

ENVIRONMENTAL, SOCIAL, GOVERNANCE OPERATION REPORT

Date of issue	2025.03.27
Name of issuer	Suu JSC
Sector/ Industry	Dairy product
Reporting boundary (Legal entities/ subsidiaries included in this report)	-
Reporting period	2024.01.01-2024.12.31
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Sign off by CEO or Chairman of the board	B.Gantulga, CEO

Area	Indicator	Description	Answer (Previous year)	Answer (Reporting year)	Unit of measure for target/ indicator	Notes	Explanation	References
Criteria related to sustainable development management systems								
MS1.1	Senior management commitment	Does your company have sustainability commitment statement in place?	No	No	-	SUU JSC supports sustainable development goals through its business activities, implementing social responsibility for supporting the environment, health, and herders, suppliers. Furthermore we are working to support herders and suppliers and promote the well-being of Mongolian population. In order to optimize these activities with sustainable development goals, and to assess and improve the status of meeting sustainable development goals, a Sustainable Development Policy Document was approved in accordance with Resolution No. 08 of the Board of Directors of Suu JSC dated March 29, 2023.		GRI 102
MS2.1	Sustainability policy and procedures	Does your company have a sustainability policy with targets	Yes	Yes	-			GRI 103, ISO 14001
MS2.2	Governance structure	Does your company have dedicated committees that are entirely/ partially responsible for sustainability	No	No	-			GRI 103, ISO 14001
MS3.1		Does your company have a dedicated ESG/ sustainability directors (full-time/ part-time at the board level)	Yes	Yes	-			GRI 102
MS3.2		Does your company have a dedicated ESG/ sustainability directors (full-time/ part-time at executive level)	Yes	Yes	-			GRI 102
MS3.3		Does your company have a dedicated ESG/sustainability officer (full-time/part-time) at the operational level?	Yes	Yes	-			GRI 102
MS3.4		Does your company cover sustainability issues in board meetings as part of the official agenda?	Yes	Yes	-			The sustainable development implementation report is presented openly at the board meeting every year.
MS3.5	Materiality assessment process	Does your company have materiality assessment and matrix, explaining how your company avoids, mitigates, or remediates negative impacts to the economy, environment, and society, and enhances positive ones?	Yes	Yes	-	A detailed environmental assessment is conducted within the scope of Suu JSC's operations, technology, equipment, and raw materials used in production activities within the timeframe specified by law, and is being conducted by "Green Nature Land" LLC in 2024.	SASB	
MS4.1	Organizational capacity	Annual average hours of sustainability training per employee (hr), by gender	600	764	Hours	Training provided to increase understanding and empowerment within the framework of social responsibility and sustainable development policies	GRI 102	
MS4.2	Monitoring	Is sustainability included the scope of the audit committee and internal control functions?	No	No	-		GRI 102, SDG 12	
MS4.3	Sustainability reporting	Does your company disclose a sustainability report (stand-alone/or integrated into annual report) annually?	Yes	Yes	-	We report to the Board of Directors once a year and internally.	GRI 102, SDG 12	
MS5.1		Does the company prepare a TCFD-aligned climate disclosure?	No	No	-	-	GRI 102, SDG 12	
MS5.2		Are the sustainability data assured by an independent third-party?	No	No	-	-	GRI 102, SDG 17	
MS5.3	Memberships, cooperation	Number of sustainability associations, networks, and national or international advocacy organizations in which the company participates with a significant role.	Yes	Yes	-	EBRD Advisory Services, Mongolian Women's Union, and Gender Committee	GRI 102, SDG 17	
Environmental indicators								
E1.1	Total energy consumption	Total direct energy consumption and cost spent	23,364.5	21,338.2	Mega Watts '000	21'338'220 kWh of energy consumed and saved 9% of energy, compared to the same period of last year. /Amount including heat and electricity/		GRI 302, SDG 12
E1.2	Electricity	Total electricity consumption, cost spent, and reduction (year-to-year)	saved 71,148 kWh and consumed 6,734,500 kWh.	saved 142,034 kWh and consumed 6,975,700 kWh.	Mega Watts '000	Replacing electric heaters with steam heaters, replacing high-power lights with low-power LED lights, and replacing old technology with new, energy-efficient advanced technologies.		GRI 302, SDG 12
Energy								

E1.3		Heat	Total heat consumption, cost spent, and reduction (year-to-year)	3176.5 Gcal	3313.5 Gcal	BTU & % Gcal		GRI 302, SDG 12
E1.4		Fuel	Total fuel consumption (coal, oil, gas etc.), cost spent, and reduction (year-to-year)	1.69 billion	2.6 billion	MNT	in 2024, we purchased 20 new vehicles. Another reason for the increased amount is cause of changes in fuel and gasoline prices.	GRI 302, SDG 12
E1.5		Non-Renewable energy	Share of non-renewable energy consumption	0	0	%	None	SFRD
E1.6		Renewable energy	Share of renewable energy consumption	0	0	%		GRI 302, SDG 7
E2.1	GHG emissions	Emissions	Total Scope 1 and 2 emissions	9543.5	1574.7	CO2/Ton	due to Increased collection of raw milk and distribution activities of products	GRI 305, SDG 13, WRI/WBCSD GHG protocol.
E2.2		Emissions reduction	Reduction of total Scope 1 + 2 GHG emissions (year-to-year)	14.7	236.2	CO2/Ton	For the 20 newly purchased vehicles, the cooling system is now charged at 380V, which has reduced gas emissions.	GRI 305, SDG 13, WRI/WBCSD GHG protocol.
E2.3		Carbon offsetting	Total carbon offset	14.7	236.2	CO2/Ton		GRI 305, SDG 13, WRI/WBCSD GHG protocol.
E3.1	Climate change	Climate policy	Does your company have a stand-alone/integrated climate change policy?	No	No		Starting from 2024, the Sustainable Development Policy Document has been implemented and possible tasks has been included in the work plan. A total of 249 square meters of green space has been created in the new office space. "My Mongolian Milk" milk and "Amtag yogurt" product's packaging is Pure pak technology. The cardboard used in this packaging is completely biodegradable and 100% recyclable.	GRI 201, TCFD, SDG 13
E3.2		Climate risk and opportunity assessment	Did your company conduct a climate risk and opportunity assessment (scenario analysis, stress test etc.)?	No	No			GRI 201, TCFD, SDG 13
E3.3		Economic loss	Total amount of economic loss faced due to climate related disasters and events	No	No	MNT		GRI 201, TCFD, SDG 13
E3.4		Climate investment	Total amount invested, annually, in climate-related infrastructure, resilience, and product development	No	No	MNT		GRI 201, TCFD, SDG 13
E3.5		Prevention/adaptation to climate change	Does your company have activities/steps to prevent and (if not preventable) adapt to the impact of climate change?	No	No	-		GRI, SASB, World Economic Forum
E4.1	Water	Water usage	Total amount of water withdrawn/used.	180,421 m3	230,856 m3	m3/Litr	according to the data, Consumption appears to be increasing, but consumption per unit of output is down by 1%.	GRI 303, SDG 6
E4.2		Water saved	Total amount of water saved due to conservation and efficiency improvements	3050m3	5580m3	m3/Litr	We are working to increase water efficiency per unit of product by increasing the number of products produced per hour and decreasing product variety.	GRI 303, SDG 6
E4.3		Water reuse	Percentage of water recycled and reused	0	0	%	Construction of a new water purification plant is underway starting in 2025, which will enable the recycling of gray water and the purifying of wastewater.	GRI 303, SDG 6
E4.4		Water discharged	Total water discharged	0	0	m3/Litr		GRI 303, SDG 6
E5.1	Waste (solid waste)	Waste discharged	Total amount of waste discharged	524	1530	ton	Cause of the increasing waste discharged is related to factory renovation work, new office and new kindergarten construction. 540 tons of waste was separated as construction waste and transported to contracted sites in accordance with the regulations.	GRI 306, SDG 12
E5.2		Waste recycled	Waste recycling percentage	10%	11%	%	Cardboard waste is delivered to Tumen shuvuut LLC, Eco pack LLC, plastic crates, pallets and plastic bags given to domestic workers upon request, and metal scrap to scrap metal collection points. A total of 61 tons of waste was delivered for recycling.	GRI 306, SDG 12
E5.3		Hazardous waste	Total amount of hazardous waste (including e-waste) discharged	110litr, 78.6 kg	110litr, 53.2 kg	ton	The company follows the regulations on the use, storage and disposal of chemicals No. MJSC-ORL-74-01. chemical waste is disposed by Tumen Egshig LLC, Hazardous waste is disposed by Element LLC according to the Cooperation agreement. In 2024 1.1 tons of used oil and grease were disposed of by Tumen Egshig LLC, and 53.2 kg of hazardous chemical waste was disposed of by Element LLC.	GRI 306, SDG 12
E6.1	Biodiversity	Landscape planning, design greenery	Share of sustainably managed public space, or green space created as of total area	6%	5%	%		GRI 304, SDG 15
E6.2		Wild plants and animals	Number of species conserved	No	No	Number of species	0	GRI 304, SDG 15
E6.3		Activities negatively affecting biodiversity-sensitivity	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity or cultural value	No	No	%	0	SFRD, IFC Performance Standard 6

S5.2	Community engagement & disclosure	Policy and process for social impact assessment and land acquisition	Does your company have a policy or process for social impact assessment and land acquisition?	No	No	-		IFC Performance Standards	
S5.3		Grievance policy	Does your company have a grievance policy/mechanism?	Yes	Yes	-	The company is implementing a "Complaint Management Procedure". This procedure aims to ensure that products that meet the needs of stakeholders are supplied to the market, resolve complaints related to stakeholders, and manage product return activities.	GRI 102, SDG 16	
S5.4		Disclosure to communities	Does your company have a mechanism and system to disclose relevant information to affected communities and stakeholders?	Yes	Yes	-	Complaints, feedback are received and resolved through the Call Center /77072222/ and the official Facebook page of Suu JSC.	IFC Performance Standards	
S5.5		Worker/community complaints	Percentage of community complaints i addressed and ii resolved	100%	100%	%		GRI 413, SDG 8	
S5.6		Community investment	Percentage of revenue invested in community programs and initiatives, by SDG breakdown	3%	2%	%	<p>1. As part of social responsibility, company built a "Dream" kindergarten for 100 children on an area of 700 sqm with own funds and started the operation on November 1, 2024.</p> <p>2. Organized "Amore" youth chess tournament.</p> <p>3. Sponsored the organization of the State Biology Olympiad.</p> <p>4. Implemented Share ownership program for each employee.</p> <p>5. Implemented the "Bairtai Suu"/Residential grant initiative/ program for customers</p> <p>6. Provided loans to herders.</p> <p>7. A student scholarship program was organized, and 8 out of 60 students were given 100% scholarships.</p> <p>8. Built new training room for herders in the new office</p> <p>9. Provided Housing support for employees</p> <p>10. Provided grants for people with disabilities.</p>	https://www.facebook.com/real/1084610626377956 https://www.facebook.com/sharesby150a8124ac/ https://www.facebook.com/sharesby150a8124ac/	GRI 413, SDG 8
S6.1	Supply chain management	Procurement policy	Does your company have a policy in place to related to local procurement and supply chain ESG risk and opportunity management?	Yes	Yes	-	In December 2023, the procurement regulations were revised and are being implemented.	GRI 204, SDG 8	
S6.2		Local procurement share	Percentage of purchased from domestic suppliers	45%	10%	%		GRI 204, SDG 8	
S6.3		Sustainable and green purchase	Percentage of suppliers selected by ESG/sustainability criteria	30%	30%	%	In 2024, a project was carried out to improve the refrigeration plant. The use of ammonia for cooling system, ensures that environment friendly and the cooling fans are operated using pressure, which saves energy. Also improved the yogurt processing system to use less energy. Sales vehicles cooling barn are using electronic equipment which is environment friendly.	GRI 204, SDG 8	
Governance indicators									
G1.1	Corruption and ethics	Anti-corruption policy	Does your company have an Anti-corruption policy and/or Code of Ethics?	Yes	Yes	-	Implemented a code of conduct for employee and directors and its available for everyone to read, posted it on Suu jsc website.	www.suu.mn/6apu-ht-6jwmt/	GRI 205, SDG 16
G2.1	Corporate governance	Board independence	Percentage of independent members of board	33%	33%	%	The Board members were appointed in accordance with Resolution No. 02 of the Annual General Meeting of Shareholders dated April 21, 2023 and posted on Suu jsc website	www.suu.mn/93-ht-6jwmt/	GRI 102, OECD Principles of Corporate Governance, SDG 16
G2.2		Rights of minority shareholders	Does your company have a policy to protect minority shareholders?	Yes	Yes	-	In accordance with Board of Directors Resolution No. 08 dated March 29, 2023, the stakeholder policy and investor relations program was approved and posted on Suu jsc website	www.suu.mn/6apu-ht-6jwmt/	GRI 102, OECD Principles of Corporate Governance, SDG 16
G2.3		Corporate governance policy	Does your company have a Corporate Governance policy/codes?	Yes	Yes	-	The relevant documents in accordance with the revised corporate governance code were approved by the Board of Directors in accordance with Resolution No. 14 dated November 14, 2023 and posted on Suu jsc website. As of December 31, 2024, the Financial Regulatory Commission assessed that the corporate governance code of Suu jsc, was 98.6%.	www.suu.mn/6apu-ht-6jwmt/	GRI 102, OECD Principles of Corporate Governance, SDG 16
G3.1	Compliance	Compliance policy	Does your company have a Compliance policy?	Yes	Yes	-	In accordance with the revised governance code, the relevant documents were approved by the Board of Directors in 2022 and 2023 and posted on Suu jsc website	www.suu.mn/6apu-ht-6jwmt/	GRI 102, OECD Principles of Corporate Governance, SDG 16
G3.2		Compliance program/procedures	Does your company have a compliance program including information on employee training, auditing, and monitoring systems, reporting violations, guidance for conflicts of interest, sanctions etc.?	Yes	Yes	-	Implemented code of conduct and conflicts of interest document, An audit policy document.	www.suu.mn/6apu-ht-6jwmt/	GRI 102, OECD Principles of Corporate Governance, SDG 16
Additional sector specific indicators (only fill out questions relevant to your company's operating industry/sector)									

FS1	Financial services	Finance accessibility	Annual number of participants in financial literacy and inclusion initiatives	202	210	People	We are constantly updating our ERP system, and are continuously implementing solutions to protect our financial customers. We are also continuously improving our milk preparation weighing software.		SDG 1
FS2		E&S risk management	Percentage of transactions assessed by ESG risk criteria and Exclusion lists	0	0	%	None		Mongolian Sustainable Finance Principles
FS3		Sustainable issuance	Share of green/sustainable loans in compliance with Mongolia green/SDG taxonomy as of total loan portfolio	0	0	%	Investment in the water purification plant, which was planned for 2024, has been postponed to 2025. Research work has been completed.	https://www.facebook.com/photo/?fbid=726724698086937&set=pa.451739516984025	SDG 13, Mongolia Green Taxonomy
A1	Agriculture & dairy Production	disinfectants	Is there a policy for the use of disinfectants?	Yes	Yes	-	Implemented disinfectants document MJC-OP-L-74-01. According to contract made with Tumen egshig LLC, disinfectants are disposed. hazardous waste is disposed of under a contract with "Element" LLC. /1100 kg of used oil and grease were disposed of by Tumen Egshig LLC, and 53.2 kg of hazardous chemical waste was disposed of by Element LLC./	Laboratory testing is planned to be reduced to reagent-based methods and gradually transitioned to methods.	GRI 403, SDG 12
A2		Stable land and pasture	MNS 6891:2020, Percentage of rangeland areas that have achieved the Responsible Nomad Standard or equivalent sustainable grazing standard	0	0	%	-	No	SDG 12
A3		Recalled products	Percentage of products returned or unsalable due to non-compliance with food quality and safety	2.10%	1.52%	%	Due to non-compliance with food quality and safety standards was 0%, meaning there were no recalls. 1.52% of total sales were returned due to expired products.		GRI 416, SDG 12