



# KHAN BANK

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No. <sup>01</sup> 16577

Ulaanbaatar, Mongolia

H.E. António Guterres  
Secretary-General  
United Nations  
New York, NY 10017  
USA

Dear Mr. Secretary-General,

I am pleased to confirm that Khan Bank supports the Ten Principles of the United Nations Global Compact on human rights, labor, environment and anti-corruption. With this letter, we would like to express our intent to implement those principles. We are committed to making the UN Global Compact and its principles part of the strategy, culture, and day-to-day operations of our company, and to engaging in collaborative projects which advance the broader development goals of the United Nations, particularly the Sustainable Development Goals. Khan Bank will make a clear statement of this commitment to our stakeholders and the general public. We recognize that a key requirement for participation in the UN Global Compact is the annual submission of a Communication on Progress (COP) that describes our company's efforts to implement the Ten Principles. We support public accountability and transparency, and therefore commit to report on progress within one year of joining the UN Global Compact, and annually, thereafter, according to the UN Global Compact COP policy.

Since its foundation in 1991, Khan Bank has been maintaining its leading position in the Mongolian banking and financial sector, and within the scope of its mission statement, the bank has been striving to make tangible social contributions. Since the beginning of the 2000s, when the concept of corporate social responsibility (CSR) started flourishing, Khan Bank has been spending a part of its business profits on social responsibility activities. To implement its CSR in a substantial manner, Khan Bank established the Khan Bank Foundation in 2007, and since then, it has funded 300 projects and programs with over MNT 3 billion through the Khan Bank Foundation so far. In addition to the foundation's activities, Khan Bank also focuses on the rights of its employees and improving their working environment in accordance with the bank's Human Resource Policy & Procedure and Mongolia's labor laws. Through our diligent endeavors to deliver the nation's best banking products and services in a fair and equal manner to more than 2 million customers in every part of the country, the bank has been running its operations in accordance with Mongolian and international laws, regulations, and industry standards in a transparent manner.

Besides continuing Khan Bank Foundation activities, in 2018, the bank plans to put more emphasis on the implementation of Mongolia's Sustainable Development Goals and the Ten Principles of the UN Global Impact.

For four main areas of the UN Global Impact, Khan Bank and the Khan Bank Foundation have carried out a number of activities, and are planning to expand the scope of these continuing projects. For instance, in the area of human rights, Khan Bank prioritizes the fair treatment of customers and equality among customers and employees. The bank started practicing sustainable development objectives in 2015, and has established internal standards for branch organization and enhanced facilitation of the need of people living with disabilities, and ensuring that pregnant women and seniors can receive banking services without queueing. Currently, 124 out of 535 Khan Bank branches are operating in accordance with these standards. The bank plans to enhance all of its branches in the near future.

In the area of labor, Khan Bank aspires to become an employer of choice, and with more than 5,600 employees, it has become one of the nation's largest local employers. Moreover, Khan Bank Foundation has carried out several projects and programs dedicated to supporting employment and creating stable income sources for vulnerable groups.

The top priorities of the Khan Bank Foundation also include environmental issues. Over the last 11 years, through the Khan Bank Forest program, employees of the bank have planted over 20,000 trees throughout the country. The bank also supports eco-friendly and green businesses by providing them with banking services and financing with flexible conditions. All Khan Bank employees actively participate in the Eco-friendly Green Office campaign by reducing their energy, water, and paper consumption.

Transparency, healthy governance, and anti-bribery principles are adhered to at all levels of Khan Bank's operations, and the bank pays its state taxes on time and is a strong contributor to the country's economy. As a result of these endeavors, Khan Bank has been recognized with prestigious national and international awards.

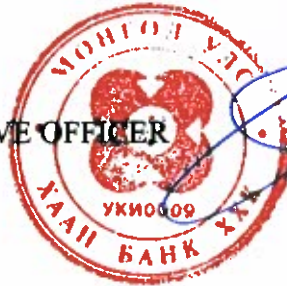
The Khan Bank Foundation, implementer of Khan Bank's CSR, has made realistic contributions to the health of the population in Mongolia. Highlights of the foundation's projects include the National Campaign Against Cancer, which is being implemented for the 8th consecutive year in partnership with the National Cancer Center. Since 2011, the program has focused on fighting cancer, the 2nd main cause of death in Mongolia, by preventing infections that are linked to cancer and to improve public awareness about cancer prevention. Through the campaign, 115,000 people have been given access to free health screenings, nearly 500 emergency surgeries have been executed, 2,600 employee volunteers of the bank have been trained to educate the public about cancer prevention throughout the country, and more than 7,000 doctors have attended professional courses. The bank has also provided academic scholarships to over 1,300 students through the foundation's two

scholarship program offerings, and has also been committed to various other socially responsible activities to support and reach sustainable development goals.

Henceforth, Khan Bank will make every effort to implement the Ten Principles in four areas of the UN Global Compact through its main operations, customers, products, services, projects and programs, as well as strive to become a leader in terms of implementing sustainable development objectives and creating sustainable development in Mongolia. We kindly request that you consider Khan Bank's application to join the UN Global Compact.

Sincerely yours,

CHIEF EXECUTIVE OFFICER



JOHN BELL