

DOCUMENT NAME:

SOCIAL RESPONSIBILITY POLICY OF GOBI JSC

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1. GENERAL PROVISIONS

1.1 Purpose

- 1.1.1 The purpose of this policy is to regulate activities that support initiatives aimed at improving social well-being within the framework of the organization's social responsibility.

1.2 Scope

- 1.2.1 This policy will be publicly available and is applicable to the organization's shareholders, Board of Directors, all employees, employees of subsidiaries, contracted companies, suppliers, and other stakeholders.

1.3 Terms and abbreviations

- 1.3.1 **Corporate Social Responsibility:** The non-profit actions implemented by the organization to carry out activities that are beneficial to the economy, society, and environment while being mindful of the interest of stakeholders.
- 1.3.2 **Abbreviations:** The following abbreviations may be used in this document.

Table 1 Abbreviations of the document and position title

No	Explanation of abbreviations	Abbreviation
1	Corporate social responsibility	CSR
2	Board of Directors	Board
3	Chief executive officer	CEO
4	Compliance department	CD
5	Sustainable development division	SDD
6	Middle management	MM

1.3 RACI matrix:

Table 2 RACI matrix

<div> <div>Position</div> <div>Process</div> </div>	Board	CEO	MT	MM	SDD	Employee
R-Responsible (works on), A-Accountable, C-Consulted, I-informed						
Developing the policy	CI	CI	CI	I	AR	-
Approving the policy	A	RC	-	-	RC	-
Distributing the policy to all employees and enhance their knowledge and understanding	-	RC	RC	RC	A	I
Ensuring stakeholders' accessibility in an appropriate manner	CI	CI	CI	CI	AR	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	AR	I
Monitoring and evaluating the implementation of the policy	RCI	RCI	CI	CI	AR	I
Updating policy as needed	RCI	RCI	CI	CI	AR	I

2. POLICY

2.1 Social responsibility policy

2.1.1 Within the framework of social responsibility, GOBI JSC will support initiatives aimed at improving social well-being, creating a better living environment, and enhancing the livelihoods of herders, while making a positive impact on society and leading stakeholders in a sustainable, inclusive, and responsible manner.

3. ACTIONS AIMED AT ACHIEVING THE OBJECTIVES

3.1 Actions aimed at achieving the objectives

3.1.1 GOBI JSC strives to conduct its business responsibly and ethically, recognizing its obligations to employees, suppliers, customers, and the environment. Our

organization aims to implement best practices at every stage of its cashmere processing operations and will support the following activities within the framework of social responsibility.

3.2 Supporting the sustainable livelihood of herders

- 3.2.1 Supporting nomadic livestock herding, incentivizing herders as raw material suppliers, while ensuring the sustainability of their traditional livelihoods and taking measures to reduce overgrazing;
- 3.2.2 Educating herders on sustainable livestock herding and proper grazing practices to reduce their environmental impact and improve the quality of cashmere;

3.3 Ensuring the well-being of livestock

- 3.3.1 Treating livestock humanly, providing them with proper, non-harmful feed, regularly offering veterinary care, and carrying out wool shearing and cashmere combing activities in accordance with the established technologies;

3.4 Ensuring the comfort and well-being of employees

- 3.4.1 Providing all employees with safe working conditions, fair compensation, and opportunities for professional growth;
- 3.4.2 Promoting gender equality and creating fair, equal, non-discriminatory, inclusive, desirable job opportunities for vulnerable groups and members of social minorities;

3.5 Empowering the community

- 3.5.1 Creating practices to improve the livelihood of herding households, communities, and vulnerable social groups (such as people with disabilities, the elderly, women, and single-headed households led by either woman or men), improving access to healthcare services, and implementing programs to enhance education;
- 3.5.2 Infrastructure development: Investing in local infrastructure, such as creating and restoring clean water sources and sanitation facilities and increasing the use of renewable energy;

3.6 Increasing consumer knowledge and engagement

- 3.6.1 Providing education on sustainable products, offering clear information to consumers about the sustainability and durability of cashmere products, how to care for them, and the benefits of supporting ethical brands;
- 3.6.2 Developing programs for consumers to recycle or return old cashmere garments, reduce waste, and promote a circular economy;

3.7 Protecting the environment

- 3.7.1 Collaborating with local and international organizations on projects in Mongolia's cashmere industry to mitigate climate change, reduce grazing pressure, restore pastures, and support biodiversity and healthy ecosystems;
- 3.7.2 Researching and adopting environmentally friendly advanced technologies in production, promoting the recycling and reuse of raw materials and resources during operations;
- 3.7.3 Taking measures to support sustainable production by reducing water consumption, minimizing the use of harmful and hazardous chemicals, developing new technologies, utilizing renewable energy, and reducing waste in production to ensure environmentally friendly manufacturing;
- 3.7.4 Reducing carbon emissions by monitoring and minimizing carbon emissions throughout the supply chain, from raw cashmere sources to final product delivery;

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 In implementing this policy, the organization will plan appropriately based on its financial and human resources, prioritizing actions to minimize the impact of its operations.
- 4.1.3 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.
- 4.1.4 Middle management will implement this policy and its objective, promote continuous improvement, and ensure participation from employees for effective outcomes.
- 4.1.5 Employees will support the organization's policy and objectives by actively participating and collaborating with initiative and commitment.
- 4.1.6 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.

5. MONITORING AND REPORTING

5.1 Monitoring and reporting:

- 5.1.1 To align with current environmental standards and societal expectations, we will regularly review and update its social responsibility initiatives every two years.
- 5.1.2 The organization will report on its social responsibility activities and progress to stakeholders annually through official websites and other public communication channels.

END OF DOCUMENT