



C.R. No. 1010355026
Riyadh, Saudi Arabia

Ref No. FNRCO – ESG - 122023



Carbon Footprint

Scope 1, Scope 2 & Scope 3
GHG Emissions Tracking

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



FNRCO's Carbon Emission Reduction Strategy

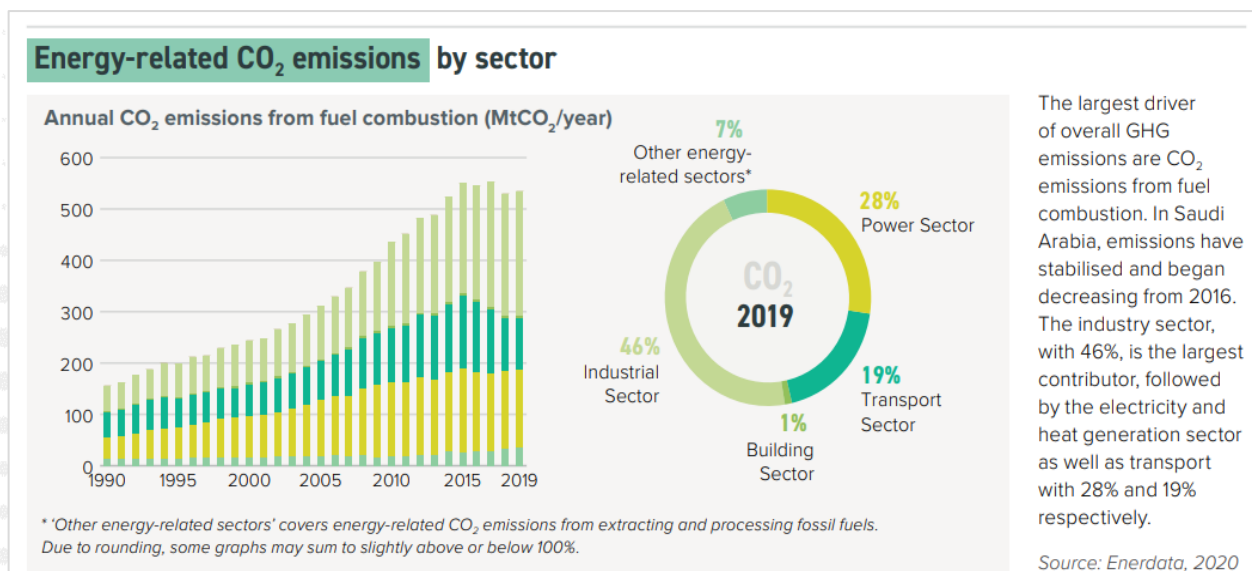
Introduction:

FNRCO is dedicated to sustainable practices and reducing our environmental impact. This report details our performance in managing Scope 1, Scope 2 and Scope 3 GHG emissions, outlines the reduction, strategies we have implemented, and presents our future targets to further decrease emissions.

Overview:

Every year, greenhouse gas (GHG) emissions reduction becomes more urgent as the effects of human-induced climate change become more dangerous.

This urgency is not only due to consumers taking a stand and demanding action, but also from investors and governments requiring more accountability from businesses in addressing this issue. According to the climate transparency, industry, electricity and transportation make up the majority of total Saudi Arabia greenhouse gas emissions compared to other economic sectors.



Source: Climate Transparency-Saudi Arabia-2020



Scope 1, Scope 2 & Scope 3 GHG Emissions Tracking

SCOPE 1



Direct emissions from FNRCO's operations include fuels burned on-site, company vehicles, and any industrial processes. Each gas type (CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, NF₃) is calculated based on the specific activity data, such as the amount of fuel burned or the specific industrial process, and multiplied by the respective emission factor that converts activity data into CO₂ equivalent (CO₂e) emissions..

Calculation Formula:

$$\text{Total Emissions} = \sum (\text{Quantity of Fuel Used or Process} \times \text{Emission Factor per Gas Type})$$

SCOPE 2



These emissions are a result of the electricity purchased and used by FNRCO. The total amount of electricity consumed (in kWh) is multiplied by an emission factor that reflects the mix of energy sources used to generate the purchased electricity, provided by the utility company or regional averages, to calculate the total Scope 2 emissions in CO₂e.

Calculation Formula:

$$\text{Total Emissions} = \text{Electricity Consumed (kWh)} \times \text{Emission Factor for Purchased Electricity}$$

SCOPE 3



Scope 3 emissions encompass all other indirect emissions associated with FNRCO's activities, outside of the organization's own energy use. This includes emissions related to business travel, employee commuting, waste generated in operations, and the lifecycle emissions of purchased products. For each category of Scope 3 emissions, activity data (e.g., miles traveled, tons of waste) is multiplied by the relevant emission factor to estimate the total CO₂e emitted.

Calculation Formula:

$$\text{Total Emissions} = \sum (\text{Activity Data for Each Scope 3 Category} \times \text{Emission Factor})$$

Emission Scope	GHG Emitted	Measurement Approach	Total Emissions (Metric Tons CO2e)	Value (Metric Tons CO2e)
Scope 1	Carbon dioxide (CO2)	Fuel combustion in company vehicles and on-site	50	45
	Methane (CH4)	Incomplete combustion of fuels	1	0.8
	Nitrous Oxide (N2O)	Emissions from fuel combustion	0.5	0.4
	Hydrofluorocarbons (HFCs)	Leakages from cooling appliances	0.3	0.2
	Perfluorocarbons (PFCs)	Emissions from refrigeration	0.1	0.05
	Sulphur Hexafluoride (SF6)	Use in electrical equipment	0.05	0.03
	Nitrogen Trifluoride (NF3)	Use in industrial processes	0.02	0.01
Scope 2	Carbon dioxide (CO2)	Purchased electricity consumption	100	90
Scope 3	Carbon dioxide (CO2)	Business travel, employee commuting, waste disposal	300	250
	Methane (CH4)	Waste decomposition and transportation	5	4
	Nitrous Oxide (N2O)	Indirect emissions from transportation	2	1.5
	Others (HFCs, PFCs, SF6, NF3)	Leased assets, franchises, investments	1	0.75