بنك مصر
BANQUE MISR

# CARBON FOOTPRINT REPORT

# 2022

# ABOUT THE BANK

## BANQUE MISR

**Banque Misr**, founded in 1920 by economist Mohamed Talaat Harb Pasha, stands as Egypt's first wholly Egyptian-owned bank, reflecting a historic commitment to national savings and economic development. Over the decades, it has played a pivotal role in Egypt's financial landscape and beyond.

The bank's impact transcends sectors, having funded businesses in textiles, insurance, transportation, aviation, entertainment, and filmmaking. Currently, **Banque Misr** holds shares in a diverse portfolio of 157 companies spanning finance, tourism, housing, agriculture, food, and technology. Recognized as a financial leader, it has received numerous awards, including Best Provider of Money Market Funds in Africa and the Middle East.

**Banque Misr** is equally renowned for its technological advancements. It was the first in Egypt and North Africa to comply with PCI data security standards, reflecting a commitment to customer data protection. The bank boasts an extensive ATM network, ensuring accessible banking services across Egypt.

With over 20,000 employees, **Banque Misr** serves a client base of over 13 million in Egypt. Its network comprises more than 800 electronically integrated local branches, reinforcing its commitment to local accessibility. Additionally, the bank's international presence extends to the United Arab Emirates, France, Lebanon, and Germany, along with representative offices in China, Russia, South Korea, and Italy bolstering its global financial reach.

In summary, **Banque Misr's** 100-year legacy encapsulates its dedication to economic development, data security, technological innovation, and expansive accessibility. It exemplifies the impact of visionary leadership and innovation in the banking sector, leaving an indelible mark on Egypt and the wider Middle East.

# ABOUT THIS REPORT

This report details the carbon footprint generated by **Banque Misr's** operations in Egypt in 2022 and covers Scope 1, 2 and relevant activities in Scope 3. While this is **Banque Misr's** second assessment of greenhouse gas (GHG) emissions, the current year will be regarded as the base year. This is because it is the first time the carbon footprint assessment encompasses the entire organization, rather than focusing solely on one building. All the data collected and analyzed within this report follow the World Resources Institute Greenhouse Gas Protocol principles of relevance, completeness, consistency, transparency, and accuracy.

# CONTENTS



# ABBREVIATIONS

| | |
|---|---|
| **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** | United States Environmental Protection Agency |
| **ERA** | Egyptian Electric Utility and Consumer Protection Regulatory Agency |
| **FTE** | Full-time Equivalent |
| **GHG** | Greenhouse Gases |
| **GWP** | Global Warming Potential |
| **IPCC** | Intergovernmental Panel on Climate Change |
| **ISO** | International Standard Organization |
| **kg** | Kilograms |
| **kWh** | Kilowatt hour |
| **L** | Litre |
| **LED** | Light-emitting diode |
| **$m^2$** | Square meter |
| **$m^3$** | Cubic meter |
| **MWh** | Megawatt hour |
| **$mtCO_2e$** | Metric tons Carbon Dioxide equivalent |
| **t** | tons |
| **Scp** | Scope |
| **WBCSD** | World Business Council for Sustainable Development |
| **WRI** | World Resources Institute |
| **WTT** | Well-to-Tank |

# CHAIRMAN'S LETTER

"

At **Banque Misr,** our unwavering commitment to financial excellence and integrity has been a hallmark of our institution. However, in today's dynamic world, we recognize that excellence transcends the confines of profits and balance sheets. It encompasses our broader impact on the environment and society as a whole. Our mission extends beyond providing financial services; it is about doing so responsibly and sustainably. Our commitment to environmental responsibility and sustainability has been at the heart of our operations, and this report reflects our dedication to reducing our carbon footprint and mitigating the effects of climate change.

**Banque Misr** has upheld a long-standing dedication to ensuring that our growth not only benefits our stakeholders but also leaves a positive and sustainable footprint on the environment and society. We acknowledge our pivotal role as a financial institution in advocating for the advantages of sustainable finance. Our commitment to embedding and executing ESG (Environmental, Social, and Governance) initiatives throughout our operations remains steadfast. We are confident that our endeavors to drive systemic and sectoral transformations will allow us to progress hand in hand with our partners, peers, and the local community within our region.

As a leading national bank, entrusted with the dual mandate of supporting the Egyptian economy and the Government's strategic priorities while maintaining commercial viability, **Banque Misr** has taken proactive steps to align with the sustainability trajectory. We proudly became signatories of the "**United Nations Principles of Responsible Banking**" in July 2019, recognizing that sustainability is not just a facet of our growth but an integral part of managing a bank. It is where environmental and societal considerations form the very core of our decision-making process.

**Banque Misr's** ESG approach is built upon four pillars: **Economic Resilience, Environmental Action, Inclusive Society, and Governance.** We are committed to social and environmental responsibility, underscored by the fact that we are the first national bank in Egypt to consistently adhere to the **10 principles** of the United Nations Global Compact and the Global Reporting Initiative's (**GRI**) standards for six consecutive years. Furthermore, we have lent our support to the **United Nations Environment Programme Finance Initiative** and have joined the Responsible Banking initiative. Our firm positioning in the global arena reflects our commitment to making a meaningful difference.

Our strong commitment extends to embracing the "**Guiding Principles for Sustainable Finance**" issued by the Central Bank of Egypt on 18 July 2021. This represents a pivotal stride towards rallying the Egyptian banking sector to support the country's ambitions for sustainable growth across all sectors. Additionally, it emphasizes our role in providing the necessary financial support for projects aimed at achieving the Sustainable Development Goals (SDGs).

This past year has seen us take the initial steps in understanding and addressing our carbon emissions, starting with our **headquarters**. We recognized that meaningful change begins with measurement, and our commitment to transparency led us to assess and report our emissions. However, it was just the beginning. The current year is pivotal as we extend our efforts to comprehensively assess the carbon footprint of **all our operations in Egypt**. It's a monumental task, and it underscores our commitment to accountability and sustainability. However, our journey doesn't stop here. We recognize that one of the most substantial contributors to a financial institution's carbon footprint lies in the emissions associated with the projects we finance. Therefore, our next endeavor is to assess our **financed emissions**. We intend to do this to gain a comprehensive view of our environmental impact and to identify areas where we can drive positive change.

Our efforts to address climate change also encompass fostering collaboration and transparency. We aim to collaborate with our customers, employees, and regulatory bodies to drive positive change. Our reporting practices will remain transparent, ensuring that our stakeholders are kept well-informed about our carbon emissions and our progress. We call upon all our stakeholders to join us in this endeavor. Together, we can create a future in which a commitment to **sustainability is not just a choice, but a way of life.**

# EXECUTIVE SUMMARY

The environmental cost associated with our expanding economic activities and the resulting carbon emissions is substantial. The pressing environmental risks, notably climate change, have underscored the critical need for banks and financial institutions to weave sustainability into their fundamental business strategies. This involves formulating sustainability frameworks that not only curb greenhouse gas emissions but also stimulate economic growth. Financial institutions possess a unique capacity to steer the transformation toward a climate-resilient future.

**Banque Misr** is dedicated to setting a precedent by effectively managing its environmental impact and transparently disclosing the consequences of its operations. We recognize the significance of conserving the environment while meeting the requirements of current and future generations. Climate change stands as one of the paramount global challenges, imperiling not only the world but also our institution's prosperity.

By embarking on a comprehensive carbon footprint analysis, **Banque Misr** underscores its unwavering commitment to environmental stewardship, transparency, and accountability.

Through the practice of carbon footprint reporting, **Banque Misr** can systematically quantify and assess its emissions across various dimensions, encompassing direct emissions from its owned assets (Scope 1), indirect emissions stemming from purchased electricity (Scope 2), and other pertinent activities (Scope 3). This comprehensive assessment empowers **Banque Misr** to pinpoint areas with higher emissions, evaluate the effectiveness of current mitigation measures, and craft tailored strategies to curtail its environmental impact.

In this context, **Banque Misr** is proud to introduce its first all-encompassing carbon footprint report, using the year 2022 as the starting point for evaluation. The creation of this report strictly follows well-respected protocols and benchmarks, which encompass the Greenhouse Gas Protocol Guidelines, the 2006 IPCC Guidelines for Greenhouse Gas Inventories (updated with refinements in 2019), and the ISO 14064-1:2018 Standards.

GREENHOUSE GAS PROTOCOL

ISO 14064

ipcc climate change

**Banque Misr** embarked on its mission to calculate and report its greenhouse gas (GHG) emissions in 2021, initiating the process by evaluating emissions pertaining to its headquarters. This marked the inception of phase 1 in **Banque Misr's** comprehensive journey toward carbon footprint reporting. In 2022, the bank transitioned to phase 2, expanding its commitment by encompassing the assessment and reporting of emissions across all its operations in Egypt. However, this journey does not conclude here. In the forthcoming year, **Banque Misr** is planning to extend its efforts further by examining emissions linked to its financial services.

| | |
|---|---|
| **Phase I** | Headquarters CFP - **2021** |
| **Phase II** | Bank's full operations in Egypt CFP - **2022** |
| **Phase III** | Bank's full operations + Financed emissions - **2023** |

The report encompasses all operational facilities within **Banque Misr's** organizational boundaries located in Egypt, including branches, headquarters, head offices, hospitals, housing, and training centers. It assesses emissions across three distinct categories:

**Scope 1:** This category covers direct GHG emissions originating from **Banque Misr's** owned assets. In total, Scope 1 emissions amounted to **14,470 mtCO₂e**, constituting **17%** of the overall emissions. These emissions primarily arise from activities such as on-site fuel combustion and the bank's vehicle fleet and refrigerants leakage.

**Scope 2:** The largest portion of emissions, accounting for **47%** of the total, falls under Scope 2. Emissions in this scope reached **40,326 mtCO₂e** and are primarily linked to purchased electricity and chilled water consumption. This category represents the most significant source of emissions within the bank, underscoring the importance of prioritizing energy efficiency and sourcing renewable energy.

**Scope 3:** Scope 3 emissions encompass various other relevant activities not covered in Scopes 1 and 2. These emissions totaled **31,467 mtCO₂e**, making up **36%** of the overall emissions. Scope 3 emissions can encompass factors such as employee commuting, business travel, and supply chain emissions.

In total, **Banque Misr's** emissions reached **86,263 mtCO₂e.** This figure serves as a foundational reference point for the bank's future endeavors to reduce its carbon footprint and provides a basis for monitoring progress over time.

Moreover, when evaluating the carbon intensity of **Banque Misr**, calculated as **2.9 mtCO₂e per full-time equivalent (FTE),** which is slightly higher than the bank's average when compared to benchmark data*. This intensity metric will play a pivotal role in continuously assessing and comparing **Banque Misr's** performance in emissions reduction over time, driving the bank towards more sustainable practices.

On an international scale, electricity consumption intensity per area is used to assess the performance of office spaces. Within **Banque Misr's** 633 reported facilities, **274** facilities earned an impressive **A+** score, while **158** facilities earned an **E** score**.

Leveraging the insights gleaned from the carbon footprint report, **Banque Misr** has formulated a robust decarbonization strategy aimed at effectively mitigating its overall carbon footprint and further diminishing GHG emissions. This comprehensive plan adheres to industry best practices and firmly establishes **Banque Misr** as a proactive leader in driving the transition toward a low-carbon economy.

**2.9** mtCO₂e/FTE

**Banque Misr 2022 INTENSITY**

(Scope 1 and 2 emissions only)

**A+**

**274 facilities earned an A+ in electricity consumption assessment**

**633** FACILITIES

**534,277** m²

**18,867** FTE

| | |
|---|---|
| **SCOPE 1 – Direct Emissions** | **14,470 mtCO₂e** |
| **SCOPE 2 – Indirect Emissions** | **40,326 mtCO₂e** |
| **SCOPE 3 – Indirect Emissions** | **31,467 mtCO₂e** |

**TOTAL EMISSIONS 2022**

**86,263** mtCO₂e

*For more details, please check performance evaluation section page 34.
** For more details, please check carbon footprint results section page 24.


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# INTRODUCTION

The carbon footprint of the banking sector is an issue of growing significance, not only in the context of environmental sustainability but also in terms of economic stability and long-term viability. As banks continue to evolve, their role in addressing climate change becomes increasingly pronounced. Financial institutions worldwide need to transition from the current high-carbon economy to a more environmentally friendly, sustainable one, often referred to as the Green, Blue, and Yellow Economy. This transition entails diminishing the carbon footprint of businesses, conserving resources, and making a substantial global effort to limit the consumption of natural resources to sustainable levels in order to operate within the Earth's ecological capacity.

Financial institutions face potential climate-related financial risks that could jeopardize their stability, with far-reaching consequences for banking systems. These risks are traditionally categorized into two main groups: physical risks, which encompass the impact of climate change on the valuation of financial assets and liabilities, and transition risks, referring to the financial value alterations of assets and liabilities stemming from the shift towards a low-carbon economy aimed at mitigating and adapting to climate change.

Recognizing the gravity of the climate crisis, banks have begun to shift their practices towards more sustainable, responsible, and environmentally conscious investments. The increasing popularity of Environmental, Social, and Governance (ESG) criteria in investment decisions is a testament to this transition. In addition, collaborative endeavors like the Principles for Responsible Banking and the Task Force on Climate-related Financial Disclosures (TCFD) have emerged as guiding beacons, steering and advocating for sustainable practices within the banking industry.

Egypt has recently taken significant steps in managing climate change. A key milestone in this regard is the launch of the National Climate Change Strategy 2050 (NCCS). This strategy is designed not only to combat climate change but also to bolster Egypt's economy, making it more environmentally sustainable. The commitment to these goals is also evident in the initial Egypt Vision 2030 Sustainable Development Strategy (SDS).

The newly introduced National Climate Change Strategy encompasses both adaptation and mitigation measures across all sectors of the economy. It seeks to stimulate economic growth while simultaneously reducing emissions. Additionally, the strategy places a strong emphasis on enhancing climate finance mechanisms and raising awareness about climate change.

The Ministry of Environment of Egypt (EEAA) assumes a pivotal role in shaping environmental policies, devising plans for environmental projects, overseeing their implementation, and spearheading climate-related pilot projects. Collaborating closely with other ministries, it is actively involved in initiatives like establishing green bonds to advance Egypt's climate mitigation efforts and foster a sustainable environment.

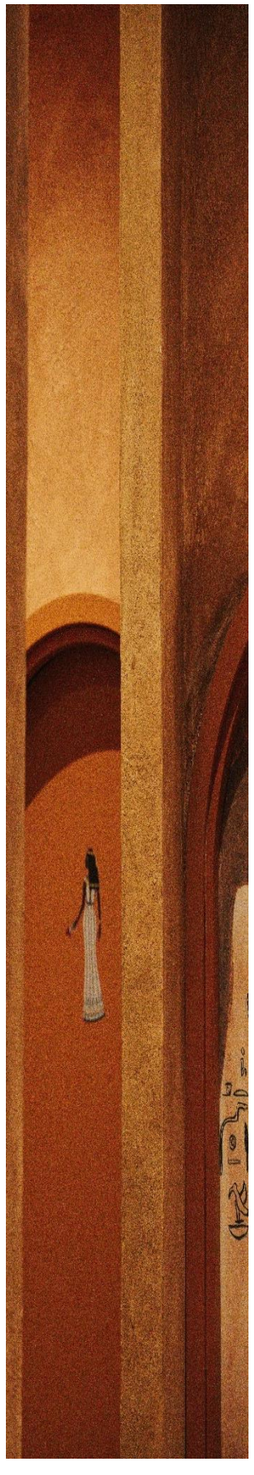
Furthermore, the Central Bank of Egypt (CBE) has laid out six guiding principles that serve as the foundation for implementing sustainable financing practices within Egyptian banks. These principles aim to build capacities and allocate necessary resources to support projects that consider environmental aspects, including clean and renewable energy initiatives.

The CBE has recently taken a significant global step by joining the Network of Central Banks and Supervisors for Greening the Financial System (NGFS). This international affiliation aligns with Egypt's climate strategy and underscores its commitment to applying best practices in the field of green economy. Egypt's banking sector is poised to play a substantial role in facilitating these initiatives and ensuring their success.

Nevertheless, despite commendable strides, there remains much ground to cover. Banks grapple with the challenge of accurately measuring and transparently reporting their carbon emissions, as well as effectively integrating climate-related risks into their risk management frameworks. Furthermore, banks need to bolster their capacity to identify and seize opportunities within the burgeoning green finance market while ensuring that their lending practices align with environmental and social imperatives.

Managing carbon footprints poses several challenges for banks such as data accessibility and precision, standardization and report consistency, complexity of supply chain, and resource limitation.

Despite of the aforementioned challenges, banks have different transformative steps that needs to be taken in the near future. Over the next decade, the Egyptian banks have a clear opportunity to become instrumental in driving sustainability not only in the financial sector but also across the broader Egyptian economy. The journey toward a sustainable future for Egypt is underpinned by a series of transformative steps that banks should take. These steps include **setting ambitious carbon neutrality** and **net-zero emissions targets**, expanding their **green financing** and **sustainable lending** portfolios, integrating **Environmental, Social, and Governance (ESG)** factors into their financial decision-making processes, and enhancing their capacity to assess **climate-related financial risks**. Furthermore, banks should continue to strengthen their **climate disclosures**, **participate in industry-wide collaborations**, and **innovate with new financial products** that encourage sustainable practices and reward clients for their own sustainability efforts.



# INVENTORY BOUNDARIES

## ORGANIAZTIONAL BOUNDARIES

For the purpose of tracking and disclosing Greenhouse Gas (GHG) emissions, the organizational boundary specifies the businesses and operations encompassed within the organization. Organizations have the option to report emissions either based on the operations they have direct financial or operational authority over (referred to as the control approach) or based on their proportional equity share in the operations (known as the equity share approach).

Adhering to the GHG protocol, the control approach entails that an organization accounts for the entirety of GHG emissions generated by operations over which it exercises financial or operational control. In the context of this carbon footprint assessment undertaken by **Banque Misr**, the control approach is employed, encompassing the following aspects:

**633** FACILITIES

**The facilities included headquarters, branches, head offices, hospitals, housing, and training centers, while the check points and kiosks are excluded due to data unavailability.**

**534,276** SQUARE METERS

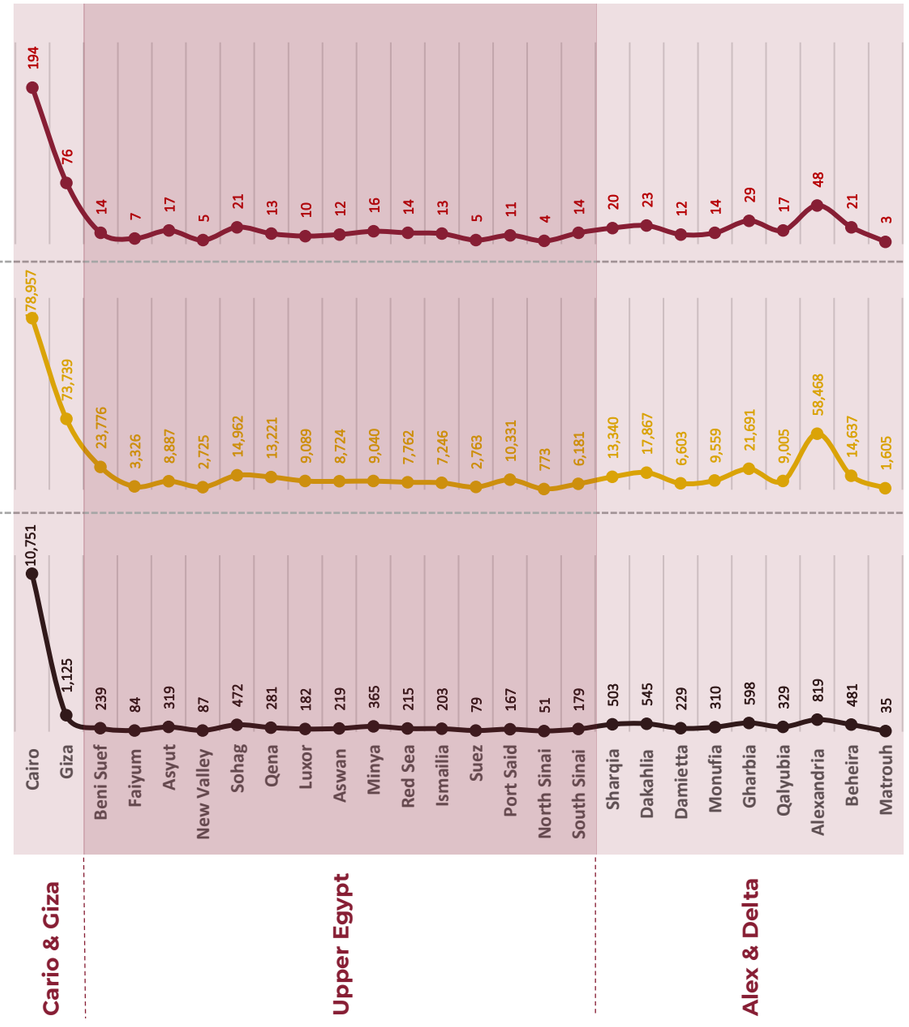
**This represents the total gross floor area of all the included facilities.**

**18,867** FULL-TIME EQUIVALENTS

**The full-time equivalent included the bank's full-time employees, managers, and workers.**

## OPERATIONAL BOUNDARIES

Operational boundaries establish the scope of business activities within the reporting company that contribute to emissions, indicating which of these activities should be incorporated into calculations and how they should be categorized (e.g., as direct or indirect emissions). These emissions are categorized into distinct scopes: Scope 1, which pertains to emissions originating from equipment and assets owned or controlled by **Banque Misr**; Scope 2, encompassing emissions stemming from purchased electricity and chilled water; and Scope 3, which includes substantial indirect emissions resulting from the bank's operations.




In accordance with the GHG Protocol Corporate Standard, it is obligatory to report Scope 1 emissions (direct emissions) and Scope 2 emissions (indirect emissions originating from purchased electricity and chilled water). For **Banque Misr's** carbon footprint assessment in 2022, the operational boundaries encompassed the following elements:

**SCP 1**

**SCOPE 1 – Direct Emissions**

Emissions from sources that are owned or controlled by Banque Misr's (i.e. any owned or controlled activities that release emissions straight into the atmosphere).

**SCP 2**

**SCOPE 2 – Indirect Emissions**

Emissions associated with the consumption of purchased electricity, heat or steam from a source that is not owned or controlled by Banque Misr. (i.e., purchased electricity and chilled water)

**SCP 3**

**SCOPE 3 – Indirect Emissions**

Emissions resulting from other activities that are not covered in Scope 1 and 2. This includes transport fuel used by air business travel, employees commuting to and from work; emissions from waste disposal, ... etc.

## REPORTING PERIOD & BASE YEAR (BY)

The reporting period for the carbon footprint assessment is from the 1st of January 2022 to the 31st of December 2022.

While **Banque Misr** conducted an assessment for its headquarters in the previous year, this year's assessment is distinctive as it represents the first comprehensive evaluation of the entire organization. Consequently, it is considered the new base year (BY), supplanting the prior year's assessment. It's important to note that the BY may be adjusted in the event of future boundary changes.

# OVERALL METHODOLOGY

## PROTOCOLS & STANDARDS

The carbon footprint assessment in this report aligns with a variety of globally recognized standards, protocols, and guidelines that are widely accepted for the purpose of measuring and disclosing emissions. These encompass, among others:

**The Greenhouse Gas (GHG) Protocol Guidelines:** These guidelines outline the criteria for identifying emission sources and GHGs to be measured and reported. They also define the boundaries for holding entities accountable for GHG emissions, considering geographical, organizational, and operational constraints.

- **Corporate Accounting and Reporting Standard:** This standard offers guidance to companies for preparing their GHG emissions reports at the corporate level.
- **Corporate Value Chain (Scope 3) Accounting and Reporting Standard.**

**ISO 14064-1:2018:** This specification, accompanied by guidance, pertains to the quantification and reporting of greenhouse gas emissions and removals at the organizational level.

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

## EMISSION FACTORS

Emission factors (EFs) serve to quantify the volume of greenhouse gases (GHGs) discharged into the atmosphere due to particular activities. These factors are usually denominated in carbon dioxide equivalent ($CO_2e$) and gauge emissions generated for each unit of weight, volume, distance, or duration linked to the activity. For instance, EFs can be represented as $CO_2e$ per liter of fuel consumed, $CO_2e$ per kilometer traveled, or $CO_2e$ per kilowatt-hour of electricity purchased, among other metrics. Within this report, the emission factors utilized

- Department for Environment, Food & Rural Affairs, UK, 2022 (DEFRA)
- IPCC: Intergovernmental Panel on Climate Change
- Emission factors specific to the country

Regarding the country-specific electricity emission factor, it is determined using data from the Egyptian Electric Utility and Consumer Protection Regulatory Agency (Egypt ERA), as published in monthly reports on grid electricity. This emission factor is calculated based on Egypt's real fuel composition and energy generation sources.

The emission factors employed for water supply and wastewater treatment are sourced from DEFRA 2022. These factors have been customized to accommodate Egypt's electricity-specific emission factor.

## CALCULATION APPROACH

Each activity is categorized into one of the defined Scopes as per the GHG Protocol Guidelines, including Scope 1 (direct emissions), Scope 2 (indirect emissions related to purchased electricity and chilled water consumption), and Scope 3 (indirect emissions resulting from operations not under the direct ownership or control of the reporting entity). The standard method for calculating emissions, expressed in metric tons of carbon dioxide equivalent ($mtCO_2e$), involves the multiplication of activity data by its corresponding emission factor. This calculation process includes a unit analysis to ensure that the resulting emissions are expressed in the desired $mtCO_2e$ unit.

The emissions calculation approach is determined by multiplying the activity by its associated emission factor, following a unit analysis procedure to convert emissions into the $mtCO_2e$ unit, as described in the equation below:

**Activity Data** [unit] × **Emission Factor** [$mtCO_2e$/unit]

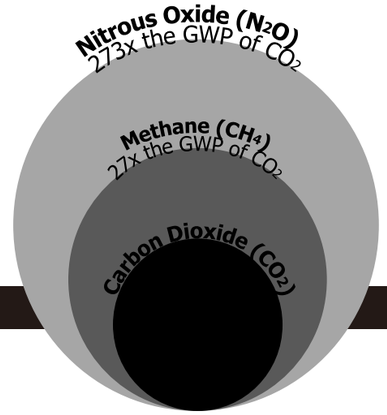
**GHG Emissions** [$mtCO_2e$]

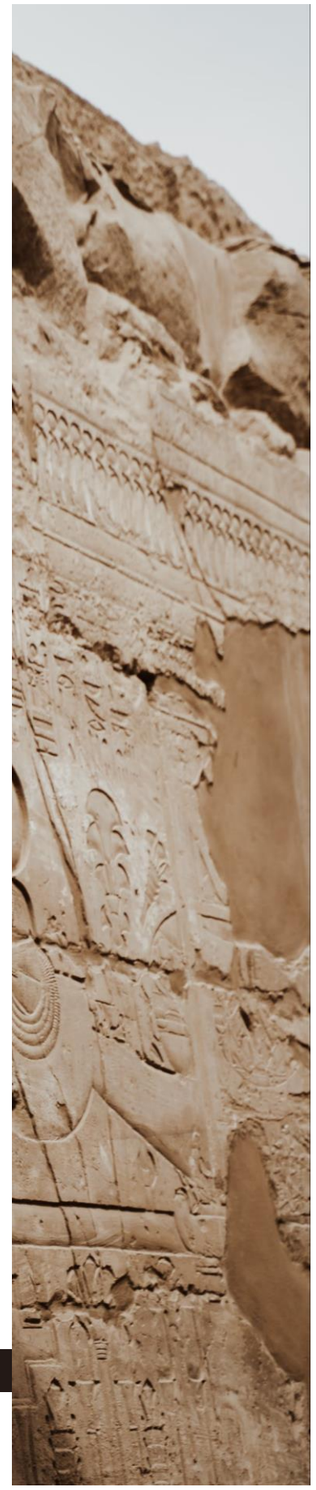
In adherence to best practices in organizational greenhouse gas (GHG) accounting and following the selected WBCSD/WRI GHG Protocol, the carbon footprint assessment has incorporated all seven Kyoto Protocol greenhouse gases, whenever relevant and significant.

Global warming potentials (GWPs) serve as coefficients that quantify the radiative forcing impact of a specific greenhouse gas, such as methane, in comparison to an equivalent amount of carbon dioxide. These GWPs are employed in GHG accounting to standardize greenhouse gas emissions, expressing them in a common unit for easy comparison, known as carbon dioxide equivalent ($CO_2e$).

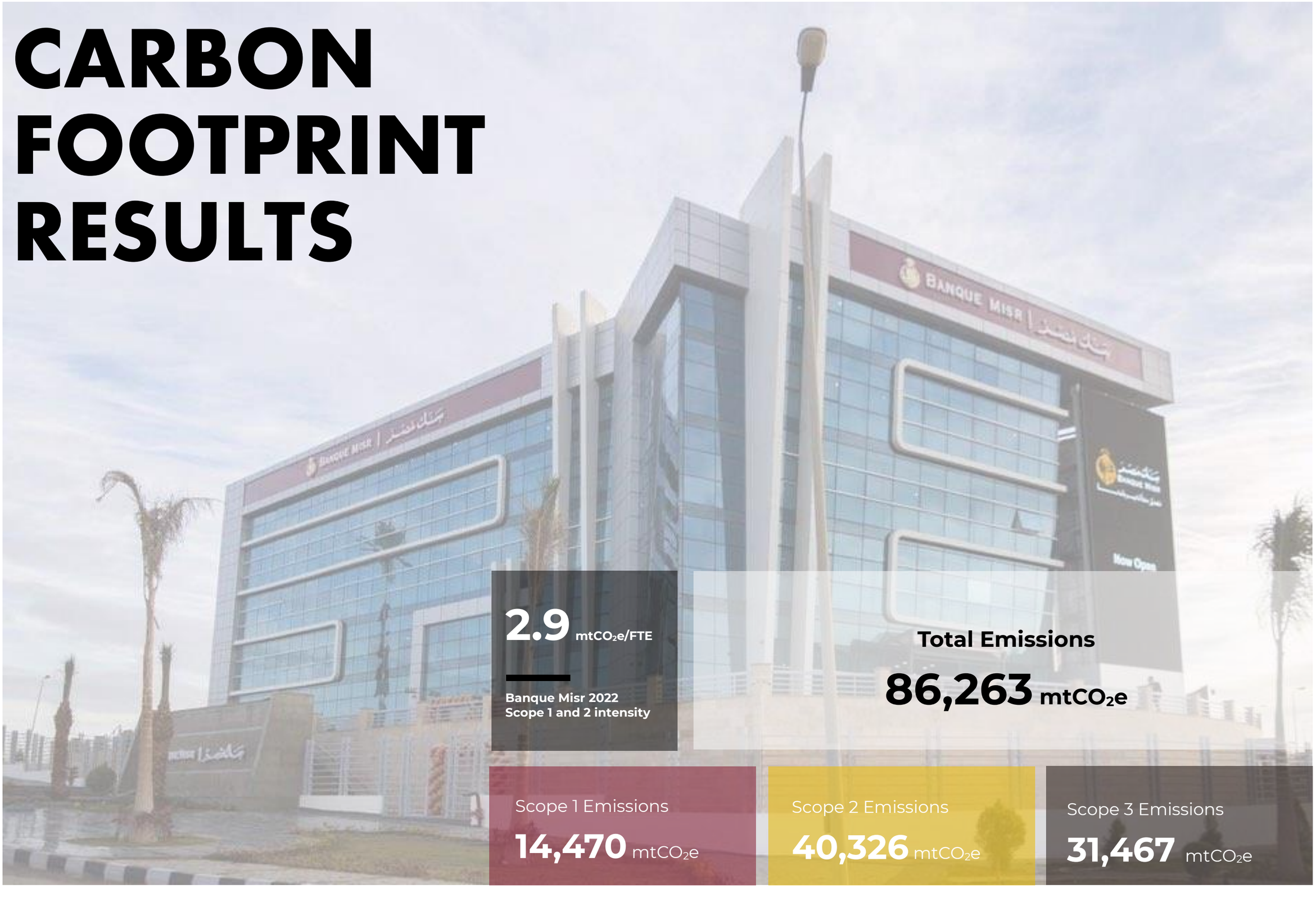
In the course of this inventory, **Banque Misr** has applied 100-year GWPs to all emissions data to calculate the total emissions in metric tons of carbon dioxide equivalent ($mtCO_2e$). The GWP values utilized for this purpose have been sourced from the Intergovernmental Panel on Climate Change's (IPCC) sixth Assessment Report (AR6 2021), which was the most current IPCC report available at the time of this assessment. The greenhouse gases specified in the Kyoto Protocol, along with their corresponding GWPs, are detailed in the table below.

| 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 |



# CARBON FOOTPRINT RESULTS




**2.9** $mtCO_2e/FTE$

**Banque Misr 2022**
**Scope 1 and 2 intensity**

**Total Emissions**

**86,263** $mtCO_2e$

Scope 1 Emissions

**14,470** $mtCO_2e$

Scope 2 Emissions

**40,326** $mtCO_2e$

Scope 3 Emissions

**31,467** $mtCO_2e$

# CARBON FOOTPRINT RESULTS

## SCOPE 1 – DIRECT EMISSIONS

### STATIONARY COMBUSTION

**945** $mtCO_2e$

**Diesel Generators Fuel Burning**

Emissions stemming from the combustion of diesel fuel in our on-site generators are part of Scope 1 emissions. In the 2022 reporting period, our facilities utilized emergency generators to address electricity needs in case of power interruptions.

Over the course of the reporting period, the diesel generators consumed a total of **350,111 liters** of fuel. This fuel consumption gave rise to direct emissions, totaling approximately **945 $mtCO_2e$**. It's crucial to emphasize that these emissions are a direct consequence of the diesel fuel combustion process within the generators.

### MOBILE COMBUSTION

**5,435** $mtCO_2e$

**Owned Vehicles Fuel Burning**

Emissions arising from the direct consumption of fuel by **Banque Misr's** owned vehicles make a substantial contribution to the bank's carbon footprint. **Banque Misr** maintains a fleet of **292 vehicles** across all its operational areas, with only 30 of these vehicles utilizing diesel fuel.

Throughout the reporting period in 2022, **Banque Misr's** owned trucks collectively consumed a total of **220,560 liters** of diesel fuel. This diesel fuel consumption resulted in emissions totaling approximately **595 $mtCO_2e$**. Additionally, the bank's owned cars consumed a combined total of **2,068,645 liters** of petrol during the same reporting period, leading to an estimated **4,840 $mtCO_2e$** of emissions generated from the combustion of petrol.

### FUGITIVE EMISSIONS

**8,090** $mtCO_2e$

**Refrigerants Leakage**

Refrigerants play a crucial role in cooling spaces through refrigeration cycles. In the context of **Banque Misr's** operations, emissions resulting from refrigerant leakage were considered within the category of Scope 1 emissions.

Within our facilities, the "R-22" refrigerant was the most commonly employed, alongside a small amount of R-410a.

Throughout the reporting period in 2022, a total of **4,459 kilograms** of refrigerant were used in **216 facilities** to replenish the cooling systems in various **Banque Misr** facilities. This usage resulted in the emission of approximately **8,090 $mtCO_2e$** into the atmosphere. It's worth noting that this activity represented the **third-highest** source of emissions, comprising **9%** of the total emissions.

The below chart shows refrigerants emissions and intensities per area for each governorate. The highest refrigerants emissions are originating from facilities located in **Cairo** governorate. Cairo has the highest number of facilities and the largest total area, measuring 78,957 $m^2$. Notably, this governorate records a refrigerants emissions intensity per unit of area slightly lower than the average of all governorates with a value of **12 $kgCO_2e/m^2$.**

**Best Performer**

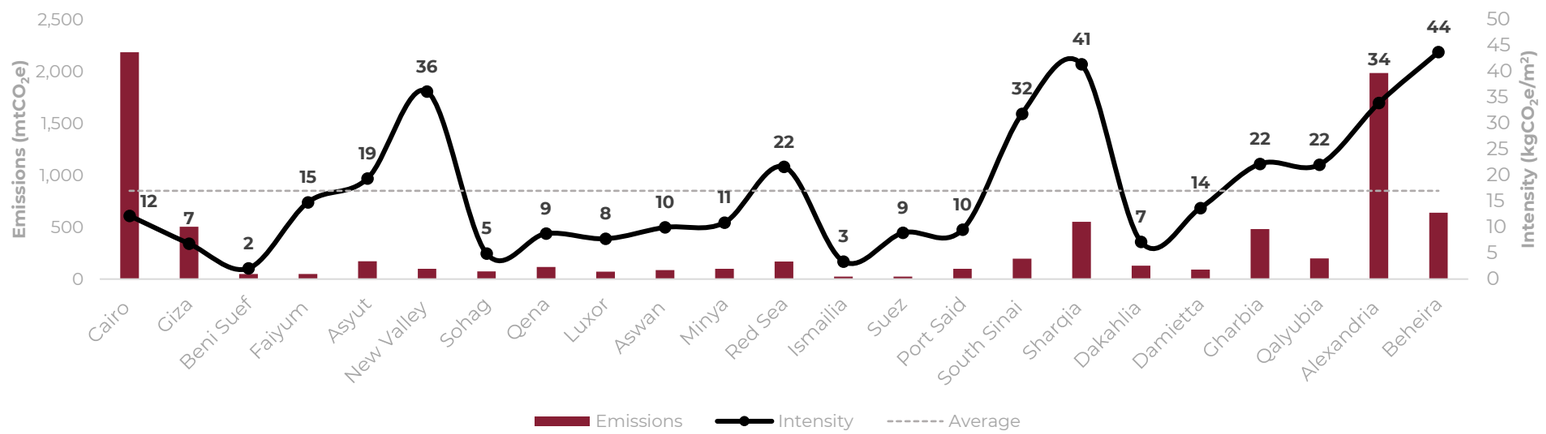
Banha Branch - Qalyubia

**2 $kgCO_2e/m^2$**

Looking into facilities emissions intensities, the best performing facility in 2022 was **Banha branch** in Qalyubia, while **the highest 10 facilities** are listed below. These facilities shall receive special attention and efforts for improved refrigerant management.

| | | | | |
|---|---|---|---|---|
| **1** Dar Al-eftaa Branch – Cairo **821 $kgCO_2e/m^2$** | **2** Al-Saha Branch – Cairo **777 $kgCO_2e/m^2$** | **3** Qabari Branch – Alex **629 $kgCO_2e/m^2$** | **4** Al Gomrok Branch – Alex **524 $kgCO_2e/m^2$** | **5** Shabrakhet Branch – Beheira **513 $kgCO_2e/m^2$** |
| **6** Sidi Gaber Branch – Alex **435 $kgCO_2e/m^2$** | **7** Al-Agami Branch – Alex **421 $kgCO_2e/m^2$** | **8** Moharam Bek Branch – Alex **385 $kgCO_2e/m^2$** | **9** Nubariya Branch – Beheira **362 $kgCO_2e/m^2$** | **10** Al Roubiky Branch – Cairo **335 $kgCO_2e/m^2$** |

**Refrigerants Emissions and Intensity per Governorate**



# CARBON FOOTPRINT RESULTS

## SCOPE 2 – INDIRECT EMISSIONS

### PURCHASED ENERGY

**40,326** $mtCO_2e$

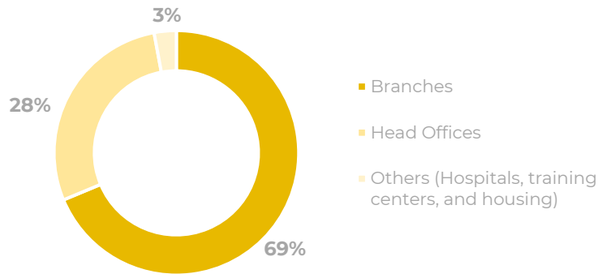
**Purchased Electricity** **39,429** $mtCO_2e$

This specific activity constitutes the most substantial portion of carbon emissions within **Banque Misr's** facilities, making up **46%** of the overall total. Throughout the reporting period in 2022, **Banque Misr** total electricity consumption reached **87,915 megawatt-hours (MWh),** resulting in emissions of **39,429 $mtCO_2e$,** which represents **45%** of total emissions.

**Cairo** represents the most substantial electricity-consuming governorate, boasting the highest number of facilities and the largest area coverage. Within this zone, the electricity emissions intensity is recorded at **104 $kgCO_2e/m^2$**. The highest governorates in terms of emissions intensity are Cairo, Qalyubia, South Sinai, North Sinai, and Giza.

Branches within **Banque Misr's** network stand out as the primary electricity consumers, responsible for the largest share of emissions. Specifically, they account for approximately **69%** of the total electricity emissions.

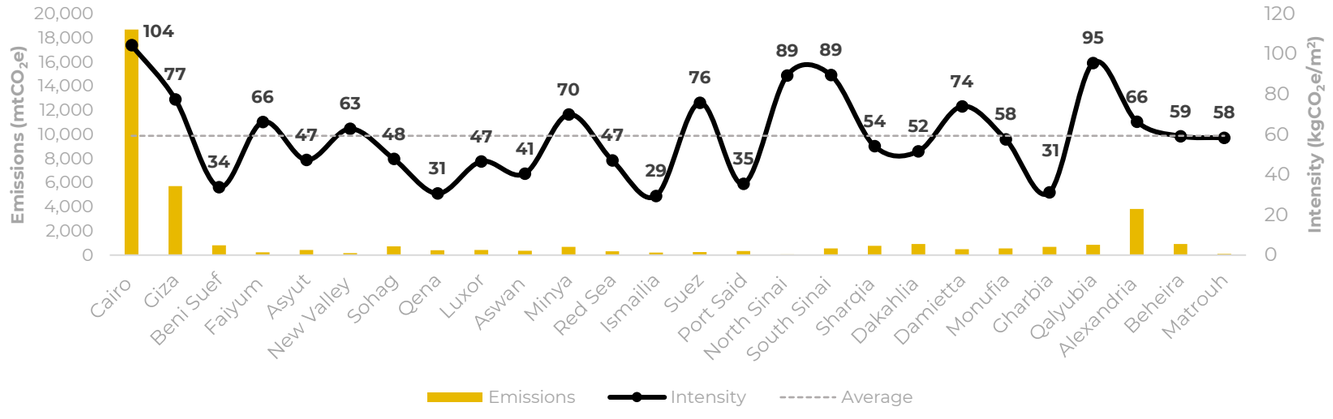
**Electricity Emissions Per Type of Facility**




Electricity intensity is one of the frequently employed metrics for international performance assessment. After conducting thorough research on international banks and office spaces, a performance assessment criterion has been formulated, as demonstrated in the table below. Within **Banque Misr's** 633 reported facilities, **274** have earned an impressive **A+** score, while **158** facilities earned an **E** score. The bank is planning to apply energy efficiency measures in the least efficient facilities to enhance its overall carbon footprint as part of the decarbonization plan.

| SCORE | Electricity Consumption (KWh/m²) | Number of Facilities |
|---|---|---|
| A+ | < 128 | 274 |
| A | 128 – 148 | 39 |
| B | 148 – 168 | 38 |
| C | 168 – 195 | 56 |
| D | 195 – 218 | 68 |
| E | > 218 | 158 |

**Electricity Emissions and Intensity per Governorate**

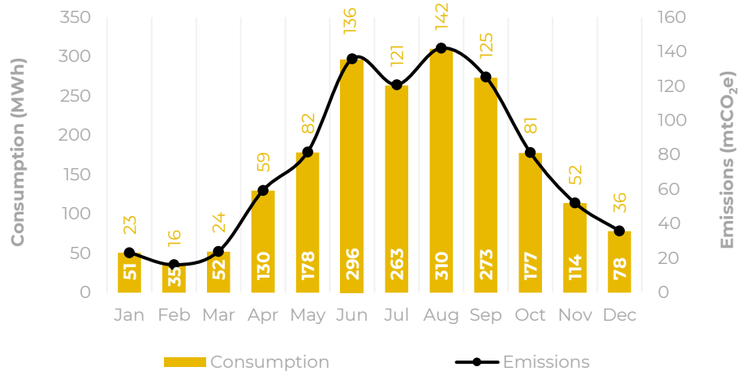



**Purchased Chilled Water** **898** $mtCO_2e$

The utilization of purchased chilled water is exclusive to the two buildings located in Smart Village, for which we have gathered consumption data.

The total purchased chilled water consumption in these two buildings amounts to **1,957 MWh**, resulting in emissions of **898 $mtCO_2e$.** The monthly consumption and emissions are presented below with August being the highest emitting month.

**Purchased Chilled Water Consumption and Emissions Trend**



# CARBON FOOTPRINT RESULTS

## SCOPE 3 – INDIRECT EMISSIONS

Scope 3 emissions encompass emissions stemming from activities related to assets that are not directly owned or managed by the reporting organization but are indirectly influenced by the organization throughout its value chain. Scope 3 emissions included in **Banque Misr** carbon footprint consist of the following categories according to the GHG protocol and the CDP:

- Category 1: Purchased goods and services.
- Category 3: Fuel and energy related activities
- Category 4: Upstream Transportation and Distribution
- Category 5: Waste generated in operations.
- Category 6: Business travel
- Category 7: Employee Commuting
- Category 9: Downstream Transportation and Distribution
- Category 10: Processing of sold products
- Category 13: Downstream leased assets

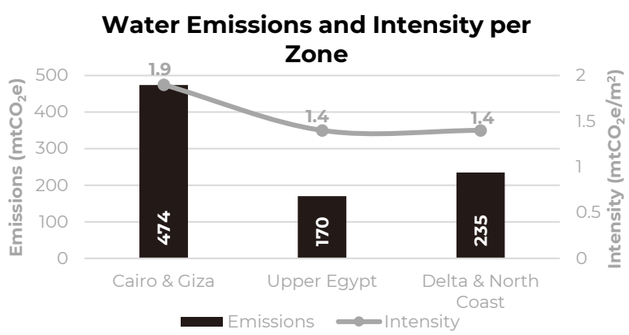
### PURCHASED GOODS

**3,735** $mtCO_2e$

**Water Consumption** **879** $mtCO_2e$

Scope 3 emissions cover a range of indirect emissions, including those linked to water consumption. Throughout the reporting period in 2022, **Banque Misr's** facilities utilized a total of **2,486,451 $m^3$** of water. This consumption of water resulted in emissions equivalent to **879 $mtCO_2e$.** While emissions from water consumption may not represent a significant portion of our total carbon footprint, it is crucial to acknowledge the environmental consequences associated with our water usage.

The highest water consuming zone within **Banque Misr's** operations is Cairo and Giza with resulting emissions of **474 $mtCO_2e$.** In addition, this zone has the highest water emissions intensity per area.

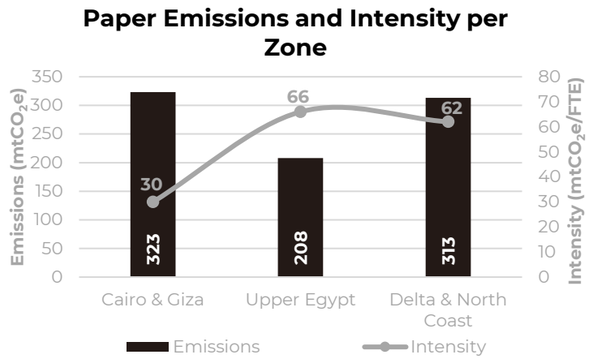



**Paper & Ink Consumption** **887** $mtCO_2e$

The paper consumption process at **Banque Misr** mainly revolved around the utilization of A4 copy paper, and all pertinent details regarding paper quantities and specifications were meticulously documented in **Banque Misr's** database.

During the reporting period in 2022, the bank purchased a total of **183,397,500 sheets** with a corresponding weight of **917 tons**. This substantial paper procurement led to the emission of approximately **844 $mtCO_2e$**. Furthermore, the bank utilized **9,050 toner cartridges** for its printing activities, contributing to an estimated **43 $mtCO_2e$** in emissions.

The graph below shows the geographical distribution of paper consumption emissions with Cairo and Giza being the highest consuming and emitting zone with a value of **323 $mtCO_2e$**. However, it is the highest in terms of emissions, it is the lowest in terms of emissions intensity per employee. This shows the efficiency in using paper in Cairo and Giza facilities compared to Upper Egypt and Delta and North Coast.




**Other Office Supplies**

**1,970 $mtCO_2e$**

Beyond the consumption of paper and tc he evaluation of the carbon footprint took into nt various office supplies employed by the ban se supplies encompassed a diverse array of items, including IT equipment, office tools, consumables made of paper, cardboard, and more. The collective weight of these items reached **1,308 tons**, giving rise to an estimated **1,970 $mtCO_2e$** of indirect emissions throughout the reporting period of 2022.

### FUEL AND ENERGY RELATED ACTIVITIES

**1,606** $mtCO_2e$

**Well-to-Tank (WTT)**

To thoroughly evaluate the environmental effects linked to activities involving the combustion of fuel, **Banque Misr** considered well-to-tank (WTT) emissions. These emissions, categorized within Scope 3, encompass the complete environmental impact stemming from fuel usage.

In the 2022 reporting period, the WTT emissions associated with **Banque Misr** owned vehicles totaled **1,386 $mtCO_2e$**. Furthermore, the utilization of diesel in generators led to WTT emissions of approximately **220 $mtCO_2e$.**

### UPSTREAM TRANSPORTATION AND DISTRIBUTION

**93** $mtCO_2e$

**Internal Courier Shipments**

Diverse vehicles were utilized for the transportation of bank-related documents to and from owned facilities. This task was outsourced to a third party, and therefore, the emissions stemming from this activity are categorized as Scope 3 emissions.

In 2022, the total distance covered amounted to **93,828 ton-kilometers**, resulting in emissions of approximately **93 $mtCO_2e$**.

# Carbon Footprint Results

## WASTE GENERATED IN OPERATIONS

**1,675** $mtCO_2e$

**Office Waste Disposal** **231** $mtCO_2e$

The emissions stemming from the disposal of solid waste generated by **Banque Misr's** operations are included in this section. In 2022, a cumulative total of **510 tons** of solid waste was sent to landfills and **175 tons** of paper was sent to recycling facilities. This disposal of solid waste resulted in emissions equivalent to roughly **231 $mtCO_2e$.**

**Wastewater Treatment** **1,444** $mtCO_2e$

Under the Scope 3 classification, we include emissions related to wastewater treatment. To be specific, in the 2022 reporting period, **Banque Misr's** facilities were accountable for around **2,237,806 $m^3$** of water that underwent sewage system treatment (assumed as 90% of the total water used). This treatment of wastewater led to emissions amounting to approximately **1,444 $mtCO_2e$.**

## BUSINESS TRAVEL

**692** $mtCO_2e$

**Air Travel + WTT** **480** $mtCO_2e$

During the reporting period, **Banque Misr** employees collectively covered a total distance of **260,047 kilometers** through a combination of domestic and international flights. Furthermore, the passenger-kilometer (p.km) measure for air travel summed up to **2,356,733 p.km**.

All data related to air travel, including the departure and arrival airports, was meticulously documented in our database. It's crucial to highlight that when calculating emissions linked to air travel, we factored in the well-to-tank (WTT) emissions. This method enables us to encompass the full environmental impacts of air travel, accounting not only for emissions from the aircraft itself but also considering the upstream emissions tied to the production and transportation of aviation fuel.

The total passenger-traveled distance resulted in emissions equivalent to roughly **480 $mtCO_2e$.**

**Hotel Stay** **212** $mtCO_2e$

In the base year of 2022, **Banque Misr** staff collectively stayed a total of **4,909 nights** in various hotels situated across **22 different countries** worldwide.

The overall emissions arising from these hotel stays added up to **212 $mtCO_2e$**. This metric signifies the environmental repercussions associated with the lodging arrangements and their respective carbon footprint.

## EMPLOYEE COMMUTING

**20,442** $mtCO_2e$

**Rented Coasters + WTT** **1,622** $mtCO_2e$

**542 employees** utilize coasters as their mode of transportation to and from the bank. **Banque Misr** rented a total of **26 coasters**, which collectively traveled **13,356,240 passenger-kilometers** during 2022, leading to emissions equivalent to **1,622 $mtCO_2e$** including WTT emissions.

**Commuting + WTT** **18,820** $mtCO_2e$

Throughout the reporting period in 2022, **Banque Misr** conducted an extensive survey on employee commuting to evaluate the total distances covered when commuting to and from their respective workplaces. Here are the survey findings:

- Employees who commuted using their personal cars traveled a collective distance of **48,141,035 kilometers.**
- Employees who relied on public buses for their daily commute collectively accounted for **34,062,115 passenger-kilometers (p.km).**
- Commuters who chose taxis for their daily trips covered a total distance of **15,919,041 kilometers.**
- The total distance traveled by employees utilizing the metro system was documented at **9,966,225 kilometers.**
- A smaller segment of employees preferred walking to work, resulting in a combined distance of **1,120,842 kilometers.**

When summing up the distances traveled by employees utilizing various modes of transportation, the emissions totaled **18,820 $mtCO_2e$.**

**Owned cars** **10,559** $mtCO_2e$

**Public busses** **4,137** $mtCO_2e$

**Taxis** **4,125** $mtCO_2e$

# CARBON FOOTPRINT RESULTS

## DOWNSTREAM TRANSPORTATION AND DISTRIBUTION

**311** $mtCO_2e$

**External Courier Shipments**

Service providers were contracted to manage the delivery of cards and various products sold by the bank to end-users (clients). In the 2022 reporting period, a total distance of **315,173 tonne.kilometers** was covered, resulting in emissions of **311 $mtCO_2e$**. Well-to-tank (WTT) emissions were also considered in these calculations.

## PROCESSING OF SOLD PRODUCTS

**477** $mtCO_2e$

**Bank Issued Cards**

In 2022, **Banque Misr** issued a total of **5,272,687 cards** across various types. These cards include debit, credit, and prepaid cards.

The issuance of these cards resulted in approximately **477 $mtCO_2e$** in emissions.

## DOWNSTREAM LEASED ASSETS

**2,436** $mtCO_2e$

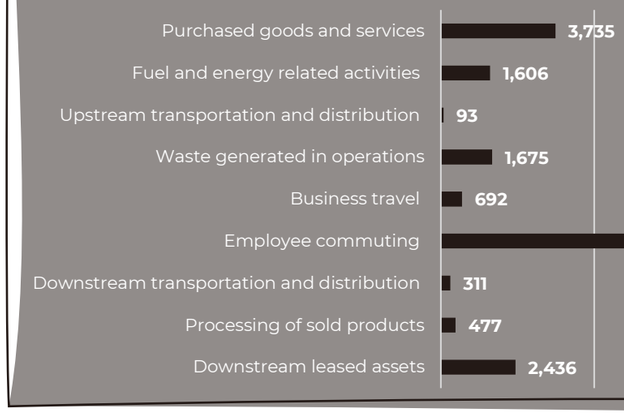
**ATM Transactions**

During the reporting period in 2022, **Banque Misr** meticulously monitored the emissions stemming from ATM transactions, a category of particular interest. Over the course of the year, our network of **5,099 ATMs** distributed across Egypt processed a grand total of **177,006,553 transactions**. Among these, **1,705 ATMs** are housed within our branches and draw electricity directly from the branch's supply. Consequently, the emissions associated with these specific ATMs are already incorporated within our Scope 2 emissions.

The emission estimation for ATM transactions from the remaining **3,394 ATM** amounted to approximately **2,436 $mtCO_2e$** with a total number of transactions of **98,336,463.** These emissions capture the environmental impact resulting from the energy consumption and operational activities associated with ATM transactions.


Among Scope 3 emissions, employee commuting had the highest emissions with a percentage of **65%** of Scope 3 emissions followed by purchased goods and services with a percentage of **12%** and downstream leased assets with a percentage of **8%.** In addition, employee commuting category is ranked as the second highest emitting activity across all Scopes with a percentage of almost **24%** of total emissions.

**Scope 3 emissions per category**



# CFP RESULTS SUMMARY

| SCOPE 1 – DIRECT EMISSIONS ($mtCO_2e$) | | 2022 (BY) | |
|---|---|---|---|
| **Stationary Combustion** | Fuel burning – Diesel | 945 | **17%** |
| **Mobile Combustion** | Fuel burning – Owned vehicles | 5,435 | |
| **Fugitive Emissions** | Refrigerant leakage | 8,090 | |
| **Total Scope 1 ($mtCO_2e$)** | | **14,470** | |

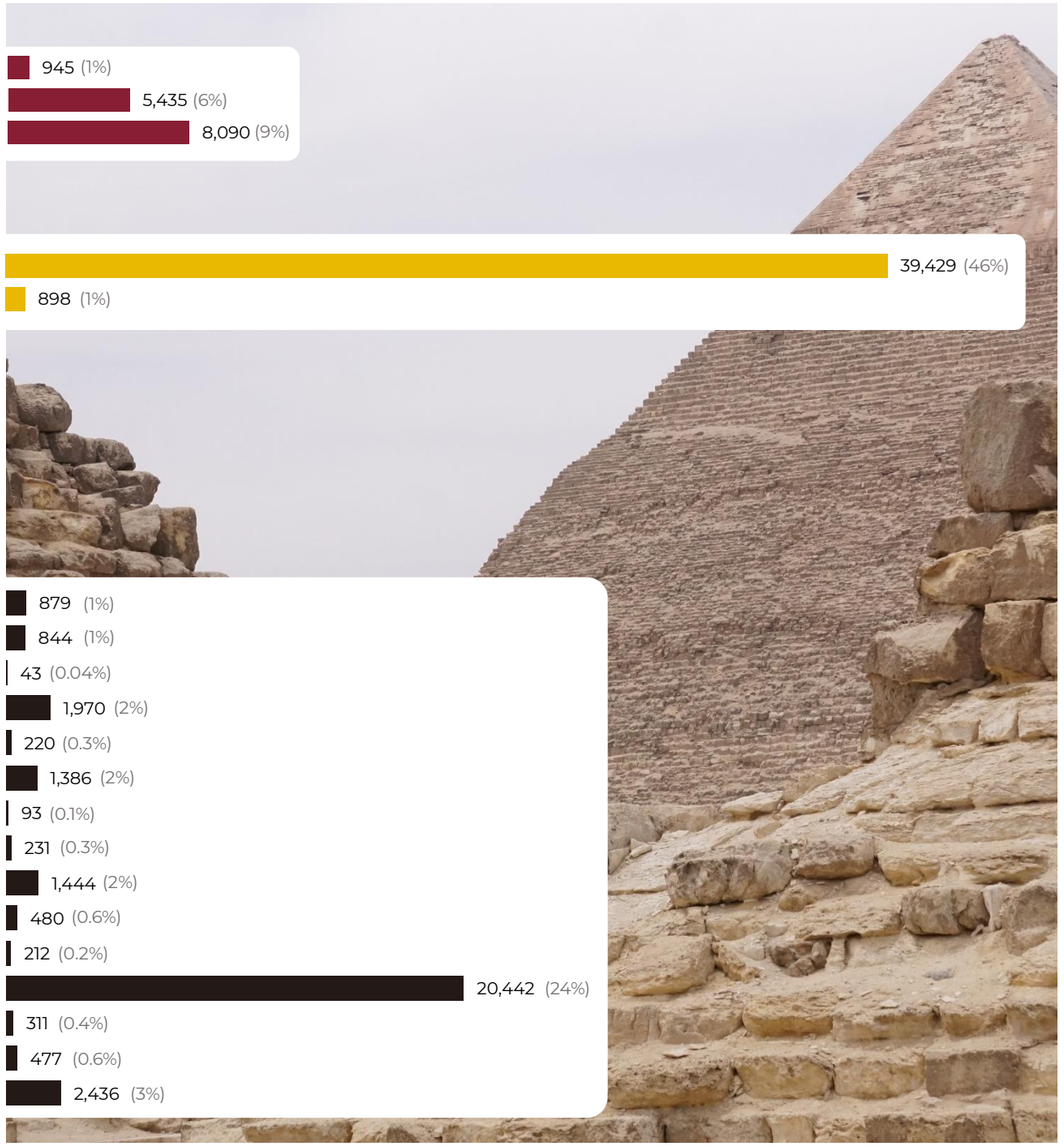
| SCOPE 2 – INDIRECT EMISSIONS ($mtCO_2e$) | | 2022 (BY) | |
|---|---|---|---|
| **Purchased energy** | Purchased electricity | 39,429 | **47%** |
| | Purchased chilled water | 898 | |
| **Total Scope 2 ($mtCO_2e$)** | | **40,326** | |

| | | |
|---|---|---|
| **Total Scope 1 & 2 Emissions** | **54,796** | **$mtCO_2e$** |
| **Scope 1 & 2 Carbon intensity per employee** | **2.9** | **$mtCO_2e$/FTE** |
| **Scope 1 & 2 Carbon intensity per area** | **0.10** | **$mtCO_2e/m^2$** |
| **Scope 1 & 2 Carbon intensity per revenue** | **1.34** | **$mtCO_2e$/M.EGP** |
| **Electricity Intensity** | **161** | **$kWh/m^2$** |

| SCOPE 3 – INDIRECT EMISSIONS ($mtCO_2e$) | | 2022 (BY) | |
|---|---|---|---|
| **Purchased goods and services** | Water consumption | 879 | **36%** |
| | Paper consumption | 844 | |
| | Ink consumption | 43 | |
| | Other office supplies | 1,970 | |
| **Fuel and energy-related actives (not included in scope 1 and 2)** | Stationary combustion (WTT) | 220 | |
| | Mobile combustion (WTT) | 1,386 | |
| **Upstream Transportation and Distribution** | Internal courier shipment | 93 | |
| **Waste generated in operations** | Office solid waste disposal | 231 | |
| | Wastewater treatment | 1,444 | |
| **Business travel** | Air Travel + (WTT) | 480 | |
| | Hotel stay | 212 | |
| **Employee Commuting** | Commuting + (WTT) | 20,442 | |
| **Downstream transportation and distribution** | External courier shipment | 311 | |
| **Processing of sold products** | Bank issued cards | 477 | |
| **Downstream leased assets** | ATM transactions | 2,436 | |
| **Total Scope 3 ($mtCO_2e$)** | | **31,467** | |

| | |
|---|---|
| **Total Scope 1, 2 & 3 Emissions ($mtCO_2e$)** | **86,263** |

Note: Totals might not add app due to rounding.




**SCOPE 1 – Direct Emissions** **14,470 $mtCO_2e$**

**SCOPE 2 – Indirect Emissions** **40,326 $mtCO_2e$**

**SCOPE 3 – Indirect Emissions** **31,467 $mtCO_2e$**

**TOTAL EMISSIONS 2022**

**86,263**
**$mtCO_2e$**

# PERFORMANCE EVALUATION

## Benchmarking

Utilizing benchmarking is a valuable approach to evaluate **Banque Misr's** carbon emissions performance and make meaningful comparisons with both national and international banks.

**Scope of Benchmarking**

This evaluation primarily concentrates on assessing Scope 1 (direct emissions) and Scope 2 (indirect emissions). It's important to note that Scope 3 indirect emissions, which originate from operations not under the bank's direct ownership or control, present more substantial verification challenges. Therefore, they are not considered within this section.

**Benchmarking Results**

According to the Disclosure Insight Action (CDP), which evaluates emissions data from multiple banks in addition to published carbon footprint data of banks operating all over the world, the average emissions intensity for Scope 1 and 2 emissions across **27** national and international banks is reported at **2.85 mtCO$_2$e/FTE**. The lowest recorded emissions intensity stands at **0.3 mtCO$_2$e/FTE.**

Upon a thorough review of the emissions data, it becomes evident that **Banque Misr's** emissions intensity per full-time equivalent (FTE) slightly exceeds the CDP's reported average. **Banque Misr's** emissions intensity is **2.9 mtCO$_2$e/FTE**, suggesting that there is room for improvement in emissions reduction compared to other national and international banks. It's important to note that external benchmarking provides indicative measures, mainly due to variations in system boundaries, business activities, and methodologies employed by different banks globally. These disparities can have an impact on the reported emissions values and should be taken into account when interpreting and comparing benchmarking results.


Source: Disclosure Insight Action (CDP) website, in addition to published carbon footprint data of banks operating all over the world.

*Scope 1 and 2 emissions only.

# TOWARDS CARBON REDUCTION

## DECARBONIZATION PLAN

**Banque Misr** has embarked on a substantial initiative to explore decarbonization prospects within its operations. These endeavors are designed to pinpoint areas for enhancement and offer a range of options to diminish our carbon footprint. The proposed projects can be divided into two main categories: operational actions and organizational actions. Operational actions focus on day-to-day aspects of the bank's operations, such as managing energy, water, and refrigerants. Organizational actions involve broader initiatives, including policy and strategy development and integrating environmental concerns into decision-making. The key strategies are delineated in our decarbonization plan, underscoring our dedication to sustainability and environmental accountability. It's essential to highlight that the projects and actions listed below are preliminary suggestions and will undergo rigorous research and an extensive feasibility study before being put into practice.


# Operational Actions

### 1 Maximizing Energy Performance

- **Energy audits:** Conducting comprehensive energy audits involves evaluating energy consumption patterns, pinpointing high-energy usage areas, and recommending energy-saving measures.
- **Lighting system enhancement:** Transitioning to energy-efficient LED lighting offers the potential for substantial reductions in electricity usage and maintenance costs, while also providing long-lasting and eco-friendly lighting solutions.
- **Implementation of smart building controls and automation systems:** The adoption of these technologies enables precise management and optimization of energy consumption, such as the adjustment of temperature settings, lighting, and ventilation based on occupancy.
- **Exploration of renewable energy alternatives:** Investigating the viability of installing on-site solar panels or wind turbines can facilitate the generation of clean energy, diminish dependence on fossil fuels, and reduce carbon emissions.

**Benefits**

- ⊕ Enhanced building efficiency and performance
- ⊕ Reduced indirect costs/increased profit
- ⊕ Adherence to international guidelines and recommendation
- ⊕ Less pollution and enhanced air quality

### 2 Infrastructure Upgrades

- **Adoption of Green Building Guidelines**: Creating and incorporating green building guidelines that encompass refurbishment strategies, like insulation and draught proofing, as well as the installation of self-closing mechanisms in doors to prevent heat gain and energy consumption.

**Benefits**

- ⊕ Maximized energy and water efficiency
- ⊕ Reduced indirect costs/increased profit
- ⊕ Reduced waste

### 3 Refrigerant Leakage Management

- **Scheduled Maintenance and Inspections:** Establish a preventive maintenance regimen to routinely examine and maintain refrigeration and air conditioning systems. Detecting and repairing leaks promptly can reduce refrigerant losses.
- **Equipment Retrofit or Upgrade:** Evaluate the option of modernizing or replacing older refrigeration and air conditioning systems with newer, energy-efficient units that utilize eco-friendly refrigerants with reduced global warming potential (GWP).
- **Installation of Leak Detection Systems:** Deploy refrigerant leak detection systems that continuously monitor and provide real-time alerts in the event of leaks. This enables rapid response to repair and prevent additional leakage.

**Benefits**

- ⊕ Enhanced building efficiency and performance
- ⊕ Reduced electricity costs

### 4 Waste Minimization and Recycling

- **Waste Audits:** Performing waste assessments aids in pinpointing potential areas for waste minimization, recycling, and the adoption of effective waste management techniques.
- **Recycling Initiatives:** Enacting recycling programs for a range of materials such as paper, plastics, glass, and metals guarantee that recyclable items are directed away from landfills and channeled for proper processing and subsequent use.
- **Adoption of Reusable and Environmentally Friendly Materials:** Encouraging the utilization of reusable items like water bottles, coffee mugs, and shopping bags has the effect of decreasing waste production. Additionally, advocating for the use of eco-friendly materials in daily operations lessens the ecological footprint.

**Benefits**

- ⊕ Material circularity
- ⊕ Waste reduction and allowing for segregation, accurate quantification, and reuse/recycling/recovery

# Operational Actions

## 5 Sustainable Water Management

**Water-Efficient Fixtures:** Set up water-saving fixtures such as low-flow faucets and automatic shut-off faucets. Replace existing toilets with low-volume single or dual flush options.

**Water Usage Evaluation:** Carry out a comprehensive water efficiency audit across all facilities with the aim of decreasing water consumption.

**Benefits**

- ⊕ Reduced water consumption
- ⊕ Reduced indirect costs/increased profit

## 6 Sustainable Transportation

**Sustainable Commuting Alternatives:** Promote sustainable commuting choices among employees, such as carpooling, cycling, or using public transportation, in order to minimize the carbon footprint linked to individual commuting. Engage in awareness campaigns and offer incentives to encourage these eco-friendly transportation methods.

**Electric and Hybrid Fleet Assessment:** Evaluate the possibility of transitioning the company's vehicle fleet to electric or hybrid models, which can lead to substantial emission reductions in transportation. Consider factors like infrastructure availability, vehicle range, and the installation of charging infrastructure.

**Telecommuting Guidelines:** Enforce telecommuting guidelines that permit employees to work remotely, effectively decreasing the need for daily commutes and the associated emissions.

**Benefits**

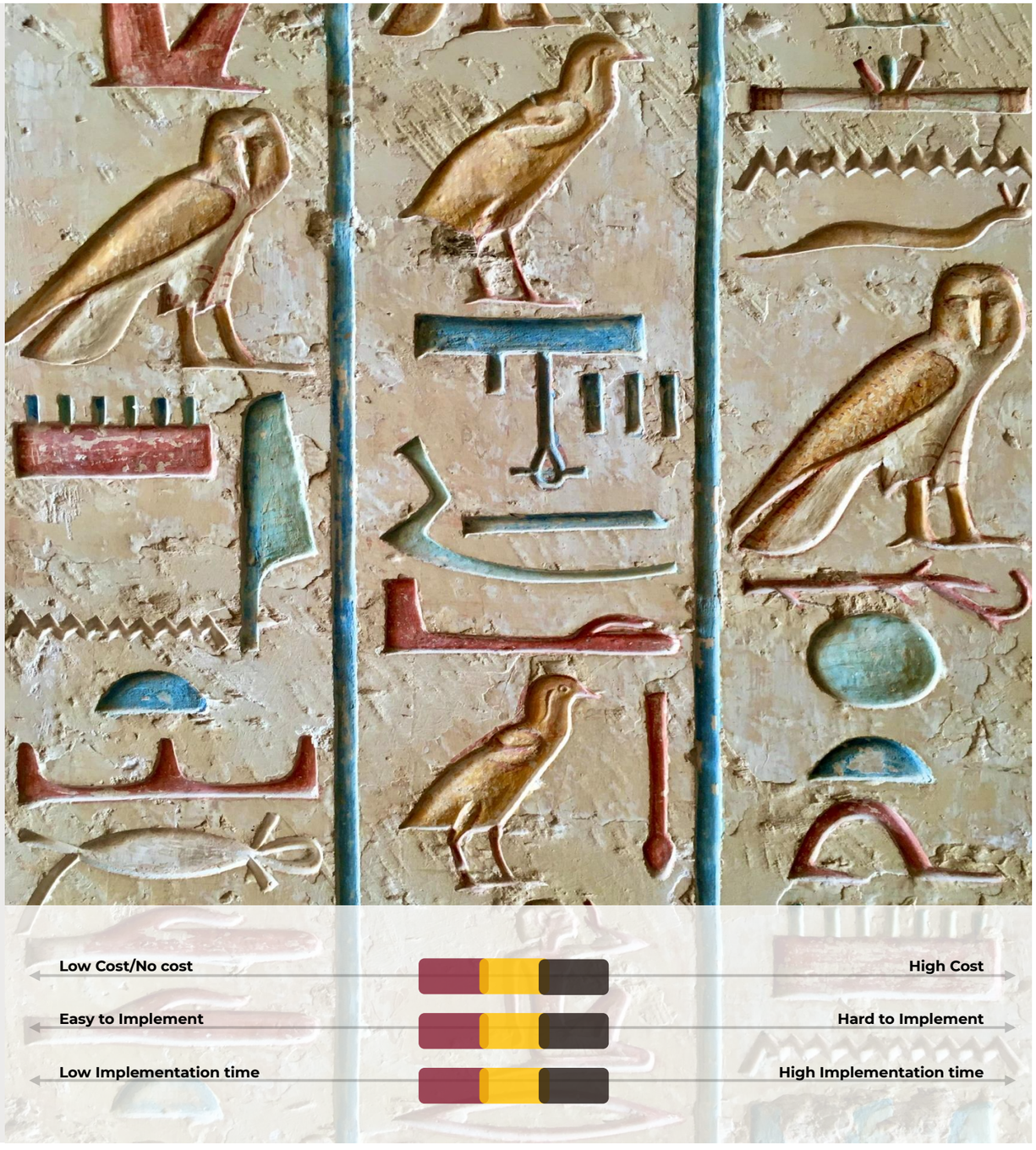
- ⊕ Reduced indirect costs/increased profit
- ⊕ Less pollution and enhanced air quality
- ⊕ Increased environmental awareness

## 7 Data Collection and Management System

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

**Benefits**

- ⊕ Enhanced data quality
- ⊕ Reduced indirect costs/increased profit



# TOWARDS CARBON REDUCTION

## Organizational Actions

### 1 Portfolio Emissions Management

- **Sustainable Lending**: Develop and offer green financial products, like loans for energy-efficient home upgrades, to support environmentally responsible investments.
- **Green Finance**: Invest in green bonds and support projects that focus on sustainability and emissions reduction.
- **Sustainable Investment**: Consider environmental, social, and governance (ESG) criteria when making investment decisions and support green investments.

**Benefits**

- ⊕ Enhanced reputation
- ⊕ Compliance with regulations
- ⊕ Attracting ESG investors

### 2 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.

**Benefits**

- ⊕ Increased sustainability awareness

### 3 Carbon Management Strategies

- **Carbon Offsets**: Purchase carbon offsets to compensate for emissions that can't be eliminated. This often involves supporting projects like reforestation or clean energy initiatives.
- **Carbon Pricing**: Implement internal carbon pricing mechanisms to account for the cost of carbon emissions in decision-making processes.

**Benefits**

- ⊕ Achieve carbon neutrality
- ⊕ Increased accountability

### 4 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.

**Benefits**

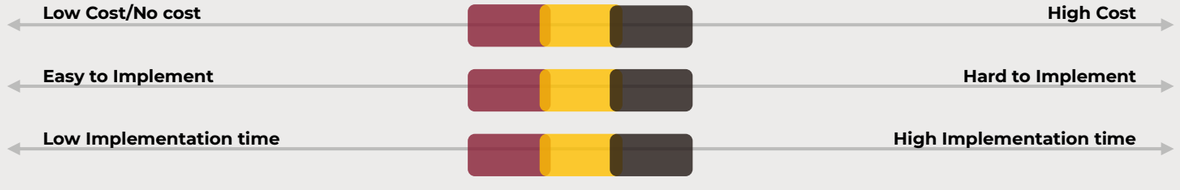
- ⊕ Improved environmental footprint

### 5 Sustainable Policies

- Develop and implement sustainability policies and governance structures within the bank.

**Benefits**

- ⊕ Enhanced reputation

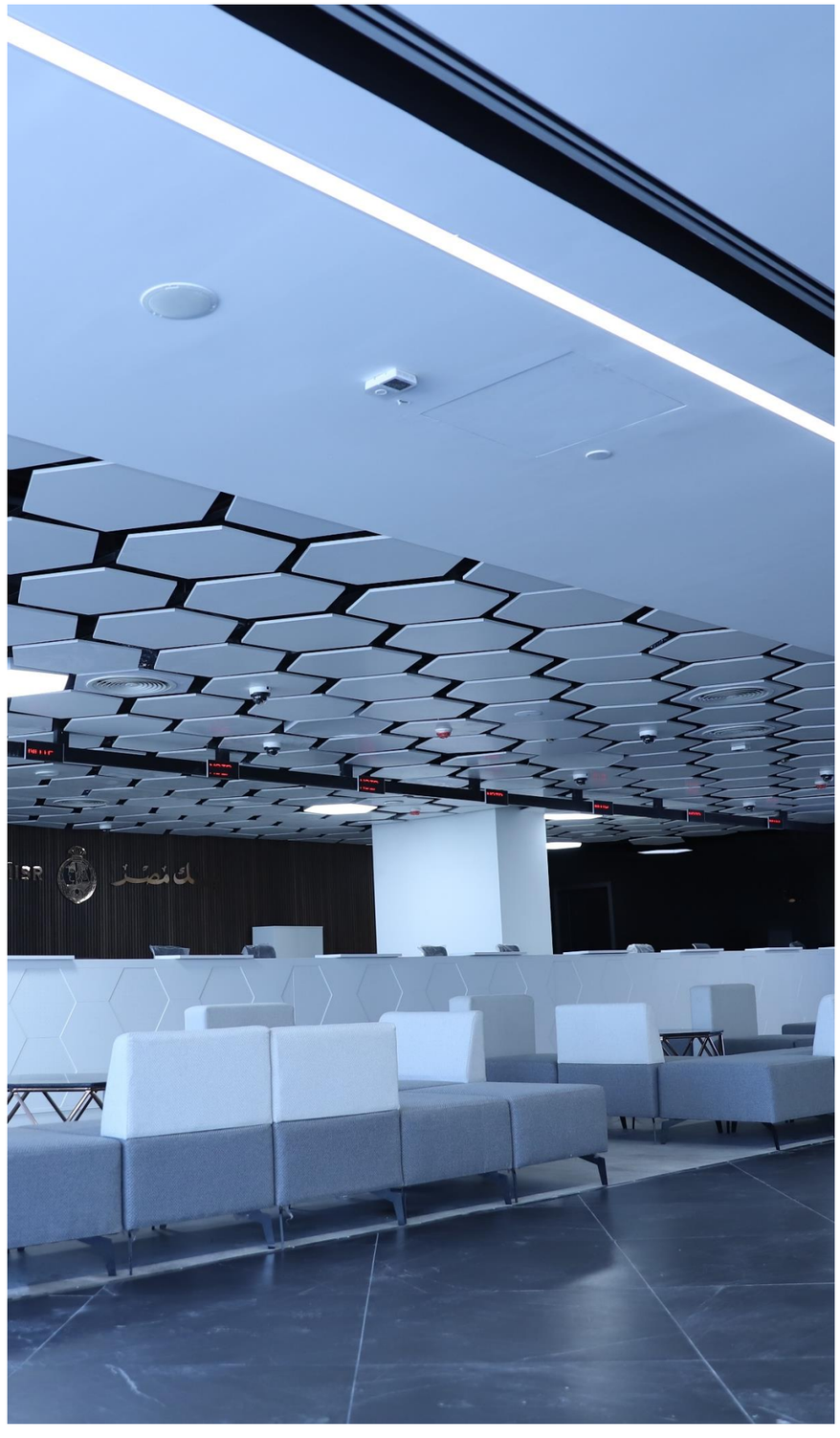



بنك مصر
BANQUE MISR

# ANNEX

## DEFINITIONS

| | |
|---|---|
| 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. |



# ANNEX

## DATA SOURCES AND QUALITY

The carbon footprint calculations rely on data sourced from **Banque Misr's** database. Data quality has been assessed and is presented below. Data quality is categorized into three levels, which aid in identifying potential areas for improvement in each activity. Types of data used include:

- **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 | 350,111 | Liters | Data recorded annually per each facility. |
| **Mobile Combustion** | Diesel fuel | 220,560 | Liters | Data recorded annually for the whole bank. |
| | Petrol fuel | 2,068,645 | Liters | Data recorded annually for the whole bank. |
| **Fugitive Emissions** | Refrigerants | 4,459 | kg | Data recorded annually per type of refrigerant per facility. |
| **Scope 2** | | | | |
| **Purchased Energy** | Electricity | 87,915 | MWh | Data recorded annually for each facility. In the upcoming years monthly data shall be recorded for each facility. |
| | Chilled water | 1,957 | MWh | Data recorded monthly per each facility. |
| **Scope 3** | | | | |
| **Purchased goods and services** | Water consumption | 2,486,451 | $m^3$ | Data recorded annually for each facility. In the upcoming years monthly data shall be recorded for each facility. |
| | Purchased paper | 917 | tons | Data recorded annually for the whole bank. In the upcoming years, data per facility shall be recorded. |
| | Purchased ink | 9,050 | toners | Data recorded annually for the whole bank. In the upcoming years, data per facility shall be recorded. |
| | Other consumables | 1,308 | tons | Data recorded annually for the whole bank. In the upcoming years, data per facility shall be recorded. |
| **Upstream transportation and distribution** | Internal courier shipments | 93,828 | km | Data recorded annually per governorate. |
| **Waste generated in operations** | Solid waste | 510 | tons | Data estimated based on daily number of bags per facilities. |
| | Shredded paper | 175 | tons | Data recorded as average weight per facility. |
| | Wastewater treatment | 2,237,806 | $m^3$ | Data estimated to be around 90% of water usage. |
| **Business travel** | Air travel | 2,356,733 | P.km | Data recorded as departure and arrival airports per flight. |
| | Hotel stays | 4,909 | Nights | Data recorded as umber of nights per country. |
| **Employee commuting** | Private cars | 48,141,035 | Km | Data retrieved from employees' survey results. |
| | Taxi | 15,919,041 | Km | Data retrieved from employees' survey results. |
| | Public buses | 34,062,115 | P.km | Data retrieved from employees' survey results. |
| | Metro | 9,966,225 | Km | Data retrieved from employees' survey results. |
| | Rented coasters | 13,356,240 | P.km | Data retrieved from employees' survey results. |
| **Downstream transportation and distribution** | External courier shipments | 315,173 | Ton.km | Data recorded annually per location. |
| **Processing of sold products** | Bank cards | 5,272,687 | Cards | Data recorded as number of issued bank cards per type. |
| **Downstream leased assets** | ATM transactions | 98,336,463 | Transact-ions | Data recorded as number of transactions for each ATM machine. |

## RELEVANCY AND EXCLUSIONS

The following table describes the GHG emissions sources that were excluded from **Banque Misr** GHG inventory due to several reasons, including: lack of data, and data that is beyond **Banque Misr's** operation and control and hence considered technically infeasible to attain. The exclusion rationale per activity has also been specified. This CFP report includes only **Banque Misr's** operations inside Egypt with the exclusion of a **159** small, leased touchpoints and kiosks. The decision to exclude those 159 kiosks from Banque Misr's carbon footprint calculations was based on the fact that these kiosks are situated in buildings not owned, controlled, or maintained by the bank; rather, they serve the purpose of facilitating services for individuals within those specific buildings. Additionally, it is not anticipated that these kiosks constitute a significant percentage of the total emissions. However, the bank is aiming to assess their emissions in the future if accurate consumption data becomes available, ensuring a comprehensive and accurate evaluation of its environmental impact.

| # | Activity | Description | Emissions | Status |
|---|---|---|---|---|
| **1** | Purchased goods and services | This includes printed forms, marketing materials and consumables as well as office supplies like paper, envelopes, flyers, etc. | 3,735 | Relevant, calculated |
| **2** | Capital goods | Emissions from embodied carbon in the properties owned by **Banque Misr**, such as buildings, cars, ... etc. | - | Relevant, not yet calculated |
| **3** | Fuel and energy related activities (Not included in Scope 1 and 2) | Includes well-to-tank emissions from fuel burning in generators and owned vehicles. | 1,606 | Relevant, calculated |
| **4** | Upstream transportation and distribution | Transportation from **Banque Misr's** upstream supply chain. | 93 | Relevant, calculated |
| **5** | Waste generated in operations | Includes emissions from the transportation of solid waste and the landfill emissions from the disposed waste. In addition to wastewater treatment emissions. | 1,675 | Relevant, calculated |
| **6** | Business travel | Includes emissions from air travel and hotel stays. | 692 | 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 **Banque Misr**). | 20,442 | 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 | **Banque Misr's** downstream transportation emissions include transportation of business cards and letters to clients, armored vehicles, ... etc. | 311 | Relevant, calculated |
| **10** | Processing of sold products | Includes emissions occurring due to bank issued cards | 477 | Relevant, calculated |
| **11** | Use of sold products | This should include emissions from the use of internet banking and other sold products. | - | Relevant, not yet 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 | Emissions resulting from ATM transactions are measured as the power used during active and inactive ATM hours. | 2,436 | Relevant, calculated |
| **14** | Franchises | This category is not relevant to **Banque Misr's** business and has therefore been excluded. | - | Not relevant, explanation provided |
| **15** | Investments | Emissions resulting from commercial loan activities and/or projects financed by **Banque Misr.** | - | Relevant, not yet calculated |

# QUALITY ASSURANCE STATEMENT

To Banque Misr's Board of Directors',

We have been appointed by Banque Misr to conduct carbon footprint calculations pertaining to Banque Misr's operational activities in Egypt for the period from 1st of January 2022 to the 31st of December 2022. The Scope covered Banque Misr's operations in their owned and controlled headquarters, head offices, branches and other facilities across 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 the 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 Banque Misr. 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

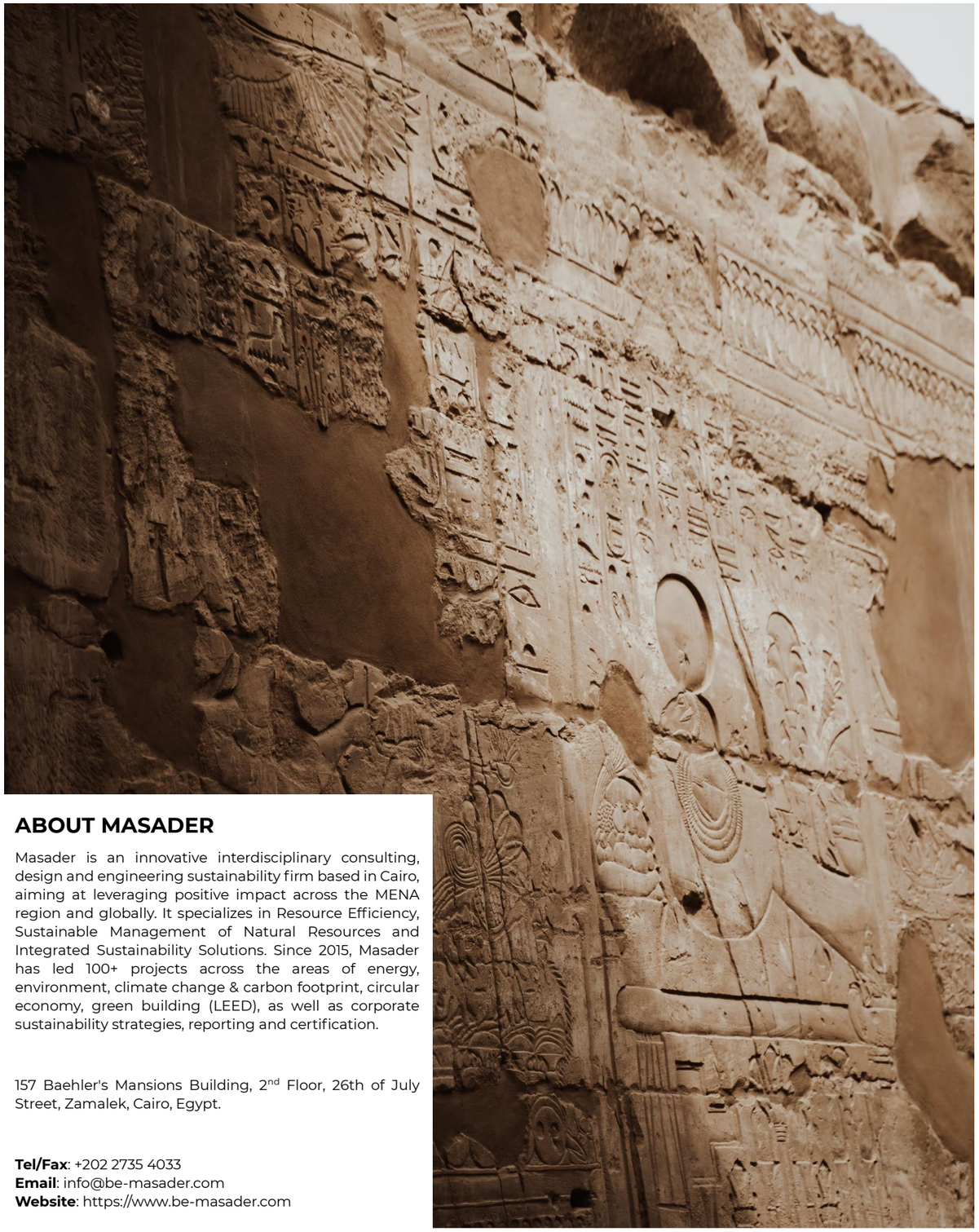
Based on the aforementioned procedures, nothing has come to our attention that would cause us to believe that Banque Misr's raw data used in the carbon footprint calculations have not been thoroughly collected, verified, and truly represent Banque Misr's resource consumption in the reporting period related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

**Dr. Abdelhamid Beshara, Founder and Chief Executive Officer**

MASADER, ENVIRONMENTAL & ENERGY SERVICES S.A.E CAIRO,

December 2023





## 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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