



C.R. No. 1010355026
Riyadh, Saudi Arabia

Ref No. FNRCO – ESG - 122023



Carbon Footprint

Adherence to International
GHG Reporting Guidelines

This document is an integral part of the overall ESG Report of FNRCO



FNRCO's Carbon Emission Reduction Strategy

Introduction:

FNRCO is deeply committed to environmental stewardship and sustainability, acknowledging the critical importance of comprehensively managing our greenhouse gas (GHG) emissions. This includes direct and indirect emissions across our operations and the wider value chain. Our meticulous approach aligns with the highest global standards for GHG emissions tracking, ensuring accuracy, transparency, and accountability in our sustainability initiatives.

Adherence to International GHG Reporting Guidelines:

FNRCO's Framework Compliance:

Our GHG emissions tracking and reporting framework strictly follows the Greenhouse Gas Protocol (GHG Protocol), the premier international standard for GHG accounting and reporting. The GHG Protocol provides an exhaustive set of guidelines for calculating and reporting Scope 1, Scope 2, and Scope 3 emissions. This harmonization ensures our efforts are consistent, comparable, and aligned with global best practices, facilitating a comprehensive understanding and strategic management of our environmental impact.

Refer to the following page showing our commitment and adherence to International GHG Reporting Guidelines & Protocol

Scope 1, 2, and 3 Emissions Overview:

SCOPE 1

These are direct emissions from sources that FNRCO owns or controls, including fuel combustion in company vehicles and emissions from heating our facilities...

SCOPE 2

These emissions result from the generation of purchased electricity, heating, and cooling that FNRCO consumes. They represent the indirect GHG emissions linked to our energy use.

SCOPE 3

This category encompasses all other indirect emissions associated with FNRCO's activities, including emissions from business travel, employee commuting, waste disposal, and the lifecycle emissions of products and services we purchase.



February 20, 2023

FNRCO Commitment to International GHG Reporting Guidelines & Protocol

We, First National Human Resources Company (FNRCO), affirm our unwavering commitment to environmental stewardship and our adherence to the highest standards of greenhouse gas (GHG) emissions tracking and reporting. Our dedication to this cause is outlined through the following commitments:

- **Strict Adherence to the Greenhouse Gas Protocol:** FNRCO meticulously follows the GHG Protocol, the world's most widely used international standard for GHG accounting and reporting, ensuring that our emissions tracking and management are grounded in globally recognized best practices.
- **Comprehensive Scope Emissions Reporting:** We are committed to the exhaustive reporting of Scope 1 (direct emissions), Scope 2 (indirect emissions from purchased energy), and Scope 3 (all other indirect emissions in our value chain) as outlined by the GHG Protocol, offering a holistic view of our environmental impact.
- **Consistency and Comparability:** Our reporting framework is designed to maintain consistency with international standards, allowing for comparability across organizations and sectors. This enables FNRCO to measure our progress effectively against global benchmarks.
- **Alignment with Global Best Practices:** FNRCO's GHG emissions tracking and reporting are aligned with the exhaustive guidelines provided by the GHG Protocol. This alignment ensures that our efforts contribute to a comprehensive understanding and strategic management of environmental impacts, both within our operations and across our value chain.
- **Commitment to Transparency and Accountability:** We pledge to maintain transparency in our environmental reporting and to hold ourselves accountable for our GHG emissions. This commitment is central to our efforts to continuously improve our environmental performance and to reduce our carbon footprint.
- **Engagement in Continuous Improvement:** FNRCO is dedicated to the continuous monitoring, reporting, and verification of our GHG emissions. We are committed to adopting innovative practices and technologies that further our sustainability goals and reduce our impact on the planet.

Through these commitments, FNRCO aims not only to comply with international standards but also to lead by example in our industry. We are dedicated to playing an active role in the global effort to mitigate climate change and to fostering a sustainable future for all.

We remain,



Ali Jaber Al Mahan

Chairman

First National Human Resources Company (FNRCO)



FIRST NATIONAL COMPANY

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Calculating GHG Emissions

Our calculation for GHG emissions adheres to specific formulas for each emission scope, reflecting our commitment to precise and verifiable environmental reporting.

Emission Scope	Calculation Formula	Description
Scope 1	$\text{Total Emissions} = \sum (\text{Quantity of Fuel Used or Process} \times \text{Emission Factor per Gas Type})$ $\text{Total Emissions} = \sum (\text{Quantity of Fuel Used or Process} \times \text{Emission Factor per Gas Type})$	<p>This formula accounts for direct emissions from company-controlled sources, converting fuel consumption and process data into CO2 equivalent emissions.</p>
Scope 2	$\text{Total Emissions} = \text{Electricity Consumed (kWh)} \times \text{Emission Factor for Purchased Electricity}$ $\text{Total Emissions} = \text{Electricity Consumed (kWh)} \times \text{Emission Factor for Purchased Electricity}$	<p>Indirect emissions from purchased electricity are calculated by multiplying the total electricity consumption by a specific emission factor, representing the mix of energy sources in the regional grid.</p>
Scope 3	$\text{Total Emissions} = \sum (\text{Activity Data for Each Scope 3 Category} \times \text{Emission Factor})$ $\text{Total Emissions} = \sum (\text{Activity Data for Each Scope 3 Category} \times \text{Emission Factor})$	<p>Scope 3 calculations aggregate emissions across various categories within FNRCO's value chain, applying relevant emission factors to activity data such as miles traveled, or tons of waste disposed.</p>



Strategic Implications and Sustainability Efforts

The exhaustive analysis of our GHG emissions forms the cornerstone of FNRCO's commitment to reducing our environmental footprint. It highlights our proactive approach to identifying areas for significant emissions reduction, especially within Scope 3, which often represents the largest source of GHG emissions for companies.

By systematically measuring and managing our emissions, FNRCO can pinpoint critical areas for efficiency improvements, enabling targeted interventions to lower our carbon footprint. Our sustainability strategy is built on this robust analytical foundation, guiding us towards effective practices that contribute positively to environmental preservation and societal well-being.

Commitment to Continuous Improvement:

FNRCO's dedication to environmental excellence extends beyond compliance and into a deep-seated commitment to sustainability and innovation. Through ongoing monitoring, embracing new technologies, and fostering collaborative partnerships, we are steadfast in our journey towards sustainability, aspiring to lead by example in the HR industry and beyond. Our actions today are aimed at securing a healthier planet for future generations, demonstrating FNRCO's enduring commitment to making a meaningful difference in the world.