



GREENHOUSE GAS EMISSION REPORT **2024**

DISCLAIMER

In 2024, MIK Holding JSC and its subsidiaries approved the 'MIK Group Sustainable Development Policy' with the aim of actively addressing the pressing global issues of climate change, social inequality, and business ethics. This policy reflects the company's commitment to contributing to the achievement of the United Nations Sustainable Development Goals and responsibly implementing principles of environmental, social, and governance (ESG).

In 2023, guided by its corporate values, MIK Holding JSC joined the Partnership for Carbon Accounting Financials (PCAF)—a global initiative focused on measuring greenhouse gas emissions in the financial sector— and committed to measuring and transparently reporting its emissions in accordance with established standards. Through this initiative, the company aims to support the reduction of greenhouse gas emissions, contribute to improving air quality in Ulaanbaatar, and minimize its environmental impact.

As part of our commitment to the company's sustainable development goals and the reduction of environmental impact, MIK Holding JSC and its subsidiaries began to calculate greenhouse gas emissions not only from their direct operations but also from financed assets in 2024. In line with this initiative, the company has prepared its Greenhouse Gas Emissions Report 2024.

MIK HFC LLC calculated its greenhouse gas emissions in accordance with the "Corporate Accounting and Reporting Standard" of the Greenhouse Gas Protocol—an initiative jointly developed by the "World Resources Institute" and the "World Business Council for Sustainable Development"—and Part 1 of the ISO 14064-1:2018, titled "Specification with guidance at the organization level for quantification and reporting of greenhouse gas emissions and removals". Emissions were assessed across the three primary scopes: Scope 1, Scope 2, and Scope 3. The widely adopted 'emissions calculation' method was used, which involves multiplying activity data by corresponding emission factors. These emission factors were sourced from the publicly available Greenhouse Gas Protocol database, and the methodology was tailored accordingly.

In alignment with the Greenhouse Gas Protocol, MIK Holding JSC and its subsidiaries calculated indirect greenhouse gas emissions under Scope 3, focusing on emissions from financed investments and purchased mortgage loan portfolios related to their business activities. The calculation methodology was developed and implemented in accordance with "the Global GHG Accounting and Reporting Standard" for the Financial Industry, published by the Partnership for Carbon Accounting Financials (PCAF). This methodology includes a data quality assessment framework that rates the reliability of emissions data on a scale from 1 to 5, based on the source of the information. As of 2024, the counterparties financed through the company's business activities had not yet reported their greenhouse gas emissions. Additionally, Mongolia currently lacks comprehensive sector-specific emissions data and high-quality information. As a result, the emissions associated with the purchased mortgage loan portfolios and financed assets were estimated using a Data Quality Score of 5 (data quality unknown), drawing from publicly available international databases and select official national sources, where possible.

Currently, there is no officially approved applicable methodology in Mongolia, mandated by an authorized body, for the calculation and reporting of greenhouse gas emissions. As a result, this report has been prepared by the company using a methodology of its own choosing, based on internationally recognized standards and guidelines. The data and emission factors used in the calculations are derived, to the extent possible, from publicly available sources and official national information. In instances where data was limited or unclear, the methodology aligned with a Data Quality Score of 5 (indicating unknown data quality) was applied. The company disclaims any responsibility for potential consequences arising from the indicators presented in this report. The results are provided for informational purposes only.

Certain information included in this report has been prepared in accordance with the ISO 27001:2022 standard for Information Security Management Systems.

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SCOPE	SCOPE DEFINITION	EMISSION TYPE	EMISSIONS (tCO2e)
SCOPE 1	Greenhouse gas emissions directly resulting from the company's owned or controlled vehicles, air conditioning systems, and energy generators are included.	Stationary combustion	0.06
		Mobile combustion	19.88
SCOPE 2	Indirect energy-related emissions associated with the company's office operations include electricity consumption and the use of centralized heating.	Electricity	108.10
		Centralized heating	187.75
SCOPE 3	This includes all other indirect greenhouse gas emissions resulting from the company's daily operations and sources that it does not own or control. Examples include product use, business travel, transportation, distribution, and more. Additionally, greenhouse gas emissions related to the purchased loan portfolios and financed investment assets within the scope of MIK Group's business activities are also included.	Staff business travel	7.78
		Waste	5.70
		Water	0.14
		Financed emissions (Data quality 5)	1,835,350.22
Total GHG emission			1,835,679.63