

# TOGETHER FOR A SUSTAINABLE FUTURE

Unitel Group 2023 SUSTAINABILITY REPORT







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This report covers the domestic operations and activities of Unitel LLC and Univision LLC for the calendar year 2023 (January 1 to December 31), unless otherwise stated. It has been prepared with reference to the Global Reporting Initiative (GRI) Standards. It is also aligned to the disclosure requirements of the Sustainability Accounting Standards Board (SASB) Standards for our industry.



## Message from our CEO

It's my pleasure to present Unitel Group's 2023 Sustainability Report.

We've all experienced the world changing dramatically in recent years, and the rate of this change is only increasing – we're grappling with macroeconomic headwinds, cost and quality of living challenges, geopolitical and geo-economic uncertainties, supply chain disruptions, rapid technology change, and the growing uncertainty of regulatory landscape. COVID-induced digital shift has also driven the demand for infrastructure for technological advancement, leading to technological transformation.

Unitel Group's telecommunication services, Unitel and Univision, wield significant influence in people's daily lives, shaping how they work, learn, live, and engage with others. We integrate environmental, social, and governance (ESG) considerations into our operations and use our platform to drive positive impact guided by the following objectives:

- minimize our environmental impact,
- implement small-scale initiatives with significant impact,
- alleviate the digital divide in the society,
- establish human-centric work design,
- uphold sustainable and ethical business practices,
- and encourage the public to adopt environmentally friendly mindsets and habits.

This report details how we execute our operations and initiatives impactfully to address our company's significant environmental, social, and governance issues to ensure the long-term success of our business and customers. For example:

- Our Univision e-waste management project, in collaboration with our partners, spearheaded the responsible product end-of-life management for our industry in the nation. Partners, peers, and

other stakeholders are embracing this call for responsible e-waste management.

- Aspiring to bridge the digital divide between urban and rural communities, we have expanded our Unitel HUB Program, piloted in Darkhan-Uul aimag in 2022, to 12 aimags. This initiative enables P2P partnerships and has touched thousands of children, igniting their interest in STEM. Encouraged by this outcome, we're committed to continuously expanding this program.
- We at Unitel uphold the highest ethical standards for our business operations while delivering the most elevated experience to our customers, partners, and employees.

We choose to make these contributions because they will help us create sustainable and transformative impacts for all our stakeholders in the long run. We hold ourselves to a high standard to get the basics right in all business operations.

Please enjoy reading about our progress toward building a more sustainable and responsible business, and we welcome your feedback.

**JAMIYANSHARAV Dorjdagva**  
Chief Executive Officer, Unitel Group







# ESG Materiality Assessment

Unitel Group undertook the inaugural materiality assessment in 2023, meticulously discerning and evaluating our company’s material, environmental, social, and governance issues, aiming to cultivate the creation of sustainable value and enhance transparency in communicating our strategies and accomplishments on each of these pivotal issues.

By material issues, we refer to all issues that convey the actual impact on our ability to create value in the short, medium, and long term. To evaluate and accord

priority to these material issues, we conducted a materiality assessment following a four-step process to guide the identification and prioritization of the significant ESG issues impacting our business and our stakeholders at the time of assessment. The assessment involved an in-depth analysis of ESG standards, as well as interviews and surveys with internal and external stakeholders.

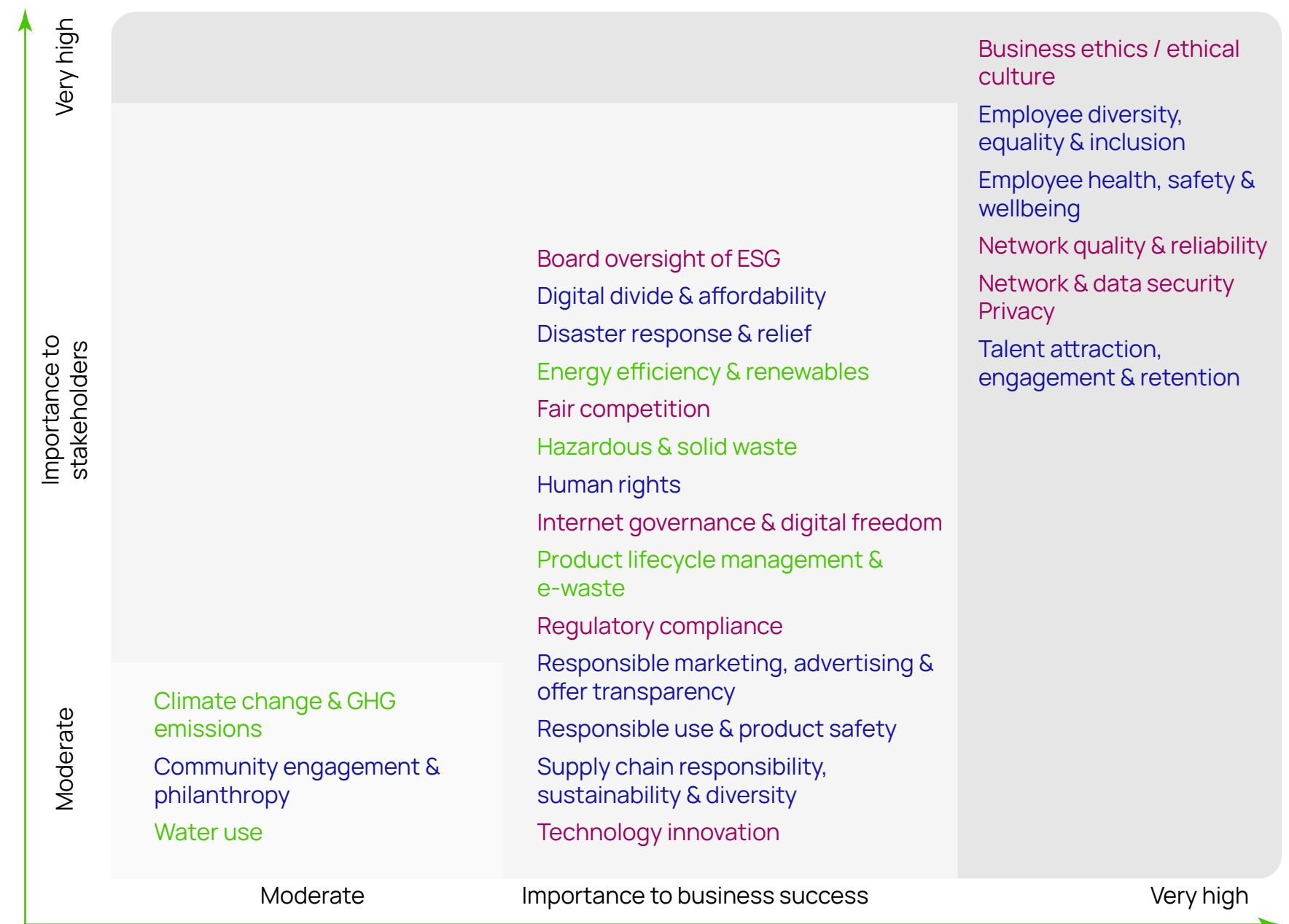
Identifying and prioritizing the issues exerting the most significant impact on our company’s sustainability

is pivotal in charting a precise course of action for our ESG framework. The outcomes of the materiality assessment are poised to refine the transparency of our company’s ESG framework by guiding the disclosure of the most pertinent and accountable information regarding our progress to stakeholders.

## Assessment Process

- |   |  |
|---|--|
| <p><b>Step 1:</b><br/>Analyze external environment and identify material topics</p> | <ul style="list-style-type: none"> <li>• Benchmark peer reporting</li> <li>• Consult leading ESG frameworks and sustainability reporting standards (i.e., SASB, GRI, TCFD)</li> <li>• Identify the material ESG issues for our industry (5 issues on environment, 7 issues on society, 4 issues on employees, 10 issues on governance/business)</li> </ul> |
| <p><b>Step 2:</b><br/>Engage stakeholders and conduct the assessment</p>            | <ul style="list-style-type: none"> <li>• Interview internal leadership</li> <li>• Interview stakeholders comprised of the representative sample of company employees</li> <li>• Interview ESG Commission directors</li> </ul>  |
| <p><b>Step 3:</b><br/>Prioritize material issues</p>                                | <ul style="list-style-type: none"> <li>• Analyze results of the interviews</li> <li>• Develop prioritization of material issues</li> </ul>   |
| <p><b>Step 4:</b><br/>Implement results</p>   | <ul style="list-style-type: none"> <li>• Integrate into company strategy</li> <li>• Align ESG reporting and engagement</li> </ul>  |

## 2023 Materiality Assessment Result



Key: **Environmental**, **Social**, **Governance**      The issues in each tier are listed in alphabetical order.



# Stakeholder Engagement

In addition to conducting the ESG materiality assessment, we continuously engage with our critical stakeholders via recurring meetings, informative e-mail blasts, and one-on-one conversations about Unitel Group's activities and priorities.

Stakeholder	Engagement channels	Relevant ESG issues
<p><b>Customers</b></p> <p>We strive for the satisfaction of our subscribers by living up to their trust and offering secure and valuable services.</p>	<ul style="list-style-type: none"> <li>• Market research</li> <li>• Interactions with our retail and customer care employees</li> <li>• E-mail, social media</li> </ul>	<ul style="list-style-type: none"> <li>• Product lifecycle management &amp; e-waste</li> <li>• Digital divide &amp; affordability</li> <li>• Accessibility</li> <li>• Responsible use &amp; product safety</li> <li>• Network quality &amp; reliability</li> <li>• Privacy</li> </ul>
<p><b>Shareholders and investors</b></p> <p>We work to build a relationship of trust through honest and fair disclosures of information and active communications.</p>	<ul style="list-style-type: none"> <li>• One-on-one conversations and e-mail exchanges</li> <li>• Quarterly meetings</li> </ul>	<ul style="list-style-type: none"> <li>• All ESG material issues</li> </ul>
<p><b>Employees</b></p> <p>We aim to provide job and workspace satisfaction to all employees.</p>	<ul style="list-style-type: none"> <li>• Employee survey</li> <li>• Employee volunteering programs</li> <li>• E-mails, newsletters, Teams channels</li> <li>• Listening sessions with leaders</li> <li>• Team meetings and training</li> </ul>	<ul style="list-style-type: none"> <li>• Employee diversity, equality, and inclusion</li> <li>• Employee health, safety, and well-being</li> <li>• Talent attraction, engagement &amp; retention</li> <li>• Human rights</li> </ul>
<p><b>Local communities</b></p> <p>We collaborate and work in partnership with local communities to fulfill our social responsibilities</p>	<ul style="list-style-type: none"> <li>• Philanthropic partnerships</li> <li>• Community events</li> <li>• Volunteering events and job fairs</li> <li>• Industry association meetings</li> <li>• Industry and community memberships</li> <li>• One-on-one conversations</li> </ul>	<ul style="list-style-type: none"> <li>• Digital divide &amp; affordability</li> <li>• Community engagement &amp; philanthropy</li> </ul>
<p><b>Suppliers</b></p> <p>Ongoing engagement is key to developing long-lasting and mutually beneficial relationships with suppliers who share our values and commitment to responsible operations</p>	<ul style="list-style-type: none"> <li>• Vendor registry</li> <li>• Supplier questionnaire</li> <li>• Individual conversations</li> <li>• Supplier assessments</li> </ul>	<ul style="list-style-type: none"> <li>• Supply chain responsibility, sustainability &amp; diversity</li> <li>• Business ethics &amp; ethical culture</li> <li>• Regulatory compliance</li> </ul>





# ENVIRONMENTAL

In the pursuit of environmental stewardship, we work to reduce our footprint through customized solutions aligned with our unique circumstances and collaborative partnerships that support our sustainability endeavors. Along the way, we actively seek opportunities to enhance the ecological well-being of local communities.

- 1 Energy Consumption & GHG Emissions
- 2 Product End-of-Life Management
- 3 Waste Management
- 4 Nature Preservation



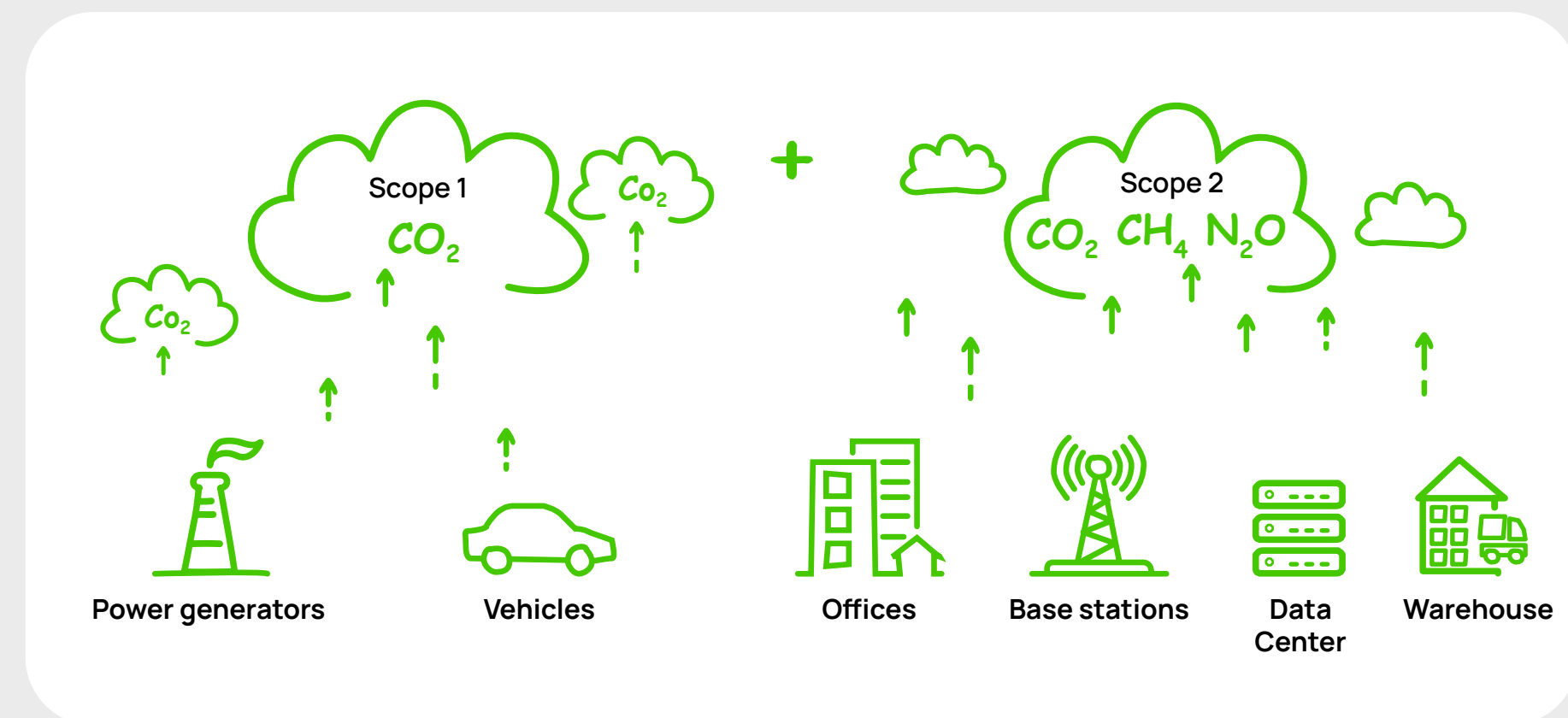


# Energy Consumption & GHG Emissions

In fulfilling our perpetual energy demands, our reliance on fossil fuels results in the emission of various greenhouse gases into the environment, thereby fortifying our formidable adversary: climate change. Manifesting as wildfires, drought, flood, and dzud, the rising frequency of natural disasters, strongly linked to climate change, imposes a mounting financial, psychological, and physical burden on people's lives. Addressing climate change is evolving into a global imperative and, in some jurisdictions, a regulatory compliance obligation for contemporary businesses, underscoring the significance of integrating sustainable practices into operational frameworks to mitigate the adverse effects of climate change.

Unitel Group, committed to delivering uninterrupted connectivity and innovative services through cutting-edge technologies, is a massive energy consumer, primarily in the form of electricity. In Mongolia, where coal remains the predominant

energy source due to its abundance, factors like limited infrastructure, unfavorable economic conditions, and a shortage of skilled human capital hinder the complete elimination of fossil fuel dependency, requiring significant investments and resources. Despite these challenges in the country's energy sector, at Unitel Group, we proactively seek resilient solutions, including enhancing local energy infrastructure and diversifying energy sources with renewables, to reduce our carbon footprint and to ensure the sustainability and reliability of our operations in the future.



## Estimating Greenhouse Gas (GHG) Emissions

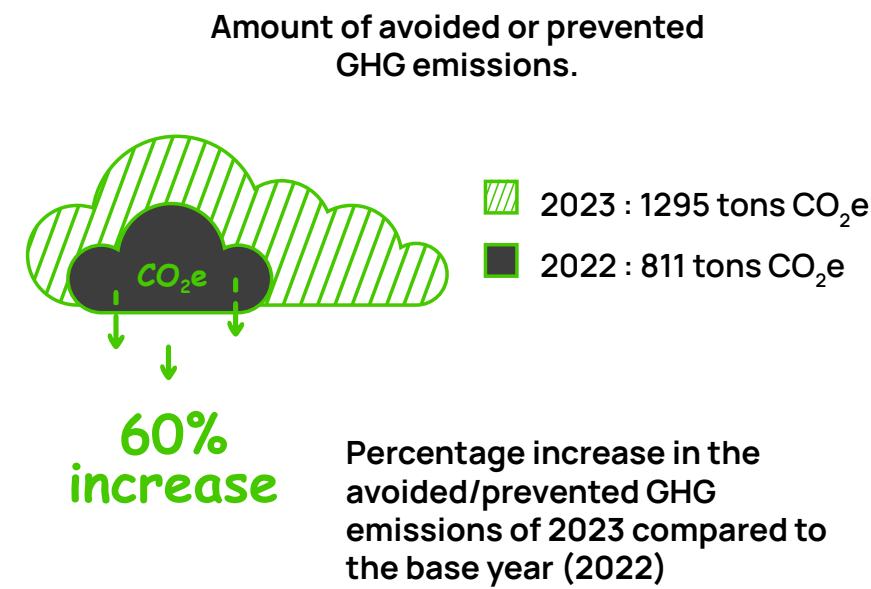
Greenhouse gases, such as carbon dioxide, methane, nitrous oxide, and other refrigerants, possess the property of absorbing infrared radiation from the sun, thereby increasing surface temperatures and contributing to global warming. It is imperative for any responsible business to accurately quantify and monitor its greenhouse gas emissions, to enhance the efficiency of measures taken to mitigate climate change. To this end, Unitel Group meticulously estimates its greenhouse gas emissions through globally accepted methods, utilizing the updated US EPA's default emission factors from the "GHG Emission Factors Hub" (2023) to ensure accuracy and adherence to internationally recognized standards.

Our emission estimates meticulously cover both Scope 1 and Scope 2 emissions. Scope 1, representing direct emissions accounting solely for CO<sub>2</sub>, arises from the fuels used at the mobile/base stations during intermittent power outages and in the company-owned cars. Scope 2, representing indirect emissions encompassing CO<sub>2</sub>, CH<sub>4</sub>, and N<sub>2</sub>O, is attributed to the purchased grid electricity and heating. By distinctively addressing direct and indirect emissions, we gain a comprehensive insight into components of our carbon footprint, allowing us to implement targeted actions for its reduction.

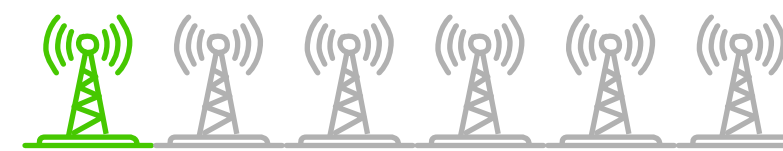


## Energy Management and GHG Emission Reduction

As Unitel Group's total energy consumption is sourced from four primary channels - grid electricity, fossil fuel, heating, and renewables (solar energy) - we recognize that, apart from renewable solar energy, our reliance is predominantly on fossil fuel-driven sources, significantly contributing to our greenhouse gas emissions. Therefore, our multi-faceted strategy to reducing emissions involves increasing the utilization of renewable energy sources, particularly solar energy, and enhancing energy efficiency at our facilities through operational equipment upgrades.



The majority of our efforts to reduce emissions are directed toward our main operational facilities, comprising the Data Center and mobile sites and accounting for approximately 95% of our total energy consumption. The notable increase in GHG emissions avoidance/prevention in 2023 can be attributed predominantly to 216 solar-powered base stations established in 2022 and earlier to extend our network coverage to remote, off-grid rural areas, resulting in 61% increase in total renewable energy production and consumption.



**1:5** The ratio of solar and electricity (grid) powered base stations

**8%** Percentage of renewable energy in the total energy consumption

Furthermore, in alignment with our pledge to the Energy Regulation Committee, our dedication to environmental responsibility is further demonstrated through various annual energy-saving initiatives. In 2023, we renewed or replaced 17 energy-inefficient devices and equipment, including outdated air conditioners and electricity-regulating systems utilized across our data center and mobile stations. In addition, we have incorporated energy-efficient solutions, including installing LED lights and compartmentalizing light controls for more demand-based utilization, into the renovation of our headquarters at Central Tower. These efforts resulted in electricity savings totaling 233.6 GJ (65 MWh), preventing the estimated release of 21 metric tons of CO<sub>2</sub>e. Looking forward, the energy-saving measures taken in 2023 are projected to yield a substantial impact in succeeding years, with anticipated annual electricity savings of 490 GJ (136 MWh), thereby preventing a potential release of 45 metric tons of CO<sub>2</sub>e each year.

Energy consumption and efficiency	Unit	2021	2022	2023	YoY change
Total energy consumption	GJ	107,608	153,780	176,914	15%
Total energy consumption by main operations	GJ	-	143,516	168,858	18%
Total energy consumption by supporting operations	GJ	-	10,264	8,056	-22%
Total electricity consumption from grid	GJ	101,855	135,586	150,069	11%
<b>Total renewable energy consumption</b>	<b>GJ</b>	<b>5,753</b>	<b>8,705</b>	<b>14,031</b>	<b>61%</b>
Total fuel consumption	GJ	-	7,843	11,215	43%
Total heating consumption	GJ	-	1,646	1,599	-3%
Energy intensity ratio (amount of energy used per petabyte of data traffic managed)	GJ/PB	-	148	155	4%
Amount of energy consumption reduction (electricity)	GJ	-	188	162	-14%

\* In 2023, we incorporated fuel consumption and heating data in the calculation through our ESG metrics optimization

GHG emission and reduction	Unit*	2022	2023	YoY change
Total GHG emission (Scope 1 and 2)	tn CO <sub>2</sub> e	12,964 <sup>1</sup>	14,494	12%
Scope 1 emission	tn CO <sub>2</sub> e	488 <sup>1</sup>	700	43%
Scope 2 emission	tn CO <sub>2</sub> e	12,476 <sup>1</sup>	13,794	11%
Total amount of GHG emissions avoided/prevented	tn CO <sub>2</sub> e	811 <sup>1</sup>	1,302	60%
By renewables	tn CO <sub>2</sub> e	794 <sup>1</sup>	1,280	61%
By energy savings of new devices	tn CO <sub>2</sub> e	17 <sup>1</sup>	21	25%
GHG emission intensity ratio (amount of emission produced per petabyte of data traffic managed)	tn CO <sub>2</sub> e/PB	12.5	12.7	1%

<sup>1</sup> Disclaimer: The emissions data for 2022 has been recalculated to align with our recent utilization of updated GHG emission factors, which have been incorporated into our 2023 report

\* A metric ton of CO<sub>2</sub> equivalent (tn CO<sub>2</sub>e) is a standardized unit used to express the emissions of various gases, where the emissions of each gas are multiplied by its corresponding global warming potential over a 100-year period

In addition to our ongoing endeavors to reduce our company's carbon footprint, we will aim to foster a culture of sustainable citizenship among our employees through educational training content focusing on the efficient use of electricity in the upcoming years, encouraging a collective commitment toward a greener future.

**1.6% ↑**

Percentage increase of renewables in 2023 in the total energy consumption compared to base year (2022)

**8.3% ↓**

Reduction of electricity consumption at headquarters offices in 2023 compared to base year (2022)

**3 years**

Number of consecutive years the headquarters receiving the Central Tower's "The Most Energy Efficient Tenant"



## Product End-of-Life Management

In our contemporary, swiftly evolving world, each new technological release is anticipated to be quickly superseded by more sophisticated iterations, generating a surge in electronic waste. This cycle poses a significant environmental threat due to inadequate disposal and inefficient recycling. Therefore, conscientious product lifecycle management is now a global imperative for telecommunications companies to stay competitive and positively impact the environment and society.

In Mongolia, electronic waste is classified as hazardous, reflecting a crucial concern given the relatively nascent nature of its management. The lack of essential infrastructure highlights the immediate need for attention and investment in electronic waste handling. Additionally, a widespread lack of public knowledge further complicates responsible disposal and poses

challenges to the overall success of any waste management initiatives.

Nevertheless, at Unitel Group, we embrace the ethos of pushing boundaries and overcoming hurdles to build solutions for our needs from the ground up. Acknowledging the issues surrounding product lifecycle and electronic waste, we are committed to bridging the existing gaps - from raising public awareness to fostering unprecedented tight-knit collaborations between diverse entities. Through the e-waste management initiatives, Unitel Group aims to address current challenges and actively contribute to a sustainable electronic waste management landscape in Mongolia.





## Univision IPTV Set-Top Box End-of-Life Management

The migration of Univision subscribers to the advanced 'Univision 4.0' Android-based IPTV operating system and the subsequent phase-out of the original Linux-based system, marking a significant 12-year history since the inception of the Univision service, are resulting in the accumulation of out-of-use set-top boxes in the market, consequently contributing to an increase in electronic waste among our customers.

As of the beginning of 2023, we maintained various IPTV operating systems due to the diversity of set-top box devices active in the market. However, the Linux-operated devices, integral to Univision's service since 2011, have reached their end-of-life - the manufacturer\* can no longer provide support for these devices, rendering them impractical for use without troubleshooting available for our customers. In the interest of operational efficiency and service optimization, we have opted to consolidate its IPTV service on the Android-based operating system, deeming the Linux-operated devices as out-of-use.

Embracing the responsibility of managing electronic waste generated in our customers' households due to the aforementioned reformative decisions within our company, we have implemented take-back measures. To divert out-of-use IPTV devices from unfitting disposal, we collect old devices through our Unitel physical branches or direct sales - customers can hand over their old devices to a Univision salesperson for proper disposal while purchasing a new device.

■ In our commitment to corporate responsibility and environmental stewardship, we have focused on minimizing the ecological footprint associated with the collected electronic waste, steering clear of the detrimental effects of traditional disposal methods such as landfilling and incineration. The e-waste components, often non-biodegradable, persist in the environment for thousands of years, posing a contamination risk of soil and water with hazardous chemicals; incineration of these components can release carcinogenic volatile compounds into the atmosphere. In our approach to responsible e-waste management, we prioritized environmentally conscious methods by introducing circularity measures involving the recovery of devices through recycling components or preparing them for reuse.

# 17,380

 devices collected

2,283kg plastic



1,435kg motherboard

total 3,718kg



\* All devices utilized for Univision services are manufactured and supplied by third-party vendors



This comprehensive circularity solution exemplifies a collaborative effort across diverse sectors, establishing a precedent for noteworthy sustainable practices. Eco Waste LLC, a licensed electronic waste management company and a subsidiary of Univision's long-term maintenance partner, dismantled the devices, separating plastic outer shells and motherboards, with the latter retained for future reuse.

■ **Goal of the project:**

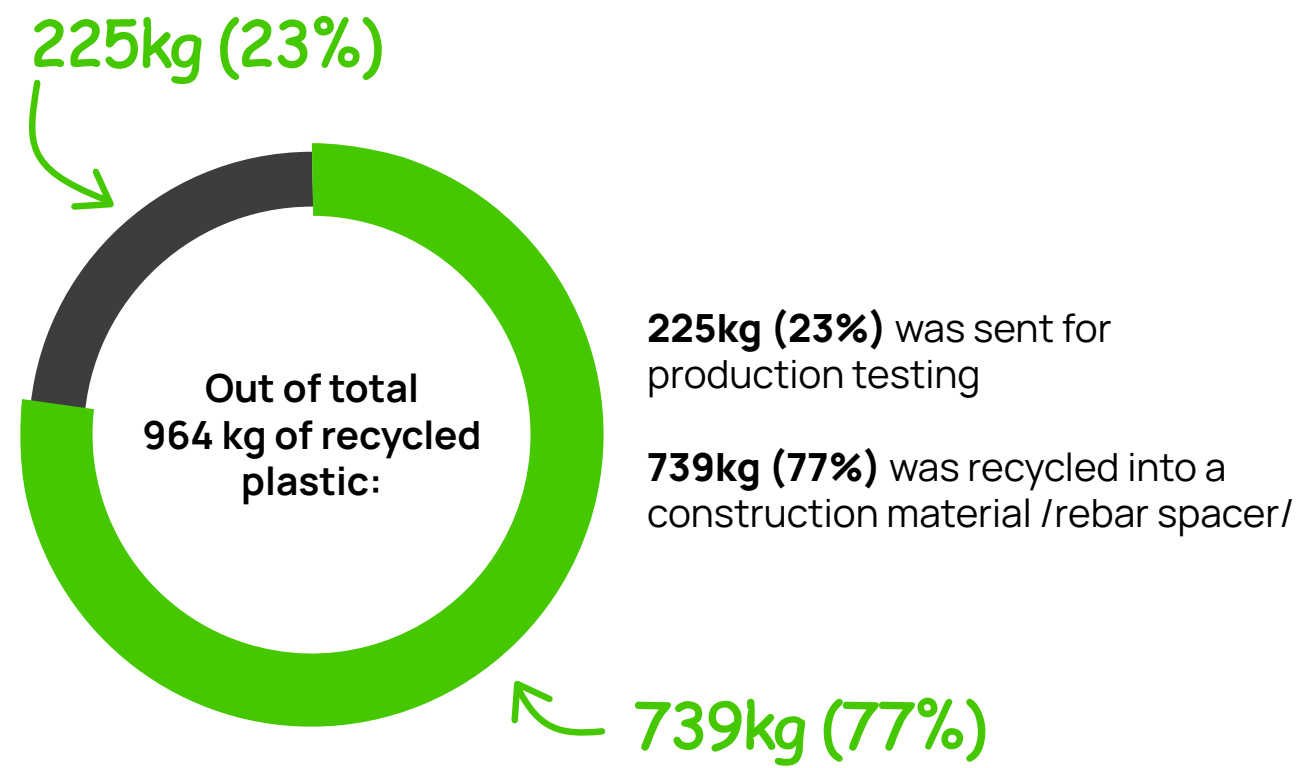
**Recover and manage**  
**14,000** out-of-use devices with zero waste

■ **Progress:**

**7,119** recovered and managed → **51%** to the goal

Recycled **964kg** of plastic outer shells

Stored to reuse **621kg** of motherboard

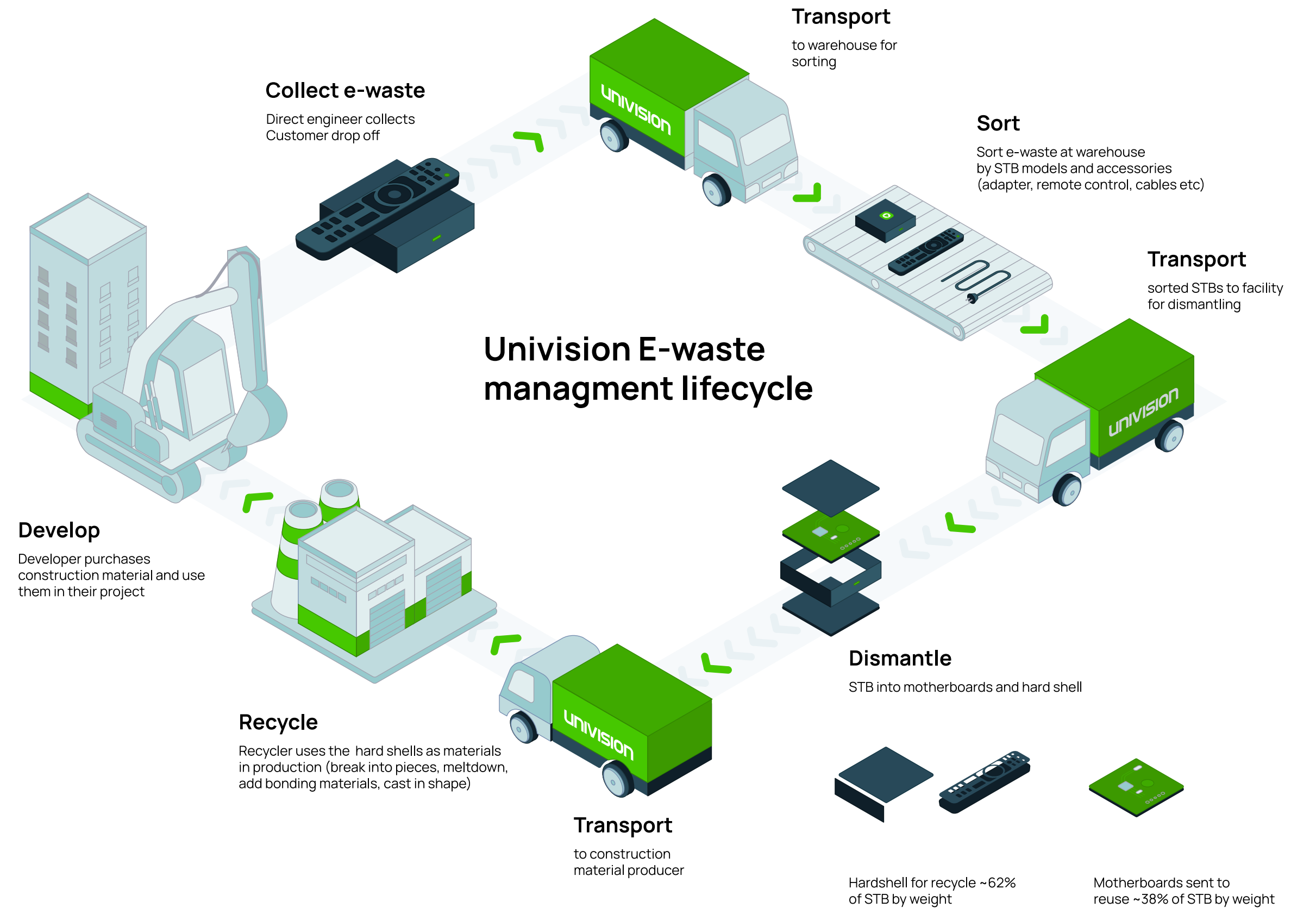


*\* We periodically send the plastic outer shells of collected devices to different entities for testing various potential solutions*

The recycling initiative for plastic outer shells unfolded in partnership with MCS Property. Khev Khashmal LLC, a longstanding partner of MCS Property specializing in construction materials, integrated the plastic from outer shells into an injection molding process of rebar spacer production, following thorough material testing rounds. Subsequently, MCS Property utilized the rebar spacers, crafted from recycled outer plastic shells of old IPTV devices, in their ongoing construction project.

Univision serves as the central hub for project coordination, with all stakeholders participating in line with their social responsibilities and sustainability commitments. In addition, Univision facilitated the transportation and waste transfer.

In fostering transparency, waste transfer notes were exchanged with Eco Waste LLC, documenting the devices handed over and the plastic outer shells returned. The record-keeping established a comprehensive database for our e-waste management, allowing systematic progress tracking and quantitative assessment of our sustainability initiative.



**Interesting fact:**



**739kg** of plastic can make up to **73,900** rebar spacers\* which may cover about **6,500 m<sup>2</sup>** of construction space (about **9/10** of a standard football field)



*The provided information serves as a comparative example calculated under the assumption that rebar spacers are produced entirely from recycling plastic derived from old IPTV devices*



## No E-waste – Communication Campaign

The overall effectiveness of our e-waste management initiatives significantly relies on the success of our take-back actions. The lack of public awareness about issues associated with e-waste and the prevailing skeptical customer attitudes hindered the return of outdated IPTV devices. To address the challenges, we launched the 'No E-Waste' communication campaign, strategically designed to boost the collection of IPTV devices and enlighten the public about electronic waste.

The ongoing\* 'No E-Waste' campaign is structured into three key components:

- 1 Raising Awareness:**  
Leveraging topic-specific platforms and the voices of industry professionals to educate the public comprehensively about e-waste concerns
- 2 Call-to-Action:**  
Actively encouraging customers to participate by returning their out-of-use devices to Univision
- 3 Presentation of Circularity Solution:**  
Providing customers with insights into our solution, ensuring transparency regarding the fate of the devices they choose to return

This strategic communication approach is fostering proactive engagement in e-waste management while enhancing public understanding of its environmental impact.



## Let's recycle our old devices

You can save our planet by returning unused devices to our salesperson

## What's Next?

In 2023, we successfully initiated our first steps toward responsible product lifecycle management. We will build upon these endeavors in the coming years to achieve our targets. Additionally, we will explore opportunities to institutionalize product lifecycle management within our company's operations, ensuring the sustainability of our present efforts.



\*The campaign launched in November 2023 and was ongoing as of December 31, 2023.



# Waste Management

Unitel Group meticulously manages hazardous and solid waste across all operational levels as part of our commitment to regulatory compliance and corporate responsibility. Despite the absence of centralized oversight in our waste management efforts, we strive to implement sustainable and optimal solutions, leveraging available technology and environmentally friendly methods. Our waste management practices are often carried

out in collaboration with third parties and take into consideration the unique conditions and characteristics of each of our facilities. Through our efforts, we seek to minimize our environmental footprint and actively contribute to resource conservation by reducing waste generation and promoting the reuse and recycling of materials whenever feasible.



For solar power system batteries operating at below -10 °C:



with regular shelters solar batteries last mostly 2 YEARS



with passive shelters solar batteries can last an estimated 4 OR MORE YEARS



## Operational Waste Management

Due to the limited availability of diverse waste processing infrastructure in Mongolia, waste from our main operational facilities (the servers and mobile sites), such as heavy-duty industrial batteries and outdated equipment, tends to accumulate in our warehouse, awaiting appropriate disposal solutions. In response, we are actively working towards minimizing operational waste by prioritizing efforts to improve the efficiency and durability of our materials and equipment. This commitment not only addresses waste generation issues but also ensures responsible resource management throughout our operations.

**Passive shelters at solar-powered sites**  
To optimize the impact of our 50 billion MNT investment in expanding off-grid connectivity through renewable solar energy, we are focusing on enhancing energy efficiency and extending the lifespan of batteries at

solar-powered mobile sites. Given that solar batteries often contain toxic materials like lead and other heavy metals, our solar site maintenance includes attentive management to mitigate potential hazardous waste generation.

Consistent operational conditions are pivotal to improving the overall durability and efficiency of network equipment and associated batteries. Passive shelter shields mobile site appliances from excessive cold typical of the continental Mongolian climate, creates a stable environment for solar power systems by minimizing exposure to temperature fluctuations, which prolongs battery lifetimes twofold and enhances energy efficiency.

In 2023, we replaced shelters at five (5) solar-powered mobile sites with passive ones. The locations of new passive shelters were selected following

the identification of deteriorated shelters during a comprehensive inspection of solar-powered sites. Moving forward, our strategy involves an ongoing initiative to replace shelters older than ten years old, ensuring our solar infrastructure's sustained performance and durability.





## Office Waste Management

At Unitel Group, we implement the 3Rs methodology – Reduce, Reuse, Recycle – to guide our waste management strategies at office facilities. Our commitment encompasses actively minimizing the environmental footprint of our operations through concerted efforts to reduce waste generation, promote the reuse of materials, and facilitate proper recycling of discarded resources. By integrating these principles into our daily practices, we aspire to foster a culture of responsible citizenship and environmental stewardship among our dedicated employees.

### Recycling office waste

To instill a practice of responsible waste disposal within our workforce and minimize landfill waste from our operations, we provide waste sorting bins across all Unitel Group offices. However, given that most of our offices are rented, impact of our waste sorting efforts might be compromised unless the overall building maintenance implements responsible waste management practices. Consequently, we recognize the need to assess each office individually and formulate tailored waste management solutions.

As the sole proprietor of facilities such as the Data Center and Amgalan warehouse, Unitel Group has the advantage of directly managing on-site waste. Outdoor waste segregation points have been established at these facilities based on consultations with professional organizations specializing in sustainable waste management. Additionally, in compliance with waste management regulations, we have engaged professional services to adequately dispose of generated waste and distribute recyclables to designated facilities.



In 2023, **650kg** out of the total waste generated at the Data Center and the Amgalan warehouse was responsibly directed to recycling facilities through a third-party service.

**650kg** of recycled waste



**508kg**  
of cardboard



**88kg**  
of plastic containers



**54kg**  
of plastic bags

### Interesting fact:

Cardboard waste generated at the Data Centre is further recycled into archival envelopes



At our Central Tower headquarters, we constantly explore possibilities to segregate and process our waste sustainably, independent from the building's waste management practices\*. In 2023, we initiated the segregation of recyclable PET plastic bottles at the Central Tower offices in collaboration with Uniservice Solution LLC, an integrated facility management company responsible for the service and maintenance. PET plastic waste collected from our offices is

then directed to TML Plastic, a manufacturing and recycling facility. We have also educated our employees on proper PET bottle disposal to facilitate their recycling and provided information on the subsequent processes at the recycling facility.

\*Central Tower does not implement internal segregated waste management practices



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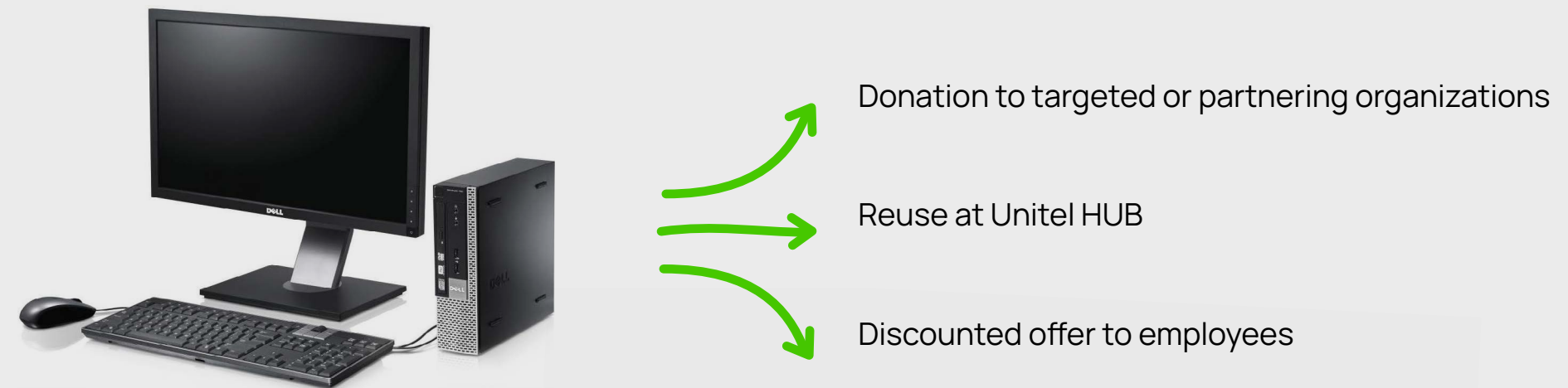
### Reusing office waste

Our supporting operations at Unitel Group offices result in a substantial volume of electronic waste each year, primarily in the form of decommissioned business computers. Employee PCs undergo replacement every five years as a default practice; however, a computer can be replaced before the five-year mark if a professional deems a computer inadequate for specific duties. We endeavor to fully divert decommissioned computers from disposal\* through reuse by offering them to employees at discounted prices, donating them to targeted or partnering organizations or reusing them at our own Unitel HUB program implemented in the rural areas.

### Reducing office waste

In 2023, we replaced small printers with high-capacity printers across our headquarters and distributed offices. The measures to enhance resource efficiency have resulted in a 26% reduction in office paper consumption compared to the previous year. In the following year, we are planning to develop guidelines for responsible use of paper, including stationery, business cards, letterheads, envelopes, etc.

Furthermore, we introduced 'Nisdeg Coffee' self-service automatic machines at all offices. This initiative not only provides cost-effective coffee options for employees using their own cups and mugs but also significantly reduces waste from single-use paper cups typically associated with take-out coffee.



Avoided the use of 15,344 paper cups, preventing the generation of

# 153kg

paper waste\*\*



Prevented the generation of

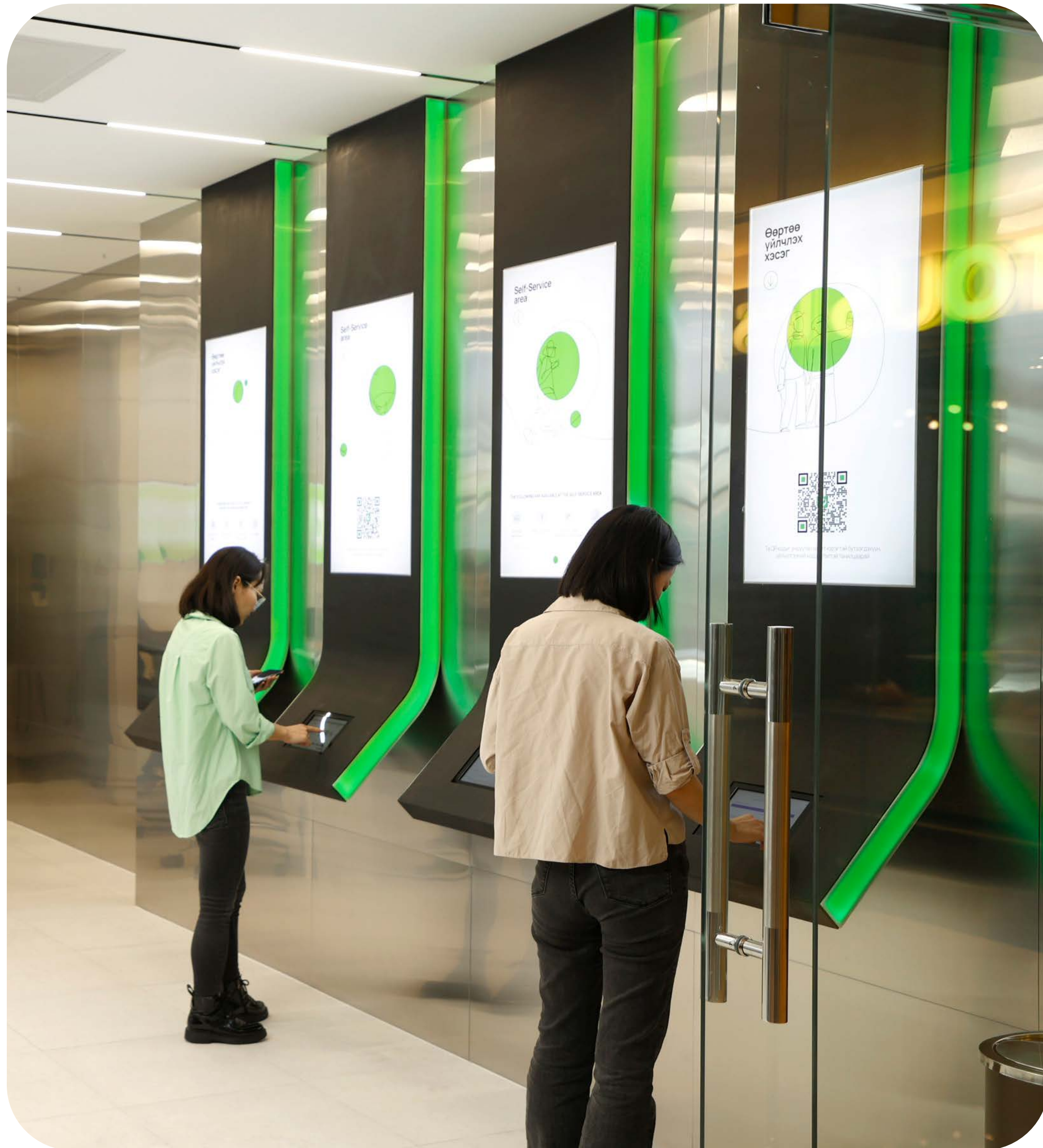
# 762kg

of paper waste\*

\*This estimate is derived by multiplying the difference between paper consumption in 2022 and 2023 by the unit weight of the purchased product

\*\*This estimate is derived by multiplying the number of coffee purchase through the machine by the unit weight of a similar material





## Service Waste Management

Our efforts to digitize services, aimed at enhancing accessibility and optimizing physical resources, indirectly contribute to reducing potential waste generated by our service processes.

In 2023, we launched our first digital branch, enabling convenient access to services like purchasing top-up units, data, or paying bills through digital devices. In addition, shifting to digital signing for new user contracts and ceasing the production of physical scratch cards for 1,500 and 2,000 units, along with holiday-special cards, have notably decreased paper consumption across our services.



\*The estimated weight of waste prevented is based on the weight data of a similar product





## Nature Preservation (Let It Be Green)

As inhabitants of our shared planet, our collective responsibility is safeguarding and nurturing Mother Earth. Unitel Group, acknowledging its role as a constituent part of the broader whole, is dedicated to enhancing environmental wellbeing while fostering a robust connection with the communities we serve. Recognizing the transformative power of unity and togetherness, we understand that creating a substantial and enduring impact requires joint efforts. Under the theme "Let it be green," we actively collaborate with governmental and non-governmental entities to undertake ecological stewardship initiatives, leveraging our capacity to engage and influence a diverse audience. We strive to extend our reach beyond individual efforts, instilling a collective sense of responsibility for nature preservation and community welfare in Mongolia.


### Biodiversity Preservation

Building watering ponds is one of our primary corporate social responsibility efforts dedicated to improving the living conditions of wildlife and restoring ecological balance in the long run. During the installation and maintenance of base stations in remote rural regions, our infrastructure engineers identified a pressing issue of wild animals facing dehydration threats in areas with increased drought frequency and water scarcity. To address this concern, we initiated the watering pond building initiative at specially protected areas in 2021. Made with natural rocks, rock adhesive, and non-permeable geomembrane, the artificial ponds collect water from precipitation and extend its retention for a prolonged period, becoming reliable water sources for wildlife.

In 2023, partnered with the Ministry of Environment and Tourism and Security Administration of Special Protected Areas, we created 16 new watering ponds in 10 specially protected areas. According to Govi-Altai Aimag's Security Administration of Special Protected Area estimates, each pond built in 2022 has served 30% of the surrounding inhabitants, amounting to about 3,000 animals annually. Rangers acknowledged our initiative as pivotal for the survival of endangered species listed in the International Union for Conservation of Nature (IUCN) Red List, including the snow leopard, mazaalai, and ibex.

To raise public awareness about biodiversity preservation, we disseminated information through various channels, including Unitel's official website, social media platforms (Facebook, Twitter, YouTube), influencers (such as Huduunii ail), and news agencies (iKon, Gogo News). Additionally, we shared the instructional video on building watering ponds to educate the youth about responsible travel practices and inspire them to develop their innovative ideas beyond our current actions.



 **23 WATERING PONDS**  
built since 2021 until the end of 2023



## Community Engagement

In addition to development projects, our nature preservation endeavors extend to longstanding community engagement initiatives sustained over the years through the expansive social reach of our company. Our concerted actions and their impacts stand as a testament to the effectiveness of collective efforts in addressing environmental challenges and advancing a sustainable future. In 2023, we hosted a tree-planting event for the second year, involving our full-time employees under the professional guidance of the "To the Green Development with Green Light Together" NGO. The event occurred at the Khaikhan Development Center in Chingeltei District, where 240 employees planted 3,000 elm tree seedlings

aged between 5 and 6 months. Elm trees were chosen for their compatibility with the soil composition and strong growth potential. As part of the agreement, the partnering NGO, in conjunction with the Khaikhan Development Center, has taken on the responsibility for post-planting care, including regular check-ups, irrigation, and necessary fertilization, until the end of 2024. Moreover, the Metropolitan Environment Department warmly welcomed and endorsed the initiative, providing the designated land and establishing a Memorandum of Understanding in 2022 to safeguard the tree planting area and support its maintenance.



in 2023



240

participated in the tree-planting event



12.7%

of employees participated in the tree-planting event\*



6,000

trees planted since 2021

\*as of 2023 Q3



On World Clean-Up Day, in partnership with the Tuul River Basin Administration, we orchestrated a public clean-up event, rallying our employees and volunteers to raise awareness among the public about the pressing environmental pollution issue in our communities for the seventh consecutive year. Thousands of participants joined forces to clean 3,200 hectares of land within the 110 km stretch of the Tuul riverbank, encompassing key locations such as the Dund River, Belkh River, Uliastai River, Zaisan Bridge, Marshal Bridge, and Bayanzurkh Bridge.



1,000

metric tons of waste cleared from the Tuul riverbank



7,500

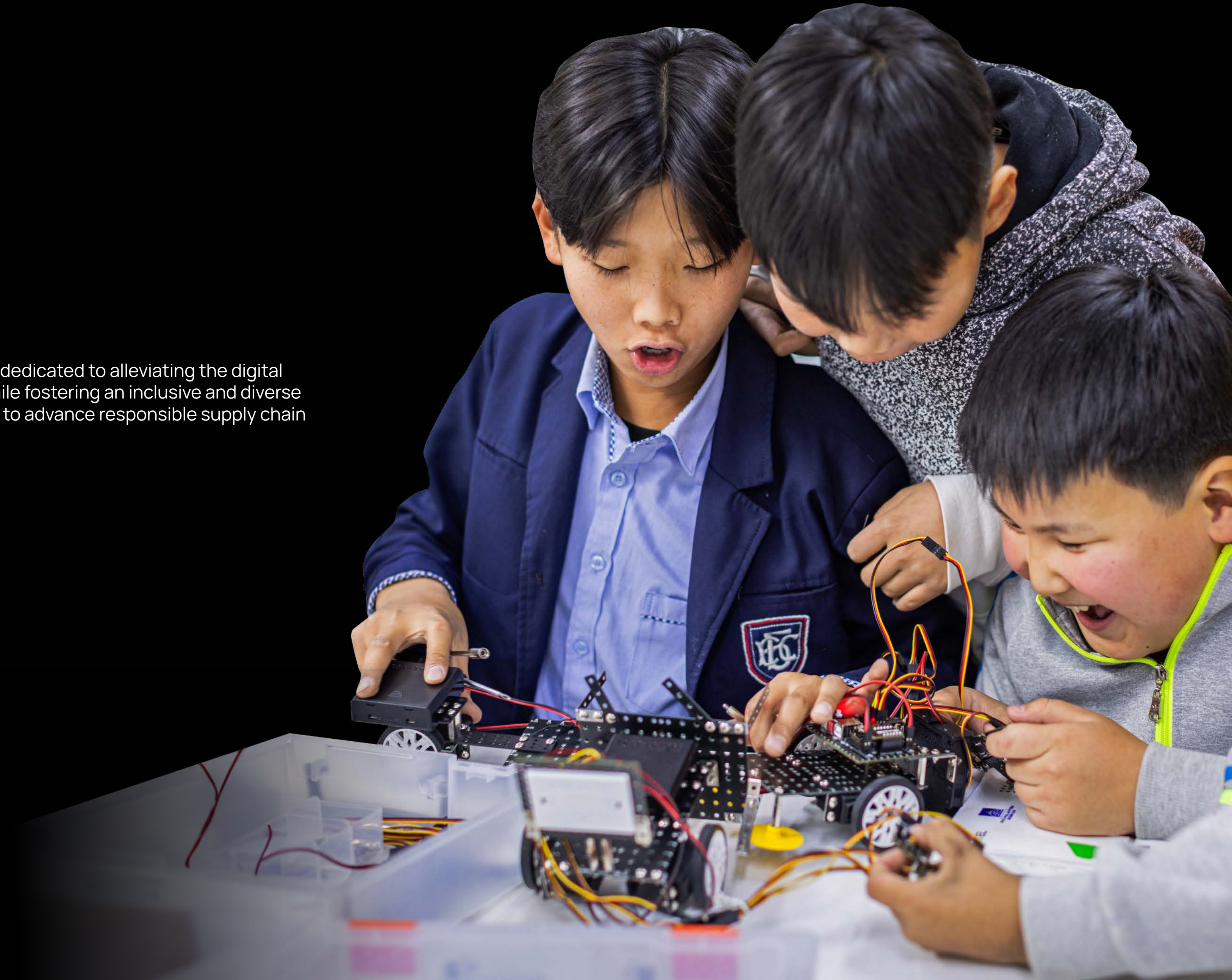
volunteers involved in the public clean-up event



# SOCIAL

As a leading telecommunications provider in Mongolia, we are dedicated to alleviating the digital divide by leveraging our extensive network and capabilities while fostering an inclusive and diverse work environment. Additionally, we are kicking off small efforts to advance responsible supply chain management practices.

- 1 Diversity, Equality, & Inclusion
- 2 Employee Health, Safety, & Wellbeing
- 3 Employee Retention & Engagement
- 4 Community Service
- 5 Digital Divide Alleviation
- 6 Supply Chain Management





## Diversity, Equity, & Inclusion

In alignment with our social responsibility, Unitel Group proactively contends to address societal disparities and bridge existing gaps. Our commitment to endorsing a more equitable and inclusive society is prominently demonstrated through diversity, equity, and inclusion (DEI) initiatives focused on our employees, reinforcing our dedication to creating positive social impact. Embracing diversity by bringing together people with different backgrounds and distinctive worldviews generates a rich spectrum of perspectives, which not only fuels innovation and creativity but also fosters a harmonious and inclusive company culture. In turn, we aspire to cultivate a secure and respectful environment, where employees can freely share their ideas and realize their potential to the fullest, and to establish a resilient workplace that caters to the unique needs of our diverse workforce.

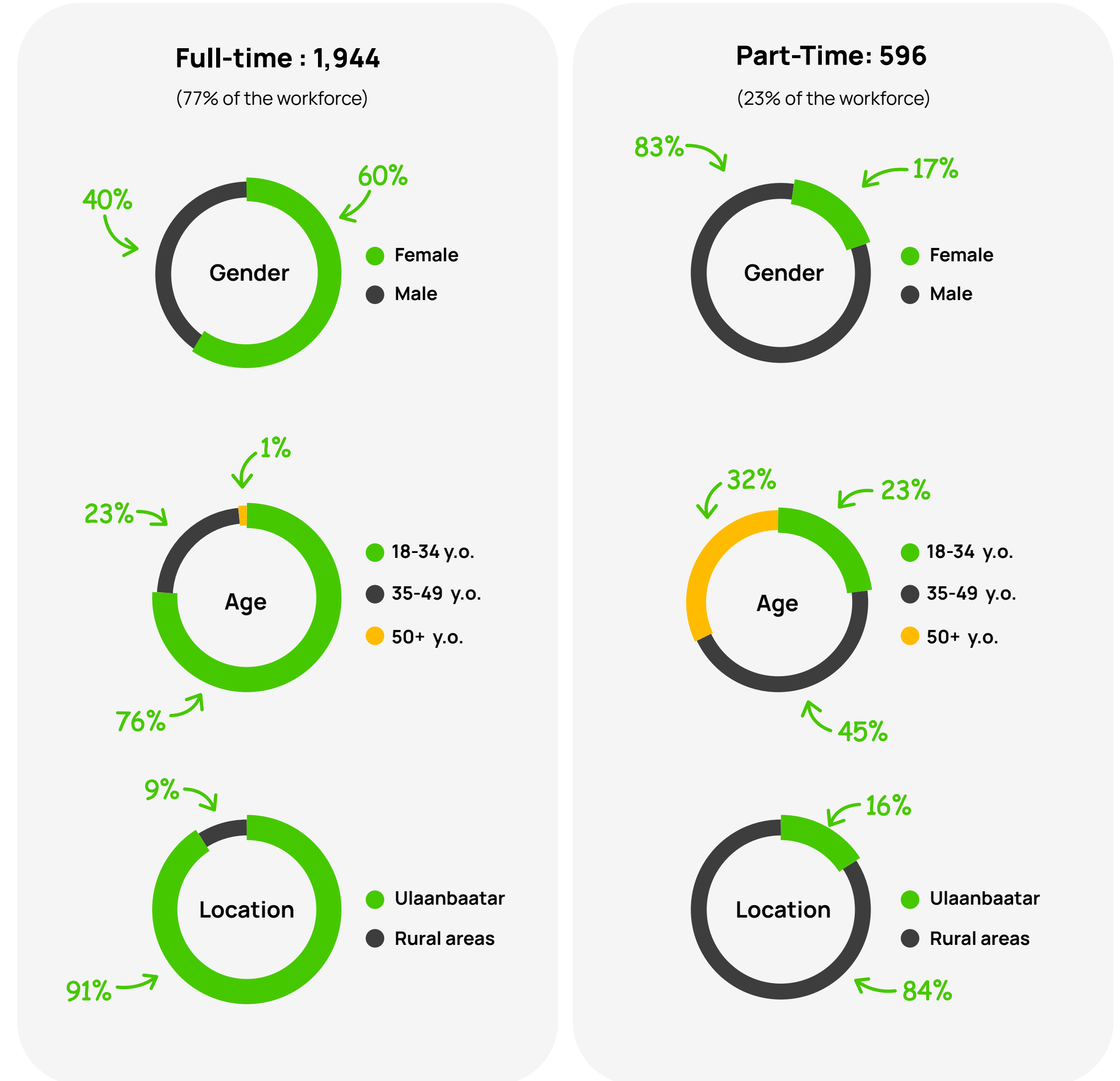
Unitel Group established a roadmap and objectives to advance diversity, equity, and inclusion (DEI) within the company, solidifying this commitment through the adoption of a dedicated policy back in 2022. The policy introduces basic regulations for cultivating an inclusive culture by ensuring non-discrimination, equal treatment of everyone, freedom from any form of harassment, and an amiable relationship among the employees for the long term. Guided by the core principle of respecting each individual's value, our responsibility is to provide equal opportunities in fair conditions for everyone, irrespective of age, gender, ethnicity, cultural identity, disability, religion, sexual orientation, marital or family status, life experience, or socio-economic status.

(For more details on Unitel Group's DEI strategy, see [2022 Sustainability Report](#) → [Diversity & Inclusion at Unitel](#))





### 2023 Unitel Group Workforce Demographics



### Equitable Gender Balance

Fostering female leadership, we are committed to sustaining a significant representation of women at and above target levels in executive/managerial positions.

Leadership Position by Gender	Target Female %	Female*	Male*
Executive Management	35.0%	40.0% (↑)	60.0% (↓)
Extended Management	50.0%	50.4% (↓)	49.6% (↑)

\* (↑) Increased from 2022; (↓) Decreased from 2022



## Employment for Individuals with Special Needs

In 2023, we explored the potential for in-house employment opportunities for individuals with special needs. The previous year saw an independent third party conducting a disability-friendliness assessment\* at Unitel Group's offices. During the assessment, current employees with a specific degree of disability were surveyed regarding their health, workplace environment, working hours, communication with co-workers, and other potential challenges, along with proposed solutions. Based on the assessment results, we have pinpointed four (4) job positions suitable for individuals with special needs, ensuring a barrier-free work environment.

The number of full-time employees with special needs: **6**

In addition, to comply with the regulatory requirement of having 4% of our workforce comprised of individuals with special needs, we engage the services provided by members of the Mongolian National Federation of the Blind.

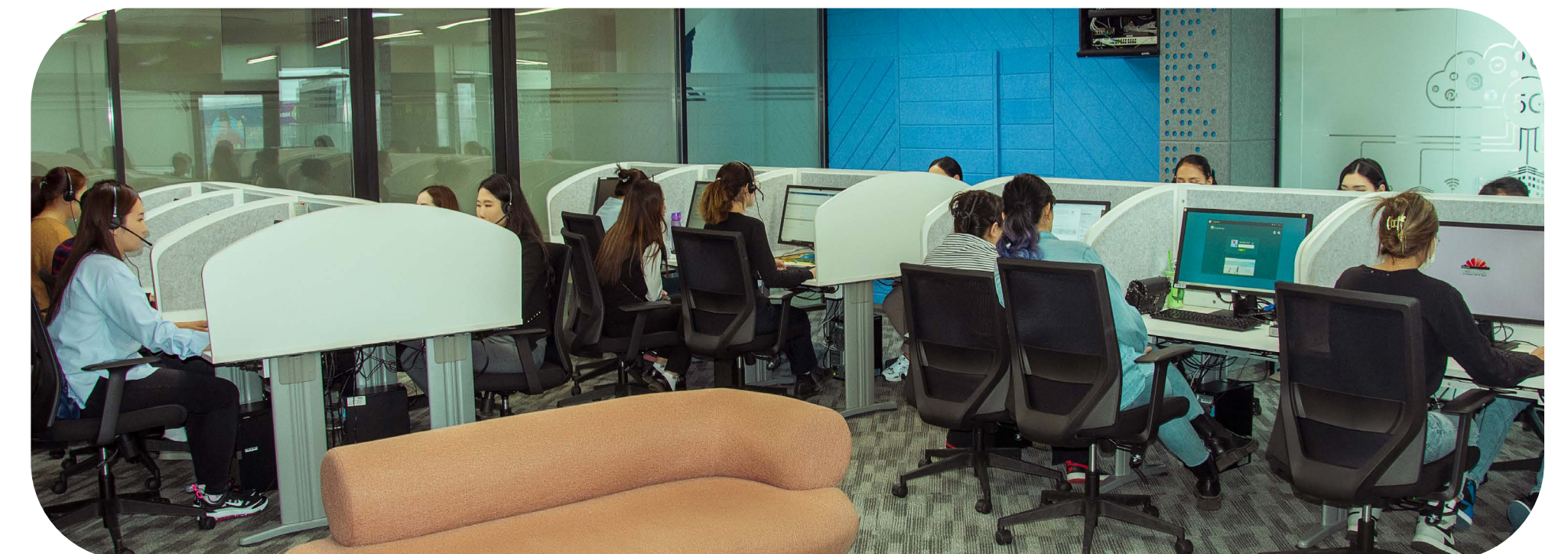
The number of employees with special needs recruited through the Mongolian National Federation of the Blind: **69**

\* The participants were informed and provided consent before the study. We ensure the confidentiality of their information, which was solely utilized for this assessment.



## Locational Diversity

In 2023, Unitel Group established a Customer Service Center in Darkhan, generating 60 new jobs in the local community. Our plans include establishing operational facilities in other prominent rural areas to contribute to rural development and enhance the accessibility of services for local customers.





# Employee Health, Safety, & Wellbeing

Employee health, safety, and wellbeing are essential pillars for supporting a resilient workforce that ensures uninterrupted operational continuity. They contribute to greater employee engagement and job satisfaction, promoting a positive workplace culture that values the wellbeing of all workers. Ensuring safe and healthy working conditions not only aligns with ethical business practices but also enhances the company's reputation, positioning it as a socially responsible and preferred employer in the competitive landscape.

Unitel Group upholds employee health and safety in compliance with legal regulations, and in 2023, we revised our occupational health and safety (OHS) policies to align with ISO45001 standards, emphasizing a risk-based and prevention-focused system. Our approach includes heightened attention to high-risk units, positions, and workplaces, with a focus on effective disaster and emergency preparedness. Moving forward, we aim to continuously enhance OHS management, fostering a secure working environment for

employees and partnering entities, striving to achieve our primary goal of maintaining a near-zero workplace accident rate.

## Risk Assessment & Management

Unitel Group strives to prevent potential work-related accidents, injuries, and other adverse events by continuously evaluating our facilities, processes, and work circumstances. We revamped the company's Occupational Health and Safety (OHS) Risk Management Procedure to enhance the effective identification of hazardous conditions and the implementation of risk mitigation strategies. As part of this procedure, we mandate the regular conduct of various types of risk assessments, adhering to the PDCA (Plan Do Check Act) cycle.

Unitel Group oversees a diverse range of professionals, facilities, and processes, each requiring a tailored risk management approach to ensure employee safety. In 2023, we implemented the following hazard identification and risk assessment measures\*:

Disaster risk assessment	We revised our Disaster Management Plan to enhance preparedness for potential disasters after conducting disaster risk assessments through SSIMN LLC at our facilities.
Hazard identification and risk assessment for company facilities	We implemented a comprehensive set of hazard identification and risk assessment efforts across various locations, covering office buildings, service branches, and the warehouse, involving measuring work environment indicators such as air particulates, noise, lighting, and temperature, as well as fire and electric safety examinations, drinking water analysis, and assessments of general workplace cleanliness and orderliness. Based on the evaluations, the Occupational Health and Safety (OHS) team took measures to enhance operational safety at the company facilities.
Hazard identification and risk assessment for company positions	We conducted company-wide assessments to identify roles with elevated risk levels. For positions deemed high-risk, we perform occupational condition assessments, conduct tailored medical examinations, and provide insurance coverage for unforeseen accidents. In addition, we are actively enhancing processes related to hazard identification, daily instructions, and clearance procedures to strengthen safety monitoring during the execution of high-risk tasks.
Risk assessment for contractual processes	We determined safety risks associated with tasks performed by contractors. When engaging in high-risk services, we strive to ensure the secure execution of the work by incorporating occupational safety criteria into the selection and evaluation processes, monitoring occupational health and safety practices at partnering entities throughout the execution of commissioned work, and providing pertinent training and guidance.

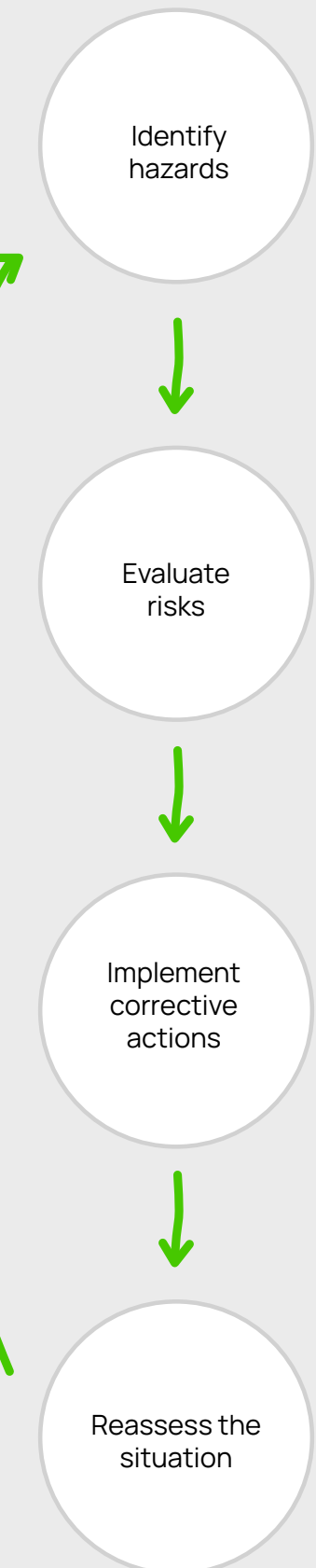
**In 2023, we provided Occupational Health and Safety (OHS) monitoring, training, and guidance to employees of 19 mobile service contractors, 7 IPTV service contractors, and 31 partnering companies in rural areas.**

\*Hazard identification and risk assessment measures were implemented by the company's internal Occupational Health & Safety unit, comprised of licensed health and safety engineers, or, as indicated, by a specialized third-party agent.

In addition to the company's hazard identification and risk assessment measures, we actively encourage our employees to identify workplace hazards and safety risks, inform the OHS team about any concerns, and take proactive measures to

enhance their working environment. Looking ahead, we plan to establish a platform for employees to report any hazards or risks they encounter during the course of their work.

PDCA Cycle for OHS Risk Assessment













## Safety Training

We offer diverse occupational safety training for our employees to minimize the risk of incidents. The training aims to deepen employees' understanding of the hazards inherent in various processes, enabling them to recognize and respond to potential issues promptly. Our OHS training needs are determined in alignment with state-regulated OHS training rules and our internal OHS training procedure, with regular annual updates. Importantly, all training sessions are provided free of charge during working hours, ensuring accessibility and prioritizing the safety and preparedness of our workforce. Furthermore, we offer preventive, primary, and recurring safety instructions as necessary.

Depending on the job position of employees, we provide OHS training at different levels:

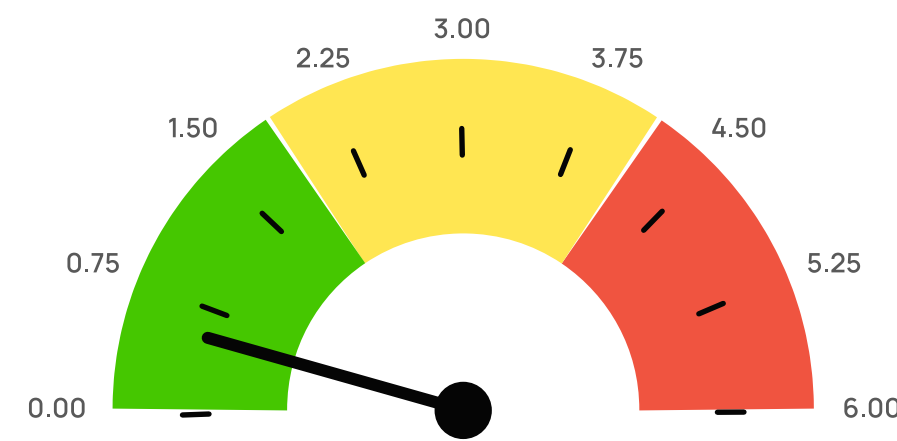
- New employee
- All employee
- Extended management
- Executive management
- High-risk positions

In 2023, 380 EMPLOYEES enrolled in the following certified courses:

 <b>Road safety training</b>	 <b>Fire safety training</b>	 <b>Electrical safety group training</b>
 <b>Confined space training</b>	 <b>Height safety training</b>	 <b>First aid training</b>

In addition to safety training, employees in high-risk positions conduct regular group meetings to share insights about potential work-related risks, exchange ideas, and collaboratively address safety issues. Furthermore, dedicated professional units assigned to respond to disasters are systematically re-established and re-trained for each company facility.

## Key performance indicators\*



**0.67** Total reported incident rate (TRIR):

the number of recordable incidents per 100 full-time employees in one calendar year

**0.29**

Days away, restricted, or transferred (DART):

the number of recordable incidents per 100 full-time employees that resulted in days away from work, restricted work activity, and/or job transfer that a company has experienced in one calendar year

**7.6**

Lost-time case rate (LTC):

the number of lost time cases (any occupational injury or illness which results in an employee being unable to work a full assigned work shift) per 100 full-time employees in one calendar year

In Unitel Group, the Commission for Investigating and Reporting Occupational Accidents and Acute Poisoning inquires into each incident and implements preventive measures in adherence to state-regulated rules. In 2023, the Commission underwent restructuring, incorporating representatives from the company's OHS unit, human resource department, and legal team. Newly appointed members received training in effectively recording and investigating adverse events.

\* Recordable incidents are all work-related deaths and illnesses, and those work-related injuries that result in death, loss of consciousness, restriction of work or motion, transfer to another job, or require medical treatment beyond first aid



## Promotion of Employee Wellbeing

At Unitel Group, we strive to nurture our people, fostering an environment where they feel genuinely cared for. We aspire to witness the happiness and health of all our employees, supporting them in their professional success, active social lives, and cherished moments with loved ones. The "Healthy Employee" program embodies a range of initiatives designed to enhance our staff's physical and mental wellbeing, extending beyond the conventional scope of occupational health and safety.


**In 2023, we implemented several initiatives to support the health and wellbeing of our workforce:**

- 1 Organized the annual periodic health check-ups, including preventative medical examinations, diagnostic and laboratory tests, and an assessment of occupational compatibility for our employees. The check-ups help identify any health complications that may impact the safe execution of work responsibilities. We maintain the confidentiality of workers' personal health-related information through a contractual agreement.
- 2 Initiated mental health support with a three-month training and service program for frontline service workers in collaboration with HugMom Mental Health Center.
- 3 Executed a seasonal flu prevention campaign.
- 4 Provided each employee with five massage therapy vouchers.
- 5 Offered discounted fitness center memberships at 10 locations to address potential issues related to lack of physical activity.



 **779**

employees underwent medical examinations.

 **661** employees voluntarily received the seasonal flu vaccination



 **37%** of our full-time workforce



# Employee Retention & Engagement

Employee retention contributes to long-term stability and operational resilience, elevating the morale and satisfaction of our workforce. Consequently, we strive to create an exceptional workplace with fair employment practices and positive environment. Recognizing the importance of sustaining a congruous employee body, we prioritize their happiness by offering opportunities for personal and professional growth, ensuring financial security, assisting in establishing a healthy work-life balance, and promoting active employee engagement.



## Training & Development

By actively empowering our talented employees to pursue professional growth, we strive to increase employee satisfaction and confidence in themselves, their colleagues, and the company. Therefore, we work to cultivate a work environment that justly recognizes and values the efforts of each employee. Additionally, we continuously offer self-development opportunities to keep our workforce at the forefront of modern innovations, technological advances, and global trends, promoting a dynamic and forward-thinking culture.

Unitelers consistently engage in learning and improvement within their workplace, undertaking daily tasks, overcoming challenges, gaining insights from team members, and benefiting from constructive feedback and performance reviews. In 2023, we have reworked the performance review process, shifting from an individual focus to a teamwork-based approach.

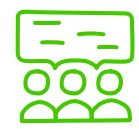






Sharing and imparting expertise among employees is a prominent aspect of the workplace culture at Unitel Group. Guided by the principle of continuous development, we facilitate knowledge and experience-sharing sessions where our staff can exchange relevant information and skills with their colleagues.

In 2023:



**705** employees engaged in knowledge and experience-sharing sessions



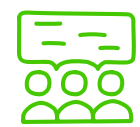
**2,765** hours dedicated to the exchange of valuable insights and expertise

We are introducing specialized communities and chapters dedicated to specific fields of expertise, aiming to enhance transferrable skills across our workforce. In 2023, we established the Citizen Developers Chapter, focusing on exchanging knowledge and experience regarding Robotic Process Automation (RPA), enabling employees to work more productively on crucial tasks by automating contingent processes through a no-code approach.

Additionally, we formed the Data Community for employees specializing in data analysis and those interested in improving their skills in this area. In the upcoming years, our efforts will extend to preserving existing communities and launching new ones that cater to the diverse interests of our employees, with a focus on spreading potentially in-demand skills for the future.

In 2023:

Within the Citizen Developers Chapter:

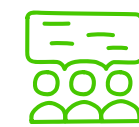


**15** employees attended knowledge and experience-sharing

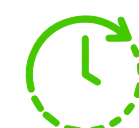


**10** hours dedicated to knowledge and experience-sharing

Within the Data community:



**6** sessions held for knowledge and experience-sharing



**144** employees attended knowledge and experience-sharing

In addition to knowledge-sharing sessions within the company, we provide opportunities for in-person training on various topics facilitated by MCS Academy and other organizations. Furthermore, we grant access to four online learning platforms, including Udemy,

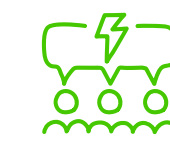
Coursera, Melearn, and Data School, offering a plethora of courses available in both Mongolian and English, for our employees to develop themselves at their own convenience.



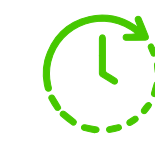
At MCS Academy



**127** courses provided



**1,169** employees attended

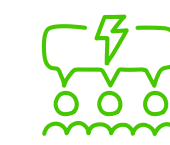


**5,894** hours dedicated for training

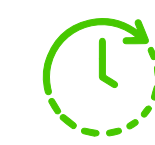
At other organizations



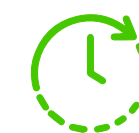
**35** courses provided



**560** employees attended



**4,660** hours dedicated for training



**7.71 HOURS**

Average training hours per full-time employee (including knowledge-sharing sessions, chapter & community sessions, external in-person training, and online courses):

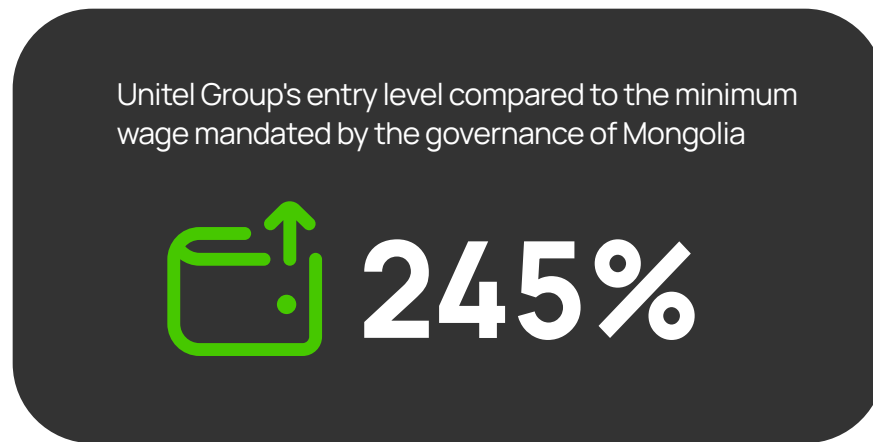


## Financial Wellbeing & Benefits

Unitel Group strives to maintain and improve our employees' standard of living and financial security. We ensure fair and unbiased compensation for their hard work, irrespective of personal characteristics such as gender, age, disability, marital or family status, pregnancy, etc. Our competitive wages align with the country's current economic situation, and additional remuneration adheres to the Labor Law of Mongolia and relevant laws and regulations.

In 2023, we launched an employee-exclusive consumer loan platform on the Toki app, offering supplementary financial support to our workforce. Regardless of their credit score, all employees are eligible for a loan with the interest waived for the first two months. The loan amount is personalized and contingent on the individual's years of service with our company.

Furthermore, MCS Group has introduced MCS Benefits, a centralized platform enabling



employees to access information about benefits and incentives offered by MCS Group subsidiaries. Additionally, employees can take advantage of exclusive discounts when purchasing products and services from MCS Group companies and partnering organizations through this platform. Monthly stipends are disbursed to employees via their M Bank accounts, exclusively authorized for interaction with the MCS Benefits platform.

## Social engagement

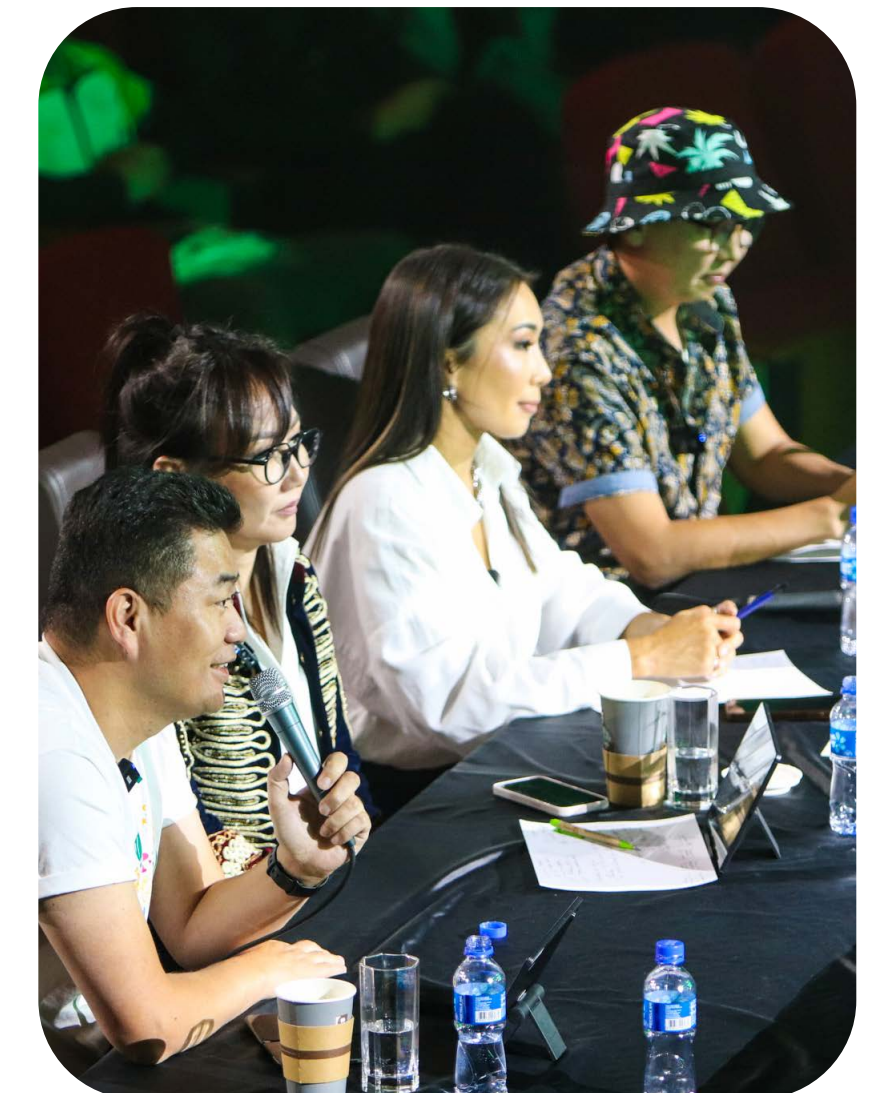
Aiming to cultivate meaningful connections and a profound sense of belonging among our employees, we are dedicated to creating opportunities for our workforce to unwind and socialize through a variety of engaging events and programs, both during and outside of working hours. The Sport and Art Committee, comprising voluntary representatives from each department, coordinates these events to elevate the positive atmosphere and collaboration among Unitelers.

In 2023, the committee prioritized promoting togetherness through enjoyable activities and preserving work-life balance by scheduling events on workdays, encouraging employees to dedicate weekends to their loved ones.



### The most notable employee engagement events of 2023 include the following:

- "Open Mic": Featuring employees passionate about music and singing.
- Sports Competition: Held at the UG Arena and encompassing five different sports.
- "Telecommunications Day": A celebration of the telecommunications sector styled as a music festival.
- "Unitel's Got Talent": Showcasing the diverse talents of employees.
- Office New Year Party: A festive gathering to celebrate the New Year.





# Community Service

As the operator of Mongolia's most extensive mobile network and a prominent employer in the country, Unitel Group recognizes its influential role in reaching a broad audience and effecting a meaningful, positive impact on society. Leveraging our extensive services, we actively support social causes resonating close to our core values through partnerships with governmental and non-governmental organizations. In addition, Unitel Group fosters a culture of social responsibility by championing employee volunteerism. We proactively organize and promote community service opportunities of varying scales among our

employees, focusing on cultivating responsible and active citizens who pay attention to and genuinely care for societal issues. By harnessing the combined power of our service reach and dedicated workforce, Unitel Group aspires to contribute to the betterment of communities and to actively work towards building a more sustainable and compassionate future for all.



# Employee Volunteering

Unitel Group nurtures a culture of volunteerism among its employees through ongoing and consistent initiatives, seamlessly integrating these efforts into the fabric of our company values and traditions.

In 2023, Unitel Group successfully executed its third consecutive "Happy and Wonderful" New Year's gift box campaign to bridge geographical gaps during the holiday season, care for future customers, and promote employee volunteering. Originating from the 2020 "Give a Gift" initiative, where Unitel Group donated its budget for stakeholder gifts to various children's organizations, the campaign evolved into a company-wide movement inspiring employees to prepare gifts for elementary school children in remote rural areas. Now, crafting unique packages that include books, school supplies, intellectual games, and various other delights, all intended to bring smiles and happiness to children, has become a cherished tradition among our workforce every December. The ongoing initiative reflects our commitment to making a positive impact, extending beyond our immediate operations to touch the lives of those in remote areas and contribute to a brighter future.



Employees of Unitel Group prepared and delivered



510

to elementary school children living in remote settlements in DORNOD, UVS, AND GOBI-ALTAI PROVINCES



## Employee Volunteering

"Give Blood," an annual blood drive, remains an anticipated community service event among our employees. Implemented in partnership with the National Center for Transfusion Medicine, the initiative reflects our commitment to forwarding a culture of community involvement. Recognizing the efficacy of employee volunteering at established companies, the National Center for Transfusion Medicine emphasizes that collective efforts through

events like "Donate Blood" are more impactful for the blood collection movement than individual calls to action. In 2023, Unitel Group held the fifth consecutive blood drive event among the employees at the Central Tower headquarters, where qualified healthcare professionals conducted eligibility assessments and blood extraction.



**45**

employees  
donated blood



enough to  
save lives of

**135**

individuals

## Positive Partnerships

Unitel Group consistently lends its telecommunications services to support governmental and non-governmental organizations. Utilizing our nationwide marketing platforms and robust communications infrastructure, we actively raise awareness for pressing issues. Бид 2023 онд нийгмийн хариуцлагын хүрээнд төрийн байгууллагуудтай хамтран, дараах ажлуудыг дэмжин ажилласан байна:

In 2023, our support extended to various government organizations and campaigns:

- The "Only Children's Numbers for the Children" campaign by the Communications Regulatory Commission, encouraging children under 16 to use dedicated numbers for enhanced safety
- The "E-Kids" campaign by E-Mongolia, aimed at providing instructions, advice, and information to protect children from inappropriate online content and prevent cybercrimes
- Dissemination of information on water, fire, and other weather-related disasters from the National Emergency Management Agency

Our commitment to these campaigns materialized through the following:



**9M**

text messages  
sent out



**4x**

social media  
posters published



**1,623**

individuals reached



## Digital Divide Alleviation

In today's digital era, the imperative of universal access to and adept utilization of information and communication technologies (ICT) emerges as the cornerstone for progress, shaping a connected society and serving as a beacon towards a more enriched life for individuals. Regrettably, the digital divide, driven by socio-economic and geographical disparities, widens the gap between those with access to transformative ICT tools and those without, exacerbating social exclusion, deepening income inequalities, and impeding societal development. The digital divide also poses risks to a country's economic competitiveness through restricted access to digital markets, limited innovative entrepreneurship, and hindered participation in the digital economy.

In Mongolia, the harsh climate and vast, sparsely populated territory present obstacles to establishing comprehensive connectivity infrastructure, hindering ICT reach in remote areas. The nomadic

lifestyle, upheld by one-third of the population, presents additional hurdles for consistent access to ICTs. Furthermore, significant socio-economic disparities between urban and rural areas contribute to a digital literacy gap, with urban populations benefitting from up-to-date information resources and exposure to digital skills training and their rural counterparts facing challenges in receiving comparable opportunities.

As a prominent telecommunications operator and key facilitator of connectivity nationwide, Unitel Group significantly contributes to bridging the digital divide by continuously expanding and enhancing the country's digital infrastructure. In addition, we are committed to improving digital literacy across the nation through big- and small-scale corporate responsibility initiatives.

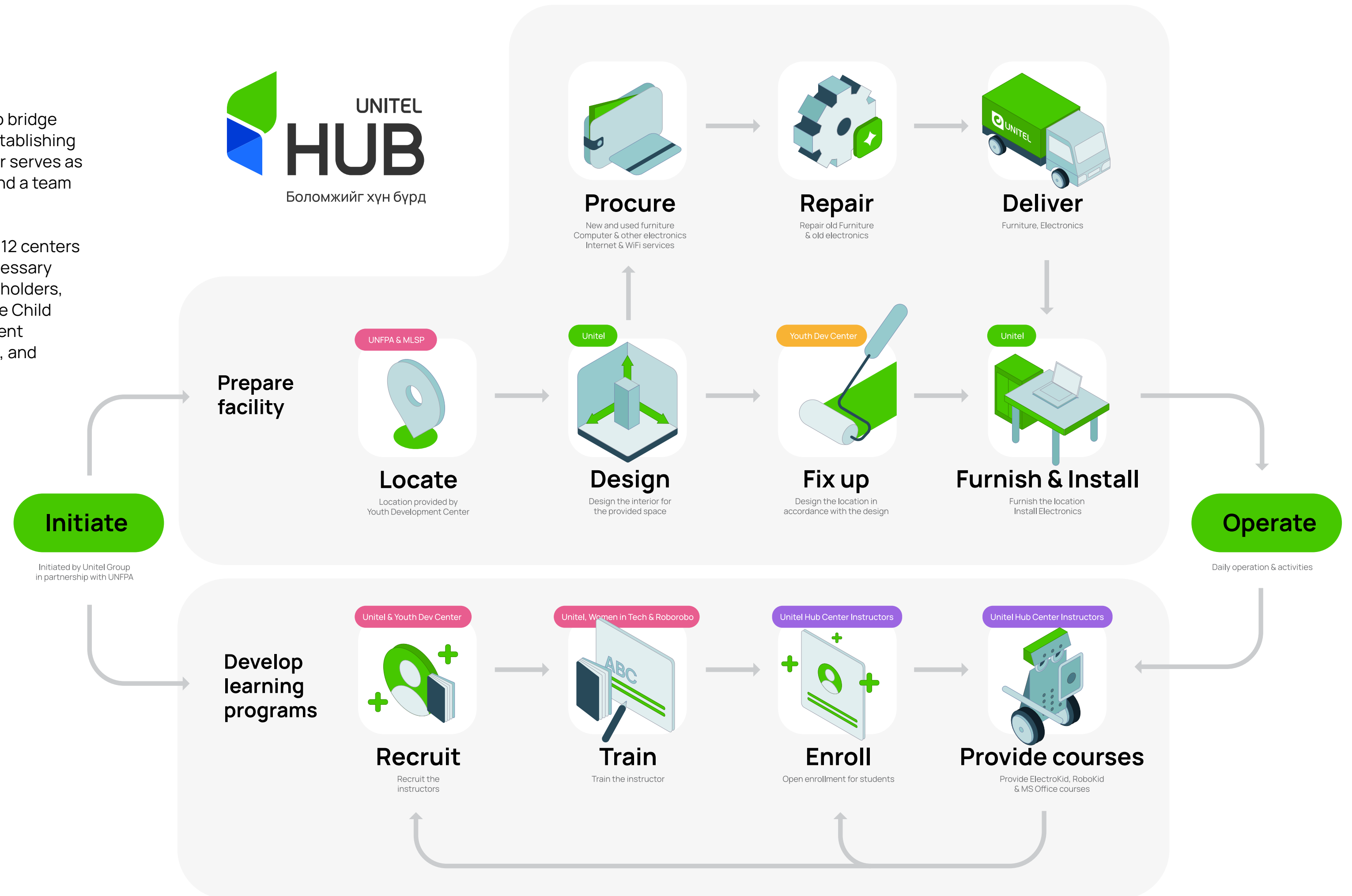
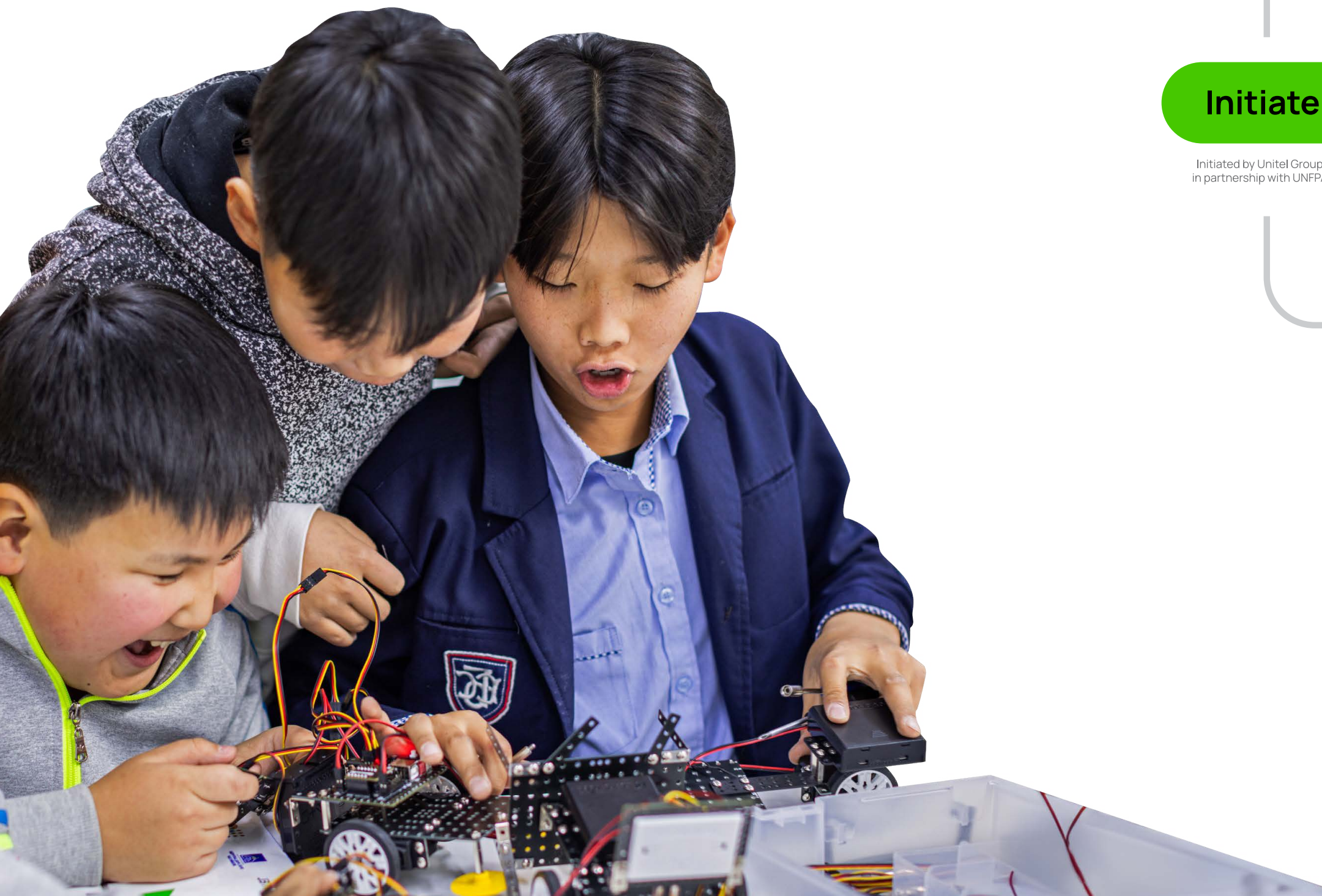




## Unitel HUB Program

Since its launch in 2022, the Unitel HUB (HUB) program has been at the heart of our mission to bridge the digital gap. With a focus on promoting digital literacy in rural areas, we are dedicated to establishing and operating Unitel HUB centers in each aimag. Beyond physical space, the Unitel HUB center serves as a zone for personal and communal growth, providing digital devices, educational resources, and a team of trained instructors committed to fostering digital literacy.

In 2023, we achieved a notable milestone by inaugurating 11 new centers, bringing the total to 12 centers nationwide. The successful completion of these centers reflects not only the provision of necessary resources but also meticulous planning and collaborative efforts. Engaging with diverse stakeholders, including UNFPA Mongolia, Women in Tech, the Ministry of Labor and Social Protection, and the Child and Family Development and Protection Authority (formerly Family, Child and Youth Development Authority), we navigated intricate processes to identify optimal locations, furnish the centers, and curate educational programs.



\* This illustration shows a complete workflow of the Unitel HUB program from the initiation to the operation phase in detailed steps and highlights the role of contributing parties.



Unitel HUB  
**Launched in 12 aimags**



At the core of the sustainable operations of the HUBs are educational initiatives like RoboKID and ElectroKID. Aimed at cultivating interest in STEM disciplines for children up to the age of 15, the RoboKID program guides children in assembling and coding robots, while the ElectroKID program

dives into fundamental electronics principles. Both programs encompass comprehensive learning materials and practical kits—Roborobo for RoboKID and Arduino for ElectroKID—providing participants with a well-rounded set of practical and theoretical knowledge.

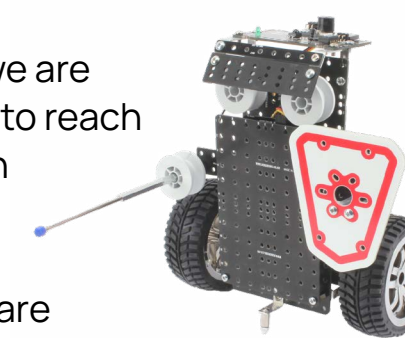
A hallmark of the HUB project lies in its commitment to inclusivity, welcoming individuals of all ages and genders to partake in enriching opportunities within these spaces. Adults can utilize the internet, enhance essential software skills, and coordinate various collaborative events, while children can access educational resources and engage in intellectually stimulating activities. Furthermore, the ongoing educational initiatives at the HUB centers play a

pivotal role in cultivating interest in STEM fields among girls, contributing to the preparation of future female engineers.

- 30** Number of enrollments to RoboKID and ElectroKID programs since 2022
- 323** Total number of RoboKID and ElectroKID program graduates since 2022
- 1:8** Gender (Female to Male) ratio of the graduates (representative to 303 graduates)

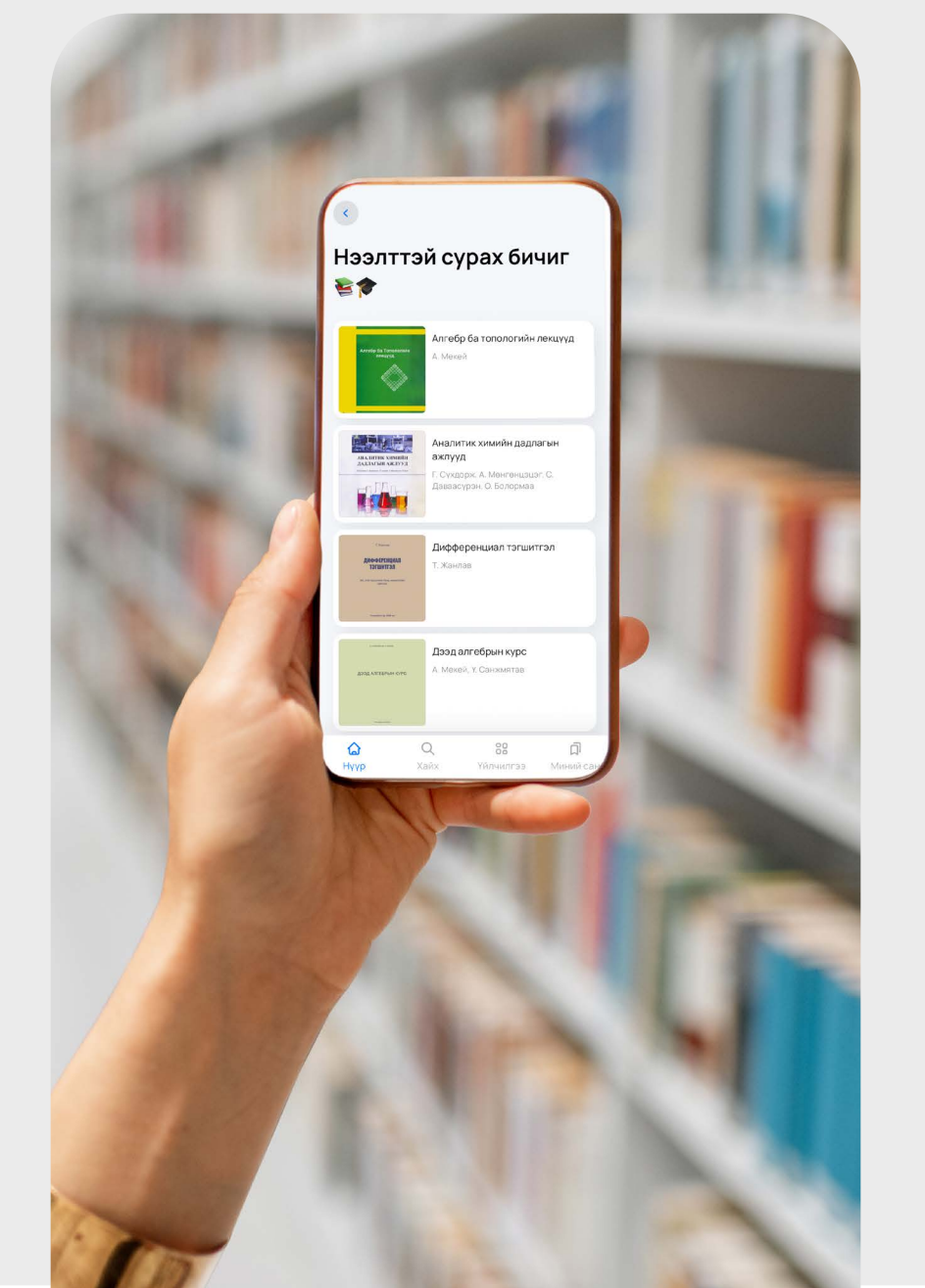
Looking ahead to 2024, we plan to expand into nine additional provincial centers, ensuring coverage in all 21 aimags of Mongolia with Unitel HUBs. Simultaneously, we aim to improve the

educational programs we are currently implementing to reach more children and youth by reflecting on our graduates' valuable opinions/feedback. We are confident that the Unitel HUB project will persist in making a meaningful impact on people's lives by granting access to crucial digital resources in rural areas.



**Open Textbooks Project**

In line with our commitment to alleviating the digital divide, we can effectively address the existing societal challenges by leveraging the transformative potential of digitization. The "Open Textbooks" initiative aims to utilize digital technology to enhance the accessibility and portability of educational materials, fostering equity in education for the new generation of students and encouraging individuals interested in STEM. Through the partnership with MCS Coca-Cola and M Book (formerly M Plus), this project digitized 26 STEM-related textbooks which studied mandatorily across four Departments of the National University of Mongolia. These digital books have been made accessible as open-access resources, allowing students to access them freely through the M Book application.





# Supply Chain Management

Unitel Group recognizes that the impact of our products and services on environmental and social dimensions extends beyond our operations, influenced by the activities within our supply chain. Acknowledging the interconnectedness, we emphasize the importance of holding our partners accountable for sustainable and ethical practices. To formalize this commitment and propagate our company's core values throughout the supply chain, we have instituted a comprehensive Supplier's Code of Conduct, delineating the minimum standards expected from our cohorts. In reciprocation, we are dedicated to establishing a sustainable, collaborative, and inclusive business ecosystem by providing equal competitive opportunities for our existing

suppliers and enhancing our procurement efficiency by actively engaging with potential new vendors.

**(For more details on our Supplier Code of Conduct, please visit [supplier.mcs.mn/policy](https://supplier.mcs.mn/policy))**

In managing a diverse pool of suppliers, our objective is to foster sustainable businesses and address plausible risks by incorporating an assessment of the social and environmental impact of the potential vendors into our procurement practices. However, the feasibility of a comprehensive overhaul of our sourcing methods is constrained by various socio-economic challenges. Nevertheless, we are

taking incremental steps toward establishing a conscious supply chain, with an initial emphasis on enhancing social criteria. Presently, we strive to prioritize local\* suppliers, recognizing the importance of supporting domestic operations. Simultaneously, we are actively exploring opportunities to expand our partnerships with minority-owned\*\* entities in the future to foster economic empowerment within marginalized communities and contribute to a more inclusive and representative business ecosystem.



\*Suppliers whose activities are based in Mongolia  
 \*\*Businesses and other entities owned by women, people with disabilities, ethnic minorities, etc.

## Supplier Portal

In 2023, MCS Group introduced an all-encompassing procurement system aligned with international standards, allowing domestic organizations and individual entrepreneurs to enlist as potential suppliers for any subsidiary companies. Through the Supplier Portal, entities gain access to a streamlined experience, enabling them to track every stage of the procurement process, including viewing ongoing calls for tender, submitting quotations, monitoring the selection process, and facilitating the exchange of necessary information. The platform can function as a centralized registry for vendors across the MCS Group companies, including Unitel Group, opening up the possibility for supplier social assessments based on criteria related to supplier diversity in the future to emphasize inclusivity within the supply chain.

Supplier Portal:  
[www.supplier.mcs.mn](https://www.supplier.mcs.mn)





# GOVERNANCE

Our commitment to long-term sustainability involves providing high-quality, reliable services to customers and optimizing internal processes for the enduring continuity of our company. Notably, we uphold ethical standards, fairness, and compliance with relevant laws in our business operations.

- 1 Network Quality & Data Security
- 2 Ethical Business Culture
- 3 Business Process Management
- 4 Corporate Governance





# Network Quality & Data Security

In a modern interconnected world ubiquitously reliant on network services, it is paramount for telecommunication companies to ensure flawless network quality and robust data security measures, as they play a critical role in shaping customer experiences. Unitel Group aspires to provide reliable, high-quality service by implementing a robust business continuity program and upholding policies aligned with globally accepted standards. Enabling clients to navigate the digital world confidently, we pursue resilient operations by enhancing network infrastructures, ensuring uninterrupted connectivity, and strengthening data security measures.

## Network Expansion & Quality Improvement

In our commitment to narrow the connectivity gap across the country, we persistently extend the reach of our network, including the most remote areas, thereby enriching the accessibility of our services. In 2023, we augmented the number of network towers by 8.3%, expanding our coverage by 5%.

In addition to network expansion, we continuously work to improve our service quality and reliability by performing infrastructure enhancements and introducing innovative technologies to prevent

disruptions, minimize downtime, and reduce fault recovery time. For instance, by deploying the monitoring system at the Data Centre, we have enabled real-time monitoring and immediate fault detection across all equipment within our network infrastructure, encompassing power feed, cooling systems, rack containment, and more. Simultaneously, we have strategically placed portable plugs for power generators and smart padlocks at mobile sites prone to intermittent power outages in the city zone to optimize fault recovery.



## Risk Management

Unforeseeable events like natural disasters, cyberattacks, and intermittent power outages can disrupt regular business activities, posing a risk of financial and reputational damage and potentially affecting the sustainable operations of telecommunication companies. The Unitel Group proactively identifies and addresses key potential risks by formulating effective mitigation tactics. Our risk management function consolidates risk assessments and provides quarterly reports to the Audit & Risk Committee of the Board, ensuring comprehensive oversight and governance that extends across all levels of relevant stakeholders.

In ensuring unimpeded service delivery during major and minor disruptions, we follow a stringent procedure with well-defined recovery objectives. To fortify our resilience against potential severe disruptions, we maintain redundant infrastructure across servers, networks, and virtual environments and conduct regular testing to validate the effectiveness of our quality monitoring measures.



## Data Security

Cyber intrusions compromising the integrity of the company and customers' data can lead to regulatory compliance issues and result in the loss of valuable confidential information crucial to our company's progression. Safeguarding sensitive data is one of Unitel Group's top priorities, embedded deeply within our operations and guiding principles.

In 2022, we obtained ISO 27001 certification, recognized as the gold standard in information security management systems (ISMS), and have been diligently maintaining this certification while strictly adhering to the rigorous NIST framework internally. We apply advanced scanning tools, conduct regular penetration testing, and consult with industry-leading experts to identify and address risks

and vulnerabilities within both our internal and external IT systems. We consistently strengthen our systems for robust data security by installing protective measures on all company endpoints, including workstations, desktops, VDI's, laptops, and servers, and deploying a database firewall for monitoring.



To eliminate any risks and vulnerabilities stemming from human behavior, we conduct an information security campaign among our employees every year, fostering a culture of awareness and vigilance. In 2023, the initiative incorporated information-sharing programs, phishing simulation tests, and an information security quiz, equipping our workforce with the essential knowledge and skills to identify and respond to potential threats adeptly.

### In 2023, within the Information Security campaign:



**1,569** phishing emails

dispatched to selected employees to evaluate their capacity to identify and report suspicious messages



**4** rounds

of information security advisory emails sent out



**1** podcast

uploaded to the employee group on a social media platform

Significant improvements were observed in the annual information security quiz participation.



In comparison to the preceding year, there was a

**7.3%** increase in the number of participants



with a notable rise in employees achieving a perfect score from

**1 to 42**





## Ethical Business Culture

Unitel Group upholds the highest ethical standards in its business operations, meticulously adhering to international and local laws, regulations, and internal policies. Our dedication to fostering a robust ethical culture extends to all stakeholders, transcending the confines of our internal operations and employees.

Unitel Group's Code of Ethics, outlining core principles and values for both employees and third parties, serves as a guiding framework for ethical decision-making in their day-to-day responsibilities. Additionally, we have implemented the Supplier's Code of Conduct to ensure that ethical requirements resonate across our entire supply chain.

Since 2023, we have conducted comprehensive risk assessments to identify and address compliance risks within each business area, shaping the Governance, Risk, and Compliance (GRC) model and adopting a risk-based approach. These assessments define our risk profile, pinpointing areas for elimination and improvement measures.

## Anti-Corruption

Unitel Group categorically rejects any form of corruption in all circumstances. Our Anti-corruption policies and procedures set minimum ethical standards for employees and third parties. In 2023, we introduced a Starcompliance system to enhance the effectiveness of our Anti-Corruption Policy. The Compliance Unit reviews the declarations of gifts, entertainment, political contributions, and charitable donations exchanged with customers and contractors within the system, promptly taking necessary actions to ensure compliance.

In 2023:

Reviewed declarations of

**5,596** gifts given to contractors

**164** gifts received from contractors



**18** business meetings & entertainment events



### Conflict of Interest

Following Unitel Group's Conflict of Interest Procedure, members of the Board of Directors, employees at Grade 6 or above, and all procurement function employees must declare any actual or potential conflicts of interest annually. Board Directors consistently disclose conflicts during each meeting, taking the necessary steps to uphold transparency and ethical governance, including recusal.

### Training on Ethics and Anti-Corruption

All employees receive annual training on key compliance topics, including the Code of Ethics, Anti-corruption policy, and Conflict of Interest procedures. We have adopted an online learning approach to ensure the effectiveness of the training, allowing employees to access it conveniently from anywhere at any time. Since the fourth quarter of 2022, we have consistently provided Monthly Legal and Compliance updates and informative posters to all employees to raise awareness of potential risks.

### International Sanctions

Per our Code of Ethics, we strictly refrain from directly or indirectly financing unethical or illegal activities. We reference the United Nations Sanction List, US OFAC, UK, and EU Sanctions Lists to ensure compliance with international standards, implement best practices, and prevent the financing of illegal and unethical activities. Furthermore, we proactively avoid engaging politically exposed persons/entities and individuals listed in these sanction lists to mitigate associated risks effectively.

### Whistleblowing

Any employee possessing knowledge or having a reasonable suspicion of a violation of applicable laws, regulations, or company policies must promptly report to their supervisor, the Compliance unit, or Unitel Group's Audit and Risk Committee. Employees are encouraged to use the SpeakOut Hotline if they are uncomfortable reporting directly to relevant officials. We maintain strict confidentiality and prohibit any retaliation against whistleblowers.

In 2023:



**26 potential conflicts**  
identified and thoroughly reviewed with subsequent recommendations provided to employees and their supervisors

In 2023:



In 2023:

Through the LexisNexis system



**3,269 contractors**  
screened to prevent money laundering and other illegal activities



**Phone:** +976-88882027

**Web:** <http://speakout.mcs.mn>

**E-mail:** [speakout@mcs.mn](mailto:speakout@mcs.mn)



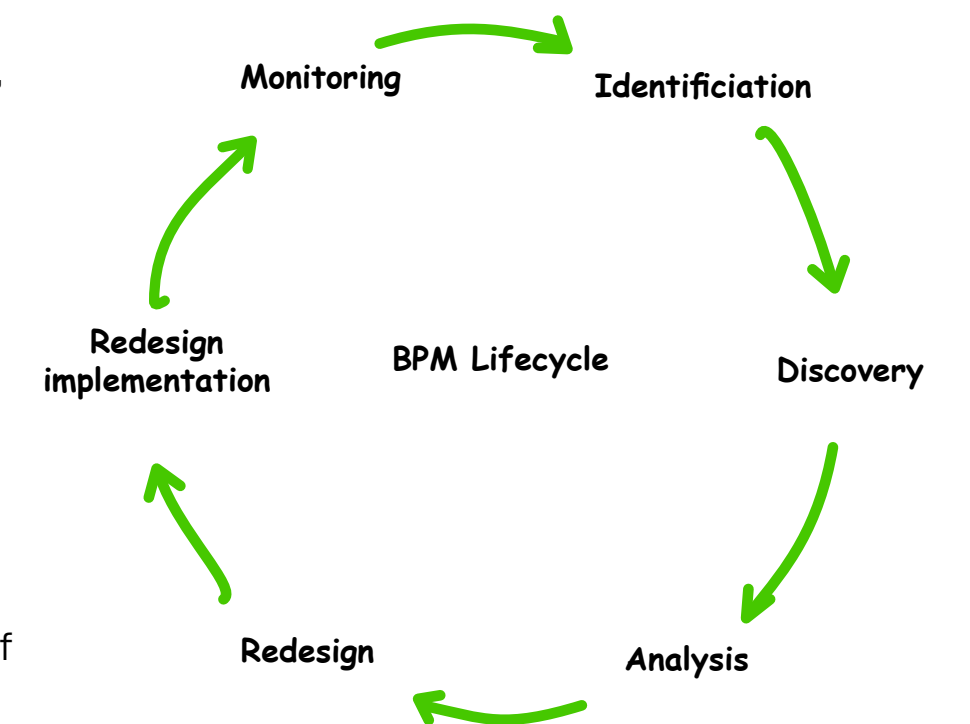


## Business Process Management

A sustained operation of businesses is vital for fostering overall economic growth and resilience in a nation, ensuring stability through job security, and promoting employee well-being. Unitel Group is dedicated to its ambitious vision of providing services and employment opportunities to future generations of Mongolians. To achieve this goal, we consistently enhance critical business operations, including management disciplines, processes, and techniques for the seamless delivery of uninterrupted and comprehensive services to our customers. Simultaneously, we strive to support our employees by aiding their productivity, fostering a sense of fulfillment, and enhancing both tangible and intangible aspects of their work environment.

In 2023, the maturation of our company prompted the initiation of a Business Process Re-engineering (BPR) program aimed to optimize resource allocation, enhance productivity, boost business speed, reduce lead time, improve product and service quality, and boost employee and customer satisfaction as part of our strategic objective to enhance customer experience. Adhering to the principles of systemization, elimination, reduction, and optimization (SERO), we realigned our values to prioritize customer needs, eliminate low-value work, simplify and standardize overly complex processes, automate repetitive tasks, identify the most efficient work environments, and reorganize the business into cross-functional teams with end-to-end responsibility for processes.

Utilizing industry-proven business processes and application frameworks, we systematically identified our strategic, core, and support



processes, uncovering previously undefined processes, conducting a thorough analysis based on value and complexity, and subsequently redesigning them to eliminate non-value-adding actions to enhance user satisfaction, benefiting both our customers and employees.

Through our business process re-engineering program, we made substantial moves towards making our operations more agile and organization leaner. In 2023, we initiated re-engineering the enterprise domain processes within our process architecture. Looking ahead, our emphasis for 2024 and 2025 centers on customer-facing business processes to bolster the customer experience and drive operational efficiency.

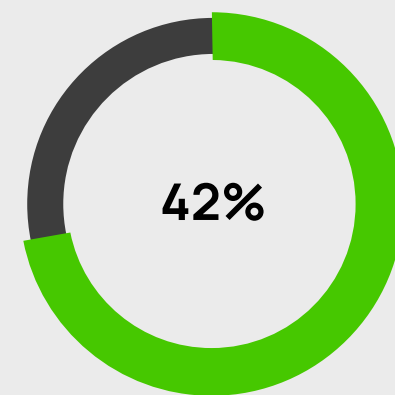


## Corporate Governance

Unitel Group's governance structure, committed to serving the long-term interests of shareholders and ensuring the sustainability of the company's business, is purposefully crafted to facilitate well-informed and efficient decision-making, paired with meticulous monitoring of compliance and performance. Oversight of environmental, social, and governance (ESG) matters is systematically implemented at various levels within Unitel Group and its shareholder base. This multi-level approach strategically aligns our corporate sustainability trajectory with stakeholder expectations, enabling us to effectively manage our evolving ESG framework.

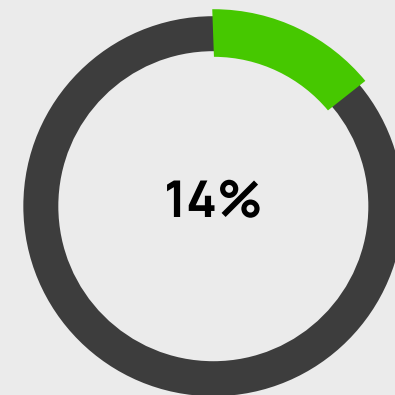
### Board Diversity

We aim to maintain a well-rounded Board of Directors, encompassing individuals with pertinent knowledge and experience to represent the interests of our shareholders effectively. In 2023, the Board comprised five (5) Directors, including one independent director with an international experience, one (1) Alternate Director, and one (1) non-voting observer member, totaling seven directors serving across the Board and its committees.



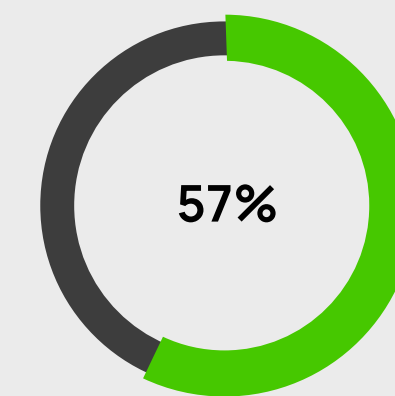
#### Affiliation Diversity

**3 out of 7**  
of our Directors are either independent, alternate or observer



#### Gender Diversity

**1 out of 7**  
Directors of the Board is female



#### Age Diversity

**4 out of 7**  
Directors are under the age of 50

## Board Oversight of ESG

Unitel Group's Board oversees material risks affecting the company's business, including environmental, social, and governance matters, with support from its standing committees. Specific committees are designated to address particular concerns that require specialized attention. For instance, the ESG Committee conducts thorough examinations and provides recommendations on the implementation and effectiveness of our sustainability projects and initiatives. At the same time, the Audit and Risk Committee oversees and ensures the implementation and compliance of the ESG policy, including all the related laws and regulations and provides recommendation to manage the company's reputational and other risks. The Board and its committees hold quarterly and special meetings and act by written consent whenever required.

In 2023, the Board and its committees convened four (4) times, with one meeting held in person in Ulaanbaatar city to acquaint themselves with the company's operations and three (3) meetings conducted via video conference. Throughout the year, the Board of Directors issued a total of 37 written resolutions.

## Management of ESG

Unitel Group integrates environmental and social initiatives across its diverse lines of business and promotes both narrow and broad collaboration to advance our sustainability endeavors. The Chief Marketing Officer leads the centralized management of ESG reporting, while the entire Management Team, comprising C-suite executives and department heads, is accountable for driving sustainability activities within their respective departments and ensuring their diligent oversight.





# THE NUMBERS AND SMALL PRINT

This report covers the domestic operations and activities of Unitel LLC and Univision LLC for the calendar year 2023 (January 1 to December 31), unless otherwise stated. It has been prepared with reference to the Global Reporting Initiative (GRI) Standards. It is also aligned to the disclosure requirements of the Sustainability Accounting Standards Board (SASB) Standards for our industry.

- 1 ESG Material Topics Definition
- 2 GRI Index
- 3 SASB Index
- 4 UNSDGs Index



## Disclaimer

### Note on Non-Financial Reporting

Non-financial information is subject to measurement uncertainties arising from inherent limitations in the nature of the data and the methods employed for its determination. Certain disclosures in this report rely on assumptions due to these inherent measurement uncertainties. Various acceptable measurement techniques may yield materially different results, and the precision of these techniques can also vary.

### Information Integrity

Unitel Group management is responsible for the preparation and integrity of the information presented in this report. The data contained in this report has undergone internal verification procedures, and we believe that the information accurately represents our sustainability activities and performance results for the year. We have enhanced our data collection process by developing a materiality-based ESG reporting framework. As of the publication of this report, Unitel Group does not seek external assurance on its ESG indicators and analyses.





# Unitel Group ESG Material Topics Definitions

Material topic	Definition
Climate change & GHG emissions	Incorporating climate change strategy into relevant business decisions, including strategies to mitigate our negative impact, assess and manage associated risks, and seize opportunities for our technology.
Energy efficiency & renewables	Implementing energy efficiency and reduction strategies and shifting to renewable energy sources throughout all operations to lessen the environmental impacts of energy use.
Product lifecycle management & e-waste	Minimizing environmental impacts that may occur throughout the lifecycle of our products and services through strategies such as life cycle assessments, product recycling, reuse, take back, and end-of-life management. Helping customers understand the environmental impacts of products and services they buy.
Hazardous & solid waste	Management of waste generated through company operations and processes for reducing and disposing of waste, including landfill, recycling, and reuse.
Water use	Implementing efficiency measures and other strategies to mitigate company operations' potential and actual impacts on water resources.
Digital divide & affordability	Practices that promote broadband affordability, availability, and adoption. Investing in digital and media literacy, as well as workforce preparedness programs focused on technology and STEM-based skills.
Disaster response & relief	Disaster preparedness programs that support first responders and relief efforts before, during, and after a disaster event through business continuity planning, network preparedness, disaster response, corporate giving, employee support, and volunteerism.
Accessibility	Offering accessible products and services to meet a variety of disability and age-related needs.
Community engagement & philanthropy	Collaborating with community organizations to support causes that align with company values and priorities. Encouraging employees to engage in the community through giving and volunteerism.
Responsible marketing, advertising & offer transparency	Responsible and fair communication and promotional practices.
Responsible use & product safety	Helping customers use technology, products, and services safely, responsibly, and in the manner that works best for them and their families.
Supply chain responsibility, sustainability & diversity	Holding suppliers and business partners to high ethical, social, and environmental standards, including labor practices, working conditions, and environment, health, and safety policies.
Human rights	The responsibility to conduct human rights due diligence and respect and protect human rights as they relate to company operations, products, services, and stakeholder relationships, including protecting people's rights online and offline.

Employee health, safety & wellbeing	Commitment and measures to protect the health and safety of employees in the workplace and promote health and wellness programs such as fitness, mental wellbeing, and preventative care.
Employee diversity, equality & inclusion	Promoting a diverse workforce and cultivating an inclusive culture where all employees can learn, grow, and feel welcome.
Talent attraction, engagement & retention	Strategies for attracting and retaining talented, engaged employees, including professional development opportunities and programs, arrangements that allow for flexibility in working time and location, supporting the wellbeing of employees, and creating opportunities for employees to engage in community activities through the workplace.
Network quality & reliability	Investing in and upgrading our networks for reliability, speed, coverage, and overall performance and ensuring the resilience of our networks through disaster recovery planning and preparedness to respond to unforeseen situations, which will also enhance customer experience and satisfaction.
Network & data security	Company policies and management systems to ensure proper security and access controls to prevent unauthorized access and protect customer data.
Privacy	Policies and processes to restrict access to and protect the integrity of customer data and other confidential information. Managing data responsibly.
Technology innovation	Technology enhancement in areas such as artificial intelligence, the Internet of Things, 5G, and machine learning
Regulatory compliance	Procedures to ensure fair business practices, such as compliance training and audits.
Internet governance & digital freedom	Investing in the continued growth of the internet and ensuring equal access to internet data and traffic.
Business ethics & ethical culture	Living up to the highest standards of honesty, integrity, and respect. Managing risks and opportunities surrounding ethical conduct, such as fraud, bribery, and conflicts of interest, through policies, procedures, and training to ensure compliance with our company codes of conduct.
Fair competition	Ensuring just and equitable competition
Business continuity	Planning for and adapting to technological evolution and changing social, political, and environmental circumstances and challenges.
Board oversight of ESG	The Board of Directors responsibility and oversight of ESG-related functions, including climate-related risks and opportunities, supply chain responsibility, and labor relations.

These definitions are used in our materiality assessment, intended to identify and prioritize ESG issues relevant to our business. Please refer to the materiality matrix for more information.



# GRI Index

Disclosure #	Disclosure topic	2023 response
<b>GRI 2: General disclosures 2021</b>		
<b>The organization and its reporting practices</b>		
2-1	Organizational details	Unitel Group is a privately held telecommunication company headquartered in Ulaanbaatar, Mongolia, with nationwide operation within the country.
2-2	Entities included in the organization's sustainability reporting	
2-3	Reporting period, frequency and contact point	Reporting period: January 1 to December 31 or 2023, unless otherwise stated. Frequency: Unitel Group issues its Sustainability Report on an annual basis. Publication date: April 2024 Contact: esg@unitel.mn
2-4	Restatement of information	There are no restatements made from previous reporting periods.
2-5	External assurance	Unitel Group does not seek external assurance for sustainability reporting.
<b>Activities and workers</b>		
2-6	Activities, value chain and other business relationships	<a href="#">Social &gt; Supply chain management</a>
2-7	Employees	<a href="#">Social &gt; Diversity, Equality, &amp; Inclusion</a>
2-8	Workers who are not employees	<a href="#">Social &gt; Diversity, Equality, &amp; Inclusion</a>
<b>Governance</b>		
2-9	Governance structure and composition	<a href="#">Governance &gt; Corporate Governance</a>
2-10	Nomination and selection of the highest governance body	<a href="#">Governance &gt; Corporate Governance</a>
2-11	Chair of the highest governance body	<a href="#">Governance &gt; Corporate Governance</a>

Disclosure #	Disclosure topic	2023 response
2-12	Role of the highest governance body in overseeing the management of impacts	<a href="#">ESG Approach</a> <a href="#">Governance &gt; Corporate Governance</a>
2-13	Delegation of responsibility for managing impacts	<a href="#">Governance &gt; Corporate Governance</a>
2-14	Role of the highest governance body in sustainability reporting	<a href="#">Governance &gt; Corporate Governance</a>
2-15	Conflicts of interest	<a href="#">Governance &gt; Ethical Business Culture</a>
2-16	Communication of critical concerns	<a href="#">ESG Approach</a>
2-17	Collective knowledge of the highest governance body	<a href="#">Governance &gt; Corporate Governance</a>
2-18	Evaluation of the performance of the highest governance body	<a href="#">Governance &gt; Corporate Governance</a>
2-19	Remuneration policies	N/A
2-20	Process to determine remuneration	N/A
2-21	Annual total compensation ratio	N/A
<b>Strategy, policies, and practices</b>		
2-22	Statement on sustainable development strategy	<a href="#">ESG Approach &gt; Message from the CEO</a>
2-23	Policy commitments	
2-24	Embedding policy commitments	
2-25	Processes to remediate negative impacts	
2-26	Mechanisms for seeking advice and raising concerns	
2-27	Compliance with laws and regulations	<a href="#">Governance &gt; Ethical Business Culture</a>
2-28	Membership associations	
<b>Stakeholder engagement</b>		
2-29	Approach to stakeholder engagement	<a href="#">ESG Approach &gt; Stakeholder Engagement</a>
2-30	Collective bargaining agreements	<a href="#">Regulated by local Labor and related laws</a>



Disclosure#	Disclosure topic	2023 response
<b>GRI 3: Material topics 2021</b>		
3-1	Process to determine material topics	<a href="#">ESG Approach &gt; ESG Materiality Assessment</a>
3-2	List of material topics	<a href="#">The Numbers and Small Print &gt; ESG Material Topics Definitions</a>
<b>Material topic: Climate change &amp; GHG + Energy efficiency &amp; renewables</b>		
3-3	Management of material topics	
<b>GRI 302: Energy 2016</b>		
302-1	Energy consumption within the organization	
302-3	Energy intensity	
302-4	Reduction of energy consumption	
<b>GRI 305: Emissions 2016</b>		
305-1	Direct (Scope 1) GHG emissions	<a href="#">Environmental &gt; Energy Consumption &amp; GHG Emissions</a>
305-2	Energy indirect (Scope 2) GHG emissions	
305-4	GHG emissions intensity	
305-5	Reduction of GHG emissions	
<b>GRI 201: Economic Performance 2016</b>		
201-2	Financial implications and other risk and opportunities	
<b>Material topic: Product lifecycle management &amp; e-waste</b>		
3-3	Management of material topics	
<b>GRI 306: Waste 2020</b>		
306-1	Waste generation and significant waste-related impacts	<a href="#">Environmental &gt; Product End-of-Life Management</a>
306-2	Management of significant waste-related impacts	
306-3	Waste generated	
306-4	Waste diverted from disposal	
<b>Material topic: Hazardous &amp; solid waste</b>		
3-3	Management of material topics	
<b>GRI 306: Waste 2020</b>		
306-1	Waste generation and significant waste-related impacts	<a href="#">Environmental &gt; Waste Management</a>
306-2	Management of significant waste-related impacts	
306-4	Waste diverted from disposal	
<b>Material topic: Community engagement &amp; philanthropy</b>		

Disclosure#	Disclosure topic	2023 response
3-3	Management of material topics	<a href="#">Environmental &gt; Nature Preservation</a> <a href="#">Social &gt; Digital Divide Alleviation</a> <a href="#">Social &gt; Community Service</a>
<b>GRI 304: Biodiversity 2016</b>		
304-2	Significant impacts of activities, products and services on biodiversity	
304-3	Habitats protected or restored	<a href="#">Environmental &gt; Nature Preservation</a>
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	
<b>GRI 413: Local Communities 2016</b>		
413-1	Operations with local community engagement, impact assessment, and development programs	<a href="#">Social &gt; Community Service</a>
413-2	Operations with significant actual and potential negative impacts on local communities	<a href="#">Environmental &gt; Nature Preservation</a> <a href="#">Social &gt; Digital Divide Alleviation</a> <a href="#">Social &gt; Community Service</a>
<b>Material topic: Employee diversity, equality &amp; inclusion</b>		
3-3	Management of material topics	<a href="#">Social &gt; Diversity, Equality, &amp; Inclusion</a> <a href="#">Governance &gt; Corporate Governance</a>
<b>GRI 405: Diversity and Equal Opportunity 2016</b>		
405-1	Diversity of governance bodies and employees	
<b>Material topic: Employee health, safety &amp; wellbeing</b>		
3-3	Management of material topics	
<b>GRI 403: Occupational Health &amp; Safety 2018</b>		
403-1	Occupational health and safety management system	
403-2	Hazard identification, risk assessment, and incident investigation	
403-3	Occupational health services	
403-4	Worker participation, consultation, and communication on occupational health and safety	<a href="#">Social &gt; Employee Health, Safety, &amp; Wellbeing</a>
403-5	Worker training on occupational health and safety	
403-6	Promotion of worker health	
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	
403-8	Workers covered by an occupational health and safety management system	
403-9	Work-related injuries	
403-10	Work-related ill health	
<b>Material topic: Talent attraction, engagement &amp; retention</b>		



Disclosure#	Disclosure topic	2023 response
3-3	Management of material topics	<a href="#">Social &gt; Employee Engagement &amp; Retention</a>
<b>GRI 202: Market Presence 2016</b>		
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	
<b>GRI 401: Employment 2016</b>		
401-1	New employee hires and employee turnover	
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	
<b>GRI 404: Training and Education 2016</b>		
404-1	Average hours of training per year per employee	
404-2	Programs for upgrading employee skills and transition assistance programs	
404-3	Percentage of employees receiving regular performance and career development reviews	
<b>Material topic: Digital divide &amp; affordability</b>		
3-3	Management of material topics	<a href="#">Social &gt; Digital Divide Alleviation</a>
<b>GRI 413: Local Communities 2016</b>		
413-1	Operations with local community engagement, impact assessment, and development programs	
413-2	Operations with significant actual and potential negative impacts on local communities	
<b>Material topic: Supply chain responsibility &amp; diversity</b>		
3-3	Management of material topics	<a href="#">Social &gt; Supply Chain Management</a>
<b>GRI 204: Procurement practices 2016</b>		
204-1	Proportion of spending on local suppliers	
<b>Material topic: Network quality &amp; resilience + Network &amp; data security</b>		
3-3	Management of material topics	<a href="#">Governance &gt; Network Quality &amp; Data Security</a>
<b>GRI 203: Indirect Economic Impacts 2016</b>		
203-1	Infrastructure investment and services supported	
203-2	Significant indirect economic impacts	
<b>Material topic: Business continuity</b>		
3-3	Management of material topics	<a href="#">Governance &gt; Business Process Management</a>
<b>GRI 203: Indirect Economic Impacts 2016</b>		
203-2	Significant indirect economic impacts	
<b>Material topic: Business ethics &amp; ethical culture + Fair competition + Privacy</b>		

Disclosure#	Disclosure topic	2023 response
3-3	Management of material topics	<a href="#">Governance &gt; Ethical Business Culture</a>
<b>GRI 205: Anti-corruption 2016</b>		
205-2	Communication and training about anti-corruption policies and procedures	
<b>Material topic: Board oversight of ESG</b>		
3-3	Management of material topics	<a href="#">Governance &gt; Corporate Governance</a>
<b>GRI 405: Diversity and Equal Opportunity 2016</b>		
405-1	Diversity of governance bodies and employees	



# Unitel Group SASB Standards Index

SASB Standards, now managed by the International Financial Reporting Standards (IFRS) Foundation, enable companies to disclose consistent and decision-useful environmental, social and governance (ESG) information to investors. A shared understanding of sustainability performance enables companies and investors to make informed decisions that drive long-term value creation and better outcomes for businesses and their shareholders, the global economy and society at large.

We are committed to providing our stakeholders with relevant, high-quality disclosures that demonstrate the value Unitel Group creates through the effective management of ESG issues that impact on our business.

This report provides information with respect to the disclosure topics and accounting metrics in the SASB Standards for Telecommunications, which is the industry standard most relevant to our business. In the following tables,

quantitative data is followed by narrative information that contextualizes the data where appropriate and is also responsive to any qualitative metrics. Unless otherwise indicated, quantitative data is provided as of or for the year ended December 31, 2023, where available.

The inclusion of information in this report should not be construed as a characterization regarding the materiality or financial impact of that information.

## SASB Activity Metrics

Topic	SASB Code	Unit Measure	2023 response
Number of wireless subscribers	TC-TL-000.A	Number (#)	Not for public disclosure
Number of wireline subscribers	TC-TL-000.B	Number (#)	Not for public disclosure
Number of broadband subscribers	TC-TL-000.C	Number (#)	Not for public disclosure
Network traffic volume	TC-TL-000.D	Petabytes (PB)	Not for public disclosure

## SASB Accounting Metrics

Topic	SASB Code	Requested metric	Unit Measure	2023 response
Environmental Footprint of Operations	TC-TL-130a.1	(1) Total energy consumed	Gigajoules (GJ)	<b>176,914</b> Total energy consumed is calculated based on emissions sources included in Scope 1 and 2 GHG emissions, namely fuel (diesel, gasoline), heating, renewable energy (solar), and electricity.
		(2) Percentage grid electricity	Percentage (%)	<b>84.8</b> Percentage grid electricity is calculated as total electricity consumed, purchased from the grid and reported for Scope 2 GHG emissions, divided by total energy consumed.
		(3) Percentage renewable	Percentage (%)	<b>7.9</b> Percentage renewable electricity is calculated as total renewable electricity generated on site divided by total energy consumed.
Data Privacy	TC-TL-220a.1	Description of policies and practices relating to behavioral advertising and customer privacy	Discussion	Unitel Group has revised its internal policies and procedures regarding the collection, processing, usage, and security of customers' personal data in response to the amended Law of Mongolia on Personal Data Protection passed in 2021. In compliance with the law, Unitel Group ensures it obtains consent from customers before collecting and utilizing their personal data. The company prioritizes the respect and safeguarding of customers' personal information, conducting business operations with strict adherence to applicable laws and regulations concerning the collection, processing, usage, and disclosure of personal data.



Data Privacy	TC-TL-220a.2	Number of customers whose information is used for secondary purposes	Number (#)	<b>100 percent or all customers stated in the activity metrics</b> Unitel Group uses all our customers' information to improve our products and services or offer targeted ads for behavior analysis purposes, as stated in the consent form. Thus, we do not count the number of customers whose information has been used for secondary purposes.
	TC-TL-220a.3	Total amount of monetary losses as a result of legal proceedings associated with customer privacy	Million MNT	Not for public disclosure
	TC-TL-220a.4	(1) Number of law enforcement requests for customer information	Number (#)	Not for public disclosure
		(2) Number of customers whose information was requested	Number (#)	Not for public disclosure
(3) Percentage resulting in disclosure		Percentage (%)	Not for public disclosure	
Data Security	TC-TL-230a.1	(1) Number of data breaches	Number (#)	Not for public disclosure
		(2) Percentage involving personally identifiable information (PII)	Number (%)	Not for public disclosure
		(3) Number of customers affected	Number (#)	Not for public disclosure
	TC-TL-230a.2	Identifying and addressing data security risks	Discussion	We utilize the vulnerability scanning tool to identify vulnerabilities within the organization's IT systems. Additionally, we perform internal penetration tests regularly to assess both existing and newly implemented systems. We engage a third party for annual penetration tests and risk consulting services. Furthermore, we leverage the specialized platform to evaluate risks and implement appropriate measures in response.

Data Security	TC-TL-230a.2	Identifying and addressing data security risks	Discussion	In terms of data security, we use the database firewall to monitor and manually test our database systems' security. Additionally, we conduct manual security assessments on the operational procedures, management processes, and product structure of IT systems. Furthermore, we ensure confidentiality by incorporating Non-Disclosure Agreements into our contracts with partners.
Product end-of-life management	TC-TL-440a.1	(1) Materials recovered through take back programs	Metric tons (t)	<b>3.72</b> In 2023, we launched our first product end-of-life management initiative to ensure the proper disposal of Univision's outdated set-top boxes (STBs). This initiative encompassed a holistic approach, including collection, sorting, dismantling, and recycling of the STBs through our physical branches, aimed at responsibly managing the waste.
		Percentage of recovered materials that were (2) reused	Percentage (%)	<b>16.7</b> Dismantling of the STBs was carried out at the Eco Waste LLC, a licensed electronic waste management company, to separate outer plastic and motherboards, from which the motherboards were retained for reuse.
		Percentage of recovered materials that were (3) recycled		<b>25.9</b> Outer plastics of the STBs were recycled by Khev Khashmal LLC, a longstanding partner of MCS Property specializing in construction material, to produce rebar spacers used in construction.
		Percentage of recovered materials that were (4) landfilled		<b>0</b> We ensured that all the e-waste we collected through our take-back program was reused or recycled. Therefore, the remaining e-waste is pending to be recycled or reused.
Competitive Behavior & Open Internet	TC-TL-520a.1	Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behavior regulations	Million MNT	Not for public disclosure



Competitive Behavior & Open Internet	TC-TL-520a.2	Average actual sustained download speed (1) owned and commercially-associated content	Megabits per second (Mbps)	Not for public disclosure
		Average advertised download speed (2) non-associated content	Megabits per second (Mbps)	Not for public disclosure
	TC-TL-520a.3	Description of risks and opportunities associated with net neutrality, paid peering, zero rating, and related practices	Discussion	Not for public disclosure
Managing Systematic Risks	TC-TL-550a.1	(1) System average interruption frequency	Disruptions	Not for public disclosure
		(2) Customer average interruption duration	Hours	Not for public disclosure
Managing Systematic Risks	TC-TL-550a.2	Discussion of systems to provide unimpeded service during service interruptions	Discussion	<p>We uphold our commitment to business continuity through a robust Business Continuity Program, which includes comprehensive Backup and Recovery strategies, carefully designed Incident Response plans, and continuous optimization efforts.</p> <p>In the event of minor and major disruptions impacting our core operations or customer service, we adhere to a stringent procedure with clearly defined recovery objectives.</p> <p>To fortify our resilience against potential serious disruptions, we maintain redundant infrastructure across servers, networks, and virtual environments. Regular testing is conducted to validate the effectiveness of these measures.</p> <p>Additionally, we maintain a thorough insurance program comprising policies for property damage, business interruption, and general liability risks. These policies undergo regular monitoring to ensure adequate re-insurance coverage, particularly in anticipation of natural disasters and other force majeure events.</p> <p>At Unitel Group, our business and support units proactively identify, assess, and devise treatments for key risks quarterly. These risk assessments are aggregated by the group's risk function and reported to the Audit &amp; Risk Committee of the Board, ensuring comprehensive oversight and governance covering all level stakeholders in company operation.</p>









# United Nations Sustainable Development Goals (UNSDGs) Index

In September 2015, representatives of 193 countries came together and agreed to take on the United Nations Sustainable Development Goals (UNSDGs), a comprehensive set of 17 goals encompassing 169 targets and 244 indicators, all aimed

at preserving "peace and prosperity for people and the planet, now and into the future." Unitel Group, committed to the idea of 'moving forward together,' actively contributes to the collective progress of humanity towards achieving the UNSDGs.

Sustainable Development Goal	Most Relevant SDG Targets	Location
 <p>4 Ensure inclusive and equitable education and promote lifelong learning opportunities for all</p>	<p>4.4 By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship</p> <hr/> <p>4.5 By 2030, eliminate gender disparities in education and ensure equal access to all levels of education and vocational training for the vulnerable, including persons with disabilities, indigenous peoples, and children in vulnerable situations.</p> <hr/> <p>4.a Build and upgrade education facilities that are child, disability and gender sensitive and provide safe, non-violent, inclusive and effective learning environments for all</p>	<p><a href="#">Social &gt; Digital Divide Alleviation</a></p>
 <p>5 Achieve gender equality and empower all women and girls</p>	<p>5.1 End all forms of discrimination against all women and girls everywhere</p> <hr/> <p>5.5 Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life</p>	<p><a href="#">Social &gt; Diversity, Equality, and Inclusion</a></p>
 <p>7 Ensure access to affordable, reliable, sustainable and modern energy for all</p>	<p>7.2 By 2030, increase substantially the share of renewable energy in the global energy mix</p> <hr/> <p>7.b By 2030, expand infrastructure and upgrade technology for supplying modern and sustainable energy services for all in developing countries, in particular least developed countries, small island developing States and landlocked developing countries, in accordance with their respective programmes of support</p>	<p><a href="#">Environmental &gt; Energy Consumption &amp; GHG Emission</a></p>
 <p>8 Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all</p>	<p>8.4 Improve progressively, through 2030, global resource efficiency in consumption and production and endeavour to decouple economic growth from environmental degradation, in accordance with the 10-Year Framework of Programmes on Sustainable Consumption and Production, with developed countries taking the lead</p> <hr/> <p>8.5 By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value</p> <hr/> <p>8.8 Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment</p>	<p><a href="#">Environmental &gt; Waste Management</a>  <a href="#">Environmental &gt; Product End-of-Life Management</a>  <a href="#">Social &gt; Supply Chain Management</a></p> <hr/> <p><a href="#">Social &gt; Employee Retention &amp; Engagement</a></p> <hr/> <p><a href="#">Social &gt; Employee Health, Safety, and Wellbeing</a></p>
 <p>9 Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation</p>	<p>9.1 Develop quality, reliable, sustainable and resilient infrastructure, including regional and transborder infrastructure, to support economic development and human well-being, with a focus on affordable and equitable access for all</p>	<p><a href="#">Governance &gt; Network Quality &amp; Data Security</a></p>



		9.4 By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities	<a href="#">Environmental &gt; Energy Consumption &amp; GHG Emission</a>
		9.c Significantly increase access to information and communications technology and strive to provide universal and affordable access to the Internet in least developed countries by 2020	<a href="#">The Numbers &amp; Small Print &gt; SASB Index</a>
	Make cities and human settlements inclusive, safe, resilient and sustainable	11.b By 2020, substantially increase the number of cities and human settlements adopting and implementing integrated policies and plans towards inclusion, resource efficiency, mitigation and adaptation to climate change, resilience to disasters, and develop and implement, in line with the Sendai Framework for Disaster Risk Reduction 2015–2030, holistic disaster risk management at all levels	<a href="#">Governance &gt; Network Quality &amp; Data Security</a> <a href="#">Governance &gt; Business Process Management</a>
	Ensure sustainable consumption and production patterns	12.4 By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimize their adverse impacts on human health and the environment	<a href="#">Environmental &gt; Product End-of-Life Management</a>
		12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse	<a href="#">Environmental &gt; Waste Management</a>
		12.6 Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle	<a href="#">The Numbers &amp; Small Print &gt; Disclaimer</a>
		12.7 Promote public procurement practices that are sustainable, in accordance with national policies and priorities	<a href="#">Social &gt; Supply Chain Management</a>
		12.a Support developing countries to strengthen their scientific and technological capacity to move towards more sustainable patterns of consumption and production	<a href="#">Environmental &gt; Energy Consumption &amp; GHG Emission</a>
	Take urgent action to combat climate change and its impacts	13.2 Integrate climate change measures into national policies, strategies and planning	<a href="#">Environmental &gt; Energy Consumption &amp; GHG Emission</a>
	Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss	15.4 By 2030, ensure the conservation of mountain ecosystems, including their biodiversity, in order to enhance their capacity to provide benefits that are essential for sustainable development	<a href="#">Environmental &gt; Nature Preservation</a>
		15.a Mobilize and significantly increase financial resources from all sources to conserve and sustainably use biodiversity and ecosystems	<a href="#">Environmental &gt; Nature Preservation</a>
	Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels	16.3 Promote the rule of law at the national and international levels and ensure equal access to justice for all	<a href="#">Governance &gt; Ethical Business Culture</a>
		16.5 Substantially reduce corruption and bribery in all their forms	<a href="#">Governance &gt; Ethical Business Culture</a>
	Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development	17.8 Fully operationalize the technology bank and science, technology and innovation capacity-building mechanism for least developed countries by 2017 and enhance the use of enabling technology, in particular information and communications technology	<a href="#">The Numbers and Small Print &gt; SASB Index</a>
		17.16 Enhance the Global Partnership for Sustainable Development, complemented by multi-stakeholder partnerships that mobilize and share knowledge, expertise, technology and financial resources, to support the achievement of the Sustainable Development Goals in all countries, in particular developing countries	<a href="#">Social &gt; Digital Divide Alleviation</a>





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