CARBON FOOTPRINT REPORT

2023

About This Report

This report conveys the details of the carbon footprint emissions produced by the operations of ABK - Egypt in 2023 and covers Scopes 1, 2 and relevant activities from Scope 3. All the data included and analyzed within this report follow the Greenhouse Gas Protocol outlined by the World Resources Institute (WRI) and adhere to its principles of relevance, completeness, consistency, transparency, and accuracy.

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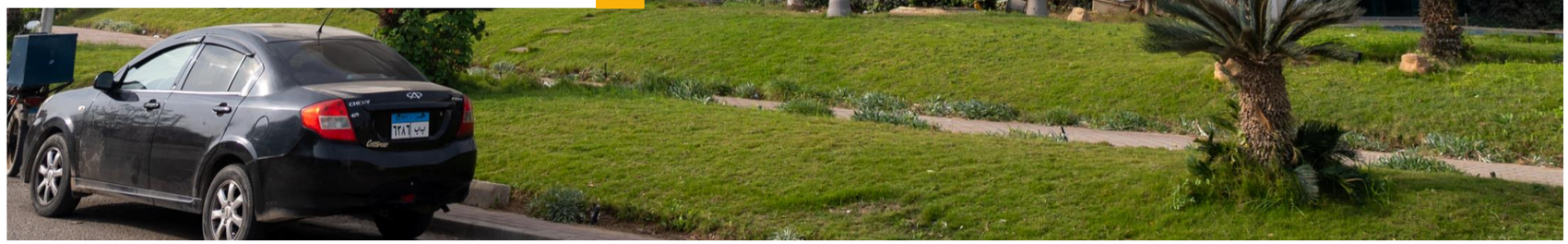
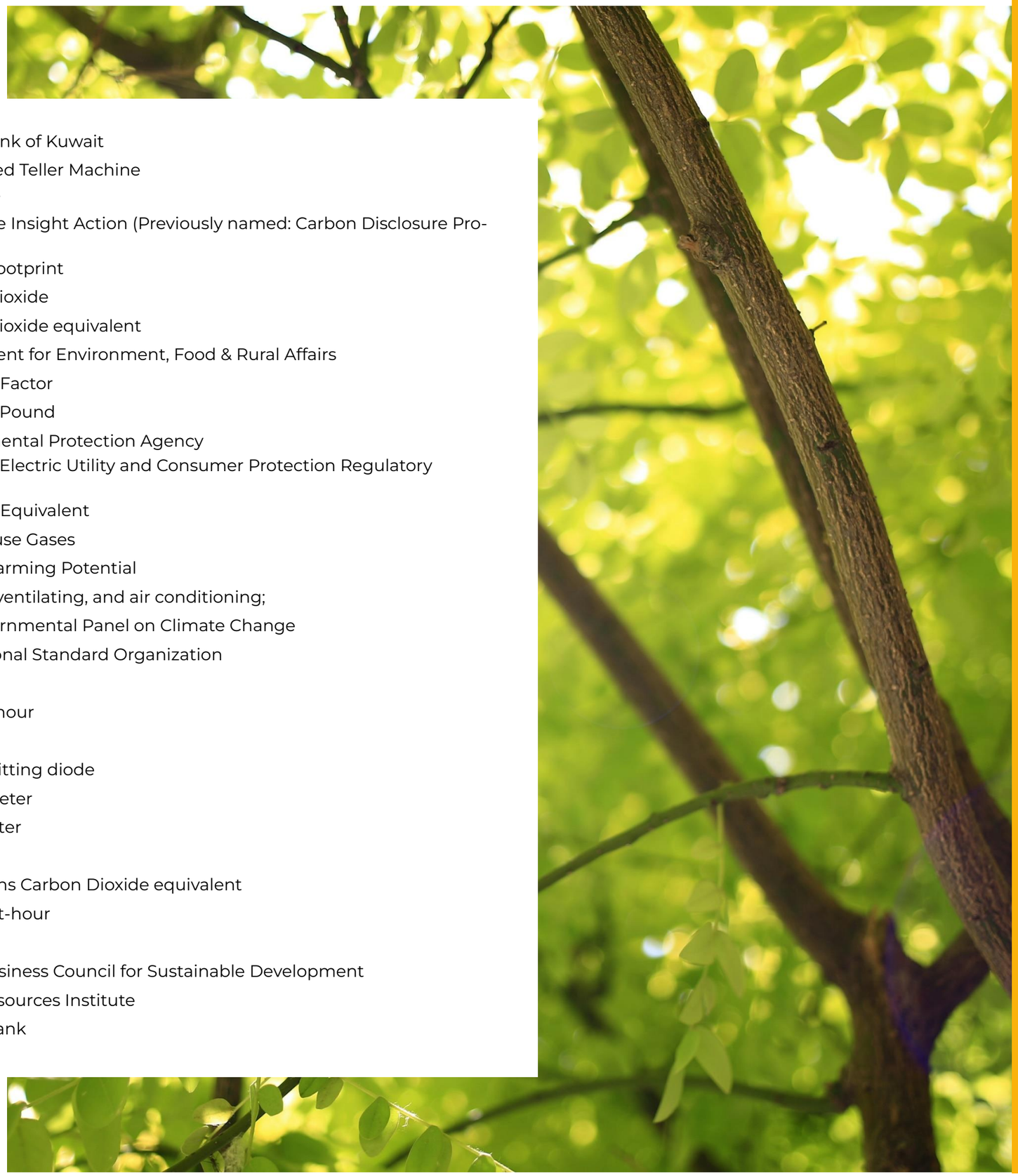


ABBREVIATIONS & ACRONYMS

ABK	Al Ahli Bank of Kuwait
ATM	Automated Teller Machine
BY	Base Year
CDP	Disclosure Insight Action (Previously named: Carbon Disclosure Project)
CFP	Carbon Footprint
CO_2	Carbon Dioxide
CO_2e	Carbon Dioxide equivalent
DEFRA	Department for Environment, Food & Rural Affairs
EF	Emission Factor
EGP	Egyptian Pound
EPA	Environmental Protection Agency
ERA	Egyptian Electric Utility and Consumer Protection Regulatory Agency
FTE	Full-time Equivalent
GHG	Greenhouse Gases
GWP	Global Warming Potential
HVAC	Heating, ventilating, and air conditioning;
IPCC	Intergovernmental Panel on Climate Change
ISO	International Standard Organization
kg	Kilogram
kWh	Kilowatt-hour
L	Litre
LED	Light-emitting diode
m^2	Square Meter
m^3	Cubic Meter
t	Ton
$mtCO_2e$	Metric Tons Carbon Dioxide equivalent
MWh	Megawatt-hour
Scp	Scope
WBCSD	World Business Council for Sustainable Development
WRI	World Resources Institute
WTT	Well-to-Tank



EXECUTIVE SUMMARY

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As climate change escalates with rising global temperatures and more frequent extreme weather events, banks worldwide face increasing challenges and impacts. To mitigate these risks, progressive banks are integrating climate considerations into their risk management frameworks, promoting sustainable finance, and investing in renewable energy initiatives. As the climate crisis evolves, banks play a pivotal role in financing the transition to a more sustainable global economy.

Al Ahli Bank of Kuwait – Egypt (ABK - Egypt), as a forward-thinking financial institution, exemplifies a strong commitment to sustainable development by incorporating environmentally and socially responsible practices into its operations. Aligned with sustainable development goals, ABK - Egypt positions itself as a responsible financial institution dedicated to addressing climate change challenges for the long-term benefit of society and the planet.

In this light, ABK - Egypt is delighted to present its second Carbon Footprint report and first one detailing its operations emissions for all its facilities for the year 2023, which serves as the base year to which all future assessments will be compared to, from the 1st of January 2023 to 31st of December 2023.

Conducting this carbon footprint report serves as a crucial step for ABK - Egypt to assess and understand the environmental impact of its activities. By quantifying its carbon emissions across various operational facets, ABK - Egypt gains insight into areas where it can reduce its carbon footprint and enhance its environmental performance. Moreover, this report demonstrates ABK - Egypt's commitment to transparency and accountability regarding its environmental impact. ABK - Egypt aims to not only mitigate its contribution to climate change but also to inspire other financial institutions to adopt similar sustainable practices, thus fostering a collective effort towards a greener and more sustainable future.

This carbon footprint report adheres to reputable protocols and standards, including the Greenhouse Gas Protocol Guidelines, the 2006 IPCC Guidelines for Greenhouse Gas Inventories (with 2019 Refinements), and the ISO 14064-1:2018 Standards.

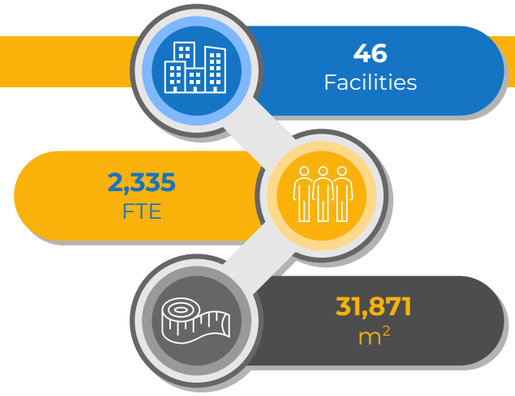
This report, comprehensively, assesses all 46 of ABK-Egypt's operational facilities, including 1 headquarters office and 45 branches, employing 2,335 full-time personnel. It analyzes emissions across three distinct scopes: direct GHG emissions from ABK-Egypt's owned assets (Scope 1), indirect GHG emissions from purchased energy consumption (Scope 2), and other relevant activities encompassed in Scope 3.

After meticulous examination and calculations, the findings reveal that ABK - Egypt's total emissions stand **at 10,277 $mtCO_2e$**. Among these, Scope 1 accounts for the smallest proportion, merely **7%** of the total, equivalent **to 770 $mtCO_2e$** originating from emissions sources such as fuel combustion in ABK - Egypt's owned vehicles. Scope 2 contributes **41%** of the total emissions, totaling **4,174 $mtCO_2e$**, stemming from sources like electricity consumption. Finally, Scope 3 constitutes the largest share of the total emissions at **52%**, amounting to **5,328 $mtCO_2e$**, arising from emissions sources not pertinent to Scopes 1 or 2, such as purchased goods and employee commuting, among other activities.

Furthermore, ABK - Egypt's emission intensities were measured at **2.12 $mtCO_2e$ per employee**, **0.16 $mtCO_2e$ per square meter**, and **0.416 $mtCO_2e$ per million EGP revenue**. These intensity metrics will serve as vital benchmarks for evaluating ABK - Egypt's performance and tracking its advancement over time.

In pursuit of our commitment to align ourselves with limiting global temperature rise to 1.5 degrees Celsius and recognizing the urgency of the climate crisis, ABK - Egypt has suggested a comprehensive **decarbonization plan**, meticulously designed to navigate our transition towards a low-carbon economy.

This strategy encompasses a multifaceted approach, integrating innovative technologies, renewable energy adoption, operational efficiency enhancements, and stakeholder engagement initiatives. By leveraging these initiatives, ABK - Egypt not only aims to mitigate its environmental impact but also seeks to catalyze positive change within the financial sector and beyond. This ambitious decarbonization plan serves as a testament to our unwavering dedication to environmental stewardship and responsible corporate citizenship.



Share of Scope 1, 2 and 3

ABK - Egypt's Total Emissions
10,277 $mtCO_2e$

ABK - Egypt's Emission Intensity
2.12 $mtCO_2e$/employee

ABK - Egypt's Emission Intensity
0.16 $mtCO_2e/m^2$

ABK - Egypt's Reduction Target
42% Reduction in scope 1 & 2 emissions by 2030

INTRODUCTION

INTRODUCTION

ABOUT THE BANK

Established in 1967, Al Ahli Bank of Kuwait (ABK) has evolved into a prominent Kuwaiti banking institution, offering an extensive array of financial services and products throughout its markets in Kuwait, Egypt, and the United Arab Emirates.

Aside from its retail activities, the bank boasts a thriving commercial arm. The Corporate Division specializes in funding for construction, real estate, and trade industries, offering loans, letters of credit, guarantees, and financial services. Meanwhile, the Treasury and Investments Division delivers expert foreign exchange and interest rate solutions and guidance tailored for Kuwait, Gulf, and global markets.

We are proud to announce that ABK has been recognized as one of the top 10 safest banks in the Middle East according to Global Finance.

The bank maintains strong credit agency ratings, with Moody's rating it at A2 and Fitch at A.

ABK-EGYPT & CLIMATE CHANGE

As climate change increasingly threatens global stability, banks find themselves at the forefront of managing associated risks. To confront these challenges, forward-thinking banks are reshaping their risk management frameworks, integrating climate considerations, and adopting sustainable finance practices. By doing so, they not only fortify their financial resilience but also play a pivotal role in advancing the transition to a more sustainable global economy.

Through strategic investments in renewable energy projects, green infrastructure, and climate-resilient initiatives, banks actively contribute to mitigating climate risks and promoting environmental sustainability. This proactive stance not only safeguards their reputation but also positions them to capitalize on emerging opportunities in sustainable finance markets. Ultimately, by embracing sustainable finance practices, banks not only enhance their own resilience but also drive positive environmental outcomes, fostering a more resilient and sustainable future for all.

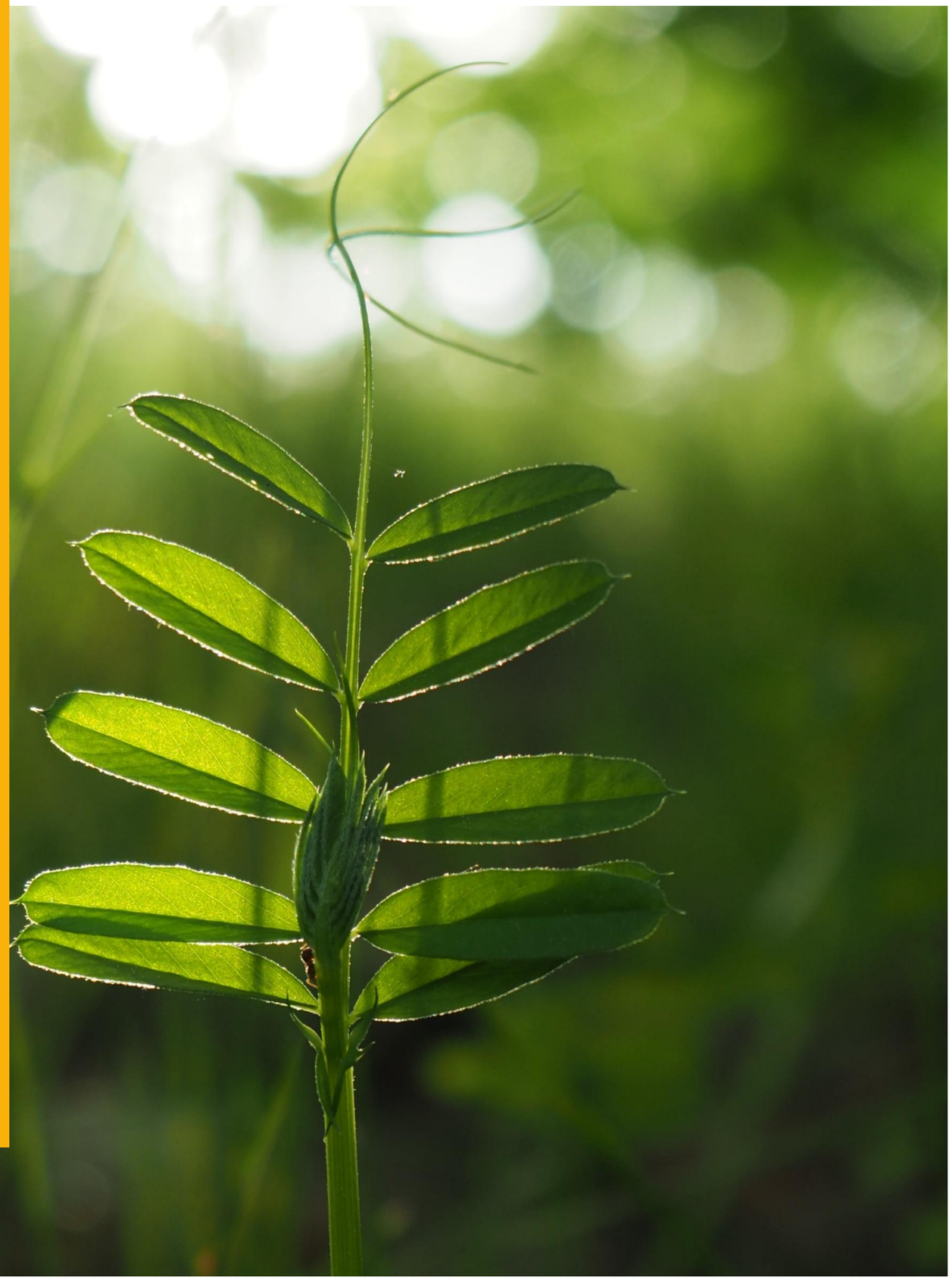
In light of this, ABK - Egypt demonstrates a steadfast commitment to sustainable development by integrating environmentally and socially responsible practices into its operations. Recognizing the urgent need to address the global climate change challenges, ABK - Egypt has strategically aligned its policies and practices with the sustainable development goals and positioned itself as a responsible financial institution contributing to the long-term well-being of both society and the planet.

INVENTORY BOUNDARIES

INVENTORY BOUNDARIES

ORGANIZATIONAL BOUNDARIES

In the context of accounting and reporting greenhouse gas (GHG) emissions, the organizational boundary delineates the businesses and operations encompassed by the organization. Organizations have the option to disclose emissions either from operations they exert financial or operational control over (referred to as the control approach) or based on their share of equity in the operation (referred to as the equity share approach). ABK - Egypt employs the operational control approach to determine its carbon footprint. Consequently, this encompasses ABK - Egypt's **46 facilities** (1 headquarters office and 45 branches), covering an area of **31,871 m²** and involving **2,335** Full-time Equivalent (FTE), comprising the bank's full-time employees, managers, and custodial staff.



OPERATIONAL BOUNDARIES

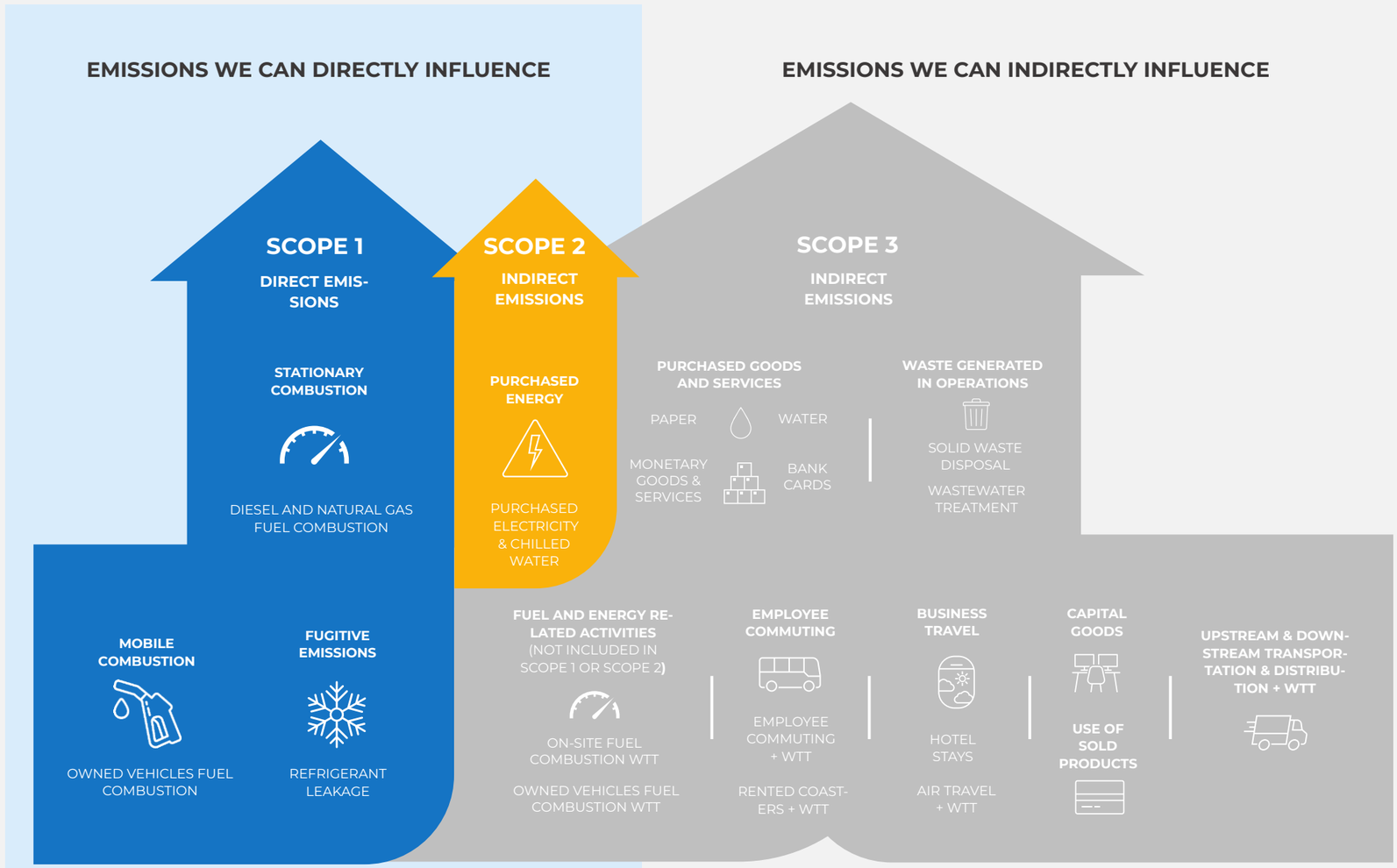
Operational boundaries establish the extent of direct and indirect emissions related to the operations falling within the defined organizational boundaries of ABK - Egypt. This includes the decision-making regarding the accounting and reporting scope for indirect emissions.

Emissions are categorized into different scopes:

- **Scope 1**, which encompasses emissions from owned or controlled equipment and assets;
- **Scope 2**, which covers emissions resulting from purchased electricity, heat, steam, or cooling;
- **Scope 3**, which encompasses significant indirect emissions that were not covered in Scope 1 and 2.

According to the GHG Protocol Corporate Standard, reporting is mandatory only for Scope 1 (direct emissions) and Scope 2 (indirect emissions). However, ABK - Egypt has chosen to go beyond the mandatory requirements and, in alignment with the GHG Protocol, has included multiple relevant Scope 3 emissions in its second Carbon Footprint (CFP) report.

The operational boundaries for ABK - Egypt's 2023 CFP report are as follows:



SOURCES OF EMISSIONS EXCLUDED

This report is as comprehensive as possible of all of ABK - Egypt's sources of emissions. While all **scope 1 and 2 emissions** are covered in this assessment, only the most relevant and significant **scope 3 emissions** categories are included. It's important to highlight that the emission sources listed below, as outlined in the GHG protocol, are currently not accounted for in ABK - Egypt's calculations. This is primarily due to insufficient data and their perceived irrelevance. More detailed explanations of these categories can be found in the Relevancy and Exclusions section of the **Annex**.

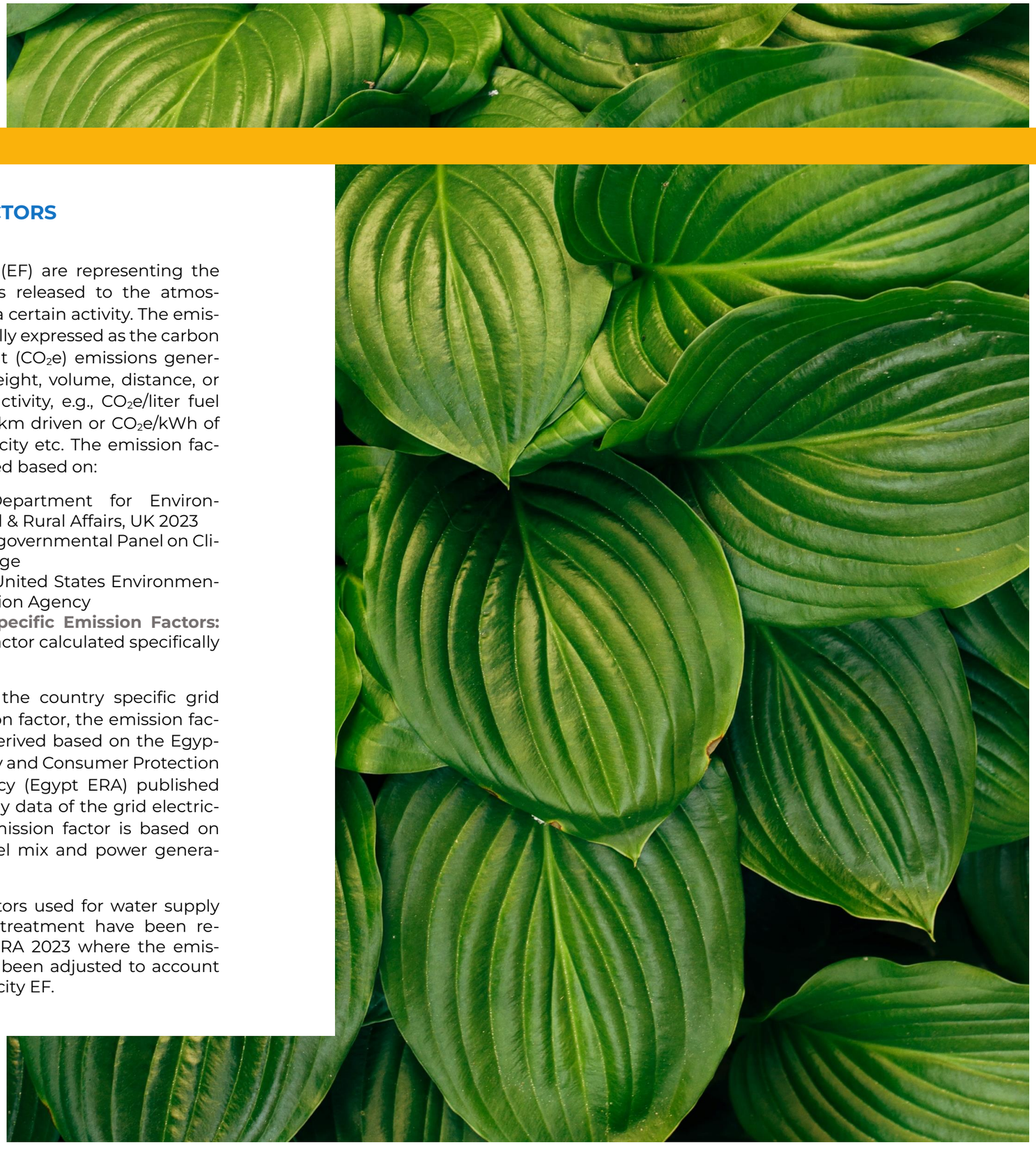
- **Category 8:** *Upstream leased assets*
- **Category 10:** *Processing of sold products*
- **Category 12:** *End-of-life treatment of sold products*
- **Category 13:** *Downstream leased assets*
- **Category 14:** *Franchises*
- **Category 15:** *Investments*

REPORTING PERIOD AND BASE YEAR

The reporting period of ABK - Egypt's second report is from the 1st of January 2023 to the 31st of December 2023. With 2023 being the **Base Year (BY)** that all future reports and results will be compared to, as this is the first year to include all of ABK - Egypt's organizational boundaries.

OVERALL METHODOLOGY

CALCULATION METHODOLOGY



PROTOCOLS AND STANDARDS

The carbon footprint assessment is conducted based on several international and widely applied standards, protocols, and guidelines specially developed for accounting and reporting, including but not limited to:

The Greenhouse Gas (GHG) Protocol Guidelines: Guidelines for the identification of emission sources and GHG that should be measured and reported. It also includes setting the boundaries for GHG emissions accountability, based on geographical, organizational, and operational limits.

- **Corporate Accounting and Reporting Standard:** provides guidance for companies to prepare their corporate-level GHG emissions.
- **Corporate Value Chain (Scope 3) Accounting and Reporting Standard**

ISO 14064-1:2018: Specification with guidance at the organization level for quantification and reporting of greenhouse gas emissions and removals.

2006 Intergovernmental Panel on Climate Change (IPCC): Guidelines for Greenhouse Gas Inventories (with 2019 Refinements).

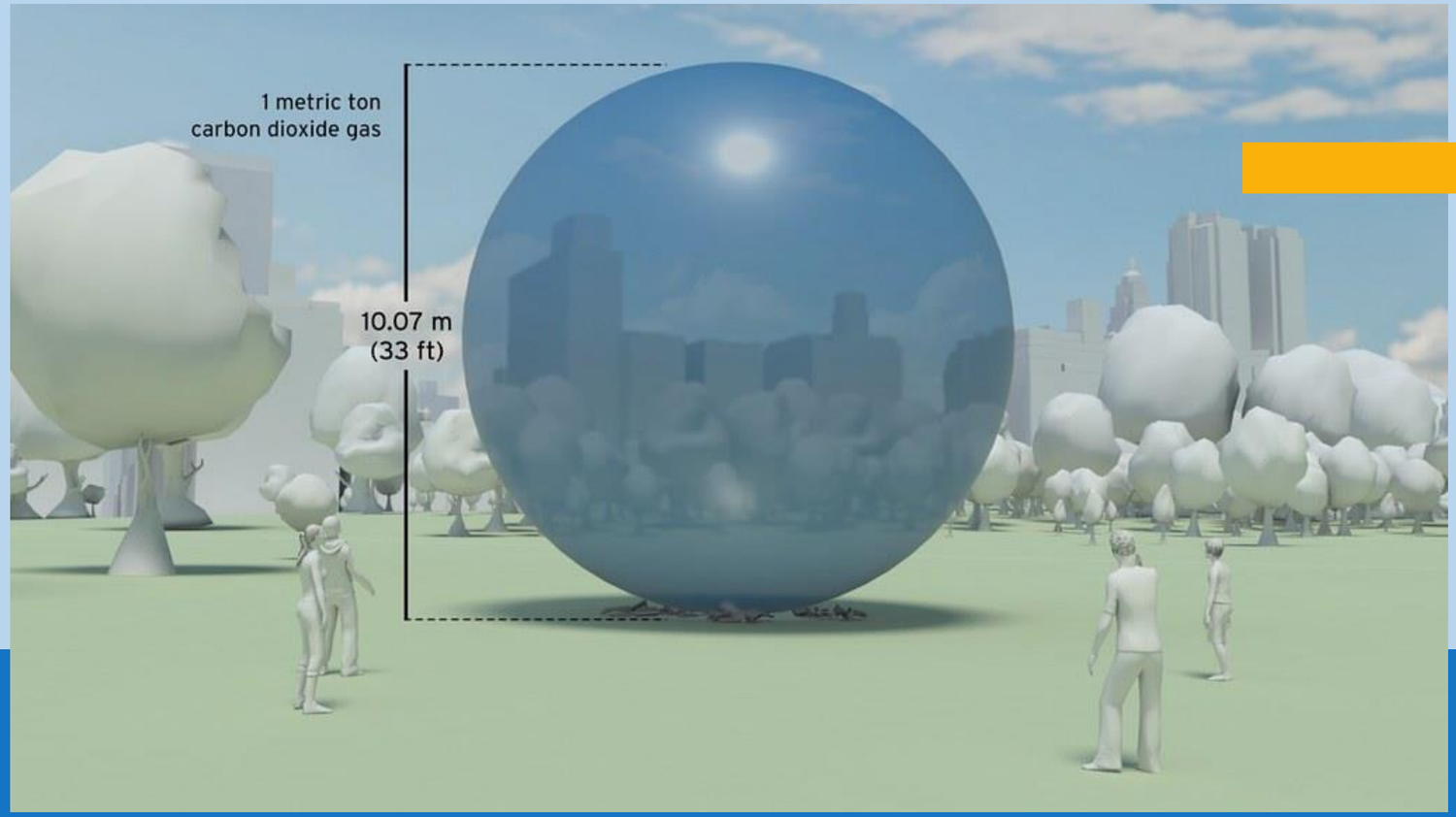
EMISSION FACTORS

Emission factors (EF) are representing the quantity of GHGs released to the atmosphere caused by a certain activity. The emission factor is usually expressed as the carbon dioxide equivalent (CO_2e) emissions generated by a unit weight, volume, distance, or duration of the activity, e.g., CO_2e/liter fuel consumed, CO_2e/km driven or CO_2e/kWh of purchased electricity etc. The emission factors were identified based on:

- **DEFRA:** Department for Environment, Food & Rural Affairs, UK 2023
- **IPCC:** Intergovernmental Panel on Climate Change
- **U.S. EPA:** United States Environmental Protection Agency
- **Country Specific Emission Factors:** Emission factor calculated specifically for Egypt

With regards to the country specific grid electricity emission factor, the emission factor for Egypt is derived based on the Egyptian Electric Utility and Consumer Protection Regulatory Agency (Egypt ERA) published reports of monthly data of the grid electricity, where the emission factor is based on Egypt's actual fuel mix and power generation.

The emission factors used for water supply and wastewater treatment have been retrieved from DEFRA 2023 where the emission factors have been adjusted to account for Egypt's electricity EF.



CALCULATION APPROACH

Each activity falls under a certain Scope according to the GHG Protocol Guidelines;

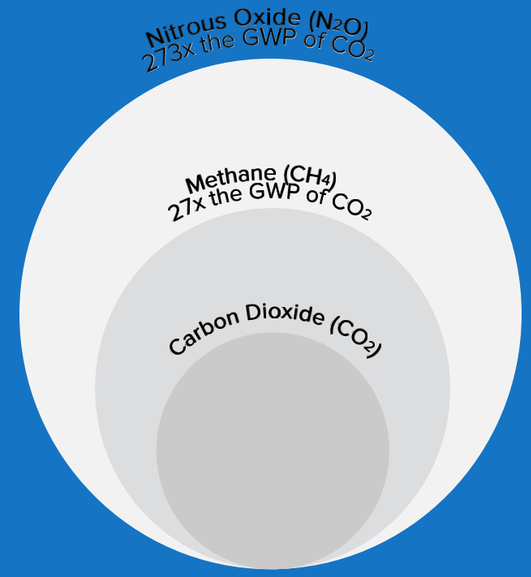
Scope 1 (Direct emissions), Scope 2 (Indirect emissions associated with the consumption of purchased energy) and Scope 3 (Indirect emissions that are a consequence of the operations of the organization but are not directly owned or controlled by the bank). The general calculation approach for the emissions, counted in $mtCO_2e$, is multiplying the activity data with its corresponding emission factor. When doing this, a unit analysis is performed in order to make sure the results of the emissions are obtained in the desired unit $mtCO_2e$.

As required by best practice in organizational GHG accounting and the chosen WBCSD/WRI GHG Protocol, all seven Kyoto Protocol greenhouse gases have been included in the assessment where applicable and material.

Global warming potentials (GWPs) are factors describing the radiative forcing impact of one unit of a specific greenhouse gas (e.g. methane) relative to one unit of carbon dioxide. They are used in GHG accounting to convert individual greenhouse gas emissions to a standardized unit for comparison; carbon dioxide equivalent (CO_2e). For reference the image above shows the actual volume of 1 metric ton of carbon dioxide to scale.

ABK - Egypt applied 100-year GWPs to all emissions data in this inventory in order to calculate total emissions, in metric tons carbon dioxide equivalent ($mtCO_2e$). Global warming potential values were sourced from the Intergovernmental Panel on Climate Change's (IPCC) sixth Assessment Report (AR6 2021), the most recent IPCC report available at the time of assessment. GHGs stated in the Kyoto Protocol and their respective GWPs are listed in the adjacent table.

Greenhouse Gas	100-Year GWP
Carbon dioxide (CO_2)	1
Methane (CH_4)	27
Nitrous oxide (N_2O)	273
Hydrofluorocarbons (HFCs)	124 – 14,800
Perfluorocarbons (PFCs)	7,390 – 12,200
Nitrogen trifluoride (NF_3)	17,400
Sulphur hexafluoride (SF_6)	25,200



Activity [unit] × **Emission Factor** [$mtCO_2e$/unit] = **GHG Emissions** [$mtCO_2e$]

CARBON FOOTPRINT RESULTS

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ABK - Egypt's Total Emissions = **10,277** $mtCO_2e$

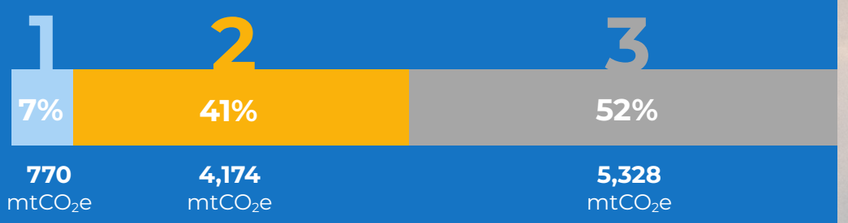
ABK - Egypt's total absolute emissions are equivalent to emissions from:

10,277 $mtCO_2e$ = **8,218** Flights from Cairo to Sydney, Australia = **1,340** Homes' energy use for a year

And are equivalent to emissions avoided and sequestered by:

10,277 $mtCO_2e$ = **2.7** Wind turbines running for a year = **169,848** Tree seedlings grown for 10 years

Share of Scope 1, 2 and 3



TOP EMITTING ACTIVITIES

35%

EMPLOYEE COMMUTING
3,611 $mtCO_2e$

26%

PURCHASED ELECTRICITY
2,709 $mtCO_2e$

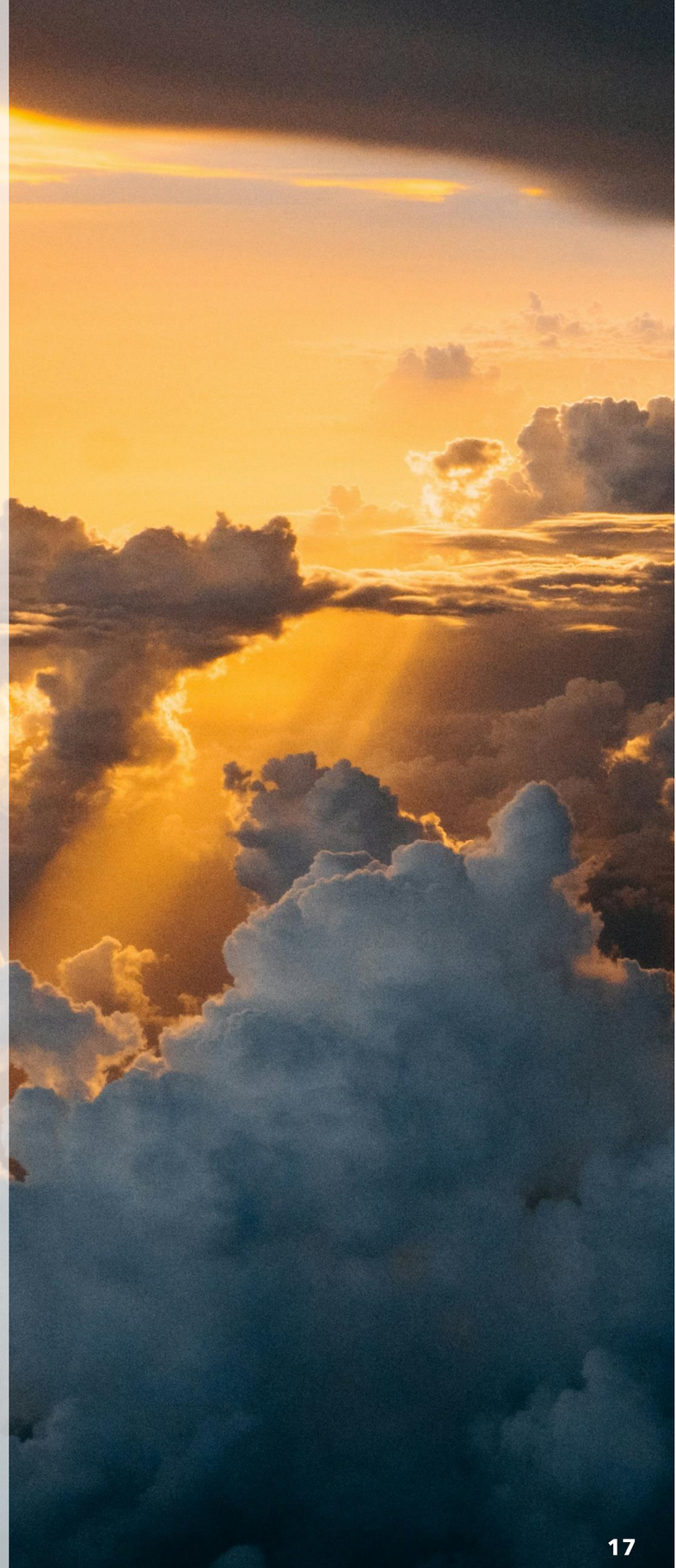
14%

PURCHASED CHILLED WATER
1,464 $mtCO_2e$

EMISSION INTENSITIES

Emission Intensity / Employee **2.12** $mtCO_2e$/ employee

Emission Intensity / Area **0.16** $mtCO_2e$/ m^2



SCOPE 1: DIRECT EMISSIONS

STATIONARY COMBUSTION

Fuel Burning: Diesel

9 $mtCO_2e$

Diesel generators contribute to ABK - Egypt's carbon footprint through fuel combustion emissions. During the 2023 reporting period, our facilities utilized emergency generators to fulfill electricity needs during power outages.

Throughout this period, diesel generators consumed **3,350 liters** of fuel, resulting in direct emissions totaling **9 $mtCO_2e$**. These emissions are directly tied to the combustion of diesel fuel within the generators.

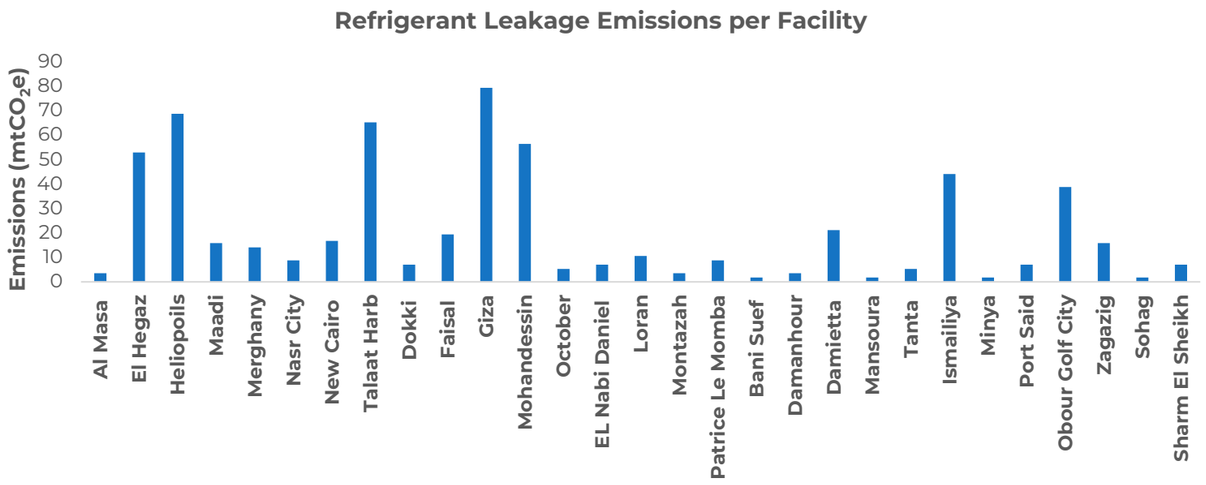
FUGITIVE EMISSIONS

Refrigerant Leakage

592 $mtCO_2e$

Refrigerants are essential for cooling spaces within refrigeration cycles. Within ABK - Egypt's operations, emissions arising from refrigerant leakage were categorized under Scope 1 emissions.

Throughout the 2023 reporting period, a total of **337 kg** of refrigerants type **"R-22"** were applied to recharge cooling systems across **29** out of the total 46 ABK - Egypt's facilities. This resulted in emissions of **592 $mtCO_2e$** into the atmosphere. The following chart conveys the emissions of refrigerant leakage in each of the **29 facilities**.



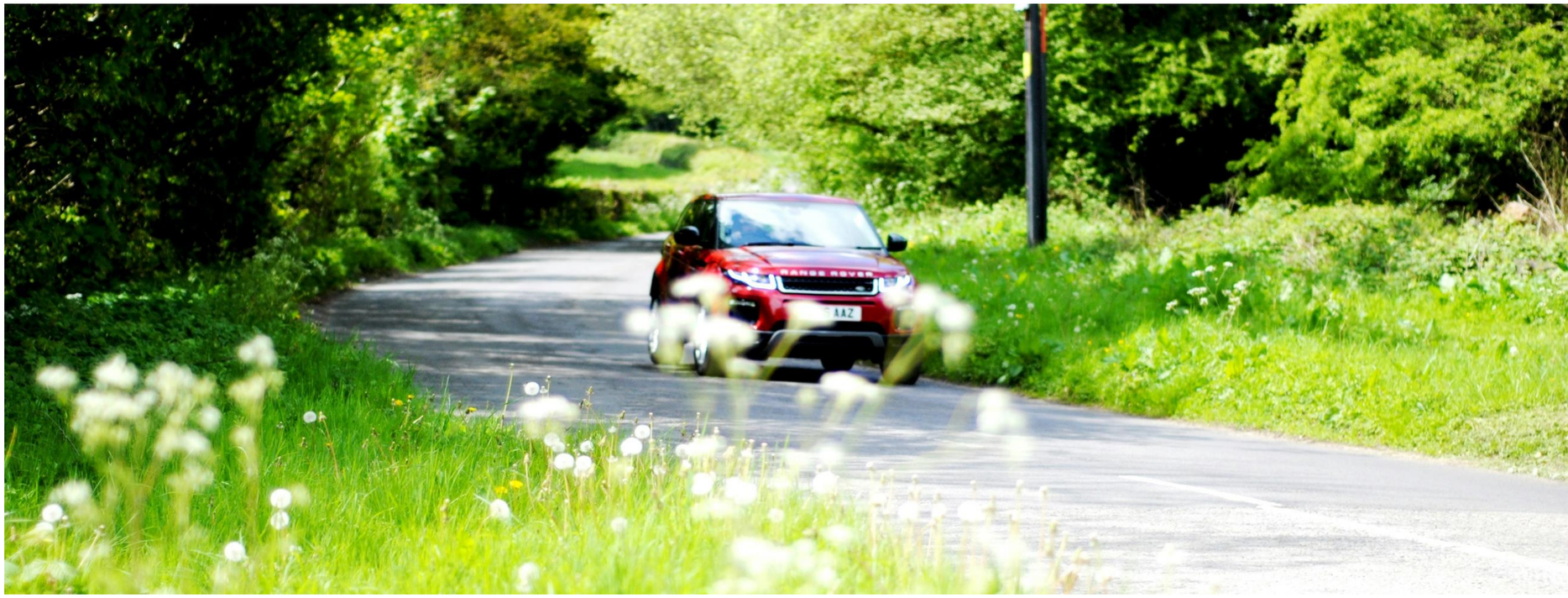
MOBILE COMBUSTION

Fuel Burning: Owned Vehicles

169 $mtCO_2e$

The fuel consumption of ABK - Egypt's owned vehicles directly contributes to the bank's carbon footprint. With a fleet of 52 vehicles, including 4 diesel-powered ones and 48 petrol-powered ones.

In the 2023 reporting period, ABK - Egypt's vehicles consumed **7,509 liters** of **diesel** fuel, resulting in emissions totaling approximately **20 $mtCO_2e$**. Additionally, the bank's vehicles consumed **63,700 liters** of **petrol** fuel during the same period, generating an estimated **149 $mtCO_2e$** emissions.



SCOPE 2: INDIRECT EMISSIONS

PURCHASED ENERGY

Purchased Electricity

2,709 $mtCO_2e$

During the reporting period of 2023, purchased electricity constitutes the **second largest** portion of carbon emissions within ABK - Egypt's facilities, making up **26%** of the total. ABK - Egypt's total electricity consumption during this time amounted to **5,907 MWh,** resulting in emissions equivalent to roughly **2,709 $mtCO_2e$**. It's important to highlight that this activity includes purchased electricity for **facilities**, as well as for **off-site ATMs**, responsible for **2,661 $mtCO_2e$** and **48 $mtCO_2e$** respectively.

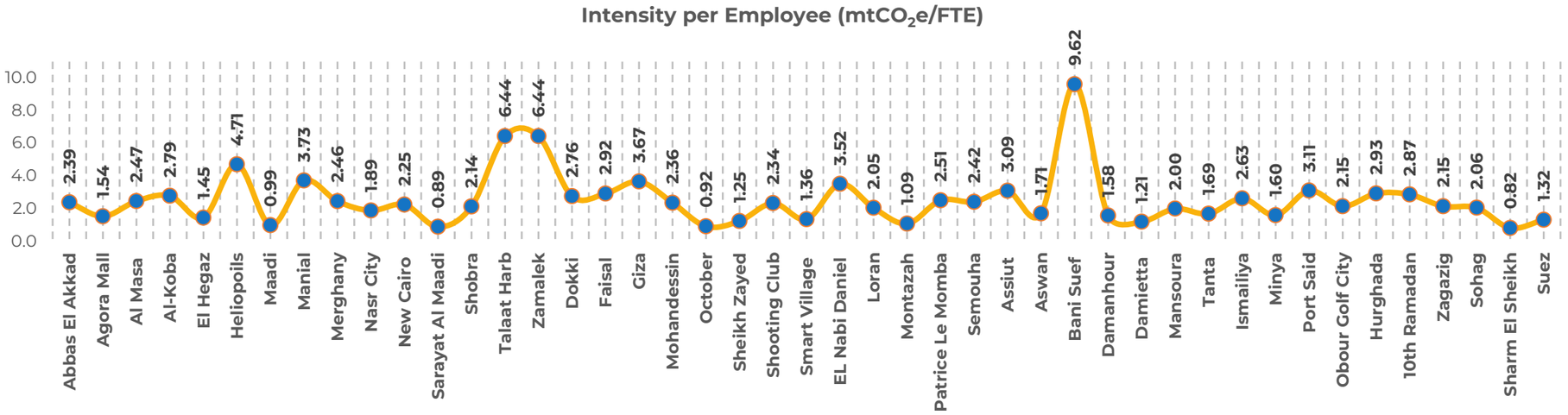
The intensity graphs on the right convey the electric intensities per **employee** and per **area** in each of ABK - Egypt's branches, clearly highlighting a peak in both intensities for the **Beni Suef branch**, scoring **9.62 $mtCO_2e$/FTE** and **0.43 $mtCO_2e/m^2$**, which is significantly higher than any other branch. These results call attention to the urgent need for energy efficiency improvements in that particular branch.

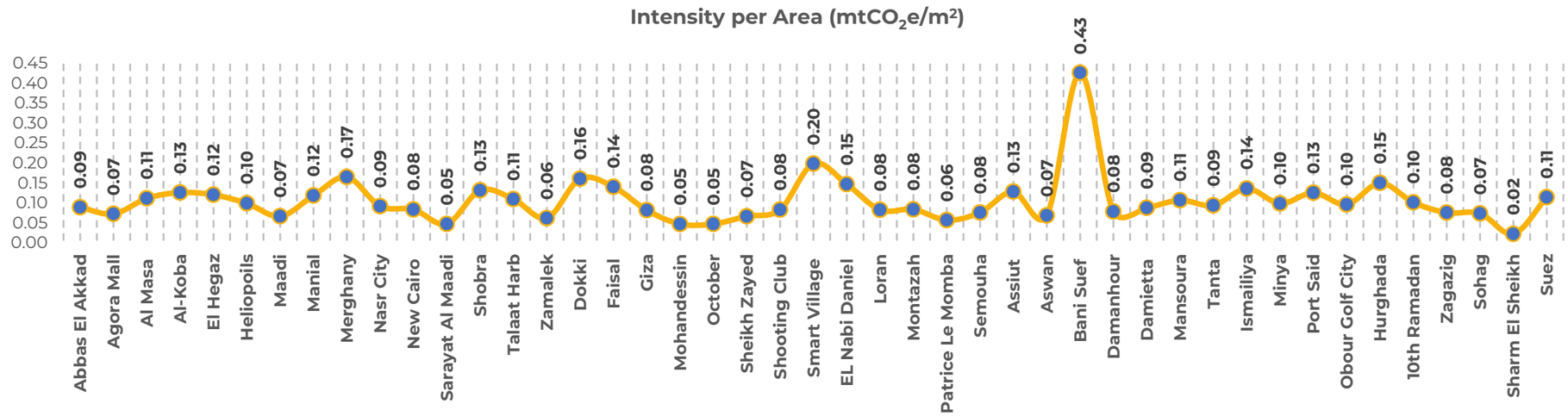
Purchased Chilled Water

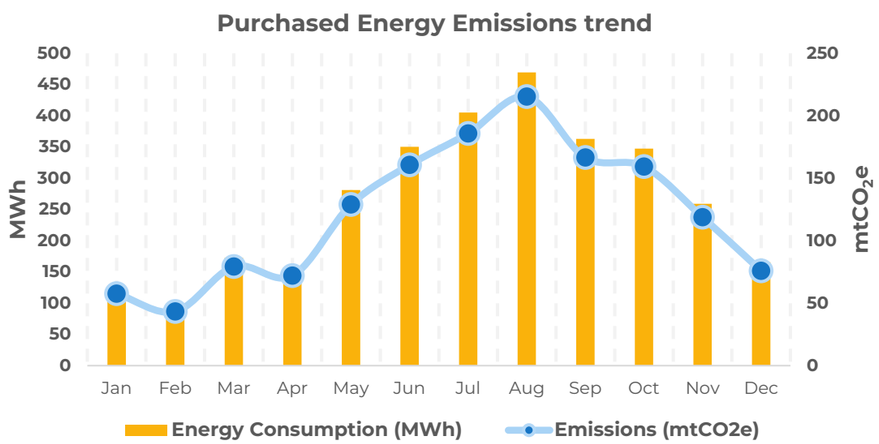
1,464 $mtCO_2e$

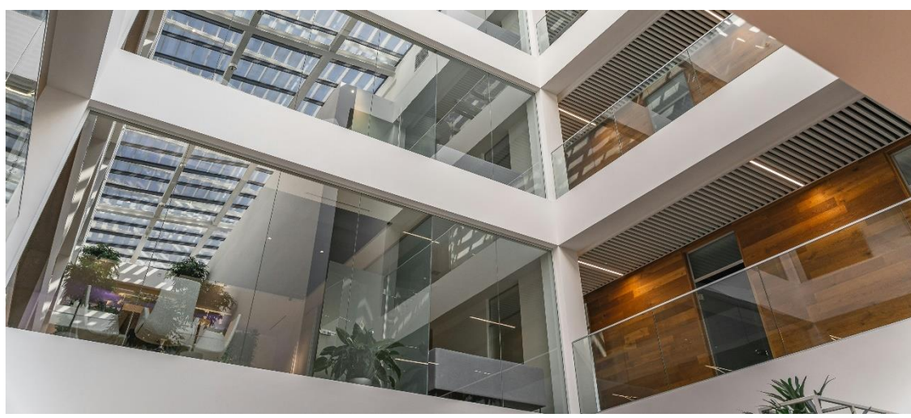
The utilization of chilled water in air conditioning systems can have a notable environmental impact. ABK - Egypt's **Smart Village** headquarters building significantly increases the bank's direct emissions through the use of chilled water. In 2023, the purchase of **3,192 MWh** of chilled water resulted in total emissions of **1,464 $mtCO_2e$**. which represents ABK - Egypt's **third highest** emitting activity, amounting to **14%** of the total emissions.

Moreover, the graph to the right depicting the overall emissions and consumption trend reveals a spike during the summer months, reaching its zenith in **August**. This surge can be attributed to heightened usage of air conditioning systems, indicating a necessity for initiatives to enhance air conditioner efficiency.









SCOPE 3: OTHER INDIRECT EMISSIONS

Scope 3 emissions arise from activities associated with assets beyond the direct ownership or control of the bank, yet are influenced indirectly through its value chain. These emissions encompass the following relevant categories:

- **Category 1:** Purchased Goods and Services
- **Category 2:** Capital Goods
- **Category 3:** Fuel and Energy Related Activities
- **Category 4:** Upstream Transportation and Distribution & WTT
- **Category 5:** Waste Generated in Operations
- **Category 6:** Business Travel
- **Category 7:** Employee Commuting
- **Category 9:** Downstream Transportation and Distribution & WTT
- **Category 11:** Use of Sold Products

PURCHASED GOODS & SERVICES

Water Consumption

6 $mtCO_2e$

Scope 3 emissions cover a range of indirect emissions, including those linked to water usage. In 2023, ABK - Egypt's facilities utilized a total of **15,777 m^3** of water, resulting in emissions equivalent to about **6 $mtCO_2e$**. While emissions from water consumption may not represent a sizable fraction of our overall carbon footprint, it's imperative to recognize the environmental consequences of water usage and implement water efficiency initiatives.

Paper Consumption

14 $mtCO_2e$

At ABK - Egypt, paper consumption mainly centered around A4 copy paper and various envelope sizes. Throughout 2023, the bank procured a total of **15 tons** of paper, resulting in the emission of **14 $mtCO_2e$**.

Monetary Goods & Services

983 $mtCO_2e$

Besides paper consumption, this carbon footprint evaluation also took into account other office supplies and services used by the bank. These supplies and services included a diverse array of items like IT equipment & services, office tools, giveaways, marketing, maintenance and consulting services. The total amount spent on these items led to approximately **983 $mtCO_2e$** emissions during the 2023 reporting period.

Bank Cards

4 $mtCO_2e$

During the reporting period of 2023, ABK - Egypt has utilized a total of **41,673 cards** (23,237 credit cards and 18,436 debit cards) leading to a total emissions of **4 $mtCO_2e$**.

CAPITAL GOODS

151 $mtCO_2e$

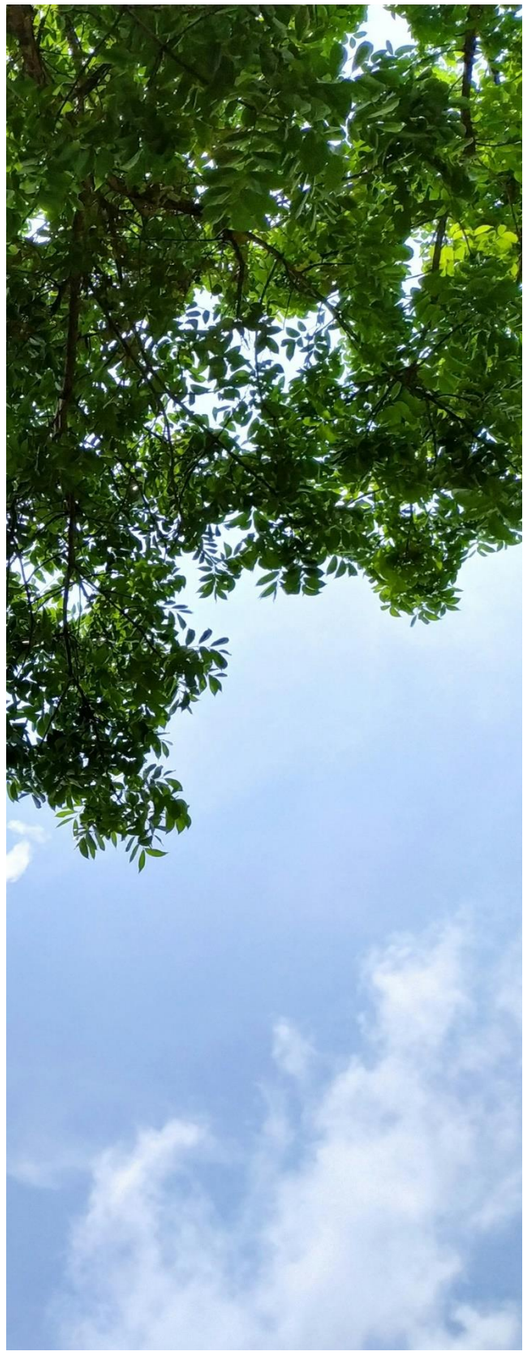
In 2023, ABK - Egypt invested in a range of essential physical assets and equipment vital for their operations and services, falling under the category of capital goods. These items comprised PCs, laptops, printers, scanners, office furniture and more. The total expenditure on capital goods for the year resulted in **151 $mtCO_2e$** emissions.

FUEL & ENERGY RELATED ACTIVITIES
(NOT INCLUDED IN SCOPES 1 &2)

338 $mtCO_2e$

In order to thoroughly evaluate the climate effects linked to fuel combustion activities, ABK - Egypt considered well-to-tank (WTT) emissions. These emissions, categorized under scope 3, encompass the complete range of environmental impacts stemming from fuel usage.

During the reporting period of 2023, the WTT emissions from electricity distribution & transmission totaled **292 $mtCO_2e$**. Furthermore, the utilization of diesel in generators led to the emissions of about **2 $mtCO_2e$**. Finally, the WTT emissions from the combustion of diesel and petrol in ABK - Egypt's owned vehicles reached **43 $mtCO_2e$**.



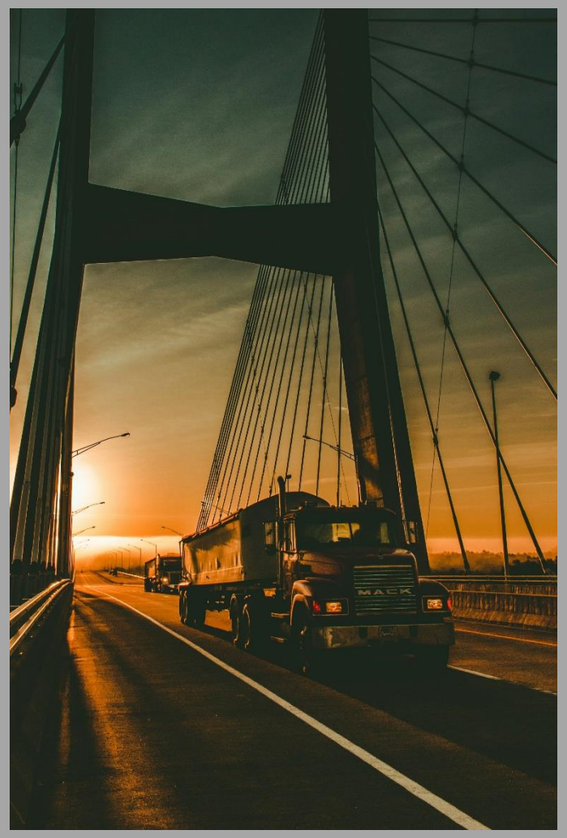
SCOPE 3: OTHER INDIRECT EMISSIONS

UPSTREAM TRANSPORTATION AND DISTRIBUTION + WTT

Internal Courier Shipment

3 $mtCO_2e$

During our 2023 reporting period, the bank's internal courier shipments from the headquarters in Smart Village to ABK - Egypt branches covered approximately **10,736 kilometers**, resulting in emissions of **3 $mtCO_2e$.**



WASTE GENERATED IN OPERATIONS

Solid Waste Disposal

124 $mtCO_2e$

The emissions stemming from the solid waste produced by ABK - Egypt's operations are documented within this category. In 2023, a sum of **238 tons** of solid waste was generated and mostly disposed of in landfills, resulting in emissions totaling **124 $mtCO_2e$**.

It's noteworthy that ABK - Egypt's **Smart Village Headquarters** recycled **40** out of the **238 tons** of waste generated by all of ABK - Egypt's facilities through an external recycling firm. Although the recycled waste accounts for only **16.8%** of the total waste produced across all of ABK - Egypt's facilities (resulting in a waste diversion rate of **0.168**), it marks a significant beginning. ABK - Egypt aims to broaden and strengthen this initiative, with the ultimate goal of encompassing all its branches in similar recycling efforts.

ABK - Egypt is improving its grasp of environmental impacts related to waste management by measuring and analyzing emissions. This allows for identifying ways to reduce waste and adopt sustainable disposal methods.

Wastewater Treatment

9 $mtCO_2e$

Under Scope 3, emissions from wastewater treatment are included. In the reporting period of 2023, ABK - Egypt's facilities discharged around **14,199 m^3** of water into the sewage system for treatment. The treatment of this wastewater led to emissions amounting to roughly **9 $mtCO_2e$**.

BUSINESS TRAVEL

Air Travel + WTT

33 $mtCO_2e$

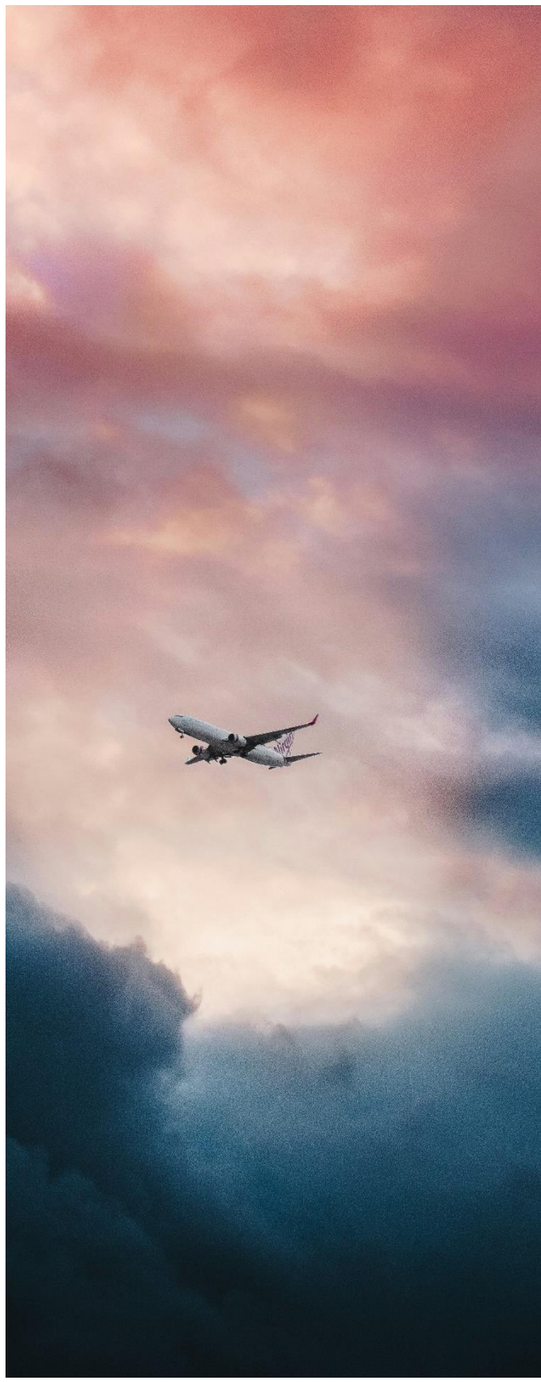
In 2023, ABK - Egypt employees collectively covered a distance of **94,170 kilometers** through both domestic and international flights. Furthermore, the passenger-kilometer figure for air travel reached **109,617 p.km.**

This data on air travel, including distance and passenger-kilometers, was documented in our database. It's noteworthy that when calculating emissions related to air travel, we considered well-to-tank emissions, allowing us to capture the full impacts, including both aircraft emissions and upstream emissions from aviation fuel production and transportation. The total distance traveled by passengers resulted in emissions equivalent to **33 $mtCO_2e$.**

Hotel Stays

50 $mtCO_2e$

In the 2023 reporting period, ABK - Egypt employees stayed in hotels for a total of **1,129 nights** inside Egypt. It's crucial to highlight that emissions linked with these hotel stays were considered in evaluating the carbon footprint. The total emissions from these accommodations amounted to roughly **50 $mtCO_2e$**, reflecting the environmental impact of the stays and their corresponding carbon footprint.



SCOPE 3: OTHER INDIRECT EMISSIONS

EMPLOYEE COMMUTING + WTT

3,611 $mtCO_2e$

In 2023, employee commuting emerged as ABK - Egypt's **biggest** emissions contributor among all operational activities, amounting **35%** of the total emissions. This encompasses emissions stemming from employees' travel to and from the bank, utilizing both private and public transportation means, alongside the rented coasters facilitating transportation to and from the Smart Village headquarters office.

The collective distances traversed by employees employing various transportation modes resulted in emissions totaling **3,611 $mtCO_2e$**.

DOWNSTREAM TRANSPORTATION AND DISTRIBUTION + WTT

External Courier Shipment

3 $mtCO_2e$

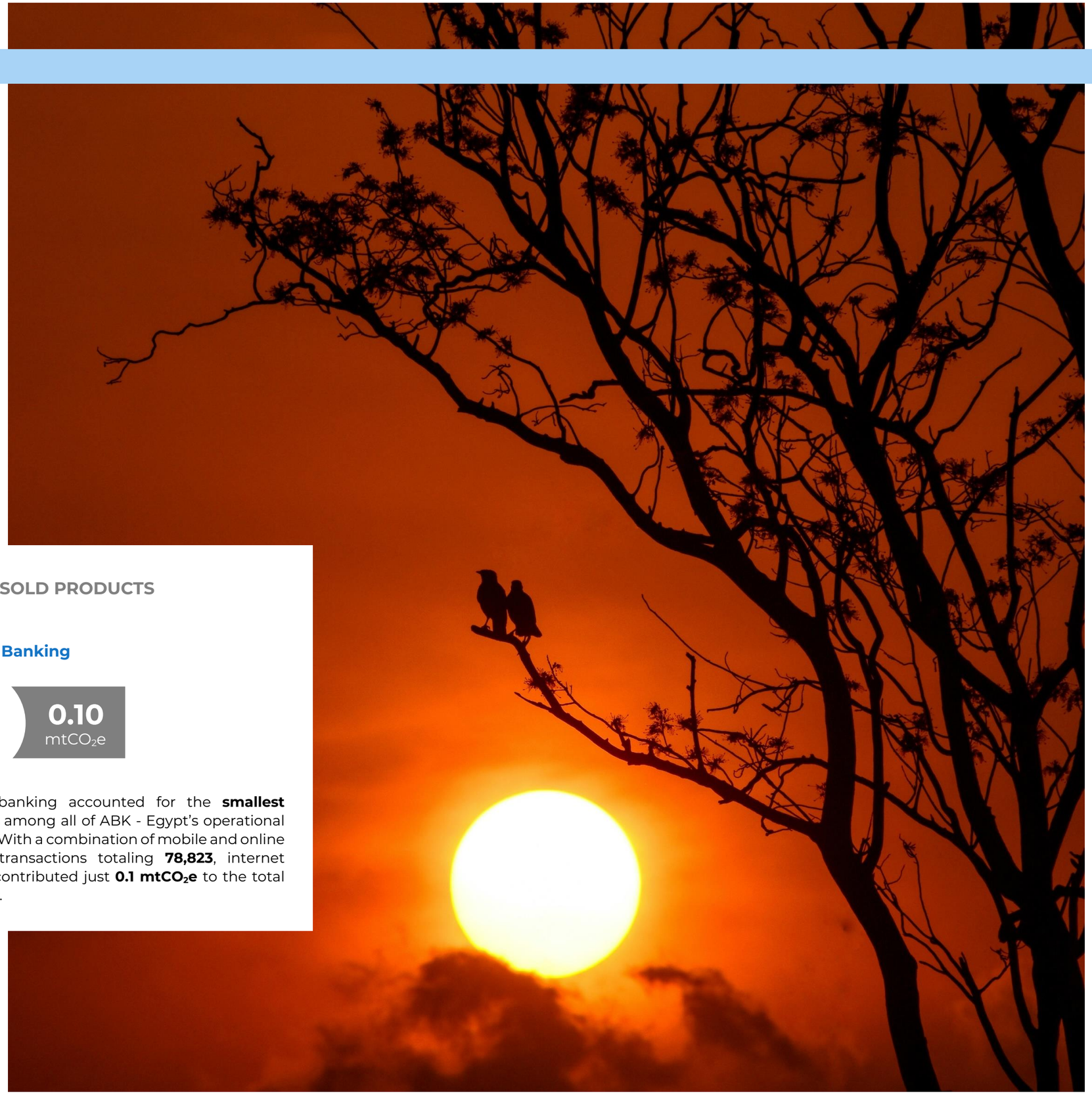
This category is concerned with the downstream emissions of external courier shipments made from ABK - Egypt's headquarters in Smart Village. The total distance covered was approximately **4,307 km** resulting in **3 $mtCO_2e$** emissions.

USE OF SOLD PRODUCTS

Internet Banking

0.10 $mtCO_2e$

Internet banking accounted for the **smallest** emissions among all of ABK - Egypt's operational activities. With a combination of mobile and online banking transactions totaling **78,823**, internet banking contributed just **0.1 $mtCO_2e$** to the total emissions.



CFP RESULTS SUMMARY

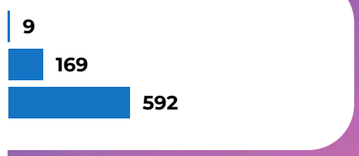
SCOPE 1 – DIRECT EMISSIONS ($mtCO_2e$)		2023 (BY)	
Stationary Combustion	Fuel burning – Diesel	9	**7%**
Mobile Combustion	Fuel burning – Owned vehicles	169	
Fugitive Emissions	Refrigerant leakage	592	
Total Scope 1 ($mtCO_2e$)		**770**	

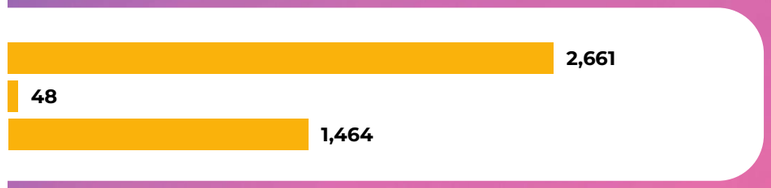
SCOPE 2 – INDIRECT EMISSIONS ($mtCO_2e$)		2023 (BY)	
Purchased energy	Purchased electricity - Facilities	2,661	**41%**
	Purchased electricity - ATMs	48	
	Purchased chilled water	1,464	
Total Scope 2 ($mtCO_2e$)		**4,174**	

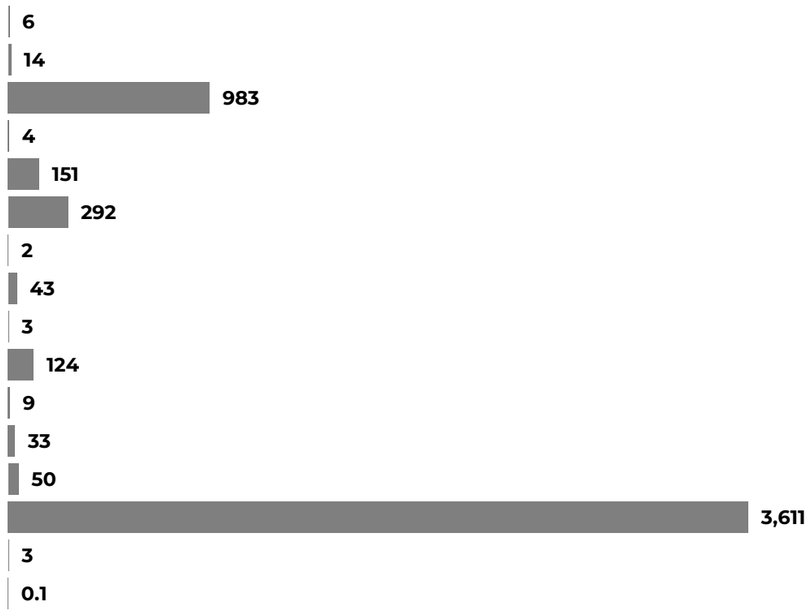
Total Scope 1 & 2 Emissions ($mtCO_2e$)	**4,944**	**$mtCO_2e$**
Scope 1 & 2 Carbon intensity ($mtCO_2e$/employee)	**2.12**	**$mtCO_2e$/employee**
Scope 1 & 2 Carbon intensity ($mtCO_2e/m^2$)	**0.16**	**$mtCO_2e/m^2$**
Scope 1 & 2 Carbon intensity ($mtCO_2e$/Million EGP Revenue)	**0.416**	**$mtCO_2e$/M.EGP**
Electricity Intensity (MWh/m^2)	**0.28**	**MWh/m^2**

SCOPE 3 – INDIRECT EMISSIONS ($mtCO_2e$)		2023 (BY)	
Purchased goods and services	Water consumption	6	**52%**
	Paper consumption	14	
	Monetary goods and services	983	
	Bank cards	4	
Capital Goods	Capital Goods	151	
Fuel and energy-related activities (not included in scope 1 and 2)	Transmission & distribution losses	292	
	Stationary combustion (WTT)	2	
	Mobile combustion (WTT)	43	
Upstream transportation and distribution & WTT	Internal courier shipment	3	
Waste generated in operations	Office solid waste disposal	124	
	Wastewater treatment	9	
Business travel	Air Travel + (WTT)	33	
	Hotel stay	50	
Employee Commuting	Commuting + (WTT)	3,611	
Downstream transportation and distribution & WTT	External courier shipment	3	
Use of Sold Products	Internet Banking	0.1	
Total Scope 3 ($mtCO_2e$)		**5,328**	

Total Scope 1, 2 & 3 Emissions ($mtCO_2e$)	**10,272**	**$mtCO_2e$**







DECARBONIZATION PLAN

ABK - Egypt has embarked on a substantial endeavor to explore and suggest decarbonization prospects throughout its operations. These opportunities are geared towards pinpointing areas of enhancement and offer a multitude of options for decreasing our carbon emissions. Our suggested decarbonization plan delineates the key initiatives, underscoring our dedication to sustainability and environmental stewardship. It's crucial to highlight that the projects and actions outlined below are proposed ideas, subject to extensive research and a thorough feasibility assessment before being put into action.

Energy Management System

Develop an energy management system compliant with **ISO 50001** standards. This entails implementing various measures outlined in the certification, such as:

- **Energy audits:** Conducting thorough energy audits that involve assessing energy consumption patterns, identifying areas of high energy use, and proposing energy-saving measures.
- **Lighting system upgrade:** Switching to energy-efficient LED lighting as implemented in the head office.
- **Smart building controls and automation systems:** Allowing for better control and optimization of energy usage, such as adjusting temperature settings, lighting, and ventilation based on occupancy.
- **Renewable energy options:** Exploring the feasibility of installing solar panels or wind turbines on-site can help generate clean energy, reduce reliance on fossil fuels, and lower carbon emissions.

Financed Emissions Management

Join the **PCAF** and pledge to adhere to **NZBA** standards. This entails various measures to decarbonize our portfolio, such as:

- **Sustainable Lending:** Expand the provision of green loans to support environmentally responsible investments.
- **Green Finance:** integrate rigorous environmental criteria into loan approval processes, promote green investment opportunities, and commit to transparent reporting on sustainability initiatives.
- **Sustainable Investment:** Incorporate ESG criteria into investment decisions and support green initiatives.

Integrated Waste Management

Develop a waste management system compliant with **ISO 14001** standards This entails implementing various measures outlined in the certification, such as:

- **Waste audits:** Conducting waste audits to identify opportunities for waste reduction, recycling, and proper waste management practices.
- **Recycling programs:** Implementing recycling programs for various materials like paper, plastics, glass, and metals, as already done in the head office.
- **Reusable and eco-friendly materials:** Encouraging the use of eco-friendly materials and reusable items like water bottles, coffee mugs, and shopping bags reduces waste generation.

Refrigerant Leakage Management

Develop an HVAC management system compliant with **ASHRAE 90.1** standards. This entails implementing various measures outlined in the certification, such as:

- **Scheduled Maintenance and Inspections:** Implement a proactive maintenance program to regularly inspect and service refrigeration and air conditioning systems.
- **Equipment Retrofit or Upgrade:** Retrofitting or upgrading older refrigeration and air conditioning systems with newer, more energy-efficient models that use environmentally friendly refrigerants.
- **Installation of Leak Detection Systems:** Install refrigerant leak detection systems that monitor and alert in real-time when leaks occur to allows for swift action to repair and prevent further leakage.

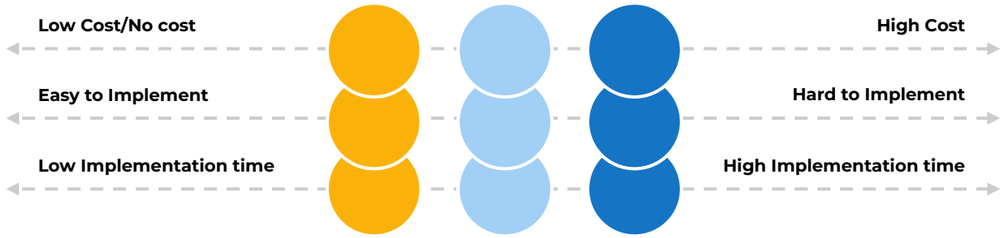
Infrastructure Upgrades

- Obtain green building certifications such as **LEED** and **EDGE** for buildings.
- **Green Building Guidelines:** Adopt green building guidelines including refurbishment of buildings, such as insulation, draught proofing and installing self-closing mechanisms in doors to avoid heat gain and energy consumption.

Data Collection and Management System

- Develop an Environmental and Social Management System **(ESMS)**

An advanced digital platform for sustainable management that enables real-time tracking of various resource consumptions such as electricity, water, generators, with the capability to take corrective actions in the event of overuse or excessive consumption.



Employee Participation in Sustainability

Educational Initiatives: Initiating educational campaigns that emphasize the significance of sustainability, the influence of individual behaviors, and the collaborative endeavor to minimize carbon emissions cultivates a culture of environmental stewardship.

Skill Development Workshops: Offering staff training in energy preservation, waste handling, and sustainable techniques provides them with the competencies and insights required to participate in decarbonization initiatives.

Collaborative Innovation Hub: Creating a forum where employees can exchange ideas, recommendations, and successful strategies linked to decarbonization stimulates employee involvement and encourages a unified approach to sustainability within the organization.

Sustainable Transportation

Alternative transportation methods:

Encouraging employees to carpool, use bicycles, or utilize public transit reduces the carbon footprint associated with individual commuting. Awareness campaigns and incentives can promote these sustainable transportation options.

Electric and hybrid vehicles: Assessing the feasibility of transitioning the company fleet to electric or hybrid vehicles can significantly reduce emissions from transportation. Factors to consider include infrastructure availability, vehicle range, and charging infrastructure installation.

Telecommuting policy:

Implementing a telecommuting policy allows employees to work remotely, reducing the need for daily commuting altogether and lowering associated emissions.

Sustainable Policies

Expanding on the bank's **ESG** policy by the establishment of comprehensive **climate, and water policies,** accompanied by robust governance structures within the institution.

Through transparent governance mechanisms, banks can ensure accountability, track progress, and foster a culture of sustainability across their operations, contributing to both financial resilience and broader societal well-being.

Water Management System

Develop a water management system compliant with **ISO 46001** standards. This entails implementing various measures outlined in the certification, such as:

Water-Efficient Fixtures: Setting up water-saving fixtures such as low-flow faucets and automatic shut-off faucets. In addition to, replacing existing toilets with low-volume single or dual flush options.

Water Usage Audit: Carrying out a comprehensive water efficiency audit across all facilities with the aim of decreasing water consumption.

Carbon Management Strategies

Carbon Offsets: Purchasing carbon offsets to compensate for emissions that can't be eliminated. This often involves supporting projects like reforestation or clean energy initiatives.

Carbon Pricing: Implementing internal carbon pricing mechanisms to account for the cost of carbon emissions in decision-making processes.

Decarbonizing the Supply Chain

Establish environmental and climate focused procurement standards: Create and implement procurement criteria that emphasize environmental and climate considerations.

Implement supplier selection criteria: Develop or update supplier selection criteria to include supplier monitoring and audit programs that align with "green supply chain" policies, aiming to reduce waste and enhance environmental sustainability.

ANNEX

DEFINITIONS AND TERMINOLOGY

Base year	A base year is a reference year in the past with which current emissions can be compared. To maintain consistency and comparability with future carbon footprints, base year emissions need to be recalculated when structural changes occur in the company that change the inventory boundary (such as acquisitions or divestments). If no changes to the boundaries of the inventory happen, the base year is not adjusted.
Carbon footprint	The amount of Carbon Dioxide that an individual, group, or organization lets into the atmosphere in a certain time frame.
CO_2e	Carbon dioxide equivalent or CO_2 equivalent, abbreviated as CO_2e, is a metric used to compare the emissions from various GHGs based on their global-warming potential (GWP), by converting amounts of other gases to the equivalent amount of carbon dioxide with the same global warming potential.
Direct emissions	Greenhouse gas emissions from facilities/sources owned or controlled by a reporting company, e.g., generators, blowers, vehicle fleets.
Emission factors	Specific value used to convert activity data into greenhouse gas emission values.
Fugitive emissions	Fugitive emissions are emissions of gases or vapors from pressurized equipment due to leaks and other unintended or irregular releases of gases, mostly from industrial activities. Besides the economic cost of lost commodities, fugitive emissions contribute to air pollution and climate change.
GHG protocol	Greenhouse Gas Protocol is a uniform methodology used to calculate the carbon footprint of an organization.
GWP	Global Warming Potential is an indication of the global warming effect of a greenhouse gas in comparison to the same weight of carbon dioxide.
Indirect emissions	Greenhouse gas emissions from facilities/sources that are not owned or controlled by the reporting company, but for which the activities of the reporting company are responsible, e.g., purchasing of electricity.
Kyoto protocol	It operationalizes the United Nations Framework Convention on Climate Change by committing industrialized countries to limit and reduce greenhouse gases (GHG) emissions in accordance with agreed individual targets.
Operational boundary	Determination of which facilities or sources of emissions will be included in a carbon footprint calculation.
Organizational boundary	Determination of which business units of an organization will be included in a carbon footprint calculation.
Refrigerant	A refrigerant is a substance or mixture, usually a fluid, used in a heat pump and refrigeration cycle.
Scope 1	Direct emissions from sources that are owned or controlled by the reporting entity (i.e., any owned or controlled activities that release emissions straight into the atmosphere).
Scope 2	Indirect emissions associated with the consumption of purchased electricity, heat or steam from a source that is not owned or controlled by the company.
Scope 3	Indirect emissions resulting from other activities that are not covered in scope 1 and 2. This includes transport fuel used by air business travel, and employee-owned vehicles for commuting to and from work; emissions resulting from courier shipment; emissions from waste disposal, etc.

DATA SOURCES AND QUALITY

All the information used to calculate the carbon footprint comes from ABK - Egypt's database. The data quality of all collected data has been evaluated and presented below.
The most commonly used types of data are:

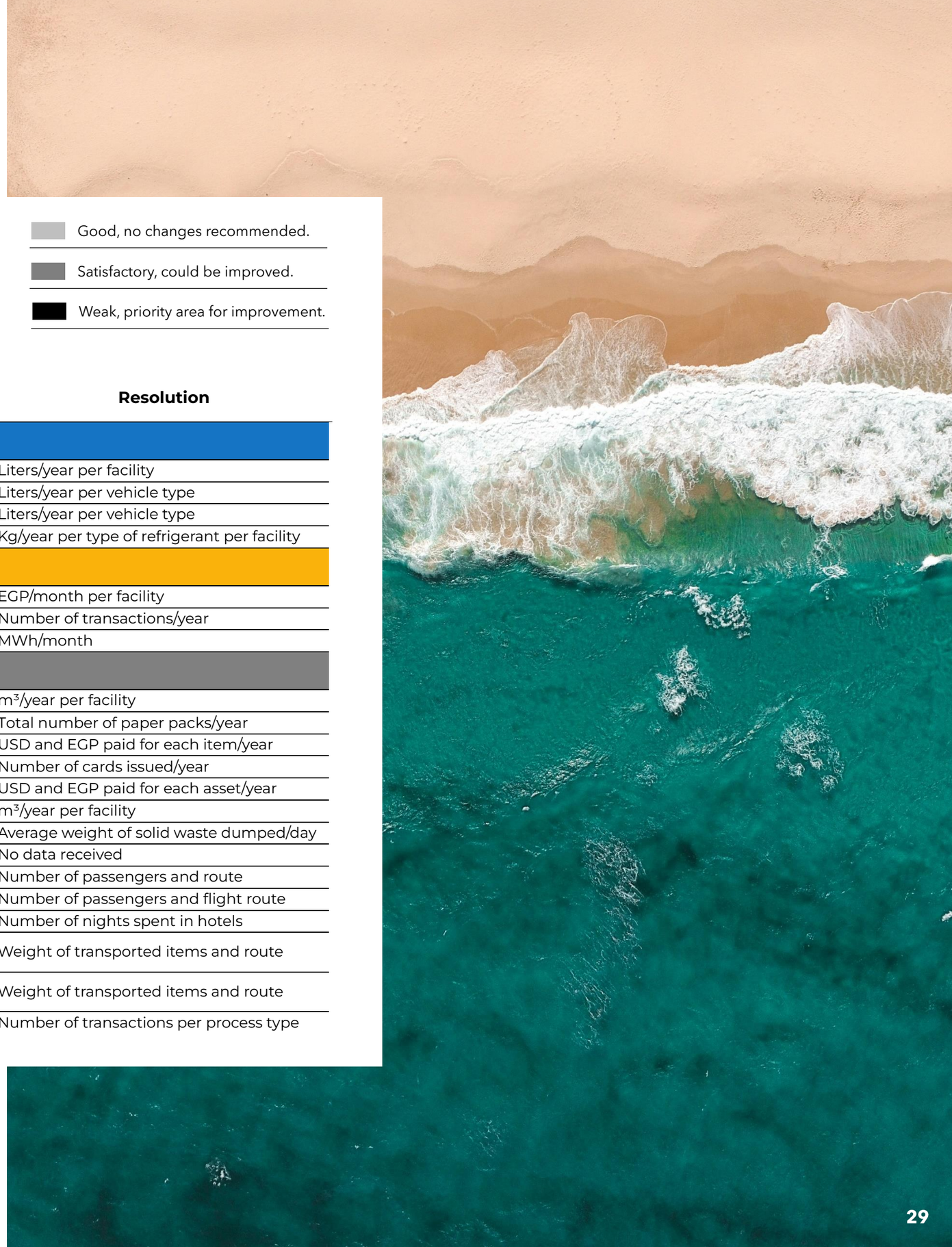
- **Primary Data:** Data taken from documents that are directly linked to the assessment, such as electricity invoices, to calculate emissions caused due to electricity.
- **Secondary Data:** Such as databases, studies, and reports.
- **Assumptions:** Assumptions made based on internationally recognized standards and studies.

Good, no changes recommended.

Satisfactory, could be improved.

Weak, priority area for improvement.

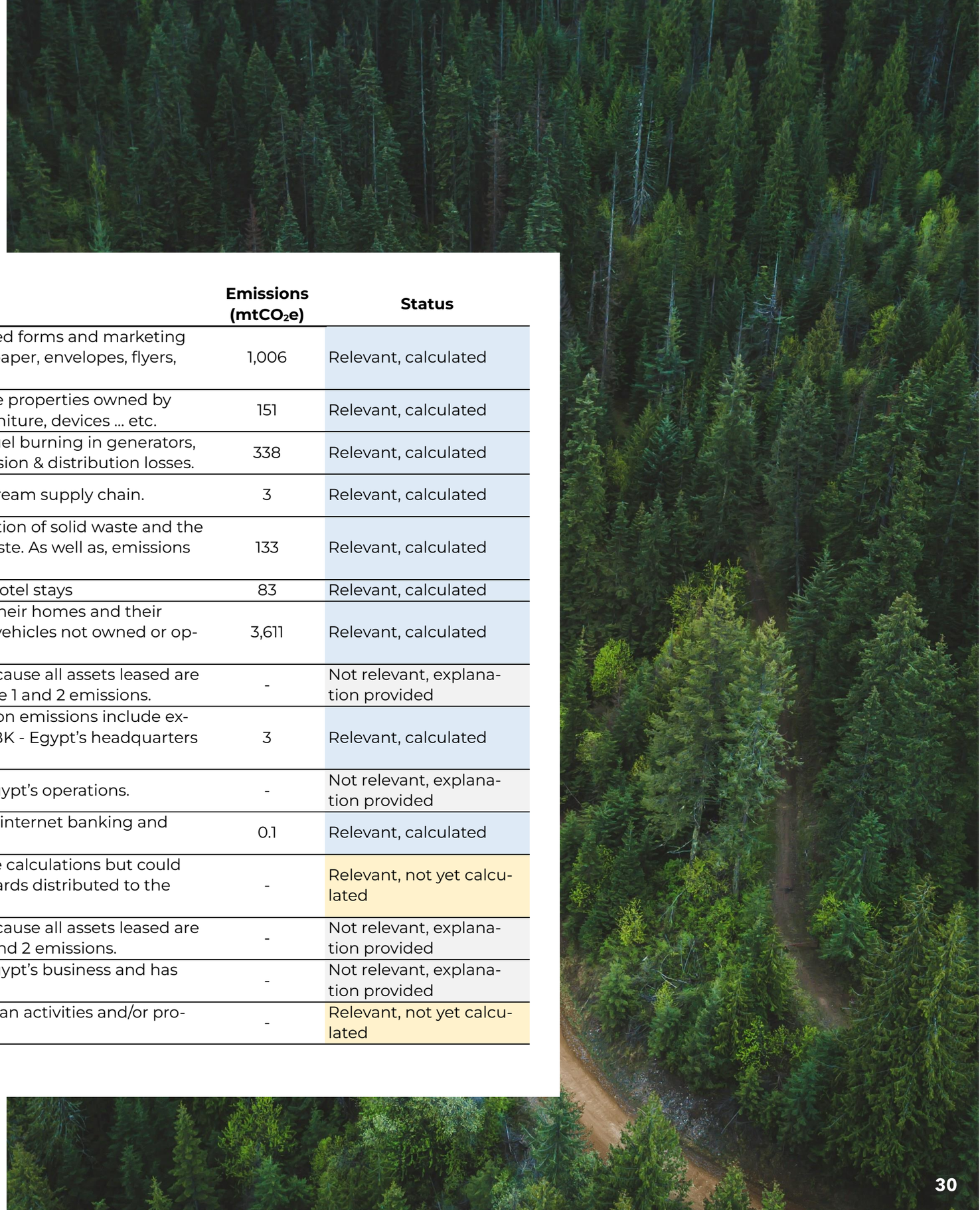
Activity		Data	Units	Resolution
SCOPE 1				
Stationary Combustion	Diesel fuel	3,350	Liters	Liters/year per facility
Mobile Combustion	Diesel fuel	7,509	Liters	Liters/year per vehicle type
	Petrol fuel	63,700	Liters	Liters/year per vehicle type
Fugitive Emissions	Refrigerants	337	kg	Kg/year per type of refrigerant per facility
SCOPE 2				
Purchased Energy	Electricity - Facilities	5,801	MWh	EGP/month per facility
	Electricity – ATMs	106	MWh	Number of transactions/year
	Chilled water	3,192	MWh	MWh/month
SCOPE 3				
Purchased Goods and Services	Water consumption	15,777	m^3	m^3/year per facility
	Purchased paper	15	tons	Total number of paper packs/year
	Monetary goods & services	Confidential	USD	USD and EGP paid for each item/year
	Bank cards	41,673	Cards	Number of cards issued/year
Capital Goods	Capital goods	Confidential	USD	USD and EGP paid for each asset/year
Waste Generated in Operations	Wastewater treatment	14,199	m^3	m^3/year per facility
	Solid waste	238	tons	Average weight of solid waste dumped/day
Employee Commuting	Cars	562,496	Km	No data received
	Buses	21,671,792	P.km	Number of passengers and route
Business Travel	Air travel	109,617	P.km	Number of passengers and flight route
	Hotel stays	1,129	Nights	Number of nights spent in hotels
Upstream Transportation and Distribution	Internal courier shipment	5,995	ton.km	Weight of transported items and route
Downstream Transportation and Distribution	External courier shipment	8,325	ton.km	Weight of transported items and route
Use of Sold Products	Internet banking	0.2	MWh	Number of transactions per process type



RELEVANCY AND EXCLUSIONS

All of Scope 1 and 2 emissions and most of Scope 3 emissions have been included and calculated in this assessment The table below outlines the sources of Scope 3 emissions that were not included in ABK - Egypt's GHG inventory due to various reasons. These reasons include insufficient data availability and activities falling outside the operational scope and control of ABK - Egypt, making it technically unfeasible to include them. Each excluded activity is accompanied by its specific rationale for exclusion.

#	Activity	Description	Emissions ($mtCO_2e$)	Status
1	Purchased goods and services	This includes water consumption, printed forms and marketing materials as well as office supplies like paper, envelopes, flyers, etc.	1,006	Relevant, calculated
2	Capital goods	Emissions from embodied carbon in the properties owned by ABK - Egypt, such as buildings, cars, furniture, devices ... etc.	151	Relevant, calculated
3	Fuel and energy related activities (Not included in Scope 1 and 2)	Includes Well-to-tank emissions from fuel burning in generators, owned vehicles and electricity transmission & distribution losses.	338	Relevant, calculated
4	Upstream transportation and distribution	Transportation from ABK - Egypt's upstream supply chain.	3	Relevant, calculated
5	Waste generated in operations	Includes emissions from the transportation of solid waste and the landfill emissions from the disposed waste. As well as, emissions from wastewater treatment.	133	Relevant, calculated
6	Business travel	Includes emissions from air travel and hotel stays	83	Relevant, calculated
7	Employee commuting	Transportation of employees between their homes and their worksites during the reporting year (in vehicles not owned or operated by ABK - Egypt).	3,611	Relevant, calculated
8	Upstream leased assets	This category is not directly relevant because all assets leased are already included in the company's scope 1 and 2 emissions.	-	Not relevant, explanation provided
9	Downstream transportation	ABK - Egypt's downstream transportation emissions include external courier service emissions from ABK - Egypt's headquarters in Smart Village to clients.	3	Relevant, calculated
10	Processing of sold products	This category is not relevant to ABK - Egypt's operations.	-	Not relevant, explanation provided
11	Use of sold products	This includes emissions from the use of internet banking and other sold products.	0.1	Relevant, calculated
12	End of life treatment of sold products	This category is not yet embraced in the calculations but could include end of life treatment of credit cards distributed to the customers.	-	Relevant, not yet calculated
13	Downstream leased assets	This category is not directly relevant because all assets leased are already included in the bank's scope 1 and 2 emissions.	-	Not relevant, explanation provided
14	Franchises	This category is not relevant to ABK - Egypt's business and has therefore been excluded.	-	Not relevant, explanation provided
15	Investments	Emissions resulting from commercial loan activities and/or projects financed by ABK - Egypt.	-	Relevant, not yet calculated



QUALITY ASSURANCE STATEMENT

To **ABK- Egypt's** Board of Directors',

We have been appointed by **ABK-Egypt** to conduct carbon footprint calculations pertaining to **ABK-Egypt's** operational activities for the period **1st of January 2023** to the **31st of December 2023**. The scope extends to all ABK-Egypt's branches all over Egypt.

AUDITORS' INDEPENDENCE AND QUALITY CONTROL

We adhere to integrity, objectivity, competence, due diligence, confidentiality, and professional behavior. We maintain a quality control system that includes policies and procedures regarding compliance with ethical requirements, professional standards, and applicable laws and regulations.

AUDITORS' RESPONSIBILITY

In conducting the carbon footprint calculations, we have adopted the Greenhouse Gas Protocol Guidelines, IPCC Guidelines for Greenhouse Gas Inventories, and finally ISO 14064-1:2018 specification with guidance at the organization level for quantification and reporting of GHG emissions and removals.

It is our responsibility to express a conclusion about the quality and completeness of the primary data collected/ provided by **ABK-Egypt**. We have performed the following quality assurance/ quality control tasks:

- Several rounds of data requests were performed whenever the received information was not clear;
- All data presented in this report were provided by the reporting entity and revised and completed by our technical teams;
- For data outliers, meetings were held to investigate the accuracy of the data and new data was provided when requested;
- Any gaps, exclusions and/or assumptions have been clearly stated in the report.

CONCLUSION

Based on the aforementioned procedures, nothing has come to our attention that would cause us to believe that **ABK-Egypt's** raw data used in the carbon footprint calculations have not been thoroughly collected, verified, and truly represent **ABK-Egypt's** resource consumption in the reporting period related to all categories/aspects identified in this report. We do not assume and will not accept responsibility to anyone other than **ABK-Egypt** for the provided assurance and conclusion.

Dr. Abdelhamid Beshara, Founder and Chief Executive Officer
MASADER, ENVIRONMENTAL & ENERGY SERVICES S.A.E CAIRO,
March 2024

Accredited Climate Change Consultancy

GRI COMMUNITY MEMBER 2022

TCFD TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

ABOUT MASADER

Masader is an innovative interdisciplinary consulting, design and engineering sustainability firm based in Cairo, aiming at leveraging positive impact across the MENA region and globally. It specializes in Resource Efficiency, Sustainable Management of Natural Resources and Integrated Sustainability Solutions. Since 2015, Masader has led 100+ projects across the areas of energy, environment, climate change & carbon footprint, circular economy, green building (LEED), as well as corporate sustainability strategies, reporting and certification.

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ABK