

e-journal AMCHAM CSR

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AMCHAM MONGOLIA CSR LEADERSHIP AWARDS **PART 1**

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1 | MONPOLYMET GROUP

Corporate Social Responsibility Initiatives



Monpolymet Group has a 20-year history and one of the main competitors in the Mongolian Mining and Heavy Industry field and created hundreds of new jobs. Monpolymet Group has four daughter companies; Toson Factory, Moncement Building Materials LLC, Nar Urt LLC, and Advanced Natural Nutrition LLC. The social welfare of its employees, operation safety, environmental rehabilitation, and province development programs are of utmost importance to MPM Group. Moreover, it is one of the few companies in Mongolia that developed a solid Corporate Social Responsibility

policy. Within the framework of its CSR policy, its subsidiary Moncement prioritizes local hires to promote income stream in local communities. According to recent human resource statistics, Moncement provides employment opportunities to senior citizens, single parents, and individuals with disabilities. There are programs and regular events for high school seniors to learn about skills necessary to secure jobs at Moncement's plant so students can make informed decisions when choosing their career path.

In addition, employees regularly receive on-the-job training at local and foreign training facilities to ensure employees' skills and knowledge are up to date.

To date, Moncement Building Materials LLC has spent approximately 10.7 billion MNT foar its CSR initiatives.

Since this project began in Urgun soum, Moncement introduced the first internet with 3G telecommunication system in the region, conducted cleaning work of the waste accumulated for over 60 years, and started environmental rehabilitation and restoration work. Moncement built a 53 km overhead transmission line and 110kW substation connecting with the central grid to provide sustainable power supply in the region and financed a 3.5 km railroad connecting to Urgun soum station. Over 60% of the Moncement plant employees are locally hired. Prioritizing locally hired employees create an opportunity for steady income for the local community that indirectly contributes to the development of Dornogobi Province. To promote the wellbeing of its employees, Moncement funded modern apartments with running hot water in remote areas, built a sports hall and fitness center. Moncement Plant has a 5MW WHRPG system that recovers and utilizes the exhaust gas waste heat vented from the pyro-processing preheater and converts the waste heat into a power generation using modern technology. Due

to these technologically innovative solutions, the Moncement Plant had become the first ECO Plant in the country. To slow desertification in the surrounding areas, Moncement is planting 10800 Gobi Desert native trees so far. Finally, Moncement organizes awareness campaigns among all employees in line with their 'Safety First' motto to eliminate accidents during mining and production operations. There is only one state kindergarten working in Urgun soum. As the mining and production field flourish in the area, it is becoming increasingly crucial that the employees at the Moncement plant have a genuine need to have proper access to quality childcare. Therefore, the next on the agenda of Moncement CSR activities is to finance and start construction work for kindergarten for 120 per-school-aged children. Moncement financed and constructed two apartment buildings for 88 households in 2016 to support young families at the Moncement plant. Construction work for an apartment building for additional 65 households has already begun and is due to be completed in the 3rd quarter of 2021. As the operation of the plant expands, the number of families moving to Urgun soum for work will increase, and so will the housing issue. Therefore, Moncement plans to continue to build housing districts for its employees, which will promote reverse migration from the capital to remote areas and hopes to be at the forefront of remote soum's sustainable development endeavors. Finally, the main goal for this year has been to keep the operation relatively normal and not let go of employees despite the global COVID-19 pandemic and slowing economic progress.



1

Providing constant and reliable household water system for 3000 citizens of Urgun soum, Dornogobi provinace

CSR PROJECT BY MONCEMENT LLC FOR AMCHAM CSR LEADERSHIP AWARD

Moncement Building Materials Ltd., a subsidiary of Monpolymet Group, established in 2006, operates modern integrated facilities of cement dry processing lines with 1750 metric tons of clinker per day or 1 million tons of cement annual capacity. The integrated plant, located next to the limestone deposit Senjit Khudag in Urgun Soum, Dornogobi aimag, was successfully constructed and commissioned by Monpolymet in cooperation with internationally reputable financing institution EBRD in August 2015.

Within the framework of its CSR policy, the Moncement plant implemented a project to ensure a drinking water supply system for Urgun soum of Dornogobi province is safe and reliable. The soum has over a hundred-year history, during which a reliable source of drinking water was always an issue. Consequently, Moncement drilled two deep-water wells with a pumping capacity of 10 liters/second in the Shanagan Mogoit area, 9.7km north of Urgun soum. In addition, Moncement also constructed a complete set of water supply lines running into Urgun soum, which consists of 11.2km long, D200mm living water HDPE pipeline, 500m³ water tank, and a set of water-pump stations in 2018. In addition to the wells,

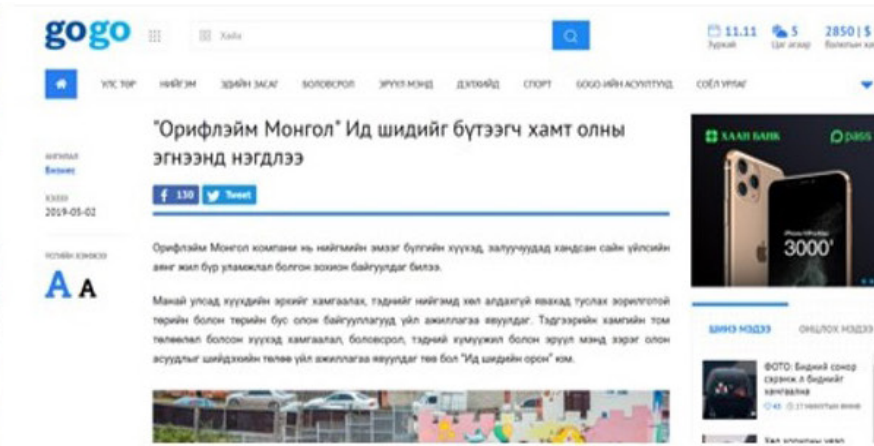
Moncement also installed A D80mm steel pipe under the frost line in the south of Shanagan Mogoit deepwater wells to provide watering stations for local herders and wild animals. As a result of this project, Moncement resolved the complex logistical challenges of securing water for livestock, which local nomads faced every day. Projects implemented by the Moncement plant to eliminate insufficient and limited water supply and inadequate wastewater removal system in Urgun soum. The construction of a new water supply line at Urgun soum provided a timely delivery of clean water to local citizens, which is considered the most productive project in the Gobi region.

2

ORIFLAME

CSR projects by Oriflame for AmCham Leadership Award

Oriflame believes in integrating social, environmental, and economic concerns of the society in their culture, values, and CSR goals. In its endeavor to give the best to its customers, Oriflame seeks to carry out such activities that create long-term positive effects on the people and society at large. Oriflame is deeply committed to its sustainability strategy and strives to minimize its environmental footprint as such responsible beauty and creating safe products inspired by nature powered by innovative science is the driving force behind its business. The Oriflame Foundation aims to empower vulnerable children and young women by providing opportunities for them to change their lives for the better. The Foundation seeks to attract talented and value-driven employees and consultants. Their invaluable contribution is what allows Oriflame to finance its long-term charity commitments and measures the quantity, quality, and overall impact of our investment.



- In cooperation with Misheel kids foundation, Oriflame has donated its entire Oral Care product line and funded dental examination and treatment for 58 kids of Magic Place shelter house.
- For the 8th year in a row, Oriflame Mongolia has been implementing a scholarship program with the Art Council of Mongolia for the best and most talented students in the field of culture and art. So far, **Oriflame supported 78 students by 65 million MNT in funding.**
- As a member of the Art Council of Mongolia and within its Respect Nature policy, Oriflame has proudly participated in 888 Tree Planting day at the most ancient monastery of Ulaanbaatar city - Chojjin Lama temple.





Oriflame believes that educating women and girls creates a brighter future for all. Therefore, its CSR policies revolve around investing in the education of children and empowering women. Finally, living within the planet's limits, respecting the environment, and contributing to society is a motto ingrained in its business culture.



2 | ORIFLAME CSR POLICY

RESPECT FOR NATURE

Since 2015, Oriflame reduced its water usage by 18% per produced unit across its manufacturing plants. 100% of all paper packaging, product leaflets, and catalog paper combined comes from credibly certified sources or recycled materials. 48% reduction in absolute GHG emissions since 2010. 37% reduction in relative GHG emissions since 2010. 100% climate-neutral operations.

SOCIALLY RESPONSIBLE PRODUCTS

'Our products need to add value in several ways for us to stay relevant to our customers. We have added this specific target area to highlight our intentions and initiatives throughout the year. Today we are more dedicated than ever before to developing products that not only make you beautiful from the inside and out.

CONSUMER SAFETY

Oriflame has a team of safety experts working with internal and external specialists. Together, they make sure every ingredient in its products and every product meets its high quality and safety standards.

HUMAN RIGHTS

Oriflame takes a strong stance on social and ethical issues that they proactively embed across its value chain. The entire company and all its departments have gone through an in-depth study to assess its human rights impacts. A range of initiatives and tools that define compliance are in place to safeguard its employees, resources, integrity, reputation, and business partners. The organization complies strictly with the letter and spirit of the law and strives to be an environmentally and socially conscious business. At Oriflame, a zero-tolerance policy of all human rights violations, including any form of active or passive corruption, harassment, and discrimination, is in place across its value chain.

3 OYU TOLGOI

CSR Project by Oyu Tolgoi for AmCham Leadership Award



Oyu Tolgoi LLC is a strategic partnership between the Mongolian Government, Turquoise Hill Resources, and Rio Tinto and the largest copper and gold mining company in Mongolia. Located in the South Gobi, Oyu Tolgoi commenced shipment of product to customers in July 2013. Oyu Tolgoi is managed by Rio Tinto, which brings global expertise and cutting-edge technology to

Mongolia. Rio Tinto is committed to ensuring Oyu Tolgoi is one of the world's most advanced mines and developing the Mongolian mining industry. Safety is the number one priority at Oyu Tolgoi. OT is counted as one of the leading companies under the management of Rio Tinto in terms of safety and is recently awarded Copper Mark by an internationally recognized third party.



For Oyu Tolgoi, nothing matters more than safety. The business operates under the principle that if a job cannot be done safely, it will not be done at all.

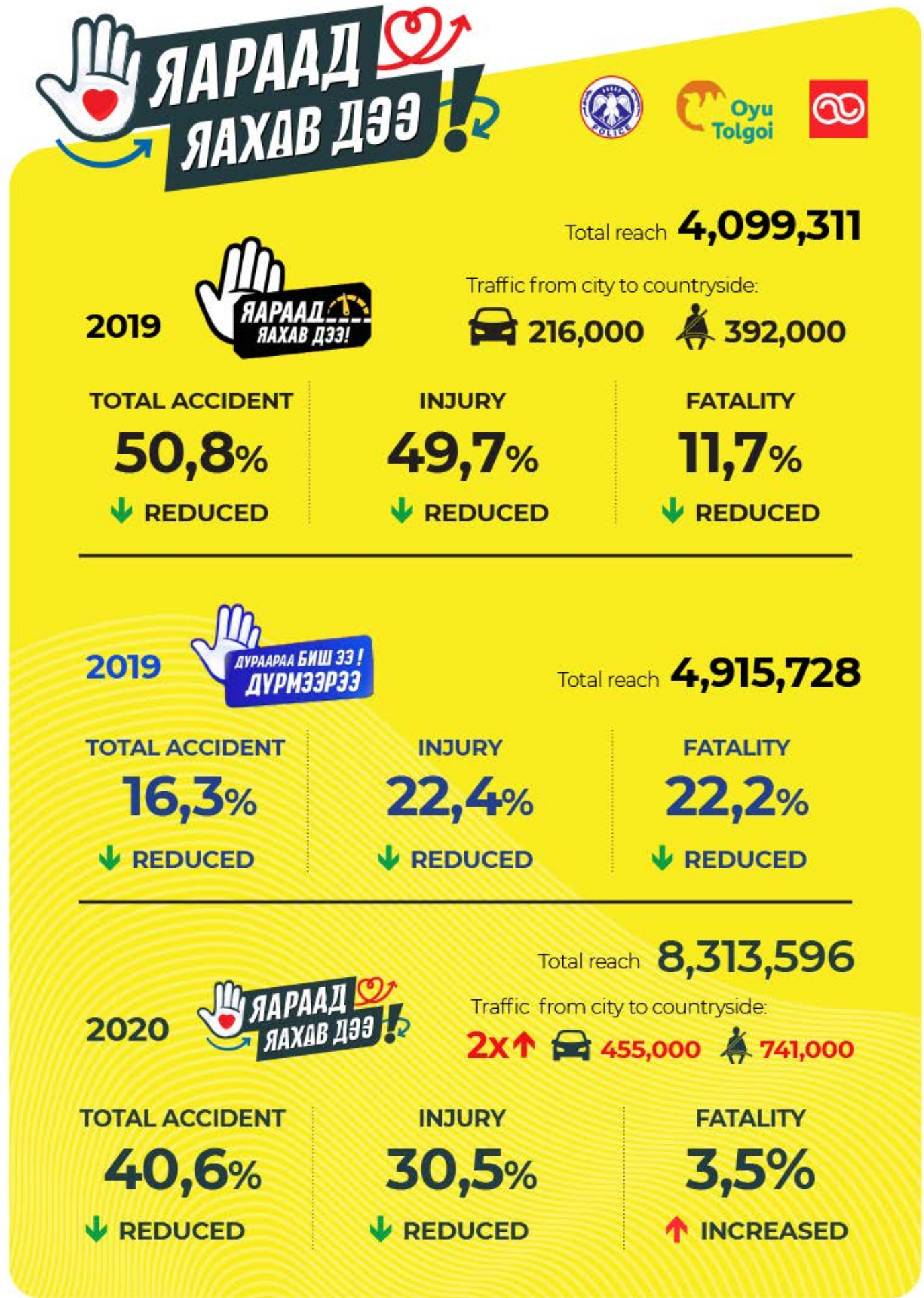


OT decided to bring change in one of the social burning issues in Mongolia. More than 500 hundred lives are lost every year due to traffic accidents. OT identified Road safety as its core CSR focus area and started implementing projects to save lives.

This series of projects that OT had implemented for three consecutive years had three main objectives.

1. Saving lives by reducing fatality and injury caused by traffic accidents.
2. Bringing sustainable solutions to reduce traffic accidents in countryside roads through the available technology.
3. Creating a safe culture among the public through influential campaigns.

This project was implemented with an exemplary partnership between National Police Agency, OT, and Mobicom Corporation.



Yaraad yahaw dee or No need to rush campaign was implemented two years in a row and focused on countryside roads during summer. Both campaigns contributed to reducing traffic accidents nationwide. OT was responsible for the financial part along with best practice share on road safety. As part of this campaign, we established a speed monitoring camera in Gobisumer- Choir roads which dropped the accidents by 50% since 2019. In 2020, we installed another speed monitoring camera in Darkhan to Selenge road. Duraaraa bish durmeeree or Play by the rule campaign focused on traffic safety in residential areas and was positively perceived by the public and impacted decreased traffic accident rate. Please see the attachment. Ethics and integrity, respect of human rights, and compliance with national and international laws and standards are the non-negotiables in standards of operation at OT. OT does not only comply with local laws & standards but also complies with international standards. It is reflected and rt of OT, the project has become a Signature program of Oyu Tolgoi. Oyu Tolgoi is committed to bringing about a change in public perception of road safety and

the culture of habits among our population that results in traffic accidents. Oyu Tolgoi LLC and Mobicom Corporation have partnered with the National Police Agency to support the No need to speed campaign. This campaign ultimately aimed to reduce the number of deaths and injuries caused by traffic incidents in Mongolia. The 280 million MNT two-year campaign supports the Government of Mongolia to reduce the number of deaths caused by traffic accidents by 50 percent by 2020. Every year, around 500 people die as a result of road accidents - 10 percent are children. Road accidents are also contributing to an increased number of people suffering from a lifetime of disability. The National Police Agency recognizes greater public awareness of pedestrians and drivers is the key to reducing the death and injury rate. Oyu Tolgoi LLC has committed itself to its Zero Harm vision. As such, safety is the number one priority of the company. Oyu Tolgoi LLC has been a significant supporter of road safety awareness, not only through educating its workforce but also by supporting road safety training delivered to students and children of several high schools in Ulaanbaatar.

our members in 2021

