

DOCUMENT NAME:

PROCUREMENT POLICY OF GOBI JSC

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CHAPTER I. GENERAL

1 . Purpose

1.1 We are dedicated to upholding the laws and regulations both internationally and in Mongolia. We conduct our work with utmost respect for human rights, ensuring the safety and well-being of our employees. We also provide suppliers with equal opportunities for competition and strive to foster open and equal participation in procurement activities. By actively contributing to the development of Mongolia, our goal is to establish mutual understanding and trust with our suppliers, fostering efficient collaboration for mutual benefit.

2 . Scope

2.1 This policy applies to all units, including the company and its subsidiaries, involved in goods, services, and ordering activities.

CHAPTER II. PROCUREMENT POLICY

3 . Ethical guidelines

3.1 All employees of Gobi JSC and its subsidiaries are expected to engage in cooperative relationships with suppliers and business partners, devoid of personal interests. This collaboration entails upholding principles of respect, ethics, and responsible conduct.

3.2 Gobi JSC and its subsidiaries conduct transactions with related parties on an arm's length transaction basis, ensuring that no anti-competitive conditions arise..

3.3 We prioritize the full confidentiality of information shared by our customers and business partners, taking necessary measures to protect and safeguard their sensitive data.

3.4 We are committed to reducing costs while maintaining efficiency and responsibility.

3.5 The implementation of this policy will undergo annual evaluation by January 15th, assessing its effectiveness based on the criteria outlined in Annex 1, Annex 2, and Annex 3.

4 . Responsibilities and obligations

4.1 To ensure the smooth operation of Gobi JSC and its subsidiaries, we procure materials and services that meet the technological and quality requirements for production, sales, and administrative needs. We strive to obtain these supplies at competitive prices in the market, without compromising on quality.

4.2 The employee responsible for procurement and selection processes on behalf of the company must adhere strictly to the Code of Ethics of Gobi JSC.

4.3 Prioritizing personal interests over the Company's interests is considered a severe violation and shall be subject to accountability as per the "Internal Labor Regulations" of Gobi JSC and its subsidiary regulations.

5 . Partners

5.1 Preference shall be given to partners who align with our commitment to the environment, support its protection and restoration, endorse eco-friendly or sustainable practices, and strive to minimize harm to the environment through recycling. This includes:

5.1.1 Goods and services that hold industry certifications or credentials validating low energy, water, and natural resource consumption during the production process.

5.1.2 Products that offer reusability, rechargeability, replaceability, or multifunctionality.

5.1.3 Prioritizing products that prove to be efficient with low operating costs.