) parameters, assumptions, or coverage
- Changes in methodologies, emission factors, or applicable standards
- Identification of material errors or omissions in previously reported emissions

Where relevant, recalculations will be applied retrospectively to the 2024 base year and subsequent years to ensure that reported emissions trends reflect actual changes in portfolio composition and client performance, rather than changes in data or methodology.

This policy supports transparent, robust and decision-useful tracking of MTB's financed emissions over time.

5.1.5 Data Integrity & Quality Assurance

MTB has adopted a structured approach to ensure the reliability and transparency of its GHG emissions data. Financed emissions are currently estimated using the Joint Impact Model (JIM).

To enhance data integrity, MTB has implemented the following measures:

1. **Data Consistency and Reconciliation:** Financed emissions calculations are reconciled with internal financial data, including funded exposure and sector-wise classification (SBS codes aligned with ISIC Codes), to ensure alignment between financial and emissions reporting.
2. **Regulatory Alignment:** The Bank's emissions reporting framework is aligned with Bangladesh Bank's sustainability reporting requirements, as well as international frameworks such as the GHG Protocol and IFRS S1 and S2.
3. **Continuous Improvement and Capability Building:** MTB is progressively enhancing its internal capacity to analyze and interpret financed emissions data, with a view to improving data granularity, incorporating client-level information where available.

This approach ensures that MTB's climate data is increasingly transparent and decision-useful, while continuing to be refined over time.

5.2 Operational Emissions and Efficiency Initiatives

During the reporting period, MTB undertook targeted actions to reduce emissions associated with its operational activities. As part of these efforts, the Bank adopted low-emission logistics solutions through the DHL GoGreen Plus programme, reducing emissions linked to document and parcel transportation across its operational value chain.

This initiative resulted in an estimated emissions reduction of 1.40 tCO_2e (45.31%), achieved through the use of Sustainable Aviation Fuel (SAF) in air transport. The reduction reflects the Bank's ongoing efforts to lower its operational carbon footprint and improve the environmental efficiency of its service delivery processes.

GOGREEN PLUS CERTIFICATE 2025

MUTUAL TRUST BANK PLC.

used DHL GoGreen Plus Low Emission Transportation Services for air transportation, facilitated by sustainable aviation fuel. For the period between 01/01/2025 and 31/12/2025, a third-party auditor verified the below numbers as part of this service:

Measure	Unit	**Low Emission Transport Service**	Reference Standard Service[1]
Total Air WtW emissions	t CO_2e	**1.69**	3.10
Air Tonne-km transported	tkm	**4,708.98**	4,708.98
WtW Carbon Intensity	g CO_2e / tkm	**359.56**	657.41
		Sustainable Aviation Fuel	Reference Jet A
Energy Source (Fuels/Electricity)[2]	Kilogram	**424.06**	806.76
	MJ	**18,658.83**	34,771.52
Sustainable Aviation Fuel Share	%	**52.56%**	
Reduced Air WtW emissions	t CO_2e	**1.40 (-45.31%)**	

Listing fuel locations:

Supplier	Process	Feedstock	Certification	Station	Reductions
AirBP	Co-processing	Used Cooking Oil (UCO) only	ISCC Plus	LEJ	0.30
Shell	Co-processing	Spent Bleaching Earth	ISCC Plus	BRU	0.24
AirBP	Hydrotreated Esters and Fatty Acids (HEFA)	Used Cooking Oil (UCO) only	ISCC EU	EMA	0.20
World Energy	Hydrotreated Esters and Fatty Acids (HEFA)	Animal fat / Tallow only	RSB CORSIA	ONT	0.13
Shell	Hydrotreated Esters and Fatty Acids (HEFA)	Animal fat / Tallow only	ISCC CORSIA	LAX	0.12
World Fuel Services	Hydrotreated Esters and Fatty Acids (HEFA)	Technical Corn Oil	ISCC CORSIA	MIA	0.12
AirBP	Co-processing	Animal fat / Tallow only	ISCC Plus	ORD AIR	0.11
AirBP	Hydrotreated Esters and Fatty Acids (HEFA)	Animal fat / Used Cooking Oil	ISCC Plus	JFK AIR	0.11
World Energy	Hydrotreated Esters and Fatty Acids (HEFA)	Animal fat / Tallow only	RSB CORSIA	RIV	0.06

Certificate ID: DHL-EXP-TDI-202512-0388173

Michiel Greeven
Executive Vice President

Operational Emissions - Logistics Initiative (DHL GoGreen Plus)

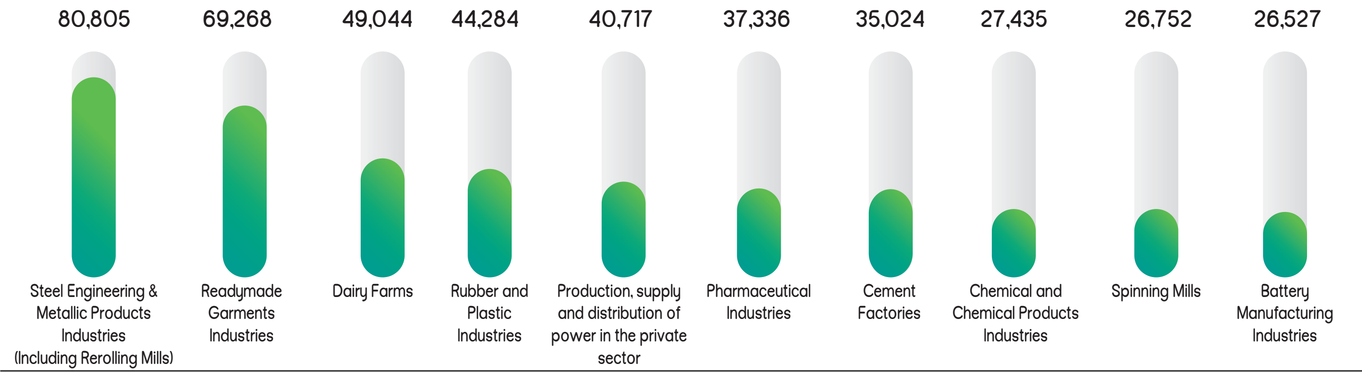
- Emissions reduced: 1.40 tCO_2e
- Reduction vs standard logistics: 45.31%
- Category: Operational emissions (Scope 3 - logistics)
- Approach: Sustainable Aviation Fuel (SAF)

5.3 Financed Emissions and Portfolio Exposure

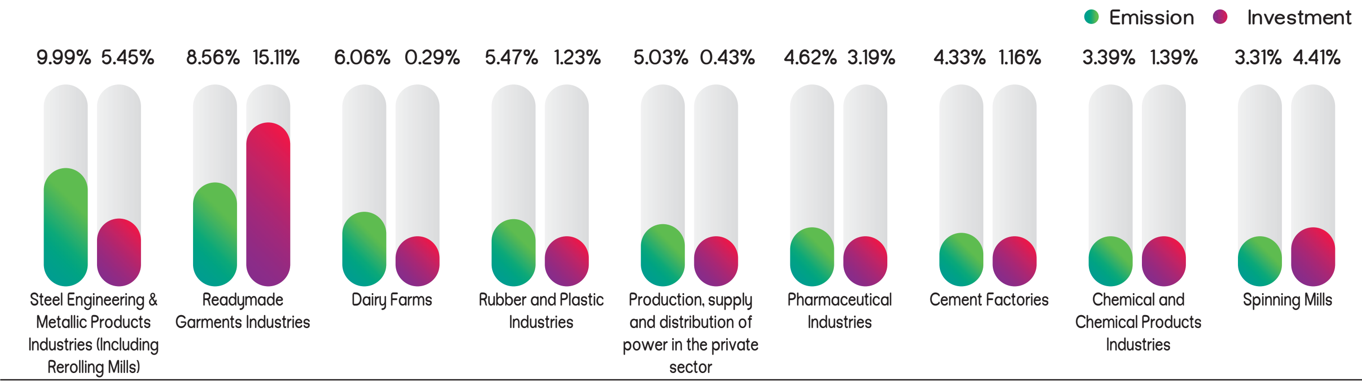
MTB recognizes that the most significant portion of its carbon footprint arises from its lending and investment portfolio. In line with IFRS S2 and PCAF guidance, the Bank measures and discloses financed emissions (Scope 3, Category 15) to better understand climate-related exposure and support portfolio-level risk and opportunity assessment. These financed emissions have been calculated using the JIM Model, as described in the methodology section.

The following analysis highlights the sectors contributing most significantly to the Bank's financed emissions and emission intensity, providing insight into areas of concentration and potential transition risk.

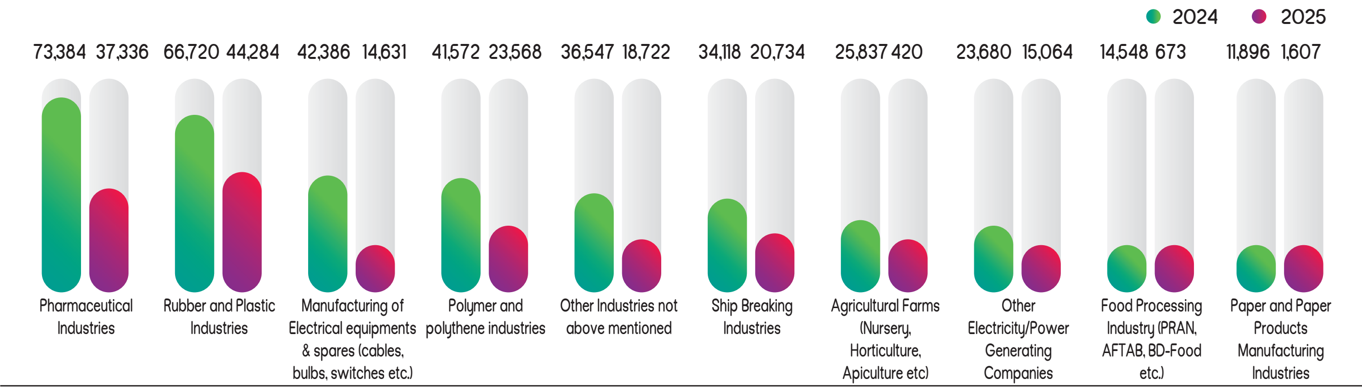
Top 10 Sectors by Financed Emissions of 2025



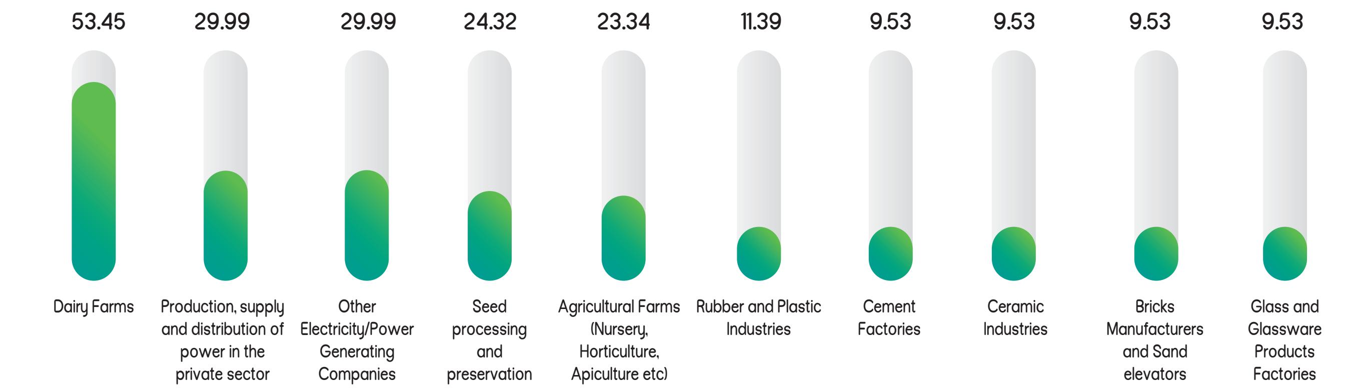
Comparative Analysis of Emission vs Investment by Sector



Financed Emission Comparison Between 2024 & 2025



Top 10 Sectors by Financed Emission Intensity of 2025



These visualizations indicate that, based on the current assessment, emissions are concentrated in a limited number of sectors, including energy-intensive and industrial segments. Emission intensity analysis further highlights sectors where carbon exposure is high relative to financed amounts, supporting risk prioritization and strategic portfolio alignment.

Financed emissions and gross exposure of MTB to each industry by asset class

Commercial Banking

Additional information about the entity's Category 15 greenhouse gas emissions (investments)		Scope 1	Scope 2	Scope 3	Gross exposure	Total Financed Emission	Emission Intensity
		239,186	159,872	409,940		808,998	
SBS Code	Sector name	(tCO_2e)	(tCO_2e)	(tCO_2e)	Funded amounts (BDT)	tCO_2e)	tCO_2e/ per million BDT
902137	Steel Engineering & Metallic Products Industries (Including Rerolling Mills)	7,653	18,925	54,227	17,292,975,775	80,805	4.67
902125	Readymade Garments Industries	3,078	5,717	60,473	47,921,749,548	69,268	1.45
901003	Dairy Farms	44,434	5	4,605	917,572,574	49,044	53.45
902117	Rubber and Plastic Industries	10,369	14,929	18,986	3,888,409,479	44,284	11.39
902310	Production, supply and distribution of power in the private sector	31,782	1,252	7,682	1,357,598,704	40,717	29.99
902127	Pharmaceutical Industries	2,241	19,465	15,631	10,133,468,809	37,336	3.68
902131	Cement Factories	23,904	2,438	8,681	3,674,576,738	35,024	9.53
902130	Chemical and Chemical Products Industries	16,288	2,687	8,461	4,415,894,835	27,435	6.21
902112	Spinning Mills	211	1,264	25,277	14,003,177,499	26,752	1.91
902154	Battery Manufacturing Industries	3,394	14,414	8,719	3,521,331,016	26,527	7.53
902150	Electronic Goods Manufacturing/ Assembling Industries (TV, Computer	5,429	10,978	9,411	3,942,095,358	25,818	6.55
902120	Textile Mills	202	1,211	24,225	13,660,200,888	25,639	1.88
902156	Polymer and polythene industries	5,518	7,945	10,104	2,488,198,937	23,568	9.47
902138	Assembling Industry	6,358	7,357	9,422	5,349,841,102	23,137	4.32
902404	Construction Companies	514	387	22,169	17,062,498,173	23,071	1.35
902153	Ship Breaking Industries	849	10,250	9,634	4,448,917,154	20,734	4.66
902199	Other Industries not above mentioned	3,937	7,961	6,824	3,058,403,975	18,722	6.12
902132	Ceramic Industries	12,087	1,233	4,390	1,857,963,091	17,709	9.53
902311	Gas Companies	15,427	0	252	3,798,690,729	15,679	4.13
902319	Other Electricity/Power Generating Companies	11,759	463	2,842	502,280,103	15,064	29.99
902147	Manufacturing of Electrical equipments & spares (cables, bulbs, switches etc.)	1,872	7,950	4,809	4,368,349,962	14,631	3.35
902527	Refining and hydrogenation of edible oil, vanaspati, Ghee etc.	1,159	921	11,183	7,774,606,535	13,263	1.71
902146	Packaging Industries including paper boards	2,114	5,339	4,428	3,001,473,482	11,881	3.96
902510	Fish feed and fish meal processing for poultry and livestock	1,566	257	9,418	4,224,724,733	11,241	2.66
902152	Ship Building Industries	409	4,938	4,641	2,711,061,311	9,988	3.68
902133	Bricks Manufacturers and Sand elevators	6,323	645	2,296	971,914,537	9,264	9.53
902504	Manufacturing of flour, sujee (Flour Mills)	1,217	200	7,316	5,572,055,658	8,732	1.57
901004	Poultry Farms	5,178	21	2,898	1,184,744,650	8,097	6.83
902111	Printing & Dyeing Industries	176	386	4,891	3,625,134,865	5,454	1.50
902116	Cosmetics & Toiletries Industries	2,930	483	1,522	794,309,132	4,935	6.21
902155	Garments Accessories manufacturing industries (Zipper, Button etc)	213	396	4,187	4,995,763,518	4,796	0.96
902599	Other Agro based/Processing Industries.	643	114	3,764	2,016,240,911	4,522	2.24
902523	Milk Processing Industries (Pasteurisation, milk powder, ice-cream, condensed milk, sweet, cheese, butter, ghee, chocolate, curd etc.)	110	66	3,577	5,057,485,942	3,753	0.74
909250	GO/Micro Credit Organizations (BRAC, ASA etc.)	15	1,213	2,072	13,039,960,193	3,300	0.25
902142	Sugar Mills	444	79	2,600	1,165,553,051	3,122	2.68

Additional information about the entity's Category 15 greenhouse gas emissions (investments)		Scope 1	Scope 2	Scope 3	Gross exposure	Total Financed Emission	Emission Intensity
902134	Glass and Glassware Products Factories	1,862	190	676	286,298,143	2,729	9.53
902488	Contractor and Supplier firms	60	45	2,591	984,360,098	2,696	2.74
902420	Hospitals, Clinics, Diagnostic Centers and Other Health Services	421	665	1,428	2,675,316,549	2,514	0.94
902110	Jute Mills/Jute products Manufacturing Industries (rope, thread, twain, canvass, bag, carpet, etc.)	19	113	2,252	1,163,813,565	2,384	2.05
903030	Importers and Exporters	99	615	1,663	13,374,295,621	2,377	0.18
901009	Farmer/Fishermen	1,866	10	319	298,145,648	2,196	7.37
902157	Cottage Industries	421	851	729	305,544,738	2,001	6.55
902522	Rice mills including puffed rice, chirra, fine rice, flavoured rice etc.	267	44	1,603	768,160,375	1,914	2.49
903040	Whole Sale Traders	78	488	1,319	10,608,552,260	1,886	0.18
902121	Paper and Paper Products Manufacturing Industries	286	722	599	1,241,839,595	1,607	1.29
902485	Light Engineering and Metal-workshop	423	489	626	284,068,951	1,538	5.42
903010	Importers	63	390	1,054	8,477,699,883	1,507	0.18
902526	Tea processing industries	205	36	1,206	597,768,644	1,447	2.42
902511	Seed processing and preservation	1,082	6	129	50,020,000	1,216	24.32
909200	Leasing Companies	5	406	694	3,247,563,286	1,105	0.34
902122	Furniture, Fixture, Particle Boards and Other Wood Product Manufacturers	174	333	592	556,906,991	1,098	1.97
902520	Mustard oil producing industry (if local variety is used).	88	70	847	544,265,190	1,004	1.84
902148	Manufacturing of Transport Equipments	39	472	443	204,744,897	954	4.66
902119	Leather Products (bag, shoe etc.) Manufacturing Industries	1	3	946	836,436,912	950	1.14
902407	Housing Companies or Societies/Land Developers	22	18	861	2,318,931,067	901	0.39
903050	Retail Traders	33	208	562	4,523,601,220	804	0.18
902143	Beverage and Soft Drinks manufacturing Companies	28	149	604	1,014,933,125	781	0.77
902501	Processing of bread and biscuits, vermicelli, laccha, chanachur, noodles etc.	109	19	644	318,966,350	772	2.42
902405	Publishing Industries (including printing press)	1	363	331	1,018,175,272	695	0.68
902524	Food Processing Industry (PRAN, AFTAB, BD-Food etc.)	95	17	561	277,951,790	673	2.42
902430	IT-based activities (system analysis, design, developing system solutions, Grameen Solution, information service, Call centre service, offshore development centre, business process outsourcing, Cyber Cafes, Internet Service Providers etc.)	1	348	317	974,808,489	665	0.68
902406	Telecommunication (Mobile/cellular operators and private land phone)	1	324	295	1,951,237,407	619	0.32
902113	Weaving Mills	5	28	565	292,041,778	598	2.05
902512	Pulse Mills	74	12	442	211,723,155	528	2.49
902401	Road Transport Companies (including Rent -a - car)	378	3	115	232,143,058	496	2.14
902402	Water Transport	322	2	104	97,209,077	428	4.41
902145	Leather Processing and Tanning (raw hide)	1	1	425	375,760,191	427	1.14
901001	Agricultural Farms (Nursery, Horticulture, Apiculture etc)	373	2	45	18,006,837	420	23.34
902472	Freight Forwarders	1	26	371	1,992,740,281	398	0.20
902525	Salt Processing Industries	53	9	312	154,770,910	375	2.42

Additional information about the entity's Category 15 greenhouse gas emissions (investments)		Scope 1	Scope 2	Scope 3	Gross exposure	Total Financed Emission	Emission Intensity
901002	Fishing Farms (Hatchery, Shrimp Culture etc)	90	3	258	501,156,921	350	0.70
902163	EPZ Industries (Type C)	71	144	123	51,640,446	338	6.55
902499	Other Service Providing Organisations	2	12	306	2,075,438,395	321	0.15
902517	Production of bio-pesticides, neem pesticides etc.	190	31	99	51,568,130	320	6.21
902528	Processing of Prawn/Shrimp and other fishes and freezing.	43	7	257	123,005,928	306	2.49
909720	Brokerage Houses/ (Share & Security Trading Houses)	1	87	149	1,993,634,199	237	0.12
909240	Merchant Banks	1	82	139	1,258,442,274	222	0.18
902126	Hosiery Factories	9	16	169	120,537,662	193	1.60
902144	Distilleries, Mineral & Drinking Water purifying industries	6	30	121	203,943,756	157	0.77
903090	Other Business Institutions/Organisations	1	5	117	789,485,474	122	0.15
908100	Private Schools, Colleges, University Colleges & Madrashas	2	17	52	88,968,269	71	0.80
902450	Restaurants /Fast Food	1	6	53	32,377,919	61	1.88
903020	Exporters	2	15	41	328,999,265	58	0.18
902468	Residential Hotels (Including 3 star & Above)	1	3	27	16,647,253	31	1.88
902461	Chain Super Market/Shopping Mall	1	8	21	172,832,863	31	0.18
902458	Filling Stations (Petrol pump, CNG Station)	1	7	19	152,685,279	27	0.18
909500	Other Co-operative Banks/Societies	0	10	17	78,069,905	27	0.34
902452	Travel Agencies/Overseas Employment / Aviation Service/Immigration consultants/Ticket sales agent	0	1	19	132,075,529	20	0.15
902509	Manufacturing of Unani and Ayurvedic Medicines/Herbal Cosmetics	1	10	8	5,032,167	19	3.69
902486	Consultancy & Supervisory Firms	0	1	13	90,837,680	14	0.15
902158	Saw Mills	2	4	7	6,650,554	13	1.97
915002	Students	1	3	8	29,842,631	12	0.40
908900	Other Educational/Technical / Vocational Training institutions	0	1	4	7,126,304	6	0.80
902478	Tailoring Shop and Tailors	0	1	3	12,106,026	5	0.40
902465	Auto mobile service including CNG conversion centre.	0	1	3	21,399,096	4	0.18
902463	Jwelery Services	1	1	1	419,500	3	6.55
902454	Beauty Parlours/ Saloons/ Health Club/ Fitness centre	0	1	2	6,434,468	3	0.40
902464	Modernised Cleaning Service for High-rise Apartments, Commercial Building	0	0	2	15,803,783	2	0.15
902467	Outsourcing and Security Service (Private Security forces/manpower supply)	0	0	2	14,164,863	2	0.15
902469	Caterers /Decorators/Sound & Lighting rental business	0	0	2	924,248	2	1.88
902455	Clearing and Forwarding (C & F) Agents	0	0	1	7,855,282	2	0.20
902457	Tourism Industry (List available at page no-115)	0	0	1	3,932,360	2	0.40
902466	Advertising Industry and modeling (print modeling, TV commercials, ramp modeling, catwalk, fashion-show)	0	0	1	4,911,085	1	0.15
902487	Interior Design & Decorators and other consultancy firms	0	0	1	4,583,716	1	0.15
902479	Satellite Cable Operator	0	0	0	920,643	1	0.68
902409	Buying House	0	0	0	6,940,065	1	0.08
902440	Courier Services & Express Mail Services	0	0	0	2,534,385	1	0.20

The Bank continues to enhance its financed-emissions capability through improved data quality, broader portfolio coverage and alignment with internationally recognized methodologies. These efforts support better integration of climate-related considerations into credit assessment, portfolio monitoring and strategic decision-making.

5.4 Climate-Related Targets and Alignment with National Priorities

Mutual Trust Bank PLC (MTB) is yet to establish a standalone, externally disclosed entity-wide climate-related target framework covering all aspects of its operations and financed activities. In the interim, the Bank's climate-related direction is guided by applicable national priorities, including Bangladesh's Nationally Determined Contributions (NDCs), as well as the expectations, policies and green finance requirements of relevant regulatory stakeholders. Within this broader direction, MTB is guided by an internal business target to maintain at least 5% of its total portfolio in green finance during the year. This target supports the Bank's ongoing efforts to expand financing toward environmentally beneficial activities and to strengthen the share of climate-aligned assets within its overall portfolio. Over time, MTB expects its climate-related target-setting approach to become more structured as its financed-emissions measurement, climate-risk assessment and transition-planning capabilities continue to evolve.

5.5 Decarbonization Pathway and Strategic Climate Priorities

MTB is developing a decarbonization plan as part of its broader climate strategy. At this stage, the Bank's approach is focused on progressively reducing the carbon intensity of both its own operations and its financed activities, while continuing to expand business opportunities in climate-aligned sectors. Rather than relying on a single near-term commitment, MTB's current decarbonization pathway is being shaped through phased actions that strengthen climate resilience, improve portfolio alignment and build the internal capability required for a more formal and measurable transition framework over time.

The Bank's developing climate strategy is currently centered on several strategic priorities:

Expansion of renewable energy-related financing: MTB is seeking to increase support for renewable energy and other environmentally beneficial projects that contribute to lower-carbon economic activity.

Growth in green finance activity: The Bank continues to strengthen the role of green finance within its portfolio as part of its broader climate and sustainable finance direction.

Mobilization of external climate and sustainability-linked funding: MTB is working to strengthen access to funding from development finance institutions (DFIs) and other strategic partners to support climate-aligned lending and investment activity.

Development of climate-smart products: The Bank is exploring and developing financial products that respond to evolving customer needs in areas such as resilience, resource efficiency and environmentally responsible business activity.

Improvement of financed-emissions capability: MTB is strengthening its ability to measure, monitor and disclose financed emissions so that portfolio-level climate exposure can be better understood and managed.

Integration of climate considerations into portfolio and lending processes: The Bank is progressively deepening climate-related considerations within credit appraisal, portfolio review and broader risk and business decision-making processes.

Strengthening of internal systems and governance: MTB continues to enhance the data, governance, analytical tools and institutional coordination needed to support a more structured decarbonization pathway in future reporting periods.

Taken together, these priorities reflect MTB's current climate strategy in practice. The Bank's near-term focus remains on building the operational, financial and governance foundations necessary to support decarbonization in a credible and phased manner, while also positioning itself to capture emerging opportunities in renewable energy, green finance and climate-responsive banking.

CONCLUSION

Mutual Trust Bank PLC (MTB) continues to strengthen its approach to sustainability and climate-related governance in response to evolving regulatory expectations, stakeholder priorities and the broader transition toward a low-carbon and climate-resilient economy. This report reflects the Bank's current position in integrating climate-related considerations into governance, strategy, risk management and performance measurement in alignment with the principles of IFRS S1 and IFRS S2.

Throughout the reporting period, MTB made meaningful progress in expanding sustainable finance activities, strengthening governance oversight, enhancing environmental and social risk management practices and improving transparency around operational and financed emissions. The Bank also continued to invest in renewable energy initiatives, operational efficiency, digital transformation and climate-aware financing practices while building internal capability for climate-related data management, reporting and analysis.

MTB recognizes that climate-related risks and opportunities are increasingly linked to long-term financial resilience, portfolio quality, operational continuity and strategic competitiveness. In response, the Bank is progressively embedding sustainability considerations into its core banking activities, risk assessment processes and strategic planning frameworks. At the same time, MTB acknowledges that its climate-related reporting and transition capabilities are still evolving, particularly in areas such as scenario analysis, financed-emissions measurement, target-setting and decarbonization planning.

Looking ahead, MTB remains committed to strengthening its climate governance, enhancing data quality, expanding green and climate-aligned financing and further integrating climate-related considerations across business and risk functions. The Bank will continue to refine its methodologies, improve analytical capability and align with emerging national and international sustainability expectations to support transparent, decision-useful and credible climate-related disclosures.

By advancing these efforts, MTB aims to position itself as a resilient, responsible and forward-looking financial institution that contributes meaningfully to sustainable economic development in Bangladesh while creating long-term value for its stakeholders.


GREEN LIFE

ADVANCING CLIMATE ACTION FOR A MORE RESILIENT FUTURE

Climate change continues to reshape the global economic and financial landscape, reinforcing the need for institutions to strengthen resilience, accountability and long-term sustainability. At Mutual Trust Bank PLC (MTB), we recognize that climate-related risks and opportunities will increasingly influence the future of banking, investment and economic development. While the globe marches towards a more climate neutral future, we aim to be the trailblazer and an effective navigator of future needs.

As the Bank continues its sustainability journey, we remain committed to strengthening climate-related governance, improving transparency and progressively enhancing our climate-risk management and disclosure practices. Through ongoing efforts in environmental stewardship, responsible climate smart financing and institutional resilience, MTB aims to contribute positively to our country's transition toward a more sustainable and climate-resilient future.
We recognize that sustainability and climate-related reporting will continue to evolve alongside emerging global expectations, data capabilities and stakeholder priorities. Accordingly, the Bank remains focused on strengthening its internal capacity, refining its reporting frameworks and supporting responsible business practices that create long-term value for stakeholders and society.

We believe **the journey towards a more Climate Resilient Future is not the task or responsibility of any single institution which can be undertaken alone. It is a collective endeavor shaped by shared responsibility, mutual trust and a common aspiration for a better future.** At Mutual Trust Bank PLC, we remain committed to advancing climate change adaptation, mitigation and responsible banking practices that support resilience, inclusivity and long-term environmental stewardship.

By embracing collaboration, transparency and forward-looking action, MTB seeks to contribute to a future where sustainable growth benefits not only businesses and economies, but also the communities and generations that follow. Together, we can help build a more resilient, climate balanced and sustainable world.

Tahmina Zaman Khan
Head of Sustainability
Mutual Trust Bank PLC

GLOSSARY

The following glossary explains key abbreviations and terms used in this Sustainability and Climate-related Disclosure Report.

TERM / ABBREVIATION	FULL FORM / MEANING
AR5	Fifth Assessment Report of the Intergovernmental Panel on Climate Change. In this report, AR5 values are used for Global Warming Potential assumptions.
ATM	Automated Teller Machine. ATMs are included within MTB's operational footprint where relevant to energy use, service continuity and climate resilience.
AWD	Alternate Wetting and Drying, a water management practice for rice cultivation that can reduce water use and support climate-smart agriculture.
Bangladesh Bank	The central bank and banking sector regulator of Bangladesh, which issues guidance on sustainable finance, green finance, environmental and social risk management and related reporting expectations.
Base Year	The reference year selected for comparing emissions performance over time. In this report, 2024 has been selected as the base year for financed emissions reporting.
BDT	Bangladeshi Taka, the national currency of Bangladesh.
BRMC	Board Risk Management Committee, a Board-level committee that supports oversight of risk-related matters, including sustainability and climate-related risks.
Carbon Accounting	The process of measuring, calculating and reporting greenhouse gas emissions associated with an organization's operations, value chain or financed activities.
Carbon Footprint	The total greenhouse gas emissions associated with an organization, activity, service or portfolio, commonly expressed in tonnes of carbon dioxide equivalent.
Climate-aligned Financing	Financing that supports activities, sectors or projects aligned with climate mitigation, climate adaptation, low-carbon transition or climate resilience objectives.
Climate-related Opportunity	A potential positive effect arising from climate-related changes, including opportunities related to green finance, renewable energy, energy efficiency, climate-smart agriculture, digital banking and climate-resilient infrastructure.
Climate-related Physical Risk	Risk resulting from climate-related physical events or long-term shifts in climate patterns, such as floods, cyclones, extreme heat, rainfall variability and sea-level rise.
Climate-related Risk	A potential negative effect of climate change on the Bank's operations, portfolio, financial performance, strategy or long-term resilience.
Climate-related Transition Risk	Risk arising from the transition towards a lower-carbon economy, including policy, regulatory, legal, market, technological and reputational changes.
Climate Resilience	The capacity of the Bank's strategy, operations, portfolio and business model to adjust to climate-related changes, developments and uncertainties.
CO2e	Carbon dioxide equivalent, a common unit used to express the climate impact of different greenhouse gases on a comparable basis.
CSR	Corporate Social Responsibility, referring to activities undertaken by the Bank to support social, community and environmental development objectives.
Data Integrity	The reliability, consistency and accuracy of data used for sustainability and climate-related measurement, reporting and decision-making.
Decarbonization	The process of reducing greenhouse gas emissions or carbon intensity from operations, portfolios, products, services or economic activities over time.
DFI	Development Finance Institution, an institution that provides funding, investment or technical support for development-focused priorities, including sustainable finance and climate-aligned activities.
DHL GoGreen Plus	A low-emission logistics programme used by MTB to reduce emissions associated with document and parcel transportation through the use of Sustainable Aviation Fuel.

TERM / ABBREVIATION	FULL FORM / MEANING
Digital Banking	Banking services delivered through digital platforms, which can improve customer access, reduce paper use and support operational efficiency.
Emission Factor	A coefficient used to convert activity data, such as fuel use or electricity consumption, into estimated greenhouse gas emissions.
Emission Intensity	A measure of emissions relative to another unit of activity or exposure. In this report, financed emissions intensity is expressed as tCO2e per million BDT of funded exposure.
Environmental and Social Due Diligence (ESDD)	The process of assessing environmental and social risks and impacts associated with clients, projects or financing proposals before approval and during monitoring.
Environmental and Social Management System (ESMS)	A structured framework used to identify, assess, manage and monitor environmental and social risks within business and financing activities.
Environmental and Social Risk Management (ESRM)	The process of identifying, assessing, managing and monitoring environmental and social risks within the Bank's credit, portfolio and operational activities.
eGRID	Emissions and Generation Resource Integrated Database, a source used for electricity-related emissions factors in the calculation of Scope 2 emissions.
ERAF	Enterprise Risk Appetite Framework, a framework used to define and guide the level and type of risk the Bank is willing to accept in pursuit of its strategic objectives.
ERM	Enterprise Risk Management, the Bank-wide framework for identifying, assessing, monitoring and managing material risks across the organization.
ERMC	Enterprise Risk Management Committee, a management-level forum supporting enterprise-wide risk review, monitoring and decision-making.
ESG	Environmental, Social and Governance, a broad framework covering environmental responsibility, social impact and governance practices.
Financed Emissions	The portion of greenhouse gas emissions associated with the Bank's lending and investment activities. In this report, financed emissions are disclosed under Scope 3, Category 15.
Funded Exposure	The amount of financing or credit exposure provided by the Bank to a borrower, sector or asset class.
General-purpose Financial Reports	Reports intended to provide financial and sustainability-related information useful to investors lenders and other creditors in making decisions relating to the provision of resources to an entity.
GHG	Greenhouse Gas, a gas that contributes to climate change, including carbon dioxide, methane, nitrous oxide and other gases commonly measured in CO2e.
GHG Protocol	A widely used international framework for measuring and reporting greenhouse gas emissions.
Global Warming Potential (GWP)	A factor used to compare the climate impact of different greenhouse gases relative to carbon dioxide over a specified time horizon.
Green Finance	Financing provided for environmentally beneficial activities, including renewable energy, energy efficiency, resource efficiency, waste management, climate-smart agriculture and other eligible green projects.
Green PIN	A paperless banking practice that supports reduced paper use by enabling digital PIN generation or delivery.
Green Strategic Planning	Planning activities that integrate environmental sustainability, climate considerations and green finance objectives into business strategy.
Gross Exposure	The total amount of exposure to a borrower, sector or asset class before deductions, adjustments or exclusions.

TERM / ABBREVIATION	FULL FORM / MEANING
HVAC	Heating, Ventilation and Air Conditioning. HVAC optimization can support energy efficiency and operational emissions reduction.
IEA	International Energy Agency, a recognized source of energy and climate-related pathways and analysis.
IFRS S1	IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information. It sets out general requirements for sustainability-related financial disclosures.
IFRS S2	IFRS S2 Climate-related Disclosures. It sets out requirements for disclosing climate-related risks, opportunities, governance, strategy, risk management, metrics and targets.
IPCC	Intergovernmental Panel on Climate Change, a United Nations body that assesses scientific information related to climate change.
ISIC Code	International Standard Industrial Classification code, a classification system used to categorize economic activities and sectors.
ISSB	International Sustainability Standards Board, the standard-setting body that issued IFRS S1 and IFRS S2.
JIM	Joint Impact Model, a model used to estimate financed emissions and other impact indicators based on portfolio, sector and country-level information.
KPI	Key Performance Indicator, a metric used to monitor performance against strategic, operational or sustainability-related priorities.
KRI	Key Risk Indicator, a metric used to monitor risk exposure, emerging risk trends and the effectiveness of risk management actions.
Low-carbon Economy	An economy that reduces reliance on high-emission activities and transitions toward lower greenhouse gas emissions, cleaner energy, resource efficiency and climate-resilient growth.
Materiality	In the context of sustainability and climate-related disclosure, information is material if omitting misstating or obscuring it could reasonably be expected to influence decisions made by primary users of general-purpose financial reports.
Mitigation	Actions taken to reduce or avoid greenhouse gas emissions, including renewable energy use energy efficiency, low-emission logistics and green financing.
MTB	Mutual Trust Bank PLC

IFRS S1 and IFRS S2 Disclosure Index

The following table presents the alignment of Mutual Trust Bank PLC's sustainability and climate-related disclosures with the disclosure requirements of IFRS S1 and IFRS S2.

IFRS S1 Disclosures

Disclosure Area	IFRS Reference	Report Section
General Requirements	IFRS S1 - 54	Section 1.4 - Basis of Preparation and Reporting Approach
	IFRS S1 - 55	Section 1.4; Section 1.3.2 - Approach to Identifying Material Climate-related Topics
	IFRS S1 - 56	Section 1.4
	IFRS S1 - 57	Section 1.4; Section 1.3 - Materiality Assessment
	IFRS S1 - 58	Section 1.4; Section 5.1 - GHG Emission Methodology
	IFRS S1 - 59	Section 1.4; Section 5.1.2 - Calculation Framework; Section 5.1.3 - Financed Emissions
	IFRS S1 - 60	Section 1.1 - About This Report; Section 1.2 - Reporting Context and Scope
	IFRS S1 - 61	Section 1.2; Section 1.4
	IFRS S1 - 62	Section 1.4
	IFRS S1 - 63	Not applicable
	IFRS S1 - 64	Section 1.4 - Basis of Preparation and Reporting Approach
	IFRS S1 - 65	Section 1.4 - Basis of Preparation and Reporting Approach
	IFRS S1 - 66	Not applicable
	IFRS S1 - 67	Not applicable
	IFRS S1 - 68	Not applicable
	IFRS S1 - 69	Not applicable
	IFRS S1 - 70	Section 5.1.3 - GHG Emission Table with 2025 and 2024 data
	IFRS S1 - 71	Section 5.1.3; Section 5.3 - Financed Emissions and Portfolio Exposure
	IFRS S1 - 72	Section 1.4 - Basis of Preparation and Reporting Approach
	IFRS S1 - 73	Not applicable
Governance	IFRS S1 - 26	Chapter 2 - Governance
	IFRS S1 - 27	Section 2.1 - Governance Architecture and Board Stewardship; Section 2.2 Management Execution and Control Environment
Strategy	IFRS S1 - 28	Chapter 3 - Strategy
	IFRS S1 - 29	Section 3.1 - Strategic Context, Portfolio Exposure and Planning Horizons; Section 3.2 - Strategic Response; Section 3.4 - Financial Effects and Climate Resilience
	IFRS S1 - 30	Section 1.3.4 - Material Climate-related Topics Identified; Section 3.1
	IFRS S1 - 31	Section 3.1 - Strategic Context, Portfolio Exposure and Planning Horizons

Disclosure Area	IFRS Reference	Report Section
	IFRS S1 - 32	Section 3.1; Section 3.2.1 - Business Model Evolution
	IFRS S1 - 33	Section 3.2 - Strategic Response, Business Model Evolution and Transition Approach; Section 3.3 - Execution Priorities, Progress and Strategic Trade-offs
	IFRS S1 - 34	Section 3.4 - Financial Effects and Climate Resilience
	IFRS S1 - 35	Section 3.4 - Expected Financial Effects Across Time Horizons
	IFRS S1 - 36	Section 3.4 - Financial Effects and Climate Resilience
	IFRS S1 - 37	Section 3.4 - Financial Effects and Climate Resilience
	IFRS S1 - 38	Section 3.4 - Financial Effects and Climate Resilience
	IFRS S1 - 39	Section 3.4 - Financial Effects and Climate Resilience
	IFRS S1 - 40	Section 3.4 - Financial Effects and Climate Resilience
	IFRS S1 - 41	Section 3.4.1 - Strategic Resilience
	IFRS S1 - 42	Section 3.4.1 - Strategic Resilience; Section 4.1.2 - Scenario Analysis Capability
Risk Management	IFRS S1 - 43	Chapter 4 - Risk Management
	IFRS S1 - 44	Section 4.1 - Risk Architecture, Assessment Discipline and Ongoing Surveillance; Section 4.2 - Opportunity Lens and Enterprise Integration
Metrics and Targets	IFRS S1 - 45	Chapter 5 - Metrics and Targets
	IFRS S1 - 46	Section 5.1 - GHG Emission Methodology; Section 5.2 - Operational Emissions and Efficiency Initiatives; Section 5.3 - Financed Emissions and Portfolio Exposure
	IFRS S1 - 47	Section 5.3 - Financed Emissions and Portfolio Exposure
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	IFRS S1 - 49	Section 5.1.1 - Operational Boundary and Scopes; Section 5.1.2; Section 5.1.3
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	IFRS S1 - 51	Section 5.4 - Climate-Related Targets and Alignment with National Priorities
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	IFRS S1 - 53	Section 5.1 - GHG Emission Methodology; Section 5.4; Section 5.5 - Decarbonization Pathway and Strategic Climate Priorities

IFRS S2 Disclosures

Disclosure Area	IFRS Reference	Report Section
Governance	IFRS S2 - 5	Chapter 2 - Governance
	IFRS S2 - 6	Section 2.1 - Governance Architecture and Board Stewardship; Section 2.1.1 Board of Directors; Section 2.1.2 - BRMC; Section 2.1.3 - SFC; Section 2.2 - Management Execution and Control Environment
	IFRS S2 - 7	Chapter 2 - Governance
Strategy	IFRS S2 - 8	Chapter 3 - Strategy
	IFRS S2 - 9	Section 3.1 - Strategic Context; Section 3.2 - Strategic Response; Section 3.4 - Financial Effects and Climate Resilience
	IFRS S2 - 10	Section 1.3.4 - Material Climate-related Topics Identified; Section 3.1 - Physical and Transition Risk Discussion; Section 3.1 - Time Horizon Table
	IFRS S2 - 11	Section 1.3.2 - Approach to Identifying Material Climate-related Topics
	IFRS S2 - 12	Section 1.4 - Basis of Preparation and Reporting Approach; Section 5.3 Financed Emissions and Portfolio Exposure
	IFRS S2 - 13	Section 3.1 - Portfolio Exposure and Value Chain Areas; Section 3.2.1 - Business Model Evolution
	IFRS S2 - 14	Section 3.2 - Strategic Response, Business Model Evolution and Transition Approach; Section 3.2.2 - Direct Mitigation and Adaptation Actions; Section 3.2.3 - Indirect Mitigation and Adaptation Actions; Section 3.2.4 - Resource Deployment; Section 3.2.5 - Transition Approach; Section 5.5 - Decarbonization Pathway
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	IFRS S2 - 16	Section 3.4 - Expected Financial Effects Across Time Horizons
	IFRS S2 - 17	Section 3.4 - Financial Effects and Climate Resilience
	IFRS S2 - 18	Section 3.4; Section 4.1.1 - Inputs and Data Sources
	IFRS S2 - 19	Section 3.4 - Financial Effects and Climate Resilience
	IFRS S2 - 20	Section 3.4 - Financial Effects and Climate Resilience
	IFRS S2 - 21	Section 3.4 - Financial Effects and Climate Resilience
	IFRS S2 - 22	Section 3.4.1 - Strategic Resilience; Section 4.1.2 - Scenario Analysis Capability
	IFRS S2 - 23	Section 5.1 - GHG Emission Methodology; Section 5.3 - Financed Emissions and Portfolio Exposure; Section 5.4 - Climate-Related Targets
Risk Management	IFRS S2 - 24	Chapter 4 - Risk Management
	IFRS S2 - 25	Section 4.1.1 - Inputs and Data Sources; Section 4.1.2 - Scenario Analysis Capability; Section 4.1.3 - Risk Assessment Methodology; Section 4.1.4 - Prioritization Relative to Other Risks; Section 4.1.5 - Monitoring and Reporting; Section 4.2.1 - Identification and Assessment of Opportunities

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Metrics and Targets	IFRS S2 - 27	Chapter 5 - Metrics and Targets
	IFRS S2 - 28	Section 5.1 - GHG Emission Methodology; Section 5.3 - Financed Emissions and Portfolio Exposure; Section 5.4 - Climate-Related Targets; Section 5.5 Decarbonization Pathway
	IFRS S2 - 29	Section 5.1.1 - Operational Boundary and Scopes; Section 5.1.2 - Calculation Framework; Section 5.1.3 - Scope 3: Financed Emissions; Section 5.3 - Financed Emissions and Portfolio Exposure
	IFRS S2 - 29A	Section 5.1.3 - Scope 3: Financed Emissions; Section 5.3 - Financed Emissions and Portfolio Exposure
	IFRS S2 - 29B	Section 5.1.3 - Scope 3: Financed Emissions
	IFRS S2 - 29C	Section 5.1.3 - GHG Emission Table; Section 5.3 - Commercial Banking Financed Emissions Table
	IFRS S2 - 30	Section 1.3.2 - Use of Reasonable and Supportable Information; Section 5.1.5 - Data Integrity & Quality Assurance
	IFRS S2 - 31	Section 5.1.5 - Data Integrity & Quality Assurance
	IFRS S2 - 32	Section 5.3 - Sector-wise Financed Emissions and Exposure Table
	IFRS S2 - 33	Section 5.4 - Climate-Related Targets and Alignment with National Priorities
	IFRS S2 - 34	Section 5.4; Section 5.5 - Decarbonization Pathway and Strategic Climate Priorities
	IFRS S2 - 35	Section 5.1.3 - Comparative GHG Emissions Table; Section 5.4 - Internal Green Finance Target
	IFRS S2 - 36	Section 5.4 - Climate-Related Targets; Section 5.5 - Decarbonization Pathway
	IFRS S2 - 37	Section 5.4 - Green Finance Portfolio Target; Section 5.5 - Strategic Climate Priorities


thank
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Mutual Trust Bank PLC™

Corporate Head Office
MTB Centre, 26 Gulshan Avenue, Gulshan 1, Dhaka 1212, Bangladesh
Tel: 880 (2) 58812298, 02-222283966 Fax: 880 (2) 222264303
E-mail: info@mutualtrustbank.com
www.mutualtrustbank.com