



2024

FINANCED EMISSIONS
PILOT REPORT

 **EFG Holding**



ABOUT THIS REPORT

This report marks **EFG Holding's first** financed emissions assessment for the year **2024**. As a pilot exercise, it focuses on three **carbon-intensive sectors** - **Oil & Gas, Real Estate, and Transport** – within **EFG Corp-Solutions' Leasing and Factoring** portfolios. EFG Holding has intentionally begun this journey with a single line of business, **EFG Corp-Solutions**, with the aim of progressively expanding coverage to additional business lines in future assessments.

The analysis has been conducted in alignment with the methodologies of the Partnership for Carbon Accounting Financials (**PCAF**) and the Greenhouse Gas (**GHG**) Protocol developed by the World Resources Institute (**WRI**). It follows the core principles of relevance, completeness, consistency, transparency, and accuracy, and establishes a strong foundation for EFG Holding's ongoing efforts to measure, manage, and ultimately reduce the climate impact of its financing activities.

Reporting Period & Base Year (BY)

This assessment is based on EFG Corp-Solutions' leasing & factoring portfolio data as of **31st December 2024**. As this marks **EFG Holding's first financed emissions assessment**, the year **2024** is considered the **base year** for the **Commercial Real Estate, Oil & Gas** and **Transport** sectors for all future financed emissions tracking and comparisons.

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A photograph of a modern building with a glass facade and a lush green wall. The green wall is composed of many small, rectangular planters arranged in a grid pattern, each containing a small green plant. The building's facade is made of large glass panels, reflecting the sky and the surrounding environment. The overall scene is a blend of urban architecture and nature.

METHODOLOGY & APPROACH

GUIDELINES & FRAMEWORK

Financed emissions in this report are determined using the methodology established by the **Partnership for Carbon Accounting Financials (PCAF)**, which offers financial institutions guidance for measuring Scope 3, Category 15 emissions associated with investment activities. PCAF's **Global GHG Accounting and Reporting Standard for Financed Emissions (Part A)** is recognized as the primary industry framework for calculating and communicating these emissions to stakeholders.

In alignment with the **GHG Protocol Corporate Value Chain (Scope 3) Standard**, developed by the **World Resources Institute (WRI)** and the **World Business Council for Sustainable Development (WBCSD)**, the PCAF Standard sets out recommended approaches for assessing, tracking, and reporting financed greenhouse gas emissions over time.

As the PCAF framework evolves, it may affect the methodologies, assumptions, and results that underpin our analysis. Notably, the Standard supports early disclosure even when perfect data is not available, acknowledging that proxy data or assumptions may be required during initial reporting.

This assessment references a variety of frameworks and standards, including but not limited to:

- **PCAF (2022). The Global GHG Accounting and Reporting Standard Part A: Financed Emissions. Second Edition.**
- **Greenhouse Gas Protocol Guidelines.**
- **2006 Intergovernmental Panel on Climate Change (IPCC) Guidelines for Greenhouse Gas Inventories.**



CALCULATION APPROACH

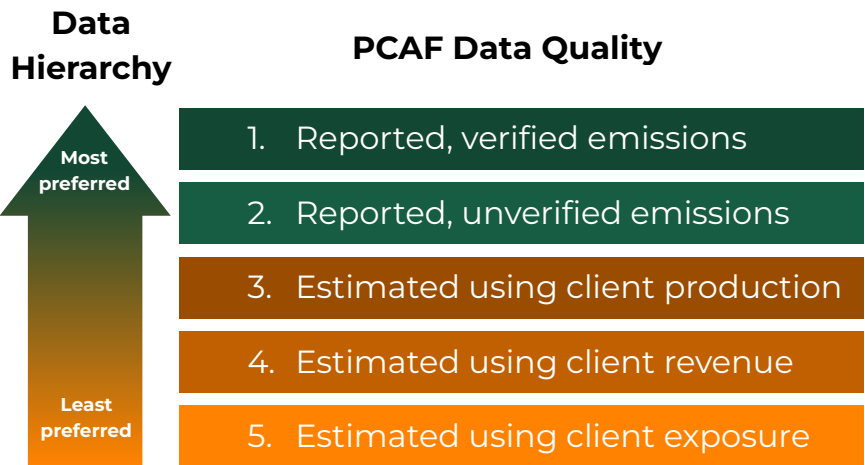
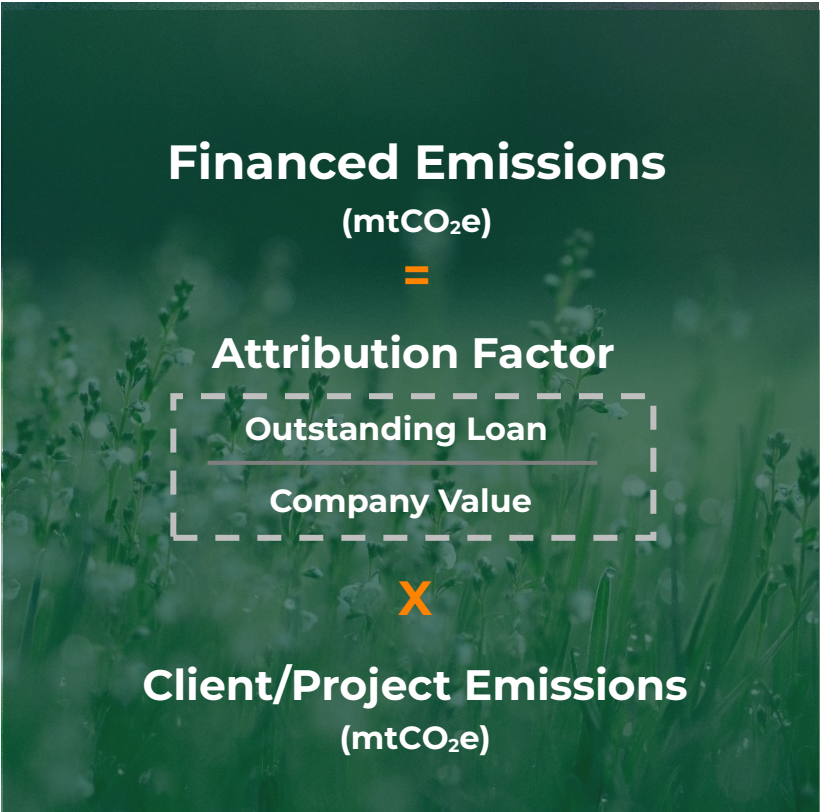
Aligned with the PCAF methodology and the GHG Protocol developed by WBCSD and WRI, this financed emissions analysis includes all **seven greenhouse gases** covered under the **Kyoto Protocol**, where relevant and material.

To ensure consistency across gases, emissions are reported in **carbon dioxide equivalents (CO₂e)** using **global warming potentials (GWPs)**. GWPs indicate the relative climate impact of a greenhouse gas, such as methane, compared to carbon dioxide over a defined time period. For this inventory, EFG Corp-Solutions applied **100-year GWPs** to convert all data into **metric tons of CO₂e (mtCO₂e)**.

Emissions were calculated by applying an **attribution factor** to the client's total reported emissions for the year. This factor represents the share of financing provided by EFG Corp-Solutions in relation to the client's total capital structure and determines the portion of emissions allocated to the company.

To estimate client emissions, one of three approaches was used, each assigned a data quality rating:

1. **Reported Emissions:** Based on emissions disclosed directly by the client (e.g., sustainability reports) or verified by credible third parties.
2. **Physical Activity-Based Emissions:** Calculated from operational data such as energy consumption or production levels, combined with established emission factors.
3. **Economic Activity-Based Emissions:** Estimated using financial indicators (e.g., revenue or sector-specific assets) and applying economic models or average sector emission intensities.

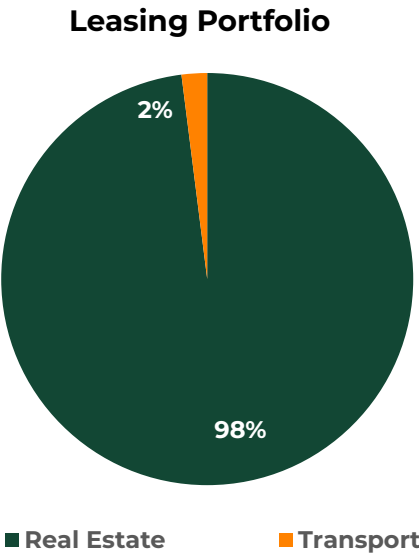


GENERAL APPROACH

The financed emissions assessment for EFG Corp-Solutions is based on a five-step methodology designed to ensure clarity, consistency, and alignment with international standards.

- 1. **Establish Scope and Identify Relevant Sectors**
EFG Corp-Solutions defined the boundaries of the assessment by reviewing its leasing and factoring portfolios and selecting exposures linked to carbon-intensive sectors. Only on-balance-sheet positions as of December 31, 2024, were included.
- 2. **Gather Financial and Reference Data**
Financial exposure data was extracted from internal systems, while emission factors and supporting reference values were sourced from recognized international databases. Currency conversion from EGP to USD used the average exchange rate for 2024.
- 3. **Estimate Client Emissions Using Economic Proxies**
Since clients did not report emissions data or provide operational activity information, emissions for all entities were estimated exclusively through economic proxies, applying sector-level emission intensities or financial-based models.
- 4. **Attribute Emissions to EFG Corp-Solutions**
An attribution factor was calculated for each client, reflecting EFG Corp-Solutions' proportion of total financing or capital exposure. This factor was applied to determine the company's share of each client's emissions.
- 5. **Aggregate Sector-Level Emissions**
Attributed emissions were combined across all selected sectors, producing consolidated emissions totals. Data quality scores were assigned to indicate the reliability of each estimate.

EFG Corp-Solutions' Carbon Intensive Sectors Shares | 2024

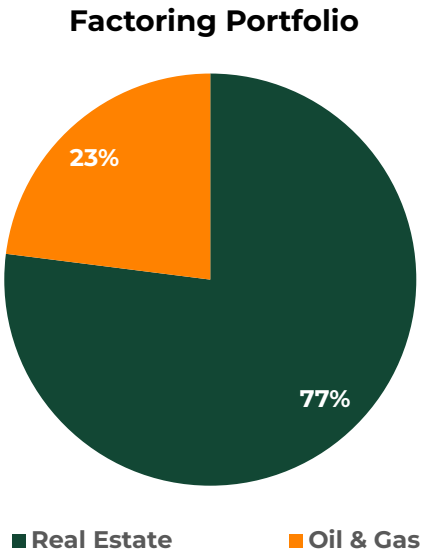


ASSESSMENT BOUNDARIES

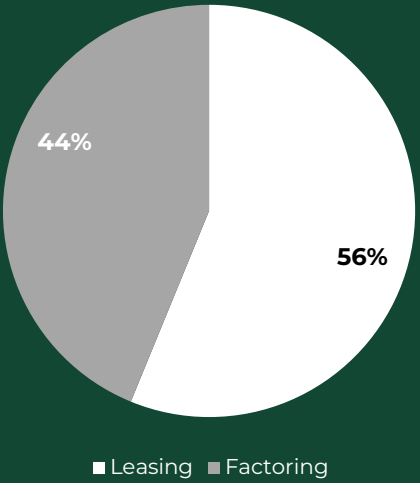
The boundary for EFG Corp-Solutions' 2024 financed emissions reporting is defined using four guiding criteria: **materiality to the company, availability of relevant sectoral methodologies, data accessibility, and alignment with peer practices.** This boundary reflects the sectors and exposures most relevant to the company's portfolio at this stage of development. As industry guidance evolves and internal data capabilities improve, EFG Corp-Solutions may expand the scope of future assessments to include additional asset classes, sectors, or geographies currently outside the boundary.

The 2024 financed emissions assessment covers EFG Corp-Solutions' **Leasing and Factoring portfolio.** Including **three carbon-intensive sectors** representing **100%** of the carbon intensive sectors within the two portfolios: **Real Estate, Oil & Gas and Transport.** These sectors were selected for their combined significance in terms of both climate impact and portfolio exposure. These sectors represent around **52%** of EFG Corp-Solutions Leasing portfolio and **44%** of the Factoring portfolio as of year-end 2024.

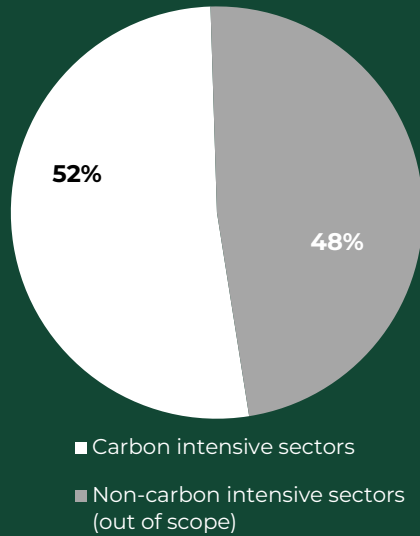
The financed emissions reporting is based on **outstanding on-balance sheet exposures** as of **31 December 2024.** In line with industry practice, **off-balance sheet exposures** and **undrawn commitments** were excluded from the boundary for this assessment. Only those instruments directly linked to EFG Corp-Solutions' Leasing and Factoring activities were included in the calculation of financed emissions.



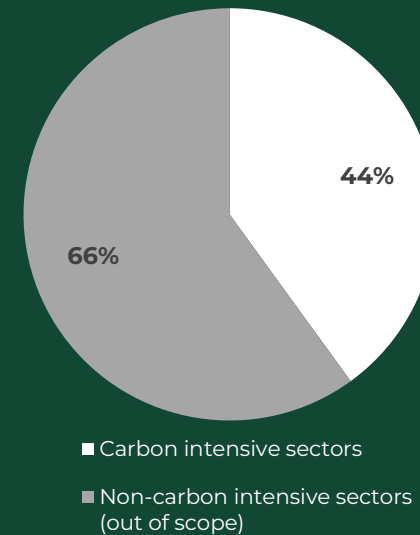
EFG Corp-Solutions' Leasing & Factoring Portfolio Shares | 2024



EFG Corp-Solutions' Leasing Portfolio | 2024



EFG Corp-Solutions' Factoring Portfolio | 2024



REPORTING COVERAGE

The chart below outlines the coverage of this assessment, detailing the included PCAF asset class, carbon intensive sectors, and their corresponding value chains.

PCAF ASSET CLASS	CARBON INTENSIVE SECTOR	VALUE CHAIN	PORTFOLIO EXPOSURE FROM CARBON INTENSIVE SECTORS
Listed Equity & Corporate Bonds	Commercial & Residential Real Estate	Construction → Building Operations → Demolition & End of Life	89%
Business Loans & Unlisted Equity	Oil & Gas	Exploration & Production → Transportation & Midstream Services → Refineries → Petrochemicals , trading, distribution, marketing & other industries	9%
Project Finance	Transport	Raw materials Producers → Original Equipment Manufacturer (OEM) → Distribution & Sales → Vehicle Owners & Users	1.3%
Commercial Real Estate	Agriculture	Input Providers → Farming & Livestock Raising Activities → Food & Beverage Production → Consumer Goods & Distribution	0%
Mortgages	Iron & Steel	Fuel & Minerals Extraction → Manufacturing & Production → Transformation, Transportation & Use	0%
Motor Vehicle Loans	Power Generation	Fuel Production & Transportation → Power Generation → Transmission & Distribution → Retail	0%
Sovereign Debt	Aluminum*	Fuel & Minerals Extraction → Manufacturing → Transformation, Transportation & Use	0%
	Cement*	Fuel & Minerals Extraction → Manufacturing → Transformation, Transportation & Use	0%
	Coal*	Fuel & Minerals Extraction → Manufacturing → Transformation, Transportation & Use	0%

● In Scope ● Out of Scope ● Not Applicable

- The classification of in-scope and out-of-scope value chain activities is based on UNEP FI recommendations and market best practices.
- Sectors marked as Not Applicable reflect the absence of exposure within EFG Corp-Solutions’ leasing and factoring portfolio. As the company currently has no exposure to agriculture, iron & steel, power generation, aluminum, cement, or coal, these sectors are not relevant to this assessment.

DATA CHALLENGES & LIMITATIONS

The availability and reliability of emissions data remain significant challenges in the calculation and reporting of financed emissions. As in many emerging markets, the majority of companies in Egypt are not yet required to measure or disclose their greenhouse gas emissions, which limits access to high-quality, client-reported data. While estimation methodologies help fill these gaps, they often rely on proxies and sector-level averages, which may not fully reflect the actual emissions profiles of individual borrowers.

For this 2024 assessment, **EFG Corp-Solutions** has **primarily relied on estimated data** due to ongoing limitations in data availability, quality, and consistency.

As more clients begin to report their emissions in a standardized and verifiable manner, EFG Corp-Solutions is committed using actual emissions data in future assessments. Verified client disclosures are expected to provide a more accurate and reliable foundation for evaluating financed emissions and enhancing EFG Corp-Solution's climate-related decision-making.



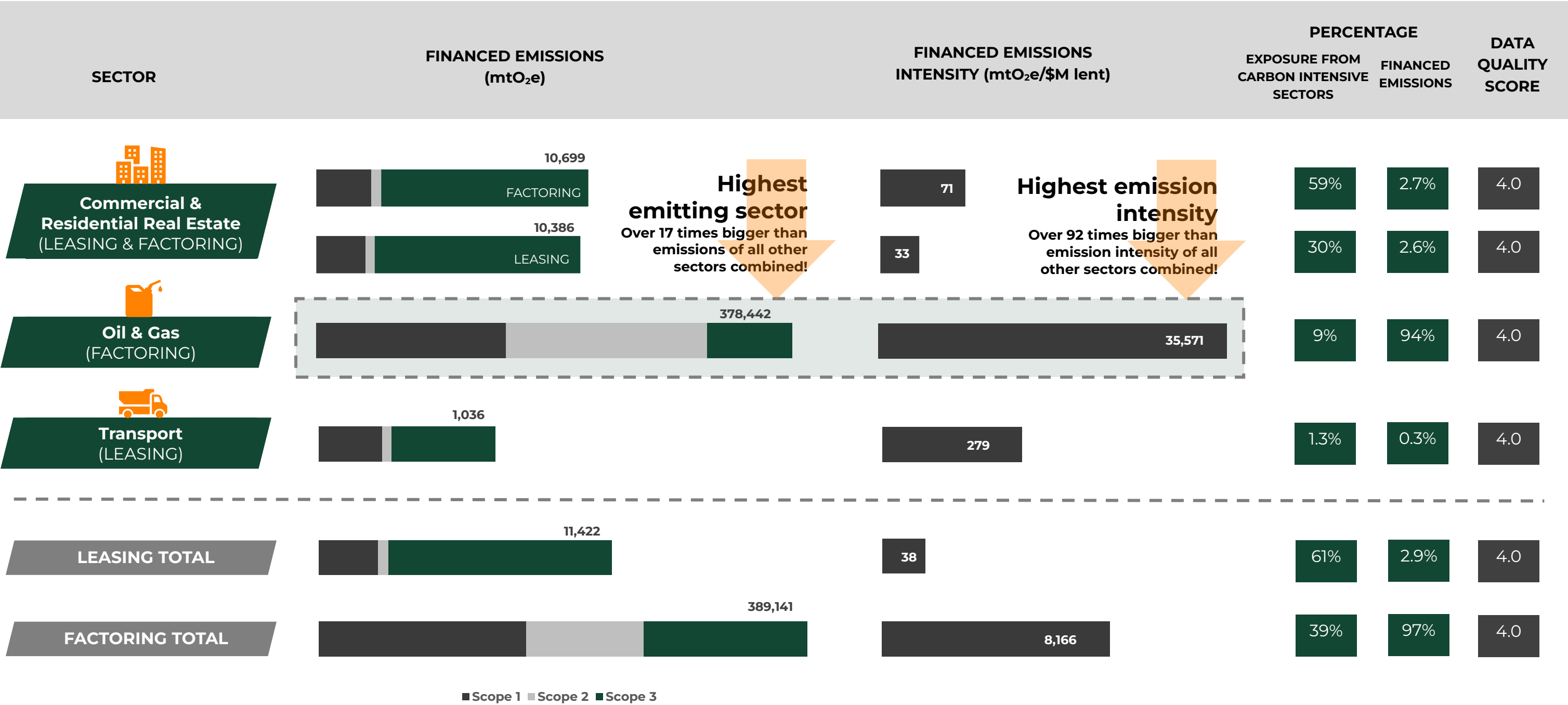
SECTORS OUTLOOK

2024 FINANCED EMISSIONS TOTALS

EFG Corp-Solutions pilot financed emissions assessment includes 3 sectors, Commercial and Residential **Real Estate**, **Oil & Gas** and **Transport**.

EFG Corp-Solutions total financed emissions for the year 2024 =

400,563 mtCO₂e



A large offshore oil and gas platform is shown at sunset. The platform's complex steel structure, including tall derrick legs and a central processing deck, is silhouetted against the bright, low sun. A large crane on the right side of the platform is lifting a heavy, dark cylindrical component into the water. The sun's reflection creates a shimmering path on the dark sea. The sky is a mix of orange, yellow, and blue. The text 'OIL & GAS SECTOR' is overlaid on the left side of the image.

OIL & GAS SECTOR



OIL & GAS SECTOR

Sector Outlook¹

The oil and gas industry remains a cornerstone of the global economy, but it is also a major contributor to greenhouse gas (GHG) emissions, accounting for roughly 15% of global energy-related emissions in 2022. Nearly half of these emissions result from flaring activities and methane leakage, while about 40% arise from the combustion of oil and gas products.

Decarbonization Levers

Oil and gas companies have several avenues to reduce their greenhouse gas emissions. For Scope 1 and 2 emissions, enhancing operational efficiency is critical, this includes reducing methane leaks, phasing out routine flaring, and improving energy performance across extraction, refining, and transport operations.

Addressing Scope 3 emissions requires a shift toward lower-carbon energy offerings. This can involve expanding into biofuels, biogas, and clean hydrogen; increasing investments in renewable electricity such as wind and solar; and supporting distributed energy systems that align with global electrification trends.

Additionally, scaling carbon capture technologies provides a significant opportunity for the sector to apply its technical capabilities and capital toward achieving meaningful emissions reductions.

National Landscape²

Egypt’s decarbonization strategy focuses on cutting flaring, improving energy efficiency, increasing the role of natural gas, and pursuing opportunities in carbon capture, utilization and storage (CCUS) and hydrogen production. The country is working to balance its continued dependence on hydrocarbons with a gradual transition toward cleaner energy sources, underscoring its commitment to sustainable development and climate progress.

Emissions Sources

In the oil and gas industry, emissions arise at multiple stages of the value chain, driven by energy-intensive processes such as extraction, refining, and processing, as well as the long-distance transport of crude oil, refined products, and natural gas.

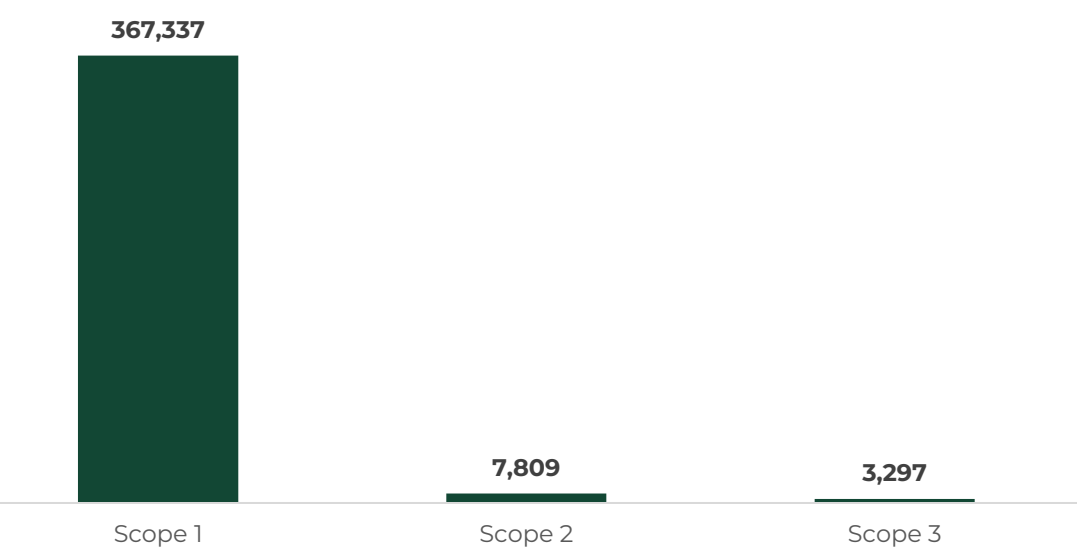
Scope & Boundaries

As of **December 31, 2024**, EFG Corp-Solutions’ exposure to the Oil and Gas sector totaled **\$10.5 million**, accounting for **9%** of the company’s outstanding lending to carbon-intensive industries within its **Factoring** portfolio. All clients in this sector are classified under the **business loans asset class**, and the emissions assessment includes **Scope 1, Scope 2**, and **Scope 3** emissions.

Results

Client emissions were calculated using economic activity data and allocated based on EFG Corp-Solutions’ proportion of total financing. This assessment resulted in financed emissions of **378,442 mtCO₂e** across Scope 1, Scope 2, and Scope 3, accounting for roughly **94%** of the total emissions. Scope 1 alone is responsible for 97% of the sector’s emissions, primarily driven by energy consumption, flaring, and methane leakage during extraction.

Oil & Gas Emissions per Scope (mtCO₂e) | 2024



Scope 1 Emissions

367,337 mtCO₂e

Scope 2 Emissions

7,809 mtCO₂e

Scope 3 Emissions

3,297 mtCO₂e

Sector Total Emissions (Scope 1, 2 and 3)

378,442 mtCO₂e

Scope 1 + 2 Emission Intensity

35,571 mtCO₂e/\$M lent

Data Quality Score as per the PCAF

4.0

9%

of EFG Corp-Solutions carbon intensive sector outstanding loans is responsible for

94%

of its total financed emissions!

¹ Information in this section are retrieved from: IEA, Emissions from Oil and Gas Operations in Net Zero Transitions.

² Information in this section are retrieved from: Egypt's Second Updated Nationally Determined Contributions.

A low-angle, upward-looking photograph of several modern skyscrapers. The buildings are constructed with glass and steel, featuring a grid-like pattern of windows. Some windows are illuminated from within, casting a warm glow. The sky is a pale blue with soft, wispy white clouds. The perspective creates a sense of height and architectural grandeur.

REAL ESTATE SECTOR

REAL ESTATE SECTOR

Sector Outlook³

According to IEA estimates, buildings account for approximately 30% of global final energy consumption and 26% of energy-related emissions. About 8% of these emissions occur directly on-site, while the remaining 18% result indirectly from the production of the electricity and heat that buildings use.

Decarbonization Levers

The IEA’s Net Zero Emissions scenario provides a roadmap for decarbonizing the real estate sector, emphasizing improved energy efficiency, building electrification, and the adoption of low-carbon materials and construction practices. Achieving this requires large-scale retrofits of existing buildings, including high-performance insulation, smart HVAC systems, and energy-efficient appliances, while ensuring that new developments comply with stringent zero-energy design standards. The scenario targets all new buildings to be zero-carbon-ready by 2030 and calls for annual upgrades of 2.5% of the existing building stock to reach zero-carbon performance. Certification programs such as LEED, EDGE, and other green building standards will play a key role in driving and verifying progress toward these objectives.

National Landscape⁴

In its updated Nationally Determined Contributions (NDCs), Egypt highlights the importance of reducing carbon emissions in the real estate sector by integrating sustainability into both new and existing buildings. Planned initiatives include expanding renewable energy deployment and enhancing energy efficiency through measures such as rooftop solar installations, increased use of solar water heaters, and widespread adoption of LED lighting in residential areas by 2030. The strategy also emphasizes accelerating green building practices by strengthening energy efficiency standards for new construction, retrofitting existing buildings, and offering incentives to promote sustainable technologies, which are essential steps toward a low-carbon built environment.

³ Information in this section are retrieved from IEA, Net Zero by 2050: A Roadmap for the Global Energy Sector and IEA: Net Zero Roadmap: A Global Pathway to Keep the 1.5 °C Goal in Reach.
⁴ Information in this section are retrieved from: Egypt's Second Updated Nationally Determined Contributions.

Emissions Sources

Approximately 80% of building sector emissions occur during the operational phase, associated with the energy consumed while buildings are in use. The remaining 20-25% are embodied emissions (Scope 3), generated through the production, maintenance, and end-of-life disposal of building materials, contributing to the building’s overall life cycle carbon footprint.

Scope & Boundaries

As of **December 31, 2024**, EFG Corp-Solutions’ exposure to the Real Estate sector totaled **\$69.9 million**, accounting for **59%** of the company’s outstanding lending to carbon-intensive industries within its **Leasing** portfolio and **\$35.7 million**, accounting for **30%** of the company’s outstanding lending to carbon-intensive industries within its **Factoring** portfolio. All clients in this sector are classified under the **business loans asset class**, and the emissions assessment includes **Scope 1**, **Scope 2**, and **Scope 3** emissions.

Results

Client emissions were calculated using economic activity data and allocated based on EFG Corp-Solutions’ proportion of total financing. The assessment of the **Leasing** portfolio resulted in financed emissions of **10,386 mtCO₂e** across Scope 1, Scope 2, and Scope 3, responsible for roughly **2.6%** of the total financed emissions. On the other hand, the assessment of the **Factoring** portfolio resulted in financed emissions of **10,699 mtCO₂e** across Scope 1, Scope 2, and Scope 3, responsible for roughly **2.7%** of the total financed emissions.

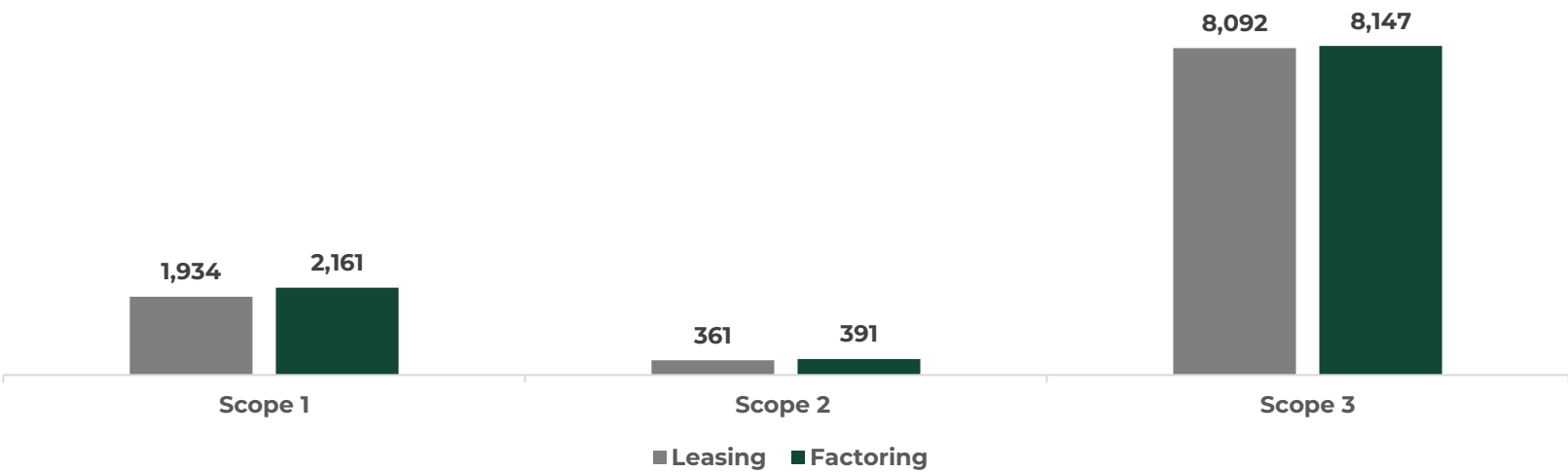
LEASING

Scope 1 Emissions
1,934 mtCO ₂ e
Scope 2 Emissions
361 mtCO ₂ e
Scope 3 Emissions
8,092 mtCO ₂ e
Sector Total Emissions (Scope 1, 2 & 3)
10,386 mtCO ₂ e
Scope 1 + 2 Emission Intensity
32.8 mtCO ₂ e/\$M lent
Data Quality Score as per the PCAF
4.0

FACTORING

Scope 1 Emissions
2,161 mtCO ₂ e
Scope 2 Emissions
391 mtCO ₂ e
Scope 3 Emissions
8,147 mtCO ₂ e
Sector Total Emissions (Scope 1, 2 & 3)
10,699 mtCO ₂ e
Scope 1 + 2 Emission Intensity
71.5 mtCO ₂ e/\$M lent
Data Quality Score as per the PCAF
4.0

Real Estate Emissions per Scope (mtCO₂e) | 2024



A long-exposure photograph of a city street at night. The image shows multiple lanes of traffic with light trails from cars and trucks. In the background, several tall buildings are lit up, and their lights reflect on the wet pavement. The sky is dark blue. A large, semi-transparent green shape is overlaid on the left side of the image, containing the text 'TRANSPORT SECTOR'.

TRANSPORT SECTOR



TRANSPORT SECTOR

Sector Outlook⁵

Road, maritime, and aviation transport remain heavily reliant on internal combustion engines powered by fossil fuels, making the sector a major source of global greenhouse gas emissions. It accounts for more than one-third of CO₂ emissions from end-use activities worldwide. Achieving the Net Zero Emissions (NZE) 2050 pathway will require the transport sector to reduce its emissions by more than 3% annually between now and 2030.

Decarbonization Levers

In the NZE pathway, cutting transport sector emissions requires policies that encourage a shift toward more sustainable travel modes, improve the efficiency of passenger transport systems, and deliver major energy-efficiency gains. The transition is driven primarily by two technological shifts: the widescale adoption of electric mobility, covering both battery electric vehicles (EVs) and fuel cell electric vehicles (FCEVs), and the greater use of low-carbon fuels through higher biofuel blending and the adoption of hydrogen-based fuels. Achieving this transformation will depend on strong policy support to attract investment in supporting infrastructure and to incentivize consumer adoption.

National Landscape⁶

Road transport represents the largest source of greenhouse gas emissions within the sector in Egypt, prompting efforts to shift both passenger and freight movement toward low-carbon mass transit options. Major initiatives include significant expansions of the Cairo and Alexandria metro networks, the development of monorail lines, light rail, and high-speed electric trains, along with transitioning public buses to cleaner fuels and introducing Bus Rapid Transit (BRT) systems. The National Road Project aims to enhance connectivity and cut fuel use through extensive upgrades to the road network, while the aviation sector is advancing biofuel adoption, installing solar systems, and implementing efficiency improvements.

Emissions Sources

In the transport sector, most emissions are direct (Scope 1), generated by the combustion of fossil fuels in road, rail, air, and maritime vehicles. A smaller portion comes from indirect electricity-related emissions (Scope 2) used to power hybrid and electric systems, along with Scope 3 emissions from upstream and downstream processes. These include vehicle manufacturing, maintenance, end-of-life disposal, and the production and distribution of fuels, all of which contribute to the sector's total life-cycle emissions.

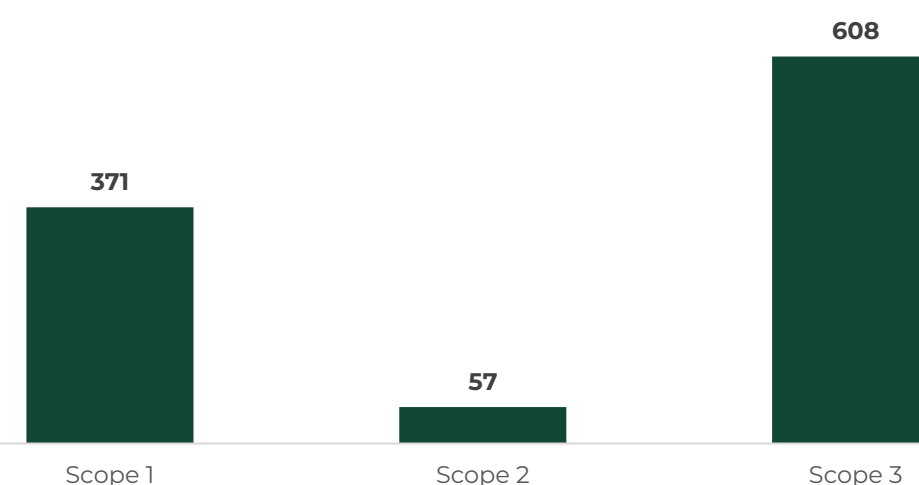
Scope & Boundaries

As of **December 31, 2024**, EFG Corp-Solutions' exposure to the Transport sector totaled **\$1.5 million**, accounting for **1.3%** of the company's outstanding lending to carbon-intensive industries within its **Leasing** portfolio. All clients in this sector are classified under the **business loans asset class**, and the emissions assessment includes **Scope 1**, **Scope 2**, and **Scope 3** emissions.

Results

The emissions of these clients were estimated based on their economic activities and attributed to EFG Corp-Solutions exposure. This assessment resulted in financed emissions of **1,036 mtCO₂e** including Scope 1, 2 and 3 emissions, representing only **0.3%** of total financed emissions.

Transport Emissions per Scope (mtCO₂e) | 2024



Scope 1 Emissions

371 mtCO₂e

Scope 2 Emissions

57 mtCO₂e

Scope 3 Emissions

608 mtCO₂e

Sector Total Emissions (Scope 1, 2 and 3)

1,036 mtCO₂e

Scope 1 + 2 Emission Intensity

278.5 mtCO₂e/\$M lent

Data Quality Score as per the PCAF

4.0

The Transport sector is responsible for only **0.3%** of EFG Corp-Solutions total financed emissions, but ranks **2nd** in terms of emission intensity!

CONCLUSION

CONCLUDING WORDS

EFG Holding's pilot financed emissions assessment provides a clear, data-driven view of the company's climate impact across key carbon-intensive sectors. This initial assessment covers **100%** of the carbon-intensive sectors within **EFG Corp-Solutions' Leasing** and **Factoring** portfolios, namely **oil and gas, real estate, and transport**, while representing the first phase of a broader program that will progressively expand to include additional EFG Holding lines of business in future reporting cycles.

This assessment provides a foundation for EFG Corp-Solutions to strengthen its climate risk management, improve portfolio alignment with national and global transition pathways, and identify opportunities to support clients in reducing emissions. As data availability improves and PCAF methodologies evolve, EFG Holding will continue refining its approach to deliver more accurate insights and support meaningful progress toward a lower-carbon portfolio.

Ultimately, this assessment marks an important step in EFG Holding's broader sustainability journey, reinforcing its commitment to responsible financing and long-term value creation in a rapidly transitioning economy.



ANNEX



DATA QUALITY SCORE TABLE

Data Quality (Score 1 = highest: Score 5 = lowest data quality)	Options to Estimate the Financed Emissions		When to Use Each Option
Score 1	Option 1: Reported emissions	1a	Outstanding amount in the company and total company equity plus debt are known. Verified emissions of the company are available.
Score 2		1b	Outstanding amount in the company and total company equity plus debt are known. Unverified emissions calculated by the company are available.
	Option 2: Physical activity-based emissions	2a	Outstanding amount in the company and total company equity plus debt are known. Reported company emissions are not known. Emissions are calculated using primary physical activity data for the company’s energy consumption and emission factors specific to that primary data. Relevant process emissions are added.
		2b	Outstanding amount in the company and total company equity plus debt are known. Reported company emissions are not known. Emissions are calculated using primary physical activity data for the company’s production and emission factors specific to that primary data.
Score 3	Option 3: Economic activity-based emissions	3a	Outstanding amount in the company, total company equity plus debt, and the company’s revenue is known. Emission factors for the sector per unit of revenue are known (e.g., tCO2e per euro of revenue earned in a sector).
Score 4			3b
		3c	Outstanding amount in the company is known. Emission factors for the sector per unit of revenue (e.g., tCO2e per euro of revenue earned in a sector) and asset turnover ratios for the sector are known.
			Score 5

