



AMCHAM ^{e-journal} CSR

ISSUE 02 DECEMBER 2020

AIR POLLUTION

Featuring CSR project of
AmCham members S&Royal
Group and Seruun Group

WHAT IS INDOOR AIR POLLUTION



S & Royal Group Mongolia

About the company Gascom

Компанийн тухай:

At a time when global development trends are based on new energy sources and technological advances, Gascom LLC was established in 2013 to address the long-standing problem of air pollution in Mongolia. It has been studying international experience since its establishment and has been implementing the Gas Solution project since 2018. Our company adheres to the ISO14001 standard and introduces the world's leading Japanese technology to Mongolia. We provide comprehensive services for the sale, installation, gas supply, maintenance, and operation of gas heating equipment, regardless of geographical location, climate, and the size of buildings and facilities.

We have established professional cooperation with relevant organizations and cooperate with many domestic and foreign organizations, such as ministries and government agencies, Specialized Inspection Agency, Khan Bank, State Bank, Mongolian University of Science and Technology (MUST), and the German cooperation agency GIZ. Within the framework of Gascom's social responsibility project for the education sector, a comprehensive engineering project has been developed to solve air and soil pollution, not only in Ulaanbaatar but also in province centers, and to train, retrain, and train personnel in cooperation with MUST, which trains many Mongolian engineers. There are further opportunities to work closely with innovative product developers.

Director's greetings

Our company was established in 2013 with the aim of introducing environmentally friendly and clean technologies to reduce greenhouse gas emissions in Mongolia, and has implemented many projects and programs in cooperation with domestic and foreign companies. Since 2018, we successfully implemented the Gas Solution project, a gas-powered heating solution developed to tackle the major challenge of air pollution that has faced Mongolia for more than 30 years. The project covers not only Ulaanbaatar but also the 21 provinces and 330 soums. The Government of Mongolia supports our work, and we believe that working with international organizations to implement the project is an important and timely step. I am confident that the time will soon come to see the clear, blue sky of my hometown of Ulaanbaatar. We will provide comfort wherever you are.

Founder: D. Serjbudee



Social responsibility:

In 2020, due to the difficult economic situation in the country and the work being done to improve air quality in the capital, we worked to replace coal heating in remote public schools, kindergartens, fire departments, family group practices, and health centers that cannot be connected to central heating lines. We funded the start of installation for an integrated heating system within the framework of our corporate social responsibility policy. We believe that the implementation of this project will not only create a healthy and clean environment for children, teachers, and staff, but will also make a valuable contribution to reducing air and soil pollution in Ulaanbaatar.



“ As of November 2020, gas heating has been successfully installed in 11 state-owned schools, kindergartens, and offices located in the capital city. By converting these facilities to gas heating, we were able to eliminate 2,394 tons of raw coal used per year, 6,387 tons of CO2, and 511 tons of ash and dust. Now, 1,760 students and 437 employees have clean air to breathe, and can be educated and work in a healthy and comfortable environment.

We plan to continue this social responsibility project in 2021.

CSR policy:

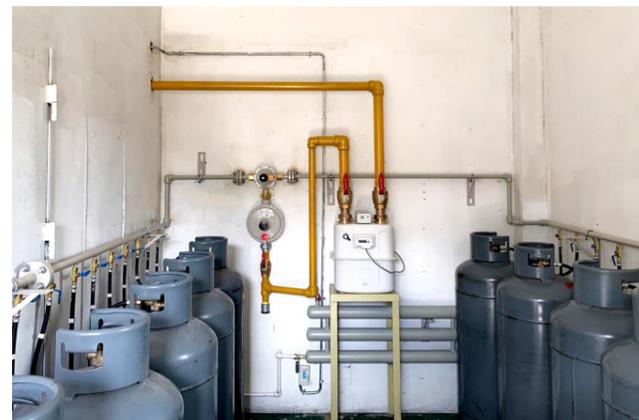
Comment:

I would like to express my gratitude to the staff and founder of Gascom LLC, D. Serjbudee, for introducing one of the best technologies in the world, smart gas technology, and creating a good living and working environment.

Our school has been around for years, using traditional, solid fuels. Using time-saving, economically beneficial, healthier, and ecologically friendly smart technology protects our water and soil, and simplifies manual labor.

Our school is located in a ger district area, and our students could smell the coal smoke every time they came to class. Our throats were sore, our eyes watered, and it was difficult to breathe.

With the use of this technology, our teachers, staff, students and parents have become healthier, happier, and more motivated. Because we have learned from this that it is important to create a warm and comfortable environment, in addition to a positive attitude at the school, which is second home for many.



SERUUN GROUP

AND CORPORATE SOCIAL RESPONSIBILITY

1. BRIEF INTRODUCTION:

The history of Seruun Group dates back to Seruun LLC, which was established in 1991 with a small number of employees repairing household appliances. More than 20 years after the establishment of Seruun Group, which accounts for a large share of the Mongolian ventilation, heating, cooling and ventilation market, in 2015, Seruun Service LLC was responsible for after-sales service, and in 2016, the supply and installation of refrigeration equipment. Seruun Khurgult LLC, a repair service provider, and Seruun Industry LLC, a manufacturer of ventilation steel, pipes, and fittings, were established in 2017 to become a group company.

Seruun Group received an award from Forbes Mongolia for being the fastest growing company in Mongolia in 2019. In 2019, we expanded our operations and established the subsidiary Seruun HVAC Inc., in Los Angeles, California, to bring the skills of Mongolian engineers to the international market.



2. CORPORATE SOCIAL RESPONSIBILITY POLICY:

We are aware of our ethical and social responsibilities as we deliver for our stakeholders on our efforts to improve the quality of the air we breathe, which is fundamental to human health.

As part of the company's corporate social responsibility policy, Seruun focuses on raising awareness about indoor air quality, supporting air quality professionals and training, introducing international experience and know-how to the country, and delivering the best internationally proven products and services to its customers.

3. ACTIVITIES IN THE FIELD OF SOCIAL RESPONSIBILITY:

Seruun Group has been focusing on corporate social responsibility for the past five years, including:

- Accountability to employees;
- Care and protection of the environment;
- Introducing the best practices of international organizations to improve air quality in Mongolia;
- Improving indoor air quality;
- Reducing health problems caused by air pollution for future generations;
- Implementing practical projects to support the training and research of air quality specialists.



3.1 ACCOUNTABILITY TO EMPLOYEES

- Seruun Group has more than 100 employees and is always open to providing opportunities for its employees to grow and participate in social services, such as social insurance, accident coverage, health insurance, and medical examinations.
- Seruun Group is in the process of implementing the ISO 9001 international quality standard and is planning to introduce the ISO 45001 standard for international HSE management systems, while updating and implementing the company's policies, goals, and objectives, as well as operating procedures and instructions.
- With an OHS manager and OHS-certified site engineers, we work an average of 12,000 person-hours per year on major construction projects in the country without any accidents.

3.2 CARE AND PROTECTION OF THE ENVIRONMENT

•• Mongolia is gradually reducing and eliminating the use of ozone depleting substances (CFCs) and hydrochlorofluorocarbons (HCFCs), which can cause serious damage to the world's ozone layer, but the substitutes for these substances can still contribute to global warming and climate change. Therefore, Seruun Group is introducing the latest environmentally friendly and ozone-friendly equipment to the market. Daikin's Ururu Sarara air conditioners and Daikin Altherma heat pumps, from the world's leading producer of air conditioning technology, have been supplied to the Mongolian market since 2018, to supply heating, cooling, and hot water to private homes, equipped with R-32 coolant. The coolant does not contain any ozone depleting substances and has a relatively low ability to affect global warming.



- We supply heating, cooling, and ventilation equipment based on the latest AAAA+, energy-saving advanced technology. We provide consumers with the opportunity to save energy and protect the environment by creating energy-efficient and environmentally friendly technology options.
- We work closely with the National Ozone Office to control and reduce the use of ozone depleting substances.

3.3 INTRODUCING INTERNATIONAL BEST PRACTICES IN MONGOLIA

- Seruun Group has exclusive rights to Carrier USA, Toshiba Japan, Daikin, LG Korea, Bitzer Germany, Guntner Germany, VTS Group Poland, Ostberg Sweden and Haier China in Mongolia. The best products and services in the heating, cooling, and ventilation market are delivered to Mongolia promptly, and at the same international market prices.
- We officially became a member of the International Indoor Air Quality Association in 2019, and constantly receive information about research and new, advanced products designed to improve indoor air quality, providing this knowledge and information to local experts.
- With the experience sharing between Seruun's subsidiary in the United States and its Mongolian counterparts, we openly share with the public the challenges and achievements of Mongolian companies in the international market, in terms of technology. We also regularly share our American experience with our Mongolian subsidiaries to encourage Mongolian engineers to work in the American market.

3.4 IMPROVING INDOOR AIR QUALITY

• Eighty to 90 percent of human life is spent indoors, and the Mongolian Indoor Air Quality Association, in cooperation with professional experts, worked with professional experts in 2019 to disseminate knowledge and information on the latest developments in indoor air quality in Mongolia, working in cooperation with professional organizations. The organization was co-founded in the spring.

• Seruun is responsible for ventilation projects in major buildings in Mongolia and special projects, working in cooperation with the world's leading brands and international partners in the field of ventilation, heating, cooling, and air conditioning. These include Naadam Center, Zaisan Hill, Bishreft Hotel, Naran Shopping Center, Naran Place, IMAX Cinema at Shangri-La Centre, Urguu Cinema in Darkhan, Prime Cineplex, Ikh Mongol Plaza, Mobicom Head Office, Zaisan Square, Novotel Hotel, and House Cinema in Erdenet. Office building projects include ICC Tower, Central Tower, MPM, and DAKO Center. Special purpose projects include the New Ulaanbaatar International Airport in Khushigt Valley, Khan Bumbat Airport, Intermed Hospital, and Mobicom Data Center. Among the country's mining projects, the Oyu Tolgoi underground mine building's ventilation and cooling system and the Energy Resources LLC heavy machinery maintenance building's ventilation system were completed.

• To date, we have completed the Ice House Project, the Arcadia Garden Luxury House Project, the Emerald Service Center Construction Project, and the Good Price supermarket and Agape Hospital in Shangri-La Mall. We are working to increase the number of building projects.



• We are cooperating with professional and socially responsible organizations to improve indoor air quality to have our professional voice heard. Seruun Group companies are official members of the Mongolian National Construction Association, the Mongolian Builders Association, Mongolian Chamber of Commerce and Industry, Mongolian Construction Designers Association, National Ozone Service, Refrigeration Association, Mongolian Indoor Air Quality Association, and the American Chamber of Commerce in Mongolia.



3.5 REDUCING HEALTH PROBLEMS CAUSED BY AIR POLLUTION FOR FUTURE GENERATIONS

• We organized the Childhood in the Wall symposium to discuss the issue of ventilation in schools and kindergarten buildings, exchanging views with representatives from more than 100 professional organizations, and raising awareness of the need to improve ventilation standards at educational institutions.

• The National University of Mongolia and the United States signed a memorandum of understanding with the Mongolian Chamber of Commerce and Industry to improve the ventilation of kindergartens and schools, and to take step-by-step measures to protect the health of future generations of Mongolians.

• We are working to measure the air quality of kindergarten buildings in the capital city, to issue reports, conducting research and analysis in the field of rating, and submitting our proposals to the Ulaanbaatar Governor's Office.

• The Seruun Group is working to study conditions in the most polluted kindergartens in order to complete and install a free ventilation system for one kindergarten.

3.6 SUPPORTING THE TRAINING AND RESEARCH OF AIR QUALITY SPECIALISTS

• In 2019, the Construction Industry and Ventilation Meeting, an international experience exchange, was organized in cooperation with the Japanese brand Daikin, with the participation of major representatives from the construction industry.

• We disseminated interviews and advertisements featuring professional experts through the Mongolian Indoor Air Quality Association.

• We regularly cooperate with professional organizations that conduct training and research to determine indoor air quality, and recommend indoor air quality measurements and collect data to find air quality solutions.



E.BULGANTAMIR:

MAINTAINING THE QUALITY OF THE AIR WE BREATHE IS OUR GREATEST RESPONSIBILITY



ACH: Looking at the big picture for Seruun Group's social responsibility work, it's a very important job to decide whether the air we breathe is good or not. How well do you think you are fulfilling your responsibilities?

E.B: As part of our mission to be a leader in our field, we plan to focus on improving air quality – including indoor air quality, providing people with information and connecting professionals. We have defined our corporate social responsibility policy and realize that maintaining the quality of the air we breathe is a huge responsibility for our society.

ACH: Of course, the ambient air depends on many factors that aren't dependent on us. However, it is possible to manage, change, and improve indoor air quality.

E.B: Since the establishment of the Indoor Air Quality Association, special attention has been paid to the ventilation of kindergartens and schools. What's the reason for this?

For many years, we've been acting as if we have to send our children to kindergarten to catch a cold or an infectious disease. Ultimately, this is due to the fact that dozens of children are kept in classrooms for long periods of time without adequate ventilation. This poses a risk of becoming a fundamental health issue for future generations of Mongolians. We don't want to sacrifice our children to poor ventilation planning and inadequate system failures. As it was decided that we would start from scratch, we will monitor and set ventilation standards in schools and kindergartens to gradually upgrade their ventilation systems through public-private partnership.

ACH: Are we close to the international level with our experience and knowledge of indoor air quality?

E.B: Seruun Group will celebrate its 30th anniversary next year. There are many international organizations that trust us, in the sense that they have a lot of experience. We deliver all the latest

developments to our country without delay and at the same prices. In addition, we've become an official member of the International Indoor Air Quality Association and regularly attend annual conferences in the United States. Mongolia's air pollution is catastrophic, so there are long-term plans to discuss this issue at the international level. We need to do some research on how air quality in Ulaanbaatar affects the indoor environment, especially in the winter – at home and in the office, and what the health and economic consequences are. In this sense, we strive to keep up with international knowledge. Most importantly, we plan to focus on providing information to decision makers in government next year. It is important that decision makers have the right information.

ACH: Improving air quality will, of course, require a wide range of interventions. Are there any active supporters?

E.B: As soon as our large-scale kindergarten ventilation project is ready for execution, we'll offer to cooperate with the Ulaanbaatar government and measure and classify the air quality of all kindergartens in the capital. After that, we hope to encourage businesses to work together to improve the ventilation systems and equipment at the most polluted kindergartens. We are thrilled that the American Chamber of Commerce in Mongolia has supported our initiative in every way and has expressed its support for our member organizations.

ACH: Would you like to share more about Seruun Group's recent projects and programs?

E.B: We recently opened a subsidiary in the United States. The team is preparing its team to be successful in engineering in foreign markets. We have a vision to move forward step by step, to develop the knowledge and skills of our engineers, and to prepare the skills of Mongolian engineers to be recognized at the international level by employing, training, and practicing in the American market.

our members in 2020

