

**GULF INTERNATIONAL BANK
B.S.C. (GIB)**

**Independent Limited Assurance
Statement**

**Carbon Footprint and Female
Representation Report FY 2021**

March 2022



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Independent Limited Assurance Report to Gulf International Bank B.S.C.

Background and introduction

BDO LLP ('BDO' or 'we') was engaged by Gulf International Bank UK (Limited) to undertake a limited assurance engagement in accordance with ISAE 3000 and ISAE 3410 in relation to the Gulf International Bank B.S.C ('the Group' or 'GIB') report on the sustainability-linked loan (SLL) sustainability target performance for the year ending 31 December 2021. This was limited to the reduction of scope 1 and 2 carbon emissions and the percentage of female representation of GIB.

We have performed our limited assurance engagement in accordance with the International Standard on Assurance Engagements 3000 (ISAE 3000), Assurance other than Audits or Reviews of Historical Financial Information, as well as the International Standard on Assurance Engagements 3410 (ISAE 3410) Assurance Engagements on Greenhouse Gas Statements, issued by the International Auditing and Assurance Standards Board.

The engagement covered entities and all facilities either owned or under the operational control of the Group in Saudi Arabia, Bahrain, United Arab Emirates, United States of America and the United Kingdom.

On carbon emissions, our review was limited to the data reported within the 2021 Sustainability Report ('the Report') comprising:

- The total emissions relating to Scope 1 Greenhouse Gases expressed in kgCO₂e (2020 and 2021)
- The total emissions relating to Scope 2 Greenhouse Gases expressed in kgCO₂e (2020 and 2021)
- The percentage reduction in total emissions (Scope 1 and 2) between 2020 and 2021.

Female representation data reviewed was limited to that within headcount and payroll reports as of December 2021, and direct verification over 25% of the whole population.

We are not providing any assurance with respect to other information included in the Report and, therefore, no conclusion on the Report as a whole is expressed.

GIB's responsibilities

The Directors of GIB are responsible for:

- Preparing data and the associated narrative to be included in the Group Sustainability Report.
- Meeting the requirements of the SLL and generating the accurate and complete information to support them.
- Determining the scope of the engagement and designing, implementing and effectively operating controls to manage the collection and analysis of the data at a central level. They are also responsible for providing us with the information required for our examination and for the accuracy and completeness of that information, whether from Gulf International Bank (UK) or other members of the Group covered in the engagement.

Our responsibility

Our responsibility is to express a limited assurance conclusion in accordance with ISAE 3000 and ISAE 3410 and to provide this in a report to GIB.

In providing this limited assurance report, it is important to note that the procedures performed in a limited assurance engagement vary in nature from, and are less in extent than for, a reasonable assurance engagement. As a result, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

BDO LLP is a limited liability partnership and is authorised and regulated by the Financial Services Authority to conduct investment business

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Registered in England and Wales



Independent Limited Assurance Report to Gulf International Bank B.S.C. (Cont.)

The relative effectiveness and significance of specific control procedures at GIB and their effect on the assessment of control risk at a country level are dependent on their interaction with the controls and other factors present at individual country organisations. We have not performed any procedures to evaluate the effectiveness of controls at individual country organisations.

We have not conducted any work outside the agreed scope and therefore restrict our conclusion to the above mentioned subject matter.

Inherent uncertainty

Greenhouse gas quantification is unavoidably subject to inherent uncertainty as a result of both scientific and estimation uncertainty and for other non-financial performance information the precision of different measurement techniques may also vary. Furthermore, the nature and methods used to determine such information, as well as the measurement criteria and the precision thereof, may change over time.

ISAE 3410 recognises that Greenhouse Gas quantification process can rarely be 100 per cent accurate due to:

- Scientific uncertainty, arising from incomplete scientific knowledge about the measurement of the gases
- Measurement uncertainty, arising from limitations in measurement techniques and the use of estimations.

Where significant assumptions or deductions are utilised they are disclosed.

Inherent limitations

Non-financial performance information is subject to more inherent limitations than financial information, given the characteristics of the subject matter and the methods used for determining such information. The absence of a significant body of established practice on which to draw allows for the selection of different but acceptable measurement techniques which can result in materially different measurements and can impact accuracy and comparability.

In terms of the female representation, the assurance is provided over the figures in place as at 31 December 2021.

Restriction of use

This assurance report is made solely to GIB in accordance with the terms of our engagement, which include agreed arrangements for disclosure. Our work has been undertaken so that we might state to GIB matters we have been engaged to state in this limited assurance report and for no other purpose. Our limited assurance report should not be regarded as suitable to be used or relied on by any party wishing to acquire rights against us other than GIB for any purpose or in any context. Any party other than GIB who obtains access to our limited assurance report or a copy thereof and chooses to rely on our limited assurance report (or any part thereof) will do so at its own risk. To the fullest extent permitted by law, we accept or assume no responsibility and deny any liability to any party other than GIB for our work, for this independent limited assurance report, or for the conclusions we have reached.



Independent Limited Assurance Report to Gulf International Bank B.S.C. (Cont.)

Conclusion

Based on the procedures we have performed (as set out in Appendix I and II) and the evidence we have obtained, nothing has come to our attention that causes us to believe that the percentages stated of female representation at GIB or the total scope 1 and 2 GHG emissions expressed as kgCO₂e (as set out in Appendix III and IV) in the GIB Sustainability Report for the financial year ended on 31 December 2021, has not been prepared, in all material respects, in accordance with GIB's reporting methodologies.

A handwritten signature in blue ink, appearing to read 'Richard Weighell'.

Richard Weighell
Partner
For and on behalf of BDO LLP

30 March 2022



Appendix I - Carbon Emissions Workstream

The GIB Greenhouse Gas Statement for FY21 represents the first year of the consolidated GHG reporting within the GIB Sustainability Report. The reporting is limited to scope 1 and scope 2 emissions which have been assessed following the methodology set out within the GIB Enterprise-wide GHG Emissions Assessment Framework, dated 22/03/2022. In a number of cases GIB had to use estimation to address gaps in data, with limited or no historical data to compare with. This includes emissions related to refrigerants where the screening method has been applied. The assurance provided therefore does not guarantee or provide certainty over the completeness of reported data.

The emissions have been impacted by changes in working practices as a result of Covid19 restrictions, but this has not changed the data collection methodology or restricted our ability to undertake testing.

Criteria

The GIB Greenhouse Gas Statement was prepared in accordance with the GIB Enterprise-wide GHG Emissions Assessment Framework, dated 22/03/2022 which follows the Greenhouse Gas Protocol principles. GIB uses the operational control approach and limits reporting to scope 1 and scope 2 emission sources. The 2020 and 2021 emission factors issued by BEIS were applied respectively to the FY20 and FY21 energy consumption data in relation to company cars, refrigerants, alternative energy use (i.e. diesel) and UK electricity, as they were deemed the most appropriate for the period reported. For non-UK electricity, emission factors published by Carbon Footprint Ltd in 2020 and 2022 were applied to FY20 and FY21 energy consumption data respectively. In the absence of a specific emission factor for Bahrain, the Saudi Arabia emission factor was applied as it was deemed the most appropriate available factor.

A materiality level of five per cent of the consolidated GIB reporting was set in agreement with GIB UK. This took into account that the margin by which the GHG emission reduction target was achieved was significantly higher than this.

The testing conducted across the GIB geographies in scope of the reporting varied based upon the proportion of energy consumption and corresponding emissions relating to Scope 1 and 2. Testing focused on the two countries which accounted for a significant proportion of the GIB energy consumption and emissions and were individually material. Testing focused on scope 2 emissions as these account for the majority of GIB's emissions. Other countries were tested only when there was potential for errors to accumulate to material amounts. The two material countries were Saudi Arabia and Bahrain.

Work performed

The procedures we performed were based on our professional judgment. We:

- Carried out interviews with key personnel to understand the systems and controls in place during the reporting period
- Evaluated the materiality of the locations based on reported emissions and considered this for reasonableness against the GIB estate and activity in those locations
- Reviewed the methodology and approach defined in the GIB Enterprise-wide GHG Emissions Assessment Framework, dated 22/03/2022
- Assessed the systems, processes and controls to collate, aggregate, validate and report the data
- Checked the relevant conversion factors and GHG emission calculations
- Reviewed any matters showing significant variations from prior years
- Reviewed the appropriateness of the GHG emissions and other environmental data provided by GIB and their local facilities managers
- Tested a sample of records to underlying data sources
- Recalculated the total GHG emissions reduction (scope 1 and 2), expressed as a percentage, between 2020 and 2021
- Considered GIB's approach to adhering to the Sustainability-Linked Loan Principles, including the reporting within the GIB Sustainability Report.



Appendix I - Carbon Emissions Workstream

GHG emissions limitations

In addition to the inherent uncertainty regarding GHG emission quantification, as disclosed in GIB's Sustainability Report, there are limitations to the completeness of GIBs reported GHG emissions due to the lack of available and reliable data for some scope 1 emission sources. This predominantly relates to leased buildings where sufficient data is not available from the landlord to enable emissions to be assessed or estimated. Where this is the case, emissions have not been included for 2020 or 2021 and therefore the limitation does not impact the carbon emission reduction.

Improvements in the availability and quality of source data are expected for future reporting years.



Appendix II - Female Representation Workstream

The GIB female representation statement for FY21 represents the first year of the consolidated reporting and using as base year 2020. As part of its assurance work BDO assessed the extent to which the reported figures in 2020 increased in 2021 such that the target of 29% was reported as achieved.

Criteria

The Female Representation data was reviewed in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised) .

A materiality level of five per cent of the consolidated GIB reporting was agreed with the Bank. However, given that the margin by which the female representation was achieved was lower than this, we applied a materiality level of the amount of variance that would mean that the sustainability-linked loan sustainability target would not have been met. Therefore the materiality is a reduction in the female headcount of six individuals.

The testing focused on confirming the completeness of the record of people employed by GIB at the measurement date and the correct gender classification. It was conducted across the five GIB geographies in scope of the reporting varied based upon the proportion of women in each geography. Testing focused on the five countries where the Bank has a presence and it considered the branches within each location, as follows:

- Bahrain (Head Office)
- Kingdom of Saudi Arabia
 - Capital
 - Other branches (Dhahran, Jeddah, Riyadh)
- United Arab Emirates
 - Abu Dhabi
 - Dubai
- United States of America (New York)
- United Kingdom (London).

Work performed

The work performed were based on our professional judgment. We:

- Reviewed the calculation and measurement process
- Carried out walk-throughs of the female representation data reported
- Carried out interviews with key personnel to understand the systems and controls in place during the reporting period
- Evaluated the materiality of the locations based on reported data and considered this for the overall calculations
- Assessed the systems, processes and controls to collate, aggregate, validate and report the data
- Reviewed the appropriateness of the data provided by GIB
- Tested a sample of cases, which together add up to 25% of the population, to determine data consistency a follows:
 - Abu Dhabi, Capital, Dubai and USA: 100% of the population
 - Bahrain, Saudi Arabia and UK: 21% of the population, average
- Considered GIB's approach to adhering to the Sustainability-Linked Loan Principles with respect to employee engagement, diversity and inclusion.

Data Verification

The data obtained and reviewed by us shows a Group-wide increase in the female representation ratio from 26% in 2020 to 29.6% in 2021. BDO verified gender and employment details in 25% out of 100% of female employees (300). Our review confirmed gender and employment status and we did not find any exceptions or inconsistencies. In addition, it was verified that the type of employees for the female headcount was permanent, full time.



Appendix III - Statement of Assured FY21 GHG Emissions Data

GIB Methodology

GIB calculates its scope 1 and 2 emissions in accordance with the methodology set out by the Greenhouse Gas Protocol and adopts the operational control approach to consolidate emissions as set out in the Protocol. The scope covers GIB's operations in the following geographies: Bahrain, Saudi Arabia and United Arab Emirates, United Kingdom and New York.

The reporting period is 1 January 2021 to 31 December 2021 and 2020 has been set as GIB's base year.

GHG Emissions - Gulf International Bank B.S.C

	2020, kgCO ₂ e	2021, kgCO ₂ e	Change year on year, %
Scope 1	219,172.26	233,220.47	6
Scope 2	11,177,600.86	7,609,379.95	(32)
Total	11,396,773.13	7,842,600.42	(31)

GIB GHG Reporting Limitations

GIB's GHG emission data excludes emissions arising from GHG that GIB does not have sufficient data to estimate. The main source of emissions that is not captured is the use of alternative energy in leased buildings that are owned and managed by the landlord. GIB has emphasised to the respective landlords that it would like to receive the data for its usage of such energy, but it has not yet been possible for the landlords to provide this data (for example, in New York the landlord itself does not capture this separately).

Wherever GIB has control over the energy consumption and associated emissions, and can obtain data or provide an objective estimate, these are captured.

GIB UK management has confirmed that excluded emissions are small compared with electricity usage and that they do not expect any significant changes to take place year on year with respect to alternative energy usage. GIB will work with landlords to obtain appropriate data to enable reporting in future years.



Appendix IV - Statement of Assured FY21 Female Representation Data

GIB Methodology

GIB calculates its female representation ratio through reports are generated by the Payroll team within payroll cycle during the month. These are compared to extracts from the relevant system and the Joiners & Leavers Report from HR Connect. A cut-off of rule at 50%+ of service during the month dictates determines whether employees are added or removed.

The reporting period is 1 January 2021 to 31 December 2021; 2020 was used as GIB's base year.


Female Representation - Gulf International Bank B.S.C

	FY 2020			FY 2021		
	Females	Total	Female Ratio	Female	Total	Female Ratio
Kingdom of Saudi Arabia	143	621	26%	167	616	27%
Bahrein	75	221	35%	77	216	36%
United Arab Emirates	9	17	35%	10	31	32%*
Capital**	9	54	17%	12	55	22%
UK & USA	30	95	32%	34	94	37%
Total	266	1017	26%	300	1012	29.6%

* Whilst the female representation increased by one person, the overall female ratio decreased in the United Arab Emirates due to four new male hires. This does not affect overall ratio in any way.

** Capital office refers to GIB's wholly owned subsidiary which offers investment banking services. The office is in the Kingdom of Saudi Arabia.

The increase representation across all offices has resulted in a Group-wide increased ratio from 26% in 2020 to 29.6% in 2021.



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