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“Companies must embrace the ever-developing sustainability and ESG environment for business success in 2023. From company executives to everyday consumers, business stakeholders are considering ESG criteria when making financial decisions. Companies that fail to embrace sustainability and ESG efforts will inevitably see dwindling profits and fewer investors. Here are four ESG trends that executives, industry leaders, and IT teams need to be aware of in 2023:

- 1. Circular economy model:** Consumers and producers alike increasingly seek to extend the product lifecycle via the circular economy model. Innovating the product design process and paying attention to the end-of-life disposal implications are worthy considerations. For IT systems, keeping track of and minimizing e-waste is crucial.
- 2. ESG materiality assessment:** Companies just starting on their sustainability journey should consider conducting an ESG materiality assessment to inventory the greatest sustainability-related impacts and needs for the company. By mapping potential ESG issues (greenhouse gas emissions, energy and water usage, etc.) on a quadrant by the level of importance and the level of impact, companies can demonstrate their intentional efforts and goals to investors and consumers.
- 3. Sustainable supply chains:** A major focus of ESG-conscious investors is the sustainability of the company's supply chain. Companies will be increasingly called upon to show data on the environmental impacts of supply chains and their efforts to improve. In fact, for many investors,

demonstrating an eco-friendly supply chain is no longer sufficient alone. Companies must be proactive in working with ESG-conscious third-party vendors, suppliers, and manufacturers to demonstrate that their ESG efforts are holistic.

- 4. Responsible AI:** As the integration of AI into the business world grows, so will the degree of potential business harm. With AI regulation lagging behind, companies have the opportunity to be forthcoming about their use and goals for AI to investors and consumers. Transparency around AI will increase the confidence investors have in the company.

In a globalized world, not only do investors and consumers have greater access to information but they demand more information from companies as well. Sustainability and ESG are NOT a trend -- they are the new framework of the business world. To ensure long-term success, companies must proactively position themselves at the forefront of sustainability and ESG efforts or run the risk of getting left in the dust.”

Barloworld Mongolia



The company has restructured the CSR committee and renamed it as Corporate Social Investment (CSI) to reflect the true nature of its activities. Committee now has 7 members of which the new chairwoman N.Udaanjargal was elected. The committee will focus on children & youth education, environment, and employment related initiatives for this year. For May 2023, BWM had sponsored and participated in the Tree plantation Service Day by AmCham, which was an important event to address the climate change and combat the global warming.

In spirit of International Children's Rights Day, we've prepared and delivered 100 – newborn gift bags for Umnugovi aimag maternity clinics in Gurvan-Tes, Khanbogd, Tsogt-Tsetsii and Dalanzadgad. The gift bag contained milk stimulating tea and wholewheat biscuit for moms, re-usable cotton diaper, hat, and socks for newborns, all packaged in cotton bags. We hope that our heartfelt small gifts will be enjoyed by the recipients, and we wish good health, prosperous and sustainable future for all the children in Mongolia.

AMCHAM SERVICE DAY 2023

Every year, in the second week of May, AmCham Mongolia's Corporate Social Responsibility Committee organizes a tree-planting event. This year, more than 80 representatives and three supporting organizations planted 200 maple trees at National Garden Park, supporting the efforts of the nationwide One Billion Trees campaign.

AmCham Service Day is held to support the development of green spaces, encouraging the community of more than 70 member organizations to combat the effects of global warming and climate change. AmCham Mongolia unites the voices of the private sector and organizes activities benefitting the public as part of its commitment to social responsibility. We would like to express our sincere gratitude to Barloworld Mongolia, Herbalife Mongolia, and Oriflame Mongolia for supporting our cause.

PARTNERED WITH



CAPITRON BANK, CU, AND CREDIT GUARANTEE FUND TO GRANT LOANS TO WOMEN ENTREPRENEURS

Capitron Bank, a supporter of sustainable development, has signed a cooperation agreement for franchising loan products for women entrepreneurs to support projects and business activities that are important for environmental and social development. Specifically, in order to meet the financial needs of women entrepreneurs and support them in doing business, Capitron Bank Executive Director B. Urtsaihbatar, Central Express JSC Executive Director G. Chinzorig, and Credit Guarantee Fund Acting Executive Director S. Tsogetsaihan saw the above agreement. With the signing of this agreement, Capitron Bank will provide loans to women entrepreneurs who are eligible for CU franchise loans and will be guaranteed by the Loan Guarantee Fund. In this way, it is important to provide flexible, favorable terms, low-interest loans to women entrepreneurs, to increase the participation of women in the business sector, to create their leadership, to contribute to the improvement of living standards, and to support sustainable business operations.





Healthy Forest Project - Saving 1.1 billion Trees in Mongolia

Rio Tinto Mongolia is combating forest defoliators to save Mongolian Forest. Rio Tinto will contribute MNT 7.4 billion to support the project, overseen by the Ministry of Environment and Tourism (MET) of Mongolia and implemented by the International Conservation Caucus Foundation (ICCF). Over 2 years, the project aims to treat 300,000 hectares of impacted areas through aerial spraying, reducing the number of forest defoliators.

The Healthy Forest Project, is the first major component of the Memorandum of Understanding on Cooperation to Combat Climate Change and Desertification signed between the MET and Rio Tinto Mongolia.

Mongolia's forest-covered area currently comprises 7.9% of its territory. Recent research conducted by MET revealed severe outbreaks of defoliators in 2022 due to climate change and Covid-19 restrictions. Without immediate action, up to 700,000 hectares of forest area will suffer severe degradation.

With the help of ICCF experts, the project will introduce international techniques to increase treatment efficacy by 90%, develop university programs for training specialists, and share best practices in sustainable forest management. These measures aim to protect Mongolia's forests and ensure their conservation for future generations.



WASTE CLEANING CAMPAIGN PROGRESS UPDATE:

HANBOGD SOUM TO OYU TOLGOI



We are excited to update you on the waste cleaning initiative along the 40 km road from Hanbogd Soum to Oyu Tolgoi. Our goal is to reduce environmental pollution and clean accumulated waste in the area. Currently, our team in Khanbogd Warehouse have cleaned 23 km of the road, removing 10 cubic meters of waste through 3 trips. This waste has been disposed of at the centralized landfill in Soum, following proper environmental guidelines.

We appreciate the hard work and dedication of our team members involved in this initiative. Your efforts contribute to a cleaner and healthier environment for our community.

This project is ongoing, and we will provide regular updates on the progress made. Together, we can achieve our environmental management goals and create and contribute to sustainable future.

SANDVIK MONGOLIA CONTINUES SUPPORT FOR

NATIONAL MOVEMENT TO PLANT “A BILLION TREES”

Sandvik Mongolia is delighted to once again join forces with the American Chamber of Commerce (AmCham) in their annual tree planting campaign, supporting the President’s initiative to plant “A Billion Trees” and combat the consequences of climate change.

This marks the second consecutive year that Sandvik Mongolia has actively participated in this meaningful event. On Saturday, 16 May, 2023, our dedicated team, alongside members of AmCham, gathered at the National Garden Park to contribute to the ongoing tree-planting efforts. Building on the success of the previous year, we planted 200 trees, demonstrating our commitment to fostering a greener and more sustainable future.

We recognize that planting trees is just the beginning of the journey toward combating climate change. It is equally crucial to nurture and care for these trees to ensure their healthy growth and long-term benefits. Therefore, in collaboration with the National Garden Park staff, we have pledged to regularly water and maintain the trees we have planted, ensuring their continued vitality.

We would like to express our deepest gratitude to all our employees who actively participated in this initiative for the second year in a row. Your unwavering dedication and support exemplify Sandvik Mongolia’s commitment to environmental sustainability and addressing the global challenge of climate change.

We firmly believe that each individual has the power to make a difference. By being mindful of our actions and consciously reducing our carbon footprint, we contribute to the global effort to address climate change. We encourage all our employees to continue supporting initiatives like AmCham’s tree planting event and join us in making a positive impact on our environment.

Sandvik Mongolia is proud to be part of this important movement, striving to create a sustainable and resilient world for future generations. Together, let us cultivate a greener tomorrow, one tree at a time.



STATE BANK CALLS FOR INHERITANCE FOR A GREEN FUTURE



Since 2018, employees of State Bank have been running the 'Gyals Eco-Clean up' campaign to call for organizations and the public to protect the environment and reduce their negative impact on the environment, urging them to love the Earth and inherit a green future for the next generation. In recent years, environmental degradation such as global warming, greenhouse gases and desertification have become an issue of considerable concern not only internationally but also for our country. Eighty percent of Mongolia's territory is affected by desertification. According to a study, 51 percent is caused by natural and climatic changes and 49 percent by human factors. State Bank, which has branches throughout Mongolia, with the participation of its 4,000 employees from 500 branches, has cleaned up rivers, lakes, ponds and basins located in 21 provinces, 335 soums of Mongolia and nine districts of Ulaanbaatar city as part of the "Gyals Eco-Clean up" campaign implemented since 2018. During

the national clean-up weekend, 27,580 hectares of land, including the Tuul and Selbe river basins, were cleaned and more than 3,600 tonnes or approximately 2,000 lorry loads of rubbish were removed in the provinces and the capital city. In 2022, the Tuul River Basin Authority under the Ministry of Environment and Tourism awarded the State Bank a certificate of appreciation for its valuable contribution to protecting the Khatan Tuul River, which is a source of drinking water for residents of the capital, and its clean up the Khatan Tuul River Basin with the full involvement by leading government and non-governmental organization. State Bank, which has been transformed into an open joint-stock company by leading the systemically important banks in Mongolia, offers its customers "Gyalsbank" services with paperless technology as well as eco-friendly Green products in addition to that clean-up.

AmCham Members in 2023

