EFG Holding

2022

CARBON FOOTPRINT REPORT

TABLE OF CONTENTS

1. About this Report

This report presents EFG Holding's first carbon footprint assessment for the year 2022, which is considered the base year. As indicated in the organizational boundary section, this report covers scope 1, 2, and partially scope 3 emissions resulting from the operations of EFG Holding's headquarters building in Egypt as well as the operations of EFG Holding's subsidiary Tanmeyah Microenterprise Services. Although this is considered the first attempt to quantify and assess the Greenhouse gas (GHG) emissions generating from the organization's operations, EFG Holding tried to cover as many scopes and emission sources as possible at this early stage. The report also presents the methodology followed in the identification, data collection, and analysis of GHG emissions as well as any limitations or assumptions. The assessment and reporting were conducted by qualified national and international experts from Envision Consulting in line with the principles and guidance of the Greenhouse Gas Protocol, ISO 14064-1, as well as international best practices.

2. Abbreviations

BUR	Biennial Update Report
CBE	Central Bank of Egypt
CO_2e	Carbon Dioxide equivalent
COP	UN Climate Change Conference of Parties
DEFRA	UK Department for Environment, Food & Rural Affairs
EF	Emission Factor
EnMS	Energy Management System
EUI	Energy Usage Intensity
FIs	Financial Institutions
FRA	Financial Regulatory Authority
FTE	Full-Time Equivalent
GHG	Greenhouse Gases
GWP	Global Warming Potential
IASB	International Accounting Standards Board
IFRS	International Financial Reporting Standards
IPCC	UN's Intergovernmental Panel on Climate Change (IPCC)
ISSB	International Sustainability Standards Board
kWh	Kilowatt hour
L	Liter
Mt	Metric Ton
$mtCO_2e$	Metric tons Carbon Dioxide equivalent
NBFIs	Non-Banking Financial Institutions
SDGs	UN's Sustainable Development Goals
TCFD	Task Force on Climate-related Financial Disclosures
UNFCCC	United Nations Framework Convention on Climate Change
UNGC	United Nations Global Compact
UNPRI	United Nations Principles for Responsible Investment
WBCSD	World Business Council for Sustainable Development
WRI	World Resources Institute
WTT	Well-to-Tank

3. A Message from our CEO

Climate change is perhaps the most significant challenge facing our planet today. Across the World, economic sectors, from agriculture and fishing to tourism, transportation, and manufacturing, are all being forced to adjust to dwindling resources, changing weather patterns, and harsh new realities triggered by rising temperatures. Climate change impacts are seen in every aspect of the world we live in, but they are uneven across society and often exacerbate existing socioeconomic inequalities. Many of the Frontier Emerging Markets (FEM) where we do business are particularly vulnerable to risks such as water scarcity, rising sea levels, and extreme weather.

At EFG Holding, we pride ourselves on our commitment to responsible investment as part of our overall goal to help achieve the Sustainable Development Goals (SDGs). In 2019, we expanded our focus to address the climate crisis more specifically by issuing a statement on climate change and identifying key areas of engagement across our activities. Today, we are proud to continue on this path by submitting our first Carbon Footprint Report.

Investors have become acutely aware of the impact of the climate crisis not only on their investments but also on their long-term capability to create value. Today, the definition of value itself has changed: financial gain alone is not enough; investments must satisfy environmental, social, and governance requirements to be considered viable. As the leading financial partner in FEMs, we have always acknowledged our responsibility towards our stakeholders, partners, and society at large. This responsibility drives our commitment to work with all our stakeholders and to ask the difficult questions. How can we as financial institutions spearhead the fight to contain and mitigate the effects of climate change? How is it possible to create value and minimize financial and physical risk while also navigating the transition to a low-carbon economy? How can we ensure that this transition is just and doesn't ignore the economic, social, and political realities in developing countries? Climate change brings significant challenges for businesses, assets, and investments which require collective action from all parties. As a critical step in addressing these challenges, we have taken the decision to integrate the identification, assessment, and management of climate change risks and opportunities across our governance, strategy, and risk management procedures in accordance with the Task Force on Climate-Related Financial Disclosure (TCFD) framework. Our target is to understand how our investments and services are impacted by physical and transitional climate-related risks, identify the relevant challenges, and develop a mitigation strategy. This will also help us identify and materialize the opportunities we can leverage to create sustainable value for our stakeholders while protecting our assets and investments from the complex risks of climate change.

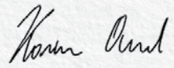
In terms of our investment portfolio, we consider ourselves at the forefront of the fight to advance clean, sustainable energy through Vortex Energy, our flagship renewable energy investment platform, which has a global mandate to invest in clean energy opportunities on behalf of sovereign, institutional, and strategic investors and takes pride in formulating, evaluating and executing all its business practices in accordance with a robust ESG strategy that supports the United Nations Global Compact and upholds the United Nations' Principles for Responsible Investment. We have also established several impactful partnerships to advance investment in renewable energy including a partnership agreement with the Ministry of Education and Technical Education to transition over 100 schools in Luxor and Aswan to clean solar energy.

As part of ensuring a just transition, EFG Holding believes that it is imperative to build socioeconomic and community resilience, not only to the effects of climate change but also to the costs of mitigation. Through our non-bank financial institutions (NBFI) platform, we promote financial inclusion to create resilience within the market and increase access to financing. Verticals such as Tanmeyah Microenterprise Services provide financing for micro and very small businesses across Egypt, while EFG Holding One, our state-of-the-art trading platform offers exchange-traded funds (ETFs) with themes that support impact investment, allowing socially minded investors to support climate change-conscious companies and avoid those that are polluters or exploiters. On a much smaller but still critical scale, we are pioneering the use of technology solutions to transform our business, create value and ensure a sustainable future. Our green business model is designed to ensure both maximum resource efficiency and optimal business returns across our operation. A key component of this strategy is the gradual migration to cloud computing and virtual services wherever possible to reduce our carbon footprint. We have also started measuring our operational Carbon Footprint (scope 1&2, and partially scope 3 emissions) to monitor our progress.

At EFG Holding, we are committed to our role as industry leaders in safeguarding the socioeconomic interests of our stakeholders as well as protecting future generations from the very real existential risks posed by climate change. It is our mandate to advocate for responsible investment among our stakeholders, measure all our value chain emissions (scope3) including, where possible, financed emissions and encourage systemic change towards a more sustainable common future.

Sincerely Yours,

Karim Awad



Group Chief Executive Officer

4. Introduction

4.1. About EFG Holding

EFG Holding is a trailblazing financial institution providing boundless financial opportunities with a universal bank in Egypt and the leading investment bank franchise in Frontier and Emerging Markets (FEM). Our footprint spans 11 countries across four continents, covering 75 of the most compelling global markets. With an on-the-ground presence in MENA, Asia, and Sub-Saharan Africa, more than three decades of experience across challenging markets, and comprehensive research capabilities, we partner with retail, high net worth, and institutional clients to capture high-growth business and investment opportunities. In select markets, we are also a leading provider of non-bank financial services including factoring, leasing, consumer finance and micro finance, among others.

4.2. EFG Holding's Climate Initiatives and Efforts

EFG Holding has implemented several measures to address climate change risks and opportunities across its business and operations. The following table summarizes the company's initiatives and efforts in this regard.

VORTEX ENERGY

Table 1. EFG Holding's Climate Initiatives and Efforts

Category	Climate-Related Actions
GOVERNANCE, ST RATEGY, RISK MANAGEMENT, AND METRICS & TARGETS	• Climate Change Statement issued to state the organization's commitments and identify key areas of engagement. • Published EFG Holding's first Carbon Footprint Report.
CLIMATE CHANGE MITIGATION, CLIMATE SMART TECHNOLOGY, OPERATIONAL CFP REDUCTION, AND PARTNERSHIPS	• Through technology solutions, our green business model is designed to ensure both maximum resource efficiency and optimal business returns across our operation. For example, we migrated our e-mail gateway to a secure and cloud-based server, furthermore, the IT team increased the use of virtual servers across all the countries where we operate. • E-waste recycling initiatives (Firm-wide). • Paper waste minimization initiatives (Firm-wide). • Energy-efficiency initiatives (Firm-wide). • Gradual migration to cloud computing and virtual services wherever possible to reduce our carbon footprint. • EFG Holding developed an in-house carpooling system to allow the employees to share their rides, encourage them to reduce their carbon footprint, protect the environment and create a sense of solidarity within the company. • EFG Holding deployed many initiatives to reduce waste and paper consumption by replacing paper file presentations with e-presentations via iPads, installing segregated recycling bins, and setting printers to print double-sided by default. In addition, EFG Holding headquarters and most of our offices are plastic-cups free and employees are encouraged to use their own flasks or mugs. • EFG Holding installed solar panels at the Headquarters' rooftop with a capacity of 24KW covering 2% of current electricity consumption and saving 27,263 $mtCO_2e$ per year. • Through Vortex Energy, the flagship renewable energy investment platform, EFG Holding invests in clean energy opportunities on behalf of sovereign, institutional, and strategic investors. 4.6 TWh of reliable, low-cost renewable electricity was delivered by Vortex Energy investments through 822 MW of installed power capacity. Further, it expects to develop, construct, and manage more than 10 GW of renewable energy generation and battery storage assets. Vortex Energy contributes to mitigating significant quantities of carbon emissions from its renewable energy and electric vehicles investments that would otherwise be emitted from fossil fuel-dependent power plants. • Established several impactful partnerships to advance investment in renewable energy including a partnership agreement with the Ministry of Education and Technical Education to transition 25 schools in Luxor and Aswan to clean solar energy.
SUPPORTING FINANCIAL INCLUSION TO CREATE CLIMATE RESILIENCE	• With a footprint across 25 governorates and over 300 branches, Tanmeyah provides a comprehensive microfinance solution to lower income business owners across Egypt who would otherwise have no access to the banking sector, helping them grow their businesses and find a way out of poverty. Tanmeyah identifies opportunities and supports micro and small business owners to develop their projects, which contributes to improving living standards in surrounding communities. • Corp-Solutions leasing and factoring services has been focused on increasing its contributions to SMEs, education, health, waste, etc. • Corp-Solutions has been heavily focused on increasing its contributions to the educational sector by increasing the total new financing of educational institutes which reached 13% of total portfolio. • Corp-Solutions finances sustainable infrastructure, sustainable transport, and clean energy in the agriculture sector. • 39% of Corp-Solutions factoring portfolio has been directed to the healthcare sector, responding to the challenges and high demand triggered by COVID-19. • Corp Solutions supported companies that had social impact and women empowerment mandate, to align with Egypt's Vision 2030. One example is contributing to a social platform business which facilitates the access of small local manufacturers to local housewives. While supporting local manufacturers in promoting their products, the platform avails a unique opportunity for housewives to earn their living from home by reselling household products to their social network. "Supporting such initiatives contributes in surrounding communities and improves climate resilience. • Corp Solutions took an integral responsibility in financing the recycling industry to promote a green economy through financing that reached 3% of total portfolio. • valU Consumer Finance offered instalment plans on solar panels. • EFG Holding One, our state-of-the-art trading platform offers exchange-traded funds (ETFs) with themes that support impact investment, allowing socially minded investors to support climate change-conscious companies. • The EFG Foundation is improving the resilience of vulnerable communities by supporting water and sanitation projects in upper Egypt.

4.3. Climate Change – Global, Regional and National Context

According to the World Meteorological Organization, disasters attributed to weather, climate and water hazards in the last 50 years caused more than 2 million deaths and $3.6 trillion in losses globally. Yet, the social, ecosystem, and economic costs of inaction are largely not incorporated in investment decisions. On 12 December 2015, the Paris Agreement was adopted by 196 Parties at the UN Climate Change Conference (COP21) in Paris, France. Its overarching goal is to hold the increase in the global average temperature to well below 2°C above pre-industrial levels and pursue efforts to limit the temperature increase to 1.5°C above pre-industrial levels. The UN's Intergovernmental Panel on Climate Change (IPCC) indicates that crossing the 1.5°C threshold risks unleashing far more severe climate change impacts, including more frequent and severe droughts, heatwaves and rainfall.

There is a pressing need for financial institutions to adopt climate resilient practices especially in the Middle East & North Africa (MENA) region being at the forefront of climate risks. Many financial institutions (FIs) still don't have solid climate change strategies neither do they identify, assess, manage, and consider physical and transition climate risks and opportunities in their decision-making process. However, investors cannot manage and mitigate these risks if they are not appropriately assessing and pricing them in their investments and operations. Institutional investors need to develop a clear understanding of the physical and transitional climate risks challenging their businesses, portfolios, and assets. These are mandatory prerequisites for establishing and adopting an effective approach towards integrating climate change in business strategies and risk management practices. It is among the core principles of investors' fiduciary duty to safeguard the long-term interest of their beneficiaries.

The MENA region is one of the most vulnerable regions in the world to physical climate change impacts putting human activities and natural systems at risk. It is one of the world's most water-scarce and dry regions, with a high dependency on climate-sensitive agriculture, and a large share of its population and economic activity in flood-prone urban coastal zones. Vulnerable populations and ecosystems will be exposed to a range of acute hazards, such as drought, heatwaves and extreme weather. According to the World Bank, the region – which is highly dependent on climate-sensitive agriculture – has a large percentage of its population and economic activity in coastal zones that are potentially exposed to floods. Temperature rise, precipitation variability, and sea level rise will put increased pressure on the region, its infrastructure, economy and people in the years and decades to come. Overall, an estimated 75% of buildings and infrastructure in the MENA region are considered at direct risk of climate change impacts such as sea level rise, storm surges, and increased temperatures. Physical impacts of climate change are paired with other pressures and a general lack of resilience that pose a threat to economic development in the MENA region. Some estimates predict a loss of 0.4 to 1.3% of GDP in MENA countries due to climate change effects, rising to 14% in the absence of appropriate mitigation and adaptation measures. Many of these economic impacts are linked to projected climate change impacts on the highly interlinked factors of water security, agricultural productivity, migration, displacement and urbanization.

In Egypt, the Intergovernmental Panel on Climate Change (IPCC) considers the Nile Delta to be one of the world's three vulnerability hotspots; climate change in Egypt will result in sea level rise, water scarcity, and extreme weather events with negative consequences on land in the northern part of Nile delta, namely for infrastructure, the agriculture sector, and fisheries. This may have consequences for food security, human health, housing, telecommunications, tourism, and general economic performance. Sea level rise and heatwaves are also a concern alongside water availability while biodiversity and aquaculture are heavily impacted.

To address its climate risks, Egypt has submitted its Nationally Determined Contributions (NDCs) to the UNFCCC, launched its national climate change strategy and is currently updating its National Adaptation Plan. The government of Egypt has aligned its national sustainable development strategy (Egypt Vision 2030) with the United Nations Sustainable Development Goals (SDGs). The strategy draws a roadmap covering social, economic, and environmental goals and targets to be achieved by 2030. Egypt has also integrated climate metrics in the vision and has set a target to reduce greenhouse gases (GHGs) by 10% from the energy sector, including oil and gas, by 2030 compared to 2016 levels. In 2021, Egypt also launched its National Climate Change Strategy 2050, which addresses both mitigation and adaptation programs targeting resilience and emission reductions across sectors.

In 2022, Egypt hosted the 27th Conference of the Parties of the UNFCCC (COP27), an annual global conference for world leaders to discuss progress made on current and future climate change challenges and risks. The discussions during COP27 focused on action and collaboration as well as the role of Africa in the fight against climate change. In addition, Egypt launched a dedicated National Climate Change Strategy, and has been actively engaging in multilateral and bilateral cooperation with other countries to address the climate adaptation finance gap during COP27 preparations. Egypt aims to increase the proportion of green projects in the government's investment budget from 14% to 30% while leveraging Public Private Partnership (PPP). In preparation for COP27, Egypt announced 85 projects in its portfolio with a total cost of $11.9 billion including both mitigation and adaptation projects. Egypt is currently seeking a total of $415 billion for climate related projects, $300 billion for mitigation projects and $115 billion for adaptation projects.

Furthermore, the Central Bank of Egypt (CBE) has issued mandates for Carbon Footprint Reporting and for sustainable finance which integrates managing climate change risks among its six principals, laying the foundation for identifying and managing climate change risks, in addition to encouraging financing projects that contribute to addressing climate change.

Similarly, in July 2021, the Egyptian Financial Regulatory Authority (FRA) issued decrees 107 and 108 demanding Non-Banking Financial Institutions (NBFIs) that are listed in the Egyptian Exchange or whose issued capital or net ownership rights are more than 500 million EGP to utilize the Task Force on Climate Related Financial Disclosure (TCFD) reporting framework for disclosing their business approach towards climate change and the financial implications of climate-related risks and opportunities on their business and operations.

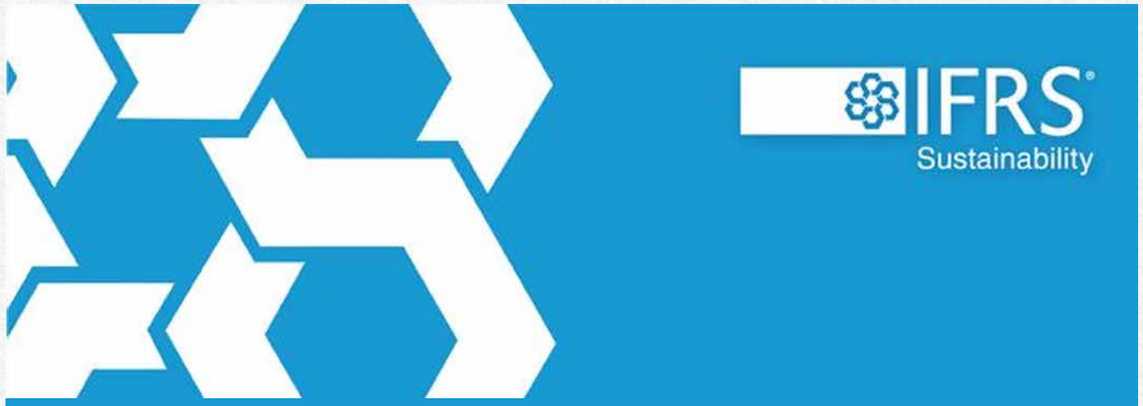
4.4. Carbon Footprint Objectives

The objective of a carbon footprint is to identify, quantify, and assess the sources of greenhouse gas emissions resulting from the operation of a company over a specific period. The carbon footprint serves to identify the environmental performance of a specific company regarding greenhouse gas emissions, thus assessing its impact on climate change. The organization can then respond to changing stakeholder and supply chain expectations as well as identify climate related risks and opportunities.

4.5. About TCFD & ISSB

The Financial Stability Board (FSB) created the Task Force on Climate Related Financial Disclosures (TCFD) to develop recommendations on the types of information that companies should disclose to support investors, lenders, and insurance underwriters in appropriately assessing and pricing a specific set of risks related to climate change.

In 2017, the TCFD released climate-related Financial disclosure recommendations designed to help companies provide better information to support informed capital allocation. The disclosure recommendations are structured around four thematic areas that represent core elements of how companies operate: governance, strategy, risk management, and metrics and targets. The four recommendations are interrelated and supported by 11 recommended disclosures that build out the framework with information that should help investors and others understand how reporting organizations think about and assess climate-related risks and opportunities.



The IFRS Foundation's International Sustainability Standards Board (ISSB) has taken over responsibility for monitoring progress of companies' climate-related disclosures from the Financial Stability Board's (FSB) Task Force on Climate-related Financial Disclosures (TCFD). The IFRS Foundation announced the formation of the International Sustainability Standards Board (ISSB) in November 2021 at COP26 in Glasgow. In June 2023, the IFRS released the International Sustainability Standards Board (ISSB) standards "S1 and S2". The TCFD recommendations are broadly incorporated into the requirements of the ISSB's climate related disclosure standard.

5. Methodology

5.1. Background

The methodology used for this CFP assessment is based on the guidelines of the GHG protocol. The GHG protocol is a global corporate standard for carbon footprint measurement and reporting. It standardizes the measurement, management, and reporting of Greenhouse gas (GHG) emissions generated by a company. The GHG protocol was created jointly by the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD). It categorizes emissions related to company operations into three scopes (areas) and has become a widely used international standard.

This carbon footprint assessment is conducted based on several international and widely applied standards, protocols, and guidelines specially developed for accounting and reporting, including the following:

- The UN Intergovernmental Panel on Climate Change (IPCC) Guidelines.
- The GHG Protocol: corporate accounting and reporting standard.
- ISO 14064-1:2018 Greenhouse gases Specification with guidance at the organization level for quantification and reporting of greenhouse gas emissions and removals.

This report was prepared in accordance with the GHG protocol Principles as follows:

- **RELEVANCE**

  Ensure the GHG inventory appropriately reflects the GHG emissions of the company and serves the decision-making needs of users – both internal and external to the company.

- **COMPLETENESS**

  Account for and report on all GHG emission sources and activities within the chosen inventory boundary. Disclose and justify any specific exclusions.

- **CONSISTENCY**

  Use consistent methodologies to allow for meaningful comparisons of emissions over time. Transparently document any changes to the data, inventory boundary, methods, or any other relevant factors in the time series.

- **TRANSPARENCY**

  Address all relevant issues in a factual and coherent manner, based on a clear audit trail. Disclose any relevant assumptions and make appropriate references to the accounting and calculation methodologies and data sources used.

- **ACCURACY**

  Ensure that the quantification of GHG emissions is systematically neither over nor under actual emissions, as far as can be judged, and that uncertainties are reduced as far as practicable. Achieve sufficient accuracy to enable users to make decisions with reasonable assurance as to the integrity of the reported information.

5.2. Boundary and Scope

This report covers scope 1 excluding fugitive emissions, scope 2, and partially scope 3 emissions resulting from the operations of EFG Holding's headquarters (HQ) building in Egypt as well as the operations of EFG Holding's subsidiary Tanmeyah Microenterprise Services. EFG Holding HQ is located at Smart Village, Egypt with an office space area of 15,460 square meters and houses 732 employees. Tanmeyah has 315 branches across Egypt with a total office space area of 41,630 square meters and 4,387 employees.

In line with the approach of the Greenhouse Gas Protocol, the emissions identified within the system boundary and the different levels are assigned to three different scopes as follows:

Scope 1: Emissions include the direct greenhouse gas emissions of a corporation. Direct GHG emissions occur from GHG sources or sinks inside organizational boundaries that are owned or controlled by the organization. Those sources can be stationary (e.g, electricity generators, industrial process) or mobile (e.g. vehicles).

Scope 2: Emissions include indirect greenhouse gas emissions caused by the corporate. These are emissions from the generation of purchased electricity consumed by the corporation.

Scope 3: Emissions include other indirect greenhouse gas emissions of the corporate. These emissions are a consequence of the activities of the corporation but (mostly) occur at sources owned or controlled by another entity.

5.3. Summary of GHG emissions reporting

The table below presents the activities and emission components covered in this report as well as the scope of each component.

Table 2. Summary of GHG Emissions Reporting

SCOPE	Emission Component	Emissions Reporting Worksheet[1]
SCOPE 1	Direct Emissions from sources that are owned or controlled by the organization.	• Company owned vehicles • Diesel consumption
SCOPE 2	Indirect Emissions from sources with the consumption of purchased electricity, heat or steam from a source that is consumed by the organization.	• Purchased electricity
SCOPE 3	Partial Indirect Emissions from other activities that are not controlled by the organization. (Not included in Scope 1 & 2)	• Company-owned vehicles (WTT) • Diesel (WTT) • Business travel • Business travel (WTT) • Air travel • Air travel (WTT) • Commuting • Commuting (WTT) • Waste management • Water usage and wastewater treatment

1 The GHG calculations worksheet was prepared by Envision Consulting offering guidance on identifying and completing the raw data required for GHG emissions calculations. The data was collected by EFG Holding's Sustainability team.

5.4. Reporting Period

The year 2022 is considered the base year for GHG emissions accounting. The base year is considered a reference year in which EFG Holding started to assess and account for its GHG emissions. The data used in calculating this GHG Inventory reporting was collected between January 1st, 2022 until December 31st, 2022.

5.5. GHGs Emission Calculation Methodology

According to the GHG Protocol, all seven greenhouse gases were considered in the assessment where applicable and material as follows:

- Carbon Dioxide (CO_2)
- Methane (CH_4)
- Nitrous Oxide (N_2O)
- Hydrofluorocarbons (HFCs)
- Perfluorocarbons (PFCs)
- Nitrogen Trifluoride (NF_3)
- Sulphur Hexafluoride (SF_6)

Global warming potentials (GWPs) are used in GHG accounting to convert individual greenhouse gas emissions to a standardized unit for comparison in terms of carbon dioxide equivalent (CO_2e). The main formula used to calculate GHG emissions is:

GHG Emissions = Activity Data (unit of activity) × Emission Factor ($kgCO_2e$/unit of activity)

Where:

- Activity Data = Quantitative measure of an activity that results in a GHG emission (Differs among different types of emission sources such as electricity, diesel consumption, etc.)
- Emission Factors (EF) = Site-specific or default emission factors.
- Except for the national grid emission factor which is based on the actual fuel mix used for electricity generation in Egypt, all other emission factors were adopted from DEFRA & IPCC Databases.

5.6. Emission Factors

Greenhouse gases (GHG) can be measured by recording emissions at the source, by continuous emissions monitoring, or by estimating the amount emitted using activity data (such as the amount of fuel used) and applying relevant conversion factors. These conversion factors allow organizations and individuals to calculate GHG emissions from a range of activities, including energy use, water consumption, waste disposal, recycling, and transport activities, etc.

Emission factors convert the impact of each greenhouse gas into a common unit of tonnes of CO_2e based on their global warming potential (GWP). GWP is a measure of how much heat the respective gas retains in the atmosphere over a given period, based on the Intergovernmental Panel on Climate Change (IPCC)'s 100-year GWP coefficients. For all Scope 3 fuel emissions factors, the emissions factors include emissions from direct combustion and upstream emissions of producing fuels (mining, excavation and transportation).

Below are the emissions factors' sources used for this study due to their accuracy and appropriateness to the reporting period.

- UK Department for Environment, Food & Rural Affairs (DEFRA, 2021).
- Egypt Specific Grid Emission Factor. The national grid average emission factor for the Arab Republic of Egypt is 0.533 MT CO_2e/MWh based on actual fuel mix according to the Institute for Global Environmental Strategies (IGES, 2022) and the Egypt's Biennial Update Report (BUR) – UNFCCC, 2018.

5.7. Data Sources and Quality

The information used in this carbon footprint assessment comes from EFG Holding's databases and relevant departments. A data collection questionnaire and emissions reporting worksheet was prepared and used for data collection and assessment. The data collection process was managed by EFG Holding's Corporate Sustainability & Impact team with guidance and support from Envision's team. Reasonable assumptions were made where possible, to draw valid conclusions on missing or incomplete data. For example, assumptions were made to identify the waste quantities at EFG Holding HQ building.

Data quality measures how well a dataset meets criteria for accuracy, completeness, validity, consistency and aims to improve the quality of missing or incomplete data. Several review meetings and discussions with Envision's team took place to optimize data quality and ensure reliable analysis. The data status, quality, and resolution are presented in the following tables.

Table 3. Data Status and Quality

Data Category	SCOPE	EFG Holding	Tanmeyah	Comments	Status
Company-owned vehicles	Scope 1	Covered	Covered	Fuel consumption of company-owned vehicles. Data quality was adequate and clear.	Adequate
Diesel consumption	Scope 1	Covered	Covered	Diesel consumption for generators. The data quality was good and clear.	Adequate
Purchased electricity	Scope 2	Covered	Covered	Data quality was adequate and clear.	Adequate
Business travel	Scope 3	Covered	Covered	Emissions from business travel in rental cars or employee-owned vehicles other than company owned vehicles or employee commuting to and from work. • Data is collected from mobility services companies' apps. • Employee-owned vehicles or other means of transportation are not currently tracked. • Business travel should be tracked and maintained in a database • An automated tracking system is recommended	Needs Improvement
Air Travel	Scope 3	Covered	Covered	Emissions related to employees' air business travel. The received flight data resolution was adequate but included all EFG Holding's global operations without any classification. Data classification per subsidiary, business line, etc. should be useful to facilitate data compilation and analysis.	Needs Improvement
Commuting	Scope 3	Covered	Not Covered	Emissions due to employees commuting to and from work using personal or rental cars other than company-owned cars. Commuting data could be linked to the number of employees to improve the assessment accuracy. A proper tracking system is recommended. In addition, Tanmeyah's commuting data is not maintained and should be tracked for the following reports.	Needs Improvement

Data Category	SCOPE	EFG Holding	Tanmeyah	Comments	Status
Waste management	Scope 3	Covered	Not Covered	Reasonable assumptions were made due to incomplete or missing data. Actual records for waste quantities and disposal or recycling details could be maintained for more accurate accounting.	Needs Improvement
Water management	Scope 3	Covered	Covered	Emission due to water supply and treatment.	Adequate

Table 4. Summary of Activity Data and Data Resolution

Scope	Emissions source	Units	Resolution
Scope 1	Diesel for Generators	Liter	Monthly by site
	Owned vehicles	Liter	Monthly by vehicle
Scope 2	Purchased electricity	kWh	Monthly by site
Scope 3	Business travel - Air	Passenger km	Yearly by journey, incl. class and distance
	Business travel	Passenger km	Yearly by journey and distance
	Employee commuting	FTE	Yearly by distance
	Water	Cubic Meter	Yearly by site
	Waste	Kg	Yearly by site, type, disposal method
	Paper	Quantity	Yearly by size and type

5.8. Relevance & Exclusions According to the GHG protocol

This section describes GHG emission sources that were excluded from the GHG inventory due to data not being available, or not technically feasible to obtain. The exclusion rationale per category and scope has also been specified.

As this is the first CFP assessment, the operational boundary included EFG Holding HQ building in Egypt as well as Tanmeyah's operations and branches. However, we aim to include more of our branches and operations in future Carbon Footprint Reports.

Table 5. Relevance & Exclusions

Scope	Activity	Description	Status
Scope 1	Fugitive Emissions, mainly due to refrigerant leakage	Hydrofluorocarbon (HFC) emissions during the use of refrigeration and air conditioning equipment. Refrigerant leakage occurs during maintenance and/or installation of air conditioning systems.	Relevant, not yet calculated. Planned to be reported in the next assessment.
Scope 3	Employee Commuting	Tanmeyah Employee commuting. This category includes emissions from the transportation of employees between their homes and their worksites during the reporting year.	Relevant, not yet calculated. Planned to be reported in the next assessment.
Scope 3	Waste disposal	Tanmeyah waste disposal. emissions related to waste disposal, recycling, and other waste management practices associated with the organization's operations.	Relevant, not yet calculated. Planned to be reported in the next assessment.
Scope 3	Upstream Transportation and Distribution	Transportation and distribution of products purchased in the reporting year, between a company's suppliers and its own operations in vehicles not owned or operated by the reporting company.	Not Relevant.
Scope 3	Downstream Transportation and Distribution	Includes emissions that occur in the reporting year from transportation and distribution of sold products in vehicles and facilities not owned or controlled by the reporting company.	Relevant, not yet calculated
Scope 3	Purchased Goods and Services	Includes all upstream (i.e., cradle-to-gate) emissions from the production of products purchased or acquired by the reporting company in the reporting year.	Relevant, not yet calculated
Scope 3	Investments	Includes scope 3 emissions associated with the reporting company's investments in the reporting year, not already included in scope 1 or scope 2.	Relevant, not yet calculated
Scope 3	Franchises	Includes emissions from the operation of franchises not included in scope 1 or scope 2.	Not Relevant
Scope 3	Use of Sold Products	Includes emissions from the use of goods and services sold by the reporting company in the reporting year	Relevant, not yet calculated
Scope 3	Capital Goods	Includes all upstream (i.e., cradle-to-gate) emissions from the production of capital goods purchased or acquired by the reporting company in the reporting year.	Relevant, not yet calculated

6.1 EFG Holding Headquarter Building Carbon Footprint Assessment

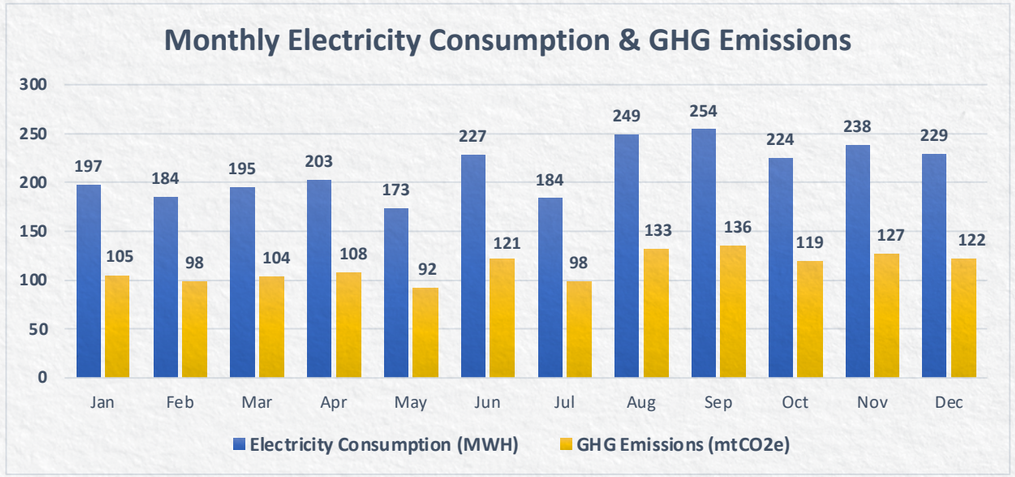
6.1.1. Power Related Emissions

Power related emissions are GHG emissions that are linked to the use of electricity, as well as diesel and petrol consumption.

6. GHG Emissions Inventory

A) PURCHASED ELECTRICITY

EFG Holding used electricity from the grid as an energy source for lighting and cooling, etc. EFG Holding consumed **2,557,514 kWh** in 2022 Which resulted in **1,363 mtCO$_2$e**. Electricity consumption resulted in the highest emissions compared to other activities over the reporting period representing **54%** of total emissions. Electricity emissions are accounted for under scope 2.



Energy Use Intensity (EUI) is a globally recognized indicator used for benchmarking buildings' energy performance by expressing a building's energy use as a function of its size or other characteristics. EFG Holding's EUI in 2022 was **165 kWh/m²** which is considered slightly above the average EUI of **160 kWh/m²** for office buildings. However, according to several studies, optimum EUI in office buildings could be less than **130 kWh/m²**, which means that energy efficiency measures could be implemented at EFG Holding's HQ building to reduce its energy usage, corresponding costs, and reduce the associated GHG emissions. For instance, switching to energy efficient lighting, installing daylight and motion detection light sensors, ensuring proper lighting distribution, encouraging employees to unplug unused electronic equipment and switching off the lights before leaving.

EFG Holding has implemented some measures to reduce its power-related emissions. EFG Holding installed solar panels at the Headquarters' rooftop with a capacity of 24KW covering 2% of current electricity consumption and **saving 27,263 mtCO$_2$e per year**. In addition, through Vortex Energy, the flagship renewable energy investment platform, EFG Holding invests in clean energy opportunities on behalf of sovereign, institutional, and strategic investors. 4.6 TWh of reliable, low-cost renewable electricity was delivered by Vortex Energy investments through 822 MW of installed power capacity. Further, it expects to develop, construct, and manage more than 10 GW of renewable energy generation and battery storage assets. Vortex Energy contributes to mitigating significant quantities of carbon emissions from its renewable energy and electric vehicles investments that would otherwise be emitted from fossil fuel-dependent power plants.

Also, several impactful partnerships were established to advance investment in renewable energy including a partnership agreement with the Ministry of Education and Technical Education to transition 25 schools in Luxor and Aswan to clean solar energy; hence, expanding its positive impact on climate change mitigation via targeting decarbonization opportunities as part of its products and services.

B) COMPANY OWNED CARS

EFG Holding owned cars consumed **10,575 liters** of Diesel as well as **121,685 liters** of Petrol in 2022. The emissions resulting from Diesel consumption amounted to **26.5 mtCO$_2$e** while the emissions resulting from Petrol consumption reached **267 mtCO$_2$e**, which resulted in **293.5 mtCO$_2$e** in total from company-owned cars. Although Diesel emission intensity is approx. 15% higher than Petrol but Petrol-related emissions were dominant because almost all EFG Holding owned cars use Petrol except for two vans. Company-owned car emissions are direct emissions accounted for under scope 1. This activity also resulted in **81.1 mtCO$_2$e** in Well-to-tank (WTT) emissions. WTT emissions are associated with upstream operations such as extraction, refining and transportation of raw fuel sources to an organization's site (or asset), prior to combustion. Therefore, WTT emissions are upstream indirect emission accounted for under scope 3.

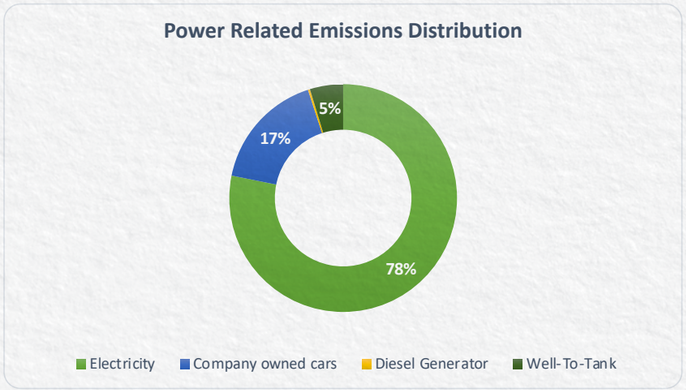
C) DIESEL

EFG Holding consumed 2,000 liters of Diesel for electricity backup generators in 2022, which resulted in **5 mtCO$_2$e** and **1.2 mtCO$_2$e** in WTT emissions. Diesel emissions are direct emissions and were accounted for under scope 1. Table 6 presents the summary of power related emissions.

Table 6. Power Related Emissions Summary

SCOPE	Emission Component	Emissions (mtCO$_2$e)
Scope1	Company owned cars	293.5
Scope1	Diesel Generator	5.0
Scope2	Electricity	1,363.2
Scope3	Company owned cars WTT	81.1
Scope3	Diesel Generator WTT	1.2
Total		**1,744**

78.2% of power related emissions were related to electricity consumption, **16.8%** to company owned cars, and 0.3% to diesel consumption for generators. Well-To-Tank emissions associated with diesel and company owned vehicles contributed by **4.7%** to power related emissions.



6.1.2. Travel Related Emissions

Travel related emissions consist of corporate employee's commuting, daily travel, as well business travel.

A) BUSINESS TRAVEL

EFG Holding's business travels totaled **385,204 Km** in 2022, which resulted in **80.2 mtCO$_2$e**, and **19.6 mtCO$_2$e** in WTT emissions. Emissions from business travel that do not rely on company owned vehicles are considered under Scope 3. WTT emissions are also accounted for under Scope 3.

B) AIR BUSINESS TRAVEL

EFG Holding's business air travel included 205 economy flights and 203 business flights including 108 short-haul flights (up to 3700 km), 226 long-haul (over 3700 km), and 74 domestic flights. The total distance travelled in 2022 was **2,373,000 km**, which resulted in **429 mtCO$_2$e** in indirect emissions and **39.3 mtCO$_2$e** in WTT emissions. Business travel is indirect emission under scope3.

C) COMMUTING

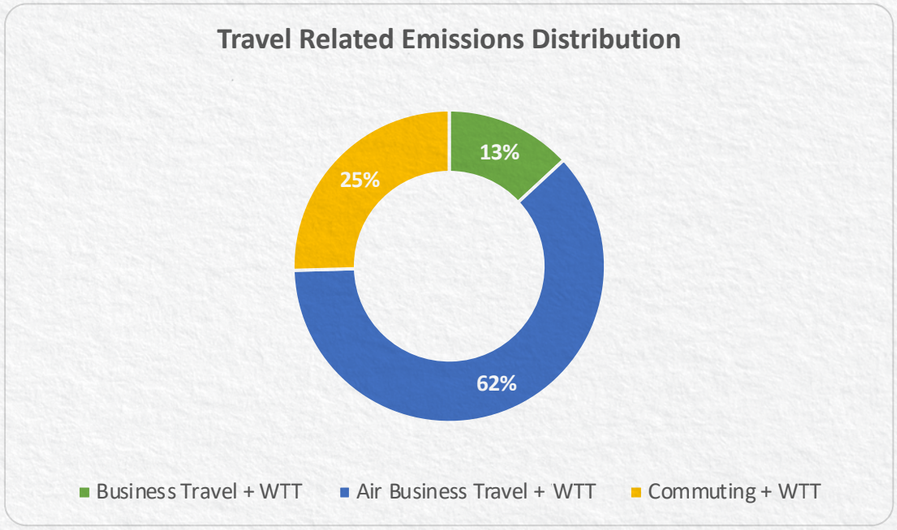
In 2022, EFG Holding's employees traveled **1,522,224 km**, which resulted in **155.7 mtCO$_2$e** in indirect emissions, and **37.9 mtCO$_2$e** in WTT emissions. The total number of employees at EFG Holding is **732 employees**. Emissions from employees commuting in vehicles that are not owned by the company are accounted for under Scope 3. WTT emissions are also accounted for under Scope 3. Table 7 presents the total travel related emissions in 2022.

EFG Holding developed an in-house carpooling system to allow the employees to share their rides, encourage them to reduce their carbon footprint, protect the environment and create a sense of solidarity within the company.

Table 7. Scope 3 – Travel Related Emissions

SCOPE	Emission Component	Emissions (mtCO$_2$e)
Scope 3	Business Travel +WTT	99.81
Scope 3	Air Business Travel +WTT	468.25
Scope 3	Commuting emissions +WTT	193.64
Total		**761.70**

61.5% of travel emissions in 2022 were related to air business travel, 25.4% were related to commuting, and the other 13.1% were related to business travel.



6.1.3. Emissions due to Paper Consumption

In 2022, EFG Holding used 1,212,500 A4 sheets and 25,000 A3 sheets. In Total, 1,237,500 sheets were used, which resulted in 5.6 mtCO$_2$e. The paper emissions are indirect emissions under scope 3. The results are shown in Table 8.

Table 8. Scope 3 – Emissions Due to Paper Consumption

SCOPE	Emission Component	Emissions (mtCO$_2$e)
Scope 3	Paper Consumption	5.6

6.1.4. Emissions due to Waste Management and Disposal

The total amount of waste occurring in 2022 was 31.2 tons comprised of paper, metal, plastic, etc. which resulted in 0.66 mtCO$_2$e.

EFG Holding deployed many initiatives to reduce waste and paper consumption by replacing paper file presentations with e-presentations via iPads, installing segregated recycling bins, and setting printers to print double-sided by default. In addition, EFG Holding headquarters and most of our offices are plastic-cups free and employees are encouraged to use their own flasks or mugs.

Table 9. Scope 3 – Emissions Due to Waste Management

SCOPE	Emission Component	Emissions (mtCO$_2$e)
Scope 3	Waste Management	0.66

6.1.5. Emissions due to Water Supply and Treatment

Water was used in restrooms, kitchens, landscape maintenance, and facades cleaning. The total amount of water used in 2022 was 7,231 m^3, resulting in 1.07 $mtCO_2e$.

Table 10. Scope 3 – Emissions Due to Water Supply and Treatment

SCOPE	Emission Component	Emissions ($mtCO_2e$)
Scope 3	Water Supply	1
Scope 3	Wastewater Treatment	2
Total		**3**

6.1.6. EFG Holding Carbon Emissions Summary

In 2022, the total carbon footprint resulting from EFG Holding's operations was 2,515 $mtCO_2e$. The summary and analysis of EFG Holding's absolute emissions, emission intensity, emissions per scope, and emissions per category are presented in the tables and figures below.

Table 11. Summary of Emissions Per Scope

SCOPE	Emissions ($mtCO_2e$)	Percentage of total
Scope 1	299	11.9% - 12%
Scope 2	1,363	54.2% - 54%
Scope 3	853	33.9% - 34%
Total	**2,515**	

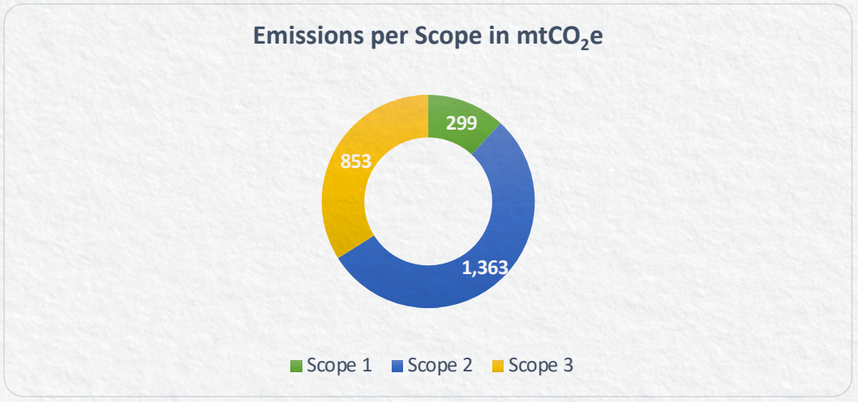
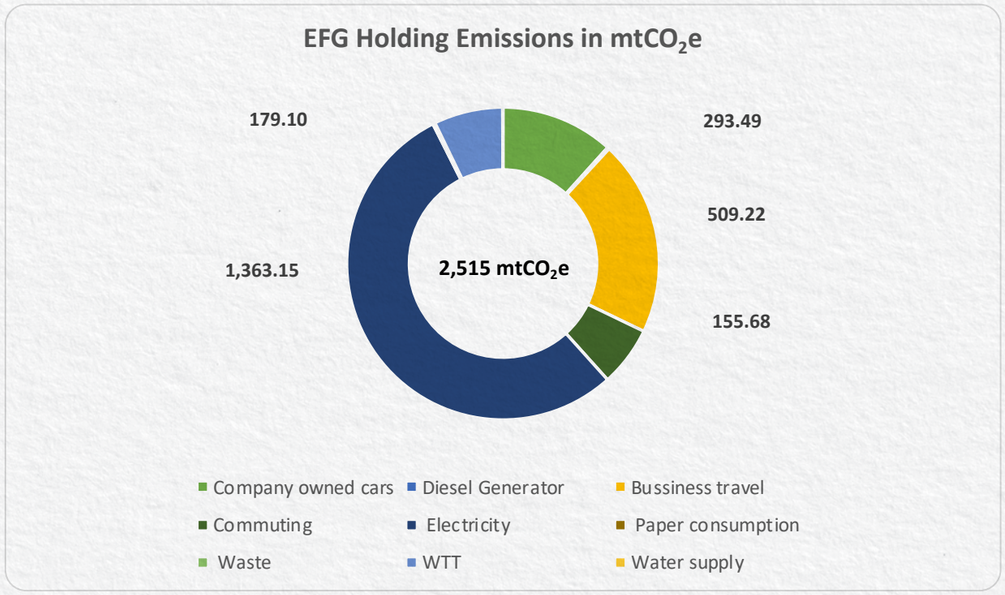


Table 12. Emissions Per Category

Category	Emissions ($mtCO_2e$)	Percentage of total
Diesel Generator	5.02	0.2%
Company-owned Cars	293.49	11.7%
Business Travel	509.22	20.3%
Commuting	155.68	6.2%
Electricity	1,363.15	54.2%
Paper Consumption	5.56	0.2%
Waste Management	0.66	0.0%
Well-To-Tank (WTT)	179.10	7.1%
Water Supply and Treatment	3.00	0.1%
Total	**2,515**	



6.2. EFG Corp-Solutions

6.2.1. About EFG Corp-Solutions

EFG Corp-Solutions is one of EFG Holding's flagship NBFI subsidiaries. It provides leasing and factoring services that can be combined in customized packages designed to provide optimal financing. In sectors such as education and healthcare, these services can be leveraged to provide critical funds for sustainable investments. EFG Corp-Solutions, the product of the merger between EFG Leasing and EFG Factoring, provides state-of-the-art solutions through a tailored mix of leasing and factoring tools to support and sustain their long-term business goals. EFG Leasing Founded in 2015 to provide comprehensive leasing solutions and value-added advisory to corporate and SME clients by bundling the provision of assets and arranging maintenance contracts and insurance in a single transaction. The company worked with an outstanding network of vendor partners and called on deep industry knowledge in everything from origination to credit process, something we're carrying on to the new entity. EFG Factoring Launched in 2018 to help customers expand their business or resolve cash flow concerns without diluting equity or incurring further debt by selling their accounts receivables invoices to the company. Factoring receivables, including checks, invoices, and contracts allows businesses to meet their immediate working capital financing needs and obtain liquidity to invest in future growth plans.

LEASING

As of December 2022, the leasing portfolio stood at EGP 4.4 Bn representing 63% of Corp-Solution's portfolio. The Real Estate sector represented 42% of the portfolio followed by Construction & Building Materials at 15%, and Education at 13%. As part of Corp-Solutions' ESG initiatives which focuses on impact investment and climate resilience, EFG Corp-Solutions has been supporting SMEs which accounted for 17% of the Portfolio in December 2022. In addition, Corp-Solutions has been heavily focused on increasing its contributions to the educational sector by increasing the total new financing of educational institutes which reached 13% of total portfolio. Additionally, and with regards to the healthcare sector, EFG Corp-Solutions allocated funds to the health care sector representing 8% of portfolio to meet the unprecedent demand that followed the COVID-19 outbreak. Further, EFG Corp-Solutions took an integral responsibility in financing the recycling industry to support circularity and the green economy transition through financing that reached 3% of the total portfolio. It is worth mentioning that these initiatives are fully aligned and is actively contributing to Egypt's Sustainable Development Strategy (Egypt Vision 2030).

FACTORING

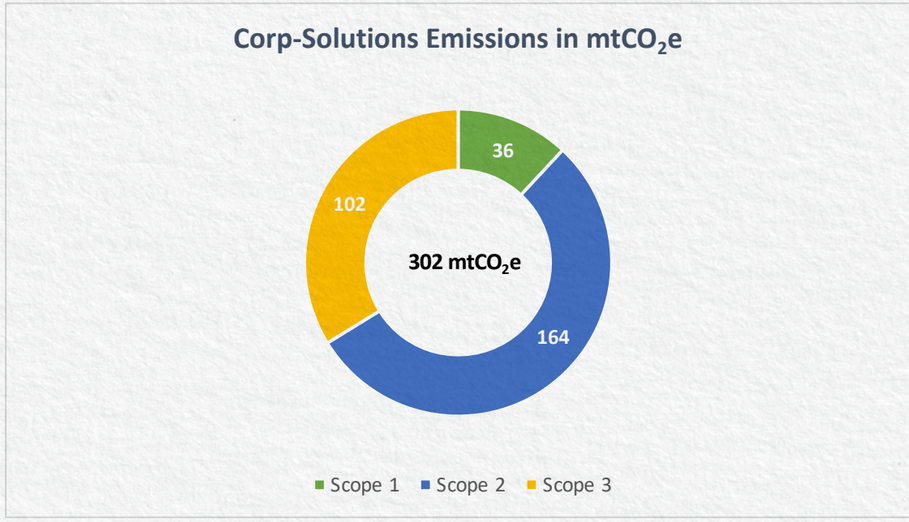
As of December 2022, the factoring portfolio stood at EGP 2.6 Bn representing 37% of Corp-Solution's portfolio. The Healthcare Sector accounted for 39% of the portfolio, followed by Construction & Building Materials at 24%, and Trading Companies & Distribution at 10%. As part of Corp-Solutions' ESG initiatives which focuses on responsible investment and climate resilience, 12% of Factoring facilities were directed to SMEs. In addition, EFG Corp-Solutions showed commitment and support to the healthcare industry by financing companies that provide different medical services, to meet the surge in demand. As mentioned earlier, 39% of factoring facilities have been directed to the Healthcare sector, responding to the challenges and high demand triggered by COVID-19 consequences. Moreover, EFG Corp-Solutions supported companies that had social impact mandate, to align with Egypt's Vision 2030 and fulfil the Sustainable Development Goals. Among the approved clients, was a company that has women empowerment and local manufacturing support vision. The company established a social platform which facilitates the access of small local manufacturers to local housewives. While supporting local manufacturers in promoting their products, the platform avails a unique opportunity for housewives to earn their living from home by reselling household products to their social network. Supporting such initiatives also contributes to the climate resilience of vulnerable communities.

6.2.2. EFG Corp-Solutions Emissions

The GHG emissions associated with Corp-Solutions operations were calculated based on the number of employees working at the subsidiary compared to the total number of employees working at EFG Holding. This assumption was made because Corp-Solutions operate within the EFG Holding HQ building. EFG Corp-Solutions subsidiary has 88 employees representing 12 % of the total EFG Holding employee count.

Table 13. Corp-Solutions Emissions Summary

Scope	Emissions in $mtCO_2e$
Scope 1	36
Scope 2	164
Scope 3	102
Total	**302**



6.3. Tanmeyah Carbon Footprint Assessment

6.3.1. About Tanmeyah

Tanmeyah was established in 2009 as one of the first Financial Institutions in the field of microfinancing and was acquired by EFG Holding in 2016. Today, Tanmeyah is Egypt's leading microfinance service provider and one of the Group's flagship companies under its NBFI platform. Tanmeyah provides a comprehensive microfinance solution to lower income business owners across Egypt who would otherwise have no access to the banking sector helping them grow their businesses and find a way out of poverty. With a footprint across 25 governorates and over 300 branches, Tanmeyah is ideally placed to identify and grasp opportunities that support its mission of bringing banking and financial services to the underprivileged members of society. This has led to the development of products and programmes that address certain segments such as transportation service providers, medical and pharmaceutical practitioners, and female entrepreneurs. The financing programmes offered provide owners of microenterprises with the necessary support to develop their businesses and projects, which contributes to improving living standards in surrounding communities. Tanmeyah facilitates access to finance in underprivileged areas through its branches present in many governorates, and it consistently seeks to expand geographically by opening new branches in rural and urban areas in Upper Egypt and Delta governorates. Tanmeyah's financing programmes start from EGP 1,000, allowing us to support low-income businesses, driving economic growth throughout Egypt and improving the standard of living for citizens. The company continues to focus on growth and drive financial inclusion in Egypt despite local and global challenges. Since 2021, Tanmeyah has been actively pushing towards greater digitalization as part of Egypt's efforts towards achieving increased financial inclusion.

6.3.2. Power Related Emissions

Power related emissions are GHG emissions that are linked to the use of electricity, as well as diesel and petrol consumption.

A) ELECTRICITY

Tanmeyah used electricity from the grid as an energy source for lighting, HVAC, heaters, pumps, security system, electricity substations, elevators, computers, and kitchen component. Tanmeyah consumed **4,366,027 kWh** in 2022 which resulted in **2,327 mtCO$_2$e**. Electricity consumption resulted in the highest emissions compared to other activities over the reporting period representing **93.92%** of total emissions. Electricity emissions are accounted for under scope 2.

Energy Use Intensity (EUI) is a globally recognized indicator used for benchmarking buildings' energy performance by expressing a building's energy use as a function of its size or other characteristics. Tanmeyah's EUI in 2022 was **105 kWh/m²**. This is considered a good usage intensity being below **130 kWh/m²** and is well below the average EUI of **160 kWh/m²**. However, this EUI is the average intensity for all Tanmeyah's branches. Therefore, relying on this result alone could be misleading. It's recommended to study the intensity of each branch individually in order to identify opportunities for improvement.

B) COMPANY OWNED CARS

Tanmeyah-owned cars traveled **584,000 km** in 2022, generating **111.4 mtCO$_2$e**. Company-owned car emissions are direct emissions accounted for under scope 1. This activity also resulted in **31.24 mtCO$_2$e** in Well-to-tank (WTT) emissions. WTT emissions are associated with upstream operations such as extraction, refining and transportation of raw fuel sources to an organization's site (or asset), prior to combustion. Therefore, WTT emissions are upstream indirect emission accounted for under scope 3.

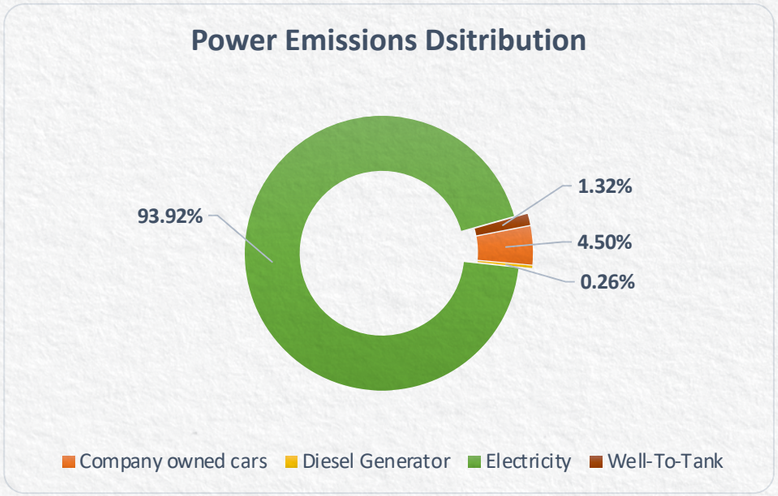
C) DIESEL

Tanmeyah consumed 2,580 liters of Diesel for electricity generators in 2022, which resulted in **6.48 mtCO$_2$e** and **1.57 mtCO$_2$e** in WTT emissions. Diesel emissions are direct emissions and were accounted for under scope 1 while WTT are indirect emission accounted for under scope 3. The following table presents the summary of power related emissions at Tanmeyah's facilities in 2022.

Table 14. Tanmeyah's Power Related Emissions Summary

SCOPE	Emission Component	Emissions (mtCO$_2$e)
Scope1	Company owned cars	111.4
Scope1	Diesel generator	6.28
Scope2	Electricity	2,327
Scope3	Company owned cars WTT	31.2
Scope3	Diesel generator WTT	1.57
Total		**2,477**

94% of power related emissions were related to electricity consumption, **4.5%** to company owned cars, and **0.25%** to diesel consumption for generators. Well-To-Tank emissions associated with diesel and company owned vehicles contributed by **1.3%** to power related emissions.



6.3.3. Travel related Emissions

Travel related emissions consist of corporate employee's commuting, daily travel, as well business travel.

A) BUSINESS TRAVEL

Tanmeyah's business travels totaled **204,550 Km** in 2022, which resulted in **33.18 mtCO$_2$e**, and **9.2 mtCO$_2$e** in WTT emissions. Emissions from business travel that do not rely on company owned vehicles are considered under Scope 3. WTT emissions are also accounted for under Scope 3.

B) AIR BUSINESS TRAVEL

Tanmeyah's business air travel included 27 business flights. 2 short-haul flights (up to 3700 km) and 25 domestic flights. The total distance travelled in 2022 was **16,000 km**, which resulted in **7.07 mtCO$_2$e** in indirect emissions and **0.27 mtCO$_2$e** in WTT emissions. Business travel is indirect emission and is accounted for under scope 3.

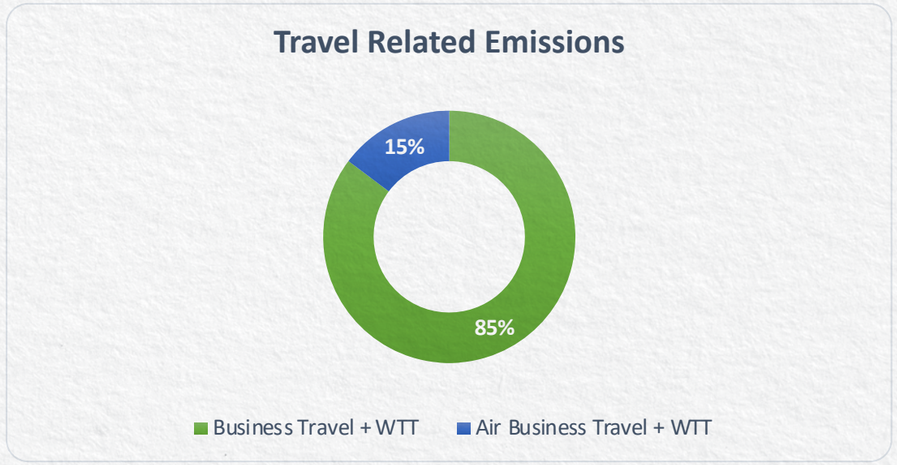
C) COMMUTING RELATED EMISSIONS

The total number of employees at Tanmeyah is **4,387 employees**. Commuting data for Tanmeyah was not available and will be accounted for in the next year. Table 15 presents the total travel related emissions in 2022.

Table 15. Scope 3 – Travel Related Emissions

SCOPE	Emission Component	Emissions (mtCO$_2$e)
Scope 3	Business Travel + WTT	42.4
Scope 3	Air Business Travel + WTT	7.3
Scope 3	Commuting emissions + WTT	NA
Total		**49.7**

In 2022, 85.3% of travel emissions in 2022 were related to business travel and 14.7% were related to air business travel.



6.3.4. Emissions due to Paper Consumption

In 2022, Tanmeyah used **2,050,000 A4 sheets** and **100 A3 sheets**. In Total, **2,050,100 sheets** were used, which resulted in **94 mtCO$_2$e**. The paper emissions are indirect emissions under scope 3. The results are shown in the following Table.

Table 16. Scope 3 – Emissions Due to Paper Consumption

SCOPE	Emission Component	Emissions (mtCO$_2$e)
Scope 3	Paper Consumption	94

6.3.5. Emissions due to Waste Management

Tanmeyah's waste data was not available for this reporting period. Tanmeyah's waste data will be tracked and reported starting next year.

6.3.6. Emissions due to Water Supply and Treatment

Water was used in restrooms, kitchens, landscape maintenance, and facades cleaning. The total amount of water used in 2022 was **392,515 m³**, resulting in **165.3 mtCO$_2$e**.

Table 17. Scope 3 – Emissions Due to Water Supply and Wastewater Treatment

SCOPE	Emission Component	Emissions (mtCO$_2$e)
Scope 3	Water Supply	58.5
Scope 3	Wastewater Treatment	106.8
Total		**165.3**

6.3.7. Tanmeyah Carbon Emissions Summary

In 2022, the total carbon footprint resulting from Tanmeyah's operations was **2,787 mtCO$_2$e**. The summary and analysis of Tanmeyah's absolute emissions, emission intensity, emissions per scope, and emissions per category are presented in the tables and figures below.

Table 18. Summary of Tanmeyah's Emissions Per Scope

SCOPE	Emissions (mtCO$_2$e)	Percentage of total
Scope 1	118	4.2%
Scope 2	2,327	83.5%
Scope 3	342	12.3%
Total	**2,787**	

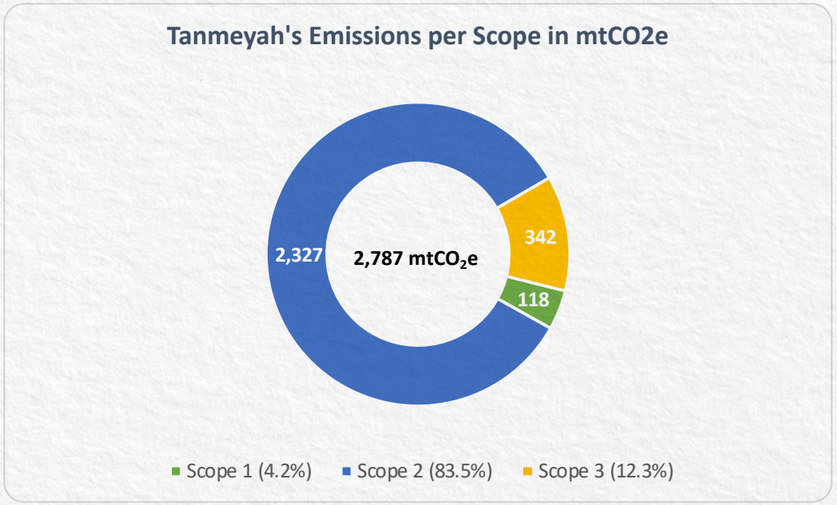
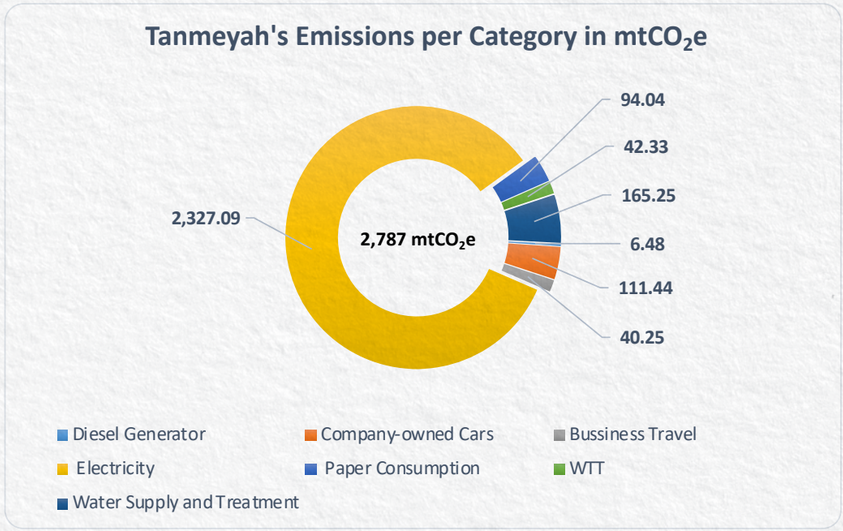


Table 19. Summary of Tanmeyah's Emissions Per Category

Category	Emissions (mtCO$_2$e)	Percentage of total
Diesel Generator	6.48	0.2%
Company-owned Cars	111.44	4.0%
Business Travel	40.25	1.4%
Electricity	2,327.09	83.5%
Paper Consumption	94.04	3.4%
Well-To-Tank (WTT)	42.33	1.5%
Water Supply & Treatment	165.3	5.9%
Total	**2,787**	



6.3.8. Summary of Total Emissions

The total GHG emissions for EFG Holding and Tanmeyah in 2022 amounted to **5,301 mtCO$_2$e**. Scope 1 emissions represent **8%**, scope 2 emissions represent **70%**, and Scope 3 represents 22% of the total emissions. The emissions per scope and per category are shown in the tables and figures below.

Table 20. Total Emissions for EFG Holding and Tanmeyah in 2022

SCOPE	Emissions (mtCO$_2$e)	Percentage of total
Scope 1	416	8%
Scope 2	3,690	70%
Scope 3	1,195	22%
Total	**5,301**	

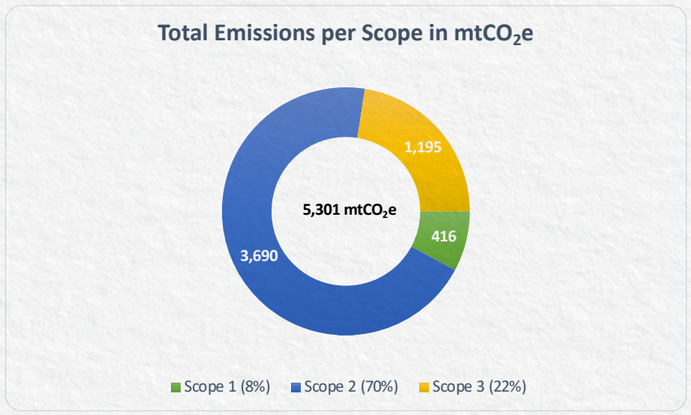
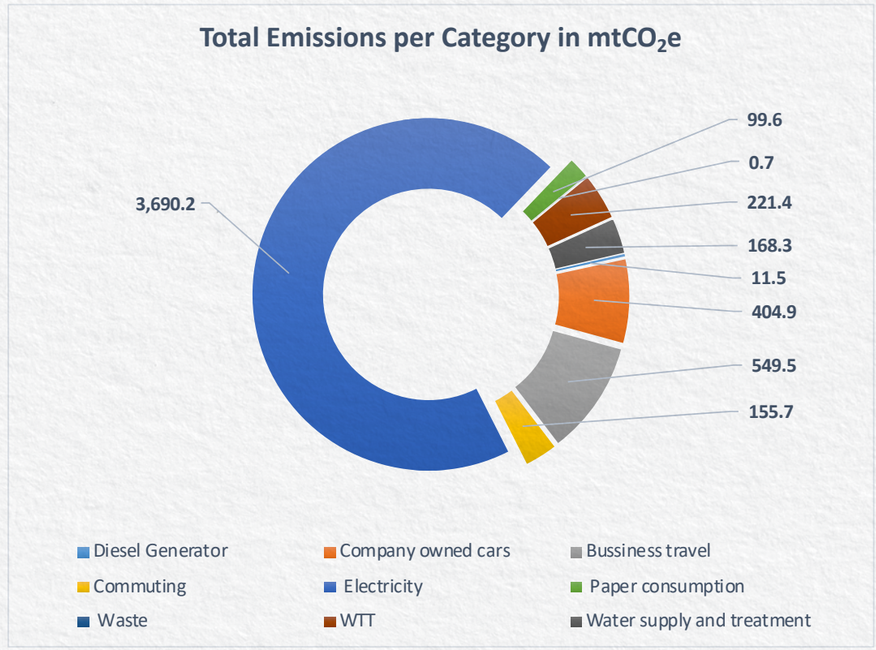
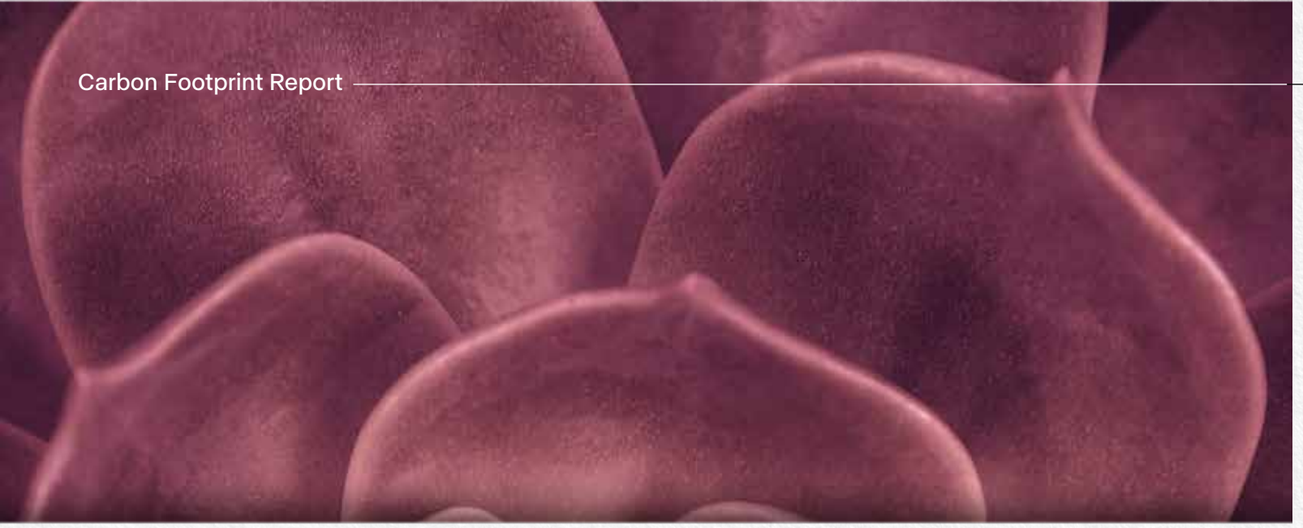


Table 21. Summary of Total Emissions Per Category

Category	Emissions (mtCO$_2$e)	Percentage of total
Diesel Generator	11.5	0.2%
Company-owned Cars	404.9	7.6%
Business Travel	549.5	10.4%
Commuting	155.7	2.9%
Electricity	3,690.2	69.6%
Paper Consumption	99.6	1.9%
Waste Management	0.7	0.01%
Well-To-Tank (WTT)	221.4	4.2%
Water Supply and Treatment	168.3	3.2%
Total	**5,302**	





7. Benchmarking

Benchmarking allows companies to compare their emissions performance against their peers as well as to compare their emissions overtime or against a specific baseline or milestone. Benchmarking also allows for continuous monitoring and improvement of carbon emissions.

The indicators used in this report to benchmark EFG Holding's performance against other companies both nationally and internationally are as follows:

Carbon Emissions (Scope 1 & 2) per Employee ($mtCO_2e$/FTE)

- Carbon Emissions (Scope 1 & 2) per square meter of office space ($mtCO_2e/m^2$)
- Energy Use Intensity per square meter of office space (kWh/ m^2)
- EFG Holding and Tanmeyah benchmarking indicators are presented in the following table.

Table 22. EFG Holding Carbon Emissions Intensity (Scope 1 & 2)

Total Scope 1 & 2 Emissions	1,662 $mtCO_2e$
Total No. of Employees	732 FTE
Office Space	15,460 m^2
Emission Intensity (Scope 1 & 2) per Full-Time Equivalent (per Employee)[2]	**2.27 $mtCO_2e$/FTE**
Emission Intensity (Scope 1 & 2) per Square Meter of Office Space	**0.11 $mtCO_2e/m^2$**
Electricity Consumption	2,557,514 kWh
Energy Use Intensity (EUI)	**165 kWh/m^2**

2 Full-Time Equivalent (FTE) is a unit of measurement used to represent the number of full-time hours worked by all employees.

Table 23. Tanmeyah Carbon Emissions Intensity (Scope 1 & 2)

Total Scope 1 & 2 Emissions	2,445 $mtCO_2e$
Total No. of Employees	4,387 FTE
Office Space	41,630 m^2
Emission Intensity (Scope 1 & 2) per Full-Time Equivalent (per Employee)[3]	**0.56 $mtCO_2e$/FTE**
Emission Intensity (Scope 1 & 2) per Square Meter of Office Space	**0.06 $mtCO_2e/m^2$**
Electricity Consumption	4,366,027 kWh
Energy Use Intensity (EUI)	**105 kWh/m^2**

Table 24. Total Carbon Emissions Intensity (Scope 1&2)

Total Scope 1 & 2 Emissions	4,107 $mtCO_2e$
Total No. of Employees	5,119 FTE
Office Space	57,090 m^2
Emission Intensity (Scope 1 & 2) per Full-Time Equivalent (per Employee)[4]	**0.8 $mtCO_2e$/FTE**
Emission Intensity (Scope 1 & 2) per Square Meter of Office Space	**0.07 $mtCO_2e/m^2$**
Electricity Consumption	6,923,541 kWh
Energy Use Intensity (EUI)	**121 kWh/m^2**

7.1. National Benchmarking

An average benchmark for carbon emission intensity was utilized for national benchmarking as published by several banks only for their headquarters in Egypt. Therefore, for the national benchmarking only EFG Holding's HQ results are compared for consistency. In 2022, EFG Holding's HQ emission intensity per Full-Time Equivalent was **2.27 $mtCO_2e$/FTE** and the emission intensity per Square Meter of office space was **0.11 $mtCO_2e/m^2$**. This places EFG Holding at "**C**" and "**A**" rating according to the national benchmark which reflects "average" to "good" performance respectively. The following table shows EFG Holding's emissions intensity compared to other banks' headquarters in Egypt.

3 Full-Time Equivalent (FTE) is a unit of measurement used to represent the number of full-time hours worked by all employees.
4 Full-Time Equivalent (FTE) is a unit of measurement used to represent the number of full-time hours worked by all employees.

Table 25. Benchmarking Against Local Banks

Rating	Carbon Intensity (Scope 1 & 2) per Full-Time Employee	Carbon Intensity (Scope 1 & 2) per Square Meter of Office Space
A	<1	<0.2
B	1-2	0.2 - 0.4
C	2-3	0.4 - 0.6
D	3-4	0.6 - 0.8
E	>4	0.8

Represent EFG Holding's Carbon Intensity per FTE and per Square Meter.

Represent local Banks' Intensity per FTE and per Square Meter.

7.2. International Benchmarking

On the international level, published emission intensity data by several global financial institutions was analyzed to identify an average benchmark. However, the analysis established that emission intensity varies significantly among global FIs especially considering different geographies as well as different operational locations for the same company. The discrepancy increases further when comparing emission intensities of different business lines such as banking, investment, and insurance. Therefore, a sample of 7 prominent global FIs was selected to compare against. The companies are indicated as Company A through G in the table below. The average emission intensity of the sample group was **2 $mtCO_2e$/FTE**, and the least emission intensity was **0.8 $mtCO_2e$/FTE**. This places EFG Holding's intensity slightly above average at **2.27 $mtCO_2e$/FTE**. However, the total emission intensity of EFG Holding and Tanmeyah is similar to Company A which is the least among the sample at **0.8 $mtCO_2e$/FTE**. It is important to note that this comparison is only indicative due to the factors mentioned earlier. In addition, the companies compared against include activities that were excluded from this report as explained in the exclusions section. The companies also include different global operations and different business lines in their reporting boundary while not all operations were included in the boundary considered for this reporting period. However, this benchmarking approach would lay the ground for an improved analysis overtime especially after including additional emission sources and more operations in the scope and boundary of upcoming CFP reports. Some FIs have achieved considerable reductions compared to their previous reports in addition to constantly working on stretched targets to reduce both their absolute GHG emissions as well as their emission intensity. The following table shows the carbon emission intensities of the sample group.

Table 26. Carbon Emissions Intensity for International FIs (Scope 1 & 2)

Company	Scope 1 & 2 Emission Intensity per Employee ($mtCO_2e$/FTE)
Company A	0.8
Company B	1.3
Company C	1.63
Company D	1.76
Company E	2.45
Company F	2.6
Company G	3.43
Average	**2.0**

Energy Use Intensity (EUI) is another globally recognized indicator for benchmarking specifically used for benchmarking buildings' energy performance by expressing a building's energy use as a function of its size or other characteristics. EFG Holding's EUI was estimated in terms of Energy consumption per square meters of office space. In 2022, EFG Holding's EUI was **165 kWh/m²** which is considered slightly above the global average of **160 kWh/m²** for office buildings. However, according to several studies, optimum EUI in office buildings could be less than **130 kWh/m²**, which means that energy efficiency measures could be implemented at EFG Holding's HQ building to reduce its energy usage and associated GHG emissions.

Emission intensity could be further improved by implementing decarbonization measures across the organization's facilities and operations. Furthermore, emissions offsetting via carbon credits may be considered for hard-to-abate operational emissions. The next section addresses some proposed recommendations for reducing EFG Holding's operational carbon footprint. It's worth highlighting that for the financial sector, vulnerability to climate impacts and risks goes well beyond the physical exposure of the organization's facilities. The most relevant and material contributions of financial institutions (FIs) to climate change are indirect through financing clients and projects that generate significant GHG emissions, which is indicated as "Financed Emissions". Therefore, many FIs have started to focus on financed emissions in their GHG emissions accounting and climate change strategies in addition to their operational emissions. Nevertheless, estimating financed emissions can be challenging due to the various sectors considered as well as data availability and reliability especially in the MENA region.

8. Way Forward and Recommended Actions

In line with the TCFD framework, the recommendations in this section address the operational carbon footprint as well as business and financed emissions as part of the metrics and targets disclosures. In addition, climate related risks and opportunities identification, assessment, and management were considered as a matter of paving the way for organization wide implementation and disclosure of climate risk management. The table below presents EFG Holding's plans as well as the consultant's recommendations with respect to climate-related risks and opportunities for three key categories. The decarbonization recommendations are general based on the current CFP assessment findings. However, a proper feasibility assessment should be conducted in order to prioritize initiatives.

Table 27. Plans and Recommendations

Category	Plans and Recommendations
GOVERNANCE, STRATEGY, RISK, MANAGEMENT, AND METRICS & TARGETS	**OUR PLANS** • Integrate the identification, assessment, and management of climate change risks and opportunities across our governance, strategy, and risk management procedures in accordance with the Task Force on Climate-Related Financial Disclosure (TCFD) framework and the IFRS Foundation's International Sustainability Standards. • Continue to report on our carbon footprint and monitor our progress regularly to improve our GHG emissions performance. • Measure relevant value chain emissions (scope3) including, where possible, financed emission. **RECOMMENDATIONS** • Develop and launch an awareness program and an ongoing dialogue with the board of directors and management team on the importance and requirements of addressing climate-related risks and opportunities to pave the way for implementing the TCFD recommendations and ISSB Standards. • Start working on the methodology and processes that will be used to identify and assess climate-related risks and opportunities as part of the TCFD Strategy pillar. • Consider all potential physical and transitional climate risks and conduct a materiality assessment in order to identify the risks and opportunities with potential impact on business. This should help understanding which business lines, portfolios, or capital allocations are at high risk of exposure to climate-related risks and opportunities. This should also facilitate the business strategy direction and mitigate potential impacts on financial planning before disclosures. • Identify potential challenges and bottlenecks that could hinder integrating climate-related risks and opportunities in investment and credit decision making. • Use available benchmarking tools to understand best practices in metrics and targets setting for each line of business. • Consider incentive systems and develop a capacity building program on climate change for employees. This should be very useful before rolling down specific tasks and assignments to implement the climate strategy and risk management integration process.

Category	Plans and Recommendations
DECARBONIZATION AND OPERATIONAL EMISSIONS 	**OUR PLANS** **We are planning to:** • Expedite the gradual migration to cloud computing and virtual services wherever possible to reduce our carbon footprint. • Improve energy performance and, if feasible, implement and maintain an energy management system. • Encourage employees to utilize sustainable transportation options and work on reducing the number of employees driving individual cars to work each day through introducing carpooling incentives and availing shuttle buses. **RECOMMENDATIONS** A) Policies, Targets, and Data Management • Develop and implement a decarbonization plan aiming at reducing the operational CFP, improving carbon emissions intensity, and achieving net zero carbon emissions. • Once value chain emissions are measured and assessed, set targets to reduce supply chain emissions, develop responsible supply chain management policy including supplier selection, monitoring and evaluation. It's important to note that suppliers can be trained to abide by the responsible supply chain policy and an incentive system could be put in place to encourage suppliers' adherence and contribution to the emission reduction targets. • GHG emission reduction targets should be ambitious but feasible and within a specific timeframe. Also, the required resources should be planned accordingly. • Integrate Climate change in current ESG/Sustainability policies and design an incentive system for the employees who successfully abide by climate-related guidelines. • Deliver training programs to employees on Climate Change and the importance of reducing the organization's CFP. • Improve the documentation and implement a better data collection system for business travel, air travel, commuting, and waste management data. • Tanmeyah should maintain records for its employees commuting. B) Decarbonization Measures • Increase the percentage of solar energy contribution in electricity consumption. Currently, solar energy covers 2% of total electricity consumption. • Implement simple energy efficiency measures such as switching to energy efficient lighting, ensuring proper lighting distribution, encouraging employees to unplug unused electronic equipment and switching off the lights before leaving. • Install lighting sensors to auto-detect daylight and unused areas for further energy savings. • Replace any old or inefficient air conditioning units and use environmentally friendly refringent for recharges and maintenance. • Consider hybrid or electric vehicles when purchasing new company-owned cars to reduce or eliminate the usage of fossil fuels. • EFG holding has a great electronics recycle initiative. It's recommended to build on this program to recycle paper, cardboard, plastic, metal, glass, etc. Reduce waste generation by limiting paper usage and disposable items. • Use video conferencing whenever possible instead of traveling for a meeting. Book economy tickets whenever possible and fly on airlines that are committed to reducing and offsetting their carbon emissions. Measure the emissions of the business journey and offset it. • Analyze paper usage per business process and try to reduce it by relying on electronic methods such as electronic signature and system-based processes. Promote the concept of "Think before you print". Change the default settings of all printers to print double sided and low quality until the settings are deliberately changed by the intended user.

Category	Plans and Recommendations
FINANCED EMISSIONS AND CLIMATE CHANGE RISKS & OPPORTUNITIES INTEGRATION 	**OUR PLANS** • Explore all opportunities to unlock the full potential of Vortex Energy, our flagship renewable energy investment platform to invest in clean energy opportunities on behalf of sovereign, institutional, and strategic investors. • Advocate and establish more partnerships towards realizing systemic change in addressing climate-related risks and opportunities besides realizing mitigation and resilience specific targets. **RECOMMENDATIONS** • Set targets across subsidiaries and business lines to identify, assess, and manage climate-related risks and opportunities. • Work with all subsidiaries on identifying and pursuing climate related opportunities in the most vulnerable sectors; thus, contributing to improving climate resilience for the most vulnerable sectors and communities. • Increase EFG Corp-Solutions' contributions to SMEs, education, health, and waste sectors. • Encourage EFG Corp-Solutions to actively pursue investment opportunities in other vulnerable sectors such as the water and food sectors. • Promote and increase green buildings and sustainable communities' coverage in the real-estate sector portfolio. • Disseminate NBFIs success stories in addressing climate-related risks and opportunities with other business lines to facilitate knowledge transfer and create an enabling environment.