Enterprise-wide Environmental Assessment Framework

Introduction

We at Gulf International Bank (GIB) agreed an ambitious sustainability vision to integrate sustainable finance across our business, providing a range of bespoke products and services. With this vision in mind, it is critical that we hold ourselves to high social and environmental standards, as we build competitive advantage as a leading sustainable finance provider.

To hold ourselves to high environmental standards, GIB committed to reduce its scope 1 and scope 2 greenhouse gasses (GHG) emissions in its Bahrain, Saudi Arabia and United Arab Emirates, Oman, United Kingdom and New York offices compared to the baseline year of 2020.

In addition to this, GIB is committed to gather data on other environmental indicators (such as water and waste). The purpose of this is to understand where GIB stands and to (if relevant and achievable) set reduction plans in the future.

This document outlines the following:

- Background
- Reporting principles
- Organisational boundaries
- Scope and operational boundaries
- Data preparation
- Emissions tracking and reduction
- Risk management process framework
- Reporting
- Verification

Background

This Environmental Assessment Framework outlines and supports the preparation and reporting of scopes 1, 2 & 3 carbon emission data, water data and waste data of Gulf International Bank (GIB). It is the responsibility of GIB's management, including the Chief Operating Officer and the Chief Sustainability Officer, to ensure that appropriate procedure and resources are in place to prepare carbon reporting in accordance with this document.

Reporting principles

The framework is prepared in accordance with the GHG accounting and reporting principles as set out in the Greenhouse Gas Protocol:

For water data, The framework is prepared in accordance with the Global Reporting Initiative standards (GRI 303: Water and Effluents 2018), CDP Water Security 2023 Reporting Guidelines and CDP Technical Note on Water Accounting. CDP suggests that the reporting principles outlined by the Greenhouse Gas Protocol be adopted for the purpose of water reporting.

For wastage data, the framework is prepared in accordance with the Global Reporting Initiative standard (GRI 306: Waste 2020).

GIB's Reporting Principles are:

- Relevance: ensure the GHG / water / waste inventory appropriately reflects the GHG emissions / water use / waste of the company and serves the decision-making needs of users – both internal and external to the company
- Completeness: account for and report on all GHG emission / water sources / waste and activities within the chosen inventory boundary. Disclose and justify any specific exclusions
- Consistency: use consistent methodologies to allow for meaningful comparisons of emissions, water use and waste over time. Transparently document any changes to the data, inventory, boundary, methods or any other relevant factors in the time series

- Transparency: address all relevant issues in a factual and coherent manner, based on a clear audit trail. Disclose any relevant assumptions and make appropriate references to the accounting and calculation methodologies and data sources used
- Accuracy: ensure that the quantification of GHG emissions / water / waste is systematically neither over nor under actual emissions, as far as can be judged, and that uncertainties are reduced as far as practicable. Achieve sufficient accuracy to enable users to make decisions with reasonable assurance as to the integrity of the reported information.

Organisational boundaries

As part of the Greenhouse Gas Protocol, two distinct approaches can be used to consolidate GHG emissions:

- Equity share approach: a company accounts for GHG emissions from operations in accordance to its share of equity in the operation. The equity share reflects economic interest (i.e. the extent of rights a company has to the risks and rewards flowing from an operation)
- Control approach: a company accounts for 100% of GHG emissions from operations over which it has control. It does not account for emissions from operations in which it owns an interest but does not have control
- Financial control: a company has financial control over the operation if the company has the ability to direct the financial and operating policies of the operation with a view to gaining economic benefits from its activities
- Operational control: a company has operational control over an operation if the company or one of its subsidiaries has the full authority to introduce and implement its operating policies at the operation

GIB uses the operational control approach as an organisational boundary. This boundary is applicable for both GIB's GHG emissions, water, and waste data.

Scope and operational boundaries

GHG emissions

GHG emission data comprise of carbon dioxide equivalent emissions arising from:

- Scope 1 emissions: defined as direct GHG emissions that occur from sources that are controlled by a company. According to the GHG protocol, the following activities are included as scope 1 emissions:
  - Generation of electricity, heat or steam that result from the combustion of fuels in stationary sources
  - Physical or chemical processes
  - Emissions resulting from the combustion of fuels from company owned or controlled mobile combustion units (e.g. cars) associated with the transportation of materials, products, waste and employees
  - Fugitive emissions
- Scope 2 emissions: defined as electricity indirect GHG emissions (i.e. emissions from the generation of purchased electricity that is consumed in its controlled equipment or operations)
- Scope 3 emissions: marked by the GHG protocol as optional, scope 3 includes other indirect GHG emissions including:
  - Transport-related activities (e.g. employees business travel and employees commuting to and from work)
  - Leased assets (including vehicles), franchises and outsources activities emissions
  - The use of sold products and services
  - Waste disposal

GIB defines the following as its operational boundary:

- **Scope 1 emissions:**
  - Emissions from company owned cars[1];
  - Emissions from leaked refrigerants by equipment controlled by GIB
  - Emissions from energy, heat or steam generation such as alternative energy sources (e.g. diesel) and gas boilers
- **Scope 2 emissions: emissions from electricity consumption**
- **Scope 3 emissions:**

[1] Emissions from rented cars are considered scope 3 emissions

- Emissions from water
- Emissions from waste

GHG emissions are captured for GIB offices in Saudi Arabia (Al Kifah building, the Operations Centre (also referred to as the KSA Head Office)), Riyadh office (also referred to as Gurnata building), Riyadh retail branch (also referred to as Al Murooj building), GIB Capital Office (also referred to as Al Malaz building), Jeddah office, Eastern Province Warehouse), Bahrain (Bahrain office and carpark), the United Arab Emirates (Abu Dhabi office, Dubai office), Oman (Oman office), the United Kingdom (London office) and the United States (New York office). Further, GHG emissions data is captured for meem (GIB's digital bank), which is incorporated within the GIB offices in Saudi Arabia and Bahrain.

GHG emissions from disaster recovery sites of GIB (which are located in Bahrain, Saudi Arabia and the UK) are also captured.

Data limitations have rendered capturing or estimating greenhouse gasses emissions from alternative energy of some of the GIB leased offices and refrigerant use from some disaster recovery sites difficult. As such, these have been excluded from our calculations. Looking forward, GIB will work with the different stakeholders to try to improve reporting.

Water use

Water use comprises:

- **Withdrawn water sources include:**
  - Fresh surface water, including rainwater, water from wetlands, rivers and lakes
  - Brackish surface water / seawater
  - Groundwater – renewable
  - Groundwater – non renewable
  - Third party sources
- **Water discharge sources include:**
  - Fresh surface water
  - Brackish surface water / seawater
  - Groundwater
  - Third party sources
- **Water consumption. CDP outlines that consumed water is water that:**
  - Has been incorporated into products, crops or waste
  - Has evaporated or transpired
  - Consumed by humans or livestock
  - Has been stored in a controlled manner due to it being polluted to a point where it has been rendered unusable by other users

GIB defines the following as within its boundary:

- Water withdrawn from third party sources (water pumping stations/trucks and water authority pipes/infrastructure)
- Consumed water (drinking water).

GIB does not directly withdraw or discharge water to water sources. All of GIB's water consumption and discharge is either provided and discharged from / to official government sources (e.g. watering pumping infrastructure / discharged sewage) or is classified as purchased drinking water. As such, this category is not deemed material by GIB and is therefore out of scope of our reporting boundary.

Water use data is captured for all GIB offices as specified for GHG emissions above.

Waste

Waste comprises:

- Quantity of inputs used to produce the organization's products or services, which will become waste after they are used for production.
- Quantity of waste outputs generated in the organization's own activities, or quantity of outputs it provides to entities downstream that will eventually become waste when they reach their end of life.
- Hazardous characteristics of inputs and outputs. Properties of input materials or design characteristics of outputs that limit or prevent their recovery or limit the length of their life.
- Known potential negative threats associated with specific materials when they are discarded. For example, the potential threat of marine pollution resulting from leakage of discarded plastic packaging into waterbodies.
- Types of activities that lead to significant quantities of waste generation or to generation of hazardous waste.

GIB defines the following as within its reporting boundary:

- Recyclable Waste, categorised as follows:
  - Paper
  - Metal
  - Plastics
- Non-recyclable Waste, categorised as follows:
  - Paper
  - Metal
  - Plastics
  - General Waste

Waste data is captured for GIB offices in the GCC.

Reporting periods

Tracking frequency

GIB's environmental data is prepared for the calendar year ending 31 December. The annual estimates are prepared within 6 weeks of the end of the calendar year ("the reporting period"). Data are therefore included if received prior to 12 February and estimates are used otherwise. The data used for calendar year estimates covers all the data available in the reporting period. The estimates for calendar year data are usually available around 12 weeks after year end.

Some data is collected on a quarterly basis. Data is included in the quarterly estimates if received within 4 weeks of the end of the calendar quarter.

The methodology is reviewed on an annual basis, taking place ahead of the production of the annual estimates.

Prior year adjustment

The measurement and reporting of environmental indicators involves a degree of estimation. Restatements of prior year reported emissions may be required. Restatements will be considered where there is a change required in excess of 5% of total data (this can be either a single factor and the combined effect of multiple changes). In the case of GHG emissions, restatements will not be made to reflect updated emissions factors – emissions factors are usually published at least a year in arrears (i.e. factors for the year 2021 are made available in 2022 and are used to estimate emissions in 2022). The decision to restate prior years will be taken on an annual basis, at the time of preparing the calendar year estimates.

Base year recalculation

Base year recalculation will be triggered in the case any of the below cases occur and where a significance threshold of 5% is reached:

- Structural changes that involves the transfer of ownership or control of relevant generating activities or operations
- Mergers, acquisitions or divestments
- Outsourcing or insourcing of relevant activities

- Changes in the calculation methodology
- Discovery of significant errors, or cumulative errors, that are collectively significant

Developments will be assessed on an annual basis to determine whether or not a base year recalculation is required.

Data preparation

Inventory, tools and data sources

GHG emissions

Inventory and tools
GIB keeps a Microsoft Office based inventory which is updated on a quarterly basis by the relevant facilities teams.

The purpose of the inventory is to ensure that:

- All in-scope buildings / offices / sites are captured;
- All relevant sources within the identified offices are captured;
- To assist in the estimation of the resultant data.

The inventory specifically includes the following information:

- GIB offices / buildings / sites
- Company owned cars: the make, the model, the engine size, and car registration
- Refrigerants (i.e. air conditioning units, water coolers, fridges): the make, type, age, purchase date, quantity, refrigerant type and capacity and estimated leak rate
- Air conditioning chillers (which includes both pulled and evaporated water)

To ensure the utmost reliability of our environmental data, GIB now employs the Greenly system for final calculations and storage. While preliminary data in initially captured using spreadsheets, all final figures are generated, validated, and stored within the Greenly platform.

Data sources and calculation methods

Company owned cars

Mileage from company owned cars is obtained from reading the car mileage meter where available. In the event where the mileage of a given year has proven to be difficult to obtain (i.e. due to records not being taken), the average mileage over the life of the specific car will be used as a proxy. This will be made clear in the calculations.

Where mileage is not available at all, mileage is obtained from converting billed petrol amounts (from petrol receipts for any given year) to car mileage (in kilometres) using the car's specified litre per 100 kilometre or miles per gallon (mpg). This is obtained from online sources.

Alternatively, where the company owned car is known to be assigned to a specific individual, mileage is estimated using the distance from the individual's residence to the office and the average working days per month. This is made clear in the calculations.

Leaked refrigerants

Fugitive emissions from refrigerators, air conditioners and water coolers are calculated based on the methodology provided by the GHG protocol from IPCC 6 Report. Under this methodology, emissions from refrigerators, air conditioners and water coolers are estimated through understanding emissions from installation, operations and disposal.

- Under this methodology, the following inputs are needed:
- The annual leak rate in percentage of capacity
- The total refrigerant capacity of the refrigerator / air conditioner
- The type of refrigerant used in the refrigerator / air conditioner
- The global warming potential of the refrigerant used
- Whether or not new refrigerators / air conditioners / water coolers were charged by the manufacturer or in the GIB site

[2]All GIB fridges (with the exception of one GIB UK fridge) were determined to be "domestic" refrigerators. treated as One UK fridge (Polar model) was determined to be" medium / large commercial" refrigerator. All water coolers were "domestic" refrigerators. For air conditioners, and to be prudent, all air conditioning units (except chillers) were assumed to be "medium" in size.

- Whether or not disposed of refrigerators / air conditioners / water coolers were disposed of by GIB or by a third party

The refrigerant charge data is estimated using the following approach:
BTU-based estimation: through cooling capacity (e.g., BTU/h), the refrigerant charge is estimated using industry averages. For example:

- 800g of refrigerant per 12,000 BTU/or 1 tone of cooling capacity is used as a standard approximation.

These estimates are applied conservatively and reviewed against comparable equipment across GIB premises to ensure consistency.

All assumptions are clearly flagged in the refrigerant inventory and audit trail, with sources referenced (manufacturer label, datasheet, or estimation rule used).

For offices where refrigerant equipment details are unavailable—such as leased buildings with centralised HVAC systems—an estimate of refrigerant emissions is made based on the leased floor area (sqm). In such cases, assumptions regarding refrigerant type and charge are based on similar systems used in comparable locations, and the assumptions are documented for transparency.

Energy generation

Diesel[3]

Some GIB offices use alternative energy generation fuels (in particular diesel) for energy and heat generation purposes. Total volume of diesel consumed over the year is provided through the diesel testing log. This is provided by the Facilities team.

Gas boilers

The GIB UK office uses gas boilers for heat generation purposes. Gas metre readings for the building of 1 Curzon Street (where the GIB UK offices are situated) are provided by the GIB UK landlord. Results are multiplied by 6.58% to reflect the space that GIB UK occupies in 1 Curzon Street. More detailed calculation steps can be found here.

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Steam

The GIB New York Office uses steam for heat generation purposes. GIB was not able to obtain steam data in a format that allows for emissions calculations. As such, due to data unavailability, steam data for the GIB New York Office is not included as part of GIB's emissions calculation.

Electricity consumption

Electricity consumption data is obtained from utility bills.
In the case where GIB is not issued with an electricity bill within the reporting period (i.e. in the case where the relevant authority is late in issuing the bill), GIB will either use consumption from a representative period as a proxy or will estimate the consumption in kwh based on overall cost per unit (this will be based on prior period cost per unit for the same location).

In the case where energy consumption is not obtained from utility bills (for example, if GIB receives utilities inclusive of rent or if the landlord is directly billed for energy consumption), GIB will use the area (in sqm) as a proxy to estimating energy consumption in each location. This is mainly be applicable for disaster recovery sites in Bahrain and Saudi Arabia.

In the case where incomplete annual data regarding electricity consumption is provided, GIB will use the available data to estimate the remaining missing data. This is mainly applicable for the disaster recovery site in the United Kingdom.

In the case where energy for disaster recovery sites is provided in kva, kva data is converted to kwh. The relevant electricity conversion factor is then used to estimate emissions.

Emission Conversion factors

GIB uses different data sources for emission conversion factors to tailor calculations to each client's specific case:
Fuel Emissions:

- For Natural Gas, GIB relies on Base Empreinte from the French Agency for Ecological Transition (ADEME)
- For Diesel, GIB relies on MITECO (Spain's Ministry for the Ecological Transition).

Refrigerants: Conversion factors are based on the IPCC Sixth Assessment Report (IPCC AR6).

Scope 2 (Electricity): The Greenly system automatically applies the latest available emission factors provided by the International Energy Agency (IEA).

The Greenly system automatically applies the latest available emissions factors. This ensures consistency, eliminates manual errors, and align GIB's reporting with international best practices.

Water

Water provided by the relevant country's water pumping stations

Water data (in m3) is obtained from utilities bills. Such bills cover water used within and outside the buildings (i.e. kitchen, toilets, garden). It also covers water used in air conditioning chillers and filtered water coolers (i.e. in the Abu Dhabi and London offices).

In the case where GIB is not issued with a bill during the reporting period (e.g. in the case where the relevant authority is late in issuing the bill), GIB will use consumption from a representative period as a proxy. In the case where water consumption is not obtained from utility bills (e.g. if water consumption is inclusive of rent or as part of the service charge), GIB will estimate water consumption based on a representative office scaled by the number of employees. This is mainly applicable for the Riyadh offices (Al Murooj and Gurnata), Jeddah office, the Abu Dhabi office and Oman office.

For the London office, where a direct utility bill is not available, water consumption is estimated based on the office's pro-rata share of the total building water usage, scaled by the floor area occupied by GIB within the building.

GIB does not measure the amount of discharged water that is recycled or reused due to lack of visibility (water is discharged to government owned water authority / utility provider). GIB would aim to request such information but acknowledges that this may not be available.

GIB aims to request information about the sources of water provided (including the amount by type) from the respective water authorities and utility providers. GIB acknowledges that such information may not always be possible to obtain.

Water provided by water tanks

Some of the GIB offices in Saudi Arabia receive water via water tanks. In such case, the water tank company provides GIB with the amount of water delivered to the GIB offices in the invoices.

Water consumed by humans (drinking water)

Water consumption data (with the exception of drinking water from filtered water coolers) is obtained from invoices issued by drinking water suppliers.

As described above, some of the drinking water data is captured under 'Water provided by the relevant country's water pumping stations'.

Evaporated or transpired water

Water evaporated from air conditioning chilling units is accounted for in the method described under 'Water provided by the relevant country's water pumping stations'.

All Water data shall be provided in meter cubed (m3) and shall be reconciled against utility bills and drinking water purchases/consumption on a monthly basis where available. GIB relies on Base Empreinte from the French Agency for

[3]For Diesel, the average biofuel blend conversion factor is used

Ecological Transition (ADEME)

Waste

Recyclable Waste (Paper, Metal, and Plastics)

Recycled Waste data is obtained from recycling companies contracted with GIB. The recycling company provides GIB with the weight of recycled waste in kilograms (kg3) monthly, split by Paper, Metal, and Plastics.

Non-recyclable Waste

Non-recyclable Waste data is obtained from the premises management team through weighbridge direct measurement. It is provided in Kilograms (kg3).

Hazardous waste

GIB does not produce any hazardous waste.

Total waste

GIB calculates emissions from waste generation based on two primary parameters:

- The type of waste (e.g. paper, plastic, general office waste)
- The waste treatment method (e.g. recycling, landfill, incineration)

For example, in the case of paper waste, separate emission factors are applied depending on the disposal pathway:

- A factor for paper that is recycled
- A factor for paper that is landfilled

GIB collects data on both the waste type and treatment method where available, ensuring a more representative calculation of waste-related emissions.

Emission factors for waste are sourced from the following authoritative databases:

- For all GIB locations (except the United States), factors are sourced from the UK Department for Environment, Food and Rural Affairs (DEFRA).
- For the United States office, country-specific emission factors from the U.S. Environmental Protection Agency (EPA) are used.

These sources are reviewed and updated annually to reflect the most recent and regionally appropriate data.

Data collection and aggregation

Environmental information (i.e. those related to company owned cars, leaked refrigerants, energy generation, energy consumption, water use) are collected by the relevant Facilities teams from the various geographies. Such data may be collected from GIB's inventory systems, appliance specification, utility bills or manual reading (e.g. car mileage).

The Group Sustainability Team aggregates the collected data centrally. The Group Sustainability Team also analyses the aggregated data for emissions.

Intensity ratios are calculated for overall emissions and overall water and how this has changed over time. The intensity ratio selected by GIB is emission and water per FTE. This reflects the critical role that the bank's staff play in generating economic value added.

Uncertainties

The purpose of uncertainty estimates is to:

[4]Source: Water Risk Atlas: Aqueduct Water Risk Atlas (wri.org)

- Help users understand the actual reliability of the data
- Help prioritise efforts to improve the accuracy of inventories in the future and guide decisions about methodological choice

It has not been possible to estimate uncertainties for GIB's environmental estimates using statistical methods. A simple qualitative assessment is therefore made.

The key areas considered when making a qualitative assessment include:

- Any available uncertainty estimates around published sources used in the calculations (e.g. emissions factors)
- The degree to which assumptions were made versus hard estimates were available
- The reliability of the Inventory
- The level of detail available, and hence the appropriateness of conversion factors used (e.g. vehicle fuel efficiency, refrigerant leakage rates based on model specifications)
- The degree to which expert judgement has been applied and possible biases in those judgements

Targets and reduction

Emissions

Target timeframe and base year selection

According to the Science Based Target for the Financial Sector, base and target years must cover a minimum of five years and a maximum of 15 years. For GIB, a five year target was set using 2020 as a base year and 2025 as a target year.

The reason for selecting 2020 as a base year is that GIB started collecting GHG emissions data in 2021. Further, even though 2020 is often considered an anomaly due to the COVID-19 pandemic and the associated reduction in GHG emissions (e.g. due to remote working), GIB decided to use 2020 as a baseline year as we want to reduce our emissions in a manner that would be deemed ambitious.

The reason for choosing a five year target is that GIB wanted to ensure that it focuses on making a difference in the short to medium term, consistent with the need to halve global emissions by 2030.

Emissions reduction method

GIB uses the Absolute Contraction approach to set scope 1 and 2 emissions reduction targets. According to the Science Based Target for the Financial Sector, this method is the most straight forward method to link the reduction targets to the 2 C pathway.

Under this method, a minimum of 2.5% annual absolute emissions linear reduction is required to be in line with the 2 C target. GIB committed to reduce its scope 1 and 2 emissions by 11.89% by 2025 to be in line with the 2 C target, which is equivalent to a 2.5% per year reduction.
The target boundary is as explained in this Framework – see section of Scope, Organisational and Operational boundary.
Carbon reduction initiatives:

GIB is considering a number of options to reduce its scope 1 & 2 emissions by 2.5% per year for five years. These include:

- Introducing or enhancing Building Management Systems in some of GIB's large offices
- Considering sustainability considerations (such as sustainability certification) for new offices
- Using renewable energy sources where available

Waste and water

GIB will measure its water consumption and waste generation in 2024 to establish its baseline. Reduction targets may be developed in 2025 / 2026, particularly for offices that operate in locations of water stress (i.e. Bahrain, Saudi Arabia, the United Arab Emirates, Oman and London)[4].

In the interim period, the GCC Facilities team have already started taking measures to reduce waste. Such measures include the reduction of the number of bins throughout the offices and the procurement of recycling services. The Facilities team reserve the right to implement such initiatives as they see fit.

Quality control and quality assurance

Quality control

The appropriateness of source categories and activity and emissions conversion factor data used is challenged internally within the Group Sustainability Team. The challenge process is informed by analysis of historical trends and market developments, for example the degree to which countries have built renewable electricity generation capacity. Alternative data sources are also considered, if available.

If required, data providers are contacted for an explanation for unusual or large changes. GIB aims to source all 3rd party data from reputable sources with their own strong quality assurance processes, although it does not conduct detailed due diligence on providers.

Where estimates and judgement have been used, these are challenged by a second member of the team.

The collected data is reviewed by Facilities Teams and signed off by the Facilities Manager prior to sending to the Group Sustainability Team.

Technical checks are conducted on the aggregate data (Tier 1 activities). This includes but is not limited to:

- Checks are conducted to ensure data points and their units are properly labelled and consistent throughout
- Checks that source references are correct and properly cited
- Data are reconciled between the Inventory and the aggregation spreadsheets to confirm correct transcribing.
- Confirm that data relationships are correctly represented
- Check that assumptions and expert judgements are recorded, and that the justification recorded is sufficient
- Checks that known data gaps that result in incomplete source category estimates are documented
- Checks are conducted for correct aggregation from lower to higher reporting levels
- Identify parameters that are common to multiple source categories and confirm there is consistency in the values used for these parameters in the emissions calculation
- Correlation analysis is used to assess whether there are divergences between electricity/water bills and electricity/water usage data
- Check for temporal consistency in time series estimates (e.g. for anomalies)
- Current estimates compared with past estimates, both in aggregate and across sources and geographies, re-checking estimates and explaining any differences

A Quality Control log is used for the annual calculation exercise.

GIB has not yet established a detailed Quality Control process on the underlying elements of the inventory as it is being compiled (i.e. make and age of fridges, type of cars). Pending this, the main procedures employed are:

- Sample checks that inventory items have been correctly recorded
- Sample checks against manufacturers manuals.

All the spreadsheets used in the calculation process are archived in GIB's electronic filing system, and storage is in line with the relevant data protection policy.

Review and approval

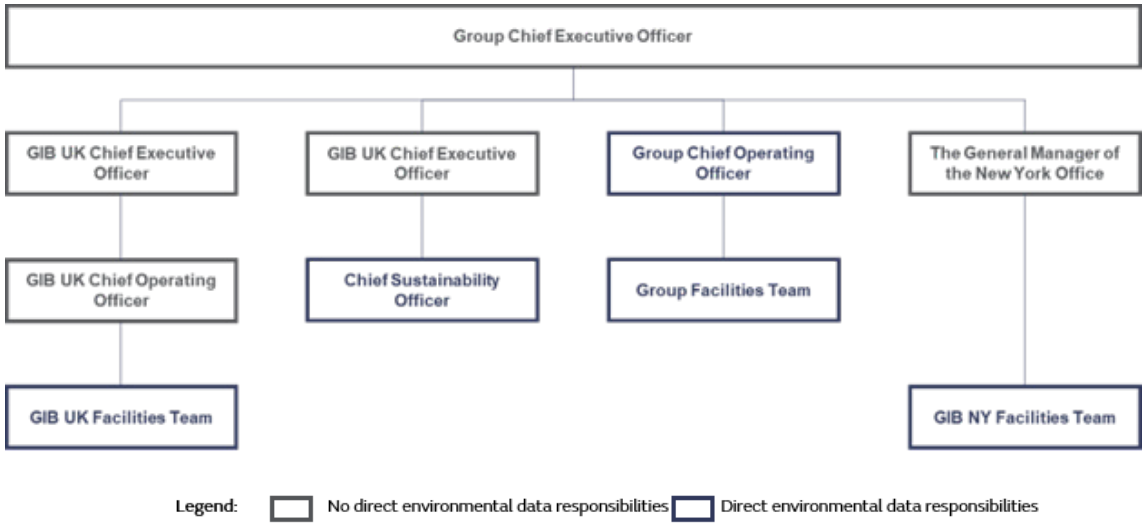
Approvals are collected by email and recorded centrally.

The Group Sustainability Team reviews the aggregated data. The Chief Sustainability Officer signs off the aggregate figure and split by data type, source and geography.

Quality assurance of data

Compliance monitoring is not currently undertaken against the Environmental framework, nor is it covered on the

current Internal Audit plan. In part, this reflects lack of the required internal expertise in the 2nd and 3rd line of defence. However, external verification is sought on an annual basis (see below).



Risk management

GIB identifies potential risks and associated controls as part of the Risk and Control Self-Assessment (RCSA) process. An RCSA is prepared by the Group Sustainability Team in general, that is reviewed every 24 months or earlier if required. The Chief Sustainability Officer signs off on this process.

Risk identification

The Group Sustainability Team identifies the risks associated with environmental data calculation and reduction and documents these in the RCSA. The identified risks include both risks associated with data collection and handling (e.g. lack of data), data estimation and bigger picture risks (e.g. risks associated with being accused of greenwashing).
Risk assessment

The identified risks are assessed to identified their inherent risk rating (i.e. almost certain, likely, possibly, unlikely), the financial impact (in dollar sum) and reputation impact (i.e. minor, moderate, major, severe). Such assessment facilitates the prioritisation of identified risks from a management and financial resources perspective.

Risk controls

We identify and devise controls associated with the identified risks as part of the RCSA. The devised controls take both preventive and detective forms. The design and operating effectiveness of the control is assessed.

Risk monitoring

We monitor for the identified risks on a bi-annual basis to detect any changes in GIB's exposure. Such monitoring is conducted when the environmental exercise is conducted. We also further monitor our exposure to risks in the RCSA review process that takes place every 24months.

Governance

GIB established a governance structure to ensure that roles and responsibilities are allocated across the relevant teams and that proper oversight is in place.

Chief Sustainability Officer:

- Oversees the wider environmental data gathering exercise and the GHG emissions reduction exercise including whether a proper framework is in place, whether the exercise is going as planned, whether the targets set (if any) are the right targets, whether the progress against achieving the targets is sufficient

Group Chief Operating Officer:

- Oversees the progress of the GIB Bahrain, GIB KSA and GIB UAE Facilities team when it comes to the provision of the right set of data for the environmental data gathering exercise including GHG emissions exercise
- Oversees the running of initiatives that aim to achieve the GHG emissions reduction targets

The Group Sustainability Team:

- Identifies the appropriate methodology for calculating environmental data (including carbon emissions, water use and waste generation) and calculates GIB's environmental indicators accordingly
- Tests the accuracy of the data provided by the Facilities team and GIB New York
- Analyses the data provided and the associate output
- Conducts the QR / QC process for the gathered data and data calculation
- Proposes carbon (and other environmental indicators if applicable) reduction targets
- Monitors trends in environmental indicators and how they are likely to evolve
- Utilises the Greenly platform for the final calculation, consolidation, and storage of GHG emissions data, ensuring

The Facilities Teams (Group, London and New York):

- Coordinates the collection of accurate raw data, as required for the calculation of all required environmental indicators for all offices
- Verifies the accuracy of the data collected and signs off on data accuracy
- Provides explanation for data anomalies, if applicable
- Identifies possible initiatives to reduce future carbon emissions and runs applicable initiatives

Accountability

Accountability and oversight is provided by the Group Sustainability Committee. The Group Sustainability Committee has the below roles and responsibilities:

- Approves carbon targets and other environmental targets if applicable
- Oversees the progress of achieving the environmental targets on a quarterly basis
- Requests remedial action in case the targets are not met to stay on track
- Accountability and oversight is also provided by the Board Sustainability and Climate Change Committee (BSCCC)

The BSCCC has the below roles and responsibilities:
- Monitors environmental indicators as published in external reporting

Reporting

The primary communication of GIB environmental data is through the GIB Sustainability Report.

GIB aims to report relevant information about its environmental indicators that is complete, consistent, accurate (unbiased and free from error) and verifiable. In its explanation of its environmental indicators including emissions, targets, and reduction activities, GIB aims to be transparent with its stakeholders and provide a true, fair and balanced assessment. It also aims to ensure its descriptions are understandable and that its disclosure are timely.

The below is included as part of the regular environmental reporting:
- Information required under the GHG Protocol / CDP. These include:
  - Description of GIB and the organisational and operational boundaries organisational boundaries
  - The reporting period covered
  - Scope 1 & scope 2 emissions data (both separately and as a total)
  - Scope 3 (Water and Waste data)
  - The chosen base year

  - The methodologies used to calculate or measure emissions / water / waste
  - Any specific exclusions of sources, facilities or operations
  - The intensity ratio of emissions / water and how it has changed
  - Reporting on multiple year data, if applicable, to allow for comparability
  - Communicating any discrepancies that have been identified in previous years
  - Explaining variances relative to previous years' outturns

- Information on offsets, if used

The drafting process is led by the Group Sustainability Team. The Chief Sustainability Officer signs off the final disclosures as well as other relevant parties.

Carbon emissions / water / waste data may additionally be published in other publications, as required. This may reflect local regulatory reporting, such as the UK Streamlined Energy and Carbon Reporting requirements.

Verification

GIB emissions will be verified at an annual basis by an external verification provider. The aim of the verification is to provide confidence that the reported information and associated statements represent a true and fair account of GIB's GHG emissions / water use.

Selecting an external verification provider

GIB will issue a Request for Proposal (RfP) detailing the need to verify its scope 1 and 2 emissions and scope 3 (water use and waste) across the Group. New RfPs will be sent to a range of verification providers. Once proposals are received, GIB will assess the proposals based on both the providers' technical expertise and the suggested cost of providing the verification service.

Preparation for external verification

As preparation for the verification process, GIB will prepare the following for the review of the selected verification provider:

Environmental Assessment Framework; which details:

- GIB's main activities and associated emissions / water use / waste (including procedures for identifying these)
- The organisational and operational boundaries as defined by the GHG Protocol / CDP
- Summary of assurance processes that the systems and data are subject to
- Data utilised for calculating GHG emissions / water use / waste
- Description of how emissions / water use / waste have been calculated
- Information on the data gathering process

- Any changes to the processes (e.g. boundaries and accounting methodologies) during the period. An explanation and justification for the impact of these changes on emissions will also be provided
- GIB's organisational structure. The structure will include the list of subsidiaries and their geographic location
- Access to the relevant personnel
- Information on uncertainties

Annex I:

Gulf International Bank background

Gulf International Bank (GIB) is a pan-GCC universal bank established in 1975 and regulated by the Central Bank of Bahrain. GIB provides diverse financial products, services and bespoke banking solutions to a wide client base in the GCC, Europe and North America. This includes corporate, institutional, global transaction and investment banking; treasury and asset management; and meem, the world's first fully-digital Shariah-compliant retail bank.

The Group is active across regional and international markets through its subsidiaries GIB Saudi Arabia and GIB (UK) Ltd and its branches in the UAE, Oman , and the USA.