THE PRACTICAL GUIDE TO

SME SUSTAINABILITY TOOLKIT

A toolkit to measure your impact, set priorities and turn small actions into long-term progress.



Inside this toolkit

Nine practical chapters. One clear path from understanding your impact to making measurable improvements.

01
Understand sustainability

02
Assess your business

03
Measure your impact

04
Choose priorities

05
Take practical action

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Set targets & track

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Find BBK support

08
Use the templates

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HOW TO USE IT

Read the guidance, complete the worksheets, and revisit your priorities over the next 12 months. Start with what is relevant to your business.

WELCOME

A better business begins with small steps

A message from the BBK team



START WHERE YOU ARE.

You do not need to change everything at once. Focus on what matters to your business and build over time.

Welcome message from BBK

Small and medium-sized businesses play a significant role in Bahrain's economy. The way you run your business can affect your costs, your employees, your customers and the environment.

BBK has prepared this toolkit to help you understand sustainability and find practical ways to apply it in your business. It will help you review what you already do, identify areas where you could improve, and decide what to focus on next.

You do not need to change everything at once. Start with what is relevant to your business and build on your progress over time.

We hope this toolkit helps you take practical steps towards running a responsible and sustainable business.

BBK TEAM

THE FUNDAMENTALS

What sustainability really means

Looking after business, people and the environment

Sustainability means running your business in a way that considers your business, people, and the environment over the long term.

For example, you may already be saving electricity, using water carefully, reducing waste, keeping employees safe, or treating customers fairly. These everyday actions are part of running a more sustainable business.

Sustainability helps you look at these practices, understand what is working well, and identify where changes may be needed.

Businesses make decisions every day about how they use resources, look after employees, serve customers and manage their operations. These decisions affect both the business and the people around it.

ESG stands for Environmental, Social and Governance. These are three areas that help you understand how your business affects the environment and people, and how responsibly it is run.

Three connected areas of ESG

ENVIRONMENTAL

Resources, energy, water, materials and waste.

SOCIAL

Employees, customers, safety and communities.

GOVERNANCE

Ethics, information protection and responsible management.

ALREADY PART OF DAILY BUSINESS

You may already be taking steps in these areas without calling them ESG. This toolkit will help you review your current practices and decide what to improve. In the next section, you will use a simple checklist to review what your business already does and identify areas that may need more attention.

STEP 01 / ASSESS

Where are you today?

Understand your current practices before choosing what to improve



Review your business, without guesswork

Before deciding what to improve, take a moment to look at how your business operates today.

You may already be taking steps to save energy, reduce waste, look after your employees and manage your business responsibly. This self-assessment will help you understand what you are already doing well and where you may need to make changes.

There are no right or wrong answers. The aim is to understand your current practices and identify areas that may need more attention.

Use the Sustainability Self-Assessment Checklist provided in Section 8 to review your business practices across three areas:

Read each question and choose the answer that best describes your business today.

Environment

Environmental: How your business uses energy, water and materials, and manages waste.

People

Social: How your business looks after employees, treats customers and considers people's health and safety.

Governance

Governance: How your business is managed, keeps records, protects information and follows responsible business practices.

STEP 02 / RESPOND

Six honest answers

A clear response system makes the review useful

YES

Already part of usual activities

PARTLY

Done to some extent

NO

Not done currently

NOT SURE

Insufficient information

UNAVAILABLE

Information cannot be found yet

N/A

Not relevant to the business

What to do with your answers

Answer based on what your business currently does, rather than what you plan to do in the future. If you are unsure, choose “Not sure” instead of guessing. You can use "Information Unavailable" or "Not Applicable" where relevant.

Once you have completed the checklist, review your answers.

Look at the areas where you selected “Partly”, “No”, “Not sure” or “Information unavailable.” These may help you identify practices to improve or information you need to find.

You do not need to address every area at once. Some issues may be more important to your business than others, depending on your activities, employees, customers and available resources.

In Section 4, you will learn how to choose the sustainability issues that matter most to your business and decide what to focus on first.

Find the Sustainability Self-Assessment Checklist in Section 8 to get started.

STEP 03 / MEASURE

Measure what matters

Begin with information your business can reasonably collect

Measuring your business impact helps you understand how your business uses resources, looks after people and manages its operations. It can also help you identify opportunities to reduce costs, improve efficiency and track progress over time.

You do not need to measure everything at once. Start with information that is relevant to your business and that you can reasonably collect.

The following are examples of information you may wish to track.

Environmental

Electricity, water, fuel, waste, materials and resources.

This helps you understand how your business uses natural resources and creates waste.

Social

Employees, training, customer feedback and safe workplaces.

This helps you understand how your business supports employees and serves customers.

Governance

Policies, data protection, ethics, and responsibilities.

This helps you understand how your business is managed and how it maintains responsible business practices.

DATA COLLECTION

Build a reliable data habit

Turn records you already have into a useful picture



You may already have much of this information in your existing business records. Use the following sources to get started:

Start with the records you already have. If some information is missing, make a note of it and improve your record-keeping over time.

Record information for the reporting period selected for your business. Where possible, use the same period each year so you can compare your results.

Three simple steps

01 FIND THE RECORDS

Bills, receipts, HR records, safety logs and policies.

02 RECORD THE DATA

Add period, unit, value, source and owner.

03 REVIEW & REPEAT

Check entries; identify gaps and improve yearly.

THE THREE SCOPES

Your carbon footprint, explained

Greenhouse gases are commonly measured in carbon dioxide equivalent (CO_2e)

A carbon footprint is the amount of greenhouse gases released directly or indirectly through your business activities. These emissions contribute to climate change and are commonly expressed as carbon dioxide equivalent (CO_2e).

Understanding your carbon footprint can help you identify where energy and fuel are being used and where you may be able to reduce emissions.

Greenhouse gas emissions are commonly grouped into three categories, known as Scopes 1, 2 and 3.

SCOPE 1



DIRECT EMISSIONS

Fuel burned in an owned vehicle or generator.

SCOPE 2



PURCHASED ENERGY

Emissions linked to electricity you buy and use.

SCOPE 3



OTHER INDIRECT

Suppliers, waste, purchased goods and the value chain.

START WITH WHAT YOU CAN MEASURE

For a first assessment, you can begin by reviewing the fuel and electricity information you already have, where relevant to your business. Scope 3 can involve more information from suppliers and other parts of your value chain, so you may consider it as your data collection develops. Understanding these scopes helps the shop identify where its emissions come from and where it may be able to reduce them.

FROM RECORDS TO INSIGHT

Make your numbers useful

Consistent data helps you monitor progress year by year

A simple business example

A small shop can understand the three scopes by looking at its everyday activities:

Scope 1: Fuel burned in a delivery vehicle owned or controlled by the shop.

Scope 2: Emissions linked to the electricity the shop purchases and uses.

Scope 3: Other indirect emissions, such as those associated with the products the shop buys or the waste it sends for disposal.

What goes into your data sheet?

- 01 Indicator
- 02 Unit
- 03 Reporting period
- 04 Recorded value
- 05 Target
- 06 Evidence / source
- 07 Responsible owner

Ideally, collect data for a full 12-month period (e.g., January–December 2026). If unavailable, use the data you have and clearly state the period covered. For carbon-related information, use the relevant carbon footprint sheet provided in Section 8. Follow the instructions in the template and ensure that the activity data, units and any emission factors are entered consistently. Keep supporting documents, such as bills, invoices and records, where possible. These will help you check your figures and compare results over time.

DATA QUALITY

Better records. Better decisions.

Use consistent information, with transparent sources and reporting periods

Once you have identified the information to collect, use the ESG Data Collection Sheet in Section 8 to record your figures and track progress.

For each indicator, record the information requested in the template, such as:



Seven essentials to record

- The indicator you are measuring
- The unit of measurement
- The reporting period
- The value recorded
- Any target you have set
- The source of the information
- The person responsible for collecting or updating it

A GOOD BASELINE IS A STARTING POINT.

Remember, your first set of data does not need to be perfect. Start with the information you can access, clearly identify estimates and missing information, and improve your records as your business develops.

In Section 4, you will use what you have learned about your business to identify which sustainability issues to prioritize first.

STEP 04 / PRIORITISE

Decide what comes first

Choose issues based on impact, urgency, resources and feasibility

You may have identified several areas where your business could improve. However, you do not need to address everything at once.

The next step is to decide which sustainability issues matter most to your business. Your priorities will depend on the type of business you operate, the resources you use, your employees and customers, and the challenges you face.

Use your self-assessment results from Section 2 and the information you collected in Section 3 to help identify areas for improvement. When choosing your priorities, ask these four questions:

1

BUSINESS IMPACT

Could this issue affect cost, operations, employees or customers?

2

IMPORTANCE

Could it significantly affect people or the environment?

3

URGENCY

Does it need attention soon due to safety or resource use?

4

PRACTICALITY

Can you act with available people, time and budget?

THE GOAL

You do not need to find a perfect answer to every question. Use them to compare the issues you have identified and decide where to begin.

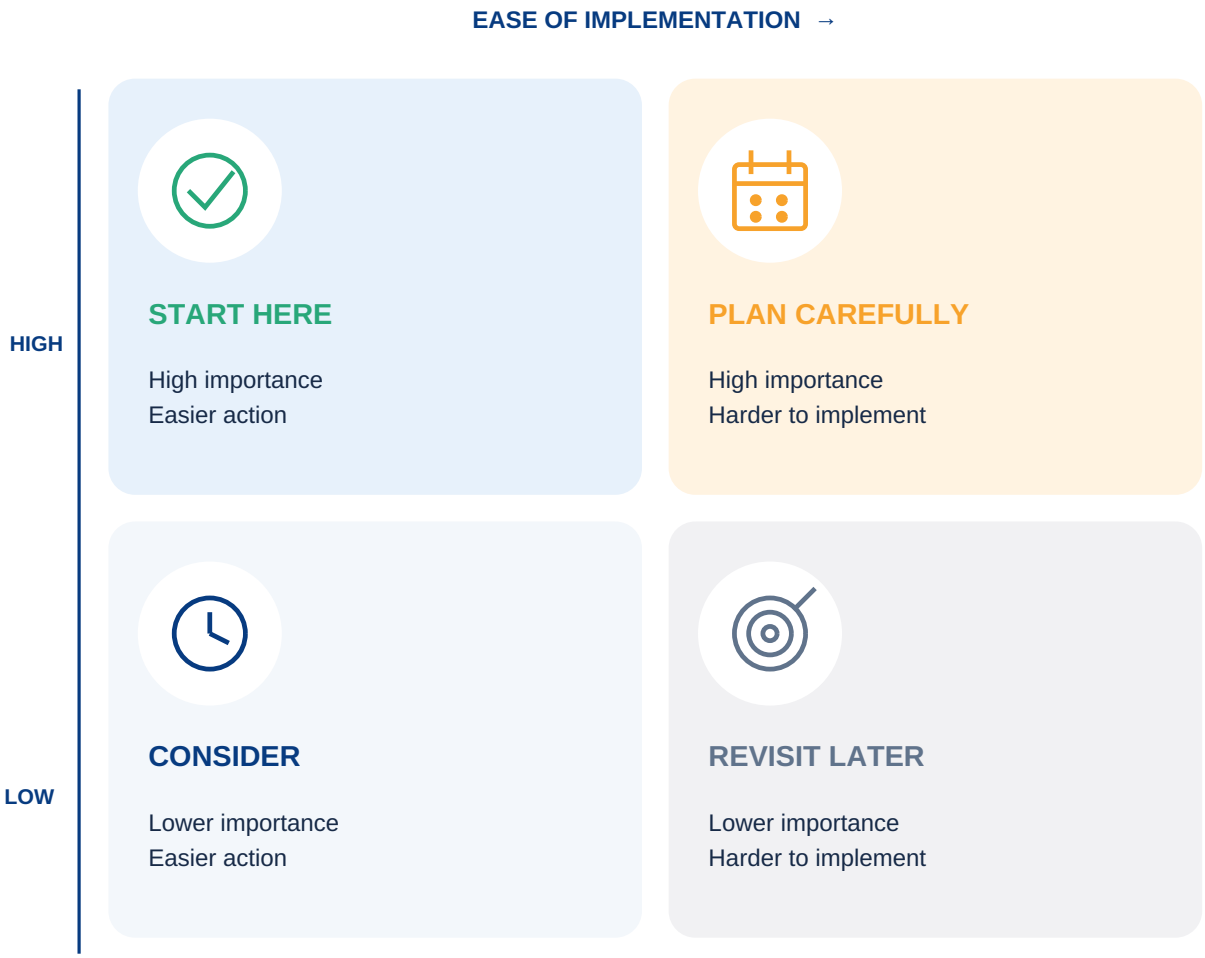
THE PRIORITY MATRIX

Map your priorities

Plot what matters against how practical it is to implement

Use the Priority Matrix template provided with this toolkit to record your chosen issues and explain why they matter.

Start with the issues that matter most, review your progress over time and update your priorities when your business needs change.



A retail shop example

A small retail shop identifies three actions: switching off unused equipment, replacing older equipment with energy-efficient alternatives, and improving waste data collection. It starts with switching off unused equipment because this is easy to implement, while the other actions may require additional budget or planning. The order depends on the shop's priorities, costs and resources.

FROM MATRIX TO ACTION

Make your first choices count

Two or three well-chosen priorities are often enough to begin

After reviewing your options, select a small number of priorities to focus on first. For many SMEs, starting with two or three clear priorities can make progress easier to manage.

For each priority, briefly record:

ISSUE

The issue: What do you want to improve?

WHY IT MATTERS

Why does it matter: How does it affect your business, people or the environment?

FIRST STEP

Your first step: What can you do to begin?

WHAT YOU NEED

What do you need: Will you need time, money, information or support?



You can use the Priority Matrix and Sustainability Action Plan in Section 8 to record your choices.

Remember that priorities can change as your business grows, new information becomes available or your circumstances change. Review them periodically and adjust your plans when needed.

In Section 5, you will explore practical actions that can help your business address its chosen sustainability priorities.

STEP 05 / ACT

Sustainability in everyday decisions

Small changes can make real improvements over time

Once you have identified your sustainability priorities, the next step is to decide what you can do about them. Start with actions that are relevant to your business and realistic for your team.

There are many simple ways to improve sustainability in your business. The examples below cover environmental, social, and governance areas. Choose the actions that are most relevant to your business and start with what you can realistically do and review how well they work.



ENVIRONMENT

- Save electricity and water
- Reduce waste and unnecessary material use
- Track energy, water and fuel



PEOPLE

- Support employee health and safety
- Provide relevant training
- Listen to employee and customer feedback



GOVERNANCE

- Keep accurate and organised records
- Protect customer and employee information
- Clarify roles and follow ethical policies

Choose actions that match your operations, risks and resources.

SECTOR INSPIRATION

One approach does not fit all SMEs

Adapt sustainability actions to your business sector

Not every action will be relevant to every SME. The best starting point depends on your business activities, main challenges and available resources.

These are examples to help you get started. Choose actions based on what your business actually does.

General trading

Reduce packaging. Track inventory and resource use.

Restaurants

Reduce food waste and monitor water use.

Contracting

Protect workers and improve supplier practices.

Small-scale manufacturing

Monitor energy use and reduce production waste.

Professional services

Reduce paper and protect client information.

START SMALL.

Begin with a few actions that address your highest priorities. Assign someone to lead each action, decide when it should be completed and identify what information will help you measure progress. You can then build on what works and introduce further improvements over time.

Use the Sustainability Action Plan and KPI Tracker in Section 8 to record your chosen actions, responsibilities, timeframes and progress. Remember that progress does not have to be expensive or complicated. Small, consistent improvements can help your business build better practices over time.

STEP 06 / PLAN

Turn priorities into targets

A target links an issue to a clear, measurable outcome

You have now reviewed your business, collected some basic information and chosen the areas you want to improve. The next step is to decide what you will do, who will be responsible and how you will check your progress.

A target helps you decide what you want to achieve and how you will measure progress.

For each priority, consider what you want to improve, what you can measure today, and what change would be realistic for your business.

For example, a restaurant may want to reduce food waste, while an office may want to reduce paper use. A contractor may focus on worker safety, while a manufacturing business may aim to reduce energy use.

The table below shows how different businesses can turn their priorities into targets.

Five real-world starting points

General trading	**Packaging**	Reduce unnecessary packaging over 12 months.
Restaurants	**Food waste**	Track food waste each month and identify ways to reduce it.
Contracting	**Worker safety**	Train all relevant employees within six months.
Manufacturing	**Energy use**	Record electricity every month and work to reduce it.
Professional services	**Paper use**	Reduce unnecessary printing over 12 months.

YOUR ACTION PLAN

Build a plan that gets done

Five questions make every action clear and accountable

Once you have chosen your targets, list the steps you will take to achieve them.

Use the accompanying Action Plan template to record these details. Start with the actions that matter most rather than trying to do everything at once.

Check your progress regularly to see what is working and where more effort may be needed.



01 WHAT

Describe the action clearly



02 WHO

Assign a person responsible



03 WHEN

Set a realistic deadline



04 MEASURE

Choose a simple KPI or record



05 STATUS

Not started / In progress / Done

Keep reviewing

You can review information such as electricity use, waste, employee training, or customer complaints, depending on your priorities. Compare results with your starting point and targets where the information is available. Use the accompanying KPI Tracker in Section 8 to record your results. If a figure is estimated, information is unavailable, you are unsure of the figure or a measure does not apply to your business, make this clear in the template rather than guessing.

THE IMPROVEMENT LOOP

Review. Learn. Improve.

Track the results, understand what changed and adapt your plan



Progress is a cycle, not a straight line

01 RECORD

Keep comparable data

02 REVIEW

Check results against targets

03 ADJUST

Update actions and timing

When an action falls short

If you do not meet a target, review what made it difficult and record whether you need to change your action, timeframe or target. Missing a target is an opportunity to understand what needs to improve and plan your next steps.

In Section 6, you will learn how to turn your chosen actions into a plan, set targets and track progress.

12-MONTH ROADMAP

Your first 12 months

A simple cycle of learning, planning, action and review

A 12-month roadmap can help you organize your sustainability activities. Use the stages below as a starting point and adjust them to suit your business.

You do not need to follow these stages exactly. Some actions may take longer, and urgent issues may need attention sooner. Focus on making progress that is realistic for your business.

MONTHS 1–3



UNDERSTAND

Review records and complete your initial assessment.

MONTHS 4–6



SET TARGETS

Choose priorities and set realistic goals.

MONTHS 7–9



TAKE ACTION

Implement actions and capture evidence.

MONTHS 10–12



REVIEW

Compare results and plan next steps.

Progress is not always linear

Use the Action Plan and KPI Tracker templates in Section 8 to help organize your activities and monitor progress over time.

BANKING & SUSTAINABILITY

Support for your next step

BBK supports eligible SMEs exploring more sustainable ways of working



As you work towards improving your business's sustainability practices, you may need information, financial support or guidance to help you take the next step.

Start by identifying what your business needs. For example, you may want to invest in energy-efficient equipment, improve water management, reduce waste or introduce better workplace practices.

Depending on your needs, you may wish to explore the support and services available through BBK and other relevant organizations.

Sustainable Business Finance

BBK's Sustainable Business Finance offering is designed to support SMEs in their sustainability journey. Its published features include ESG advisory services, certification support and flexible financing tenors. This support can help SMEs strengthen their environmental, social and governance (ESG) practices while working towards their business and sustainability goals.

ESG ADVISORY

Support to understand and improve ESG practices.

CERTIFICATION

Guidance on standards and requirements.

FLEXIBLE TENORS

Financing terms tailored to relevant SME needs.

All financing is subject to eligibility, approvals and applicable BBK terms.

PROJECT CATEGORIES

Financing positive change

Illustrative project categories linked to sustainable development

BBK's Sustainable Finance Framework identifies environmental and social project categories that may qualify for sustainable financing. depending on the activity and the applicable eligibility criteria.



ENERGY & BUILDINGS

Efficiency improvements and eligible renewable energy installations.



TRANSPORT

Eligible cleaner transport and mobility solutions.



WATER & WASTE

Water management, reuse, waste reduction and pollution prevention.



PEOPLE & COMMUNITIES

Eligible social projects improving access to essential services.

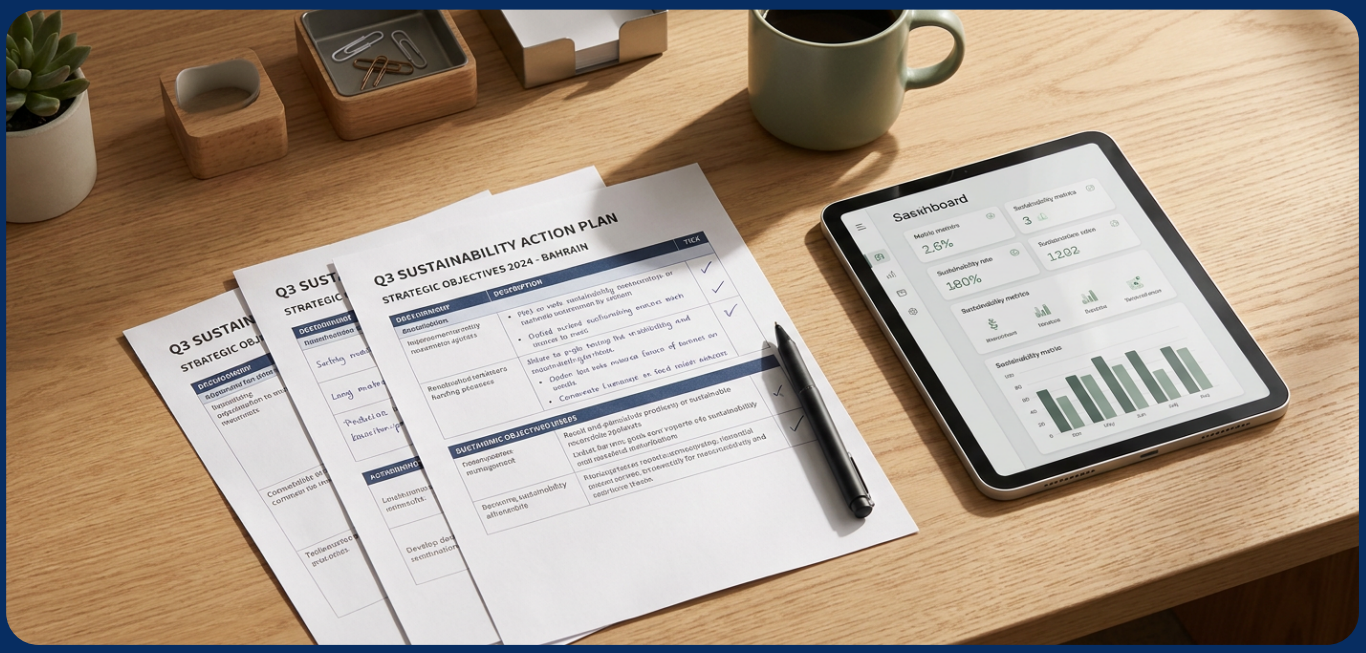


ELIGIBILITY MATTERS

Project categories are illustrative. BBK Sustainable Finance Framework criteria and applicable approvals determine eligibility.

SECTION 08

TOOLS TO TURN INTENT INTO ACTION.



01 Self-assessment 02 ESG data 03 Carbon footprint

04 Priorities 05 Action plan 06 KPI tracker 07 Annual review

REFERENCE

A glossary worth keeping close

Plain-English explanations for frequently used terms

1 Climate change

Long-term changes in temperatures and weather patterns, increasingly driven by human activities that release greenhouse gases.

2 Emission factor

A value used to estimate emissions from an activity, such as using electricity or burning fuel.

3 Greenhouse gases (GHGs)

Gases that trap heat in the atmosphere and contribute to global warming.

4 KPI (Key Performance Indicator)

A measure used to track progress towards a target.

5 Target

A specific result a business aims to achieve within a set period.

6 Scope 1 emissions

Direct emissions from sources a business owns or controls, such as fuel burned in its own delivery vehicle.

7 Scope 2 emissions

Emissions associated with generating purchased electricity, heating, cooling or steam used by a business.

8 Scope 3 emissions

Other indirect emissions linked to a business's value chain, such as purchased goods, supplier transport, or waste disposal.

9 Value chain

The activities, organizations and relationships involved in providing a product or service, from sourcing materials to delivery and use.