



ENVIRONMENTAL, SOCIAL, AND GOVERNANCE REPORT 2022

JUNE 21, 2023

www.steppegold.com



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Acronyms Used in this Report

ATO	Altan Tsagaan Ovoo
EMP	Environmental Management Plan
EIA	Environmental Impact Assessment
ESG	Environmental, Social and Governance
GRI	Global Reporting Initiative
GHG	Greenhouse Gas Emission
IUCN	International Union for Conservation of Nature
LTI	Lost Time Injures
OHS	Occupational Health and Safety
SDG	Sustainable Development Goals
UK	Uudam Khundii

Glossary

Bagh	Primary administrative unit in local self-government, and equals to sub-district
Soum	Secondary subdivisions outside the capital city, and equals to district
Aimag	Equals to province
Local area	Tsagaan Ovoo soum of Dornod aimag
Local region	Eastern region of Mongolia consists of three aimags including Dornod, Sukhbaatar, and Khentii
Local government	Government administration of Tsagaan Ovoo soum of Dornod aimag

Currency rates

US \$1.00	MNT 2,664.04 (2019)
US \$1.00	MNT 2,816.46 (2020)
US \$1.00	MNT 2,850.05 (2021)
US \$1.00	MNT 3,142.59 (2022)

Elst Boon bagh of Tsagaan Ovoo soum

Established:	1960
Area:	1834 km ² with combination of Gobi, Khangai and steppe
Population:	841 (245 families)
Ethnicity:	Buriat
Livestock:	76,878 (642 horses, 7,127 cattle, 39 camels, 32,988 sheep, and 30,232 goats)

Tsagaan Ovoo soum of Dornod province

Established:	1929
Area:	650,200 hectares, comprising the Dornod Mongolian flat steppe and valley of Gal River
Population:	4,001 (1,178 families)
Ethnicity:	Buriat and Khalkh
Location:	130 km from the Choibalsan city of Dornod province and 560 km from the Ulaanbaatar city
Livestock:	320,049 (39,781 horses, 34,490 cattle, 713 camels, 141,463 sheep, and 103,602 goats) * Dec 2022



POSITIONED FOR GROWTH AND BEYOND

STATEMENT FROM CHAIRMAN AND CHIEF EXECUTIVE OFFICER



Dear Shareholders

I am pleased to share with you our company's first ESG report covering the years 2018 to 2022.

Since Steppe Gold was established in 2016, we have achieved many milestones in a short time. We completed a successful IPO on the Toronto Stock Exchange in 2018 and we have developed the ATO Gold Mine from greenfield project in 2017 to commercial production in 2020.

With Phase 1 of the ATO Gold Mine in full production and Phase 2 Expansion now fully financed, together adding another 12 years of mine life, Steppe Gold is embarking on an exciting journey of growth, strongly supported by the social license of our local communities.

We are proud to say that Steppe Gold stands as a model for a sustainable mining company in Mongolia.

At Steppe Gold, our foremost focus is to create a healthy and safe working environment, prioritizing the well-being of our employees. Currently, there are more than 350 employees in Steppe Gold, with 99% of them being Mongolian and 75% drawn from the local communities. Almost all necessary services and products for the ATO Gold Mine are provided by local businesses. It is worth noting that one in

every four families of Tsagaan-Ovoo soum, where the ATO Gold Mine is located, is connected with our company.

With the Phase 2 Expansion, we aim to increase our workforce by a further 300 jobs, becoming one of the largest employers in the region with focus on creating training and long-term skilled job opportunities for the local area.

Community relations are at the core of our operating culture. We focus on sustainable community development, supporting local livelihoods and development. We prioritize investing in education, training and employment for local residents while also helping create and support local businesses. Since 2017, we have provided financial scholarships to over 1,600 local students.

Steppe Gold is also committed to minimizing our environmental footprint. Prior to commencing the ATO Mine, we began developing a closure plan through extensive consultations with the local community. We began environmental monitoring in 2018, with dozens of points to check water, soil and air pollutants. Our Company has also consistently achieved a score of over 90% in the implementation of the Environmental Management Plan in recent years.

As our vision is to create long-lasting value for all stakeholders, promote social and economic development in our local community, and responsibly manage our impact on the environment, I am proud to say that Steppe Gold has been committed to social responsibility to ensure our mines and communities are sustainable and profitable for many years to come.

Bataa Tumor-Ochir

Chairman and CEO of Steppe Gold Limited.

OUR BUSINESS AT GLANCE

COMPANY MILESTONES

2016

Established in Mongolia

2017

Acquired ATO Project & UK Exploration Project in Mongolia

2018

IPO on the TSX

2019

Built Heap Leach Mine and Plant / ATO Phase 1

2020

Commercial gold production from ATO Gold Mine

2021

Resource update / Reserves increased to ~1.6M oz Au Eq

2023

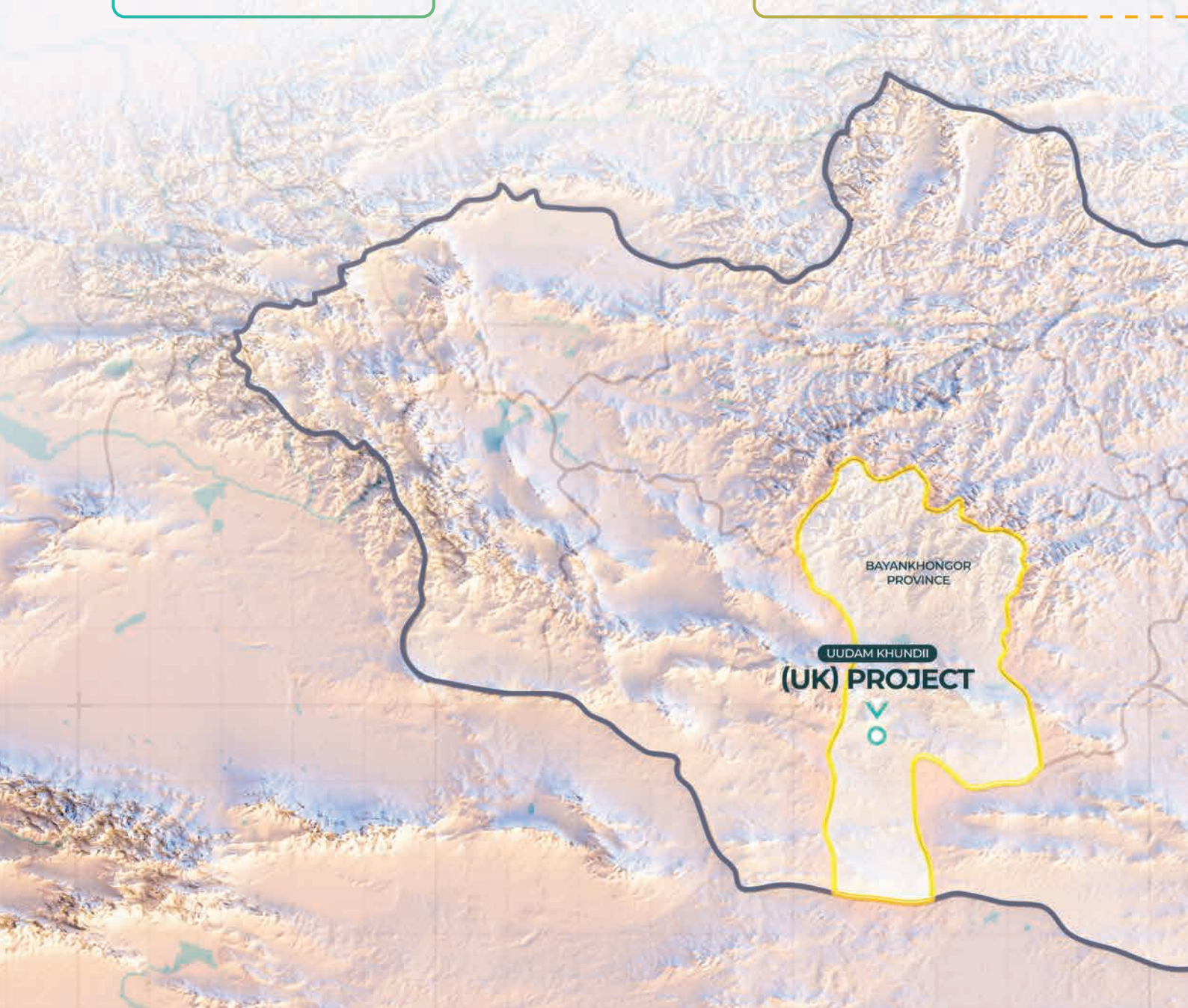
Reserve update/ Increased mine life at ATO, for a total of 14-year mine life including oxide & fresh rock phase

2023

Acquisition of Anacortes Mining / Tres Cruces Oxide Project in Peru

2023

Secured full funding of \$150M for ATO Phase 2 Expansion in Mongolia



ALTAN TSAGAAN OVOO (ATO) GOLD MINE

Fully permitted and commenced gold production in 2020.

Phase 1:

- Steady & growing production from oxide heap leach operation
- ~80,000 oz of gold in 2023/2024

Phase 2:

- Under development
- 100,000 oz Au Eq per annum by 2025
- +12.5 years of mine life
- Secured \$150m to fully finance Phase 2 Expansion

Aggressive exploration & acquisition programs are planned in Mongolia.



INTRODUCTION

ABOUT THIS REPORT

This is the first sustainability report of Steppe Gold (or 'the Company') covering the period between 2018 and 2022 to inform its stakeholders on its environmental, social and governance (or 'ESG') performance. It sets the beginning of annual ESG reporting and illustrates greater consideration of sustainability into Steppe Gold's activities and increased transparency on its performance and risk. The report summarizes the company's strategy, efforts, and actions for responsible and sustainable operations since the start of the activities back in 2018. It is developed primarily in reference to the relevant components of the SASB, namely Draft IFRS S1 and S2 while covering applicable areas of HKEX Environmental, Social and Governance Reporting Guide and the Global Reporting Initiative's 'GRI Standards: Core option'. The Appendix gives full reference to the coverage of related index for each standard. The report contains quantitative and qualitative information in regards with the key components of relevant standards where possible while giving a roadmap of the areas requiring further actions and improvements for the subsequent reporting.



Quick Reference: HKEX, SASB, and GRI

Topic Description	HKEX	SASB	GRI	Section Reference
Climate Change & GHG Emissions	KPI A1.1 KPI A1.2 KPI A4.1	EM-MM-110a.1 EM-MM-110a.2	N/A	Environment
Energy Management	KPI A2.1 KPI A2.3	EM-MM-130a.1	N/A	Environment
Water Management	KPI A3.1 KPI A2.2 KPI A2.4	EM-MM-140.a.1 EM-MM-140.a.2	GRI 303-1 GRI 303-2 GRI 303-3	Environment
Waste Management	KPI A1.3 KPI A1.4 KPI A1.5 KPI A1.6	EM-MM-150a.4 EM-MM-150a.6 EM-MM-150a.7 EM-MM-150a.8 EM-MM-150a.9 EM-MM-150a.10	GRI 306-1 GRI 306-2 GRI 306-3 GRI 306-4 GRI 306-5	Environment
Biodiversity	N/A	EM-MM-160.a.1 EM-MM-160.a.3	GRI 304-1 GRI 304-3	Environment
Health and Safety	KPI B2.1 KPI B2.2 KPI B2.3	EM-MM-320a.1	GRI 403-2 GRI 403-5 GRI 403-6 GRI 403-9	Social
Human capital	KPI B1.1 KPI B1.2 KPI B3.1 KPI B3.2 KPI B4.1 KPI B4.2	EM-MM-000.B EM-MM-210a.3 EM-MM-310a.2 EM-MM-310a.2	GRI 102-8 GRI 405-1	Social
Community	KPI B8.1 KPI B8.2	EM-MM-210b.1 EM-MM-210b.2	GRI 413-1 GRI 203-1 GRI 203-2 GRI 201-1	Social
Governance & Strategy		Core content	GRI 102-18 GRI 102-20 GRI 102-26 GRI 102-40 GRI 102-43 GRI 102-44 GRI 102-47	Governance
Ethics & Transparency	KPI B7.1 KPI B7.2 KPI B7.3	EM-MM-510a.1	N/A	Governance
Product	KPI B6.1 KPI B6.2 KPI B6.4 KPI B6.5	N/A	GRI 102-2	About Steppe Gold
Supply Chain	KPI B5.1 KPI B5.2 KPI B5.3 KPI B5.4	N/A	GRI 204-1	About Steppe Gold

MATERIALITY APPROACH OF ESG PRIORITIES & TOPICS

When developing the material topics for our ESG reporting, we conducted the process by identifying economic, social, and environmental aspects and topics that are considered material for the sustainability strategy of Steppe Gold. To do so, we engaged with key stakeholders including but not limited to community members, employees, local government agencies through regular meetings throughout the year. Furthermore, we intend to maintain an ongoing dialogue with all relevant stakeholders to timely comprehend their concerns and to accurately consider them in our operations. Through the end of 2022, the company representatives including environmental manager, community relation manager, procurement officer and lawyer attended the quarterly meetings of bagh representatives and attended the regional citizen representatives' meetings. The engagement informed us about important areas for our stakeholders, and it allowed us to better communicate our ESG performance on key issues. In addition, the information sources including review of our annual reports, desk research on existing, new, and emerging material topics in the gold and metal mining sector, requirements of regulations to be complied with, and analysis of information sources available on our social media were used to determine the material topics. Consequently, we identified 16 potential topics, grouped into three broad categories: environment, social and governance.



Focus areas	Alignment with SDGs	Identified Material Issue
<p>Environment</p>	 <p>Climate Action</p>	 <p>Climate change Energy management GHG emission</p>
	 <p>Clean Water and Sanitation</p>	 <p>Water management</p>
	 <p>Responsible Consumption and Production</p>	 <p>Waste management Mine closure</p>
	 <p>Life on Land</p>	 <p>Biodiversity</p>
<p>Social</p>	 <p>Good Health and Well-being</p>	 <p>Health and safety</p>
	 <p>Reduced Inequalities</p>	 <p>Human rights</p>
	 <p>Gender Equality</p>	 <p>Diversity and inclusion</p>
	 <p>Sustainable Cities and Communities</p>	 <p>Local community Youth development</p>
<p>Governance</p>	 <p>Partnerships for the Goals</p>	 <p>Governance Strategy Compliance</p>
	 <p>Peace, Justice and Strong institutions</p>	 <p>Ethics Transparency</p>

STAKEHOLDERS' ENGAGEMENT

Open and transparent communication, effective and regular engagement with our stakeholders is a crucial part of our sustainability strategy. We provide regular updates on our project through our social media channels and the company's website to share our latest information related to mining operation, environmental management plan implementation and local development activities.

We interact and collaborate with a large spectrum of stakeholders ranging from our shareholders, employees, local and national government, relevant agencies, academic and research institutions, professional associations and companies, our peers in the industry, our contractors, and suppliers, and to local Civil Society Organizations (CSOs) and local community members.

The table below identifies the key stakeholders, the way we engage with them and their interest that each category of stakeholders holds in us.



Stakeholders	Type	Engagement	Concerns
<ul style="list-style-type: none"> Shareholders 	<ul style="list-style-type: none"> Shareholders 	<ul style="list-style-type: none"> Website and email Investor briefings Annual reports One on one meeting 	<ul style="list-style-type: none"> Safety performance Operation performance Community relations Financial performance Share price
<ul style="list-style-type: none"> Employees and contractors 	<ul style="list-style-type: none"> Employees Contractors Management 	<ul style="list-style-type: none"> Website and email Notice boards Employee briefings Employee meetings 	<ul style="list-style-type: none"> Safety performance Operational performance Employee involvement Employee development Environmental performance
<ul style="list-style-type: none"> Local communities 	<ul style="list-style-type: none"> Herders Local residents Youth Women led businesses 	<ul style="list-style-type: none"> Website Social media Local TV channels Community relations representative at Soum Community meetings Sponsorships and partnerships Field visits at the site Collaborative environmental monitoring 	<ul style="list-style-type: none"> Contribution to community development Community involvement Local employment Environmental impacts
<ul style="list-style-type: none"> Suppliers 	<ul style="list-style-type: none"> Local suppliers Non-local suppliers 	<ul style="list-style-type: none"> One to one meetings and discussions Contractual agreement 	<ul style="list-style-type: none"> Local procurement Local agreements Long-term collaboration
<ul style="list-style-type: none"> Government 	<ul style="list-style-type: none"> Government of Mongolia Local government of Dornod province Local government of Tsagaan Ovoo soum Local government agencies of State Inspection and Environment 	<ul style="list-style-type: none"> Face to face engagement Website and email Compliance audits and inspections Regulatory submissions Direct engagement on matters of local issues Field visits at the site Collaborative environmental monitoring 	<ul style="list-style-type: none"> Royalty, license fees and taxes Safety performance Employment Environmental management and compliance
<ul style="list-style-type: none"> Industry 	<ul style="list-style-type: none"> Mining and exploration industry Business and professional associations Local business associations 	<ul style="list-style-type: none"> Sectorial meetings and discussions Face to face meetings for collaborative agreements Sectorial associations' membership Field visits at the site 	<ul style="list-style-type: none"> Safety performance Environmental impacts Sharing best practices
<ul style="list-style-type: none"> Financial institutions 	<ul style="list-style-type: none"> Bank of Mongolia Commercial banks 	<ul style="list-style-type: none"> Control and monitoring Purchase of products Store the bullion bars 	<ul style="list-style-type: none"> Quality assurance Supply chain
<ul style="list-style-type: none"> NGO 	<ul style="list-style-type: none"> Community development, environment, and mining 	<ul style="list-style-type: none"> Face to face meetings for collaborative opportunities 	<ul style="list-style-type: none"> Impacts on people, community and environment Transparency
<ul style="list-style-type: none"> Education & culture 	<ul style="list-style-type: none"> Local schools Eco club Vocational institution Academic and research institutions 	<ul style="list-style-type: none"> Face to face meetings Scholarships Education activities Field trip to the site 	<ul style="list-style-type: none"> Education and opportunities for local communities

ABOUT STEPPE GOLD

Steppe Gold is Mongolia's precious metals company. Founded in 2016, the Company has made significant progress quickly, completing an IPO on the Toronto Stock Exchange (TSX) in 2018, and rapidly building up its ATO Gold Mine from greenfield project to production stage, with over 90,000 oz Au produced by June 2023, and an additional over 70,000 oz yet to be produced.

The ATO Gold Mine – a multi-phase precious metals project – is located in Dornod Province in the Eastern Mongolia.

The table below presents the annual production of the project over the course of the last four years.

Activity metrics

Topic	SASB Code	Accounting metric	2019	2020	2021	2022
Activity metrics	EM-MM-000.A	Metal ores produced (metric tonnes)	369,258.49	699,203.67	833,594.17	922,051.46
		Gold ounces	-	33,154.36	12,011.51	33,300.10
		Silver ounces	-	35,563.53	29,704.74	46,607.16



With Phase 1 oxide production ongoing, the focus now shifts to Phase 2 fresh rock expansion. Phase 2 Expansion will boost gold production and generate marketable concentrates of lead, zinc, and pyrite through the development of underlying fresh rock ores including the establishment of a flotation plant.

With secured full funding of \$150 million, the ATO Phase 2 Expansion will produce 100,000 ounces of gold equivalent per annum by 2025 for a further 12 years.

Steppe Gold also has Uudam Khundii (UK) Exploration Project in Western Mongolia, which is an 80/20 joint-venture with the provincial government of Bayankhongor, covering an area of 14,400 hectares.

The Company has now more plans to have further exploration and acquisitions programs in its home country.

While Steppe Gold has strong focus on Mongolia, in 2023, the Company also acquired Tres Cruces Oxide Project in Peru – ranks among the highest-grade oxide development deposits globally.



PRODUCT RESPONSIBILITY

Our products, especially gold, are a strategic product for the country, and it makes up nearly 10% of the national export revenue while serving as a guarantee for reducing the economic risks of the country. The commercial banks are the key actors which purchase our products and resell them to the Central Bank of Mongolia at a price that is directly linked to global price for precious metals. The Central Bank of Mongolia sends the precious metals to a contracted refining company abroad for refining and resells them to the global market.

The Company produces gold and silver bullion bars that are sealed with unique serial numbers and handled by authorized special agents only. The bullion bars are sold to six commercial banks of Mongolia for further supply to the Central Bank of Mongolia. The measurement of purity of gold and silver is made in accordance with the standard MNS ISO 11427: 2022 issued by the State Assaying Agency of Mongolia. The production process is undertaken in full compliance with the relevant clauses of the Civil Code of Mongolia and the Law on Central Bank of Mongolia as well as the Operation Procedure of the Treasury Fund of Mongolia.



SUPPLY CHAIN MANAGEMENT

Steppe Gold aims to ensure our suppliers conduct business in a responsible manner. In our procurement agreements with all our contractors and suppliers, we aim to include the requirements of compliance with our Code of Business Conduct to ensure their business ethics, compliance with anti-corruption and transparency are consistent with ours. In addition, we are in the process of developing the ESG oriented supply chain management integrating environmental, social and governance factors. This will ensure that our goods and services provided by the suppliers do not negatively impact the environment, are not produced with child labour, and are not violating human rights.

Topic	HKEX code	Indicators	2019	2020	2021	2022
Contractors and Suppliers	KPI B5.1	Total number of contractors	150	311	463	599
		Total number of suppliers	49	188	288	334
		Suppliers from local/Mongolia	49	185	282	325
		Suppliers from outside Mongolia	0	3	6	9

The selection process for procurement takes greater consideration of the vulnerable groups and households including women and elders as the company is committed to improving social and economic situations of the local communities and small and medium sized enterprises (SMEs). In addition, we are in the process of developing the due diligence procedures of the supply chain to identify and assess the risks associated with environmental and social aspects of the supply chain. The procedure is planned to be approved and in place in 2023.



GOVERNANCE

Steppe Gold is committed to effective corporate governance practices that support responsible and ethical business conduct. The company is committed to maintaining the highest standards of integrity, transparency and accountability in business affairs and has adopted the following policies designated to promote high standards of integrity, transparency, and accountability.

- Code of business conduct and ethics (2018)
- Antibribery and anti-corruption policy (2018)
- Whistleblower policy (2018)
- Transparent communication policy (2022)
- Corporate disclosure policy (2018)
- Securities Trading Policy (2018)

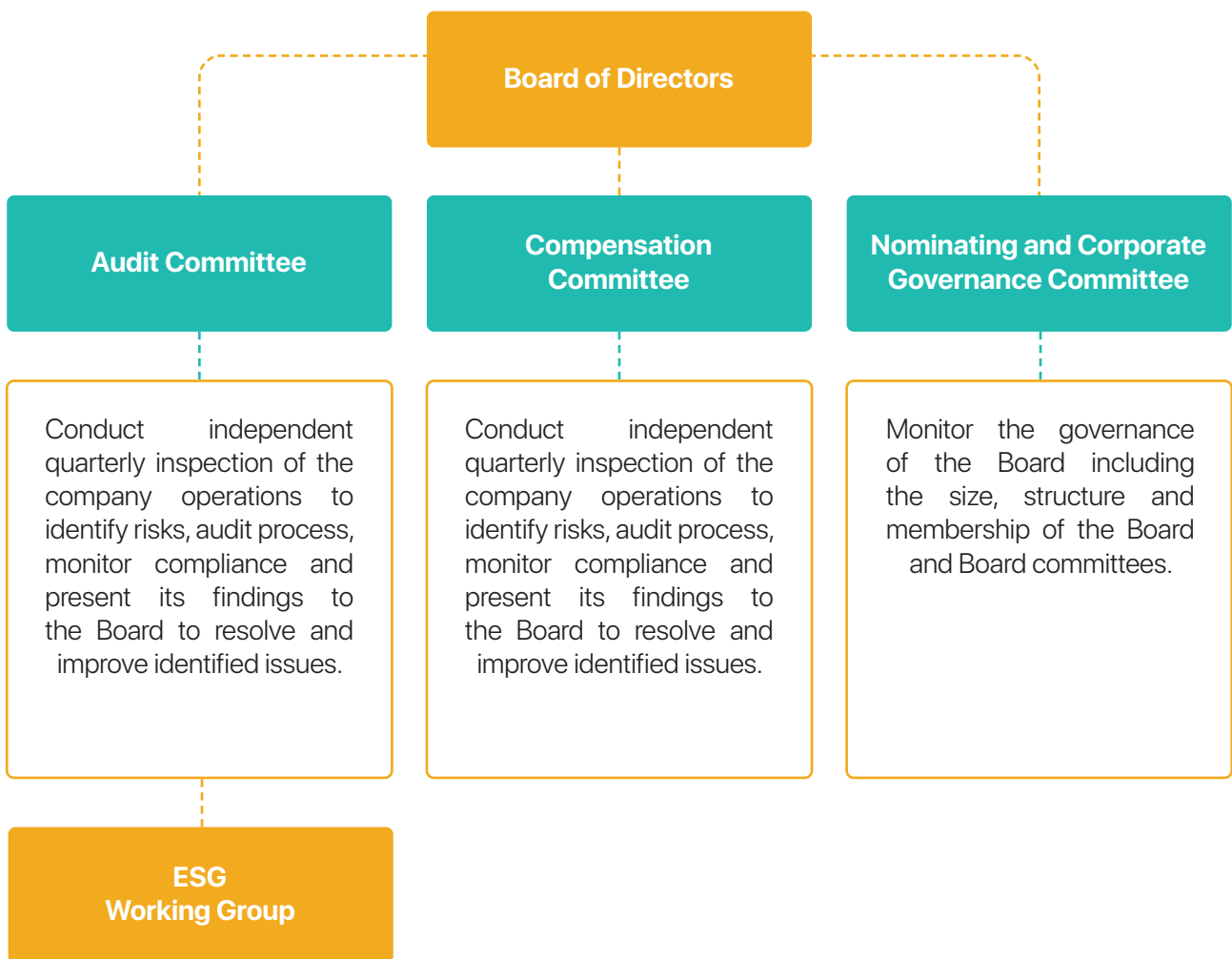


GOVERNANCE & COMMITMENT TO ESG

Steppe Gold strives to become a leading national precious metal mining company that spreads the culture and practice of responsible mining in the country. While Steppe Gold’s utmost priority is the safety of its people, contractors, and community, it places sustainability at the core of its value and business model with a vision to create long-term value for all stakeholders.

BOARD MANAGEMENT OVERSIGHT ON ESG

Steppe Gold profoundly cares for sustainability and considers social, economic, and environmental matters at all levels of its governance, including the Board of Directors which is devoted to maintaining the highest standards of integrity and accountability through its management committees below:



The Board of Directors includes members with various backgrounds such as mining, metallurgy and geological engineering, finance and economics, environment, and climate change. Therefore, the Board is armed with wide perspectives and expertise for setting the tones for our sustainability vision and overseeing our sustainability activities. The primary responsibility of the Board is to oversee the overall ESG matters while the ESG Working Group under the Audit Committee headed by a climate change expert has the primary responsibility to lead and provide guidance to the Environmental Manager. The ESG Working Group has set a target to develop a comprehensive Climate Action Strategy (CAS) in 2023 to better manage and address significant climate related risks and opportunities for the company and its business.

ESG STRATEGY & PRINCIPLES

ESG POLICY

- ▶ Ensuring health and safety for our employees and the community
- ▶ Mitigating our environmental impacts and rehabilitating the environment
- ▶ Contributing to local economic development & providing support to youth education and protecting cultural heritage

Company's ESG strategy is built upon following key areas:

- ▶ Maximization of long-term value to our people, including health and safety of our employees and the community in which we operate.
- ▶ Minimization of our environmental footprint and contribution to the environmental protection

Ensuring health and safety of employees is essential to Steppe Gold. Thus, we ensure that all our operations are in compliance with relevant Mongolian laws and regulations as well as international standards. Additionally, from day one of our operations, we have put in place a solid local development and environmental management plan. A highly motivated and skilled young Mongolian workforce who are passionate about responsible mining, is our pride.

Our principles: Responsible mining

The company is an active member of the Responsible Mining Initiative ('RMI') of the Mongolian National Mining Association since 2021 and is contributing to the implementation of the responsible mining principles and in the advancement of the sustainable mining practices. For instance, we attend the regular round table meetings of the RMI to discuss sector strategy for the responsible mining practices, to provide our inputs in the revision of the existing mining policies and procedures to reflect the concept of responsible mining, and to share our best practices in terms of sustainable operations including a hosting of the RMI members to our project site. Finally, as a dedication to environment friendly and responsible mining activities, we signed the Responsible Mining Codex of Mongolia that aims at supporting and development of good examples of responsible mining and ensure sustainable development of the mining industry, and we are reporting on our performance on an annual basis.

Ensuring health and safety for our employees and the community.

The safety is the utmost and permanent priority, and we strive to create a safe, healthy, and hygienic environment for every single person working at and with Steppe Gold.



We aim for zero accidents at the workplace.

We believe that all accidents & incidents are preventable. We aim to create an injury and fatality free workplace which requires collaborative efforts from all. To achieve this, we:

- ▶ Design and operate our facilities to ensure that effective controls and technologies are in place to minimize and mitigate identified risks.
- ▶ Implement occupational health and industrial hygiene programs.
- ▶ Promote overall health and wellness of the employees and the community and establish specific health and wellness programs.
- ▶ Deliver health and safety training for our employees and contractors.
- ▶ Maintain a high degree of emergency preparedness.

The health and safety department oversees all safety matters and ensures internal supervision while adhering to all relevant laws and regulations, adopting international best practices, and assessing the risks at every stage of the operations.

Besides our regular activities to ensure a safe, healthy, and hygienic environment for our employees and contractors, we undertake proactive action to mitigate potential risks through assessment of occupational hazard and daily workplace inspections. Thus, by allowing everyone to report on circumstances that appear to be unsafe, we manage to successfully ensure a safe and healthy work environment. Additionally, to prevent health conditions from appearing, we organize an annual health checkup for all our employees.

“MITIGATING OUR ENVIRONMENTAL IMPACTS AND REHABILITATING THE ENVIRONMENT, WE ARE COMMITTED TO PROTECTING OUR ENVIRONMENT.”

We aim to eliminate, minimize, and mitigate impacts of our operations on the environment and maintain its viability and diversity. To achieve this, we implemented the following actions:

- ▶ Minimize the generation of waste and ensure its proper disposal.
- ▶ Conserve natural resources including energy and water.
- ▶ Minimize our footprint and emissions.
- ▶ Implement biodiversity conservation and land use planning activities through all stages of our activities.
- ▶ Rehabilitate sites to ensure long term physical and chemical stability in a consultative manner.
- ▶ Implement offset reclamation.

All environmental activities are managed by the Environmental Department which consists of:

- ▶ An environmental manager
- ▶ An environmental engineer
- ▶ An environmental specialist
- ▶ Two environmental officers
- ▶ Two waste management operators

We comply with all relevant environmental laws and regulations in all our operations. Every employee at Steppe Gold feels concerned about environmental issues and complies with all policies, procedures and documents developed by the Environmental Department.

CONTRIBUTING TO LOCAL ECONOMIC DEVELOPMENT & PROVIDING SUPPORT TO YOUTH EDUCATION AND PROTECTING CULTURAL HERITAGE.

WE SUPPORT THE LOCAL COMMUNITY IN THE FOLLOWING AREAS.

We aim to contribute to the social and economic development of the community where we operate. To achieve this, we:

- ▶ Prioritize local hiring and purchase locally.
- ▶ Implement the local economic development and livelihood support programs.
- ▶ Invest in youth education programs.
- ▶ Implement cultural heritage preservation programs.
- ▶ Build transparent and meaningful collaboration with the local government, and local population.

Driven by our principle of inclusiveness and integrity of our operations, we strive to ensure meaningful participation of the local community. Community participation and effective and sustainable community relations are enabled through a local community monitoring team comprising of nine local community members at the Altan Tsagaan Ovoo Soum level. Additionally, a provincial level community monitoring group, including the provincial government and relevant agency representatives carries out monitoring and assesses the implementation of the Collaboration Agreement with the local government. The site-based community relations manager closely coordinates with the monitoring team, the surrounding communities, and reports to the Deputy Director of the company.

The image below illustrates the key numbers for activities on local social and economic development during 2018-2022:

Institutional and Infrastructure Development:

- ▶ Allocation of US\$ 261,000 to the Local Development Fund of Dornod province
- ▶ Contribution of US\$ 23,000 to the Tsagaan Ovoo soum for health protection measures during the peak of COVID-19 in 2021.



- ▶ Creation of central heating facilities with 2400m insulated heating pipelines and two furnaces with each capacity of 1 MWt with funding of US\$ 222,000 in 2022 and supplies heating for all levels of government institutions and some commercials of Tsagaan Ovoo soum.
- ▶ Financial contribution of US\$ 50,000 for the construction of a new building for the bagh of Elst Boon.
- ▶ Installation of cellular G Mobile and Mobicom 3G and 4G networks' facilities in 2018 and 2022 respectively allowing cellular coverage for the neighboring households of Elst Boon bagh in the radius of 5-10 km from the mine site.
- ▶ Construction of 1.3 km improved road, and installation of streetlights in the Tsagan Ovoo soum center which improved the living condition of residents.
- ▶ Creation of a sport field and training facilities for all age groups of Tsagaan Ovoo soum.
- ▶ Donation of necessary equipment and materials for fire extinguishment as the local area is dry grassland vulnerable to fire. Mobilization of employees for extinction of fires in the territory of Tsagaan Ovoo when required during the last four years.

Economic development & employment

- ▶ Employment for over 260 local inhabitants which is approximately 7% of total population of Tsagaan Ovoo soum.
- ▶ Up to 80% of total local procurement or over US\$ 1,813,000 over a last four-year period from local producers, individual sellers, and suppliers.
- ▶ US\$ 52,000 for SME support program as an investment to SMEs support fund

Capacity building and livelihood improvement

- ▶ Training on effective pasture management and animal husbandry during 2022-2025.
- ▶ US\$ 93,000 was spent on livestock supply program to the most vulnerable households selected by the residents during the community meetings.
- ▶ Water well drilling program for herders to create minimum of seven wells per year since 2020.
- ▶ Ger program to provide five selected households with dwellings per year from 2020.
- ▶ US\$ 550,000 was spent on student tuition fees for a scholarship program for undergraduate study in the country and abroad.



BUSINESS ETHICS AND TRANSPARENCY

At Steppe Gold, we are committed to conducting our business ethically and honestly. Our Code of Business Conduct and Ethics was approved by the Board of Directors in 2018 and it has been the baseline for our ethics and compliance. Thus, we ensure our Code of Business Conduct and Ethics applies to all employees, directors, contractors, suppliers, and consultants. We expect them to take responsibility for their actions and adhere to it. In 2022, anti-corruption training was conducted for all employees of Steppe Gold under the Code of Business Conduct and Ethics policy implementation scheme.

The Human Resources department of the Company organizes training on the Code of Business Conduct for all employees, directors, and contractors on an annual basis and provides annual certification for them. Moreover, the Internal Audit Department organizes fraud awareness training for all employees as part of International Fraud Awareness Week in November every year. Fraud reporting mechanisms are shared, and employees are encouraged to report and prevent any suspected fraud. During the internal audit work, the possibility of fraud and how the risk is managed is considered.

The Open Door Policy to create the conditions and opportunities for all our employees to work in a favorable and positive environment. We aim to create mutual trust among all employees, harmonize communication flow and to build up the basic conditions for smooth and rapid resolution of any issue. In conformity with this policy, all employees openly express any of their own issues, proposals, requests, or initiatives relevant to their work to their own direct supervisors and together they attempt to resolve the concerned issue on a timely basis.

As part of Steppe Gold's commitment to ethical and responsible business conduct, we have implemented accountability accounting, internal controls, and auditing processes. It is also Steppe Gold's policy to seek to ensure compliance with all applicable legal and regulatory requirements relating to its business in all material respects. Steppe Gold operates in a way that all its directors, and employees participate actively in maintaining this standard through our Whistleblower policy. The policy describes the standards and principles that are expected to govern the processing of all complaints and concerns whether they are received from employees within the Company or external parties. The Internal Audit Department receives any complaint or information from a whistleblower through an email or mailbox and ensures the complaints are handled with the highest level of privacy and confidentiality by allocating them to relevant persons. If the complaint concerns financial matters, the Internal Audit Department reports to the Audit Committee.



STEPPE GOLD HAS AWARDED
FINANCIAL SCHOLARSHIPS TO

+1,600

LOCAL STUDENTS

2017

2022



RISK MANAGEMENT

As part of our sustainability strategy, we maintain risk management policies that enable us to identify, evaluate, plan, and manage the risks that could impact our business operations. The Audit Committee assists the Board in setting the management strategy of principal risks, including the policies and procedures to monitor and mitigate risks. The Internal Audit Department supports the Audit Committee to reassess and consolidate the risk assessments of all departments twice a year in accordance with the following methodologies to ensure operational sustainability.

- Identification of existing risks for the company;
- Assessment of the existing controls and their mitigation of identified risks;
- Assessment of likelihood and consequences of the risk;
- Definition of further action to eliminate, reduce, transfer, manage or accept each risk;
- Identification of management responsibilities for dealing with the risk;
- Follow-up of identified risks.

Internal Audit Department provides assurance to senior management and the Audit Committee on the effectiveness of internal control activities through monitoring of the implementation of risk management plan by each department. Senior management discuss risks facing the operations and organization on a weekly basis. At regular scheduled meetings, the Board of Directors and the Audit Committee are provided with updates on the key issues identified by management so that it can define the best risk management strategy.

Climate-related Risks and Opportunities

Besides the risk assessment and management activities that cover overall operations of the company, the company has set a goal to specifically measure and track climate related risks to which it is exposed. More specifically, it will allow the company not only to identify the physical risks from climate change and the risks associated with transition to a lower-carbon economy but also define the available climate-related opportunities. The outcome of the climate-related risk identification process will serve as the basis of a comprehensive Climate Strategy for the company. The Audit Committee supported by the Internal Audit Department and all relevant team members will lead the climate specific risks and opportunities identification process with help from a professional consultant.



COMPLIANCE

Steppe Gold adheres to environmental, social and governance regulations and standards to improve ESG performance. Our company complies with the legal requirements of 136 regulations and standards of mining (26), safety (18), environment (21), construction (18), operation (5), maintenance (13), human resources (10), information technology (3), internal audit (1), permitting (4), local community relations (3), and finance (14).

In Mongolia, mining projects are subject to strict environmental impact assessments according to the Law on the Environmental Impact Assessment (2012) of the Government of Mongolia, a detailed Environmental Impact Assessment ('EIA') was conducted for the project in 2018 that assessed the significance of environmental impacts of the project. Based on the results of the EIA, the 5-year Environmental Management Plan (EMP) was developed. The plan includes legally binding commitments on prevention and mitigation of the project's impact on the environment and any necessary compensation measures.

Our social aspects including labor relations, health, and safety are supported by the full compliance approach. The Constitution of Mongolia (1992) is the key law for insuring justice, freedom, human rights, equality, and respect of law as the most significant law for our operation. We also comply with the Law on Labor of Mongolia (1999 and amended 2021) and ensure the general rights and duties of employees in a labor relationship based on their contract of employment with respects to employee labor disputes, working conditions, management, monitoring and supervision, and liabilities. In addition, this law declares the prohibition of child labor, and elimination of child exploitation and we strictly comply with the provisions of this law. Our Human Resource policy, Internal Labor regulation, Recruitment and Selection procedure, Payroll procedure, Disciplinary policy, and Long-term roster regulation are approved by the management of Steppe Gold and adhered to within the company operation at all levels.

The company lawyer oversees the full legal compliance of the company in all its operations as well as regularly tracking the release of new legislation and providing necessary updates to all line managers.



SOCIAL

HUMAN RIGHTS

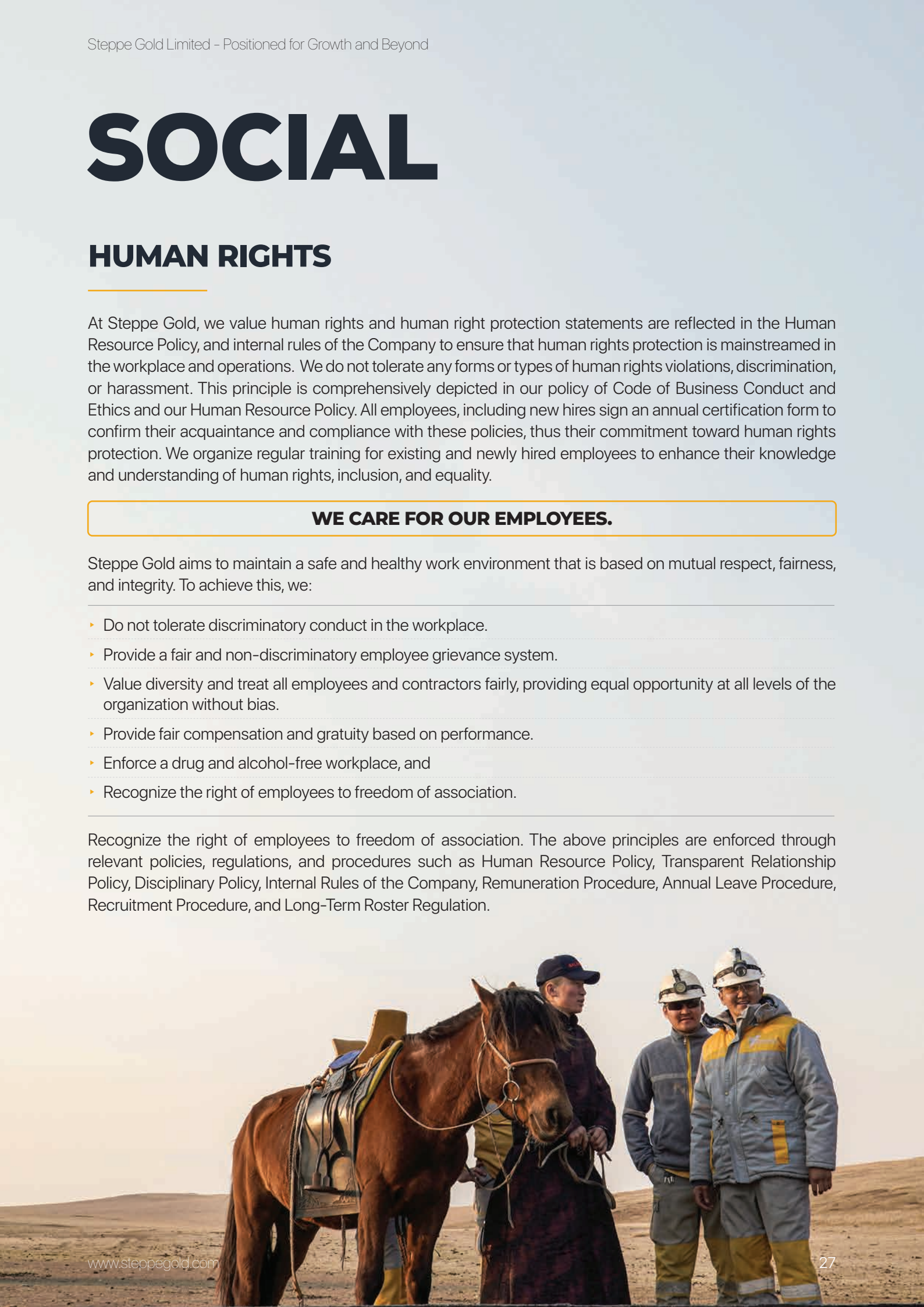
At Steppe Gold, we value human rights and human right protection statements are reflected in the Human Resource Policy, and internal rules of the Company to ensure that human rights protection is mainstreamed in the workplace and operations. We do not tolerate any forms or types of human rights violations, discrimination, or harassment. This principle is comprehensively depicted in our policy of Code of Business Conduct and Ethics and our Human Resource Policy. All employees, including new hires sign an annual certification form to confirm their acquaintance and compliance with these policies, thus their commitment toward human rights protection. We organize regular training for existing and newly hired employees to enhance their knowledge and understanding of human rights, inclusion, and equality.

WE CARE FOR OUR EMPLOYEES.

Steppe Gold aims to maintain a safe and healthy work environment that is based on mutual respect, fairness, and integrity. To achieve this, we:

- ▶ Do not tolerate discriminatory conduct in the workplace.
- ▶ Provide a fair and non-discriminatory employee grievance system.
- ▶ Value diversity and treat all employees and contractors fairly, providing equal opportunity at all levels of the organization without bias.
- ▶ Provide fair compensation and gratuity based on performance.
- ▶ Enforce a drug and alcohol-free workplace, and
- ▶ Recognize the right of employees to freedom of association.

Recognize the right of employees to freedom of association. The above principles are enforced through relevant policies, regulations, and procedures such as Human Resource Policy, Transparent Relationship Policy, Disciplinary Policy, Internal Rules of the Company, Remuneration Procedure, Annual Leave Procedure, Recruitment Procedure, and Long-Term Roster Regulation.



HUMAN CAPITAL

The Board of Directors and executive management at Steppe Gold have adopted a progressive management approach towards its human capital which we place at the heart of our operations. Primarily, we strive to build knowledge, capacity, and skills among the national workforce, which is translated into our strong policy for national, especially local, hiring irrespective of gender, ethnicity, religious belief, or sexual orientation while ensuring full enforcement of the national labour regulations for all employees and contractors.

EMPLOYEES AND CONTRACTORS

Steppe Gold's human capital, including the contractors has constantly been increasing since 2019. Together with our employees and contractors, the company has become the largest job provider in the local area within the last four years. 99 percent of employees are Mongolian nationals and 75 percent of all employees are from the local area where the project site is located.



Activity metrics

Topic	SASB Code	Accounting metric	2019	2020	2021	2022
Total number of employees, percentage contractors	EM-MM-000.B	Total number of employees	242	230	286	290
		Total number of contractors	150	120	195	280
		Total number of employees and contractors	392	350	481	570
		Total percentage of contractors to employees	38	34	41	49

EMPLOYEE TURNOVER

Activity metrics

Topic	SASB Code	Indicators	2019	2020	2021	2022
Employee turnover rate by age	KPI B1.2	Employees at the beginning	253	240	230	286
		Employees at the end	242	230	286	290
		Number of female employees	17	18	20	35
		Resigned employee age group				
		20-30	5	3	3	8
		30-40	5	9	3	3
		40-50	0	1	1	2
		50+	1	1	0	0
		Total resigned employees	11	14	7	13
		Resigned employee turnover rate by age group				
		20-30	2.0	1.3	1.0	2.7
		30-40	2.0	3.8	1.0	1.0
		40-50	0.0	0.4	0.3	0.7
		50+	0	0	0	0

As a result of strict protection of rights and promotion of sound labour relations, there have been no strikes or lockouts registered since the start of the ATO project. None of our employees are a member of any union.

Activity metrics

Topic	SASB Code	Accounting metric	2019	2020	2021	2022
Labor Relations	EM-MM-130a.1	Number and duration of strikes and lockouts	0	0	0	0

INCLUSION AND EQUAL PAY

At Steppe Gold, the equal pay policy is streamlined at all levels of employment and the company ensures that both female and male employees with same qualifications occupying the same position, receive equal wages. The table below indicates the gender segregated number of employees working on the project site and at the UB office, who are entitled the equal pay regardless of their gender.

Employee and contractor gender	Employees		Contractors	
	Male	Female	Male	Female
ATO mine site	235	15	225	55
Corporate office	20	20	0	0

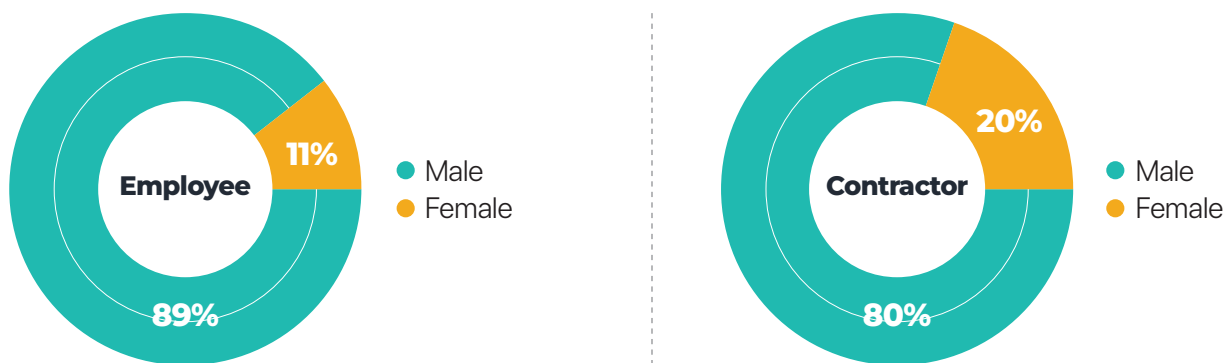
We are currently in the process of developing comprehensive diversity and inclusion goals and initiatives that are intended to be implemented across the organization. It will hugely contribute to diversity and inclusiveness in the workplace.

The table below illustrates the percentage of the female workforce per employment level.

Female workforce representation statistics	2019	2020	2021	2022
Board of Directors	14%	14%	14%	14%
Mid-level management	14%	14%	14%	14%
All employees	10%	10%	10%	11%
All contractors	N/A	N/A	N/A	20%

The company acknowledges that male dominant workforce as a reflection of strong male representation in the mining sector workforce in the country. However, Steppe Gold has maintained 14% female representation in the Board of Directors and 14% in Mid-level management since the beginning of operations. As of December 2022, we have 11% female employees, and 20% female contractors work at Steppe Gold.

COMPANY AND CONTRACTORS' EMPLOYMENT STATISTICS (SHOWN IN CHARTS)



TRAINING & DEVELOPMENT

According to the requirements of the national law, mandatory training is provided for employees through their responsible departments and performed by special licensed professional organizations for specialist areas such as handling chemicals and pressured tanks. As the company recognizes that people are our asset, we have developed training and development procedures to improve their development and work productivity. With this approach, each employee's skills are evaluated by applying the evaluation form and skill matrix and a training plan is developed by the respective departments based on the evaluation results and employee's annual performance review. Three main types of training are conducted which are:

- ▶ Training with special conditions and materials which is performed by a licensed professional organization.
- ▶ Training required by legislation and regulation will be conducted in co-operation with professional organizations.
- ▶ Skills improvement training for employees to specialize in specific areas of their trade, profession, leadership development for career advancement, and managers for the required additional training.

In 2022, we provided 32 types of trainings to 1117 (male 77% and female 23%) employees attended with repeated numbers and per employee annual average training hour is 12.6.

HEALTH AND SAFETY

OCCUPATIONAL HEALTH, SAFETY, AND WELL-BEING

The company aims to ensure a safe, healthy, and hygienic environment for its employees, contractors, and visitors on site. The company's approach to health and safety is guided by its vision of "Safety is the measure of success." Steppe Gold ensures health and safety excellence through a strong health and safety-based culture at every level of the company and by driving continual improvement in safety performance. We undertake regular proactive engagement with our employees and contractors to create a good understanding of our safety approaches and to build a strong safety culture together.

Along with our employees' safety, we are committed to ensuring their health and well-being. All new employees are provided a full medical package before their job commencement. Annual health screening is provided for all employees, and detailed health checkups are provided for employees who work in hazardous environments, such as chemical handling.

The employees' camp provides a comfortable living environment with 53 ger accommodations, office buildings, a dining hall, laundry facilities, public and private bathrooms, and hotel rooms for visitors. All facilities are connected to electricity provided by a 380W generator, and they are heated by furnaces.

The camp has 24-hour security services, and the security contractor ensures that the camp procedures for our employees, contractors, and visitors are implemented. The company supports employees' leisure activities, rest, and free time with the following facilities: table tennis, basketball, and sand volleyball courts. Two medical staff work at the on-site first-aid unit, and workers can visit them at any time to prevent and address work-related illnesses and concerns immediately. Additionally, employees are provided with first aid and emergency response training, which is intended to increase their knowledge of emergency and immediate care in the workplace in case of any injury or illness.

SAFETY PERFORMANCE

Encouraging transparency and fostering an environment for open communication on health and safety leads employees to take responsibility for ensuring their workplace is safe. Accident reporting by each employee is highly encouraged, which increases the possibility of identifying potential hazards, addressing them, and avoiding them.

In case of any accident or injury, the Occupational Health and Safety (OHS) department takes a systematic approach to investigate and remove the root causes of the incident to prevent recurrence. Steppe Gold has commenced the implementation of ISO 45001 to establish and maintain a system to identify, evaluate, and control occupational health and safety risks and hazards, ensure compliance with legal and regulatory requirements, and continually improve the occupational health and safety management system.

ADDITIONALLY, THE FOLLOWING MEASURES ARE UNDERTAKEN:

- ▶ Conducting daily safety inspections
- ▶ Scheduling regular workplace risk assessments
- ▶ Identifying appropriate mitigation measures
- ▶ As a demonstration of our management's high commitment to safety, OHS monitoring is conducted in collaboration with senior officials of the relevant departments.

Workforce Health and Safety

Topic	SASB Code	Accounting metric	2019	2020	2021	2022
Workforce Health and Safety	EM-MM-320a.1	Total incident rate	1.2	0.4	0.4	0.3
		Fatality rate	0	0	0	0
		Lost Time Injury Frequency Rate (LTIFR)	0.2	0	0.2	0.2
		Near miss frequency rate (NMFR)	0.4	0.8	0.4	2.0
		OHS training for employees (man-hour)	1,104	1,365	1,840	2,620
		OHS training for contractors (man-hour)	1,584	1,905	2,560	2,500

The OHS department has dedicated every effort to reducing the recordable incident rate through the implementation of several strategic actions for workplace safety and accident prevention. These actions include a holistic safety audit, employee training, promotion of safety culture, and regular safety inspections.

We closely track our safety performance and carry out numerous activities, including protection measures and training. All of the measures that we have been undertaking together with our employees and contractors help us to ensure an excellent safety performance. Since the commencement of our operations, we have had zero fatalities. Overall, the total incident rate declined from over 1.2 to 0.3, while our LTIFR remained stable during the last 4 years.

OHS TRAININGS & WORKSHOPS

We implement OHS training plans and programs to manage workplace risks. Since 2019, the HR and OHS departments have been organizing training in 14 areas for the employees at the ATO site within the framework of relevant regulations from the Ministry of Labor and Social Protection of Mongolia.

Moreover, each year, according to the legislative requirements, employees of Steppe Gold and our contractors have been trained by external professional organizations for high-risk handling jobs. In addition, as part of the OHS training program, a series of emergency response trainings have been conducted for our employees and contractors, with the number of participants has steadily increased from 224 in 2019 to 256 in 2022. The total number of training hours was 2,688 in 2019, 3,270 in 2020, 4,400 in 2021, and 5,120 in 2022. In total 15,478 hours trained.

In addition, all employees and contractors working on-site are provided with health and safety refresher and job-specific trainings regularly.

In 2022, a practical safety training session was conducted in cooperation with the East Regional Emergency Agency, Inspection Agency, and Environmental Department of Dornod Province, representatives from Tsagaan Ovoo soum, and our contractors. The session assessed the risk of potential hazards at the mine site.

RESPONSE TO COVID-19 AND IMPACTS

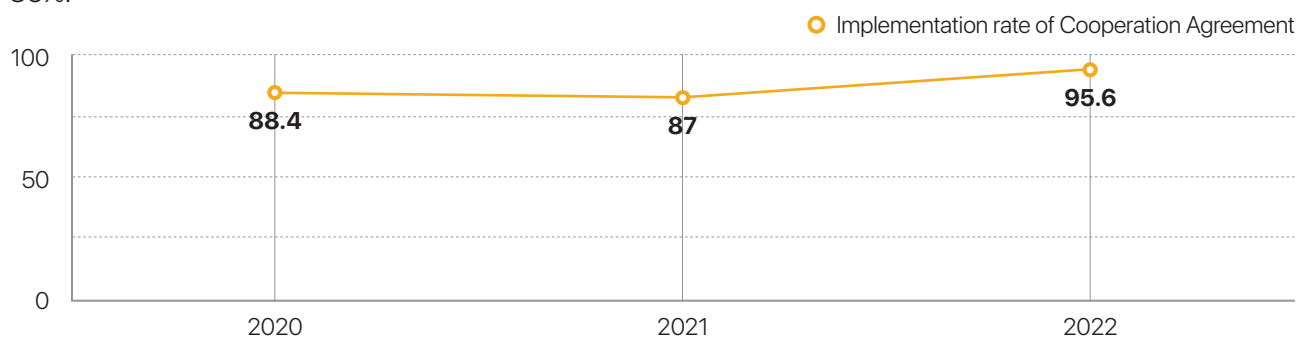
During the COVID-19 pandemic, we strictly followed the instructions and regulations issued by the State Emergency Commission of Mongolia and implemented preventive measures to limit the spread of COVID-19 at our operations as a priority. In alignment with the Government led program, our employees and contractors were vaccinated which contributed to reduce the risk of COVID-19. We implemented medical pre-screening and PCR tests for all employees and contractors prior to their arrival at the site, imposed mandatory use of masks and physical distancing in common areas and promoted personal hygiene such as hand cleaning. Beyond our pandemic control and prevention measures within the company, we provided financial support to the Tsagaan Ovoo soum for health protection measures during the peak period of COVID-19 between 2020 and 2021.

COMMUNITY

COMMUNITY RELATIONS

Since its establishment, Steppe Gold has been generating social and economic value in the region of eastern Mongolia where our ATO project is located. The company focuses on creating long-term sustainable change in the community through programs that support the livelihood of the residents and local development. To achieve this, we cooperate with the local government and communities. More specifically, we established the “Environmental protection, mining operation, infrastructure development and local job creation” agreement (no.11) (‘Cooperation Agreement’) with Dornod province authorities on April 26, 2019, pursuant to the clause 42.1 of the Mongolian Minerals Law and the Government resolution no.179 dated 2016.

The Local Cooperation Committee, consisting of nine members representing diverse stakeholders, carries out an annual assessment of the fulfillment of this Cooperation Agreement. The performance of the Cooperation Agreement has been consecutively rated high over the last three years with implementation rates well over 85%.



We achieved our commitment for local development through capacity building and direct or indirect economic contributions, such as local employment, community project funding, and local procurement. For instance, we support the local government to implement initiatives for improving the living conditions while supporting the community members directly through job offers to local residents, training to the herders, and purchase of available products and materials from local producers and suppliers.

Community Relations						
Topic	SASB Code	Accounting metric	2019	2020	2021	2022
Community Relations	EM-MM-210b.2	Number and duration of non-technical delays	0	0	0	0

As we have been building transparent, proactive, and collaborative community relations with local herders, community groups and local government, we have reported ZERO non-technical delays of the project since the commencement of the project. For instance, each year we have been sharing the implementation results of Environmental Management Plan with the residents of Elst Boon bagh of Tsagaan Ovoo soum where the ATO project site is located. Even during the COVID-19 pandemic during 2020 and 2021, transparency was ensured via local public media through broadcasting 258-hour programs that were released through five local TV stations.

COMMUNITY INVESTMENT

Overall, 1,178 families are residing in the ATO project area, and 1 in 4 families are directly linked to the Company through our effective community relations and engagement programs. We provide support to the local community, including the local government.

Investment type/ year	2017 (USD)	2018 (USD)	2019 (USD)	2020 (USD)	2021 (USD)	2022 (USD)	Total
Support provided according to the Cooperation Agreement	-	-	21,021	384,880	263,153	257,682	926,736
Scholarships for university students	19,821	4,686	37,090	66,218	27,333	92,390	247,537
Sponsorships for cultural and sports' activities	-	3,174	27,808	4,266	6,246	19,888	61,382
Donation to the Dornod province state local fund	-	3,949	2,149	1,361	2,221	3,474	13,154
Supports for individual community members	-	-	-	36,145	3,158	-	39,303
Donation to the Dornod province	-	-	9,084	1,172	-	1,273	11,528
Other support for local development	4,812	36,425	43,195	125,149	67,474	411,752	688,807
Total investment amount	24,633	48,234	140,346	619,191	369,584	786,459	1,988,448

CULTURAL HERITAGE PROTECTION PROGRAM

We place our Cultural Heritage Protection Program as an important social activity. Following the initial studies that were conducted in 2010 and 2011, archeological studies were conducted again for our license area of 5492.63 hectares by the Mongolian Science Academy of Archeology to determine the impacts of the mine operation to any historical and archeological physical heritage sites. The results of the archeological study confirmed that there are no archeological physical heritage sites in the license area of the mine operation. Although our operations do not have any impact on physical heritage sites, we contributed to the protection of Kherlen Bars city, an ancient ruin in the Kitan State dating back to the 12th century, located in the province of Dornod in 2021.

The Company has actively participated in supporting the Cultural Preservation and Archeological Institute of Dornod Province in their study, leading to the discovery of precious ancient artifacts from the Stone Age. To ensure their safety, these findings were relocated to a secure location. The study is ongoing, and Steppe's team remains dedicated to its support.



We value the unique cultural heritage of the local community, mainly composed of the indigenous group of Buryat. We have been implementing numerous initiatives that promote the Buryat (ethnic group) culture and initiated the "Ugai culture" multimedia project under the Company's cultural protection objective. We funded a research project on the "Ugai culture" conducted by the Institute of Historical Science and Archeology and documented the lifestyle, custom, tradition, and culture of Buryat ethnics over the four seasons of a year. As of 2022, we are in the process of creating a short film on the Buryat language to promote the ethnic culture to future generations. Due to the COVID-19 restrictions, we have not been able to organize the planned cultural festival yet. However, "Ugai culture" multimedia project will be continued over the years.

In addition to our dedication to the protection of cultural heritage, we attach significant importance to sports and have been dedicating our efforts and resources to the preservation of national sports such as archery and wrestling along with judo through sponsorships to outstanding local athletes for participating in national and international championships.

INTERACTIVE COMMUNITY-BASED MONITORING

Local community members work with us as part of a community-based monitoring program. Each year members of the environmental monitoring committee are selected during the public meeting of the Elst Boon bagh of the Tsagaan Ovoo soum, Dornod province where the mine operates. It enables the community members to effectively contribute to the management of the natural resources and have oversight on the sustainable use of the resources. The community representatives and our key environmental stakeholders are involved in all steps of environmental monitoring from taking samples through sending them to the accredited laboratories and reviewing results.

HERDERS' LIVELIHOOD SUPPORT PROGRAMS

Our mining activities are conducted in the proximity of nomadic herders' homeland, and it is our primary responsibility to minimize our impacts on the herders and their nomadic lifestyle and to provide support for the perennity of the nomadic lifestyle. Therefore, we implement specific programs to support the livelihood of local herders ranging from training on pastureland management planning for herders to experimentation of rotational livestock herding, herding good breeds of livestock and growing fodder plants to supply to the animals, and improvement of access to water through drilling of wells for herders.

As the ATO project is located in the Steppe area where water is scarce, increasing water access to the neighboring communities is vital. Every year, Steppe Gold implements a Well Drilling Program for Herders to improve the availability of water in the pastureland. So far, 10 newly created wells are serving as a main water source in the area benefiting many herders and their livestock since 2019.

In parallel, since 2019 we have been implementing a program to support the livelihood of vulnerable households that conduct animal husbandry. In addition to supporting the livelihood of the vulnerable households, there is a double purpose to nurture the perennity of the nomadic lifestyle. In this regard, a livestock of 200 sheep and goats are provided to a target family for one year and the family keeps the newborn babies and passes the received livestock on to another family. Starting in 2020, we implemented the Ger Supply Program, which consists of providing the households in need with a traditional dwelling called a "Ger". As of the end 2022, 18 households have received a home of their own.

YOUTH DEVELOPMENT AND ENGAGEMENT

Under the company strategy for youth development and engagement, we have a vision to invest in the education of Mongolians with a belief that educated citizens are the most precious asset of a country. Since 2017, we started providing scholarships to students from Altan Tsagaan Ovoo soum from the province of Dornod and Shinejinst and Bayan-Undur from the province of Bayankhongor where our operations are based. By the end of 2022, 1,670 students majoring in various sectors in national and international universities received scholarships amounting to US\$ 550,000. Additionally, we are running an internship program for students to obtain the necessary practical skills and experience to increase their chances of gaining employment in areas of mining equipment operation, mechanical maintenance, heap leaching, and OHS. In 2022, a total of 18 students (16 male and 2 female) from the Polytechnical college Dornod province participated in the internship program at the mine site.

We work with the Eco Club of a secondary school in the Tsagaan Ovoo soum to support the ecological education and knowledge of students. Each year the students of 7th to 12th grades visit the ATO project site to obtain information on the mine operation, environmental activities, and tree planting etc., Discussions are held with students on a variety of topics including the benefits of environmental protection, tree planting and the Eco Club's future potential activities. Moreover, the students are involved in tree planting activities at their school and in the park located in the soum center.

RESETTLEMENT

We avoid physical and economic displacement of people as much as possible. However, there have been herders living in the proximity of our mining operations in the licensed area who did not wish to be exposed to any eventual impacts generated by its activities. We engaged with 13 herder families who were living within the perimeter of the licensed area during spring and winter periods. We entered a voluntary negotiation with each of these 13 households and developed a specific "Resettlement and Compensation Program" which was implemented between 2017-2020. The resettlement and compensation program was successfully implemented, and compensation was duly provided to the entitled households on the basis of a co-operation agreement between the Company and the households/herders.



ENVIRONMENT

CLIMATE CHANGE

Climate change is one of the most important global threats to the natural environment and society. We recognize that we have a vital role to play in fighting climate change and in reducing our footprint. As Mongolia is exposed to a growing vulnerability to climate change and we operate in the Steppe area, which is highly exposed to climate risks, it is our responsibility to take proactive climate actions to prevent and address significant climate risks on our operations and to contribute to the country's climate resilience.

Thus, the company has set a priority goal to develop a comprehensive Climate Action Strategy ('CAS') to be launched by the end of 2023. The CAS will encompass our approach and structure to reducing the climate related risks to our business operations, its value chain, and financial performance. The CAS will also include our plan to identify and reduce our Greenhouse Gas ('GHG') emissions and establish targets and metrics to monitor our performance.



The strategy will be built upon a detailed assessment of climate-related risks, climate-related scenario analysis along with comprehensive measurement of our current scope 1 and scope 2 emissions, which will serve as a basis for setting the targets for emission reduction, enhancement of the governance to monitor climate-related risks, identification of strategy to address the climate related risks and to build climate resilience, to make needed financial resources available and finally, to outline a series of tangible actions over the short, medium and long term. In terms of scope 3 emissions, we will determine our approach regarding these indirect emissions that are related to our activities, but that we do control or own during the CAS development.

As part of our energy management, we seek opportunities to reduce our energy consumption in all aspects, including the project site and office facilities and to ensure energy efficiency throughout our operation.

Energy Management at ATO site						
Topic	SASB Code	Accounting metric	2019	2020	2021	2022
Energy Management	EM-MM-130a.1	Total energy consumed in GJ	1,772.20	4,362.39	3,998.60	5,887.36
		Percentage of energy consumed supplied from grid electricity	0	0	0	0
		Percentage of renewable energy consumed	0.3	0.1	1.9	1.3

In 2022, we consumed 5,887.36 GJ energy at ATO site and only 1.3% of our total consumption was renewable energy sourced by solar panel streetlights of workers' camp at ATO or scope 2 emissions, the Steppe Gold office in Ulaanbaatar consumed 50.0616 GJ electricity of Ulaanbaatar Electricity Distribution Network. As part of the greater consideration of sustainability, an energy management plan will be established in the CAS in 2023. Once comprehensive targets are set, we will continue our efforts to increase the use of clean energy in a more structured manner.

Despite the current absence of a comprehensive CAS, we have been implementing a series of activities for mitigating climate change. These activities include implementing diverse initiatives such as tree planting, natural resource savings and natural conservation activities.

Tree planting activity is one of the core activities for environmental protection that we have been conducting since the beginning of our operations.



While carrying out the biological rehabilitation of the degraded land at the site, we ensured our principles of planting seeds of native perennial and non-perennial plants. To do so, we purchased native plant seeds from local seedling producers and used them for our rehabilitation. We have also been collecting 3-4 types of local seeds and conducting laboratory testing for their germination since 2018. We planted these seeds in fertile topsoil stockpiles to test the seeds' ability to grow on the topsoil.

Since 2018, we have successfully implemented experimental research work to create a seed bank of local plants for use in the future rehabilitation of the mine. In 2022, we collected seeds of native plants. We took samples of 1,000 seedlings and analyzed their weight, purity, and germination capability to determine the effectiveness of use for the rehabilitation for the mine site in subsequent years.

Although we are not able to fully report on our climate performance within this first ESG report due to the ongoing process towards development of the Climate Action Strategy, we are fully committed to make all quantitative and qualitative data required by IFRS S1 and S2 available for the subsequent reporting and to have operationalized our Climate Action Plan.

ENVIRONMENTAL MANAGEMENT

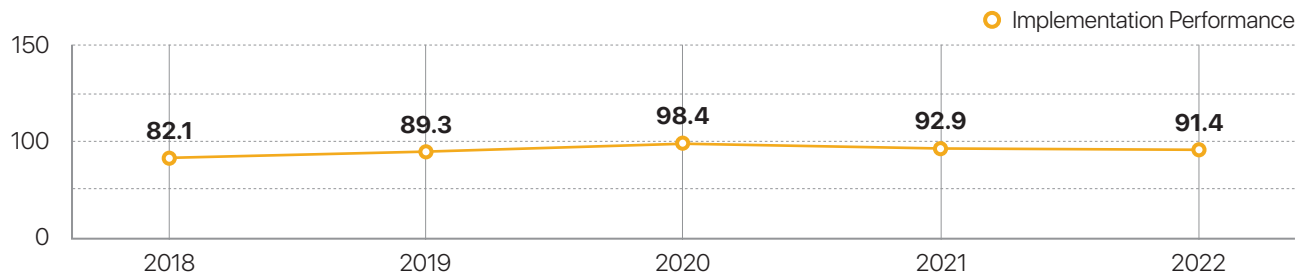
Steppe Gold recognizes the potential impacts of mining on water, land, and ecosystem and pays special attention to minimize such impacts. As an example, our environmental policy was approved by the President and Chief Executive Officer in 2018 to ensure effective and responsible environmental management and practices at all levels within the company. As the company believes that proactive environmental management helps us to maintain environmental compliance and prevent environmental incidents, we aim to implement an environmental management system that complies with ISO 14001:2015 Environmental Management standard. We have now commenced the preparatory works, and a gap analysis was conducted by a specialized environmental evaluation company in 2022.

“RESPONSIBLE ENVIRONMENTAL MANAGEMENT IS CORE TO OUR SUSTAINABILITY. WE SET A TARGET TO GET THE ENVIRONMENTAL MANAGEMENT SYSTEM CERTIFIED WITH ISO 14001 IN 2023.”

At the ATO project, we implement our Environmental Management Plan (EMP) on the mine site in line with regulatory requirements and it is evaluated by the regional environmental authority at the end of each year. Our EMP implementation performance has been rated above 80% for the first two years and above 90% for the last three years. In 2022, we implemented 168 activities as committed in the EMP on site. Due to our satisfactory implementation, approval for 2023 EMP with 160 activities has been obtained. The implementation of the commitments in the EMP is introduced to the local communities during the annual citizens' public meeting as required by the law on the Environmental Impact Assessment (2012).



EMP Implementation Performance

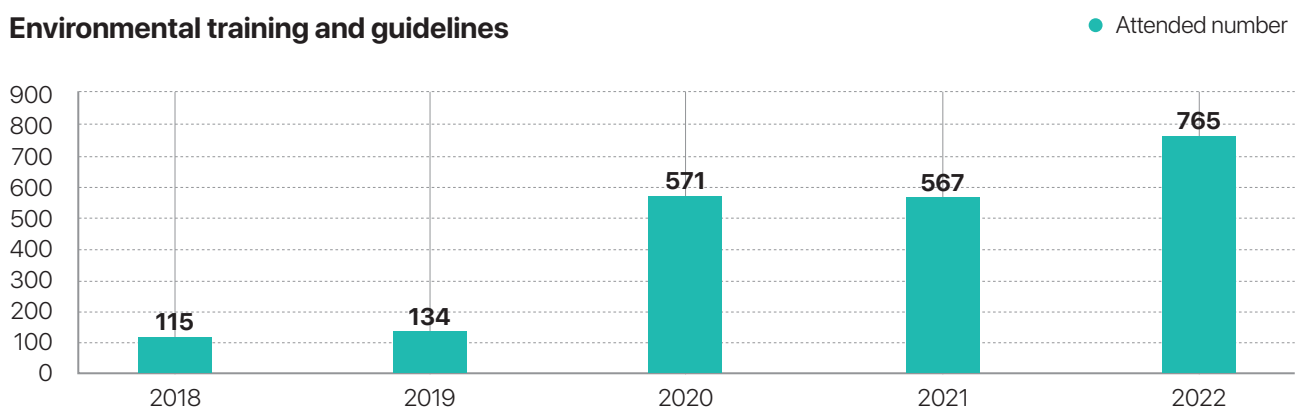


Since conducting our initial environmental monitoring in 2018, we have undertaken the following actions:

- ▶ We have conducted 782 measurements at 20 air monitoring points to detect dust, noise, and other environmental pollutants.
- ▶ 189 soil samples were taken at 24 monitoring points to determine physical and chemical characteristics of soil, bacteriology and heavy metals and were analyzed at an accredited laboratory.
- ▶ We have 45 monitoring points for underground and surface water, where we assess over 40 features, including the physical and chemical characteristics, as well as bacteriology. All water samples collected since 2018, totaling 827, were analyzed at an accredited laboratory.
- ▶ We conduct water monitoring for one drilled well every 30 minutes throughout the day, weekly monitoring for 25 wells, monthly assessment of 29 wells belonging to seven herders in Elst Buun Bagh, and comprehensive quarterly monitoring of all wells, including measurements of water level and quality, aligned with climate conditions and water use.
- ▶ An annual wild animal observation utilizing line transect techniques has been implemented in a 3000 square kilometers area surrounding the mine site.
- ▶ Vegetation observation is conducted at 19 monitoring points for key indicators of species coverage, height, composition of species and biomass in May to October each year.
- ▶ On a quarterly basis, we provide Environmental Monitoring Program reports to all stakeholders, incorporating results from accredited laboratories meeting required standards.

Training and workshops on environmental safeguards have been undertaken and over the past four years the number of participants has reached 2,152. In 2022, the Environmental Department provided environmental training and guidelines to 765 employees, contractors, and visitors.

Environmental training and guidelines



We cooperated with the Management Enhancing Resource through Institutional Transformation (MERIT) Project that aims to strengthen the management capacity of the public and private exploration sector of Mongolia to support sustainable economic growth. The project field workshop for practical mine site monitoring was conducted at the ATO site which piloted the implementation of the guidelines of Environmental Monitoring for mine sites prepared by MERIT. This monitoring practical workshop included 39 participants from the State Inspection Office, Ministry of Environment and Tourism, Environmental Department of Dornod province, and environmental specialists and environmental inspectors of Dornod province and its soums.

WATER MANAGEMENT

Steppe Gold recognizes water is a vital resource for our operation and the communities around us. We are committed to responsibly managing water in collaboration with local communities and local authorities to ensure an efficient use of this valuable resource.

Water Management							
Topic	SASB Code	Accounting metric	2019	2020	2021	2022	
Water Management		Total fresh water withdrawn in cubic meters	Camp well (groundwater)	6,472	6,539	7,013	7,020
			Production bore (groundwater)	7,400	21,935	26,542	29,135
	EM-MM-140a.1	Percentage of fresh water withdrawn in regions with High or Extremely High Baseline Water Stress	0	0	0	0	
		Percentage of fresh water consumed in regions with High or Extremely High Baseline Water Stress	0	0	0	0	
	EM-MM-140a.2	Number of incidents of non-compliance associated with water quality permits, standards, and regulations	Environmental audit report	1	0	1	0

The company uses water for several purposes including mining operations, processing, and spraying transportation areas to reduce dust, as well as for domestic purposes both in the field and operational offices. In 2022, the ATO project mining operations used 7,020 m³ for domestic use in the workers' camp, 29,135 m³ for production. A total of US\$ 30,000 was paid to the local government as a water use fee pursuant to the Law of Mongolia on Water.

Throughout the company, we aim for responsible water use. This is done through reduction of total consumption of fresh water which is enabled by reuse of the storm pond water to production and preventing the discharge of processed water to the natural environment. We have set a target to use pit dewatering as 20% of the total



amount of road dust mitigation and tree watering in 2023 which was 14,049 liters of water in 2022.

In 2022, we used 8,531 m³ freshwater for mineral processing. As the Phase 1 of the ATO project uses heap leaching technology this enables us to reuse up to 95% of the water input. We monitor the volume of water consumption by installing a measuring device at each location of water resource.

As part of our initiative for water conservation, we have installed an automatic water level measurement sensor in the borehole for the ground water monitoring located next to the leach facility. This was registered in the State underground water monitoring information database and the initiative was shared with the Administration Office of Kherlen river basin during their visit to the mine site in May 2022.

As water is precious for us and water monitoring is fundamental in our environmental safeguard, we monitor underground water levels routinely at site with daily recording for 1 water borehole every half an hour, weekly recording for 25 water boreholes, and monthly recording for 29 water boreholes and 7 wells of herders nearby. In addition, quarterly underground water level monitoring is conducted for over 60 drilled groundwater wells and herders' shallow wells that are located within a range of 25 km surrounding the mine site.

At the site and within the radius of 15 km, there are 26 points for environmental monitoring activities. In carrying out efficient water management, a total of 783 water samplings were taken at 45 water monitoring points and analyzed at the accredited laboratory to detect 40 key indicators including physical and chemical characteristics, heavy metal, and bacteriology.

WATER PROTECTION BEST PRACTICES

Stepp Gold encourages innovation in our actions for environmental protection and strives to introduce best practices. Upon protecting the sources of Erveehei, Guntsengeleg, Naran and Bider springs located in the territory of Tsagaan-Ovoo soum with a fence, we put our thoughts on the most environmentally friendly solution. Consequently, we developed a fencing structure that does not damage the soil at all and does not affect the source of the spring, which was a unique solution in the country. Building protective fences around these four spring sources enabled an increase in the water flow and reduction of the pollution derived from animals. With the protection of spring sources, we received appreciation from the local government and herders for our initiative. This innovative solution for fencing was presented to our peers in the industry and is being used for their environmental protection measures.



BIODIVERSITY

At Steppe Gold, we seek to limit our impact on the ecosystems surrounding our site and to create a net positive impact on biodiversity. We recognize that our activities have the potential to impact biodiversity and alter ecosystems in a significant way if they are not planned and executed with care and consideration. Our activities for protection of biodiversity, landscapes and ecosystem begin at the planning stage of our operations and continue through the mine closure stage.

Biodiversity Impacts						
Topic	SASB Code	Accounting metric	2019	2020	2021	2022
Biodiversity Impacts	EM-MM-160a.3	Percentage of proved reserves in or near sites with protected conservation status or endangered species habit	N/A	N/A	N/A	N/A
		Percentage of probable reserves in or near sites with protected conservation status or endangered species habit	N/A	N/A	N/A	N/A

The total licensed area of 5,492.63 hectares for the ATO project does not have any area under the protected conservation status nor serves as a home to endangered species habits. However, we take a contributive measure to protect rare animals found in the region of the ATO project. We found two species of mammals (wild ass and marmot) and three species of birds (saker falcon, great bustard, and white-naped crane) that are registered as rare animals in the International Union for Conservation of Nature of Mongolia. As a part of our approach to biodiversity, we conduct biodiversity monitoring regularly in the surrounding area of the mine site. This includes wild animal observation with distant sampling method for 3,000 km² area on an annual basis and tracking their number and density. Our monitoring in 2022, showed a total of 15,792 wild asses living in the surrounding area during the autumn. In addition to the monitoring, we have implemented biodiversity conservation measurements by installing three ultrasonic devices at the leaching tanks and concentrator plants to deter birds.



BIODIVERSITY OFFSET

During the ATO mine life, 97.5 hectares area out of total licensed area covering 5,492.63 hectares will be degraded. By 2022, a total of 407.5 hectares land has been disturbed and not rehabilitated due to the active operation of the Phase 1 at the ATO project site. Thus, a holistic Biodiversity Offset Management Plan was developed in accordance with applicable guidelines and methodologies from the Ministry of Environment and Tourism and The Nature Conservancy. To implement the plan successfully, the Environment Department closely cooperates with professional agencies with extensive experience in the field.

However, the company emphasizes concurrent reclamation to keep the overall footprint of our operation on soil and vegetation to a minimum level. To achieve this, vegetation observation is conducted at 19 monitoring points for key indicators of species coverage, height, composition of species and biomass from May to October each year. We work to restore and rehabilitate the project sites during our operations by recovering with topsoil as well as planting native and endemic vegetation. As topsoil is the most valuable resource to restore our environmental condition, it is required to ensure the soil stripping procedure and topsoil is stored in stockpiles for every new soil stripping at the mine site. During the all-new soil stripping, the Environmental Department provides observation for rare and endangered species and records them. In 2022, no rare or endangered species were recorded during the event of soil stripping.

Under our offset plan, we re-introduced 100 marmots in the Toson Khustai Nature Reserve area located 15 km from the ATO project in collaboration with a professional organization for animal protection. Additionally in 2022, we created 50 artificial nests in the Toson Khustai Nature Reserve to support the Steppe ecosystem. This work will be continued in the future with related studies. We carried out rehabilitation of 7.5 hectares degraded by illegal artisanal miners in Tsagaan Ovoo soum. We protected and replanted trees in a small forest on the border of Tsagaan Ovoo, Dornod province and Norvolin soum, Khentii province. Furthermore, research on biodiversity baseline and current situation was conducted to determine the effects of biodiversity offset results. Automatic camera research was used in the project site and surrounding area to continuously capture data throughout the day and night to detect biodiversity around the ATO project. A total of five "Cuddeback Long Range IR" modeled cameras have been installed around the mine site since March 2021. The automatic camera captured 11 species of mammals, 12 species of birds, domestic livestock and dogs.



WASTE AND HAZARDOUS MATERIALS

Responsible management of mining waste is another key consideration for our business, and it is one of the most significant ways the ATO project demonstrates its commitment to environmental protection. The ATO project generates different types of mineral waste during the mineral processing, primarily waste rock and topsoil overburden and non-mineral waste (hazardous and non-hazardous) which is managed through recycling or reuse, off site treatment or disposal to landfills.

We use 11 types of chemicals for the processing plant, of which 10 of them are stored in the 10 chemical storage containers in compliance with MNS 6458:2014 "General requirements for storage of toxic and hazardous chemicals and products" and obtained operation permit for hazardous chemicals from the Inspection Agency in 2019 as per the Mongolian Government Standard. Annually, 11 tons of chemicals package waste at the mine site is transported by the contracted hazardous waste management company for safe disposal. Moreover, under the agreement with the technical waste oil recycling company 20 tonnes of waste oil were transported for recycling by the waste oil recycling contractor in 2022.

Environmental incidents were registered as material spills such as diesel, waste oil, and sewage, we have been undertaking appropriate measures to mitigate the potential reoccurrence in the future. To ensure the safety of chemicals discharging, leakage prevention kits were installed at the Crusher generator, Processing plant generator, Solution Pond generator, Camp generator, Fuel station, Solution Pond facility, and Heap Leach facility; mobile leak prevention kits are also in operation.



Waste and Hazardous Waste Material Management

Topic	SASB Code	Accounting metric	2019	2020	2021	2022	
Waste and Hazardous Waste Material Management	EM-MM-150a.4	Total weight of non-mineral waste generated in metric tonnes	135.00	103.33	156.55	235.64	
		Total weight of waste rock generated in metric tonnes	0	637,183	829,396	419,620	
		Total weight of waste rock recycled in metric tonnes	0	0	0	0	
		Total weight of plastic waste recycled in metric tonnes	1.06	5.12	2.77	2.75	
	EM-MM-150a.9	Total weight of hazardous waste generated in metric tonnes	Medical	0	0.043	0.185	0.062
			Chemical	0	16.89	9.56	40.19*
			Waste oil	0	0	12.4	20
		Total weight of hazardous waste recycled in metric tonnes	Transferred waste oil to authorized recycling company	0	0	12.4	20
			Number of significant incidents associated with hazardous materials and waste management	Spill register	0	12	7

We aim to reduce non-hazardous waste and segregate it for recycling. Thus, we focus on maximizing recycling and reduction of waste throughout the mine life cycle, and design plans to minimize waste generation as part of our efforts to reduce our footprint and increase our commitment to operating in a responsible and sustainable manner. We plan to reduce our non-hazardous waste by taking environmentally friendly measures including use of e-signatures instead of printing papers, replace the single use plastic water bottles with reusable iron bottles for each employee at the camp, and reduce the food waste at the dining hall by conducting workshops and awareness activities for employees and contractors in 2023. Currently, we have been recycling 100% of our plastic waste and waste oil generated at the mine site with a total amount of 11.7 tonnes and 32.4 tonnes respectively since 2019. Our waste recycling contractor, which is a licensed company, transports plastic waste from the mine site for further processing at their recycling plant. Household waste is handled by a locally owned enterprise on a weekly basis. During 2021, we commenced a food waste composting initiative at the site in cooperation with Central Asian Association for Soil Studies. The composting site is prepared on the stored topsoil stockpile area, and it will be used as a fertilizer for tree planting at the site.



MINE CLOSURE AND RECLAMATION

Addressing our environmental and social impacts at the end of the mine's life is an essential component of our mine closure planning. Our aim is to have minimal environmental effects and to ensure land affected by our operations is returned to a state that can support beneficial future land uses for host communities.

As required by Mongolian law, in 2018 we developed a closure and rehabilitation plan prior to the commencement of the mine operation. The plan includes tools to facilitate the opportune and effective preparation of the closure as well as guidelines for compliance with regulatory requirements. The plan regularly gets updated as new information becomes available. We update our Asset Retirement Obligation /ARO/ Report on a quarterly basis and reflect it in the financial plan.

The mine site is planned to be returned into grassland once rehabilitated after mine closure and local perennial plant species will be planted in the area as part of mine restoration activities. From the beginning of the mine operation, we have prepared several different studies on rehabilitation activities to ensure the effective mine



closure. These activities include plant testing of mixed seeds of native plants and other perennial plants on the fertile topsoil stockpile. In parallel, studies on seed quality correlation for biological rehabilitation have been undertaken. Based on the results of studies, the detailed mine closure plan will be developed in cooperation with professionals in the sector.

Finally, we have our own Integrated Mine Closure Standard, which includes tools to facilitate the appropriate and effective preparation of the closure plan as well as guidelines for compliance with regulatory requirements. The Company makes a provision for environmental rehabilitation that consists of land rehabilitation, decommissioning of buildings and mine facilities, and related costs in its annual financial statements. Although the ultimate amount of the environment rehabilitation provision is uncertain, the Company uses an independent consultant to calculate the amount of the obligations based on information currently available, including closure plans and the Company's interpretation of current regulatory requirements. The provision for environmental rehabilitation has been estimated at US\$ 2,432,349 as of December 31, 2022.



APPENDIX



HKEX INDEX

A. Environmental

Disclosure	Code	Disclosure Description	Section Reference
A1: Emissions	(a)	the policies; and	Environment
	(b)	compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Environment
	KPI A1.1	The types of emissions and respective emissions data.	Environment > Climate Change
	KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Environment > Climate Change >
	KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Environment > Waste Management
	KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Environment > Waste Management
	KPI A1.5	Description of emission target(s) set and steps taken to achieve them.	Environment > Climate Change
	KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Environment > Waste Management
A2: Use of Resources		Policies on the efficient use of resources, including energy, water and other raw materials.	Environment
	KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Environment > Climate Change > Energy Management
	KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Environment > Water Management
	KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Environment > Climate Change
	KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Environment > Water Management
	KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Not applicable
A3: The Environment and Natural Resources		Policies on minimising the issuer's significant impacts on the environment and natural resources.	Environment > Environmental Management
	KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Environment > Environmental Management
A4: Climate Change		Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Environment > Climate Change
	KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Environment > Climate Change

B. Social

Employment and Labour Practices

Disclosure	Code	Disclosure Description	Section Reference
B1: Employment	(a)	the policies; and	Social > Human Capital
	(b)	compliance with relevant laws and regulations that have a significant impact on the issuer	
	relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.		
	KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Social > Human Capital
	KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Social > Human Capital > Employee Turnover
B2: Health and Safety	(a)	the policies; and	Social > Health and Safety
	(b)	compliance with relevant laws and regulations that have a significant impact on the issuer	
	relating to providing a safe working environment and protecting employees from occupational hazards.		
	KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Social > Health and Safety > Safety Performance
	KPI B2.2	Lost days due to work injury.	Social > Health and Safety > Safety Performance
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Social > Health and Safety > Safety Performance	
B3: Development and Training	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.		Social > Human Capital > Training and Development
	KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Social > Human Capital > Training and Development
	KPI B3.2	The average training hours completed per employee by gender and employee category.	Social > Human Capital > Training and Development
B4: Labour Standards	(a)	the policies; and	Governance > Compliance
	(b)	compliance with relevant laws and regulations that have a significant impact on the issuer	
	relating to preventing child and forced labour.		
	KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Governance > Compliance
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Governance > Compliance	

Operating Practices			
Disclosure	Code	Disclosure Description	Section Reference
B5: Supply Chain Management		Policies on managing environmental and social risks of the supply chain.	Governance > Supply Chain Management
	KPI B5.1	Number of suppliers by geographical region.	Governance > Supply Chain Management
	KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Governance > Supply Chain Management
	KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Governance > Supply Chain Management
	KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Governance > Supply Chain Management
B6: Product	(a)	the policies; and	Governance > Responsible Production
	(b)	compliance with relevant laws and regulations that have a significant impact on the issuer	
		relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	
	KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Governance > Responsible Production
	KPI B6.2	Number of products and service-related complaints received and how they are dealt with.	Governance > Responsible Production
	KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Not applicable
	KPI B6.4	Description of quality assurance process and recall procedures.	Governance > Responsible Production
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Governance > Responsible Production	
B7: Anti-corruption	(a)	the policies; and	Governance > Business Ethics and Transparency
	(b)	compliance with relevant laws and regulations that have a significant impact on the issuer	
		relating to bribery, extortion, fraud and money laundering.	
	KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Governance > Business Ethics and Transparency
	KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Governance > Business Ethics and Transparency
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Governance > Business Ethics and Transparency	
B8: Community Investment		Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Social > Human Capital > Training and Development
	KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Social > Community
	KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Governance > ESG Strategy and Principles

SASB INDEX

Disclosure	Code	Disclosure Description	Section Reference
Greenhouse Gas Emissions	EM-MM-110a.1	Gross global Scope 1 emissions, percentage covered under emissions-limiting regulations	Environment > Climate Change >
	EM-MM-110a.2	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	Environment > Climate Change >
Energy Management	EM-MM-130a.1	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	Environment > Climate Change >
Water Management	EM-MM-140a.1	1) Total fresh water withdrawn, (2) total fresh water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	Environment > Water Management
	EM-MM-140a.2	Number of incidents of non-compliance associated with water quality permits, standards, and regulations	Environment > Water Management
Waste and Hazardous Waste Material Management	EM-MM-150a.4	Total weight of non-mineral waste generated	Environment > Waste Management
	EM-MM-150a.5	Total weight of tailings produced	Not applicable
	EM-MM-150a.6	Total weight of waste rock generated	Environment > Waste Management
	EM-MM-150a.7	Total weight of hazardous waste generated	Environment > Waste Management
	EM-MM-150a.8	Total weight of hazardous waste recycled	Environment > Waste Management
	EM-MM-150a.9	Number of significant incidents associated with hazardous materials and waste management	Environment > Waste Management
	EM-MM-150a.10	Description of waste and hazardous materials management policies and procedures for active and inactive operations	Environment > Waste Management
Biodiversity Impacts	EM-MM-160a.1	Description of environmental management policies and practices for active stress	Environment > Biodiversity
	EM-MM-160a.2	Percentage of mine sites where acid rock drainage is: (1) predicted to occur, (2) actively mitigated, and (3) under treatment or remediation	Not applicable
	EM-MM-160a.3	Percentage of (1) proved and (2) probable reserves in or near sites with protected conservation status or endangered species habit	Environment > Biodiversity
Security, Human Rights & Rights of Indigenous Peoples	EM-MM-210a.1	Percentage of (1) proved and (2) probable reserves in or near areas of conflict	Not applicable
	EM-MM-210a.2	Percentage of (1) proved and (2) probable reserves in or near indigenous land	Not applicable
	EM-MM-210a.3	Discussion of engagement processes and due diligence practices with respect to human rights, indigenous rights, and operation in areas of conflict	Not applicable
Community Relations	EM-MM-210b.1	Discussion of process to manage risks and opportunities associated with community rights and interests	Social > Community
	EM-MM-210b.2	Number and duration of non-technical delays	Social > Community

Disclosure	Code	Disclosure Description	Section Reference
Labor Relations	EM-MM-310a.1	Percentage of active workforce covered under collective bargaining agreements, broken down by U.S. and foreign employees	Social > Human Capital > Community > Employees and Contractors
	EM-MM-310a.2	Number and duration of strikes and lockouts	Social > Human Capital > Community > Employees and Contractors
Workforce Health and Safety	EM-MM-320a.1	(1) MSHA all-incidence rate, (2) fatality rate, (3) near miss frequency rate (NMFR) and (4) average hours of health, safety, and emergency response training for (a) full-time employees and (b) contract employees	Social > Health and Safety > Safety Performance
Business ethics & Transparency	EM-MM-510a.1	Description of the management system for prevention of corruption and bribery throughout the value chain	Governance > Business Ethics and Transparency
	EM-MM-510a.2	Production in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index	Not applicable
Tailings Storage Facilities Management	EM-MM-540a.1	Tailings storage facility inventory table: (1) facility name, (2) location, (3) ownership status, (4) operational status, (5) construction method, (6) maximum permitted storage capacity, (7) current amount of tailings stored, (8) consequence classification, (9) date of most recent independent technical review, (10) material findings, (11) mitigation measures, (12) site-specific EPRP	Not applicable
	EM-MM-540a.2	Summary of tailings management systems and governance structure used to monitor and maintain the stability of tailings storage facilities	Not applicable
	EM-MM-540a.3	Approach to development of Emergency Preparedness and Response Plans (EPRPs) for tailings storage facilities	Not applicable
Activity metrics	EM-MM-000.A	Production of (1) metal ores (2) finished metal products	Introduction > About Steppe Gold
	EM-MM-000.B	Total number of employees, percentage contractors	Social > Human Capital > Community > Employees and Contractors

GRI INDEX

Disclosure	Code	Disclosure Description	Section Reference
General	GRI 102-50	Reporting period	Introduction > About this Report
	GRI 102-52	Reporting cycle	Introduction > About this Report
	GRI 102-53	Contact point for questions regarding the report	Contacts
	GRI 102-54	Claims of reporting in accordance with the GRI Standards	Introduction > About this Report
	GRI 102-55	GRI content index	Introduction > About this Report
Organizational profile	GRI 102-1	Name of the organization	Introduction > About Steppe Gold
	GRI 102-2	Activities, brands, products and services	Introduction > About Steppe Gold
	GRI 102-4	Location of operations	Introduction > About Steppe Gold
	GRI 102-5	Ownership and legal form	Introduction > About Steppe Gold
	GRI 102-7	Scale of the organization	Introduction > About Steppe Gold
Governance & Strategy	GRI 102-14	Statement from senior decision-maker	Introduction > Statement from Chairman and Chief Executive Officer
	GRI 102-18	Governance structure	Governance > Governance & Commitment to ESG
	GRI 102-20	Executive-level responsibility for economic, environmental, and social topics	Governance > Governance & Commitment to ESG
	GRI 102-21	Consulting stakeholders on economic, environmental, and social topics	Introduction > Materiality Approach of ESG priorities & Topics
	GRI 102-23	Chair of the highest governance body	Governance > Governance & Commitment to ESG
	GRI 102-26	Role of highest governance body in setting purpose, values and strategy	Governance > Governance & Commitment to ESG
	GRI 102-31	Review of economic, environmental and social topics	Introduction > Materiality Approach of ESG priorities & Topics
	GRI 102-32	Highest governance body's role in sustainability reporting	Governance > Governance & Commitment to ESG
	GRI 102-40	List of stakeholder groups	Introduction > Materiality Approach of ESG priorities & Topics
	GRI 102-43	Approach to stakeholder engagement	Introduction > Materiality Approach of ESG priorities & Topics
	GRI 102-44	Key topics and concerns raised	Introduction > Materiality Approach of ESG priorities & Topics
	GRI 102-46	Defining report content and topic Boundaries	Introduction > Materiality Approach of ESG priorities & Topics
	GRI 102-47	List of material topics	Introduction > Materiality Approach of ESG priorities & Topics
	GRI 103-1	Explanation of the material topic and its Boundary	Introduction > Materiality Approach of ESG priorities & Topics
	GRI 405-1	Diversity of governance bodies and employees	Governance > Governance & Commitment to ESG

Disclosure	Code	Disclosure Description	Section Reference
Health and Safety	GRI 403-2	Hazard identification, risk assessment, and incident investigation	Social > Health and Safety > Safety Performance
	GRI 403-5	Worker training on occupational health and safety	Social > Health and Safety > OHS Training and Workshops
	GRI 403-6	Promotion of worker health	Social > Health and Safety > Occupational health, safety, and well-being
	GRI 403-9	Work related injures	Social > Health and Safety > Safety Performance
Social	GRI 102-8	Information on employees and other workers	Social > Human Capital > Community > Employees and Contractors
	GRI 405-1	Diversity of governance bodies and employees	Social > Human Capital > Community > Employees and Contractors
	GRI 413-1	Operations with local community engagement, impact assessments, and development programs	Social > Community
Economic	GRI 201-1	Direct economic value generated and distributed	Introduction > About Steppe Gold
	GRI 203-1	Infrastructure investments and services provided	Governance > ESG Strategy & Principles
	GRI 203-2	Significant indirect economic impacts	Social > Community
	GRI 204-1	Proportion on spending on local suppliers	Governance > Supply Chain Management
Environmental	GRI 307-1	Non-compliance with environmental laws and regulations	Environment > Environmental Management
	GRI 303-1	Interactions with water as a shared resource	Environment > Water Management
	GRI 303-2	Management of water discharge related impacts	Environment > Water Management
	GRI 303-3	Water withdrawal	Environment > Water Management
	GRI 304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Environment > Biodiversity
	GRI 304-3	Habitats protected or restored	Environment > Biodiversity
	GRI 306-1	Waste generation and significant waste-related impacts	Environment > Waste Management
	GRI 306-2	Management of significant waste related impacts	Environment > Waste Management
	GRI 306-3	Waste generated	Environment > Waste Management
	GRI 306-4	Waste diverted from disposal	Environment > Waste Management
GRI 306-5	Waste directed to disposal	Environment > Waste Management	

ENVIRONMENTAL, SOCIAL, AND GOVERNANCE

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