



# SICO GHG Report

For the Fiscal Year 2022



# »»» TABLE OF CONTENTS

03

MESSAGE From the CEO

05

ABBREVIATIONS & ACRONYMS

05

KEY DEFINITIONS

06

EXECUTIVE SUMMARY

07

APPROACH & METHODOLOGY

- 07 Brief
- 08 Scope and Boundaries
- 08 Basis of calculations
- 08 Emission Factors
- 08 Reporting Period
- 08 Data Quality and Completeness

10

CALCULATIONS

12

KEY TAKEAWAYS

12

FORWARD LOOKING

## Message From the CEO



“  
SICO has successfully offset its 2021 carbon emissions, marking itself as ‘Carbon Neutral.’

Welcome to SICO's second annual GHG Report. I was extremely proud when we first began to report on our greenhouse gas (GHG) emissions in 2021 and I'm even more proud today that we have kept the momentum going and completed the second public disclosure of our carbon footprint. As the saying goes: "what gets measured, gets managed" and this is precisely why we decided to go through this process. SICO has successfully offset its 2021 carbon emissions, marking itself as 'Carbon Neutral'. Monitoring the numbers, good or bad, is the only way to remain accountable to ourselves, our community, and our country. The more aware we are of our impact on the environment the more conscious we will become of our actions and come to the realization that businesses—all businesses—not just manufacturing companies, create carbon emissions. We create emissions through our direct operations, through the purchasing of electricity and through our supply chains. Many companies have started to report on their carbon footprint as a direct response to pressure from investors, shareholders and the broader public particularly younger generations who feel big businesses should be held accountable. Last year, investors managing more than \$130 trillion in assets have requested more than 10,000 companies to disclose environmental performance to the CDP, a non-profit that runs a global disclosure system for investors and companies. The issue at hand, however, is not just about external pressure. In our region where public awareness and climate activism isn't as high and politicized as it is in the west, it's really about recognition of a problem that can no longer be ignored or avoided. The negative impacts of climate change are all around us and there isn't a country or a business in this world that isn't at risk from things like extreme weather patterns, rising sea levels, beach erosion, and resource scarcity. The

escalating urgency of the problem has prompted governments and regulators across the globe to issue new requirements and guidelines for ESG (environmental, social and governance) reporting in general and the reduction of carbon emissions in particular. In Bahrain, the government has committed to cutting emissions by 30% by 2035 and reaching net zero emissions by 2060 through new investments in renewable energy and the development of carbon capture utilization and storage (CCUS) solutions. In doing so, we became the third GCC country after the UAE and Saudi Arabia to officially announce a climate mitigation strategy that includes an ambitious plan for afforestation and the creation of large swathes of green areas through the planting of trees and the development of public parks and gardens throughout the Kingdom. SICO is a proud participant in the greening of Bahrain through the National Initiative for Agricultural Development (NIAD)'s 'Forever Green' campaign. We initiated the first tree planting campaign in 2019 and made our third contribution to the project in 2022 with the planting of 1,194 trees along Bahrain's 16th of December Avenue. More than a year ago, the Central Bank of Bahrain (CBB) unveiled a phased plan to address climate risk. The initial phase requires all entities licensed by the CBB to identify and raise awareness about climate change and specific climate-related risks within their organizations through training programs and other initiatives. While licensees are not yet required to issue reports to quantify their environmental impact, we decided to be more proactive by reporting on our carbon footprint before it became a regulatory requirement because we believe in transparency and in setting clear targets for everything that we want to achieve as a business. As you will see in the forthcoming pages of this

report, which covers the reporting period from January 1 to December 31, 2022, our total GHG emissions are 17% higher than the previous year. This is the case due to several important factors first and foremost being the inclusion of SICO Capital, our KSA subsidiary in our reporting for the first time. The increase can also be attributed to the easing of COVID restrictions which has meant that we are traveling more, commuting more, and spending more time in the office. During this reporting period we also relocated to new corporate headquarters at the Bahrain World Trade Center. While our new premises are more energy efficient and will help us to reduce our emissions going forward, the move itself contributed to a temporary spike in electricity consumption because we were forced to run lights and equipment in two different places simultaneously until the move was complete. When put into context, our numbers are encouraging. Our carbon emissions per employee are still well below a third of Bahrain's emissions per capita and below the average for the financial sector in the GCC. I'm proud of what we have achieved but this is just the beginning. To bring about real change we need to all work together as a bank, as a community and as a country. If we are to meet our targets and slowdown the pace of climate change, we need to be mindful of our actions and behaviors. At SICO we are committed to being a responsible and sustainable business. For external parties reading this report I sincerely hope that you will follow suit and start monitoring, goal setting and acting to ensure a more sustainable future for the coming generations.

**Najla Al Shirawi**  
Chief Executive Officer



At SICO we are committed to being a responsible and sustainable business.





## Abbreviations & Acronyms

CHW	Chilled Water
EPA	United States Environmental Protection Agency
ESG	Environmental, Social, Governance
FCU	Fluid Cooling Unit
FTEs	Full Time Employees
GHG	Greenhouse Gas Emission
GWP	Global Warming Potential
ICAO	International Civil Aviation Organization
IPCC	Intergovernmental Panel on Climate Change
kWh	Kilo Watt per Hour
Mt	Metric Ton
PICV	Pressure independent control valves

## Key Definitions

CO <sub>2</sub> e	Carbon dioxide equivalent or CO <sub>2</sub> e means the number of metric tons of CO <sub>2</sub> emissions with the same global warming potential as one metric ton of another greenhouse gas.
Direct Emissions	Direct GHG emissions are emissions from sources that are owned or controlled by the reporting entity.
Indirect Emissions	Indirect GHG emissions are emissions that are a consequence of the activities of the reporting entity but occur at sources owned or controlled by another entity.
Scope 1	Scope 1 emissions is equivalent of Direct Emissions and have the same definition.
Scope 2	Scope 2 emissions are indirect GHG emissions associated with the purchase of electricity, steam, heat, or cooling.
Scope 3	Scope 3 emissions are all indirect emissions (not included in scope 2) that occur in the value chain of the reporting company, including both upstream and downstream emissions.



**Total GHG Emissions**

**669.336** Mt CO2e



**Scope 1**

**210.796** Mt CO2e



**Scope 2**

**317.380** Mt CO2e



**Scope 3**

**141.160** Mt CO2e



**CO2e Emissions Per Employee \***

**7.44** Ton/employee

*\* Represents 62% of FTEs*

## Executive Summary

With climate change now in the forefront as the single biggest challenge of our lifetime, promoting environmental preservation and sustainable practices both internally and externally is a key priority for SICO. The bank is committed to doing its part to address global warming and help the Bahraini government to reach its goal of net zero carbon emissions by 2060. Work is ongoing to identify and implement new initiatives that will minimize SICO's carbon footprint and to integrate environmental awareness and sustainability into the fabric of the bank's operations in the coming years. In early 2022, SICO published its first GHG (Greenhouse Gas) Emissions Report, to establish a baseline to be used going forward to monitor and reduce GHG emissions. The reporting period that was covered in the inaugural report was from January 1st to December 31st 2021, and included direct emissions from controlled equipment and assets (scope 1), emissions from purchased electricity (scope 2), and selected categories that constitute indirect emissions that occur within the bank's value chain such as business travel, commuting, and the impact of staff working from home during the pandemic. In SICO's second GHG Report covering fiscal year 2022, we saw carbon emissions increase by 17% reaching 669.336 Mt CO2e vs. 571.962 Mt CO2e in the previous year. This is primarily because we have expanded the scope of our reporting universe this year to include our Saudi operations in addition to Bahrain and UAE. With the easing of in-office and travel restrictions post COVID, members of our staff have also been logging more hours of travel and commute time that has consequently had an impact on our results. In this year's report we also chose to go with an enhanced level of disclosure to encourage further accountability and transparency. This was not only reflected in our inclusion of the Saudi office, but also in our decision to include things such as district cooling value, paper consumption figures, and the partial release of purchased goods & services data. Our relocation to a new eco-friendly building was also taken into consideration when tallying the final figures. The new office's design incorporated various measures to enhance

occupant comfort and reduce environmental impact. Our new premises is located in The Bahrain World Trade Center which is known for its eco-friendly design and sustainable features. The building incorporates wind turbines between its two towers to harness wind energy and generate electricity, reducing its reliance on traditional sources of energy. Additionally, the building's architecture allows for natural ventilation and lighting, reducing the need for air conditioning and artificial lighting. The Bahrain World Trade Center has won numerous awards for its sustainability and green design.

The breakdown of total GHG emissions indicate that Scope 1 emissions, 210.796 Mt CO2e, remained relatively at par with the previous year. Scope 2 emissions however increased from 28% to 47% of total emissions at a value of 317.38 Mt CO2e, while scope 3 showed a modest 7% increase reaching 141.16 Mt CO2e. Emissions per employee\* stand at 7.44 tons, well below Bahrain's GHG intensity rate per capita. Scope 1&2 emissions came in at 3.62 Mt CO2e per employee, also below the GCC financial sector average. On the ensuing pages of this report, you will be able to see a detailed breakdown of SICO's GHG emissions within the reporting period from January 1 to December 31, 2022, including direct emissions from controlled equipment and assets, emissions from purchased electricity, and select categories from Scope 3 emissions. The study and estimates were based on the Greenhouse Gas Protocol, the Intergovernmental Panel on Climate Change (IPCC) Guidelines for Greenhouse Gas Inventories, the Environmental Protection Agency (EPA), and the International Civil Aviation Organization (ICAO). The total GHG emissions of our business as of 2022 were 669.336 Mt CO2e, including: Scope 1: 210.796 Mt CO2e, Scope 2: 317.380 Mt CO2e and Scope 3: 141.160 Mt CO2e.



## Approach & Methodology

### GHG Breakdown Emissions in Mt CO2e

#### Scope 1



Mobile Combustion  
9,046



Refrigerants  
201,750

#### Scope 2



Electricity Consumption  
231,716



District Cooling  
85,664

#### Scope 3



Business Travel  
32,370



Employee Commuting  
95,172



Waste disposal  
1,960



Home Office  
11,657

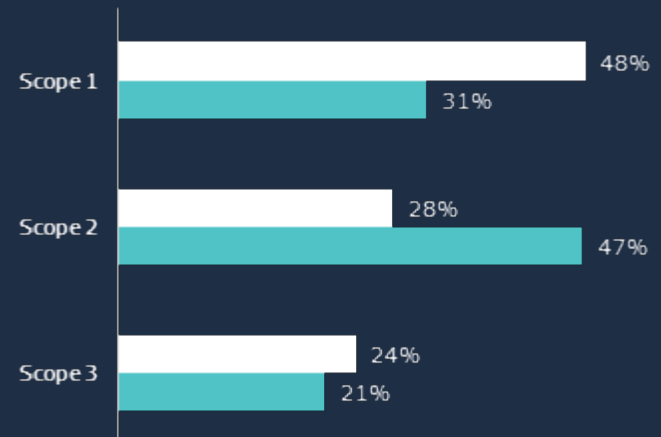


Purchased Goods & Services  
0.00000415

# 669.336







Mt CO2e

Total GHG Emissions



## Scope and Boundaries

The report covers SICO B.S.C. (c) and SICO Fund Services Company B.S.C. (SFS), both located in Bahrain (the Group's corporate headquarters), SICO Financial Brokerage L.L.C., in UAE, and SICO Capital in Saudi Arabia. The report follows the Operational Control Approach.

Scope 1	
 <p><b>Refrigerants</b></p> <p><b>Units</b> KG</p> <p><b>Breakdown</b> Gas leakage due to operation</p>	 <p><b>Mobile combustion</b></p> <p><b>Units</b> KM</p> <p><b>Breakdown</b> KM drove by bank owned cars</p>
Scope 2	
 <p><b>Purchased Electricity</b></p> <p><b>Units</b> KWH</p> <p><b>Breakdown</b> Consumption per month</p>	 <p><b>District Cooling</b></p> <p><b>Units</b> Mt</p> <p><b>Breakdown</b> Emitted gases from cooling process</p>
Scope 3	
 <p><b>Purchased Goods &amp; Services</b></p> <p><b>Units</b> Mt</p> <p><b>Breakdown</b> Supplier goods/services</p>	 <p><b>Waste Disposal (E-waste &amp; paper)</b></p> <p><b>Units</b> Mt</p> <p><b>Breakdown</b> E-waste disposed Consumption of paper</p>
 <p><b>Business travel</b></p> <p><b>Units</b> KM</p> <p><b>Breakdown</b> Trips on behalf of the bank</p>	 <p><b>Employee commuting</b></p> <p><b>Units</b> KM</p> <p><b>Breakdown</b> Total trips from and to the office</p>
 <p><b>Home office</b></p> <p><b>Units</b> Hours</p> <p><b>Breakdown</b> Hours spent WFH</p>	

## Basis of calculations

The calculations and analysis were based on various standards, protocols, and guidelines. Scope 1 emissions was based on EPA calculations methodology guidance and GHG protocol, while Scope 2, and Scope 3 were calculated using the UNFCC and ICAO calculations methodology guidance.

## Emission Factors

Emission factors convert activity data (e.g., amount of fuel used, kilometers driven, and kilowatt-hours of purchased electricity) into a value indicating carbon dioxide equivalent (CO<sub>2</sub>e) emissions generated by that activity. Emissions factors used were based on:

- Intergovernmental Panel on Climate Change (IPCC) default emission factors.
- Country-specific emission factors (when available).

Wherever possible, the emission factors indicate CO<sub>2</sub>e. Based on their Global Warming Potential, they transform the impact of each of the six GHGs included by the Kyoto Protocol into a common measure of ton of CO<sub>2</sub>e (GWP). Based on the IPCC 100-years GWP coefficients, the GWP is a measure of how much heat a respective gas retains in the atmosphere over a specific time horizon. Main formula: GHG Emissions = Activity \* Emission Factor

## Reporting Period

The reporting period covers from the 1st of January 2022 to the 31st of December 2022.

## Data Quality and Completeness

As per the GHG Protocol, Scope 1 breakdown includes: Stationary Combustion, Mobile Combustion and Fugitive Emissions. The former is considered irrelevant to SICO's business, as it covers combustion of fuel in owned or controlled stationary equipment such as boilers, furnaces, burners, turbines, heaters, and incinerators, and was accordingly disregarded in the calculations.

For fugitive emissions, which covers fire suppressors and air conditioning, values were estimated from last year's figures due to missing data. As reported last year, SICO owned 39

fire suppressors; 34 in B.S.C and SFS and 5 in SICO Financial Brokerage L.L.C. Given that they were not used during the reporting period, and therefore no pertinent leakages occurred, it was excluded from the calculations. For air conditioning, the leakage rate was not available. Accordingly, the average rate of IPCC default values under EPA's guidance was used.

Under Scope 2, electricity consumption of SICO B.S.C (c), SFS, SICO Financial Brokerage L.L.C., and SICO Capital were calculated using the monetary value reported in electricity bills in the respective offices.

Finally, Scope 3 entails 15 categories, as per the GHG protocol. Some of these categories were excluded due to irrelevance, such as upstream transportation and distribution, while others were excluded due to lack of data, such as Capital Goods.





Details of scopes with their underlying assumptions and exclusion reasons are mentioned below:

### Scope 1

● Stationary Combustion

**Reason of Exclusion**  
Irrelevant to the sector.

● Fugitive Combustion

**Reason of Exclusion**  
Fire suppressors were excluded as there were no leakages during the reporting year.

**Assumptions / Limitations**

-Estimated from last year's figures due to missing data.  
-Leakage rate was estimated as a simple average of IPCC values for annual leakage rates and the EPA guidance on the commercial buildings' estimated leakage rates; 8% for chillers and 1% for standalone refrigerants.

● Mobile Combustion

**Assumptions / Limitations**  
The price of Petrol used in Bahrain is 200 Fils/liter.

### Scope 2

● Electricity Consumption

**Assumptions / Limitations**  
-Second and third quarters witnessed an overlap between old and new premises.

● District Cooling

**Assumptions / Limitations**  
-Covering last quarter only due to relocation to new office premises.

### Scope 3

● Purchased Goods and Services

**Reason of Exclusion**  
Lack of Data from vendors.

**Assumptions / Limitations**

-Only 1 of the suppliers reported relevant figures that could be used in terms of calculations. This supplier represents around 4.5% of the total expenses of purchased goods & services during the reporting year.

● Capital Goods

**Reason of Exclusion**  
Lack of Data from vendors.

● Fuel and energy-related activities not included in Scope 1 & 2

**Reason of Exclusion**  
Lack of Data from vendors.

● Upstream transportation and distribution

**Reason of Exclusion**  
Irrelevant to sector.

● Waste Generated in Operations

**Reason of Exclusion**  
Lack of data.

**Assumptions / Limitations**

-Only paper and E-waste were included.

● Business Travel

● Employee Commuting

**Assumptions / Limitations**  
-Cars were assumed to be regular medium-sized.  
-Emission factor used is 0.18659 KG CO<sub>2</sub>e for each KM traveled by medium-sized car and 0.10312 KG CO<sub>2</sub>e for each KM traveled by average local bus.  
-Value represents 62% of full-time employees (FTEs).

● Upstream Leased Assets

**Reason of Exclusion**  
No leased assets by SICO.

● Downstream Transportation and Distribution

**Reason of Exclusion**  
Irrelevant to sector.

● Processing of Sold Products

**Reason of Exclusion**  
Irrelevant to sector.

● Use of Sold Products

**Reason of Exclusion**  
Irrelevant to sector.

● End-of-Life Treatment of Sold Products

**Reason of Exclusion**  
Irrelevant to sector.

● Downstream Leased Assets

**Reason of Exclusion**  
Irrelevant to sector.

● Franchises

**Reason of Exclusion**  
No franchises at SICO

● Investments

**Reason of Exclusion**  
SICO's decision to be excluded from the initial report.

● Included ● Excluded ● Partially included



We follow a “No Print, No Plastic” policy.

## Calculations

### Scope 1

Mobile Combustion



97%

Refrigerants Leakage




3%

#### Mobile Combustion

FY 2022 witnessed 2,203 liters increase in fuel consumption, compared to FY 2021 which translated into higher levels of carbon emissions this year; 9.045 Mt CO2e versus 3.841 last year. SICO B.S.C and SICO Capital own 1 car each that have consumed 550 and 3303 liters of petrol, respectively. A car owned by SICO Financial Brokerage was not used, and accordingly its figures were disregarded.

 1.291 Mt CO2e in Bahrain


 7.755 Mt CO2e in Saudi Arabia

**Total** 9.045 Mt CO2e Arabia

#### Refrigerants Leakage

The value of refrigerants leakage this year was proxied from last year's figures, due to non-availability of the relevant documentations. Given that SICO has fully relocated to a new office in the fourth quarter of the reporting period, only 75% of last year's figures were taken as the value for refrigerants leakage to be reported this year. This is reflected in 201.75 Mt CO2e, compared to 269 Mt CO2e last year.


It is worth noting that the previous year SICO reported having 3 chillers and 2 stand-alone commercial application which were charged with 652.5 KG of R-22 (HCFC-22) and 12.5 KG of R-410, respectively.

 201.75 Mt CO2e

### Scope 2

#### Electricity Consumption

In the last quarter of FY 2022, SICO's head office in Bahrain relocated to a new building that is classified as environmental-friendly. In the second and third quarters there was an overlap between the old and new offices, as equipment and assets were gradually being moved. While the move was taking place, electricity was being consumed at the two premises simultaneously resulting in total electricity consumption of 388,930.18 kWh in Bahrain, versus 303,237 kWh last year. The Saudi Arabia and UAE offices consumed 107,711.07 kWh and 47,927.00 kWh, respectively. In accordance with the IPCC emissions factor for each of these locations, the total carbon emissions resulting from the afore-mentioned electricity consumption was 231.716 Mt CO2e. This 45% increase in electricity consumption year on year is the result of new reporting from the Saudi office and the few months of overlap during the relocation to new offices in Bahrain. To ensure energy efficiency, frequent reminders are done to our employees about the importance of energy saving. We are also making sure that all our equipment is energy saving.

 176.574 Mt CO2e in Bahrain



40.284 Mt CO2e in Saudi Arabia



14.857 Mt CO2e in UAE

**Total** 231.716 Mt CO2e

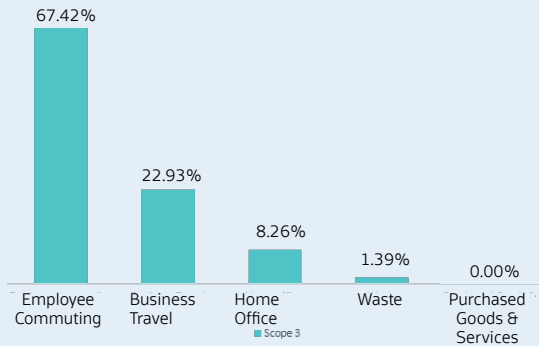
#### District Cooling

SICO's new premises at Bahrain's World Trade Center are more environmentally friendly. Instead of conventional air conditioning, the new office building relies on District Cooling which is, by definition, an environmentally friendly, energy saving and economical method of cooling large spaces. The system utilizes chilled water that is transferred to the building through underground pipes. Choosing the new office premises was based on ESG considerations. This included improved indoor air quality by providing fresh air, optimized the FCU filtration system, and increased ventilation rates. Energy efficiency was also prioritized with high-efficiency FCU motor and PICV control for CHW. According to figures reported by the building, SICO's offices consumed 306,643.26 tons low emitting refrigerants which resulted in 85.664 Mt CO2e of emissions.



85.664 Mt CO2e

### Scope 3



#### Business Travel

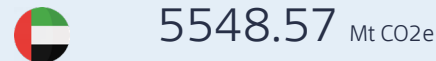
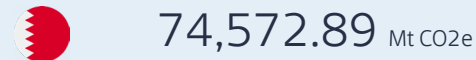
The current reporting period has witnessed a surge in business travel reaching almost 70 trips, versus only 6 trips reported last year when strict COVID-19 travel restrictions were still in place. Most of the business travel that took place was by plane except for 6 trips that were conducted by car, of which one of them was repeated. Consequently, carbon emissions went up to 14.703 Mt CO<sub>2</sub>e in FY 2022. Accommodation during business trips accounted for 17.667 Mt CO<sub>2</sub>e in emissions versus 5.00331 Mt CO<sub>2</sub>e last year. Employees spent a total of 228 nights in multiple countries; namely, 128 in Kuwait, 39 in Saudi Arabia, 33 in the United Kingdom, 18 in UAE, and 10 in India.



#### Employee Commuting

In 2022, employees drove a total of 459,070.80 km to and from the work using passenger cars that emitted 86,236.45 kg of CO<sub>2</sub>e while 87,370 km were driven by SUVs/vans/ bus that emitted 8,935.32 kg of CO<sub>2</sub>e. Bahrain employees constituted about three quarters of the commutes and the emissions respectively, followed by Saudi and Bahraini

personnel, respectively. This figure has shown more than 150% increase from last year, reaching a value of 95.172 Mt. SICO is highly encouraging its employees to adopt ridesharing means to mitigate its environmental impact in this aspect.



#### Purchased Goods and Services

We've managed to obtain data from 1 supplier that provides SICO with financial-related data. The supplier's figures have been assessed using its self-reported Scope 1 and Scope 2 emissions in line with its 4.5% monetary share in the total expenses of the purchased goods and services. Taking into consideration the supplier's revenue and the aforementioned data, this category's emissions was estimated to be 0.00000415 MtCO<sub>2</sub>e.



#### Waste Disposal

The calculation of waste involves tracking the breakdown of waste by type (e.g., plastic, glass, mixed, etc.) and assigning an emission factor based on how it was disposed of. SICO consumed paper and marketing materials of about 1.56 tons of paper which was sent to a landfill and 950 kg of E-waste that was destroyed. The former value was reflected in 1.960 Mt CO<sub>2</sub>e. Ink cartridge data was not reported unlike last year. To further embed sustainability within its

operations, SICO implemented a "No Plastic, No Printing" policy and initiated the digitization of business cards. SICO will no longer be using or supplying plastic bottles, cutlery, or cups anywhere on its premises and reusable bottles have been issued to all employees. SICO has also begun recycling paper, plastic bottles, and metal cans in its offices, in addition to working with a local supplier to recycle any electronic waste generated.



#### Home office

As COVID-19 restrictions faded away, less employees are following the hybrid work model which mostly included working from home. A total of 40 employees worked from home during the reporting period. Only 1 employee from the UAE office worked 3 months from home, on average 3 weeks each month, which resulted in 0.407 Mt CO<sub>2</sub>e. In Saudi Arabia 3 employees worked from home resulting in a total of 0.266 Mt CO<sub>2</sub>e. The remaining 36 employees in Bahrain offices worked from home intermittently throughout the year, which was reflected in a total of 10.983 Mt CO<sub>2</sub>e. The total figure showed a major decline recording 11.657 Mt CO<sub>2</sub>e versus 95.166 Mt CO<sub>2</sub>e last year. It's worth mentioning that last year nearly half of SICO's employees had to work from home from January till the first two weeks of September.



## Key Takeaways

SICO is proud to be one of the first financial institutions in Bahrain to publish a GHG report, and to have offset its emissions to become carbon neutral. Our environmental-related expenses have surpassed \$17,000 in 2021. This covers our aforementioned e-waste disposal methods, carbon offsetting, and our contribution in the 'Forever Green' campaign.

In mid-2022, SICO has proudly offset 100% of its 2021 total GHG emissions via engaging with Cool Effect, Inc. In one of its projects; The "Trash to Treasure". Through this project, Cool Effect is supplying Mauritius island with clean, renewable energy instead of shipping in dirty coal. This is done via capturing the methane being released from the landfill. This is interpreted into 572mt carbon offsets.

As part of an ongoing partnership with The National Initiative for Agricultural Development (NIAD)'s "Forever Green" campaign, held under the patronage of Her Royal Highness Princess Sabeeka bint Ibrahim Al Khalifa, SICO provided 1,194 trees to be planted along Bahrain's 16th of December Avenue. SICO initiated the first tree planting campaign in 2019 and made its third contribution to the project in 2022. Forever Green aims to preserve national resources, expand green spaces and reduce the Kingdom's carbon footprint in support of the national goal to reach net zero by 2060.

Thousands of species of marine animals are affected by waste that is dumped into the sea. SICO employees did their part to help preserve the marine ecosystem by participating in a beach clean-up event to mitigate the negative impact of waste and plastic pollution. As a means of raising environmental awareness within the organization, SICO conducted a session with Dr. Reem AlMealla, a highly distinguished marine ecologist who specializes in coral reef ecology, on Bahrain's biodiversity and environmental challenges.

The session shed light on the importance of biodiversity in the fight against climate change and the prevention of diseases. It also tackled waste management issues and the role we can each play as individuals in building a more sustainable future.

The previously mentioned initiatives were reflected in encouraging figures. Our CO2e emissions per employee in 2022 is estimated to be 7.44 Mt, which is still below a third of Bahrain's emissions per capita; 27 Mt<sup>1</sup>. SICO's scope 1&2 per employee, 3.6 ton/employee also came in below the average of the GCC's financial sector which stands at 4.9 ton/employee.<sup>2</sup>



SICO's CO2e Emissions Per Employee

7.44 Mt/employee



GCC Financial Sector Scope 1 & 2 Per Employee

4.9 Mt/employee



SICO's CO2e Emissions Per Employee

3.6 Mt/employee

## Forward Looking

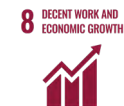
While climate change is accelerating, businesses are required to take urgent actions to adapt to its adverse impacts. With the launch of our second Carbon Footprint Assessment report, SICO is working on refining its business model to be more climate resilient.

Since we started our sustainability journey, operational efficiency has been on our radar. As set in our baseline report, our activities remain focused on 3 key areas: conserving, recycling, and offsetting. To continue our progress in addressing global warming and minimizing our negative impact on the environment, we have engaged in multiple pertinent initiatives. Bearing in mind multiple global best practices within the aspect of environmental sustainability, we are working closely with third party consultants to target an overall reduction from our operational emissions.

In line with our climate action plan and national carbon neutrality goals, SICO will be working on the following aspects:

1	2	3
Launching our ESG and responsible investment policy soon, which will be overlooked by an ESG board committee.	Creating a sustainability-investment policy to ensure relevant decisions while promoting long-term environmental and social impacts.	Setting ambitious emissions and energy targets in the coming years.

SICO is committed to sustainable development and has partnered with Cool Effect to offset its carbon emissions this year. The bank has selected the "For the Birds" project, which helps prevent the loss of nature and offers various benefits such as forest preservation, virgin forest habitat protection, watershed conservation, and educational opportunities for local communities and tourism. The project also contributes to several SDGs, including numbers 4, 8, 11, 13, 14, and 15.



1 As per the Global Carbon Atlas, supported by BNP Paribas Foundation

2 This calculation only includes self-reported figures, and it includes outliers.



## Disclaimer

SICO Carbon Footprint report includes non-financial figures that are subject to data limitations and uncertainties, due to the nature of the information provided and/or calculations methods. The report has been prepared by IdealRatings, Inc. The selection of measurement techniques can result in different findings. SICO reserves the right to update the measurement techniques and methodologies, if needed, in the future. SICO cannot be held accountable for external use of this report's content.

SICO Carbon Footprint report has been prepared by IdealRatings, Inc. for the reporting period 1st January 2022 to 31st of December 2022. It does not represent an independent third-party assurance of SICO's management approach to sustainability nor Carbon Footprint. IdealRatings has been commissioned by the SICO Group to calculate the carbon footprint of allocations for its 2021 Environmental Report. Through this engagement, data has been collected and calculated following the WRI GHG Protocol principles of relevance, completeness, consistency, transparency, and accuracy.

IdealRatings' work has included interviews with key SICO Group personnel, a review of internal and external documentation, and an interrogation of source data and data collection systems.

Ideal Ratings has concluded the points listed below:

### Relevance

We have ensured the GHG inventory appropriately reflects the GHG emissions of the company and serves the decision-making needs of users, both internal and external to the company.

### Completeness

The SICO Group continues to use the operational control approach to define its organizational boundary.

The SICO Group calculates total direct scope 1, 2 and major scope 3 emissions, including relevant upstream and downstream emissions for several scope 3 emissions sources. Reported environmental data covers most employees and key entities that meet the criteria of being subject to control or significant influence of the reporting organization.

### Consistency

To ensure comparability, IdealRatings has followed international used guidelines for the sake of future comparisons with the base year. Any future revisions or refinements to the methodology shall be clearly stated in the coming reports.

### Transparency

Where relevant, we have included appropriate references to the accounting and calculation methodologies, assumptions and re-calculations performed.

### Accuracy

To the best of our knowledge, all data presented within this report is considered accurate within the limits of the quality and completeness of the data provided by the SICO Group.

## About SICO

SICO is a leading regional asset manager, broker, market maker and investment bank, with USD 5 bn in assets under management (AUM). Today SICO operates under a wholesale banking licence from the Central Bank of Bahrain and oversees three wholly owned subsidiaries: an Abu Dhabi-based brokerage firm, SICO Financial Brokerage, a specialised regional custody house, SICO Fund Services Company (SFS). SICO also Saudi-based investment banking company, SICO Capital. Headquartered in the Kingdom of Bahrain with a growing regional and international presence, SICO has a well-established track record as a trusted regional bank offering a comprehensive suite of financial solutions, including asset management, financial solutions, including asset management, brokerage, investment banking, and market making, backed by a robust and experienced research team that provides regional insight and analysis of more than 90 percent of the region's major equities.

## About IdealRatings

IdealRatings is a leading financial data and technology provider that empowers global asset managers, asset services, financial institutions, and asset owners with an array of responsible investment solutions. IdealRatings provides its world class clients with innovative data services, analytical tools, and reports for a global universe of equities, fixed income, and REITs with a mission to enable responsible investments worldwide. IdealRatings' state of the art technology infrastructure offers over 10 million data points for diverse instruments backed by an experienced research team, proprietary methodology and robust guidelines customization engine. For more information visit [idealratings.com](https://www.idealratings.com).