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# FNRCO Procedure for Yearly ESG and Carbon Footprint Reporting



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## Purpose

The purpose of this comprehensive procedure is to outline a systematic and structured approach for the annual reporting of FNRCO's Environmental, Social, and Governance (ESG) performance along with our Carbon Footprint. This is to affirm the organization's unwavering commitment to sustainability and responsible corporate behavior. The procedure aims to:

- **Ensure Compliance:** Align FNRCO's reporting with global ESG standards, such as the Global Reporting Initiative (GRI), the GHG Protocol, and other relevant frameworks that dictate the principles and metrics for reporting environmental impact, social responsibility, and corporate governance.
- **Foster Transparency:** Create a culture of openness by providing stakeholders with clear, accurate, and comprehensive information regarding FNRCO's ESG endeavors and its implications on ecological sustainability.
- **Facilitate Accountability:** Establish clear lines of responsibility within the organization to manage and report on ESG performance, ensuring that all employees understand their role in achieving ESG objectives.
- **Promote Stakeholder Engagement:** Enable meaningful communication with stakeholders by providing them with relevant data on the company's ESG initiatives and performance, thus fostering a collaborative environment where feedback is encouraged and valued.
- **Drive Continuous Improvement:** Utilize the reporting process as a tool for self-assessment and continuous enhancement of ESG practices, identifying areas of strength and those requiring further development or corrective action.
- **Integrate ESG into Corporate Strategy:** Ensure that the reporting process reflects how ESG factors are integrated into the corporate strategy, decision-making, and risk management processes at FNRCO.
- **Reflect Organizational Values:** Emphasize FNRCO's ethical standards and values through dedicated ESG reporting, underscoring the company's role in societal well-being and environmental conservation.
- **Demonstrate Leadership:** Position FNRCO as a leader in ESG performance within the industry, setting benchmarks and standards that exemplify our dedication to not just economic success, but also to the broader impacts of our business practices.
- **Support Decision-Making:** Provide management, investors, and other key stakeholders with pertinent information that can drive informed decision-making regarding ESG-related investments, operational changes, and strategic pivots.



## FNRCO Procedure for Yearly ESG and Carbon Footprint Reporting

### Scope:

This procedure applies to FNRCO's internal processes related to the collection, analysis, review, approval, and communication of ESG achievements and Carbon Footprint metrics.

### Responsibilities:

- **Board of Directors:** Provide governance and oversight, approve the final report, and ensure the report's release to stakeholders.
- **ESG Committee:** Oversee the report compilation process, manage internal review, and present the draft report to the Board.
- **Heads of Departments/Managers:** Collect and submit relevant ESG data, implement departmental ESG initiatives, and provide support for ESG strategy.
- **Employees:** Participate in ESG programs, adhere to data collection procedures, and engage in sustainable practices.
- **Stakeholders:** Review and provide feedback on the published report, supporting FNRCO's ESG strategy.

### Procedure Steps:

#### 1. Planning and Strategy Alignment

- At the start of each fiscal year, the ESG Committee outlines the key ESG areas for reporting, aligning them with the organization's strategic objectives.

#### 2. Data Collection and Monitoring

- Throughout the year, Heads of Departments and Managers are responsible for monitoring, recording, and collecting ESG data and information on their department's carbon emissions, social initiatives, and governance practices.
- Employees contribute to data accuracy and participate in ESG activities.

#### 3. Carbon Footprint Calculation

- Specialists within the ESG Committee calculate the organization's carbon footprint based on the collected data, following the GHG Protocol or equivalent standards.



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### 4. Compilation of Draft Report

- The ESG Committee compiles the collected information into a draft ESG and Carbon Footprint report.
- The draft includes an analysis of data, progress on ESG initiatives, and a detailed account of FNRCO's carbon footprint.

### 5. Internal Review

- The draft report undergoes an internal review by the ESG Committee for accuracy, completeness, and alignment with the reporting standards.
- The committee may engage external auditors or consultants for an independent review.

### 6. Presentation to the Board of Directors

- The ESG Committee presents the draft report and findings to the Board of Directors for strategic review and input.

### 7. Approval and Finalization

- The Board of Directors reviews, suggests any amendments, and approves the final report.
- The ESG Committee incorporates any revisions and finalizes the document.

### 8. Communication and Dissemination

- The approved report is published and disseminated to all stakeholders, including investors, regulatory bodies, employees, and the public.
- Summarized versions of the report might be disseminated internally for employee awareness and engagement.

### 9. Stakeholder Engagement and Feedback

- After publishing, FNRCO engages with stakeholders to discuss the report, gather feedback, and address any concerns.

### 10. Continuous Improvement

- The feedback received from stakeholders is used to inform and improve the next year's ESG goals, strategies, and reporting process.

### **Record Keeping and Documentation:**

All data and information used in the ESG and Carbon Footprint report must be documented and stored securely for verification and future reference.

Archive for the period of 3 years.



## FNRCO Procedure for Yearly ESG and Carbon Footprint Reporting

The Carbon Footprint is a vital component of FNRCO's overall ESG Annual Report, capturing the essence of the company's environmental impact. This detailed reporting process is designed to ensure that FNRCO maintains the highest standards of transparency and accountability in its sustainability reporting. Through this procedure, FNRCO reaffirms its dedication to corporate responsibility and its commitment to contributing positively to global sustainability efforts.