



SUSTAINABLE DEVELOPMENT REPORT





VISION



**Mongolia's Global
Benchmark Bank**

MISSION



**The Genesis of
Prosperity**

STRATEGY



**Customer-Centric
Bank**



Content

Introduction

7-9

-
- Executive management commitment

Sustainability management system indicators

11-22

-
- Sustainable finance
 - Governance structure and monitoring
 - Sustainable development policy
 - Sustainable development impact assessment
 - Organization capacity
 - Sustainability reporting and verification

Environmental indicators

23-29

-
- Energy
 - Greenhouse gas emissions
 - Climate change
 - Water
 - Waste management
 - Biodiversity

Social indicators

31-44

- Satisfactory and sustainable job retention
- Capacity building
- Equal opportunity
- Accessible environment and inclusion
- Social responsibility and transparency
- Sustainable supply chain management



Governance indicators

45-50

- Corporate governance
- Corruption and ethics
- Compliance/Legal enforcement
- Stakeholder engagement



Sector specific indicators

51-59

- Financial services
- Additional specifications





SUSTAINABLE DEVELOPMENT

REPORT 2022



Promote sustainable
business



Focus on social and
environmental issues



Create satisfactory job
retention

INTRODUCTION

Golomt Bank continuously supports Sustainable Development, which is one of the main strategic areas. Within this framework, it reported the results of internal and external activities carried out in 2022 in accordance with the ESG and Sustainability Reporting Guidelines.

You are welcome to reach out via sustainablefinance@golomtbank.com to leave questions or suggestions related to the report and the activities implemented. You can also get acquainted with the latest activities of the Golomt Bank's sustainable development framework and social responsibility at www.golomtbank.com / About Us / Sustainable Development section.





Letter from the Chief Executive Officer

I am grateful to present the 2022 Golomt Bank's Sustainable Development Report to our dear customers, partners, and employees.

We live in a critical era where global attention is focused on the implementation of sustainable development goals, and the participation of every individual and organization is important in protecting the environment against the detrimental impacts of climate change. Golomt Bank contributes

to global and national sustainable development goals, while acting as a responsible entrepreneur by financing projects and programs that promote environmental and societal well-being.

For example, in 2022, Golomt Bank strengthened its sustainable development governance by implementing structural reforms and establishing a dedicated Sustainable Finance Department to enhance the

effectiveness of both the Gender Equality Committee and the Sustainable Development Committee.

Within the scope of environmental and social (E&S) risk management, Golomt Bank has issued 667 business loans with 71% of them having been subjected to E&S risk assessment. We are learning how to measure the GHG emissions and water impact of our business portfolio, and implementing the defined methodology in our operation.

EXECUTIVE MANAGEMENT COMMITMENT

The bank has identified sectors and areas that require particular attention in terms of their environmental impact. Based on the Green Taxonomy of Mongolia, Golomt Bank's green loan balance in 2022 accounted for 2.6 percent of the total loan portfolio. This signifies our commitment to supporting and collaborating with our customers on their green sustainable projects through our products and services. Golomt Bank organized comprehensive

training sessions on sustainable finance and environmental and social risk assessment, totaling 8,702 man/hours, aimed at enhancing the employees' capacity in sustainable development, while integrating daily renewable energy usage and sustainable waste management into our internal operations. We would like to express our gratitude to our customers, partners, and employees who have played a significant role in contributing

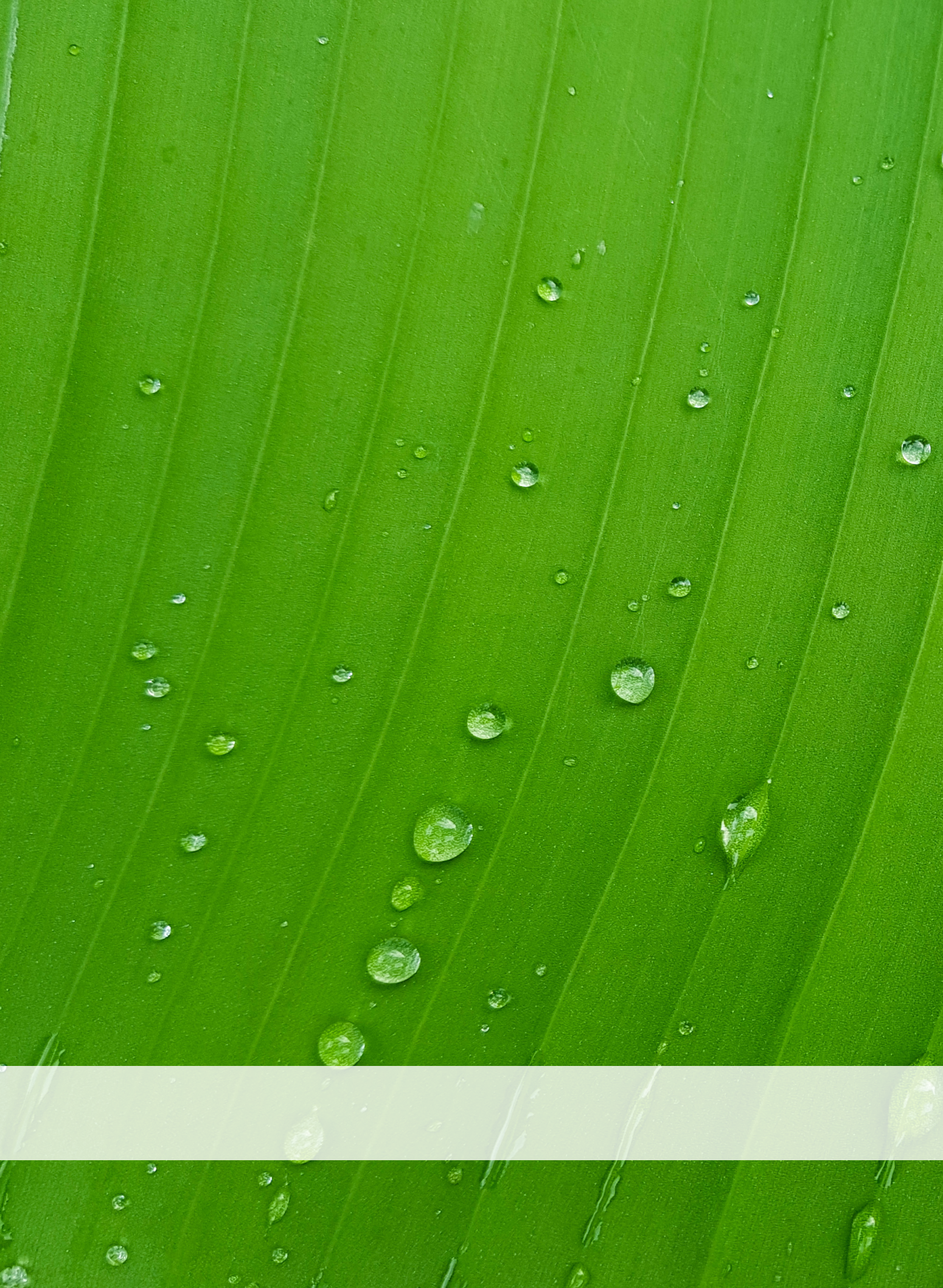
to our ongoing journey toward sustainable development.

Moving forward, we are dedicated to expanding the scope of our work in alignment with the Sustainable Development Goals and openly reporting on the progress made and implemented.

Respectfully,



Chief Executive Officer
Norihiko Kato





Sustainability management system indicators



Sustainability management system indicators



SUSTAINABLE FINANCE

In 2022, out of a total of approximately 667 business loans issued:



- 71% were assessed for E&S risk
- 29% were ordinary

In 2022, Golomt Bank approved and implemented the "Internal Procedures for Environmental and Social Risk Assessment", which made procedural improvements to identify unacceptably high risks within the E&S framework, developed specialized assessment models for over 400 economic sectors and introduced a green loan assessment model that places significant emphasis on E&S risk assessment.

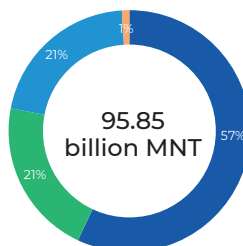
Additionally, Golomt Bank has become a member of the "Partnership for Carbon Accounting Financials," an

international standards organization that focuses on calculating GHG emissions and is incorporating this methodology into its loan assessments. In the reporting year, we have identified carbon dioxide intensive sectors and introduced a methodology for calculating GHG emissions, as well as calculating GHG emissions for each loan in these sectors. By doing so, we created an opportunity to collaborate with our customers to explore ways to reduce GHG emissions in their operations.

As part of our sustainable development strategy, Golomt Bank is actively pursuing

various goals, including expanding the green loan portfolio, increasing external investments in sustainable and green projects, and enhancing awareness among employees and customers regarding sustainable finance. In line with these objectives, we introduced several new products to the market in 2022, including Sustainable and Green Business Loans, Green Building Loans adhering to the International EDGE Standard, and Eco-car Loan products.

As of the fourth quarter of 2022, Golomt Bank's green loan portfolio amounts to 95.85 billion MNT.

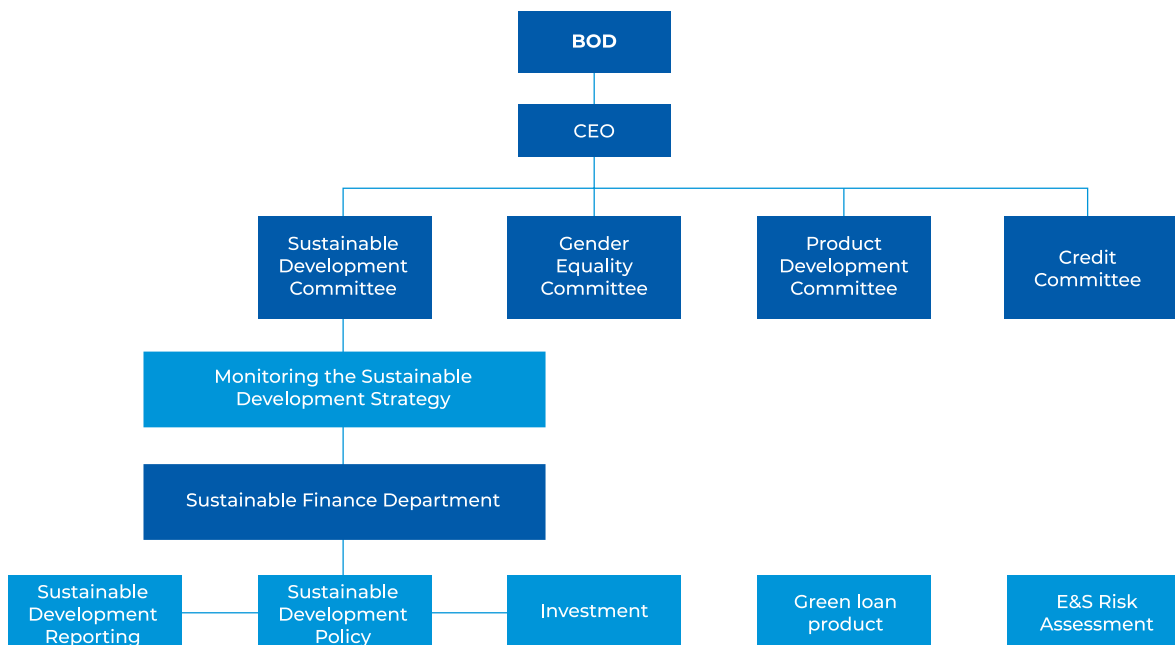


- 57% Green building
- 21% Sustainable agriculture
- 21% Sustainable water and waste management
- 1% Others

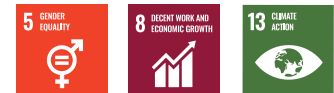


**Sustainability management system
indicators**

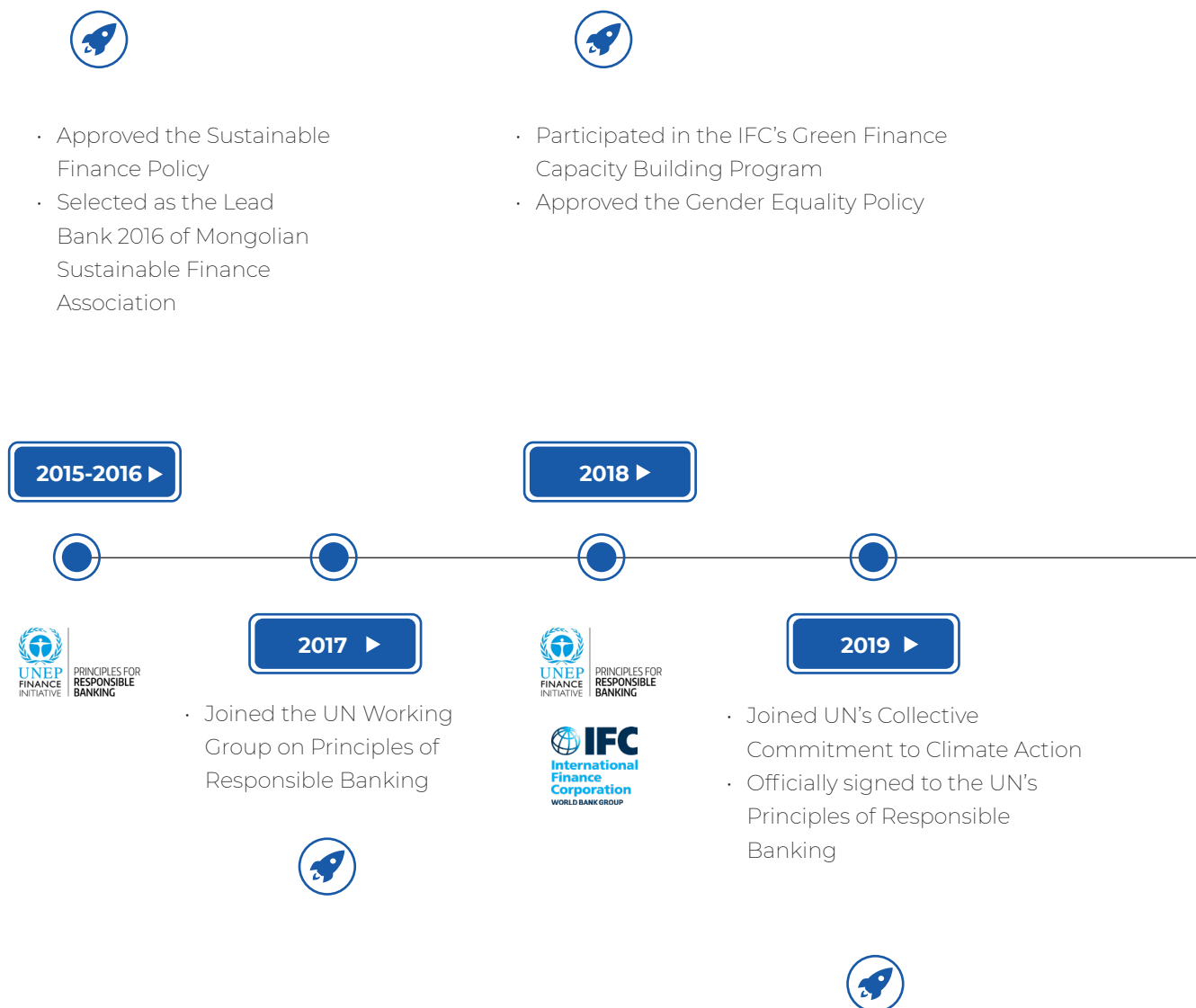
ORGANIZATIONAL STRUCTURE FOR SUSTAINABLE DEVELOPMENT



Sustainability management system indicators



SUSTAINABLE DEVELOPMENT TIMELINE





Sustainability management system indicators



- Established the Gender Equality Committee
- Renewed the Sustainable Development Policy
- Awarded as the "Featured Sustainable Finance Bank" by the Bank of Mongolia
- Enhanced the Bank's Environmental and Social Risk Assessment Methodology

2020 ▶



- Established the Sustainable Finance Department
- Issued green loan products
- Published the "Sustainable Development Report 2021"
- Published the Responsible Banking implementation report
- Awarded as the "Featured Sustainable Finance Bank"

2022 ▶



2021 ▶

- Selected as the Lead Bank 2021 of Mongolian Sustainable Finance Association
- Established the Sustainable Development Committee
- Published the "Sustainable Development Report 2020"
- Approved the Sustainable Development Strategy 2022-2025
- Initiated leadership activities to support women entrepreneurs





Sustainability management system indicators

GOVERNANCE STRUCTURE AND MONITORING

Sustainable Development Policy

Golomt Bank first approved and implemented the "Sustainable Finance Policy" in 2015, which was later updated to the "Sustainable Development Policy" in 2019. The bank continues to reflect environmental and social friendly policies in its internal and external operations. In addition to adhering to

the "Principles of Responsible Banking" set forth by the United Nations Environment Programme Finance Initiative, we prioritize environmental and social considerations aligned with the Sustainable Development Goals throughout our operations. The bank is working on its sustainable

development policy to incorporate environmental and social responsibility and risk management into various aspects of our internal operations, credit operations, marketing efforts, training and development initiatives, and human resource practices.

Sustainable Development Committee

In 2022, Golomt Bank established its Sustainable Development Committee through executive management committee decision No. 27, dated November 17, 2021. The committee is responsible for overseeing and managing the implementation of the bank's

sustainable development strategy. It convenes on a quarterly basis to address both internal and external matters related to sustainable development and green finance. The committee focuses on resolving issues aligned with the Sustainable Development Goals, ensuring

strategic alignment with the Paris Agreement, monitoring the implementation of responsible banking principles, and enhancing bank supervision and reporting. The CEO leads the committee, with the support of the Sustainable Finance Department, serving as the committee's secretariat.

**Sustainability management system
indicators****Gender Equality Committee**

The "Gender Equality Committee" was established in 2021 with the primary objective of promoting gender equality and addressing the challenges faced by customers, while also contributing to economic development. The committee, comprising of the executive management team, convenes quarterly to enhance and expand access to financial services, empower individuals to generate income and establish sustainable businesses, provide financial

support, advocate for gender equality to amplify women's voices and actively engage in initiatives aimed at social welfare. The Golomt Bank's Sustainable Development Strategy includes the objective to ensure gender equality. In order to increase the product portfolio for women entrepreneurs, Committee Decision No. 21/03, dated December 21, 2021, led to the establishment of a dedicated Sustainable Development Department, bringing

change to the committee's secretariat. Furthermore, as part of its strategy, the bank has established the goal of becoming a gender-responsive financial institution. In line with this objective, the bank has planned various activities including research, policy development, and internal training throughout 2022, with the aim to implement these initiatives from 2023 and onwards.

**Sustainability management system
indicators****A Brief Note About the Sustainable Finance Department**

The Sustainable Finance Department is responsible for monitoring and enforcing the Bank's Sustainable Development Policy and Strategy, as well as its implementation and reporting. The department also ensures the implementation of the "Principles of Responsible Banking" throughout the entire bank, creating sustainable financing.

Initially, this role was handled by the Project Financing Department, and then by the Financial Development Department. It was re-established as the Sustainable Financing Department in 2021 in order to intensively support sustainable development at the suggestion of the Board of Directors and Executive Management of Golomt Bank. The department spearheaded the development of

Golomt Bank's "Sustainable Development Strategy 2025," which received approval from the "Sustainable Development Committee" in 2021. In addition to monitoring and establishing implementation requirements for the strategy, the department oversees the execution of activities and decisions made by the "Sustainable Development Committee" and the "Gender Equality Committee."



SUSTAINABLE DEVELOPMENT IMPACT ASSESSMENT

- Golomt Bank has strategically prioritized Sustainable Development and aligns its operations with the SDGs, National Determined Contribution, and Principles of Responsible Banking.
- Using the UNEP FI's banking sector impact analysis methodology, we conducted an assessment of the environmental impacts of our loan portfolio. The analysis revealed that water and climate change impacts were particularly significant. In 2022, we undertook several key initiatives to address these impacts, including

Climate change:

- Identified building materials production, energy and heat production, mining, and land transportation sectors as carbon emission intensive.
- Developed carbon emission

measurement methodology for these intensive sectors using "ER tool".

- Measured the carbon emissions in the loan portfolio of carbon emission intensive sectors and calculated baseline data starting from January 2022.
- Set targets for reducing carbon emissions in the respective sectors based on the baseline data.
- Approved and is implementing the E&S Risk Assessment policy in our loan operations.
- Developed green loan products in line with the goal of reducing CO2 emissions.

Water accessibility:

- Identified several sectors, including agriculture, gold mining, iron and steel, power generation, and processing, as water intensive sectors within its loan portfolio.
- Measured the annual water

consumption of the loan portfolio from January 2022 to December 2022 and calculated baseline data

- Established water reduction targets for loans that are particularly water-intensive
- Set targets for the development of green loan products in line with its commitment to reducing water consumption.
- Golomt Bank is prioritizing sectors that have a significant impact on Sustainable Development Business Strategy-2023. We are supporting our clients with high carbon emission and intensive water usage by identifying sectors that have substantial water and climate impacts, and developing comprehensive action plans to mitigate any negative effects on the loan portfolio.



Sustainability management system indicators

Organization capacity

With the goal of fostering a culture of continuous learning, development, and knowledge sharing among each employee, Golomt Bank implemented numerous innovative training and development activities in 2022 under the slogans "Employee is the Genesis/

Golomt of Prosperity" and "Every Manager as a Mentor". In addition to fostering a culture of continuous learning, Golomt Bank has introduced online learning, microlearning, and blended learning methods into training and development activities, with online learning

comprising approximately 30% of the total training. This approach enables employees to have greater flexibility in managing their own training and development, allowing them to engage in learning activities from anywhere and at any time, based on their work-life schedule.



Golomt Bank actively engages in both international and domestic training programs aimed at enhancing the professional skills and specialization of its employees. And professional skills training accounts for more than 30% of the total training initiatives. In support of the Quality Education goal of SDG 4 in the 2030 Agenda and to foster a culture of continuous learning, Golomt

Bank collaborated with Guren Academy to successfully engage all employees in the World Class Manager Volume 1 training along with the intellectual copyrights, offered by the Global Growth Institute. Continuing the partnership, Golomt Bank is offering the brand new World Class Manager Volume 2 program through its online learning platform. A total of 8,702 man/hour

trainings were successfully organized through the online learning platform and classroom training focusing on enhancing the knowledge of sustainable finance policies and procedures and on improving both general and professional knowledge and experience in the areas of sustainable finance, green finance, and E&S risk assessment.



Sustainability management system indicators

Training for employees	2022	Unit of Measurement
Sustainable Finance	4074	Man/hour
E&S Risk Assessment	181	Man/hour
Green Finance	4010	Man/hour
Training on policy and procedures	181	Man/hour

Sustainability reporting and verification



Principles for Responsible Banking
PROGRESS REPORT



MSFA Assessment

"Mongolian Sustainable Finance Association" (MSFA) has been evaluating Sustainable Finance implementation among all member banks since 2016. In 2022, Golomt Bank received an exceptional A+

rating in the performance assessment of sustainable finance implementation conducted by MSFA along with the Bank of Mongolia and the International Finance Corporation. In addition, Golomt Bank was awarded as

the "Outstanding ToC Bank" in 2022 as part of the Bank of Mongolia's annual "Best ToC Bank" competition. And Golomt Bank's new initiative to calculate GHG emissions in the loan risk assessment was highlighted.



Sustainability management system indicators

PERFORMANCE RATING: A+

About the bank

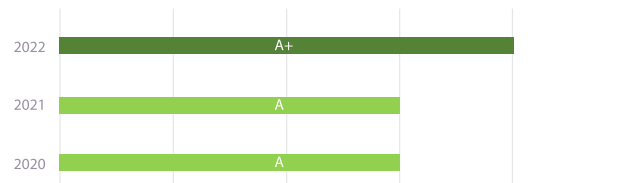
Name of the bank: Golomt Bank

Number of customers: 1,040,426

Number of employees: 1.957

Number of branches: 103

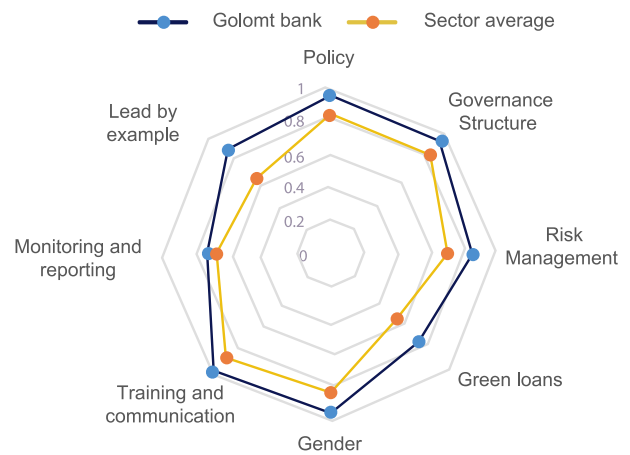
Assessment History



Performance assessment

SCORE CARD

Assessment sections	Weight	Score	
		Points available	Points scored
1. Policy, strategy	14.41%	31.5+0.5*	30.5
2. Structure, organization	9.01%	20	19
3. Risk management	26.58%	52+7*	51
4. Green loans and other green financial products	22.97%	50+1*	39
5. Gender	6.31%	14	13.5
6. Training and information	6.76%	15	15
7. Monitoring and reporting	6.76%	15	11
8. Lead by example	7.21%	10 +6*	14
TOTAL	100%	222	193



Check out the sustainability reports via the following QR links:





Environmental Indicators





Environmental indicators

ENERGY

As part of Golomt Bank's sustainable development policy, we are diligently focusing on producing internal

energy consumption savings. Golomt Bank installed solar panels in its 3rd office and produced 5,987 kilowatts

of energy in 2022, saving 3.7 percent of the office's consumption.

Table 1: Golomt Bank's internal electricity consumption

Golomt Bank's internal electricity consumption	2021	2022
Office #3	161,405.70	175,440.41
Office #2	149,293.00	174,298.05
Headquarters	881,321.65	799,260.91
Park Office	237,866.00	230,707.00
Total electricity consumption	1,429,886.35	1,379,706.37

Note: The energy consumption of the Offices #2 and #3 in 2022 has increased in absolute terms compared to the previous

year. In 2021, Golomt Bank employees worked remotely due to the Covid-19 pandemic, and in 2022, they are working

in the office under regular conditions.



GREENHOUSE GAS EMISSIONS

Table 2: GHG emissions: /Bank's internal consumption/

Bank's internal consumption – GHG emissions	2022	Unit of measure
Total energy consumption	1,379,706.00	kW
Amount of total recyclable waste		
Paper	103.70	Kilograms
Plastic	221.90	Kilograms
Glass	1085.00	Number of bottles
Bags	221.90	Kilograms
Cans	35.10	Kilograms
Other types of recyclable glass	308.90	Kilograms
Total water consumption	7,349.00	m ³
Total CO ₂ (Scope1)	31.90	Kilograms
Total CO ₂ (Scope2)	5,475.96	Tonnes



CLIMATE CHANGE

In 2022, Golomt Bank was able to offset 2.64 percent of its total GHG emissions by planting 140 trees.

In order to reduce energy consumption and use environmentally friendly energy sources, we are working to introduce low-power LED lights for office use and reduce heat loss.

Golomt Bank supported the "Selbe River Cleanup Day" and "Mobile Recycling Collection Station" campaigns organized by volunteer organizations by providing sacks, gloves, masks, clean water supplies and other necessary items. About 480 people from 120 organizations participated in these

campaigns. 8.1 tonnes of waste was collected as part of the campaign to clean the Selbe river, while 6 tonnes of waste and 4000 pieces of recycling glass were collected as part of the "Mobile Recycling Collection Station" event. We have placed waste battery collection containers in our offices and branches, and the collected batteries are kept safely until disposal. We are working with Tuvshin Saikhan Munkh NGO to properly dispose of the collected batteries.

Standard wheelchair ramps have been added to our renovated branches to support customers with disabilities.

In the previous year, we prioritized the well-being of our employees by offering comprehensive health examinations, enhancing working conditions through the addition of windows in previously windowless branches, providing bus services for employees, and sending employees to bank's camps during the summer. "G-Volunteer" and "G-student" clubs organized volunteer work to support "Child Development Center" and "Unur Bul" orphanages by collecting donations from Golomt Bank employees.



WATER

Golomt Bank conducted a climate impact analysis of its total loan portfolio in 2021 using the “Portfolio Impact Analysis Tool for Banks” developed by the UNEP FI. The impact analysis revealed that the bank's loan portfolio has significant adverse effects on water resources and climate change. As a result, we are currently

developing a comprehensive plan to mitigate these negative impacts and achieve substantial reductions by the year 2030

Climate target:

By 2030, Golomt Bank aims to reduce the carbon footprint of high-impact loan portfolios by 30 percent. By 2050, we aim to reduce our total scope 3

carbon emissions by 50%.

Water target:

By 2030, Golomt Bank aims to reduce the water consumption in the water loan portfolio by 5 percent. By 2050, we aim to reduce the water consumption of loan portfolios by 10 percent for water-intensive sectors.

Table 3: Golomt Bank's internal water consumption:

Water, m3	2020	2021	2022
Office #3	1,624.00	1,026.00	1,368.00
Office #2	1,200.00	1,200.00	1,406.00
Headquarters	1,886.00	1,092.00	2,018.00
Park Office	2,182.00	1,579.00	2,557.00
Total water consumption	6,892.00	4,897.00	7,349.00

Note: Water consumption in 2022 has increased compared to previous years. In 2020 and 2021, Golomt Bank employees worked remotely due to the Covid-19 pandemic, and in 2022, they are working in their offices under regular conditions.



Environmental indicators

WASTE MANAGEMENT

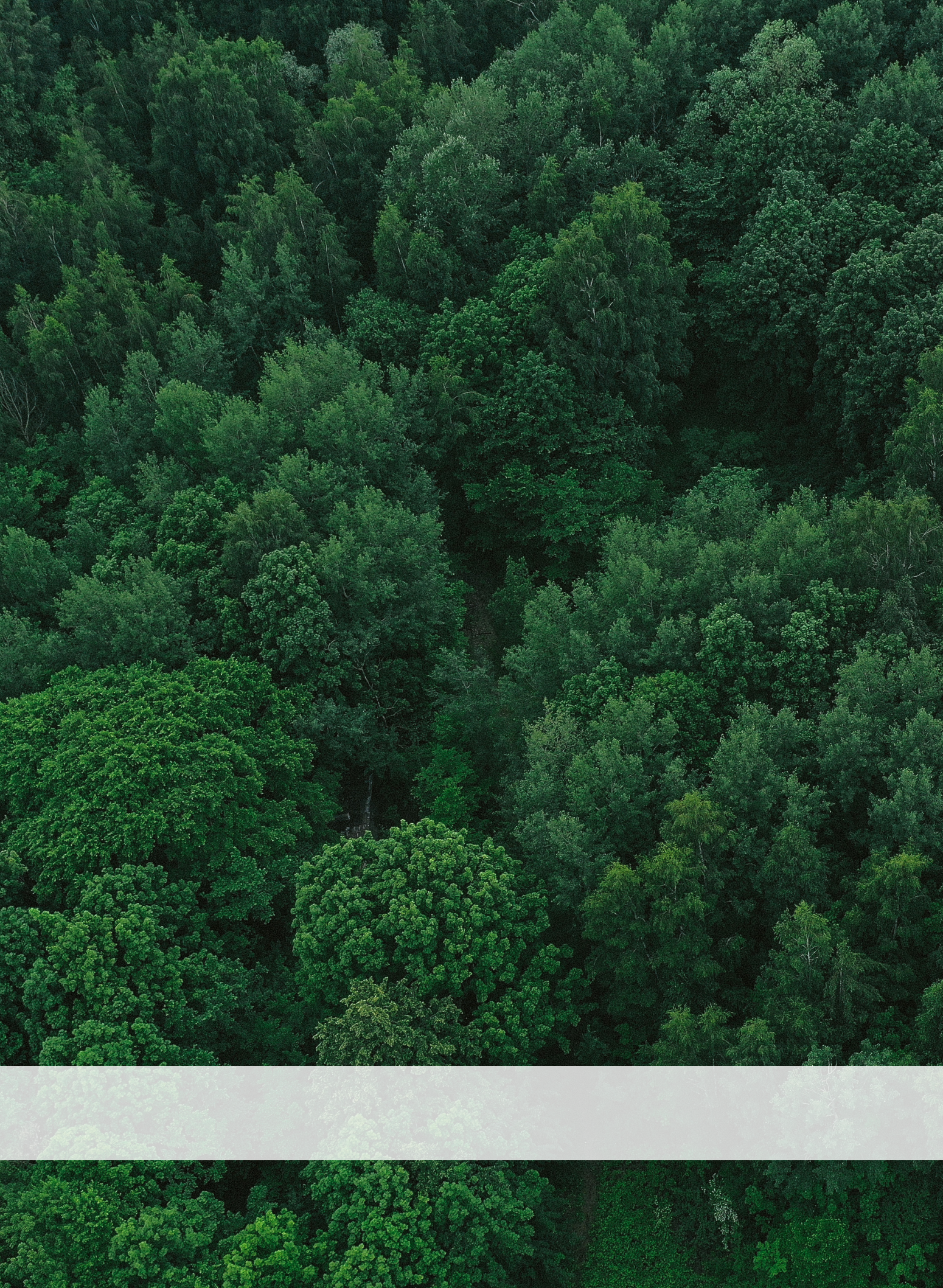
Golomt Bank began to sort its waste starting in 2020; and in 2022, started placing battery collection containers, one of the most hazardous types of wastes, in its offices. We are working to improve

our waste management and take measures to reduce and recycle waste that is harmful to the environment. In cooperation with the Tuvshin Saikhan Munkh NGO, our offices have started sorting our

recycling and sending them to the recycling station. In 2022, 0.8 tonnes of recycling and 985 units of reusables have been accumulated and recycled.

Table 4: Golomt Bank's recyclable waste:

Classification	2022	Unit of measure
Amount of total recyclable waste		
Paper	103.70	Kilograms
Plastic	221.90	Kilograms
Glass	1085.00	Number of bottles
Bags	221.90	Kilograms
Cans	35.10	Kilograms
Other types of recyclable glass	308.90	Kilograms

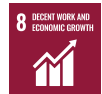
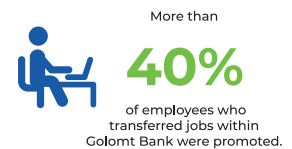




Social indicators



Social indicators

SATISFACTORY AND
SUSTAINABLE

As of 2022, we are operating with over 2,300 employees, 70 percent of whom are younger than 35 years old, from generations Y and Z. This year, our human resources department recruited more than 600 new employees ensuring our business continuity. Additionally, according to the Golomt Bank's career map,

more than 40% of the internal transfers within the bank were promotions.

Within the scope of Gender Equality Policy and Non-Discrimination Policy, Golomt Bank ensures the following in its activities:

- Equality
- Non-discrimination
- Ensuring information accessibility

- Accountability

Promoting gender equality and increasing the representation of women in executive and decision-making roles are key principles we uphold. Currently, 23% of our executive management team are women.

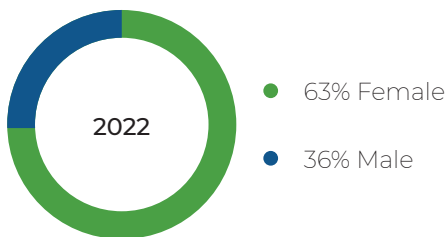
Table 5: Gender ratio of Golomt bank employees

Statistic	Percentage
Total number of female employees	65%
Total number of male employees	35%
• Disabled employees	1.3%
• Employees who have worked at Golomt Bank for longer than one year	81%
Management team /Executive/	100%
• Male	23%
• Female	77%
Middle management	100%
• Female	46%
• Male	54%

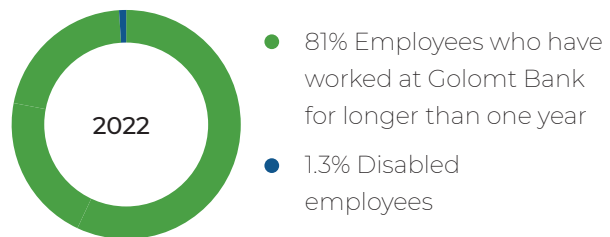


Social indicators

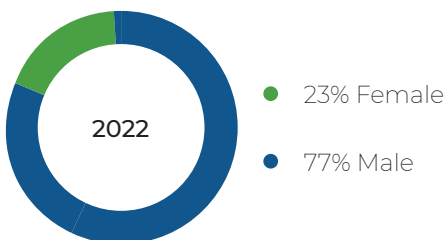
Graph 1: Gender ratio of Golomt bank employees



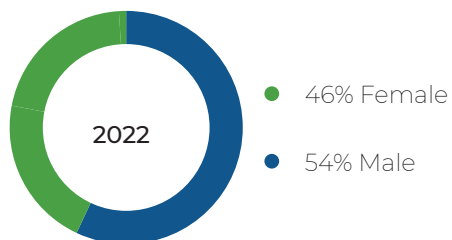
Graph 2: Number of years employees have worked at Golomt Bank



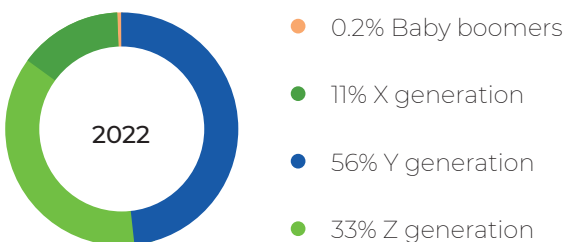
Graph 3: Management team /Executive/

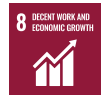


Graph 4: Middle management



Graph 5: Age distribution



Social indicators

Golomt Bank has been supporting social issues by increasing employee satisfaction, improving salaries and benefits, continuously providing bonuses and incentives, and focusing on creating stable jobs. In 2022, all employee salaries were increased by an average 20 percent and the salary scale was renewed.

Golomt Bank, which operates under the motto "Investing for a brighter future" for the development of Mongolia and for the happy life of every citizen and customer, was the first in Mongolia's banking and financial sector to receive the "Great Place to Work" certification from the internationally recognized Great Place to Work Institute. Golomt Bank has carried out a wide range of activities and events to promote our employees' work life balance such as introducing productive

ways to spend their free time, and supporting their mental and physical wellbeing. The "Adventure and Sports Hiking" event was successfully organized for the 23rd year and involved more than 160 employees. The "Golomt League" basketball event was successfully organized for the 12th year.

In cooperation with the National Horsehead Fiddle Ensemble and the National Academic Theatre of Opera and Ballet of Mongolia, we have shown a series of world-class works to all employees. Over the past year, we have organized a variety of events to increase employee creativity, productivity, work satisfaction, promote new ideas and highlight employee achievements. In 2022, the CEO of Golomt Bank was honored with the Mongolian Bankers Association's highest award, the "Jade Medal",

for his contributions to the development and growth of the banking and financial industry of Mongolia. More than 210 Golomt Bank employees were awarded the Bank of Mongolia award in recognition for their tireless commitment to strengthening the financial system and developing the economy. More than 20 exceptional employees who dedicated their knowledge, talent and expertise to the mission, vision, and business growth of Golomt Bank were selected to win the "Best Employee of Golomt Bank" award and around 30 employees were granted an all expenses paid trip to a foreign country. Additionally, for the third year, Golomt Bank has awarded 250 employees with the "Distinguished Employee" award as part of the "Success Recognition" program.



CAPACITY BUILDING

Training and development activities for employees

In 2022, as part of our goal to develop and strengthen our employee centric strategy and organizational culture with high professional ethics, we contributed to the long-term sustainable growth and development of the bank by creating a system that is employee friendly, with ample room for growth and development, while also presenting challenges and opportunities.

To support quality education on sustainable development:

In 2022, numerous progressive initiatives were started to enhance and strengthen the culture of continuous growth and knowledge exchange among employees, guided by the mottos “Employee is the Genesis/Golomt of Prosperity” and “Every manager as a mentor”. These efforts included a wide array of innovative training and development programs. In

addition to online learning, we introduced microlearning and blended learning methods into our training and development activities so that online learning accounts for about 30% of the overall training efforts. This flexible framework enables employees to engage in training and development activities at their convenience, regardless of their location or schedule availability.



Every year, Golomt Bank consistently invests in the growth and development of our employees by providing them with the opportunity to participate in international and domestic training and

development programs. Notably, over 30% of these training opportunities are professional skills and career development programs. In collaboration with Guren Academy, Golomt Bank

made the esteemed World Class Manager Volume 1 and Volume 2 courses, offered by the Global Growth Institute, readily available to all employees through the bank's own online learning platform.

Social indicators



With the objective of consistently improving our employees' understanding of sustainable financing

policies and procedures, as well as growing their overall knowledge and expertise, we are capacity building through

our online learning platform and classroom training initiatives.

Graph 1: Training and development activities for employees

Sustainable finance	4074 man/hour		1876		Number of employees trained
E&S risk assessment	181 man/hour		181		Number of employees trained
Green finance	4010 man/hour		1862		Number of employees trained
Policy training	181 man/hour		181		Number of employees trained
Occupational safety and health training	444 man/hour		444		Number of employees trained
Basic CPR training	248 man/hour		62		Number of employees trained
Disaster prevention training	117 man/hour		39		Number of employees trained
Fire safety training	147 man/hour		49		Number of employees trained
Other trainings related to disaster risk reduction	461 man/hour		461		Number of employees trained

EQUAL OPPORTUNITY

Golomt Bank actively undertakes projects and initiatives to safeguard the physical and mental well-being of its employees while supporting them in addressing social challenges. These include:

- Offering flexible working hours and remote work opportunities
- Granting paid leave for both employees' and their children's birthdays
- Implementing programs to increase elderly employment opportunities
- Providing pregnant employees with flexible

options such as reduced working hours

- Continuously improving and expanding these benefits for employee welfare

The "Loyal Employee" program, designed for dedicated bank employees with over 5 years of service, was successfully executed for the second consecutive year, engaging approximately 400 employees in various activities and events. In addition to offering daily medical check-ups and healthcare services to all employees, around 1,300 employees have benefitted

from preventive vaccinations.

Around 70 employees participated in the

G "Mommy's" event, which aims to empower employees on maternity leave to pursue ongoing learning and personal growth while balancing their childcare responsibilities. For the fifth consecutive year, the "Good vibes" program, which supports the education of employees' families and children, provided professional guidance to students and ensured a productive summer vacation experience for over 60 children.

Social indicators



ACCESSIBLE ENVIRONMENT AND INCLUSION



650

Planted a grove with
650 spruce trees

400,000

Improved the English language
proficiency of 400,000 students

3100

Collaborated in a teacher development
program of 3,100 teachers

30

Strengthened the expertise of
HR personnel in 30 small and
medium enterprises

To create a green future and give back to mother nature, we have established the "Golomt Grove" in the National Park and have been planting spruce trees in the grove for the past three years. As part of this endeavor, we have planted 140 new spruce trees in 2022, bringing the total number of trees in the "Golomt Tugul" to around 650.

In collaboration with the Ministry of Education and Science, and Guren Academy, we are actively engaged in a project that aims to benefit 400,000 elementary school students throughout Mongolia. The project focuses on enhancing the students' knowledge and practical application of the English language, and seeks to empower a total of 3,100 English teachers through comprehensive training

initiatives.

As part of our commitment to SDG 17, which emphasizes the importance of partnership for sustainable development, we have introduced the "SME mentorship" program. This program, tailored for HR staff from small and medium-sized business organizations, has engaged over 30 HR professionals, enabling them to benefit from knowledge sharing and experiential guidance, thereby empowering them in their respective roles.

Golomt Bank, as an investor for a brighter future, has partnered with the Ministry of Education and Science, Otgontenger University, the University of Finance and Economics on the EU funded "Work-based learning for higher education system in Mongolia towards better



employability of university graduates" project. This endeavor marks the first of its kind in Mongolia and its primary objective is to localize work-based training programs within Mongolia's banking and financial sector and higher education system, drawing valuable insights from the experiences of European Union partner

countries such as Germany, France, Greece, and Romania. Furthermore, as part of this cooperation, Golomt Bank is currently hosting a successful workplace-based training program, with 26 students actively participating and gaining practical experience within the bank's operations. Additionally, Golomt Bank has achieved remarkable

success in implementing the esteemed "Student Researcher Program" for an impressive decade, further contributing to the advancement of academic research and knowledge acquisition. The program offers the participating students the unique opportunity to challenge themselves by working on real business projects.



ГОЛОМТ БАНК
Сайн саймны санхүүжилт

Erasmus+ MONGWBL

*Ажлаа зөв сонгохоос
Амжилт эхэлдэг*

**Европын холбооны санхүүжилттэй Эрасмус+
“Төгсөгчдийн хөдөлмөр эрхлэлтийг нэмэгдүүлэх
зорилгоор монголын дээд боловсролын тогтолцоонд
ажлын байранд суурилсан сургалтыг нэвтрүүлэх” MONGWBL
төсөлд хамрагдахыг урьж байна.**

Social indicators

SOCIAL RESPONSIBILITY AND TRANSPARENCY

“The Genesis of Heritage and Culture” project

In 2022, Golomt Bank initiated the groundbreaking “The Genesis of Heritage and Culture” project in collaboration with the Institute of Archaeology at the Mongolian Academy of Science. The project's first phase, encompassing the excavation and research of the “Palace Ruin of Khar Tün” of Tuul River monument, has been successfully completed. It is noteworthy

that this significant historical monument had remained untouched since 2006, with no research activities conducted during that time. While the Institute of Archaeology previously relied on foreign organizations for funding and collaboration in excavation and research efforts, Golomt Bank has become the first domestic private sector organization to invest in this field. This partnership extends

beyond the initial project, as future collaborations are planned to support numerous archaeological endeavors focused on preserving and safeguarding Mongolia's historical and cultural heritage. These initiatives will encompass comprehensive research activities, employing appropriate methodologies, and promoting the rich cultural heritage of Mongolia to the global community.





"Heart Will Not Forget" project

Aligned with the objective of advancing health for sustainable development, Golomt Bank's "Altantulkhuur" Children's Foundation has steadfastly supported the "Heart Will Not Forget" project for its third consecutive year. In 2022, this impactful project brought hope and transformed the lives of thousands of children across Mongolia, Kyrgyzstan, and Tuva through comprehensive examinations, diagnoses, and life-saving surgeries. Golomt Bank continues to provide annual financial assistance and other essential resources

to bolster the project's impact. Through our collaborative efforts, a remarkable total of 18,000 children have received thorough examinations and diagnoses, with over 600 children undergoing successful operations. This project, which reaches every corner of the country, delivers 99 percent effective surgeries for children with congenital heart defects at a significantly reduced cost, ranging from 5-10 times lower than the global standard cost. The initiative has garnered international attention, drawing interest

from the United Nations. Furthermore, notable cases include successful surgeries for children with congenital heart defects hailing from countries such as England, the United States, and Belgium. Initially, the project team aimed to conduct operations on 44 children annually, but through collaboration and the resolution of financial and logistical challenges, the number of surgeries performed each year has increased to 350-360, thus expanding its impact.



Social indicators



Scholarship Program for Undergraduate Students

Golomt Bank has diligently upheld its commitment to supporting education through the successful organization of its annual "100 Student Scholarship Program" for the 18th consecutive year.

This initiative aligns with the bank's social responsibility and contributes to achieving SDG 4, which focuses on fostering quality education. To date, the program has allocated over 1 billion MNT to assist 1,600 students from more than 50 esteemed universities and colleges.

The scholarship program encompasses a diverse array of academic disciplines, having provided scholarships for 15 different fields of study. As beneficiaries of this program, students not only receive

financial support but also have the opportunity to work as research students at Golomt Bank. Additionally, they gain membership in the esteemed "G student club," where they engage in collaborative projects with peers to benefit the community and foster personal growth. Moreover, scholarship recipients may receive full-time job offers from Golomt Bank upon graduation, exemplifying the bank's commitment to nurturing talent and providing career opportunities.

By participating as research students within Golomt Bank, scholarship recipients have the unique opportunity to apply their theoretical knowledge and engage in research alongside seasoned

professionals. This invaluable experience enables them to fully develop their skills and competencies, as they collaborate with colleagues in conducting impactful research.

Overall, Golomt Bank's "100 Student Scholarship Program" stands as a testament to its unwavering dedication to education and social responsibility. By offering financial assistance, research opportunities, and potential career prospects, the bank empowers students to realize their academic potential, contribute to their communities, and forge successful careers within the banking industry.



Mongolian horse-head fiddle (Morin khuur) Ensemble

For the past 12 years, Golomt Bank has proudly served as an esteemed partner organization of the Mongolian Horse-Head Fiddle Ensemble, actively contributing to the worldwide acknowledgment, dissemination, and promotion of Mongolia's rich traditional

art, history, and culture. This enduring partnership has played a significant role in supporting the ensemble's journey, which celebrated its remarkable 30th anniversary in 2022. Throughout the collaborative period, a remarkable series of over 35

prominent concerts have been successfully organized, serving as powerful platforms to showcase and promote the nation's esteemed artistic heritage domestically and internationally.





SUSTAINABLE SUPPLY CHAIN MANAGEMENT

Aligned with its sustainable development policy, Golomt Bank has proactively adopted and implemented sustainable supply chain management practices, with a specific emphasis on internal procurement. As part of this strategic approach, an

impressive 80% of the bank's overall purchases are sourced from domestic suppliers, reinforcing its commitment to supporting and promoting local businesses and industries. By prioritizing domestic procurement, Golomt Bank not only contributes to

the economic growth and stability of the region but also ensures the sustainability and resilience of its supply chain operations in line with its overarching sustainability objectives.

Through a meticulous process encompassing 463 service calls, Golomt Bank successfully executed the repair and replacement of a notable

1378

lights, effectively transitioning to energy-efficient LED lighting technology. This significant initiative has yielded remarkable results, culminating in a noteworthy 3.5 percent reduction in energy consumption.



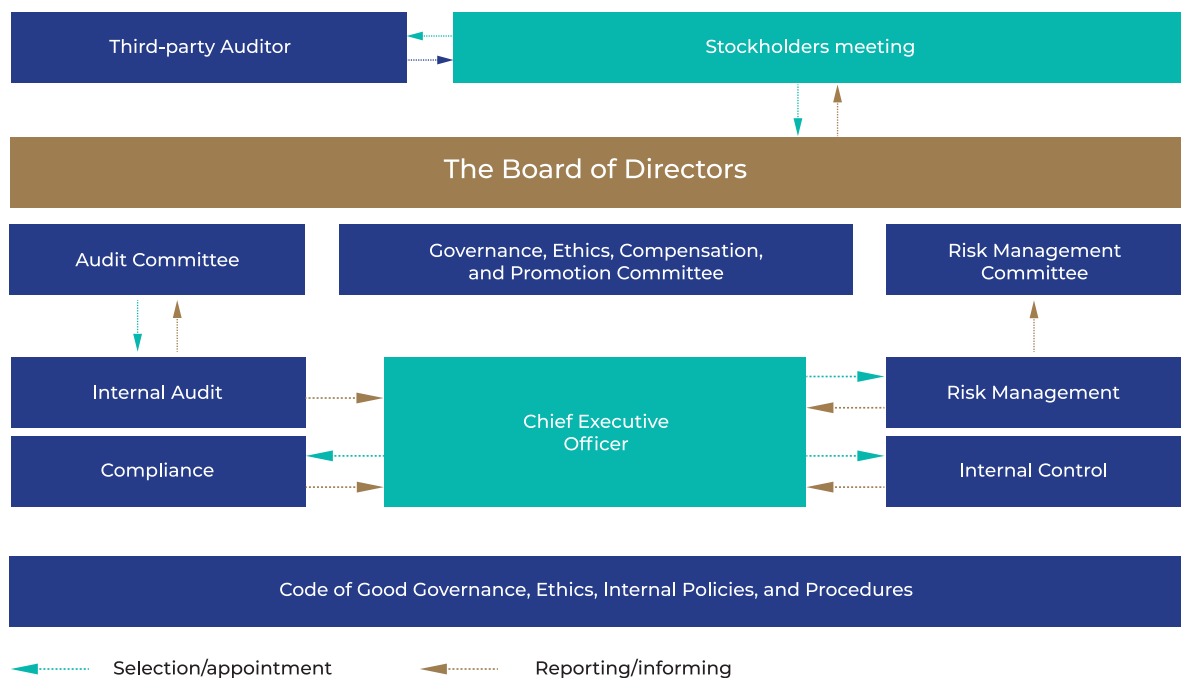
Governance indicators



Governance indicators

CORPORATE GOVERNANCE

Golomt Bank's governance structure



CORRUPTION AND ETHICS

Golomt Bank upholds a steadfast commitment to anti-corruption practices and maintains unwavering adherence to the highest ethical standards in all its business interactions. The bank's management team and employees are strictly prohibited from engaging in any form of bribery, whether it be offering, promising, receiving, or demanding bribes, both directly and indirectly. Furthermore, the organization steadfastly

prohibits participation in or acceptance of any benefits that may compromise the integrity of business dealings. To reinforce this ethical stance, Golomt Bank ensures that every employee possesses the right and responsibility to report any instances of misconduct that violate the bank's internal policies and code of conduct. Such improprieties include corruption, bribery, conflicts of interest, discrimination, workplace sexual harassment,

and various forms of harassment. Reporting such incidents is facilitated through a well-defined whistle-blowing procedure. The bank takes stringent measures to maintain the confidentiality of informants' personal information, fully complying with relevant laws and regulations. In cases of violations, appropriate actions are taken in accordance with the applicable legal frameworks and regulations.

Governance indicators

COMPLIANCE /LEGAL ENFORCEMENT

Compliance Policy

The Compliance Department operates under the direct supervision of the Bank's President and provides regular reports to the Bank's Board of Directors and Executive Management Team. Its core responsibilities encompass a range of compliance matters, including anti-money laundering (AML) and countering the financing of terrorism (CFT). Structurally, the Compliance Department functions as an independent and separate unit, operating under the authority of the Bank President. The Department Director reports directly to the Bank's Executive Management and Board of Directors.

To ensure comprehensive adherence to regulatory requirements, the Bank has established a robust Compliance Policy, which undergoes annual review and approval by the Board of Directors. The most recent review occurred in June 2022, resulting in approved amendments. This policy governs various critical aspects and includes:

- Regulation of policies and procedures
- Compliance risk management
- Customer identification and verification
- Transaction monitoring and control
- Sanctions implementation

- Training and development programs (covering initial training for new employees, in-depth training for customer-facing staff, specialized training, managerial training, etc.)
- Independent inspections
- Reporting obligations implementation
- Data storage protocols

In line with international standards, as well as domestic laws and regulations, the Bank proactively updated its Compliance Policy, Anti-Money Laundering and Anti-Terrorist Financing Operational Procedures, and other relevant documents in 2022. These updates ensure ongoing compliance with evolving

Governance indicators

requirements and underscore the Bank's commitment to upholding international best practices in the areas of AML and CFT.

The year 2022 presented a distinct set of circumstances characterized by exceptional challenges. Given the prevailing international geopolitical landscape, an imperative arose to exercise heightened vigilance over the bank's compliance activities, particularly concerning foreign settlements. In response, Golomt Bank proactively fortified its compliance policy, ensuring diligent adherence to international sanctions implementation. Golomt Bank operates

with the utmost regard for the internal policies of its correspondent banks, financial institutions, investors, and partners. The bank conducts meticulous assessments of the nature, extent, and applicability of sanctions, taking deliberate measures to ensure full compliance and avoid any violations.

To equip its employees with up-to-date knowledge and information pertaining to compliance matters, the bank systematically updates its understanding through regular training initiatives. Furthermore, timely recommendations and instructions are disseminated, specifically tailored to address

the prevailing circumstances. Importantly, news and relevant updates regarding sanctions are expeditiously communicated to the bank's executive management, enabling them to make informed and judicious business decisions.

In this way, Golomt Bank maintains a proactive stance, continuously enhancing its compliance capabilities, and prioritizing informed decision-making, all while upholding its commitment to strict adherence to international sanctions regulations.

Governance indicators

STAKEHOLDER ENGAGEMENT

Commitment to sustainable finance international initiatives and principles under the membership of Mongolian Sustainable Finance Association (MSFA)

United Nations Sustainable Development Goals



Paris Agreement



United Nations Collective Commitment to Climate Action



United Nations Principles for Responsible Banking



Partnership for Carbon Accounting Financials





Additional Industry Indicators



Sector specific indicators

FINANCIAL
SERVICES

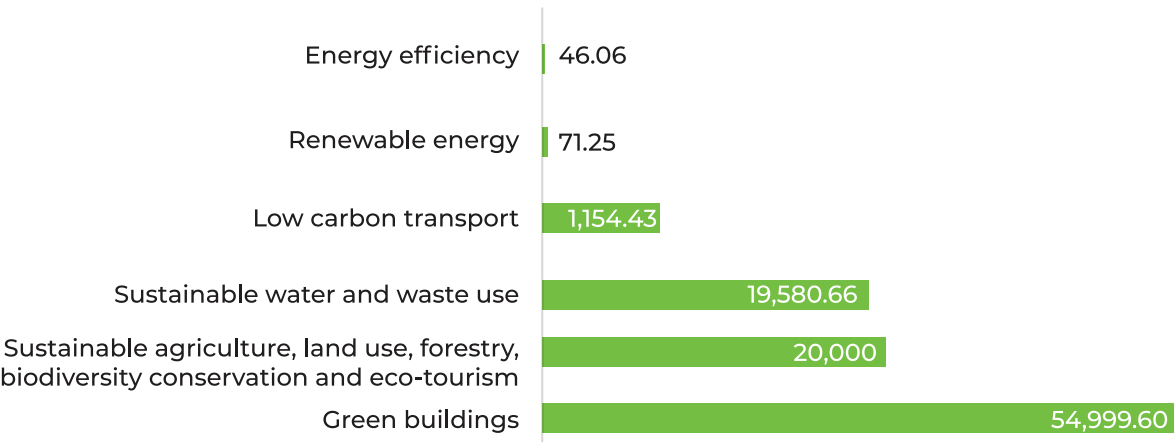
Green loan

Golomt Bank diligently adheres to the Mongolian Green Taxonomy, which has been approved by the Financial Stability Council, comprising esteemed institutions such as the Bank of Mongolia, the Ministry of Finance, the Financial Regulatory Commission, and the Deposit Insurance

Corporation. As part of this commitment, the bank consistently reports the size of its green loan portfolio to the Bank of Mongolia on a quarterly basis. These reports meticulously align with the prescribed categories and criteria for environmentally and socially beneficial green activities.

Please refer to the table below, which provides an overview of Golomt Bank's green loan portfolio financed by its internal resources during the reporting period:
Balance of Green Loan Portfolio (in millions):

Balance of Green Loan Portfolio (in millions): 95,852.00



GREEN LOAN PRODUCTS

Energy-efficient housing Green Loan

The introduction of the "Energy-efficient housing Green Loan" in 2022 represents a significant milestone as the first product in Mongolia to align with international EDGE (Excellence in Design for Greater Efficiencies) requirements. This specialized loan offering caters to customers seeking financing to purchase energy-efficient houses that adhere to the criteria outlined in the Mongolian Green Taxonomy. It also supports those wishing to secure loans to construct energy-efficient homes. To be qualified for this loan, the energy-efficient residential project must hold an international EDGE certification in addition to meeting national energy-efficient housing standards

surpassing the "B" category and holding an energy efficiency certificate. The interest rate for this loan product aligns with the policy rate set by the Bank of Mongolia. Depending on the EDGE certification rating, the interest rate varies between the policy rate +4% and the policy rate +2%, currently amounting to 14-16%. Consequently, customers can secure a lower-interest loan for energy-efficient housing compared to standard loan conditions. Furthermore, the product conditions encompass the requirements of the Mongolian Mortgage Corporation (MMC), making it eligible for MMC transactions. Engaging in projects with international EDGE certification or collaborating

on such endeavors yields numerous advantages in Mongolia. These include compliance with international standards, positive impacts on human health, environmental friendliness, energy efficiency, cost savings for citizens, and introducing innovative initiatives within the construction industry. While customers can explore other green housing loan products for their preferred eco-friendly homes, this new offering stands out with its lower interest rates and reliability conferred by international certification. This not only provides customers with additional choices but also bolsters and expands Golomt Bank's portfolio of green loans.



**ENERGY-EFFICIENT HOUSING
GREEN LOAN**

Sector specific indicators

Green car loan

Since December 20, 2021, Golomt Bank has successfully introduced electric and eco-car loan products, resulting in the creation of portfolios by 62 customers amounting to 2.2 billion MNT as of November 27, 2022. To raise awareness among our esteemed clientele regarding the positive environmental impact of electric cars and their potential for significant financial savings, we have implemented various proactive strategies.

Our outreach initiatives encompass targeted measures such as sending mass messages to approximately 3,000 potential customers and providing comprehensive information on the available loan products. Additionally, we have forged a collaborative partnership with MSM LLC to disseminate extensive insights into the advantages of electric cars compared to conventional vehicles. This collaboration aims to shed

light on the evolving trends in the global automotive market and offer valuable guidance to car consumers. Through these concerted efforts, Golomt Bank seeks to empower our customers with a deeper understanding of the benefits associated with electric cars. By highlighting the environmental advantages and substantial cost savings, we endeavor to encourage a shift towards more sustainable transportation options.



Sustainable, Green Business Loans

In line with our sustainable finance strategy, Golomt Bank successfully introduced the "Sustainable and Green Business Loan" product to the market in 2021. This product aims to assist entrepreneurs, citizens, and enterprises incorporate environmental, social, and governance sustainability into their business operations, fostering an environmentally friendly approach. Recognizing our social responsibility and obligations to international financial institutions, Golomt Bank provides various types of business loans (working capital and investment) to eligible citizens and enterprises, offering the lowest interest

rates and longest terms possible, unconstrained by external funding limitations. Specifically, we support customers who have already invested their own funds in importing green technology from abroad or those seeking financing for environmentally friendly technology. Golomt Bank respects these decisions and provides lenient support to business owners, endeavoring to facilitate their sustainable business endeavors.

The key features of the "Sustainable and Green Business Loan" product include loan amounts of up to 1.0 billion MNT with a repayment term of 84

months. Moreover, we offer a principal payment exemption for a period of up to 2 years, allowing customers the flexibility to create a repayment schedule tailored to the unique characteristics of their business. By introducing this product, Golomt Bank aims to contribute to the promotion of sustainable practices and environmental responsibility in the business community. We remain committed to providing comprehensive financial solutions that empower our customers to embrace sustainability and integrate it into their core business operations.



Sector specific indicators

Quantitative Metrics on Sustainable Development Progress

Digital banking		
	2022	Unit of measurement
Total number of Digital channel/ Internet bank /smart bank users	714,329	number of customers
The number of Social Pay users	714, 336, 328	number of customers
The number of active users of digital channels	328,887	number of customers
The number of digital channel transactions	53,078,617	number of transactions
Total number of CDM (ATM with Smart functionality)	411	number of CDM
Growth rate of internet banking active users	127	percent
The number of active users of Smart Bank	131	number of transactions
The number of digital channel services	845,738	number of service
Growth rate of number of digital channel services	152	percent
Resolution of customer complaints		
	2022	Unit of measurement
Total number of complaints	27,403	number of complaints
Percentage of resolved complaints	100%	number of complaints
Percentage of complaints resolved within 5 days	93,9%	percentage

Sector specific indicators

Gender ratio of bank employees		
	2022	Unit of measurement
Total number of employees	2406	number of employees
Women	1662	number of employees
Men	744	number of employees
Employees with disabilities	22	number of employees
Employees working for one or more years	1569	number of employees
The number of loan and front office staff	1201	number of employees
Women	388	number of employees
Men	813	number of employees
Directors of departments	18	number of employees
Women	5	number of employees
Men	13	number of employees
Directors of Branches/Units	143	number of employees
Women	66	number of employees
Men	77	number of employees

Sector specific indicators

Number of trainings for employees	2022	Unit of Measurement
Sustainable finance	4074	man/hrs
Environmental and social risk assessment	181	man/hrs
Green finance	4010	man/hrs
Policy and Procedure Training	181	man/hrs
Trainings with certifications	256	man/hrs

Benefits and allowances	2022	Unit of Measurement
Disability benefits	619	number of employees
Paid parental leave	61	number of employees
Retired employees	8	number of employees
Employees received vaccinations	107	number of employees
Blood donation campaign	99	number of employees
Tree planting campaign	140	number of employees

Sector specific indicators

Others	2022	Unit of Measurement
Number of graduate recruitment	282	number of employees
Intern	35	number of interns
Job rotation	18.66	percentage
Engagement of employees -GPTW	84	percentage
Job retention of employees on maternity leave	100	percentage
Employees received vaccinations	107	number of employees

Bank's internal consumption	2022	Unit of Measurement
Total energy consumption	1,379,706.00	Kwt
Number of total recyclable waste, total water consumption		
Paper	103.70	Kg
Plastic	221.90	Kg
Glass	1085.00	Number
Plastic bag	221.90	number of bottle
Can	35.10	Kg
Other recyclable glass	308.90	Kg
Total water consumption	7,349.00	Meter cube
Total CO2 (Scope1)	31.90	Kg
Total CO2 (Scope2)	5,475.96	Tonne



www.golomtbank.com