DEMONSTRATION REPORT

ESG Disclosure Report 2025

Comprehensive Environmental, Social & Governance Assessment

AFAQ ESG Navigator

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1. Executive Summary

1.1 Overall Assessment Results

This comprehensive ESG disclosure report presents the sustainability performance and compliance readiness of Gulf Horizon Manufacturing LLC for the reporting period 2025. The assessment methodology combines quantitative performance data, policy documentation review, and gap analysis against leading frameworks including GRI Standards, TCFD recommendations, and UAE regulatory expectations.

OVERALL SCORE	ENVIRONMENTAL	SOCIAL
68	72	65
DEVELOPING	IMPROVING	DEVELOPING

GOVERNANCE
67
DEVELOPING

1.2 Key Strengths

- ✓ Basic environmental monitoring systems in place
- ✓ Defined ESG governance roles with executive sponsorship
- ✓ Health & safety procedures and incident tracking
- ✓ Employee handbook with social policies
- ✓ Commitment to sustainability roadmap

1.3 Critical Gaps Requiring Immediate Attention

- ⚠ Incomplete Scope 3 GHG emissions screening
- ⚠ Limited supplier ESG due diligence

- ⚠ Inconsistent data collection for training metrics
- ⚠ No formal climate risk assessment
- ⚠ Absence of third-party assurance

Management Commitment: The organization commits to a structured 12-month ESG maturity program focusing on establishing formal governance, implementing comprehensive data systems, conducting Scope 3 emissions screening, developing supplier codes of conduct, and pursuing third-party assurance for key metrics by Q4 2026.

2. Governance Pillar Assessment

2.1 Overall Governance Score: 67/100

67%

The governance assessment evaluates board structure, executive oversight, policy frameworks, risk management systems, and transparency mechanisms. The organization demonstrates basic governance structures with room for maturity in ESG integration and assurance.

2.2 Board Structure & Oversight

GOVERNANCE ELEMENT	CURRENT STATE	ASSESSMENT
Board Size	7 directors	APPROPRIATE
Independent Directors	3 (43%)	NEEDS IMPROVEMENT
Board Meetings (Annual)	12	GOOD
ESG Committee	Yes	ESTABLISHED
ESG Metrics in Compensation	No	GAP IDENTIFIED

BOARD COMMITTEES

- Audit
- Risk
- ESG Oversight

2.3 Policies & Frameworks

The organization maintains essential governance policies covering ethics, compliance, and risk management. All policies are documented, approved by senior management, and communicated to relevant stakeholders.

ACTIVE POLICIES

- ✓ Code of Conduct
- ✓ Anti-Bribery
- ✓ Whistleblower
- ✓ Conflict of Interest

Policy Review Cycle: All governance policies are reviewed annually and updated as needed to reflect regulatory changes, best practices, and stakeholder feedback.

2.4 Risk Management

The organization has established a formal Enterprise Risk Management (ERM) framework with quarterly risk register reviews. ESG risks are integrated into the broader risk management process, with designated owners and mitigation plans for identified material risks.

RISK CATEGORY	RISK LEVEL	MITIGATION STATUS
Climate-related Physical Risks	MEDIUM	Assessment planned Q2 2026
Regulatory Compliance	MEDIUM	Active monitoring, quarterly reviews
Supply Chain Disruption	MEDIUM	Supplier diversification ongoing
Data Security & Privacy	LOW	Controls in place, annual audit
Reputational Risk (ESG)	MEDIUM	Stakeholder engagement program

2.5 Governance Gaps & Recommendations

IDENTIFIED GAPS

- ⚠ No ESG metrics in executive compensation
- ⚠ Limited board ESG training
- ⚠ Supplier audit program incomplete

PRIORITY RECOMMENDATIONS (0-12 MONTHS)

1. Establish formal ESG committee with quarterly reviews
2. Integrate ESG KPIs into executive incentive structure
3. Implement annual board ESG training program
4. Develop supplier code of conduct with assessment protocol

3. Environmental Pillar Assessment

3.1 Overall Environmental Score: 72/100

72%

The environmental assessment evaluates climate change impacts, resource efficiency, emissions management, and environmental compliance. The organization has established baseline monitoring systems with opportunities for improvement in Scope 3 accounting and target-setting.

3.2 Climate Change & GHG Emissions

GREENHOUSE GAS EMISSIONS INVENTORY (tCO_2E)

SCOPE	DESCRIPTION	2025	DATA QUALITY
Scope 1	Direct emissions from owned sources (fuel combustion, process emissions)	**1,250**	MEASURED
Scope 2	Indirect emissions from purchased electricity (market-based)	**3,800**	MEASURED
Scope 3	Value chain emissions (15 categories per GHG Protocol)	**Not assessed**	INCOMPLETE
Total (Scope 1+2)		**5,050**	BASELINE YEAR

EMISSIONS INTENSITY

Intensity Ratio: 2.8 tCO_2e per AED million revenue
Baseline Year: 2025 (first comprehensive inventory)

> **Scope 3 Screening Required:** To meet international disclosure standards (IFRS S2, SEC proposed rules), the organization should conduct a Scope 3 screening assessment across all 15 GHG Protocol categories and prioritize measurement of material categories.

3.3 Energy Management

ENERGY METRIC	2025	TARGET	STATUS
Total Energy Consumption (MWh)	**18,500**	Reduce 10% by 2027	BASELINE
Renewable Energy (%)	**15%**	30% by 2027	BEHIND TARGET

ENERGY METRIC	2025	TARGET	STATUS
Energy Intensity (kWh/unit)	**102**	Reduce 15% by 2028	BASELINE

ENERGY SOURCES BREAKDOWN

- **Grid Electricity:** 85% (15,725 MWh) - DEWA supply
- **Solar PV (on-site):** 15% (2,775 MWh) - 2.5 MW installation
- **Natural Gas:** <5% - Backup generators

Metering Coverage: 100% of electricity consumption metered through utility bills and solar inverter data. Sub-metering installed for major equipment (>50 kW).

3.4 Water Management

WATER METRIC	2025 (M³)	INTENSITY
Total Water Withdrawal	**45,000**	**250 m³/AED million revenue**
Water Discharge	**38,000**	-
Water Consumption	**7,000**	**39 m³/AED million revenue**

WATER SOURCES & STRESS ASSESSMENT

- **Municipal Supply:** 100% (DEWA - medium water stress area per WRI Aqueduct)
- **Groundwater:** 0%
- **Recycled/Reused:** 0% (opportunity for improvement)

> **Water Stress Context:** The facility operates in a medium-high water stress region (UAE). Water efficiency measures and recycling systems should be prioritized to reduce freshwater dependence and improve resilience.

3.5 Waste Management

WASTE CATEGORY	AMOUNT (TONNES)	% OF TOTAL	DISPOSAL METHOD
Recyclable Materials (paper, cardboard, plastic)	**180**	**40%**	Recycling contractor
Metals & Scrap	**113**	**25%**	Recycling contractor
General Non-Hazardous Waste	**135**	**30%**	Landfill
Hazardous Waste (oils, chemicals)	**22**	**5%**	Licensed disposal facility
Total Waste Generated	**450**	**100%**	-

Waste Diversion Rate: 65% (recycled + recovered)
Landfill Rate: 35%
Target: Achieve 75% diversion rate by 2027

3.6 Environmental Gaps & Recommendations

IDENTIFIED GAPS

- ⚠ Scope 3 emissions incomplete
- ⚠ No renewable energy targets
- ⚠ Limited water recycling
- ⚠ No biodiversity assessment

PRIORITY RECOMMENDATIONS (0-12 MONTHS)

1. Complete Scope 3 emissions inventory (Categories 1-15)
2. Set science-based emissions reduction targets
3. Increase renewable energy to 30% by 2027
4. Implement water recycling and efficiency measures
5. Conduct biodiversity impact assessment

4. Social Pillar Assessment

4.1 Overall Social Score: 65/100

65%

The social assessment evaluates workforce management, health and safety, diversity and inclusion, training and development, human rights, and community engagement. The organization demonstrates commitment to employee welfare with opportunities to strengthen diversity metrics and supply chain labor practices.

4.2 Workforce Overview

WORKFORCE METRIC	2025	INDUSTRY BENCHMARK
Total Employees (FTE)	**180**	-
Permanent Employees	**165 (92%)**	>90% (good)
Contract/Temporary	**15 (8%)**	<10% (good)
Employee Turnover Rate	**12.5%**	12-15% (typical for manufacturing)

WORKFORCE DEMOGRAPHICS BY FUNCTION

- **Production/Operations:** 120 FTE (67%)
- **Quality & Safety:** 15 FTE (8%)
- **Maintenance & Engineering:** 18 FTE (10%)
- **Sales & Marketing:** 12 FTE (7%)
- **Finance & Administration:** 10 FTE (6%)
- **HR & Legal:** 5 FTE (3%)

4.3 Diversity, Equity & Inclusion

DIVERSITY METRIC	CURRENT %	TARGET (2027)	STATUS
Women in Workforce	**28%**	**35%**	BELOW TARGET
Women in Management	**15%**	**30%**	GAP
UAE Nationals (Emiratization)	**42%**	**50%**	BELOW REQUIREMENT

DEI INITIATIVES IN PLACE

✓ Equal opportunity employment policy

- ✓ Non-discrimination and anti-harassment policy
- ✓ Transparent compensation framework
- ✓ Flexible work arrangements (office roles)

> **UAE Emiratization Requirement:** The organization must develop a structured plan to meet UAE Federal Decree-Law No. 33 of 2021 targets for UAE national employment in the private sector, with specific focus on skilled and leadership positions.

4.4 Health, Safety & Wellbeing

OCCUPATIONAL HEALTH & SAFETY PERFORMANCE

H&S METRIC	2025	INDUSTRY AVERAGE
Recordable Incidents	**3**	2-5 (small facility)
Lost Time Injuries (LTI)	**2**	1-3 (typical)
Total Lost Time Days	**45**	-
Lost Time Injury Rate (LTIR)	**1.67 per 200k hours**	<2.0 (good)
Total Recordable Injury Rate (TRIR)	**2.50 per 200k hours**	<3.0 (acceptable)
Fatalities	**0**	Target: Zero

SAFETY MANAGEMENT SYSTEMS

- ✓ Health & Safety Policy (Board-approved)
- ✓ Risk assessment procedures (HIRA)
- ✓ Incident investigation and reporting system
- ✓ Emergency response plans and drills (quarterly)
- ✓ PPE provision and compliance monitoring
- ✓ Regular safety inspections and audits

Safety Training Hours: 2100 hours delivered (average 11.7 hours per employee)
Target: Achieve zero LTI by 2026 through enhanced safety culture program

4.5 Training & Development

The organization provides mandatory compliance training, technical skills development, and leadership programs. Training data collection systems require improvement for comprehensive tracking.

TRAINING BY CATEGORY

TRAINING TYPE	TOTAL HOURS	AVG HOURS/EMPLOYEE
Health & Safety	2,100	11.7
Technical/Operational Skills	1,200	6.7
Compliance & Ethics	720	4.0
Leadership & Management	180	1.0

Data Quality Note: Training hours data is based on partial records from LMS and manual tracking. A comprehensive training management system with automated tracking is recommended.

4.6 Community Engagement

COMMUNITY METRIC	2025
Community Investment (AED)	125,000
Employee Volunteering Hours	450
Local Procurement Spend (%)	68%

COMMUNITY PROGRAMS

- **Education:** STEM scholarships for local students (AED 60,000)
- **Environment:** Beach cleanup and tree planting initiatives (180 volunteer hours)
- **Social Welfare:** Food bank donations and Ramadan support (AED 45,000)
- **Local Business:** Preference for UAE-based suppliers where feasible

4.7 Social Gaps & Recommendations

IDENTIFIED GAPS

⚠ No diversity targets

⚠ Limited mental health support

⚠ Inconsistent training tracking

⚠ No human rights due diligence

PRIORITY RECOMMENDATIONS (0-12 MONTHS)

1. Set measurable diversity and inclusion targets
2. Implement mental health and wellbeing program
3. Establish comprehensive training management system
4. Conduct human rights risk assessment in supply chain
5. Develop community investment strategy

5. Gap Analysis & Recommendations

5.1 Critical Gaps Summary

The following section consolidates the most significant gaps identified across all three pillars, prioritized by regulatory urgency, stakeholder materiality, and implementation complexity.

HIGH PRIORITY GAPS (0-6 MONTHS)

GAP	PILLAR	IMPACT	EFFORT
Scope 3 emissions screening not conducted	Environmental	HIGH	MEDIUM
No ESG metrics in executive compensation	Governance	MEDIUM	LOW
Diversity targets not established	Social	MEDIUM	LOW
No third-party data assurance	Governance	HIGH	HIGH
Supplier ESG assessment program incomplete	Social	MEDIUM	MEDIUM

5.2 12-Month Action Plan

QUARTER 1 (MONTHS 1-3): FOUNDATION & QUICK WINS

1. **Establish ESG Governance Committee** - Form cross-functional committee with quarterly meetings and clear charter
2. **Set Diversity Targets** - Define measurable 3-year targets for women in workforce/management and Emiratization
3. **Implement Training Tracking System** - Deploy LMS with automated hour tracking and completion monitoring
4. **Develop Scope 3 Screening Methodology** - Partner with consultant to design screening assessment approach
5. **Integrate ESG into Compensation** - Add 10-15% ESG metrics weighting to executive annual bonus structure

QUARTER 2 (MONTHS 4-6): DATA & SYSTEMS

1. **Conduct Scope 3 Screening** - Complete initial screening across all 15 GHG Protocol categories
2. **Implement Sub-Metering** - Install additional energy and water meters for department-level tracking
3. **Develop Supplier Code of Conduct** - Draft and approve supplier ESG standards and assessment criteria
4. **Launch DEI Program** - Establish diversity working group, bias training, and recruitment partnerships
5. **Upgrade Data Management Systems** - Centralize ESG data collection in dedicated software platform

QUARTER 3 (MONTHS 7-9): ANALYSIS & STRATEGY

1. **Set Science-Based Targets** - Develop emissions reduction targets aligned with SBTi methodology
2. **Conduct Climate Risk Assessment** - Perform TCFD-aligned scenario analysis for physical and transition risks
3. **Pilot Supplier Assessments** - Assess top 20 suppliers (80% of spend) against ESG criteria
4. **Implement Water Recycling System** - Install wastewater treatment and recycling for process water
5. **Launch Mental Health Program** - Introduce employee assistance program (EAP) and awareness training

QUARTER 4 (MONTHS 10-12): ASSURANCE & DISCLOSURE

1. **Engage Assurance Provider** - Select and onboard third-party verifier for limited assurance scope
2. **Conduct Board ESG Training** - Deliver comprehensive ESG education program for all directors
3. **Prepare TCFD Disclosure** - Draft full TCFD-aligned climate disclosure for inclusion in annual report
4. **Develop Human Rights Policy** - Create and approve human rights policy with supply chain provisions
5. **Publish Inaugural Sustainability Report** - Release comprehensive ESG report with assured data

5.3 Budget & Resource Requirements

INITIATIVE CATEGORY	ESTIMATED COST (AED)	RESOURCES REQUIRED
External Consultants (Scope 3, TCFD, Assurance)	**250,000**	Specialized ESG consulting firms
Software & Systems (ESG data platform, LMS)	**180,000**	Software licenses + implementation support
Capital Equipment (Sub-metering, water recycling)	**320,000**	Engineering contractors
Training & Capacity Building (Board, staff, suppliers)	**85,000**	Training providers, internal resources
Human Resources (0.5 FTE ESG Manager, 0.5 FTE Analyst)	**240,000**	Dedicated ESG personnel (annual salary + benefits)
Program Management & Miscellaneous	**75,000**	Project coordination, communications, tools
Total 12-Month Investment	**1,150,000**	-

Expected ROI: Improved regulatory compliance, enhanced stakeholder trust, reduced operational risks, potential cost savings from efficiency measures (energy, water, waste), and improved access to sustainable finance options.

6. Data Quality & Methodology

6.1 Data Collection & Management

This section provides transparency on data sources, calculation methodologies, assumptions, limitations, and quality assurance processes used in preparing this report.

DATA GOVERNANCE FRAMEWORK

- **Data Owners:** Department heads responsible for source data accuracy and completeness
- **Data Coordinator:** ESG Manager consolidates, validates, and manages central repository
- **Quality Assurance:** CFO reviews financial-linked metrics; CEO approves final disclosure
- **Review Cycle:** Quarterly data collection with annual comprehensive review and assurance

6.2 Data Quality Assessment by Topic

TOPIC	DATA SOURCE	COLLECTION METHOD	QUALITY RATING
GHG Emissions (Scope 1)	Fuel invoices, maintenance logs	Direct measurement, invoices	HIGH
GHG Emissions (Scope 2)	Electricity bills (DEWA)	Utility billing data	HIGH
GHG Emissions (Scope 3)	Not assessed	-	NOT AVAILABLE
Energy Consumption	Utility bills, solar inverters	Direct metering	HIGH
Water Consumption	Municipal bills	Metered consumption	HIGH
Waste Generation	Contractor reports, weighbridge	Contractor data + spot checks	MEDIUM
Workforce Data	HR system (payroll)	Automated system reports	HIGH
H&S Incidents	Incident database	Manual logging + investigation	HIGH
Training Hours	LMS + manual records	Partial automated, partial manual	MEDIUM
Board Governance	Corporate records, meeting minutes	Corporate secretary records	HIGH

6.3 Calculation Methodologies

GHG EMISSIONS (SCOPE 1 & 2)

- **Standard:** GHG Protocol Corporate Accounting and Reporting Standard
- **Scope 1:** Direct emissions from fuel combustion calculated using fuel consumption × emission factors from IPCC 2006 Guidelines
- **Scope 2 (Market-based):** Purchased electricity × UAE grid emission factor (0.475 $kgCO_2e$/kWh, 2024)
- **Scope 2 (Location-based):** Same as market-based (no renewable energy certificates purchased)
- **Global Warming Potentials:** IPCC AR5 (100-year time horizon)

ENERGY & WATER INTENSITY

- **Energy Intensity:** Total energy consumption (MWh) / Total revenue (AED million)
- **Water Intensity:** Total water withdrawal (m^3) / Total revenue (AED million)
- **Revenue Source:** Audited financial statements FY2025

HEALTH & SAFETY RATES

- **LTIR:** (Lost Time Injuries × 200,000) / Total hours worked
- **TRIR:** (Total Recordable Incidents × 200,000) / Total hours worked
- **Total Hours:** Based on payroll records and attendance system (estimated 2,000 hours/employee/year)

6.4 Key Assumptions & Limitations

Important: The following assumptions and limitations should be considered when interpreting this report's data and conclusions.

ASSUMPTIONS

- UAE electricity grid emission factor is applied uniformly across the year (does not account for hourly variation)
- Fuel emission factors from IPCC guidelines are assumed representative for UAE context
- Water discharge quality meets municipal standards (no independent testing conducted)
- Waste composition estimates from contractor reports are assumed accurate (limited verification)
- Training hours data assumes 80% coverage due to partial system implementation
- Scope 3 emissions assumed to represent 60-70% of total footprint based on industry benchmarks (not measured)

LIMITATIONS

⚠ Scope 3 emissions not quantified - limits comparability with comprehensive corporate carbon footprints

⚠ No third-party assurance conducted - data accuracy relies on internal controls only

⚠ Limited biodiversity assessment - no formal ecological surveys or impact studies

⚠ Training data incomplete - full implementation of tracking system pending

⚠ Supplier ESG performance not systematically assessed - limited visibility into supply chain risks

⚠ No climate scenario analysis conducted - physical and transition risks not quantified

⚠ Single-year baseline - trend analysis not possible until multi-year data available

6.5 Future Data Improvements

The organization commits to the following data quality enhancements over the next 12-24 months:

1. **Third-Party Assurance:** Engage external verifier for limited assurance on key environmental metrics (Scope 1, 2, energy, water) by Q4 2026
2. **Scope 3 Quantification:** Measure priority Scope 3 categories (purchased goods, upstream transportation, business travel, employee commuting) by Q2 2026
3. **Enhanced Metering:** Install departmental sub-metering for energy and water to enable intensity tracking by process/product by Q3 2026
4. **Automated Training Tracking:** Complete LMS rollout with 100% coverage and automated hour tracking by Q1 2026
5. **Supplier Data Integration:** Collect supplier ESG questionnaire data and integrate into procurement system by Q3 2026
6. **Climate Risk Modeling:** Conduct TCFD-aligned scenario analysis with quantified financial impacts by Q3 2026
7. **Biodiversity Assessment:** Perform baseline biodiversity survey at facility location by Q4 2026

7. Annex: Detailed Metrics & Data Sources

7.1 Environmental Data Table

METRIC	VALUE (2025)	METHODOLOGY	DATA SOURCE
Total GHG Emissions (Scope 1+2)	**5,050 tCO2e**	GHG Protocol	Energy bills, fuel records
Energy Consumption	**18,500 MWh**	Direct metering	Utility bills
Renewable Energy %	**15%**	Direct metering	Solar installation data
Water Withdrawal	**45,000 m³**	Metering	Municipal bills
Waste Generated	**450 tonnes**	Weighbridge records	Waste contractor reports
Waste Recycled %	**65%**	Contractor data	Recycling certificates

7.2 Social Data Table

METRIC	VALUE (2025)	METHODOLOGY	DATA SOURCE
Total Workforce	**180 FTE**	HR system	Payroll records
Employee Turnover	**12.5%**	HR calculation	Exit records
Women in Workforce %	**28%**	HR system	Employee database
Training Hours per Employee	**11.7**	LMS tracking	Training records (partial)
Recordable Incidents	**3**	OSHA standards	Incident database
Lost Time Injury Rate	**1.67**	Per 200k hours	Safety records

7.3 Governance Data Table

METRIC	VALUE (2025)	METHODOLOGY	DATA SOURCE
Board Size	**7**	Count	Corporate registry
Independent Directors %	**43%**	Definition per bylaws	Board records
Board Meetings	**12**	Count	Minutes
Ethics Training Completion	**95%**	LMS tracking	Training system

METRIC	VALUE (2025)	METHODOLOGY	DATA SOURCE
Supplier Audits Conducted	**8**	Count	Procurement records
Data Breaches	**0**	Count	IT security logs

7.4 Emission Factors & Conversion Factors

GHG EMISSION FACTORS (TCO_2E PER UNIT)

FUEL/ENERGY TYPE	FACTOR	SOURCE
Grid Electricity (UAE)	**0.475 $kgCO_2e/kWh$**	UAE Ministry of Energy & Infrastructure (2024)
Natural Gas	**2.03 $kgCO_2e/m^3$**	IPCC 2006 Guidelines
Diesel (Mobile combustion)	**2.68 $kgCO_2e/L$**	IPCC 2006 Guidelines
Gasoline	**2.31 $kgCO_2e/L$**	IPCC 2006 Guidelines

UNIT CONVERSIONS

- 1 MWh = 1,000 kWh
- 1 tonne = 1,000 kg
- 1 m^3 water ≈ 1,000 kg (density approximation)
- 200,000 hours = OSHA standard denominator for injury rates (100 employees × 40 hours/week × 50 weeks)

8. Glossary & Definitions

Key ESG Terms & Acronyms

TERM/ACRONYM	DEFINITION
Assurance	Independent verification of reported ESG data by a qualified third party (e.g., audit firm) to enhance credibility. Levels include: Limited Assurance (moderate confidence) and Reasonable Assurance (high confidence).
Baseline Year	The reference year against which future ESG performance is measured and targets are set. For GHG emissions, typically the first year of comprehensive data collection.
Carbon Footprint	Total greenhouse gas emissions caused directly and indirectly by an organization, expressed in tonnes of CO_2 equivalent (tCO_2e).
DEI	Diversity, Equity & Inclusion. Programs and policies to ensure fair treatment, access, and advancement for all people, while striving to identify and eliminate barriers.
ESG	Environmental, Social, and Governance. The three pillars used to evaluate an organization's sustainability performance and ethical impact.
FTE	Full-Time Equivalent. A unit to measure employed persons in a way that makes them comparable, representing a full-time workload (typically 40 hours/week).
GHG	Greenhouse Gas. Gases that trap heat in the atmosphere, including CO_2, CH_4 (methane), N_2O (nitrous oxide), and fluorinated gases.
GHG Protocol	The most widely used international accounting standard for corporate GHG emissions, providing frameworks for Scope 1, 2, and 3 emissions calculations.
GRI Standards	Global Reporting Initiative Standards. The most widely adopted framework for sustainability reporting, providing comprehensive guidelines for disclosure.
IFRS S1/S2	International Financial Reporting Standards for Sustainability Disclosure (issued 2023). S1 covers general sustainability disclosures; S2 specifically addresses climate-related disclosures.
KPI	Key Performance Indicator. A measurable metric used to evaluate success in meeting objectives (e.g., GHG intensity, LTIR, training hours).
LTI / LTIR	Lost Time Injury / Lost Time Injury Rate. A workplace incident resulting in an employee missing one or more days of work. LTIR = (LTI × 200,000) / total hours worked.
Materiality	The principle of focusing on ESG topics that are most significant to business success and stakeholder concerns. Material topics warrant measurement, management, and disclosure.
SBTi	Science Based Targets initiative. Independent organization that defines and promotes best practices in science-based target setting, ensuring emissions reductions align with climate science.
Scope 1 Emissions	Direct GHG emissions from sources owned or controlled by the organization (e.g., fuel combustion in boilers, furnaces, vehicles).
Scope 2 Emissions	Indirect GHG emissions from purchased electricity, steam, heating, and cooling consumed by the organization.
Scope 3 Emissions	All other indirect GHG emissions in an organization's value chain, including purchased goods, transportation, business travel, employee commuting, and product use (15 categories per GHG Protocol).

TERM/ACRONYM	DEFINITION
TCFD	Task Force on Climate-related Financial Disclosures. Framework for disclosing climate risks and opportunities across four pillars: Governance, Strategy, Risk Management, and Metrics & Targets.
tCO_2e	Tonnes of carbon dioxide equivalent. Standard unit for measuring carbon footprints, converting all GHGs to the equivalent amount of CO_2 based on global warming potential.
TRIR	Total Recordable Injury Rate. Frequency of all work-related injuries requiring medical treatment beyond first aid. TRIR = (Total Recordable Incidents × 200,000) / total hours worked.

References & Standards

- GHG Protocol Corporate Accounting and Reporting Standard (2004, amended 2015)
- GRI Universal Standards (2021) and Topic-Specific Standards
- IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information (2023)
- IFRS S2 Climate-related Disclosures (2023)
- TCFD Recommendations Report (2017, updated 2021)
- Science Based Targets Initiative (SBTi) Corporate Net-Zero Standard (2021)
- IPCC 2006 Guidelines for National Greenhouse Gas Inventories
- IPCC Fifth Assessment Report (AR5) - Global Warming Potentials (2014)
- UAE Federal Decree-Law No. 33 of 2021 (Emiratization Requirements)
- OSHA Recording and Reporting Occupational Injuries and Illnesses (29 CFR 1904)

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