



OG/371/2023

5th November 2023**Chief Executive Officer**

Listed Companies

All Banks

All Insurance Firms

All Financing Companies

All Category 1 Investment Firms

All Category 2 Investment Firms

Manama - Kingdom of Bahrain

Dear Sir/ Madam,

Environmental, Social and Governance Requirements Module

With reference to the CBB's consultation (OG/277/2023) dated 17th August 2023 and the industry feedback, the CBB is hereby issuing the Environmental, Social and Governance Requirements Module (Module ESG) including ESG reporting requirements applicable to listed companies and CBB licensees to whom this circular is addressed. The ESG reporting requirements are important for effective adoption of ESG frameworks which contributes to the Kingdom of Bahrain's commitment to Sustainable Development Goals.

CBB recognises that during the initial years of implementation of ESG reporting requirements there may be data and methodological challenges. Nevertheless, companies must take all reasonable steps to report the Key Performance Indicators using alternative methods or simplified reporting mechanisms where such disclosure would remain fair, clear and not misleading. Companies should also appropriately explain any limitations on their ability to report and the steps being taken to address those limitations.

The above-mentioned requirements are effective from year ending 31st December 2024 (i.e. the first report for the year ending 31st December 2024 is due in the year 2025). Module ESG shall be incorporated under a new volume "Common Volume" within the CBB Rulebook in due course.

Should you have any queries on this matter, please contact your supervisory point of contact at the CBB.

Yours faithfully,

Rasheed M. Al-Maraj

Governor

cc: Bahrain Association of Banks

Bahrain Insurance Association

Bahrain Bourse

Bahrain Chamber of Commerce and Industry

Audit Firms

Law Firms