

DOCUMENT NAME:

HUMAN RIGHTS AND GENDER POLICY OF GOBI JSC

CONTENT

1. GENERAL PROVISION	3
1.1 Purpose	3
1.2 Objectives	3
1.3 Scope	3
1.4 Terms and abbreviations	4
1.5 RACI matrix	4
2. POLICY	5
2.1 Human Right and Gender Policy	5
2.2 Human Rights, Gender Responsibilities, Commitments and Principles	5
3. ACTIONS AIMED AT ACHIEVING OBJECTIVES	6
3.1 Leadership and Governance	6
3.2 Establishing, Implementation and Monitoring System	7
3.3 Capacity Building	7
3.4 Implementation and Monitoring	7
3.5 Reporting Results and Improvement Measures	8
3.6 Grievance Mechanism or Feedback Loop	8
4. RESPONSIBILITIES FOR POLICY IMPLEMENTATION	8
4.1 Responsibilities:	8

1. GENERAL PROVISIONS

1.1 Purpose

- 1.1.1 The purpose of this policy is to define the human rights and gender policy, goals, objectives, and principles to be followed by GOBI JSC in its operations; to ensure fundamental principles of human rights and gender equality; to identify, assess, prevent, mitigate, and eliminate human rights risks; and to establish a system for restoring violated rights through collaboration with stakeholders.

1.2 Objective

- 1.2.1 Based on internationally recognized frameworks such as the UN Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights, and other internationally accepted systems, as well as international standards and the Constitution of Mongolia, the Law on Gender Equality, the Law on the Rights of Persons with Disabilities, the Law on the Protection of Personal Data, the Law on Child Protection, the Law on Health, the Labor Law, and other legal provisions, we are committed to respecting human rights and ensuring gender equality in accordance with our obligations. These include non-discrimination, protecting the rights and privacy of employees, preventing child labour exploitation and forced labour, ensuring occupational safety and health, respecting human rights, and avoiding contributing to the violation of any human rights. We will take proactive measures to prevent, reduce, and address the negative impacts on human rights in our operations and supply chains.
- 1.2.2 The objective of this human rights policy is to conduct human rights due diligence to identify, prevent, mitigate, and address any adverse impacts on human rights resulting from the organization's operations. This includes assessing the state of human rights, implementing necessary measures, monitoring their implementation, and reporting on progress. Additionally, it aims to restore rights in cases where violations have occurred due to adverse impacts.

1.3 Scope

- 1.3.1 This policy is applicable to all employees of the organization and extends to all stakeholders within the supply chain, including raw material suppliers, production, sales, customers/clients, and stakeholders across the value chain. It encompasses areas such as innovation, design, development, production, marketing, sales, and customer service.

1.4 Terms and abbreviations

- 1.4.1 **Human Rights:** Human rights refer to the opportunities for individuals to interact with the state, society, and other people within the framework of their economic, social, political, and cultural activities. A person must not be discriminated against based on their race, ethnicity, language, skin colour, age, gender, social origin or status, wealth, occupation, position, religion, beliefs, or education. Every individual is a legal entity.
- 1.4.2 **Gender:** Gender encompasses the roles, responsibilities, perceptions, and attitudes attributed to men and women within political, legal, economic, social, cultural, and familial relationships. These notions are traditionally established and evolve over time through historical processes.
- 1.4.3 **Gender Equality:** Gender equality signifies that men and women participate equally in political, legal, economic, social, cultural, and familial relationships, equally benefit from the outcomes of economic, social, and cultural development, and equally contribute to such development. It ensures the absence of gender-based discrimination.
- 1.4.4 **Human Rights Due Diligence:** Human rights due diligence involves identifying, preventing, mitigating, and addressing any adverse impacts on human rights resulting from business activities. This process includes assessing the organization's human rights situation, implementing measures, monitoring implementation, and reporting outcomes, with the goal of restoring rights if violations occur.
- 1.4.5 **Abbreviations:** The following abbreviations may be used in this document.

Table 1 Abbreviation of the document and position title

No	Title of the document	Abbreviation
1	Board of Directors	Board
2	The Chief Executive Officer	CEO
3	Compliance Department	CD
4	Sustainable Development Division	SDD
5	Middle Management	MM

1.5 RACI matrix:

Table 2 RACI matrix

Position Process	Board	CEO	MT	MM	SDD	Employees
---------------------	-------	-----	----	----	-----	-----------

<i>R-Responsible (works on), A-Accountable, C-Consulted, I-informed</i>						
Developing the policy	CI	CI	CI	I	RA	-
Approving the policy	A	RI	-	-	RI	-
Distributing the policy to all employees and enhance their knowledge and understanding	-	RC	RC	RC	A	I
Ensuring accessibility to stakeholders in an appropriate manner	CI	CI	CI	CI	RA	CI
Implementing the policy in operations	RC	RC	RC	RC	RA	RI
Providing methodological support for the implementation of the policy	RC	RC	RC	CI	RA	I
Monitoring and evaluating the implementation of the policy	RCI	RCI	CI	CI	RA	I
Updating the policy as needed	RCI	RCI	CI	CI	RA	I

2. POLICY

2.1 Human Rights and Gender Policy

2.1.1 This policy aims to respect and uphold the social and ethical values of all stakeholders involved in the business operations of GOBI JSC, including employees, suppliers, contractors, clients, shareholders, and local communities. It is committed to not tolerating actions that directly or indirectly violate human rights, gender equality, and the rights of people with disabilities. The policy seeks to integrate the fundamental principles of human rights into the organization's business operations and organizational culture, ensuring they are consistently upheld and respected.

2.2 Human Rights, Gender Responsibilities, Commitments, and Principles

2.2.1 In accordance with the fundamental principles of the United Nations Business and Human Rights framework and recognizing the Universal Declaration of Human Rights, the core labour standards of the International Labour Organization (ILO), the ILO Declaration on Fundamental Principles and Rights at Work, and the principles of the Convention on the Rights of the Child, we commit to adhering to these standards and principles in our business operations.

- 2.2.1.1 We are committed to upholding our values in the regions where we operate, ensuring compliance with applicable laws and regulations, and conducting our business in strict adherence to the aforementioned ethical standards.
- 2.2.1.2 We will engage with all stakeholders in an open, transparent, and fair manner, establish reliable and accessible consultation mechanisms, and prioritize mutually beneficial collaborative efforts.
- 2.2.1.3 We will advocate human rights throughout our core operations and supply chain by eliminating discrimination, ensuring gender equality, avoiding labour exploitation, and fostering a workplace free from harassment and violence. We strive to provide a flexible working environment, ensure health and safety in the workplace, and uphold the rights of children and persons with disabilities. Furthermore, we are dedicated to protecting privacy, safeguarding the freedom of association, and setting a benchmark for excellence in our industry.
- 2.2.1.4 We acknowledge that identifying, assessing, preventing, mitigating, and eliminating human rights risk, and restoring violated rights is an integral part of our business. Therefore, we will regularly conduct human rights impact assessments.
- 2.2.1.5 We do not tolerate any violations of human rights or acts of violence in any part of our business operations or supply chain. We implement a whistleblower protection policy within the organization and ensure that human rights issues are effectively addressed through a grievance mechanism.

3. ACTIONS AIMED AT ACHIEVING OBJECTIVES

3.1 Leadership and Governance

- 3.1.1 The organizational culture, leadership's proper guidance, and exemplary behaviour define the attitudes, practices, behaviours, and responsibilities of the team. Therefore, our organization will define its commitment to upholding human rights and aligning with international standards. The Board of Directors will consider human rights issues in its internal risk management processes, develop a comprehensive human rights policy aligned with international standards, and collaborate with relevant stakeholders to address specific issues and challenges.

3.2 Establishing, Implementation and Monitoring system

- 3.2.1 The Chief Executive Officer (CEO) is responsible for defining the human rights and gender equality policies, goals, objectives, and principles across GOBI JSC. This includes ensuring adherence to the fundamental principles of human rights and gender equality, identifying and assessing human rights risks, and taking measures to prevent, mitigate, eliminate such risks, and restore violated rights. The CEO oversees the establishment of appropriate management, audit, and control systems to ensure the effectiveness and implementation of these principles and policies.

3.3 Capacity Building

- 3.3.1 Within the scope of business operations, it is essential to ensure that all employees, suppliers, and stakeholders understand and uphold the fundamental principles of human rights and gender equality. This involves organizing accessible training and awareness-raising activities on relevant organizational rules, regulations, and practices. These efforts are fundamental to preventing, mitigating, and addressing risks of human rights violations. Therefore, regular training sessions and initiatives focused on human rights and gender equality will be consistently implemented.
- 3.3.2 Members responsible for human rights and gender-related matters will be empowered through participation in training programs on conducting Human Rights Due Diligence.

3.4 Implementation and Monitoring

- 3.4.1 Regular human rights due diligence will be conducted to ensure the implementation of this policy, identify, and mitigate potential human rights and gender-related risks in the organization's operations and supply chain.
- 3.4.2 The process of human rights due diligence will consist of the following stages:
 - 3.4.2.1 Identifying and assessing human rights risks and adverse impacts.
 - 3.4.2.2 Taking appropriate response measures.
 - 3.4.2.3 Monitoring and evaluating the implementation.
 - 3.4.2.4 Reporting and communicating findings.
- 3.4.3 Human rights and gender assessments may be conducted through rapid tests or collaborative evaluations in partnership with external organizations. The scope of these assessments will encompass stakeholders potentially affected by human rights impacts, including:
 - 3.4.3.1 Core and contract employees of the organization
 - 3.4.3.2 Contractors and their employees
 - 3.4.3.3 Suppliers and their subcontractors
 - 3.4.3.4 Clients and consumers

3.4.3.5 Local communities

3.4.3.6 Issues where environmental impacts intersect with human rights concerns.

3.5 Reporting Results and Improvement Measures.

3.5.1 Based on the outcomes of the human rights and gender assessments, a Corrective Action Plan (CAP) will be developed and implemented. Progress on the action plan will be monitored and evaluated semi-annually. Reports on the implementation of the action plan, along with proposals for further actions, will be presented to the Board of Directors and the shareholders' meeting.

3.5.2 As laws and regulations regarding human rights, as well as international best practices, are constantly evolving, a human rights risk assessment will be conducted annually. The risk management system will be continuously improved to align with national and international trends.

3.6 Grievance Mechanism or Feedback Loop

3.6.1 GOBI JSC will regularly operate a grievance mechanism related to human rights and gender violations, ensuring that complaints are addressed and corrective actions for improvement are systematically implemented.

3.6.2 The key factor in engaging stakeholders to identify, prevent, mitigate, and remedy negative human rights impacts is the accessibility and reliability of the grievance redress mechanism. Therefore, efforts will be focused on improving the scope, awareness, and accessibility of the grievance mechanism.

4. POLICY IMPLEMENTATION, RESPONSIBILITIES, AND ACCOUNTABILITY

4.1 Responsibilities and accountability:

4.1.1 GOBI JSC will implement this policy and ensure alignment with its sustainability commitments and policy objectives through performance monitoring and continuous improvement.

4.1.2 Executive management will incorporate this policy and its objectives into the organization's strategic plan, integrate them into business processes, and provide the necessary conditions to achieve the intended outcomes.

4.1.3 Middle management will implement this policy and its objectives, promote continuous improvement, and ensure effectiveness by engaging employees.

4.1.4 Employees will support the organization's policy and objectives by actively participating and collaborating with initiative and commitment.

4.1.5 The Sustainable development division will be responsible for developing and approving this policy and its objectives, overseeing implementation, ensuring continuous improvement, and providing information to all stakeholders.

END OF DOCUMENT