

GOBI
MONGOLIAN CASHMERE

2023

SUSTAINABLE DEVELOPMENT



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CHAIRWOMAN OF BOARD DIRECTORS
(Ph.D.), **Д.Гэрэлмаа**

GREETINGS FROM THE CHAIRWOMAN OF BOARD DIRECTORS

Dear shareholders, customers, partners, employees, and all stakeholders, I extend my heartfelt gratitude for your keen interest in the initiatives, accomplishments, and progress of Gobi JSC towards sustainable development.

Today, sustainable development indicators play an important role in creating long-term value for global businesses.

Gobi JSC is redefining its values, establishing sustainable development goals, devising action plans, and executing major projects and programs to enhance the company's sustainable development indicators. This concerted effort is integral to the company's mission of introducing Mongolian cashmere to the global market.

The measures we've put into action underwent assessment, and in December 2023, we were recognized as the leading organization for our commitment to responsible water management by the Sustainable Cashmere Platform, a part of UNDP.

Furthermore, in 2023, the "Sustainable Cashmere, Trilateral Project" received the Best Sustainable Development Project. This

acknowledgment was granted by the American Chamber of Commerce in Mongolia, known as "AmCham Mongolia NGO," at the "CSR Awards 2023" ceremony.

The project, which strives to enhance the livelihoods of herding families and undertake substantial actions to combat pasture degradation, receives support from the Asian Development Bank. It collaboratively executes the social responsibility initiative titled the "Pilot-Testing Climate-Resilient Solutions to Pasture Degradation with Nomadic Herder Groups" backed by a funding of 1 million dollars. This year marked a significant leap forward for us in establishing a sustainable chain.

Gobi JSC has outlined ambitious plans for 2024, including the initiation of projects like the adoption of solar energy and enhancing the capabilities of the industrial water treatment. We pledge to our stakeholders a commitment to ethical and transparent governance that aligns with the evolving demands of the business landscape.

GENERAL INFORMATION ON THE ACTIVITIES OF GOBI JSC

Since its establishment, “Gobi” JSC has been the first national manufacturer to introduce Mongolian cashmere to the world, incorporating advanced technology and prioritizing perfect design and quality to satisfy the needs of its customers.

NUMBER OF EMPLOYEES

1,765



Company Name:

“GOBI” Joint Stock Company



Date Of Foundation:

September 5, 1981

Business Operation:

Processing, Manufacturing, and Sales of Finished Goods and Garments Made from Cashmere Goat Fibers

FACTORY CAPACITY /in a year/:

1,150 tons
Raw cashmere

1,050 tons
Spun yarn

30 tons
Fine spun yarn

1,500,000 units
Knitwear products

640,000 units
Woven products

162,000 units
Cashmere coats and blazers

OUR VISION:

We make cashmere a lifestyle

OUR MISSION:

We provide everyone with stylish, affordable, and quality cashmere

OUR SLOGAN:

Cashmere for All

NUMBER OF STORES:

DOMESTIC

Ulaanbaatar city 2
Darkhan city 1

GLOBALLY

Subsidiary Company 5
Branch store 2
Franchise store 21

ECOMMERCE

Online store 13

Official Address:

GOBI JSC, Industrial Street, 3rd khoroo, Khan-Uul District, Ulaanbaatar-17062, Mongolia

Phone:

(976)-7013 9977

Website:

info.gobi.mn

SUSTAINABLE MANAGEMENT



SUSTAINABLE MANAGEMENT

Nowadays, it has become a new business trend around the world for business organizations to emphasize environmental, social and economic impact or indicators of sustainable development in their decision-making process. This shift is driven by the need to remain competitive in a rapidly evolving regulatory environment, as consumers and investors place importance on sustainable development indicators rather than social responsibility requirements.

The clothing industry holds significant economic importance, representing a substantial portion of the global economy at \$2.5 trillion and employing 75 million individuals worldwide. Over recent decades, it has experienced rapid expansion, with a remarkable 60% growth rate from 2000 to 2014. Recognizing the industry's environmental impact, we are committed to making definite contributions towards mitigating its effects. As a prominent national enterprise, we demonstrated leadership in sustainable development by adopting a Sustainable Development Policy document in July 2022.

This document outlines our comprehensive approach to sustainable development management, encompassing the environment, society, governance, and industrial sector until 2025. Through meticulous planning and step-by-step implementation, we are committed to achieving these goals. To further our commitment, we intend to progressively increase investments in sustainable development initiatives. Specifically, in 2024, we will allocate approximately 1% of the company's total sales revenue towards enhancing sustainable development indicators.

GOBI JSC – SUSTAINABLE DEVELOPMENT POLICY /2022-2025/

We are dedicated to ensuring that our policies are transparent and clear, fostering harmony and collaboration with our supply chain and stakeholders. In today's global market, it is crucial for Gobi to wholeheartedly commit to conscientious and responsible manufacturing practices.

Gobi JSC's Sustainable Development Policy is designed to ensure the longevity of the company's operations while enhancing productivity and value. It emphasizes the importance of socially and environmentally responsible governance to effectively manage risks and seize opportunities in a sustainable manner.

PRINCIPLES OF THE POLICY

- 01
- 02
- 03
- 04
- 05
- 06

ETHICAL COMPLIANCE

APPROPRIATE USE OF RESOURCES

CORPORATE CULTURE

ACCURATE INFORMATION

TRANSPARENCY

FAIR TRADE AND COMMON BENEFITS

Gobi JSC's sustainable development policy, goals, and implementation align closely with the 17 Sustainable Development Goals established by the United Nations in 2015.

ENVIRONMENT



SOCIAL



GOVERNANCE



EMPOWERING OUR WORKFORCE TO INTEGRATE SUSTAINABILITY CULTURE INTO THEIR DAILY LIVES.

The concept and culture of sustainable development extends from global organizations like the United Nations to nations, governments, corporations, employees, and households.

Gobi JSC has embedded the principle of disseminating knowledge and understanding of sustainable development to interested parties into its sustainable development policy.

In 2023, the Company's Sustainable Development Team dedicated a total of 2,981 man-hours to training initiatives, aimed at enhancing employees' knowledge and practice in sustainable development.

Specifically, in December 2023, 923 man-hours of training on the topic "Sustainable Development Awareness and Understanding" were conducted for ALL EMPLOYEES of Gobi JSC. Through this training, the culture of being environmentally, socially, and ethically responsible citizens was instilled in every employee, with the intention of extending this culture to their respective households.

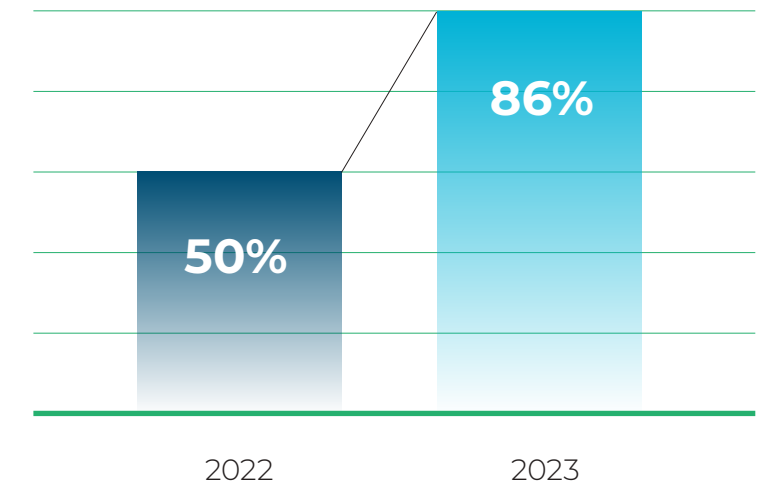


THE LEVEL OF THE COMPANY'S SUSTAINABLE DEVELOPMENT CULTURE IS STEADILY GROWING.

To foster a robust culture of sustainable development, we annually assess and define the level of our sustainable development culture, aiming for continual improvement.

In December 2023, a survey was conducted among 855 employees to measure their engagement in sustainable development management. The results revealed a significant 36% increase in employee participation concerning the enhancement of knowledge and understanding of sustainable development and related indicators compared to the 2022 figures.

The level of the GOBI JSC's sustainable development culture



ТОГТВОРТОЙ ХАМТЫН АЖИЛЛАГАА

Gobi JSC collaborates with prestigious domestic and international organizations and entities to implement various projects and programs. Through these partnerships, the company engages in knowledge exchange, learning from and sharing experiences with its counterparts.

“GOBI” JSC, a leading national producer, has entered into a partnership with the Asian Development Bank for the execution of the “Pilot-Testing Climate-Resilient Solutions to Pasture Degradation with Nomadic Herder Groups” project. The project, funded by the Asian Development Bank, will run until 2029 with a focus on four primary goals:

- Elevating herders’ living standards,
- Ensuring gender equality in opportunities for male and female herders,
- Establishing sustainable pasture management,
- Implementing group adaptation measures for climate change.

Following the successful conclusion of this project, the valuable experience, positive outcomes, and effective methodologies developed will be shared with pertinent government institutions in Mongolia. By doing so, we aim to contribute to the establishment of a sustainable supply chain, thereby taking a significant stride towards promoting sustainable development within the country.



INTERNAL PARTNERSHIPS



INTERNATIONAL PARTNERSHIPS



ENVIRONMENT

ENVIRONMENTAL OBJECTIVES AND IMPLEMENTATION

Climate change refers to long-term shifts in temperatures and weather patterns. The United Nations has pointed out that since the 1800s, human activities have been the main driver of climate change, primarily due to the burning of fossil fuels like coal, oil, and gas.

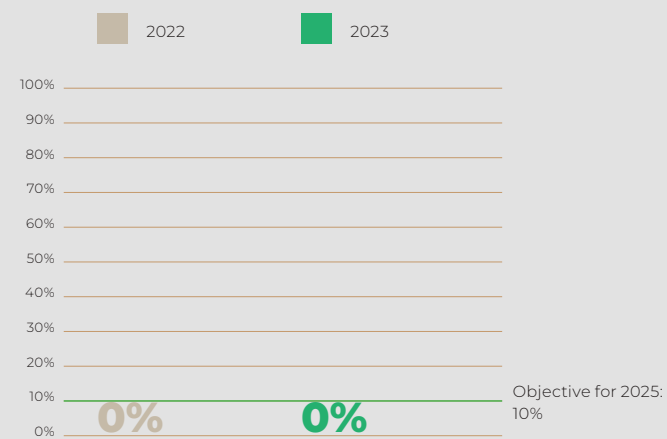
The issue of climate change holds significant importance in our country. According to a joint study conducted by the World Bank and the Asian Development Bank, by 2090, the global average temperature is estimated to rise by 3.7%, with Mongolia facing an even higher risk of a 5.3% increase in average temperature. This weather change will have the worst impact on Mongolia's major employment sector, the livestock industry. Climate change will increase the severity and frequency of droughts, flood hazards, extreme heat, and water shortages, sources said.

Indeed, recognizing the urgency of addressing climate change and its wide-ranging impacts,

countries worldwide, and especially companies, have committed to minimizing their environmental footprint within the framework of the United Nations' 17 Sustainable Development Goals. This commitment has prompted bold steps towards implementing sustainable practices and reducing emissions to mitigate climate change and preserve the planet for future generations.

Gobi JSC is dedicated to using natural resources responsibly and minimizing their environmental impact throughout all stages of production. To achieve this goal, the company consistently enhances its "GREEN SYSTEM" of Environmental Management and implements the Environmental Management System standard ISO 14001:2015 in its operations.

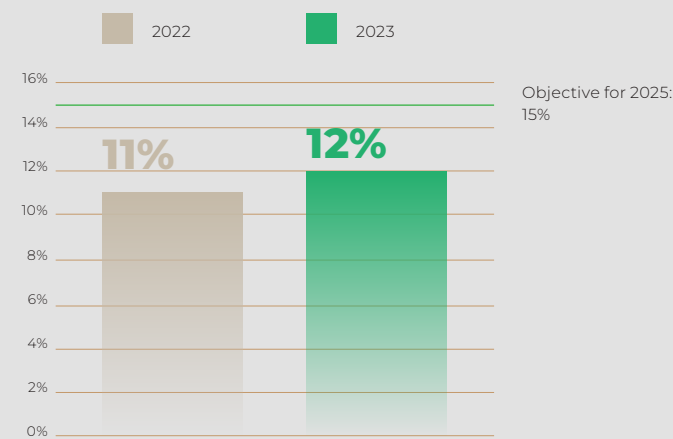
In our sustainable development policy, we have outlined a comprehensive three-year plan aimed at achieving the following environmental goals by 2025. We are diligently working to ensure the successful implementation of this plan.



WATER



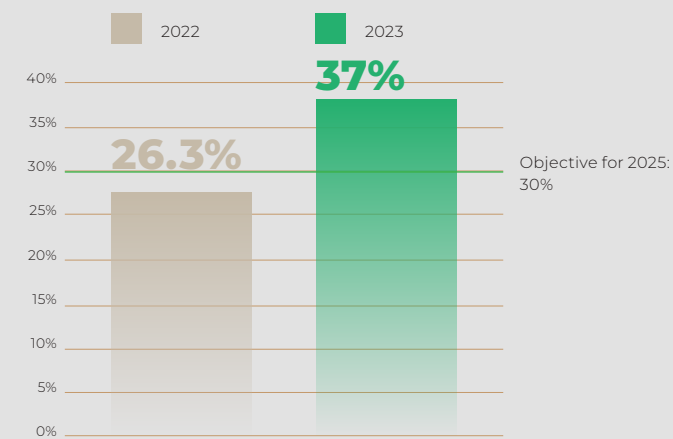
Objective for 2025: Improving the efficiency of both clean and wastewater flow meters and recycling up to 10% of both domestic and industrial wastewater discharged from the organization.



GREEN SPACE



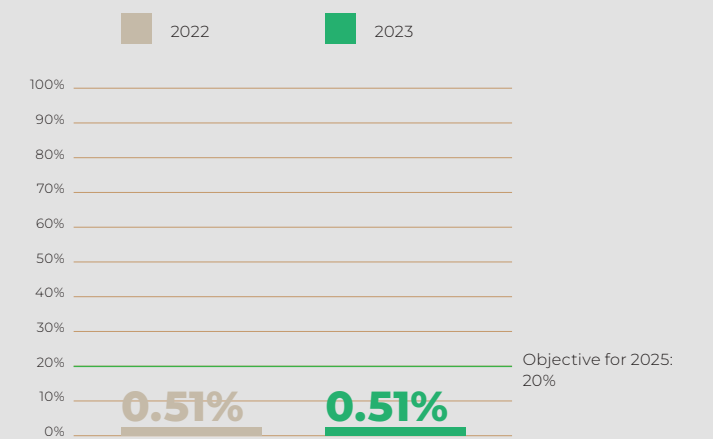
Objective for 2025: Increase the total percentage of green space within the organization's premises.



WASTE



Objective for 2025: Implement waste sorting and registration procedures for all waste generated, aiming to elevate waste recycling rates to 30%.



RENEWABLE ENERGY



Objective for 2025: Introduce renewable energy in operations

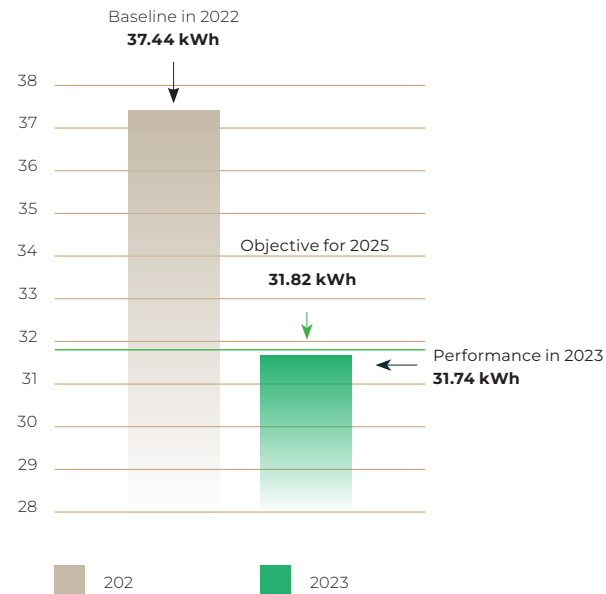


Objective for 2025: Reduce energy consumption per unit product by 15%, or up to 31.82 kWh.



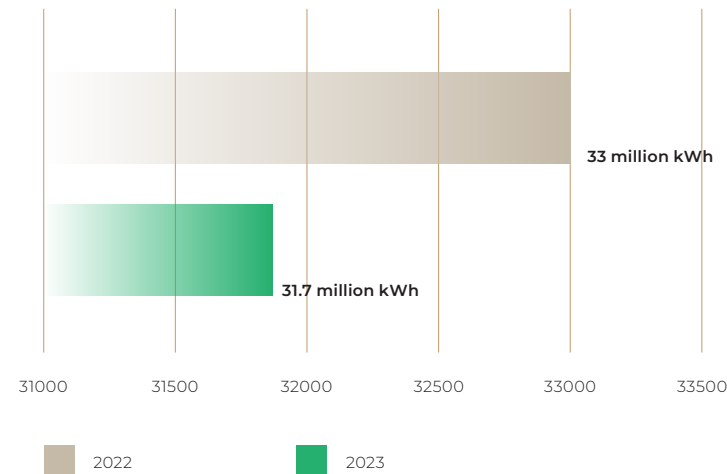
Objective for 2025: Achieve a 10% decrease in greenhouse gas emissions from both direct and indirect activities of the organization.

ENERGY CONSUMPTION PER PRODUCT



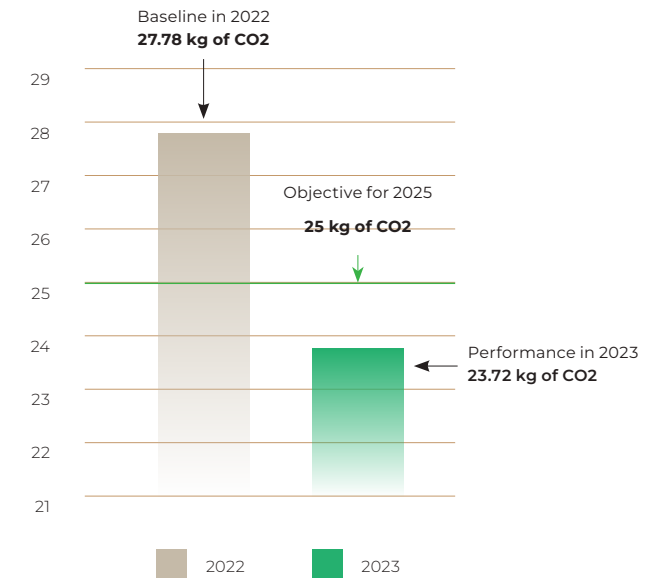
In 2023, energy consumption per product decreased by 15.2% compared to 2022.

TOTAL CONSUMPTION OF ENERGY



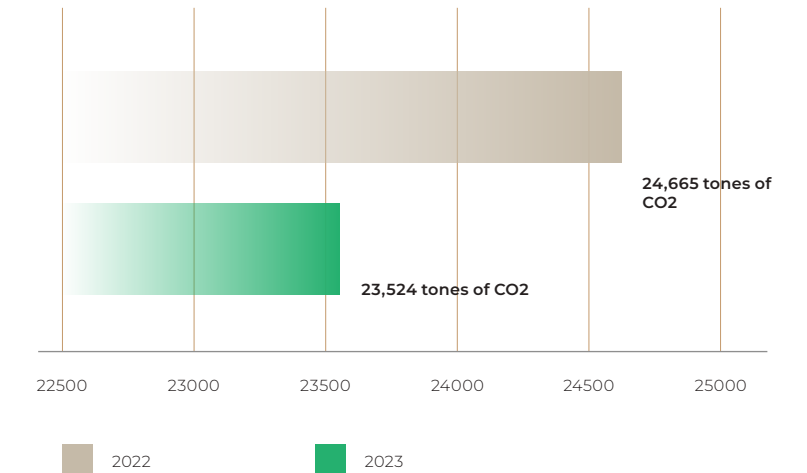
In 2023, total energy consumption increased by 4% compared to 2022.

GREENHOUSE GAS EMISSIONS FROM PER PRODUCT



It reduced by 14.6% compared to baseline in 2022.

TOTAL GREENHOUSE GAS EMISSIONS



Greenhouse gas emissions from both direct and indirect activities of the organization rose by 5% compared to 2022.

KEY ENVIRONMENTAL INITIATIVES IN 2023



ISO 14001:2015

Since its certification in 2022, the environmental management system ISO 14001:2015 standard has undergone continuous enhancements. In 2023, it was subjected to an audit conducted by an international certification body to ensure compliance and effectiveness.



ENVIRONMENTAL AUDIT

In the environmental audit aimed at evaluating compliance with environmental laws, regulations, and standards in Mongolia, a total of 117 criteria across 8 categories were assessed. Gobi JSC achieved a performance rate of 99.2% in adhering to this set of laws and regulations.



TRAINING - 258 man/hours

In 2023, we organized 160 man-hours of training on the "Proper Use of Chemical Substances" for employees handling chemicals. Additionally, within the framework of "Energy Saving and Efficiency" training, we provided 98 man-hours of training for engineers in the Technical Management Department and Heads of factories.

GREEN SPACE

3200

As part of our tree-planting offset initiative and efforts to enhance the green construction of our outdoor area, we planted 3,000 elm trees and 200 poplar trees.



966_{M²}

To expand the green spaces across our facilities (Gobi, Gobi-2, Goyo), we increased lawn areas throughout the organization.



800

As part of our landscaping efforts for the outdoor area, we planted 800 swan plants of three different types.



ENVIRONMENTAL MONITORING ANALYSIS

As part of the environmental monitoring program that was newly approved, sample analysis and monitoring were conducted. The results showed that all parameters met the relevant standards.



AIR



SOIL



WATER



WASTE MANAGEMENT

As part of our actions to improve waste management, we revised and implemented both the “Waste Program” and the “Waste Regulations” in collaboration with the NGO “Ungu Nem” The activities included in this initiative are:

A baseline study of the waste was conducted.



The types of waste sorting have been expanded to four categories.



As part of the landfill upgrade plan, it was relocated.



CHEMICALS

A total of 76 spill containment pallets were installed in four factories and two units that use chemicals, significantly reducing the negative impact of chemical spills on the environment. Additionally, the “Regulations for Ordering, Purchasing, Transporting, Storing, Using, and Destroying Harmful and Dangerous Chemical Substances” were revised and approved.

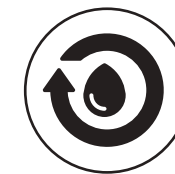


ENERGY

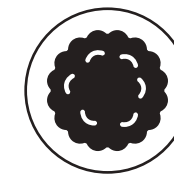
Research and calculations for solar energy systems were conducted in collaboration with CRD and Huawei to facilitate the introduction of renewable energy. Additionally, within the framework of the ISO 50001 standard, a new “Energy Saving Procedure” was developed and approved.



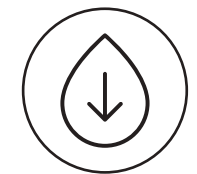
RESPONSIBLE WATER CONSUMPTION



Clean water used for air conditioning is repurposed in the cashmere washing process at the primary factory.

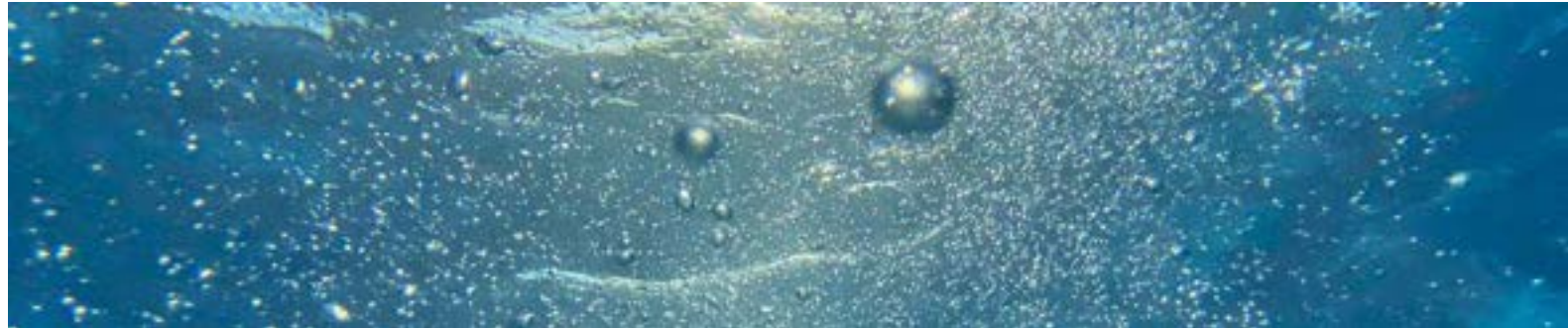


In the cashmere dyeing process, water and chemical consumption were reduced by refraining from the bleaching step and dyeing directly on natural colors.



Sludge dewatering equipment was installed to enhance the operation of the water treatment facility.

THE BEST ORGANIZATION FOR ADOPTING RESPONSIBLE WATER MANAGEMENT IN PRODUCTION



The “Improving Adaptive Capacity and Risk Management of Rural Communities in Mongolia (ADAPT)” project, financed by the Green Climate Fund and implemented by the Ministry of Environment and Tourism in collaboration with the Ministry of Food, Agriculture, and Light Industry and the Mongolian Sustainable Cashmere Platform under the United Nations Development Program, jointly organized the event “Sustainable Cashmere Day 2023” in Mongolia. Participating in the event, “Gobi” JSC was recognized as “The best organization that adopted responsible water management.”



RESPONSIBLE PRODUCTION



Throughout our company’s history, we have strived to balance our nomadic cultural heritage with the advancements of modern industry and innovation. The evolution of our products and operations is rooted in our commitments to:

- Quality
- Style
- Affordability
- Sustainability

To uphold these principles, we consistently increase the production volume of our environmentally and socially responsible collections each year, confidently progressing towards our goal of sustainable production.

We continuously adopt new technologies and methods to minimize our environmental impact and invest in upgrading our older equipment with modern, energy-efficient, and cost-effective technology.

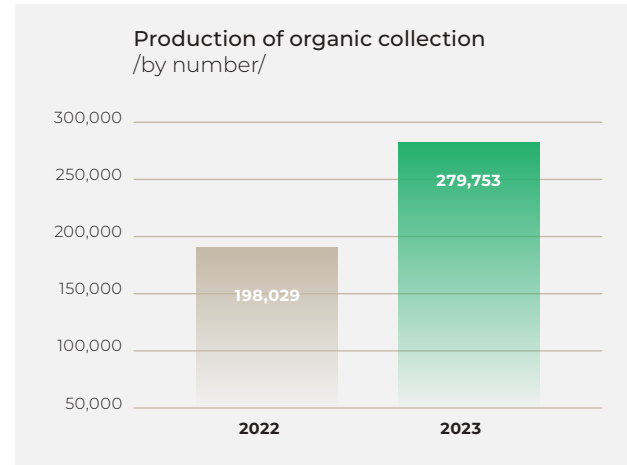
1. ORGANIC COLLECTION

Mongolian cashmere differs from other countries by its unique characteristic of coming in four natural colors. Building upon this feature, we have created the “Organic Collection,” offering garments in these natural colors without the need for dyes or chemicals.

The Organic Collection boasts the following advantages:

- No chemicals are used to dye the cashmere yarns, which reduces the amount of water used.
- Saves energy and reduces CO2 emissions.
- Maintains the quality of cashmere yarn without losing its natural structure.
- Natural colors create a feeling of warmth.

In 2023, the production of Organic collections increased by 81,724 pieces, representing a 41% growth compared to 2022.



Quantitative achievements of the collection include:

-20.6%

ENERGY SAVING

-15%

MINIMIZED USE OF CHEMICALS

-20.3%

WATER SAVING

-20.7%

CO2 REDUCTION

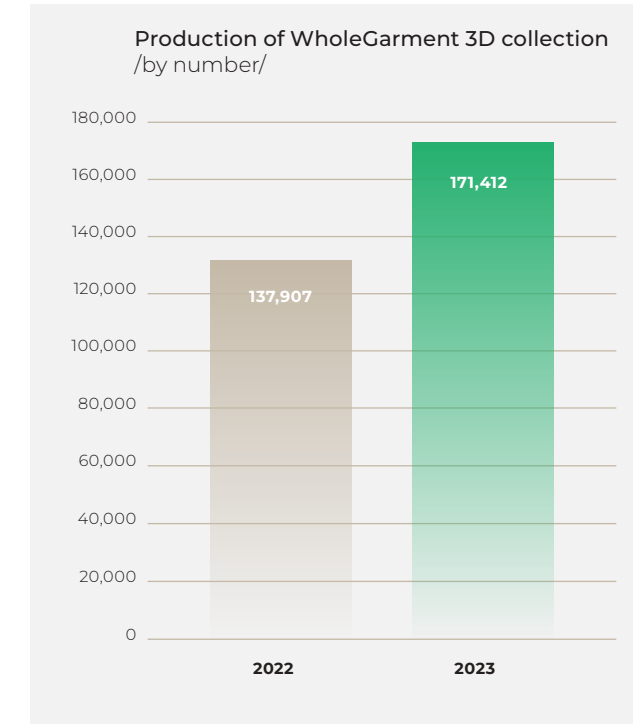
2. “WHOLEGARMENT 3D” COLLECTION

Cashmere whole garment garments differ from other traditional garments because they have no parts and joining seams. They are produced with Shima Seiki machines that perform their tasks according to the programmed design.

Wholegarment 3D Collection boasts the following advantages:

- Comfortable to the body. There are no seams or joints. If you have sensitive skin, it won't irritate.
- Environmentally friendly. Low energy, water consumption and high productivity and efficiency.
- Reduces technological waste. In the production of this collection, there is no technological waste due to pattern matching.
- Long-lasting due to high technology and low production duration.

In 2023, the production of WholeGarment 3D collections increased by 33,505 pieces, representing a 24.3% growth compared to 2022.



Quantitative achievements of the collection include:

-13.2%

ENERGY SAVING

-12%

CO2 REDUCTION

3. “CASHMERE REBORN” COLLECTION

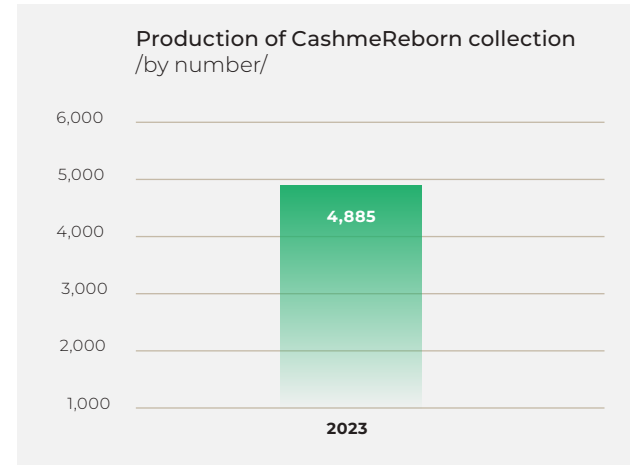
In recent years, Gobi Cashmere has undertaken various initiatives to use natural resources more wisely and support responsible production. One of them is the CashmeReborn Collection, presented for the first time in 2022.

With this collection, technology waste from the manufacturing stages is used to create new and original products

CashmeReborn boasts the following advantages:

- Reduced production wastage, water and energy consumption, and CO2 emissions.
- Environmentally friendly and economical.
- The collection featured unique colors and designs that made the line more exclusive.

In 2023, we produced 4,885 products from the Cashmere Reborn collection and delivered them to consumers.



Quantitative achievements of the collection include:

-31%
ENERGY SAVING

-16%
MINIMIZED USE OF CHEMICALS

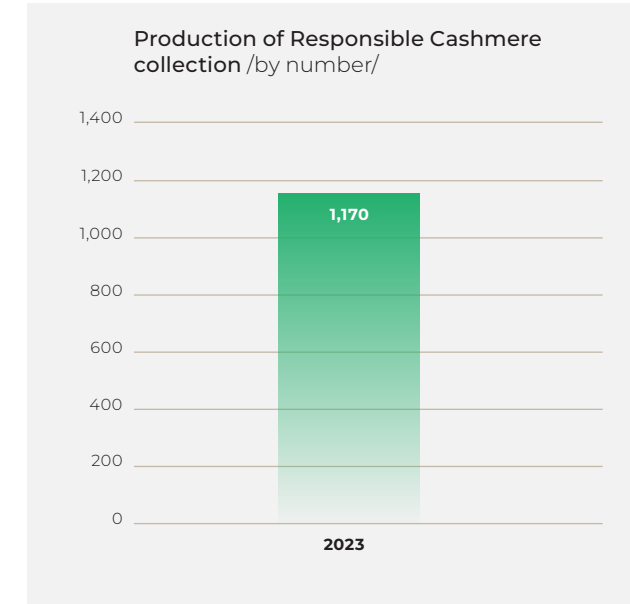
-13%
WATER SAVING

-31%
CO2 REDUCTION

4. “RESPONSIBLE CASHMERE” COLLECTION

For three consecutive years, Gobi JSC has been effectively implementing the “Sustainable Cashmere Trilateral Project” in alignment with its sustainable development principles and commitment to social responsibility. The project aims to strengthen the connection between Science, Industry and Herders.

This initiative aims to elevate the quality of raw cashmere, boost herders’ income, and establish a long-term strategy for combating desertification. As a result of this project, the collection will be accessible in the European Union market by the first quarter of 2024.



**“ORGANIC”
COLLECTION**



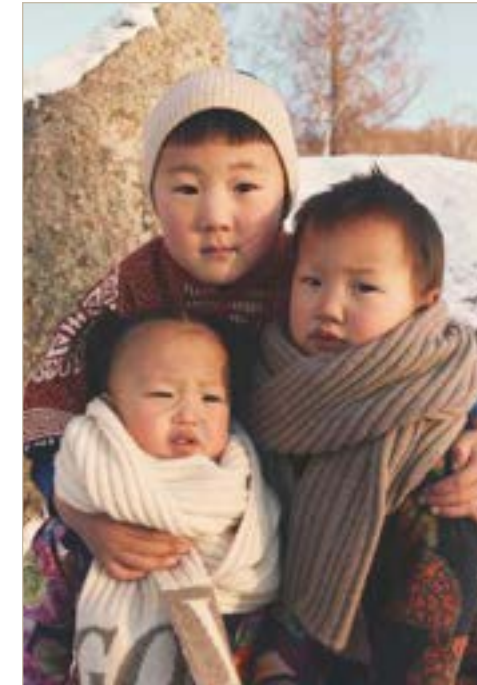
**“CASHMERE
REBORN”
COLLECTION**



**“WHOLE
GARMENT”
COLLECTION**



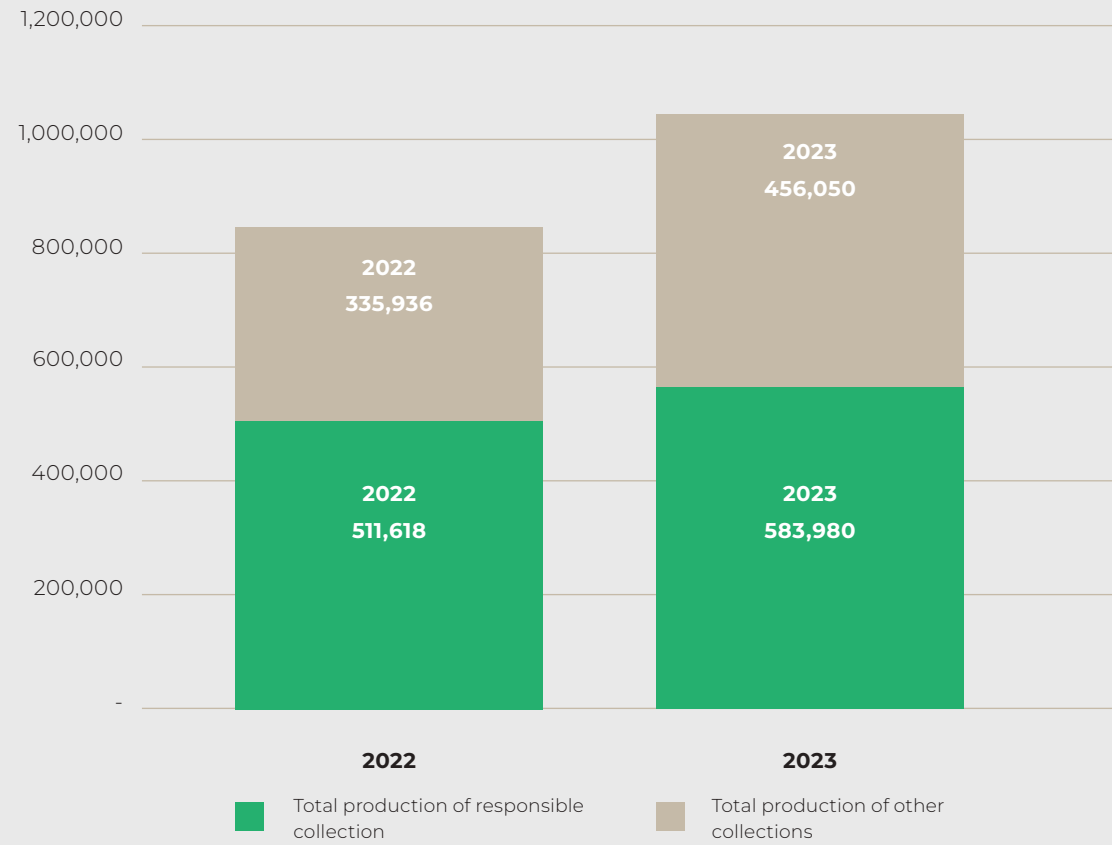
**“RESPONSIBLE
CASHMERE”
COLLECTION**



TOTAL PRODUCTION OF RESPONSIBLE COLLECTIONS

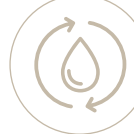
In 2023, there was a 35.8% rise in the total production of responsible collections compared to 2022.

The proportion of responsible collections within the overall production increased by 15% compared to the previous year.




The positive impact of total responsible collection production on the environment can be framed as follows:

/Compared to the production of standard products/




8,499,000 liter
Water saved.

→




It is equivalent to the annual water consumption of 44.7 people.




3,061,463.26 kWh
Energy saved.

→




It is equivalent to the annual energy consumption of 790 households.



4000 tonnes of CO2
Greenhouse gas emissions prevented

→



It is equivalent to the annual carbon dioxide emissions of 200 gasoline-powered cars.

SOCIETY

SOCIAL POLICY AND OBJECTIVES 2025

In our sustainable development policy, Gobi JSC, within the framework of "Society", has divided into two directions: responsible management of human resources (internally oriented) and social responsibility (externally oriented). Specific goals have been established for each of these directions.



Pleasant workplace environment, work - life balance



Employees personal development



Occupational Health & Safety



Green job



Equal opportunity



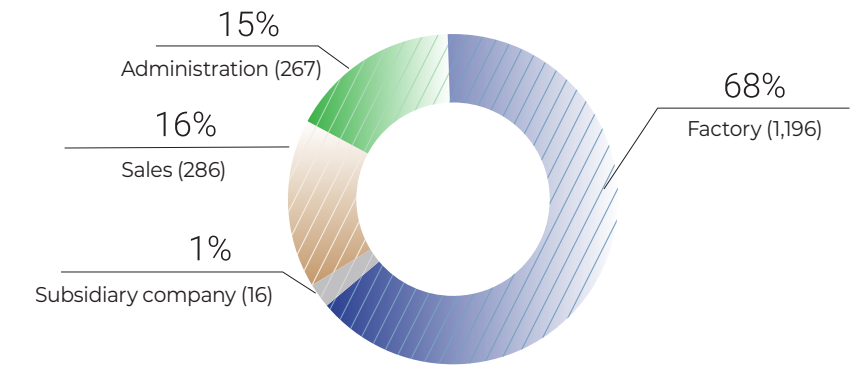
Sustainable social investment

HUMAN RESOURCES STATISTICS

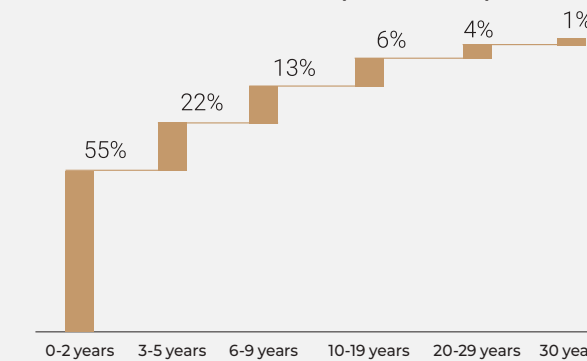
TOTAL NUMBER OF EMPLOYEES:



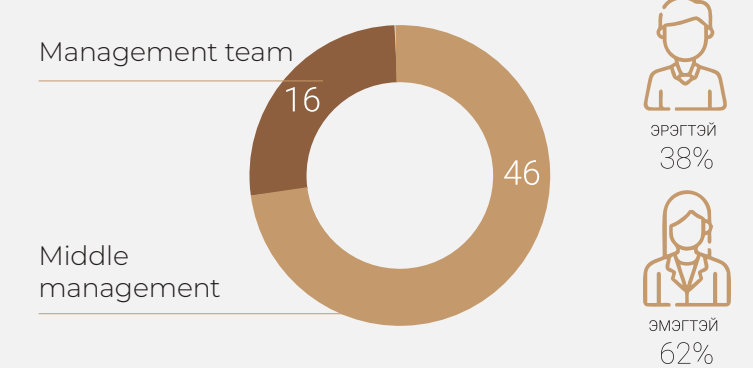
BY FUNCTION:



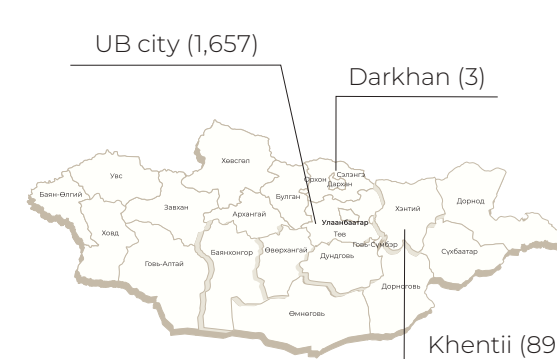
LENGTH OF SERVICE (IN YEARS)



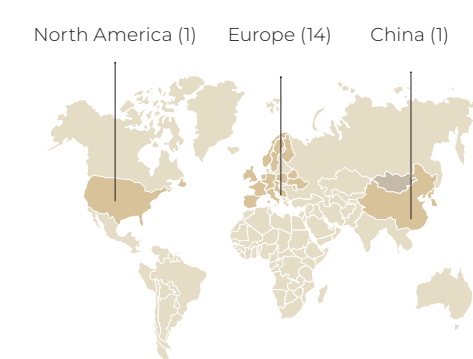
MANAGEMENT TEAM:



MONGOLIA - 99%



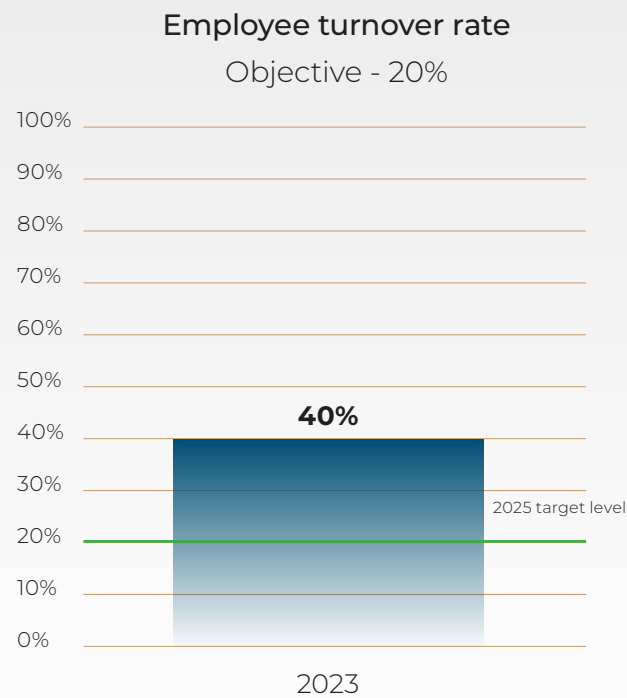
INTERNATIONAL- 1%



RESPONSIBLE HUMAN RESOURCES MANAGEMENT

We are committed to maintaining stable employment opportunities for every employee, fostering an environment conducive to personal and professional growth, and honoring human rights through equitable participation. Our focus areas in responsible human resource management include:

1. Occupational Health & Safety
2. Employees Personal Development
3. Pleasant workplace environment, work - life balance
4. Fair Remuneration & bonuses



1. OCCUPATIONAL HEALTH & SAFETY

Objective – Safety first

Gobi JSC prioritizes the principle of “Safety First” and is dedicated to offering its employees healthy and secure working environments. To achieve this, we remain committed to the implementation of the International Occupational Health and Safety Management System ISO 45001:2018 in our daily operations.

At our workplace, we have established an emergency unit that offers a comprehensive range of treatments, combining both traditional and modern approaches, to its employees free of charge. This unit ensures that employees have access to healthcare services, preventive measures, medical check-ups, and prompt first aid whenever necessary. Our priority is to save time and expenses and, most importantly, safeguard the health and well-being of our employees.

OCCUPATIONAL SAFETY

Year	Accident-free work hours	Training
2022	2,396,160 man/hours	Including duplicated numbers, 15,144 employees received training. 3.8 man/hours for 1 employee
2023	2,547,200 man/hours	Including duplicated numbers, 6,105 employees received 22,433 man/hours of training. 12.7 man/hours for 1 employee.

EMERGENCY UNIT

Year	Daily check-ups	Preventive examinations
2022	Including duplicated numbers, 3,774 employees	300 employees
2023	Including duplicated numbers, 3,251 employees	1,575 employees



RESPONSIBLE HUMAN RESOURCES MANAGEMENT

2. EMPLOYEES PERSONAL DEVELOPMENT

Objective - A training initiative will be developed based on the company’s requirements and tailored to meet the individual needs and career aspirations of employees.

In its Human Resources Policy, Gobi JSC has stated its commitment to fostering employee growth by facilitating on-the-job and classroom training opportunities. These initiatives are designed to enhance employees’ qualifications, capabilities, and productivity within their respective roles. The Training and Development Regulations of Gobi JSC govern the implementation of training and development activities.



TRAINING IN FINANCIAL EDUCATION

- The “Stock Accumulation” course was designed to enhance financial knowledge.
- Five sessions of 8-hour classroom training were organized for 243 employees.
- Additionally, the course was delivered online, reaching over 250 employees.

For financial education, event called “Savings Builder” was organized for all employees, spanning three days and involving 210 employees. Among them, 35 employees received direct services, and 18 employees opened savings accounts as a result of the event.

GOBI TRAINER-2023

The organization trained 27 local trainers using its internal resources. This approach allows for training to be conducted by our own instructors, eliminating the need for external training providers. Additionally, it facilitates the spread of Gobi JSC’s culture among our employees through local trainers.

TOTAL NUMBER OF TRAINING



2022

246 training sessions

2023

316 training sessions

TOTAL NUMBER OF PARTICIPANTS



Including duplicated numbers, 8,662 employees

Including duplicated numbers, 5,618 employees

HOURS OF TRAINING PER EMPLOYEE

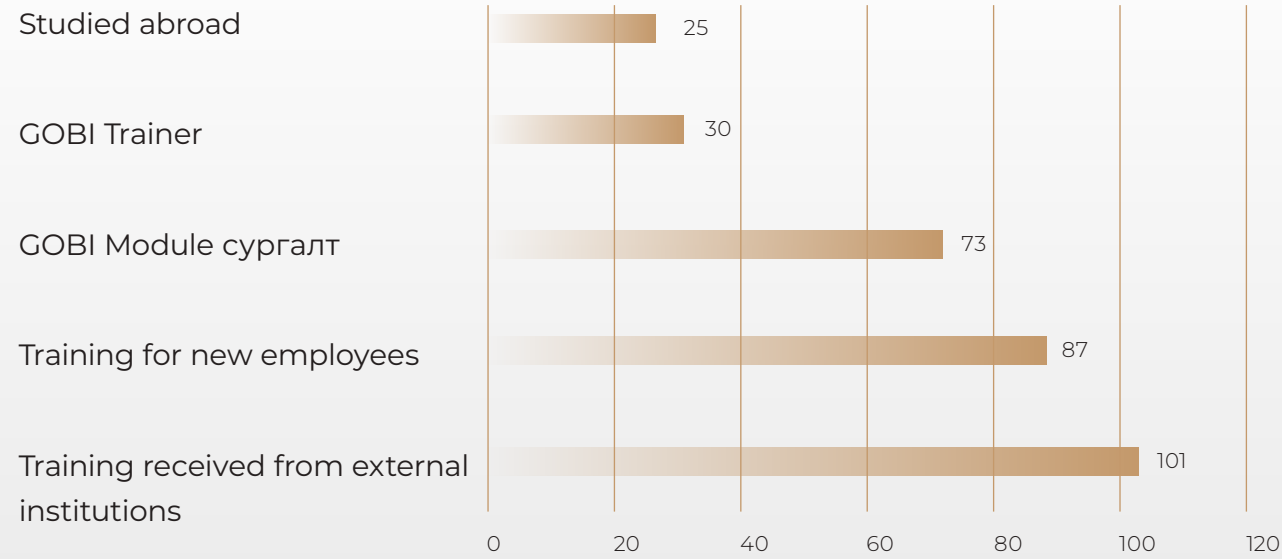
Professional skill

5.2 man/hours

General skill

6.4 man/hours

NUMBER OF TRAINING / By category /



CAPACITY BUILDING PROGRAM FOR UNIT MANAGEMENT TEAM



First meeting of unit management team



Soft Skill vacuum training- 66 heads



Skill assessment -72 heads



1:1 meeting



Personal development plan



English course

SCHOLARSHIP program

To cultivate and develop skilled workers in the textile industry and prepare future leaders, three employees were chosen to pursue studies at the Mongolian University of Science and Technology with a 60 percent discount on their tuition fees. This initiative was announced on Light Industry Day.



GOBI Trainer - 2023 program



27
TRAINERS



30
TRAINING SESSIONS



927
EMPLOYEES



27
CLASSROOM
TRAINING



3
ONLINE
TRAINING



92%
SATISFACTION

RESPONSIBLE HUMAN RESOURCES MANAGEMENT

3. PLEASANT WORKPLACE ENVIRONMENT, WORK - LIFE BALANCE

Objective – The happiest employees

Gobi JSC recognizes that the unity of its team and a positive working environment are critical factors influencing the success and future expansion of the organization. Therefore, we place significant emphasis on maintaining a harmonious balance between work and personal life for all our valued employees. We are committed to fostering a non-discriminatory environment where every individual feels valued, respected, and content. Our goal is to ensure the happiness and well-being of our employees.



Flexible working hours

Over the past three years, Gobi JSC has instituted a flexible working hours system for over 500 office employees. This initiative aims to alleviate traffic congestion, promote a healthy balance between work and leisure time, and enforce child protection policies.

Gobi JSC's on-site kindergarten

Since its establishment in 2022, the “Children of Gobi” kindergarten affiliated with our organization has been in operation year-round, spanning all four seasons.

By remaining open even during the summer months, our dedicated staff ensure that children receive continuous care and education in a nurturing and secure environment. This arrangement not only supports our employees by providing childcare options, but also allows them to work with peace of mind, knowing that their children are well-cared for.



HOBBY ZONE

Gobi JSC has launched 12 interest clubs, with a total of 472 employees actively participating. These clubs operate on a regular weekly schedule, offering employees opportunities for recreational and social engagement.



Commemorated the one-year anniversary of the launch of its interest clubs.



The football club organized the first championship event.



The basketball club has initiated its activities.



The yoga club received its certification.



The E-sport club selected its champions.



The members of the hiking club climbed to "Asralt Khairkhan," with a height of 2799 m.



The members of the table tennis club organized a ranking competition among its members.



The "Gobi Volleyball" club organized the first completion under the name "Super Trophy 2023."

MODULE TRAINING

In 2023, there were 73 training modules held aimed at enhancing the community atmosphere and promoting teamwork among employees. A total of 1280 staff members took part in these sessions.



SATISFIED EMPLOYEES



MAIN EMPLOYEE'S DAY

456 employees actively participated in these events on three separate occasions.



A TRIP TAKEN BY THE BEST EMPLOYEES.

The top 14 employees of 2022 traveled to Da Nang city, Vietnam.



WE ARE GOBI - SPORT COMPA 2023

A sporting competition spanning three consecutive weeks featured five different types of sports and effectively selected champions in each discipline.



CELEBRATION DAY OF THE LIGHT INDUSTRY - 2023



"MIRACLE OF INSPIRATION" CAMPAIGN



"TECHNOLOGY AND ENGINEERING" SPEECH CONTEST



OPEN MIC & STAND UP COMEDY

IMPROVEMENTS IN THE WORKPLACE ENVIRONMENT



19 different types of projects have been successfully completed, with a total budget of 305,812,980₹ allocated for their execution.

*Information about various activities is consistently distributed through platforms such as Gobi All Mail, Facebook groups, and Teams on a regular basis.

AFTER

AFTER

ACTIVITIES CARRIED OUT WITHIN THE FRAMEWORK OF THE EMPLOYEE WELFARE PROGRAM:



“EMPLOYEE WELFARE” PROGRAM

To promote a healthy lifestyle among employees, we have collaborated with the Comfort Fitness & Spinning center conveniently located near our company. Presently, 32 employees are actively participating in exercise programs offered by the center.



MAGIC BOX

To enhance employee health and productivity, we've installed three MAGIC BOX self-service points within the factory premises and an additional one at the entrance of the office.



TELEPHONE STATION

To enhance employee productivity and conditions for communication with their families, we've placed telephone stations in five factories.



Opportunity to work shortened time

To ensure a healthy work-life balance for employees and uphold our child protection policies, a total of 24 employees who have infants and toddlers and work at the knitting factories are now operating on shortened work schedules.

Employee meal



At Gobi JSC, we operate a Food Production Division consisting of 22 dedicated employees. This division is responsible for preparing and providing healthy meals to approximately 1700 employees and around 200 children from our kindergarten at 2 food courts situated in different locations.



Factory Tour



In 2023, a total of 256 factory tours were organized, with 3,318 employees participating. Among these tours, 101 were specifically arranged for 1,272 employees.



RESPONSIBLE HUMAN RESOURCES MANAGEMENT

4. FAIR REMUNERATION & BONUSES

Objective - By adhering to the principle of merit, we aim to recognize and encourage employees' skills, fostering a culture of sustainable work that attracts skilled human resources.

As an organization, one of our primary long-term investments is in cultivating and sustaining a skilled and responsible workforce. We are committed to providing every employee with equal opportunities, fair wages, and incentives, while also creating an environment where individuals can live peacefully and prosper within our country.

Average salaries for the company's total employees increased by 30.6% in 2023 compared with 2022.

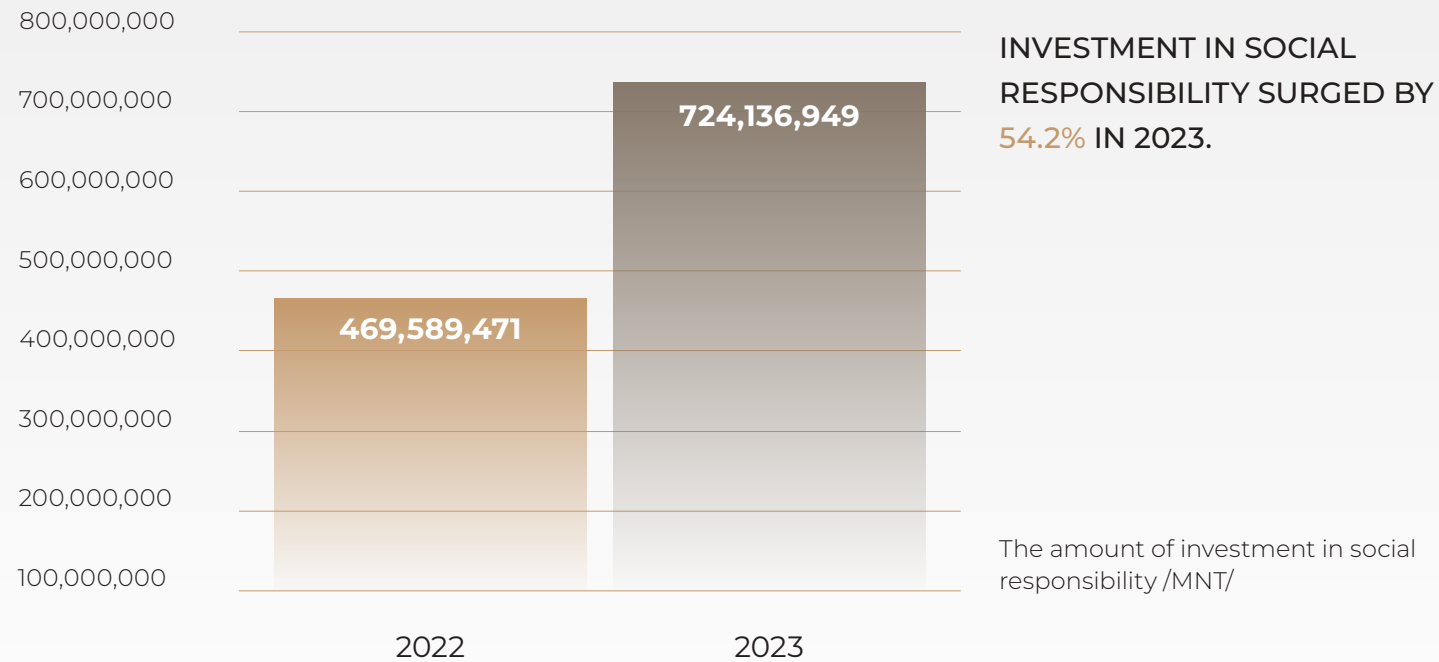


SOCIAL RESPONSIBILITY- SUSTAINABLE SOCIAL INVESTMENTS

Business organizations, being vital components of society, must proactively address the challenges confronting the nation and its people, rallying others to join forces and foster economic growth and development. In 2023, GOBI JSC initiated and implemented numerous initiatives and endeavors aimed at the welfare of society.

As part of our sustainable policy, we have set objectives to implement various projects and programs in collaboration with partners aimed at increasing sustainable social investments each year. Our target is to achieve a performance rating of higher than 90% in these endeavors.

In 2023, Gobi JSC invested a total of 724 million MNT in social responsibility initiatives, marking a significant increase of 54.2% compared to the previous year.



Social Responsibility in 2023

- Current expenses for kindergarten.
- Factory investment and running costs in Khentii province.
- Budget of a “Sustainable Cashmere, Trilateral Project”, implemented as part of social responsibility
- Afforestation program
- “Eco Cotton Bag Production” by people with disabilities
- Children’s Day gifts for 135 children within the target group
- A Lunar New Year’s present was provided to 456 elderly individuals.
- A New Year’s present was given to 800 infants.

The amount of investments

724,136,949₮

THE OPENING OF THE FACTORY BRANCH AIMS TO SUPPORT LOCAL DEVELOPMENT AND EMPLOYMENT OPPORTUNITIES WITHIN THE COMMUNITY.



“Gobi” JSC, a key player in diversifying Mongolia’s economy, has opened its first branch factory in Khentii province. This advanced knitwear facility is considered the most complex in the wool cashmere industry, with a capacity of over 100 employees. Initially, the factory will employ more than 50 skilled knitwear tailors. To ensure a competent workforce, joint training programs by Mongolian-Korean polytechnic teachers will provide short-term professional skills training, even for individuals without prior experience, resulting in the issuance of competency certificates. The local knitwear industry by Gobi is open to all and holds the potential to strengthen and empower the workforce, which is currently scarce in the wool cashmere industry.

By establishing this branch factory, “Gobi” is creating job opportunities in rural areas, fostering stable living conditions, and reducing urban migration. This development not only promotes local economic growth but also increases household income, making it a highly advantageous endeavor that brings together numerous benefits.

In October-December 2023, Gobi JSC invested 400 million MNT in the development of the branch plant, as well as in staff salaries and current expenses.



Gobi JSC’s on-site kindergarten

Since 2022, we have established a kindergarten for the children of our employees, signifying an expansion of our activities. In 2023, out of a total expenditure of 150 million MNT allocated for the operational costs of kindergartens, 87.4 million MNT was dedicated to teachers’ salaries.



The warmest gift

Gifts of cashmere products were presented to 800 babies in the maternity ward of “Urguu” maternity hospital and the National Center for Maternal and Child Health.



Happiness for every child

A total of 135 children from the target group received children’s holiday gifts, ensuring their happiness and joy.



Lunar New Year’s present to seniors

456 veterans who went on merit leave from Gobi JSC were given gifts.



Support for people with disabilities – Eco Cotton Bag

In support of “Eco Cotton Bag Production” for disabled people, the bag is ordered from the factory.



Family, child, and youth development activities

We have established a memorandum of cooperation with Khan-Uul District’s Department of Children and Youth. This partnership aims to provide training and development opportunities for our staff members.

SOCIAL RESPONSIBILITY PROJECT

Sustainable Cashmere, Trilateral Project

Pastureland encompasses 70.1% of Mongolia's total territory. The potential carrying capacity of pasture is estimated at 86 million livestock. However, as of 2022, the livestock population has surpassed this capacity, reaching 120.7 million, exceeding 30% of the total grazing area. A 2019 study by the Bank of Mongolia suggests that with a change in land use practices, more than half of the pastures could be restored.

Currently, approximately 300,000 herders are engaged in animal husbandry in Mongolia, and their livelihoods are heavily reliant on the cashmere industry. Goat cashmere constitutes the majority of livestock farmers' income, accounting for 62%, as per the same 2019 study.

Therefore, Gobi JSC has been implementing the "Sustainable Cashmere, Trilateral Project" within the framework of social responsibility for the past three consecutive years.

"Gobi" JSC initiated and funded the project in 2020, collaborating with experts from the Mongolian University of Life Sciences and herders from Jinst Sum of Bayankhongor province and Ikh-Uul Sum of Khuvsgul province until 2025. This project aims to strengthen the connection between industry, science, and herders, improve livestock genealogy, and enhance the quality of raw cashmere to support the income of herder families.



The main activities the project includes:

- Breeding High-quality Cashmere Goat
- Quality Assessment of Raw Cashmere
- Good practices in raw material preparation
- Procurement of Raw Materials
- Manufacturing Process
- Herder Support Program
- Winter Preparedness and Animal Health
- Transparency in Information
- Project Closure

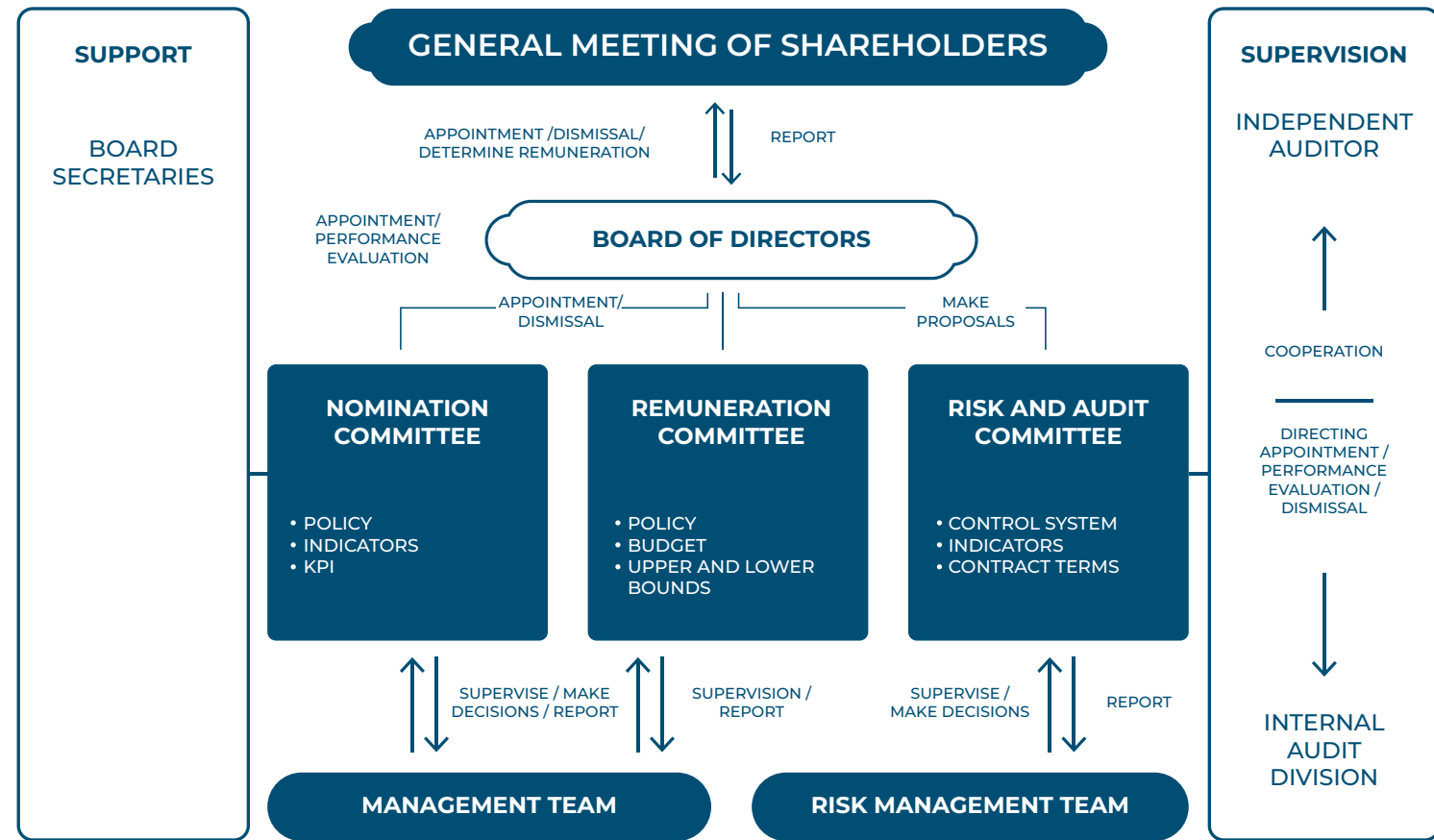
In 2023, 125 million MNT was allocated for financing the project, which was successfully executed according to plan with a performance rating of 91%. As part of the project, we began purchasing cashmere directly from the project herders. A comparison between project cashmere and non-project cashmere in the same region revealed a 1% decrease in cashmere diameter and a positive outcome of a 6% reduction in impurities and litter. Furthermore, production of project cashmere products commenced, and efforts are underway to sell them in the European Union market in the first quarter of 2024. Additionally, in line with the principle of promoting sustainable development culture within the project framework, a training session titled "Participation of Herdsmen in Sustainable Development" was conducted for project herders in November 2023. Handbooks on the topic were distributed to further support the dissemination of knowledge and practices related to sustainable development among the herders.

In the future, we plan to expand the scope of the project by addressing the social issues faced by herders. This includes organizing awareness training programs and collaborating with herders to obtain eco-certifications and other relevant certifications. Additionally, we aim to expand the project in partnership with the Asian Development Bank and implement the "Pilot-Testing Climate-Resilient Solutions to Pasture Degradation with Nomadic Herder Groups" project. Furthermore, we intend to create a program focused on adapting to climate change, thereby ensuring the sustainability of herding practices in the face of environmental challenges.

In 2023, the "Sustainable Cashmere, Trilateral Project" was honored with the Best Sustainable Development Project award. This recognition was bestowed by the American Chamber of Commerce in Mongolia, "Amcham Mongolia NGO," during the "CSR Awards 2023" event. Among the projects implemented within the framework of social responsibility, our project stood out in the sustainability category. Despite facing competition from ten member organizations, our project was selected for this prestigious award, highlighting our commitment to promoting sustainable practices and making a positive impact on communities.

GOVERNANCE

GOVERNANCE STRUCTURE AND OPERATIONS



GOBI JSC has established a comprehensive corporate governance system that comprises a set of structures and regulations designed to maintain a fair and equitable balance between the interests of shareholders, management, and other stakeholders. Our system is designed to define, implement, and closely monitor the company's objectives and key areas of activity.

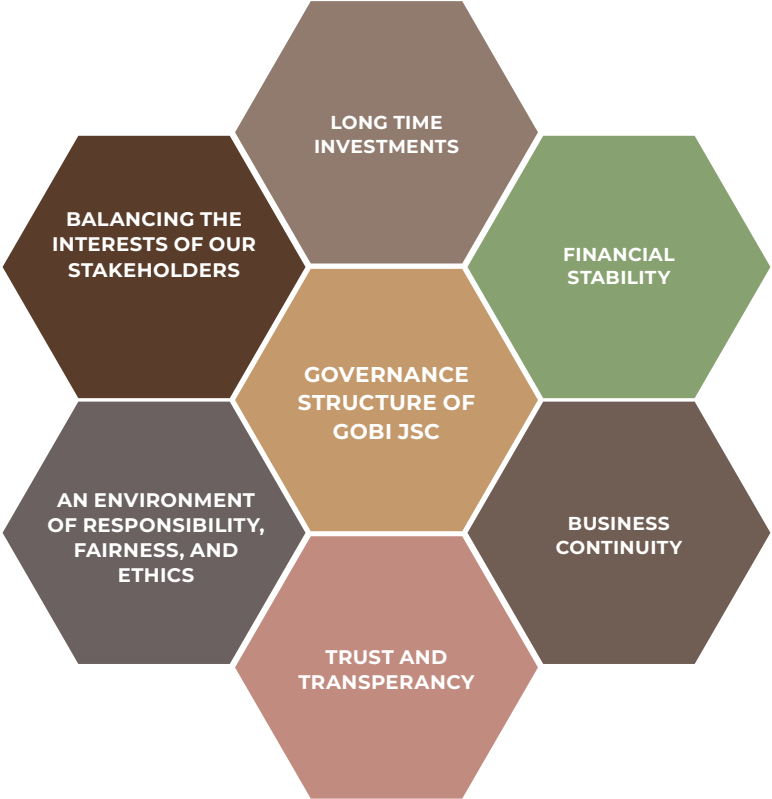
As a publicly traded joint-stock company, we continually strive to refine our governance system through our attentive study of the Company Law, the Mongolian Corporate Governance Code, and the best practices of international corporate governance. Our commitment to these laws and regulations is unwavering, as we aspire to be a model company and a trailblazer in corporate governance practices throughout the country.

The Board of Directors (BoD) is appointed at the annual general meeting of shareholders. The BoD has a fundamental objective of safeguarding the interests of shareholders and investors, while enhancing the return on capital.

There are 3 committees under the Board of Directors: Nomination Committee, Salary Incentives Committee, and Risk Audit Committee. Also, the BoD also has the primary responsibility of monitoring the company's executive management activities and providing optimal direction.

The Risk Audit Committee governs the internal audit department, which conducts independent internal control throughout the company.

GOVERNANCE POLICY



Our commitment to designing a fair and ethical governance system ensures that we maintain a balance of stakeholder interests, create an environment of trust, transparency, and accountability, and prioritize long-term investment, financial stability, and business continuity.



ADVANCING COMPANY GOVERNANCE: ACHIEVEMENTS IN STRENGTHENING AND ENHANCING CORPORATE GOVERNANCE IN 2023

Policies and procedures adopted by the Board of directors to improve the composition of policy documents

UPDATED

Risk management policy:

- Succession Policy for Authorized Officers
- Procedures for Board Member Selection and Nomination
- Operational Procedures for Three Board Committees
- CEO Management Agreement
- Operational Procedures for Whistleblowing System

NEWLY APPROVED

Investor relations program:

- Collaborative Stakeholder Engagement Strategy
- Conflict of Interest Resolution Procedures
- Compensation Bonus Policy

INITIATIVES ENHANCING GOVERNANCE

- The corporate governance code implementation report underwent two reviews and certifications by the Financial Regulatory Committee.
- ESG's evaluation report for the second year followed the Mongolian Stock Exchange's procedure for public information from issuers. Additionally, the inaugural Sustainable Development Report was published and made accessible to the public via both the Mongolian Stock Exchange and the company's website.
- Enhanced the information content within the Annual Report and on the company's website, aligning it with the Corporate Governance Code principles.
- The salary budget for board members in 2023 received approval during the shareholders' meeting.
- A Whistleblowing system was continuously improved.
- To enhance investor engagement and safeguard their interests, shareholder factory visits were organized twice.
- A 'Shareholders' Guide' was developed and delivered to the public, aiming to inform shareholders' rights and responsibilities and provide company-related information.
- In 2023, shareholders gained the possibility to review their records via the company's website, access dividend balances, submit feedback, and stay informed about the company's operations.
- To enhance information transparency for international investors, the company launched its website in English.

COLLABORATIVE STAKEHOLDER ENGAGEMENT STRATEGY

STAKEHOLDERS



The “Governance Policy” defines the objectives of ensuring the interests of the participants.

Additionally, the Board of directors developed an “Investor Relations Program” in April 2023 and a “Participant Interest Management Plan” in November.

STAKEHOLDER COMPLAINTS

In accordance with the procedure for ‘Receiving and Resolving Applications, Suggestions, and Complaints from Interested Parties,’ submissions are received through the following three channels:



The official e-mail address of “Gobi” JSC for receiving applications, suggestions and complaints Complaint@gobi.mn

By phone: 9990 5357

By official letter: Through the relevant manager, head of department, and director of the responsible department.

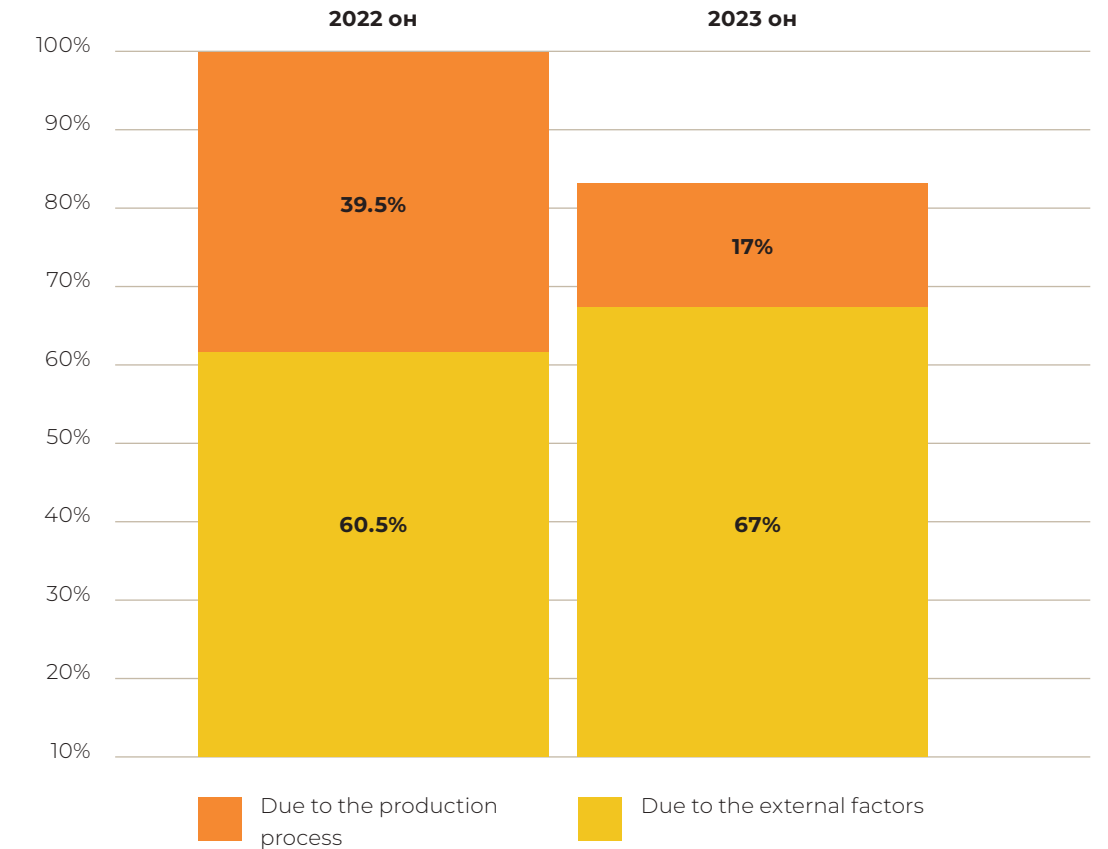
PUBLIC HEALTH



The “Procedure for Assessing the Impact on Public Health and Safety,” approved by the Executive Director on January 11, 2024, is being implemented at the organizational level.

CAUSES OF CONSUMER COMPLAINTS

In 2023, all 355 complaints received through the organization’s complaint lines were resolved 100%.



ASSESSMENT OF IMPLEMENTATION OF THE COMPANY GOVERNANCE CODE

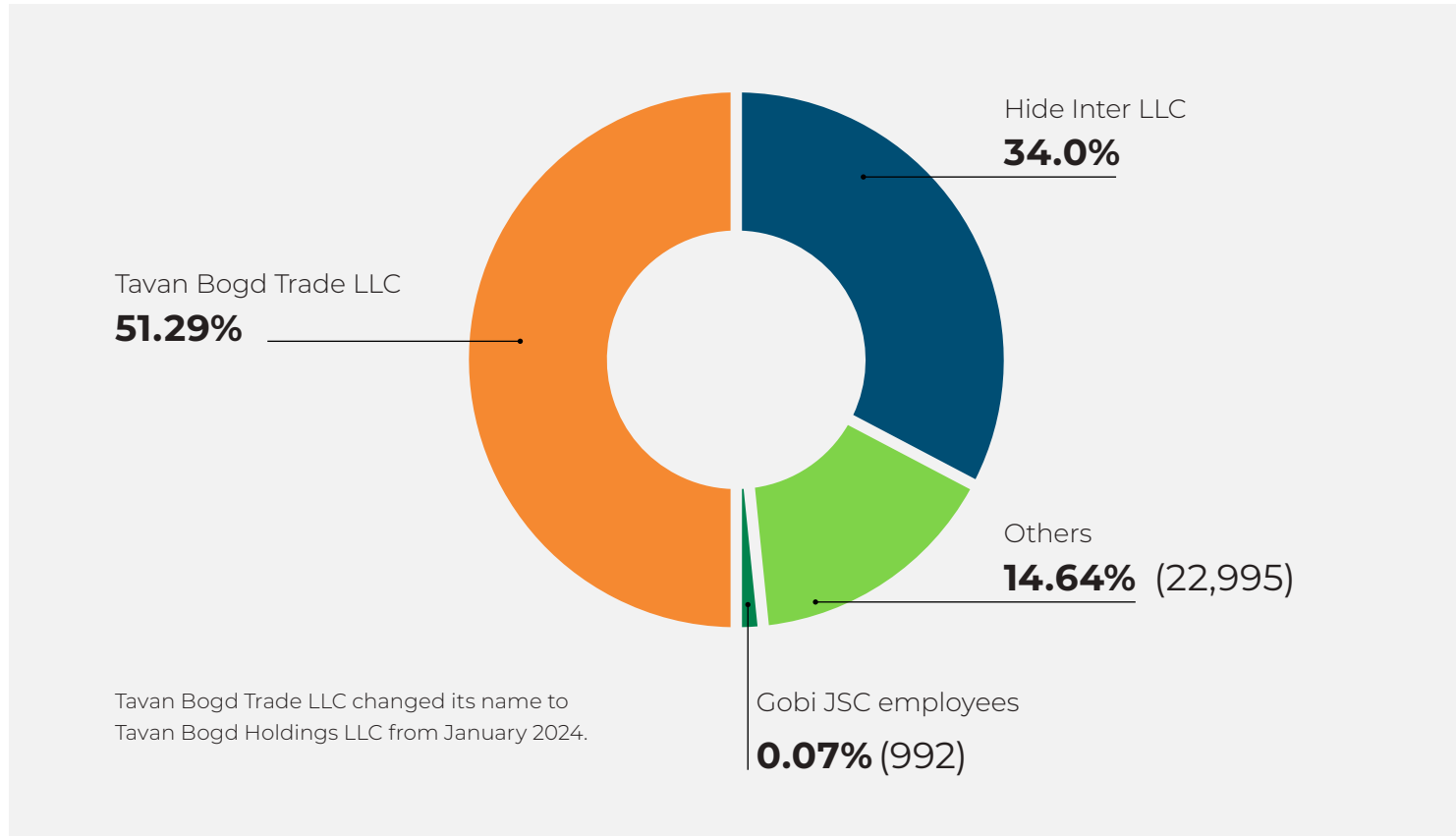
As of 2022.12.31				
Nº	Title	Control score	Assessment score	Percentage
1	Board structure and composition	12	10	83.3%
2	Board committees and their responsibilities	10	9	90.0%
3	Reporting and data transparency	6	6	100.0%
4	Audit and control system	6	6	100.0%
5	Risk management	8	8	100.0%
6	Remuneration of authorized officials	6	4	66.7%
7	Interests of stakeholders	8	6	75.0%
8	Company's organization culture	6	6	100.0%
9	Rights of shareholders	10	9	90.0%
Overall		72	64	88.9%

As of December 31, 2023, the Office of the Board evaluated the implementation of Gobi JSC's "Corporate Governance Code" following its revision by the Financial Regulatory Commission in March 2022. The assessment results have been reviewed and confirmed by the Financial Regulatory Committee.

As of 2023.12.31		
Financial Regulation Committee's control score	Percentage	Percentage of differences
11	91.7%	8.4%
9	90.0%	-
6	100.0%	-
6	100.0%	-
8	100.0%	-
6	100.0%	33.3%
8	100.0%	25.0%
6	100.0%	-
10	100.0%	10.0%
70	97.2%	8.3%

The consolidated results indicate that Gobi JSC's implementation to the "Corporate Governance Code" improved notably between the end of 2022 and 2023. Initially rated at 88.9%, considered medium governance, it surged by 8.3% to reach 97.2% by the end of 2023. This enhancement, verified by the Financial Regulatory Commission, now places their governance at a normal, risk-free level. /Rated first among open joint-stock companies in Mongolia./

SHAREHOLDERS



TOTAL NUMBER OF ISSUED SHARES

780,112,500

TOTAL NUMBER OF SHAREHOLDERS

23,989

/As of 2023.12.31/

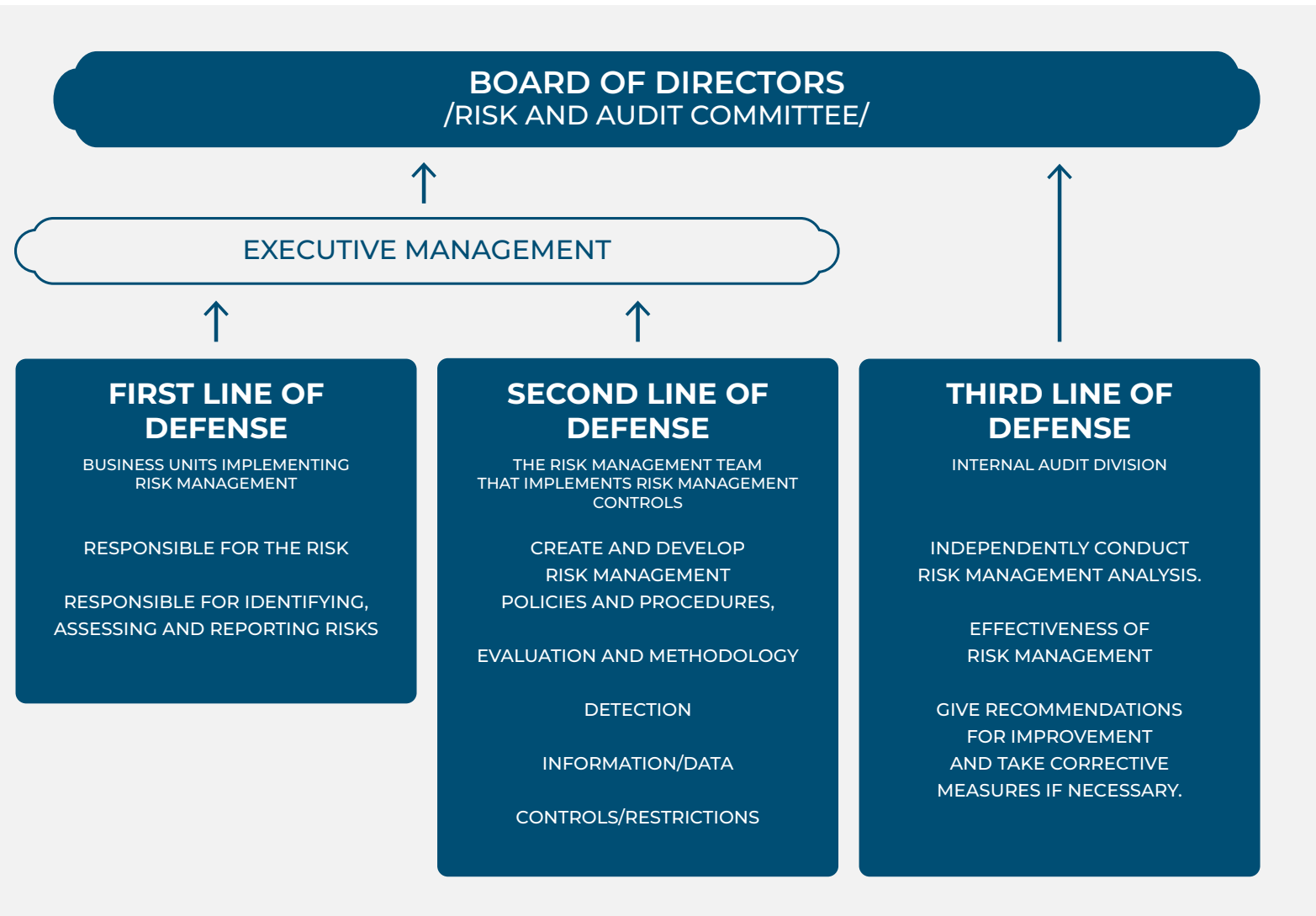


REPORT OF THE BOARD OF DIRECTORS IN 2023

During 2023, Gobi JSC's board of directors held a total of 16 meetings, comprising 6 regular meetings and 10 special meetings. Throughout these meetings, they addressed 59 issues, leading to the formulation of 51 decisions and the endorsement of 41 resolutions. Additionally, the board fulfilled its responsibilities by providing 19 suggestions and assigning 25 tasks to the management, while also overseeing the execution of these directives.

In 2023, the board of directors approved the company's business plan during the initial meeting of the year. This plan served as a blueprint for directing the company's financial activities and operational strategies, monitoring the plan's execution by reviewing monthly financial statements and performance reports. In April, the board discussed and approved the mid-term strategic plan. Moreover, significant attention was dedicated to enhancing monitoring and management practices within the framework of Environmental, Social, and Governance (ESG) activities. The board meticulously reviewed the ESG work report on three occasions, ensuring alignment with sustainable development commitments ratified by the board. Through these measures, the board provided crucial guidance to the management team.

RISK MANAGEMENT



RISK MANAGEMENT

The primary objective of risk management is to enhance the company’s profitability and optimize the return on capital by identifying, quantifying, and mitigating risks in line with the risk-return ratio. This process plays a pivotal role in ensuring the organization’s sustained profitability and establishing a management system that aligns with the company’s overarching vision and values.

The risk management structure of Gobi JSC’s risk management system is governed by the “Three Lines of Defense” model. One of the key objectives of the board of directors is to establish a comprehensive framework for risk management, including clear controls and defined responsibilities. The Risk Management Team, appointed by the Executive Director, assumes the responsibility of the second line of defense for risk management. They conduct quarterly reviews to assess risks in accordance with the risk recognition standards outlined in the approved risk management policy by the Board of Directors. The outcomes of these reviews are then reported to the Risk and Audit Committee. The risk management team consists of senior executives within the company, led by the Deputy CEO. Their role is to oversee and manage risk-related activities, ensuring that effective risk management practices are implemented throughout the organization.

BUSINESS CONTINUITY

In 2022, the organization developed and approved the “Business Continuity Policy” and “Business Continuity Procedures”.

This procedure aims to refine the essential steps required in response to various influencing factors, force majeure events, and epidemics that could potentially impact the business activities of Gobi JSC. Its primary objectives are to promptly coordinate the recovery process, mitigate adverse effects, and ensure the availability of resources. Additionally, it seeks to implement policies aimed at maintaining and restoring the continuity of operations.

Gobi JSC is currently in the process of developing and approving the aforementioned documents and developing a comprehensive business continuity plan to address key risks that may arise in the future.



REPORT 2023

Gobi JSC has recently updated its “Risk Management Policy” and “Risk Management Implementation Procedures” by incorporating leading international standards and practices, including the “ISO/IEC 31000:2018” standard for risk management systems. Drawing upon frameworks such as the “Three Lines of Defense” model and guidance from renowned international professional organizations, these updates reflect Gobi JSC’s commitment to adopting robust risk management practices.

Under the revised regulations, risk monitoring will now occur biannually, doubling the frequency from previous practices. Additionally, the organization’s risk management activities will be reported every six months.

Each department, factory, and unit within the organization is tasked with the responsibility of identifying, evaluating, managing, monitoring, and reporting potential risks. By adopting this comprehensive approach, management aims to minimize the impact of risks, underscoring their commitment to proactive risk management and maintaining operational resilience.

In 2023, to uphold and enhance effective risk management practices, all units within the organization adopted advanced international methodologies and techniques. They developed their risk measurement indicators within the framework of “Risk Appetite” and established threshold values for “Tolerance.”

SPREADING THE RISK CULTURE

In 2023, as a component of fostering a risk-aware culture, the organization facilitated training sessions aimed at providing the Risk Management Team and all Risk Managers with a comprehensive understanding of risk management principles and methodologies.

The risk management team provided methodological guidance to risk takers within each department, factory, and unit, collaborating closely in the process of risk management.

A risk reporting channel has been introduced to address any risky situations identified during duties. Specifically, a “Risk Management” section has been integrated into the organization’s intranet, serving as a platform for sharing information and offering recommendations related to risk management.

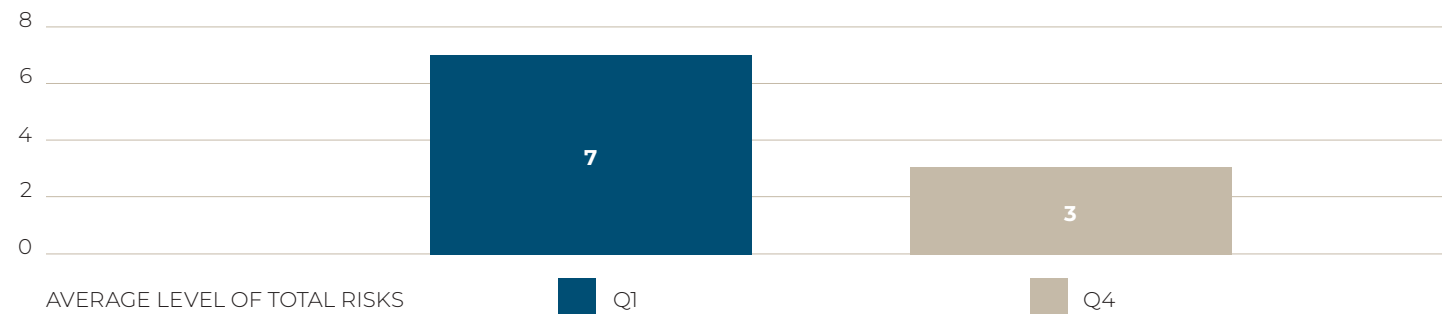


TOTAL 432 RISKS:

LIKELIHOOD		IMPACT					
		INSIGNIFICANT	MINOR	SIGNIFICANT	MAJOR	SEVER	
		1	2	3	4	5	
	ALMOST CERTAIN	5	8	15	17	0	1
	LIKELY	4	12	20	16	9	0
	MODERATE	3	33	24	41	8	3
	UNLIKELY	2	41	22	17	12	6
	RARE	1	66	23	27	7	4

RISK LEVEL	NUMBER	PERCENTAGE
EXTREME	1	0.23%
HIGH	53	12.27%
MEDIUM	188	43.52%
MODERATE	124	28.70%
LOW	66	15.28%
TOTAL	432	100%

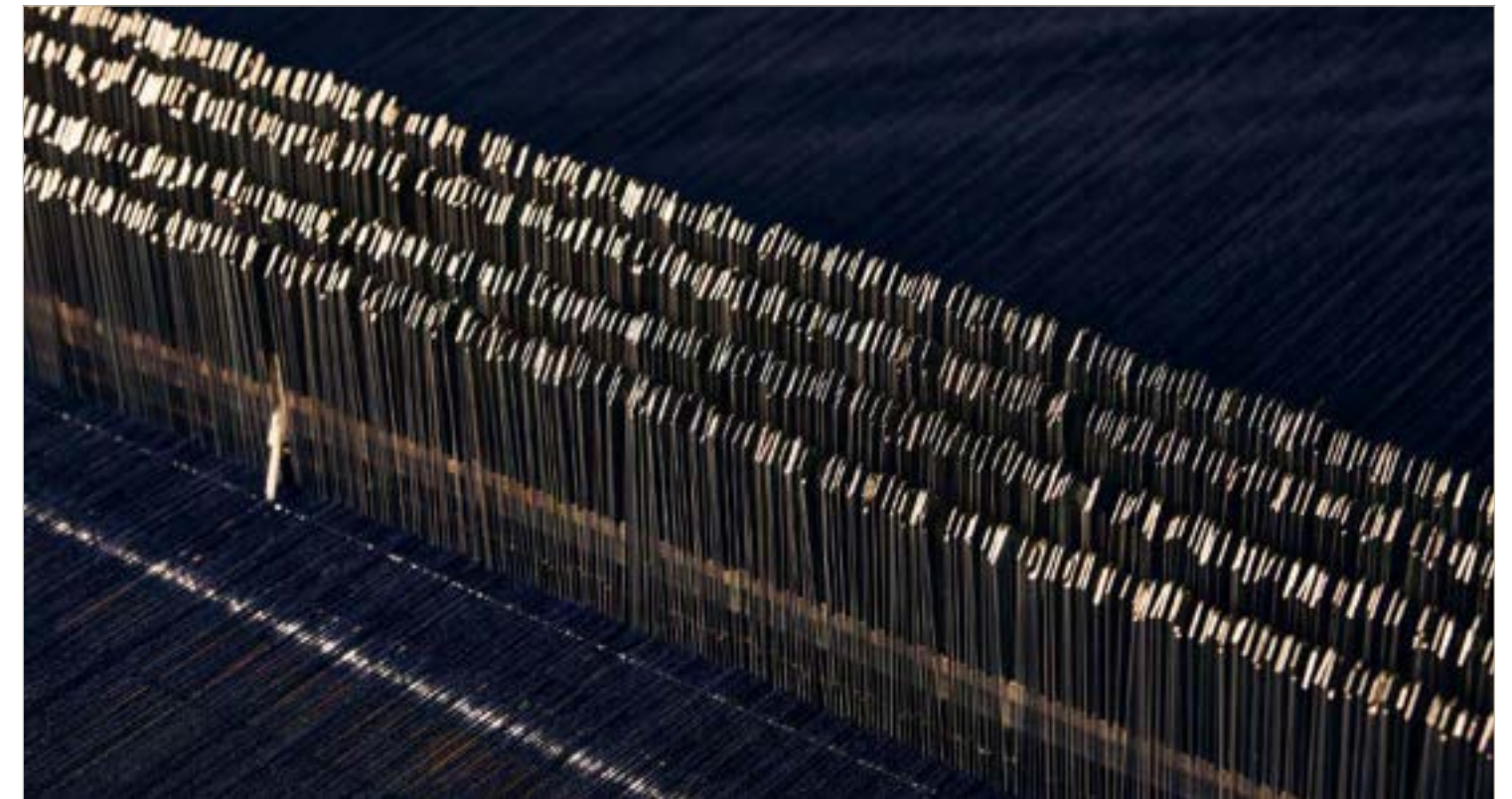
BASED ON AVERAGE LEVEL OF RISK



RISK MONITORING REPORT

As of January 2023, a total of 436 risks necessitating management action were identified, with an average score of 7, indicating a MEDIUM level of risk. Throughout the reporting period, our focus was on reducing the average risk score to a LOW level by the year-end.

A response plan for risk management was planned and put into action, incorporating newly identified risks deriving from the initial half-year risk assessment. By the conclusion of the fourth quarter in 2023, out of a total of 554 registered risks, 246 risks were consolidated into other risk categories, while 69 risks were entirely resolved and decreased to 239 risks overall, with an average score of 3, indicating a low level of risk.



COMPLIANCE MANAGEMENT

Gobi JSC conducts its business operations adhering to principles such as the rule of law, honesty, responsibility, transparency, and ethics. The company underscores ethical compliance within its sustainable development policies and objectives, with measures regulated by compliance management protocols. Establishing a compliance management system is crucial to bolster the trust of employees, customers, and both internal and external investors, while also mitigating potential risks.

Compliance Management Highlights for 2022:

- Newly approved procedures include the Whistleblowing System Operating Procedures and the Code of Ethics Implementation Procedures.
- A total of 849 man-hours were dedicated to training sessions aimed at imparting knowledge and understanding of the "Code of Ethics" and its related procedures.
- The compliance manager and members of the ethics committee participated in training sessions to enhance their knowledge and skills.
- Updates were made to the Whistleblowing System.
- Elections were conducted for the Ethics Committee, resulting in the renewal of the committee with 13 members.
- The Code of Ethics, Whistleblowing System introduction, and handbook were delivered to all staff members.
- Additionally, a comprehensive review of compliance was conducted on a total of 43 documents.

Gobi JSC approved the Compliance Policy and Objectives in April 2022 and revised the Code of Ethics in August 2022. The code of ethics of Gobi JSC includes the following principles:

01 Protection of health and safety

02 Respect for human right

03 Protection of privacy

04 Be against corruption and bribery

CODE OF ETHICS

05 Intellectual property protection

06 Intolerance of harassment in the workplace

07 Fairness in labor relations and participation



WHISTLEBLOWING SYSTEM

In 2022, Gobi JSC introduced the “Whistleblowing Management System” and implemented this system to prevent, correct, and improve the early detection of ethical defects in the organization’s operations, thereby strengthening the trust of employees in the organization, accessible at

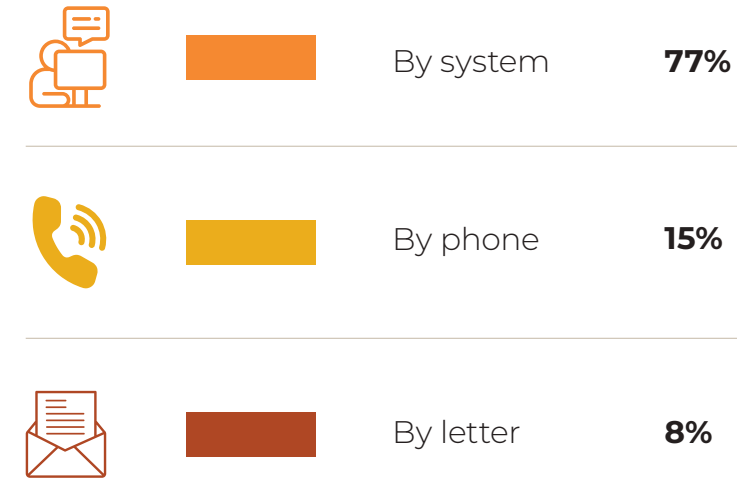
<https://info.gobi.mn/whistleblowing>



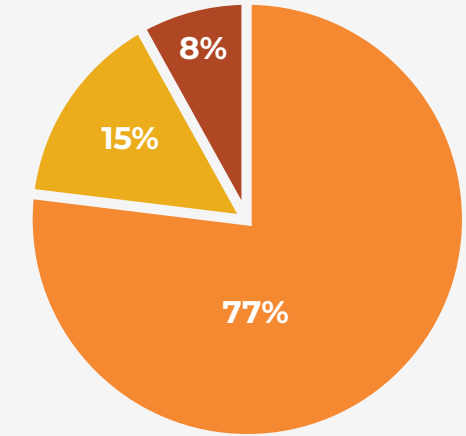
This system empowers the Board of Directors, Nomination Committee, and Ethics Committee to directly receive and address information, ensuring the detection, resolution, prevention, and continuous improvement of any ethical violations within a framework that is fair and transparent.

The diverse Ethics Committee comprises employees with extensive knowledge, skills, and experience across domains. Democratically elected, the committee includes representatives from all levels of our organization, reflecting our commitment to workplace diversity and promoting accessible communication of ethical standards throughout the company.

In the future, it is planned to enhance and monitor the activities of the Ethics Committee and the Whistleblowing System, ensuring that ethical norms are regularly communicated to all employees.



Between November 2022 and December 2023, a total of 74 reports were submitted to the whistleblowing system, and 100% of them were resolved.



When considering conflicts received in the whistleblowing system by type and resolution:

1	Recommendations and decisions have been delivered from EC and NC	48	65%
2	Directly transferred to the relevant department of the organization.	10	14%
3	Transferred to the legal body	1	1%
4	Returned by own request	4	5%
5	Returned as insufficient evidence	7	9%
6	Waited	4	7%
OVERALL		74	100%

QUALITY MANAGEMENT

Gobi JSC rigorously conducts quality checks on 230 indicators throughout the entire production process, from sourcing raw materials from herders to delivering certified products that meet national and multi-standard requirements to customers through domestic, foreign, and online channels, while strictly adhering to technological procedures

We have implemented a comprehensive quality management system throughout all stages of production to fulfill customer requirements.



In May 2023, Gobi JSC successfully completed the ISO 9001:2015 standard certification audit, demonstrating its ability to deliver products and services that meet the stringent requirements of this international standard.



We are committed to continuously enhancing the quality management system to meet both Mongolian and international standards, ensuring the delivery of world-renowned Mongolian cashmere products to our valued customers.



“Mongolian Khaan Shirhegt” certificate /Combed cashmere and knitted WHOLE GARMENT BASIC/



MNS 6926:2021 “Sustainable Textile Production” certificate



“Clean Fibre Processing Code of Practices” certificate /Primary Factory/



Gobi JSC’s raw material warehouse has successfully extended its WAREHOUSE ACCREDITATION for a period of 3 years, meeting the criteria set by the Mongolian Commodity Exchange.



“Certified Organic” /By Mongolian National Chamber of Commerce and Industry/



Gobi JSC has consistently fulfilled the criteria of the globally acknowledged quality certification “OEKO-TEX STANDARD 100” for four years. The certification serves as a testament to the commitment of Gobi JSC in ensuring that its yarn is free from harmful substances, providing consumers with the assurance of its safety and reliability in terms of human health.

INDUSTRIAL SECTOR



CASHMERE INDUSTRY

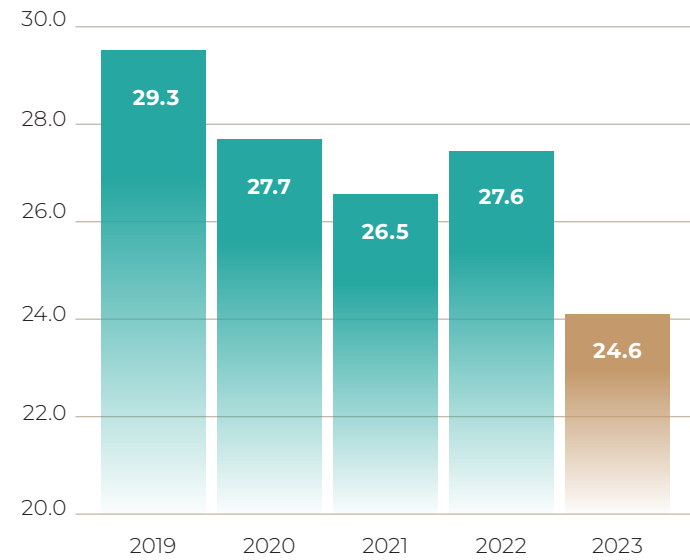
In 2023, Mongolia witnessed a decline in its goat population, with a total of 24.6 million herds. This represents a 11 percent decrease or less 3 million compared to the previous year.

During the same period, Mongolia produced approximately 10.5 thousand tons of raw cashmere, marking a 3 percent increase of 0.3 thousand tons from the previous year. Our country's cashmere production contributes to 40 percent of the world's raw cashmere supply

In terms of pricing, the average price of cashmere in 2023 was 135,000 MNT, reflecting a 8 percent increase compared to the previous year.

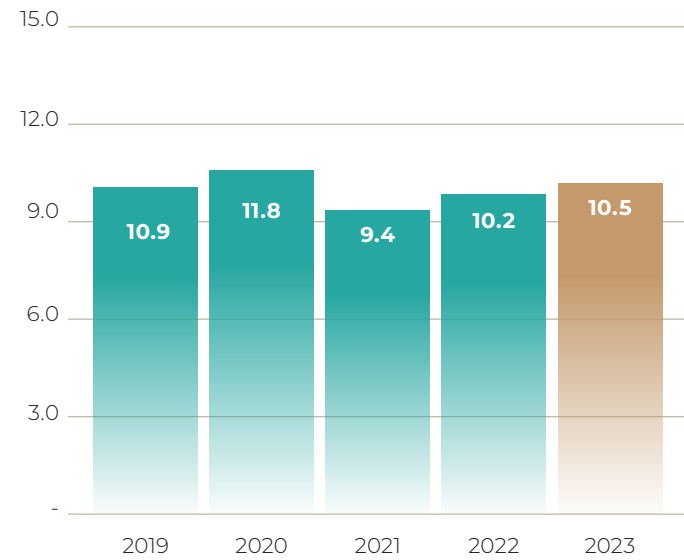


GOAT POPULATION OF MONGOLIA /MILLION/



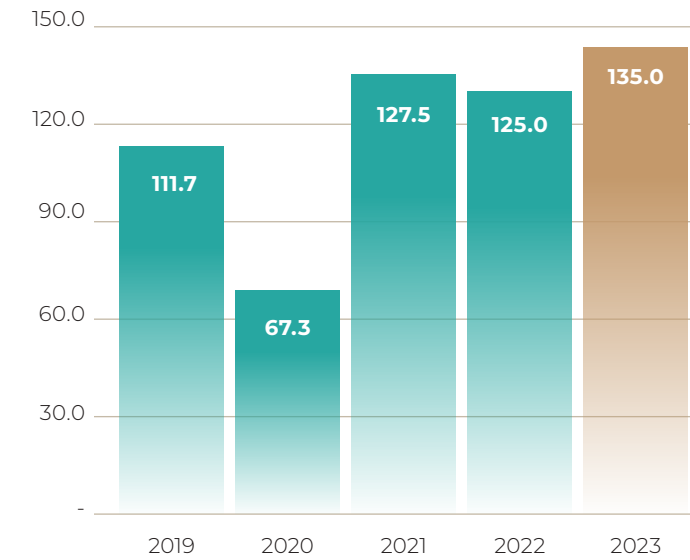
Source: National Statistics Committee

RAW CASHMERE PREPERATION IN MONGOLIA /THOUSAND TONS/



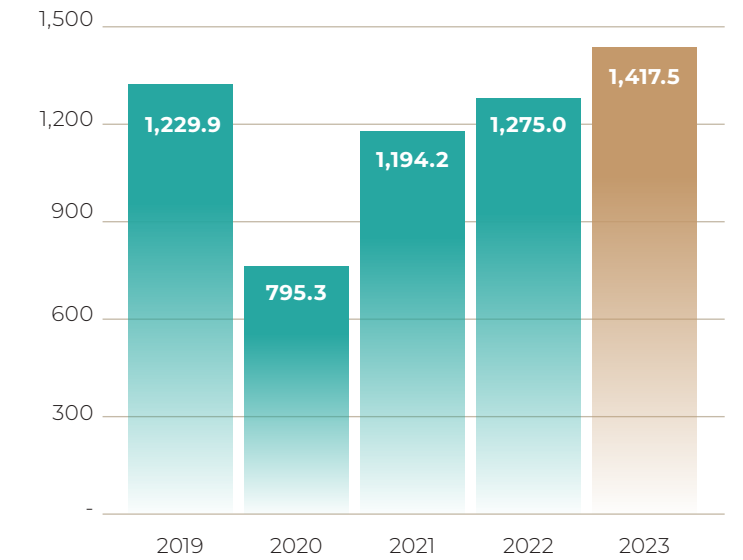
Source: National Statistics Committee /by calculation method/

AVERAGE PRICE OF RAW MATERIAL /THOUSAND MNT/



Source: Mongolian WoolandCashmereAssociation

Cashmere market /billion MNT/



/Calculated by the average price of raw cashmere/

ECONOMIC IMPACT OF GOBI JSC IN 2023

Salaries of employees
51.2 BILLION



Social security contributions paid by the organization
6.9 BILLION



Taxes and fees paid in Mongolia and internationally
26.5 BILLION



PROVIDING FINE CASHMERE
WITH RESPONSIBILITY IN MIND

GOBI
MONGOLIAN CASHMERE