TMRC CLIMATE & SUSTAINABILITY STRATEGY

(EXTRACT) 2025-2029

TMRC

TANZANIA MORTGAGE REFINANCE COMPANY LTD

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1.0 INTRODUCTION

Climate and Sustainability Strategy outlines TMRC's commitment and approach to integrating environmental, social, and governance (ESG) principles into its operations from 2025 to 2029. It aligns with national development plans, global climate goals, financial reporting standards, and financial sector expectations as well as reinforcing our role in advancing housing finance in Tanzania.

2.0 STRATEGIC VISION

To act as a catalyst for sustainable and climate resilient housing finance solutions that contribute to national and global sustainability goals by integrating ESG principles across our operations, partnerships, and financial products.

TMRC believes that a responsible financial institution should:

- Contribute positively to society and the environment
- Act as a catalyst for sustainable practices within businesses and individuals
- Foster a culture of transparency and ethics in all its activities

3.0 STRATEGIC ALIGNMENT

TMRC's Climate and Sustainability Strategy has been developed in alignment with

- TMRC 2025-2029 Strategic Plan
- National Development Vision 2050
- Tanzania's national Climate Change Response Strategy (NCCRS 2021 -2026)
- National Determined Contributions (NDCs) under the Paris Agreement
- UN Sustainable Development Goals (SDGs) – especially SDG 11 (Sustainable Cities), SDG 13 (Climate Action) and SDG 8 (Decent Work & Economic Growth)
- Bank of Tanzania (BOT) Sustainable Finance Guidelines

4.0 TMRC SUSTAINABILITY-RELATED RISKS AND OPPORTUNITIES

Climate change may result in physical and transition risks that could affect the safety and soundness of the company and have broader financial stability implications in the banking system.

4.3 TMRC Sustainability Long, Medium, and Short-Term Strategies

TMRC assesses sustainability-related risks and opportunities across three strategic time horizons:

Long Term Strategies (More than 5 years)	Part of the TMRC's long-term strategy is to change the lending strategy to increase the refinancing of loans compliant to ESG. This will motivate PML to lend more sustainable compliant products. Opportunities include offering sustainable financial products and improving internal ESG practices
Medium Term Strategies (1-5 years)	This is Transition risks due to evolving regulatory and policy frameworks, market shifts toward sustainable financing, and increasing stakeholder expectations. TMRC medium term strategy is to adopt a pre-screening process of all stakeholders in the TMRC's value creation and supply chain. The pre-screening would include an environmental and social assessment of the stakeholders' processes and activities. Opportunities include establishing and expanding green financing portfolios, investing in climate-resilient infrastructure, and leveraging digital solutions for ESG reporting.
Short Term Strategies (0-1 year)	Short-term strategy is to incorporate a hybrid working environment in a bid to reduce the scope 1 emissions attributed to the business operations (i.e. paper usage, water usage, electricity usage, fuel usage etc.), regulatory compliance, reputational exposure, and emerging ESG reporting requirements. Opportunities include offering sustainable financial products and improving internal ESG practices.

4.4 Financial Implications

Sustainability-related risks and opportunities will influence TMRC financial position, performance, and cash flows as follows:

Long term
It will enhance resilience against climate and social risks by improving capital access and strengthening company reputation to stakeholders as well as supporting sustainable financial performance and stable cash flows.

Short-term
It will increase operational costs for ESG compliance and reporting, generation of initial revenue from sustainable product offerings.

Long term
It will enhance resilience against climate and social risks by improving capital access and strengthening company reputation to stakeholders as well as supporting sustainable financial performance and stable cash flows.

5.0 TMRC ESG STRATEGIC GOALS (2025 – 2029)

TMRC has defined its four (4) ESG strategic goals below:

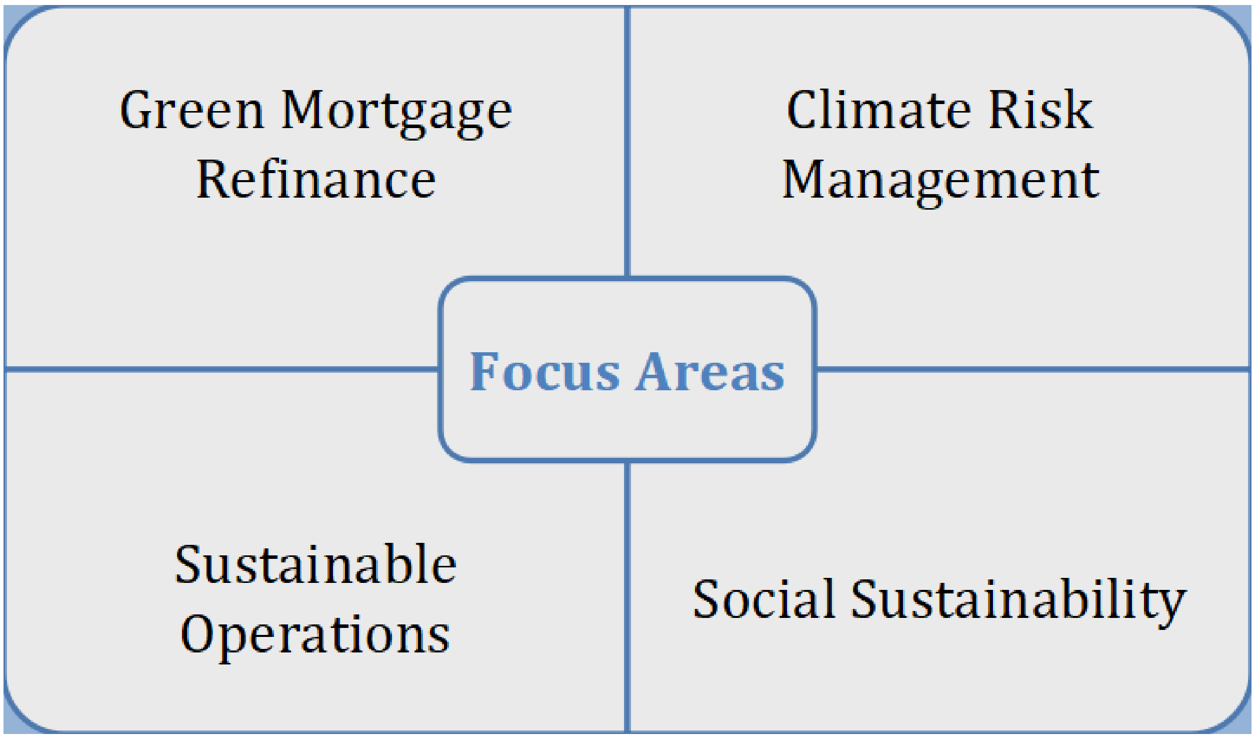
- Support development of green housing refinace products and services
- Build internal capacity on climate and ESG topics
- Support digital and resource efficient operations
- Capacity building and partnerships

6.0 STRATEGIC OBJECTIVES

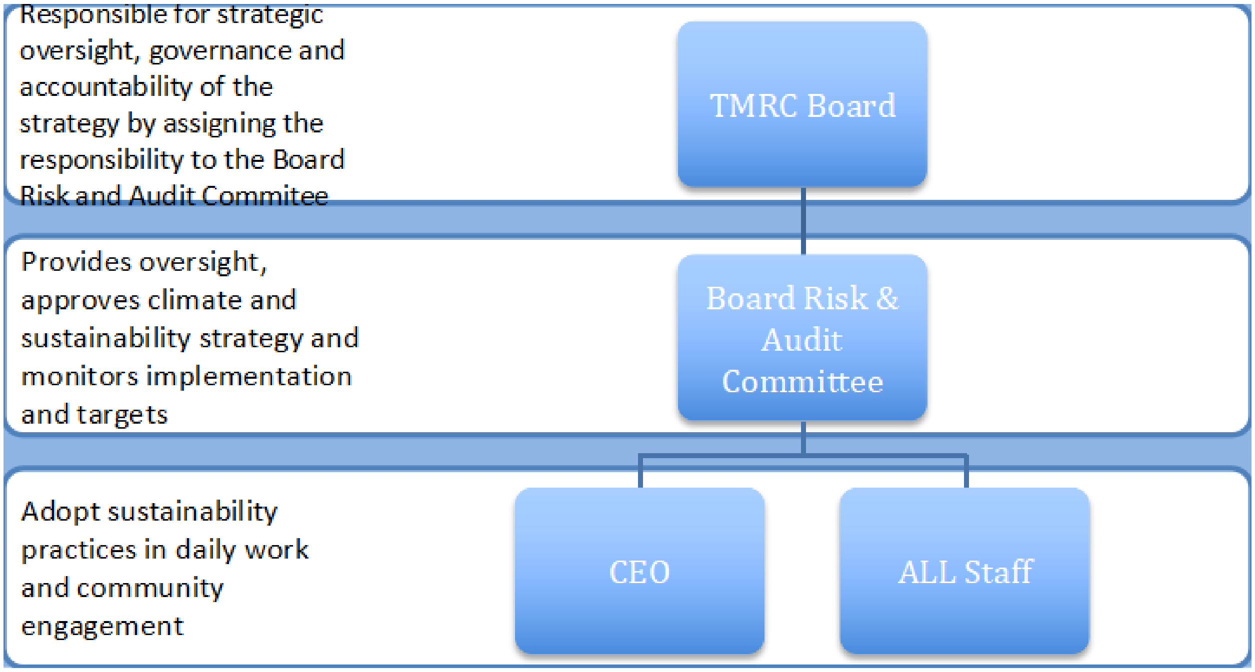
6.1 Support development of green housing refinance products and services	· TMRC GCF Accreditation to assist the company to access Sustainable financing. · Mobilize Capital for Sustainable Housing Projects that support climate mitigation, adaptation, and environmental protection (e.g., renewable energy, gender, energy efficiency). · Integrate Environmental Risk into financial decisions to encourage Banks and developers to assess climate and environmental risks in housing finance and development. · Supporting Low-Carbon and Climate-Resilient Economies by aligning financial systems with national climate goals. · Enhance Access to Finance for Housing Sectors by Improving access to finance to green finance for Banks, Microfinance and Developers.
6.2 Build internal capacity on climate and ESG topics	· Enhance Knowledge and Awareness by ensuring all staff understand climate change, ESG risks/opportunities, and their relevance to the organization. · Support ESG Reporting and Compliance by building capacity to meet regulatory, investor, and stakeholder expectations on ESG disclosures, reporting and performance. · Building internal company capacity to assess environmental risks in refinancing.

6.3 Support digital and resource efficient operations	· Enhance operational efficiency through digital transformation by Streamline internal processes, reduce manual work, and improve data accuracy using technology, · Reduce company environmental footprint of operations by minimizing use of paper, energy, water, and other physical resources, · Increase resilience and scalability of core operations by adopting cloud-based, automated systems to enhance operational flexibility and continuity.
6.4 Capacity building and partnerships	· To promote sustainable and green housing finance awareness · Foster strategic partnerships and collaborations for sustainable development · To enhance affordability and inclusiveness in housing finance · To support policy and regulatory development

7.0 KEY FOCUS AREAS OF IMPLEMENTATIONS



8.0 GOVERNANCE STRUCTURE FOR CLIMATE AND SUSTAINABILITY STRATEGY



9.0 MONITORING AND EVALUATION

TMRC will track the implementation of this strategy through annual reviews, KPIs, and periodic impact assessments. Progress will be reported to the Management Board and stakeholders through ESG and annual reports.

10. COMPLIANCE WITH THE LAWS AND REGULATIONS

TMRC Sustainability strategy aims to align with all Sustainability laws and regulations issued by the Bank of Tanzania and any other applicable laws and regulations.

11. IMPLEMENTATION ROADMAP

The strategy will be rolled out in three phases:

Phase 1 (2025 - 2026)	Phase 2 (2027 - 2029)	Phase 3 (Beyond 2029)
Foundation - develop frameworks, tools, and pilot initiatives	Expansion - key scale successful pilots, integrate across operations and mobilization of sustainable	Consolidation - institutionalize practices and prepare next strategy