

SUSTAINABILITY REPORT

2025 HALF-YEAR



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Introduction



CEO's Message



At Bogd Bank, we believe that responsible banking practices and sustainable growth are essential to creating long-term value for our customers, employees, and society. Our Environmental, Social, and Governance (ESG) Policy guides every decision we make in pursuit of a more sustainable and inclusive future.

To minimize our environmental footprint, we actively implement green initiatives within our operations and support sustainable financing. Through our programs, we aim to improve resource efficiency, reduce greenhouse gas emissions, and contribute to the development of a green economy.

On the social front, we are committed to fostering inclusive participation and prioritizing employee satisfaction. Our flexible policies support work-life balance while promoting diversity and inclusion. We also invest in women-led businesses, helping to drive economic growth and equal opportunities.

In terms of governance, we adhere to the highest ethical standards that form the foundation of responsible banking. We ensure transparency, accountability, and sound risk management. By integrating ESG principles into our business strategy, we strive to build trust, enhance resilience, and achieve long-term success.



As of the first half of 2025, Bogd Bank continues to deepen the integration of ESG principles across all operations, steadfastly working toward a sustainable, responsible, and prosperous future—together.

Sincerely,

G. Saruul
Chief Executive Officer

About the Sustainability Report

The 2025 Half-Year Sustainability Report covers the period from January 1 to June 30, 2025, and highlights Bogd Bank's efforts and accomplishments in the areas of sustainable finance, environmental protection, social responsibility, and governance (ESG).

The report is structured around thirteen key themes, each presenting our commitments, their relevance to our business and broader society, as well as the progress made during the reporting period. Through this report, we aim to provide a transparent overview of how we integrate ESG principles into our operations and contribute to building a more sustainable future.





Sustainable Development



Our Engagement

Bogd Bank is committed to environmentally friendly operations, social responsibility, and transparency as key priorities.

As part of this commitment, we became an official member of the Mongolian Sustainable Finance Association (MSFA) in 2015. Since then, Bogd Bank has consistently aligned the Sustainable Development Goals (SDGs) with its daily operations, banking products, and services.

Under the Bank's Environmental, Social Responsibility, and Gender Equality Policy, we apply sustainable finance principles in our lending practices, supporting environmental protection and social responsibility. In addition, under our ESG policy, the Bank focuses on implementing energy-efficient solutions, reducing water and paper usage, recycling waste, and providing inclusive, accessible services to all clients.



Our Engagement

Bogd Bank successfully implements the 8 Principles of the Mongolian Sustainable Finance Association (MSFA) in its operations. Every year, we prepare an implementation report for the MSFA, where it is jointly reviewed and evaluated by the Bank of Mongolia and the International Finance Corporation (IFC).

Additionally, Bogd Bank has established a dedicated working group for activities related to the ESG, which includes representatives from all departments across the bank. This structure ensures that not only the Sustainable Finance Specialist but also other units receive timely information on sustainability matters and can effectively share it with all employees.



Green Bank

Green Financial Products Offered by Our Bank:



Eco car loan



Green Consumer Loan



**Loans to Support
Woman Entrepreneurs**



**Loan for Housing Insulation
Retrofit**

Green Financing

Bogd bank successfully secured financing from multiple DFIs and impact leaders, specifically earmarked for SME lending and Green loans.

- **USD 15 million** from DFC, put towards women led businesses and green sector. (Dec 2022)
- **USD 8 million** from DGGF, to support women-led SMEs. (Dec 2023)
- Total of **USD 17 million** from EMF for the support of the SMEs.
- **USD 15 million** from ADB to support MSMEs and green lending.
- **USD 5 million** from GGSF for the support of women-led SMEs. (Aug 2024)
- Established **USD 20 million** facility agreement with FMO for the support of agriculture, youth, women SMEs and green projects. (Dec 2024)



IFC Performance Standards



Asian Development Bank Safeguard Policy Statement:



Environment

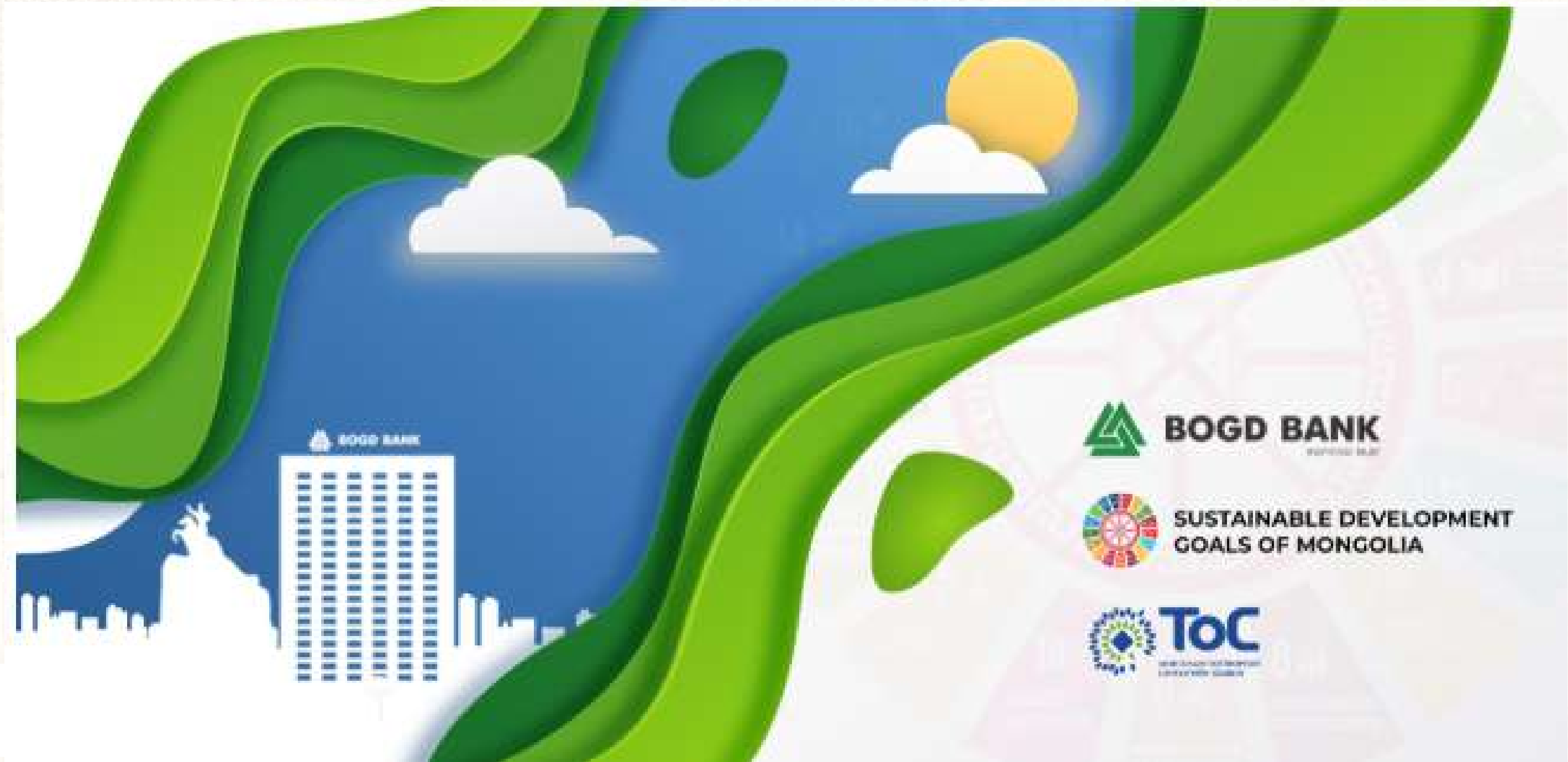


Environment



Bogd Bank prioritizes green financing, resource efficiency, and eco-friendly operations. We support renewable energy, sustainable businesses, and waste reduction while promoting energy conservation and digital transformation.

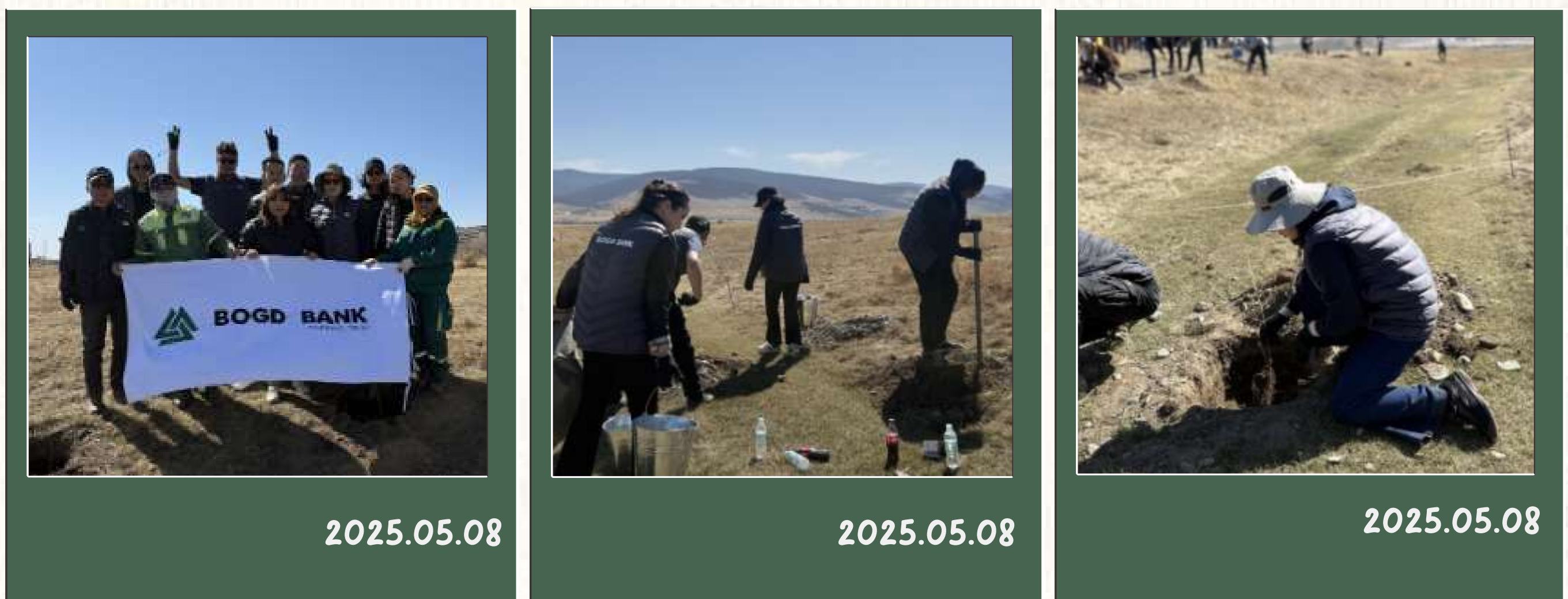
Under our bank’s Environmental, Social, and Governance (ESG) initiatives, our environmental financing includes Green Consumer Loans and Eco Car Loans, supporting sustainable choices for individuals. Through these products, we aim to reduce environmental impact, promote eco-friendly consumption, and contribute to a greener future.



Green Initiatives

“One Billion Tree” movement

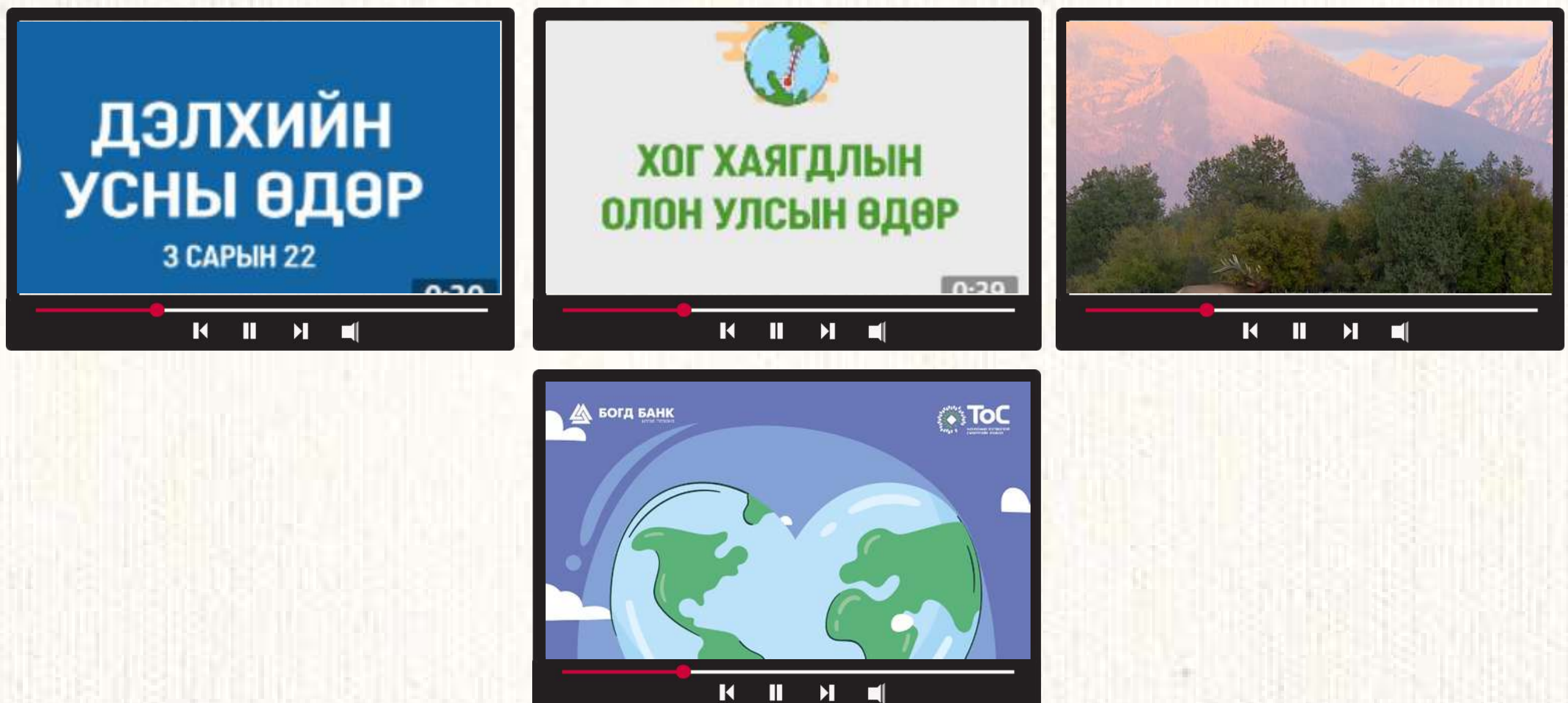
As part of the “Billion Trees” national movement, we plant trees every year. On May 8, 2025, commercial banks jointly participated in a tree-planting event organized by the Billion Trees Fund at the Gachuurt Eco Park.



Since 2022, we have planted approximately **12,500** coniferous and deciduous trees.

World Environment Days

Each month, we prepare and share informational content with the public in recognition of global environmental awareness days.



Green Initiatives

“GREEN OFFICE” Campaign Successfully Organized

Bogd Bank successfully organized its first internal “**Green Office**” campaign from **June 16 to July 7, 2024**.



Held under the slogan “**Every Initiative Brings Change**” the main goal of the campaign was to provide foundational knowledge on sustainable development and sustainable finance, raise awareness of their importance among employees, and encourage greater participation.



Green Initiatives

“GREEN OFFICE” Campaign Successfully Organized

The campaign covered different weekly themes and included a variety of engaging and accessible activities such as information sharing and interactive employee challenges. This initiative marked an important step in embedding sustainability into the organizational culture.



Key outcomes of the campaign included:

- Improved understanding of sustainable development and sustainable finance
- Employees learned how to calculate their own greenhouse gas emissions
- Educational content and tips were shared on reducing plastic usage
- Guidance on paper consumption and ways to reduce it were provided
- Employee participation was encouraged through a “Green Ideas” theme
- A workplace call-to-action was launched to bring personal reusable mugs to reduce plastic waste
- Based on survey results conducted during the campaign, we had the opportunity to initiate the idea of a new employee club, which is now in the development phase





Greenhouse Gas (GHG) Emission

Since 2025, Bogd Bank has begun calculating its Scope 1 and Scope 2 greenhouse gas (GHG) emissions in accordance with the guidelines and standards of the Partnership for Carbon Accounting Financials (PCAF).

As of the first half of 2025, the Bank has emitted a total of **245.83** tons of greenhouse gases.

Scope 1:

Direct emissions from Bogd Bank's own operations amounted to 1.7 tons in the first half of 2025. These include emissions from sources that are owned or controlled by the Bank.

Scope 2:

Indirect emissions from electricity consumption — including all bank branches, offices, and electric vehicle charging — totaled 244.13 tons during the same period.

As some necessary data and factors are not yet fully in place, the reported figures are based on estimates and may not fully reflect actual emissions. We aim to improve data accuracy in future assessments.



Resource Efficiency

Bogd Bank is implementing the following measures to reduce its environmental impact and optimize the use of organizational resources in its daily operations.

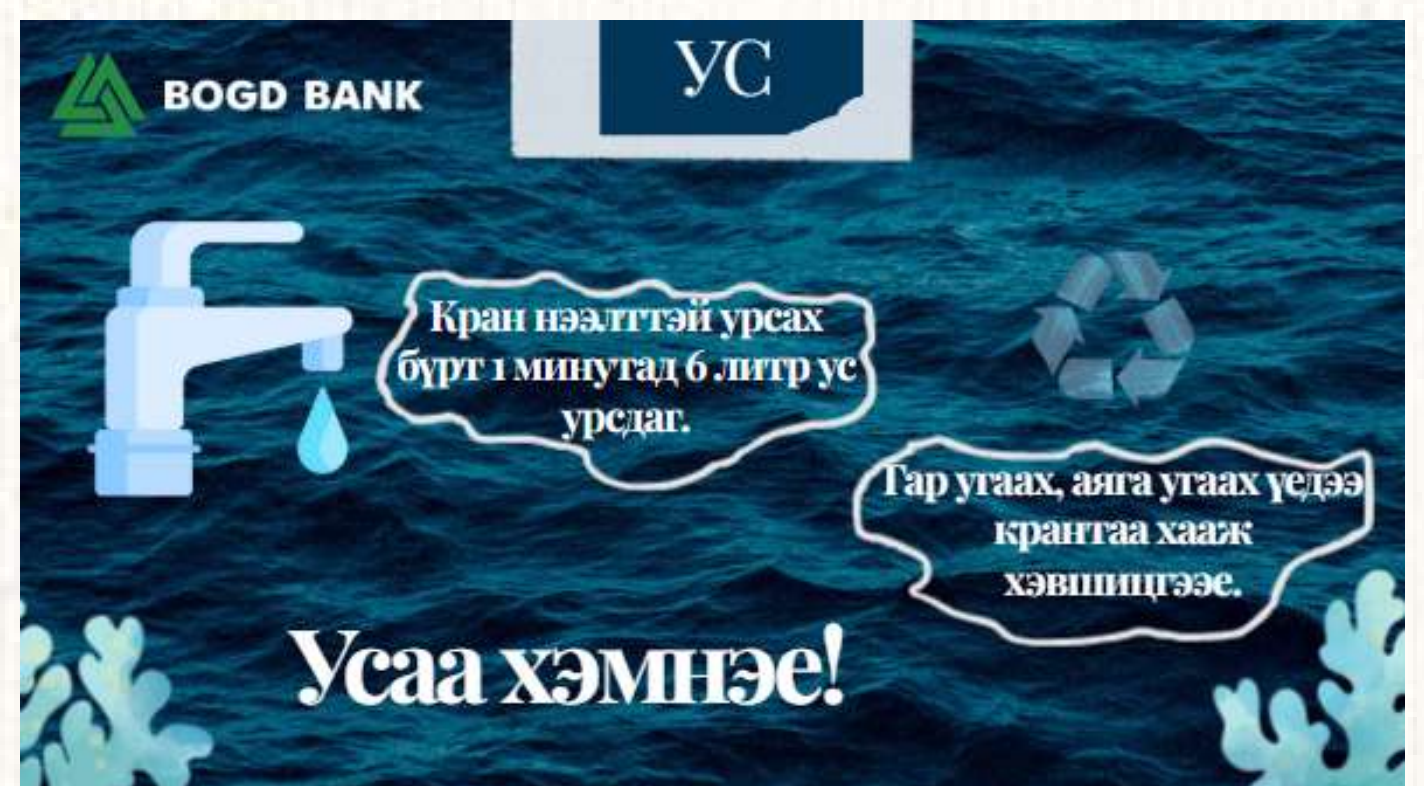
Monitoring Office Supply Usage:

- The Bank has started regularly monitoring and conducting comparative analysis of monthly paper usage across its branches, which has helped improve resource planning.
- To control paper and printer toner consumption, the Bank is visualizing loan disbursement volumes and other related data through graphical formats, allowing for efficiency analysis.
- Experimental assessments are being carried out to measure toner usage based on the number of printed pages and weight in grams, with the goal of establishing responsible and efficient consumption practices.



Promoting Sustainable Consumption Practices:

The use of single-use cups and utensils has been discontinued during meetings and training sessions. Instead, reusable porcelain cups and plates are now consistently used. This is an important step toward reducing waste and promoting sustainable consumption.



Regulation to Reduce Duplicate Purchases:

A procedure has been introduced to assess existing inventory and remaining supplies before approving the monthly procurement budget. This has helped reduce duplicate purchases and minimize unnecessary expenses.



Social



Social



Bogd Bank is actively working to generate social impact by implementing initiatives aligned with the Sustainable Development Goals (SDGs). These include supporting small and medium-sized enterprises (SMEs), promoting women's economic participation, expanding green lending, fostering rural development, and advancing digital transformation.

Financial Literacy Initiatives

“LEVEL UP” Program

Bogd Bank participated in the Level Up program, aimed at providing financial education to high school students and supporting the development of their financial knowledge.



Financial Literacy Video Content

The Bank has started producing new video content targeted at youth, focused on improving financial literacy. These include topics such as the “10/1 Rule” for saving, budgeting, and personal finance management.



Global Money Week Campaign

Under the theme “Make Wise Financial Decisions – A Foundation for Future Success,” Bogd Bank took part in Mongolia’s 13th annual Global Money Week campaign. The Bank delivered educational content on how to avoid financial scams in the digital space and manage emotions during financial uncertainty.



Social

Financial Inclusion and Incentive Campaigns

“Share the Memories” Savings Campaign

This campaign was designed to encourage families to save their children’s allowance. Customers who opened savings accounts during the campaign were eligible to receive travel vouchers as rewards. The campaign contributed to strengthening family financial planning and raising awareness of the importance of savings and financial literacy on a broader scale.



“Itgel” Savings Campaign with Gift Incentives

The “Itgel” (meaning "Trust") campaign aimed to promote saving habits by offering gift incentives to new customers who opened savings accounts. This campaign served as a meaningful first step toward building a financially secure future and helped individuals feel more confident about saving and planning for their future. It was seen as a practical initiative that supported the public in developing trust and commitment toward long-term financial stability.



Employee Engagement and Internal Culture

Sustainability Message in Email Signatures

As part of aligning the organization’s internal culture and communication practices with the principles of sustainable development, a short sustainability message was added to all employee email signatures. This initiative encourages environmentally conscious and responsible communication and represents a small yet meaningful step in embedding the values of the Sustainable Development Goals (SDGs) into the Bank’s daily interactions.

Social

Employee Engagement and Internal Culture

“Sustainability Newsletter”

To strengthen the organization’s internal culture, Bogd Bank has launched a monthly Sustainability Newsletter that is regularly shared with all employees



The newsletter covers a wide range of content, including fundamental concepts of sustainability, practical tips for everyday sustainable practices, new terminology, inspiring initiatives, and a special section called “Bogd’s Corner” where employees share their personal “green” experiences.

Social

Public Awareness and Outreach

Contributing to the “Nogoon Erel” Newspaper

In order to promote the organization's environmental, social, and governance (ESG) activities to the public, relevant information was submitted to the **'Nogoon Erel'** newspaper and published in the June issue.



Governance



Governance



Bogd Bank is committed to transparency, ethical banking practices, and responsible governance.

We strive to enhance financial transparency, integrate the principles of the Sustainable Development Goals (SDGs) into our operations, and support small and medium-sized enterprises (SMEs). Through digital transformation and sustainable financial solutions, we promote innovation, inclusive development, and long-term economic growth.

Board of Directors



BOLDKHUYAG L.
Chairman of the Board of Directors

- Co-founder of Bodi Corporation with over 25-years of experience in the Mongolian financial market
- Served as board member and Chairman of one of the largest commercial bank in Mongolia
- Honorary consul to the Kingdom of Sweden



Saruul G.
Board Member/Chief Executive Officer



Narantuya J.
Independent Board Member



Jan Thortsten Duser
Board Member



Bayasgalan R.
Board Member



Molomjamts D.
Board Member



Moyes Thomas Roger
Independent Board Member



Oigonjargal B.
Board Member



Philipp Kahen
Independent Board Member

Governance

Experienced Management Team



Saruul G.

Board Member/Chief Executive Officer

- Over 20 years experience in the financial sector
- Served as Deputy CEO of the Mongolian Stock Exchange
- Served as Head of Asia, Russia and CIS at APM Futures and Rosenthal Collins Group
- Served as a Senior Banker at Mobium Mortgage Group



Altanbagana M.

Chief Business Banking Officer



Bat-Ulzii M.

Chief Financial Officer



Bilegt B.

Chief Corporate Banking Officer



Altanzurkh M.

Chief Information Technology Office



Banchin Ch.

Chief Business Development Officer



Gan-Erdene E.

Chief Treasury and Investment Office

Bogd Bank's Sustainability Policy and Implementation

Bogd Bank's Environmental, Social Responsibility, and Gender Equality Policy was approved in 2022, outlining relevant responsibilities and principles. Through this policy, the Bank supports sustainable projects, services, and products, contributing to economic diversification and sustainable financing.

Additionally, a system for managing environmental, social, and gender risks has been established. Within this framework, the Bank approved and updated the environmental risk assessment and management procedure in 2024.

During the first half of 2025, Bogd Bank appointed a Board member responsible for sustainability and successfully held its first online meeting at the Board level on this matter.

Governance

Transparency and Reporting

Submission of ESG Reports

Timely reports, forms, and information related to the ESG(Environmental. Social and Governance) were submitted to international financial institutions from which funding was received.

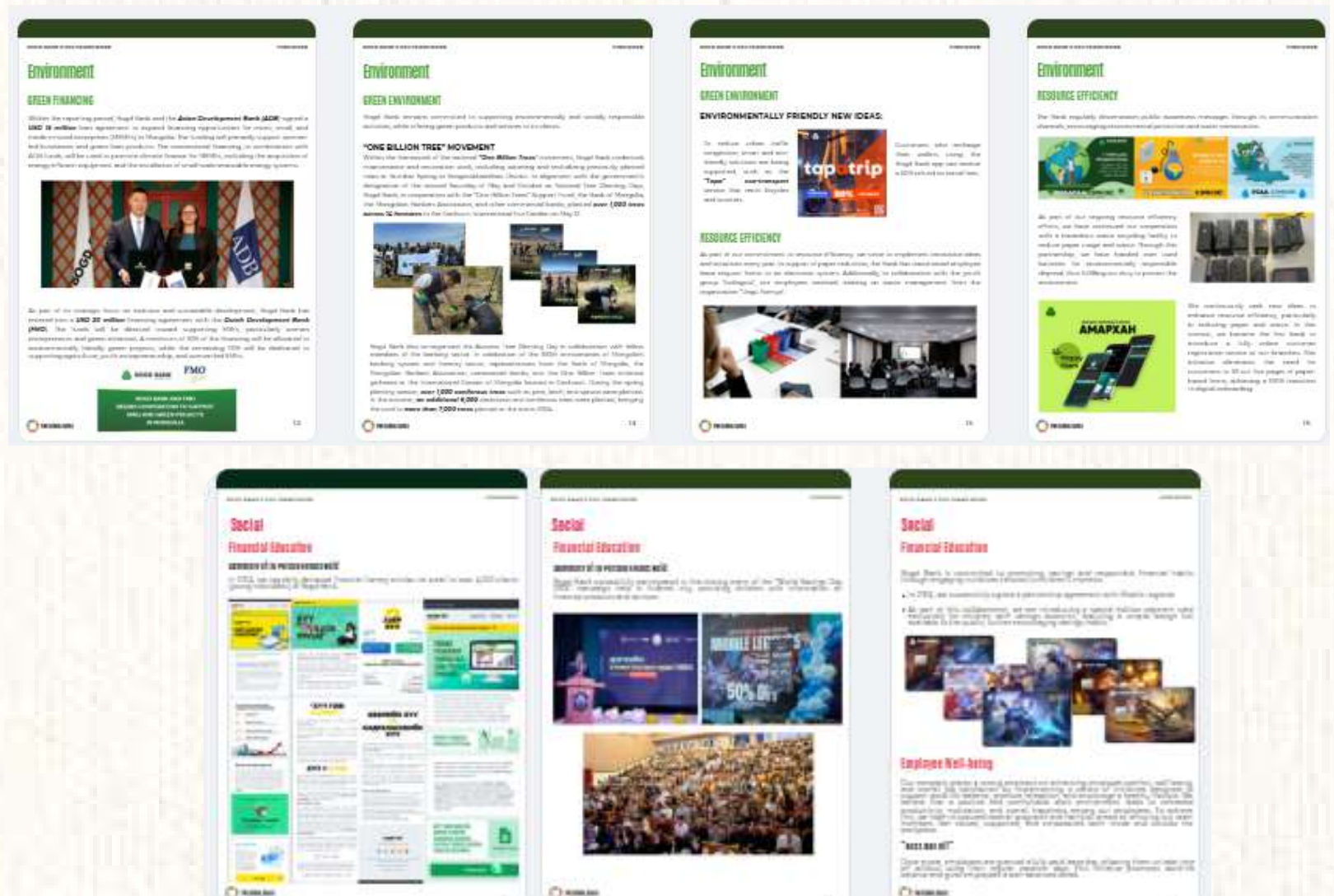
Preparation of One-Pager for the European Union's GGBI Program

To participate in the GGBI program, a concise introduction (One-Pager) was prepared, clearly outlining the organization's green and sustainable finance direction.



Preparation of the 2024 Sustainability Report in English

To present the organization's sustainability policies and activities at the international level, the 2024 Sustainability Report was developed in English.

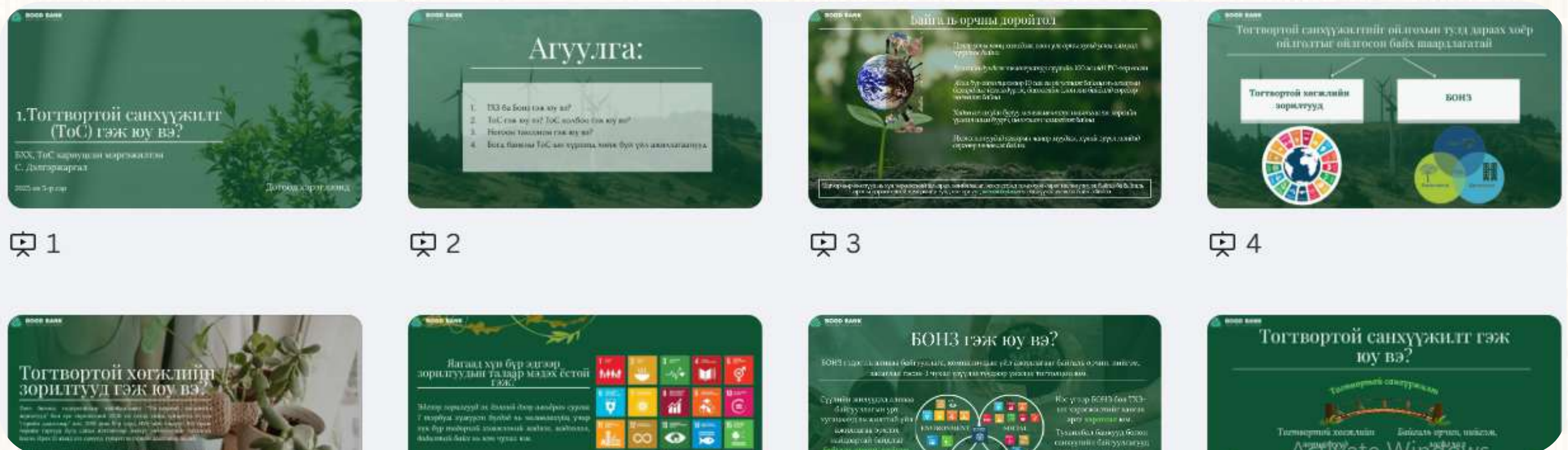


Governance

Developing Internal Organizational Capacity

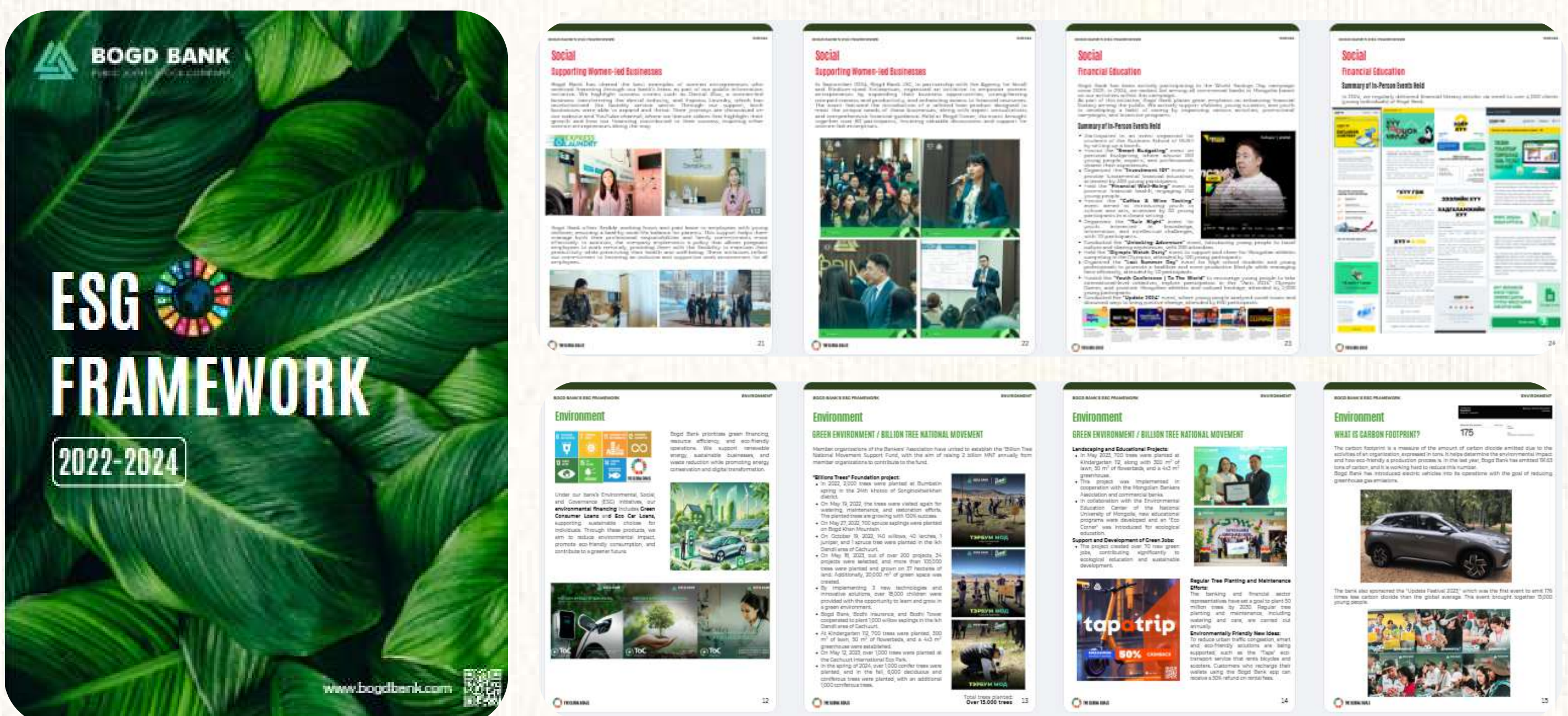
Development of an ESG Training Guide

A training guide covering the fundamentals of sustainable development and the content of the Sustainable Development Goals (SDGs) was developed and distributed to employees.



Environmental, Social, and Governance (ESG) Framework

For the first time, a comprehensive overview of the organization's ESG-related activities from 2022 to 2024 was compiled and prepared in English.





BOGD BANK

Sustainability Report
First Half of 2025