

# Carbon Footprint Report 2023 National Bank of Kuwait - Egypt



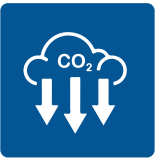
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## EXECUTIVE SUMMARY

Outlined within this document is the Greenhouse Gas (GHG) Inventory for the National Bank of Kuwait Egypt (NBK-Egypt) for the reporting year 2023. This inventory meticulously assesses the GHG emissions originating from NBK-Egypt's key sources, spanning its branches, head office, and warehouse over the period from January 1<sup>st</sup> to December 31<sup>st</sup>, 2023.

The GHG inventory for NBK-Egypt is calculated in accordance with internationally recognized standards, including the GHG Protocol Corporate Accounting and Reporting Standard, the Intergovernmental Panel on Climate Change (IPCC) guidelines, and the ISO 14064-1:2018 standard.



NBK-Egypt's GHG inventory covers emissions of primary GHGs, including Carbon Dioxide (CO<sub>2</sub>), Methane (CH<sub>4</sub>), Nitrous Oxide (N<sub>2</sub>O), and Hydrofluorocarbons (HFCs) used for Air Conditioners (ACs). Emissions of each GHG are reported using the tons of CO<sub>2</sub> Equivalent emissions (tCO<sub>2</sub>e).

The inventory covers emissions from all operations within NBK-Egypt's facilities. This includes Scope 1 direct emissions, which encompass stationary combustion, mobile combustion, and fugitive emissions, including refrigerants and fertilizers. Additionally, it includes Scope 2 indirect emissions, related to electricity consumption across all NBK-Egypt facilities.

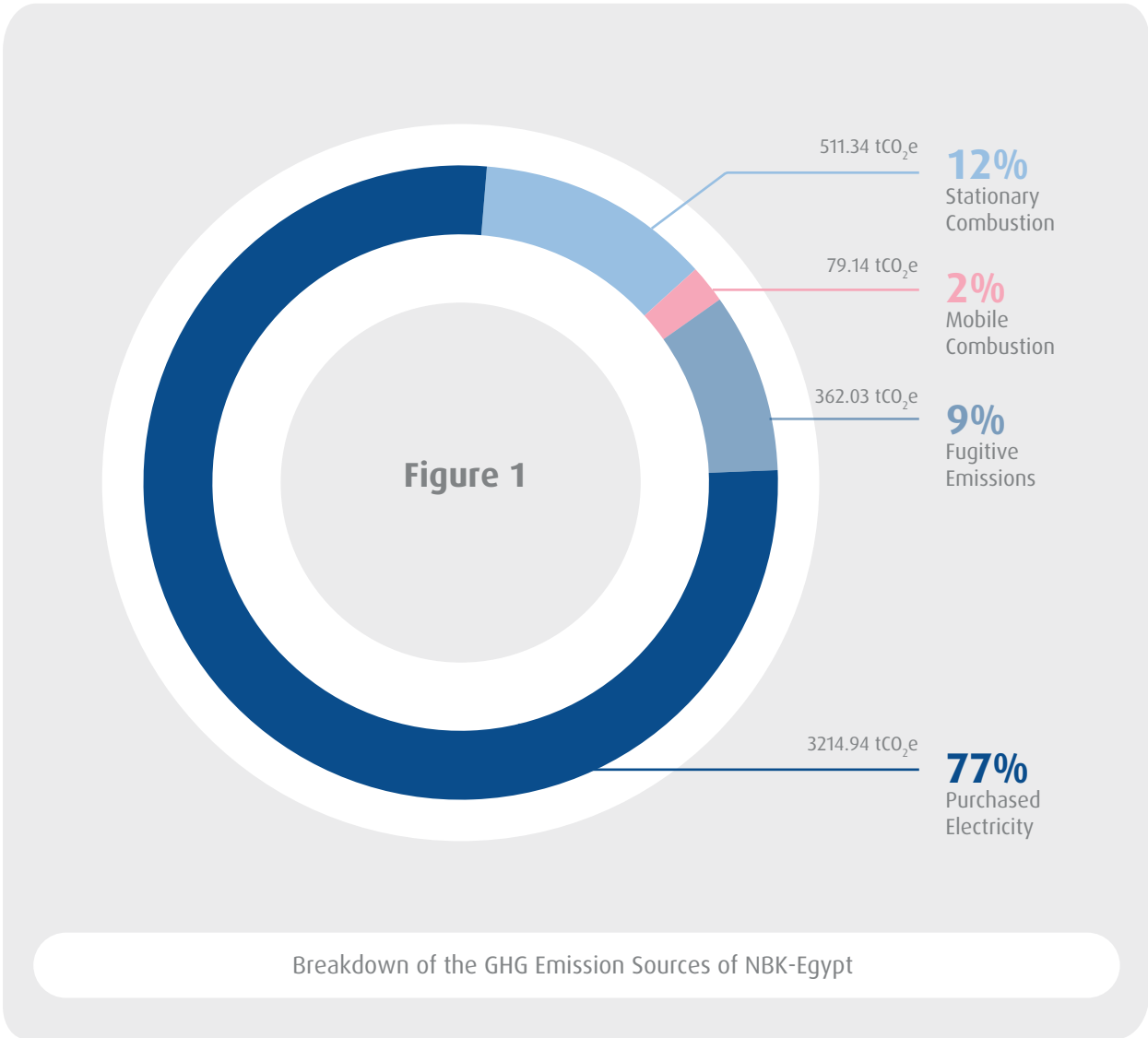
In 2023, NBK-Egypt's total GHG emissions amounted to 4,167.45 metric tons of CO<sub>2</sub> equivalent (tCO<sub>2</sub>e). Scope 1 direct emissions were 952.52 tCO<sub>2</sub>e, accounting for 22.86% of the total emissions. Scope 2 indirect emissions, derived solely from electricity consumption from the national grid in NBK-Egypt's buildings, totaled 3,214.94 tCO<sub>2</sub>e, constituting 77.14% of the overall emissions.

These emissions are detailed in Table 1 and Figure 1 for NBK-Egypt's operations during the reporting year.

<p>Overall, the carbon footprint for 2023 exhibited a notable reduction of over 2.9% compared to 2022 emissions.</p>	<p><b>2.9%</b> ↓ <b>2023</b> Emissions</p>
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**Table 1: GHG Emission Summary of NBK-Egypt**

Emission Source	Scope	% of Total Emissions	GHG Emissions (tCO <sub>2</sub> e e/year)	Share % of Total Emissions
Stationary Fuel Combustion	Scope 1	22.86%	511.34	12.27%
Mobile Fuel Combustion			79.14	1.9%
Fugitive Emissions			362.15	8.69%
Purchased Electricity	Scope 2	77.14%	3214.94	77.14%
Total GHG Emissions in 2023		100.00%	4167.45	100.00%



## MESSAGE FROM THE MANAGING DIRECTOR

### Dear Valued Stakeholders,

I am delighted to present to you NBK-Egypt's Carbon Footprint Report for year 2023.

This report stands as a testament to our unwavering commitment to environmental sustainability and our continuous progress towards climate stewardship in the MENA region.



**Mr. Yasser El-Tayeb**  
Vice Chairman, CEO & Managing Director

At NBK-Egypt, we recognize the critical importance of managing our carbon footprint and mitigating the impacts of climate change. This report reflects our dedication to transparency and accountability as we strive to align our actions with our broader strategic goals.

One notable highlight of this year's report is our adoption of 'Climate Edge', an innovative digital tool, to accurately calculate and track our GHG emissions based on Scope 1 & 2. This demonstrates our proactive approach to embracing digital transformation and leveraging the latest technologies to drive positive change.

As we navigate the challenges posed by climate change, we remain steadfast in our resolve to minimize our environmental footprint and contribute to a more sustainable future. We are proud of the progress we have made, and we are committed to furthering our efforts in the years to come.

I extend my gratitude to our dedicated team members whose hard work and dedication have made this report possible. I also want to thank our stakeholders and partners for their continued support and collaboration as we work together to build a better tomorrow.

## ABOUT NBK-EGYPT

NBK-Egypt, a subsidiary of National Bank of Kuwait, is a cornerstone of excellence in the financial landscape of the Middle East and North Africa (MENA) region. Renowned for its distinguished legacy and unwavering commitment to trust, NBK-Egypt consistently sets the standard for exceptional financial services and unparalleled customer care.

**2007**

The National Bank of Kuwait established its banking arm in Egypt by acquiring Al Watany Bank of Egypt in 2007 as a strategic alliance that provided the Bank with unique access to the region's most vibrant segments in an increasingly competitive banking environment.

**2008**

The capital of the National Bank of Kuwait - Egypt was increased to one billion Egyptian Pounds. At the time of the acquisition, the total number of branches of Al Watany Bank of Egypt (AWB) was 24.

**24**

**Branches**

**2023**

After a strategic expansion plan, it increased the number of branches to 53 in 2023, expanding in strategic locations at the most vital areas in the country, including Cairo, Giza, Alexandria, Mansoura, Damietta, Port Said, Hurghada, Tanta, Menya , Assiut, and Sohag.

**53**

**Branches**

## PROJECT APPROACH AND STANDARDS

### Carbon Footprint Approach

Figure 2 illustrates the methodology and steps utilized for the 2023 carbon footprint report of NBK-Egypt, employing the Climate Edge digital tool. These steps comprise:



**Figure 2:**  
Methodology Adopted to Calculate NBK-Egypt's Carbon Footprint

## Climate Edge Tool



The pioneering step taken by NBK-Egypt to adopt environmental sustainability and climate stewardship through digitalizing its emissions calculation and management signifies a monumental leap towards sustainability within the banking sector. This strategic move showcases BK-Egypt's unwavering commitment to combating climate change and managing its carbon footprint. NBK-Egypt exploits a state-of-art technology along with ESG&'s expertise to set a new benchmark for sustainable banking practices in the country.

By embracing Climate Edge software platform, the bank is not only demonstrating proactive leadership but also setting a new standard for corporate responsibility and environmental consciousness. The implementation of this cutting-edge technology will empower NBK-Egypt to meticulously monitor and analyze its environmental impact, paving the way for targeted sustainability initiatives and tangible reductions in carbon emissions. This bold and visionary step underscores by NBK-Egypt, being the first bank in Egypt to digitalize its emissions calculations and management process, shows the banks' dedication to driving positive change, inspiring industry-wide transformation, and fostering a more sustainable future for generations to come.

### Key features of this initiative include:

- Increased data governance through a simplified and controlled data collection process for enhanced data quality.
- Utilization of advanced technology for precise emissions tracking.
- Real-time generation of visual report for emissions for immediate insights. Adherence to regulatory standards and transparent emissions reporting for accountability.
- Setting and achieving ambitious sustainability goals in alignment with global ESG standards.
- Building customer trust through eco-conscious banking practices.



## Carbon Footprint Adopted Standards

Carbon Footprint assessment relies on globally recognized standards, protocols, and guidelines tailored for measuring and disclosing GHG emissions across various organizations. The CF report is developed according to three major guidelines and sources to ensure its uniformity and accuracy. The standards and guidelines utilized include:



**The Greenhouse Gas Protocol Guidelines:**  
Corporate Accounting and Reporting Standard.



**ISO14064-1:2018:**  
Quantification and reporting of GHG emissions and removals  
at the organizational level.



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

## INVENTORY SCOPE

### Reporting Period

The reporting period covers from January 1<sup>st</sup> to December 31<sup>st</sup>, 2023.

### Organizational Boundaries

Identifying reporting boundaries represents the primary phase in assessing the GHG Inventory. Adhering to GHG Protocol guidelines, organizations have three approaches to delineate their organizational boundary:



Operational  
Control



Financial  
Control







Equity  
Share

NBK-Egypt adopts the operational control approach to determine activities and relevant assets for its GHG inventory.

This method involves reporting GHG emissions according to the activities and assets directly overseen by NBK-Egypt.

This report encompasses all assets and activities within the designated reporting period for NBK-Egypt.

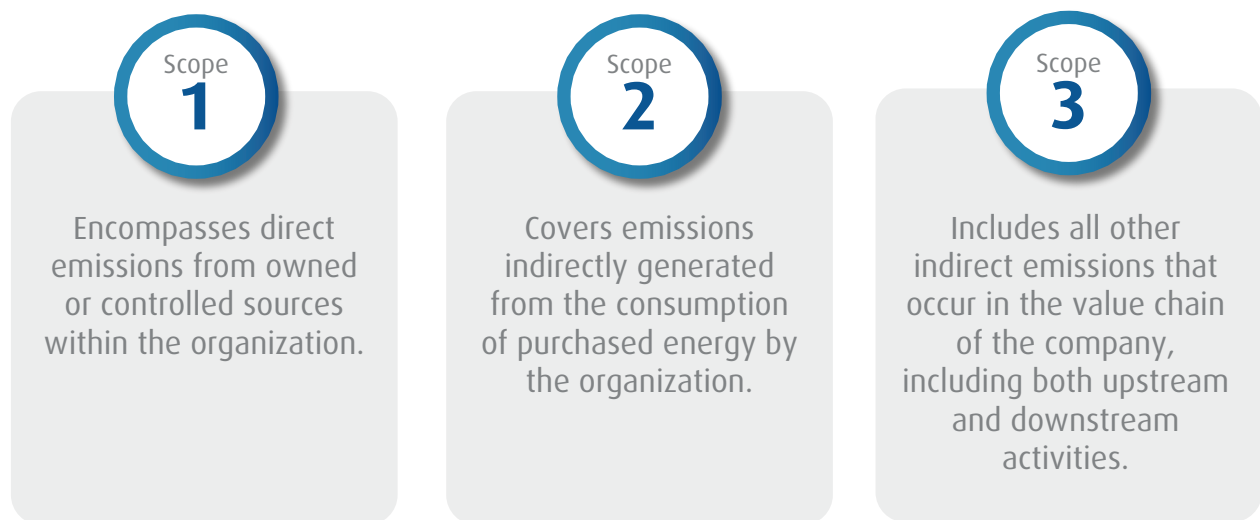
### Covering

50	 Branches	19,490.97 m <sup>2</sup> Gross floor area
1	 Head Office	21,907 m <sup>2</sup> Gross floor area
1	 Corporate Office	4,543 m <sup>2</sup> Gross floor area
1	 Warehouse	18,260 m <sup>2</sup> Gross floor area

Exclusion of two branches, namely the Kuwait Embassy branch and the Unit Army branch, from the scope of the assessment due to their partial operational control by NBK-Egypt.

## Operational Boundaries

Upon defining organizational boundaries, the subsequent phase involved identifying and classifying emissions based on the chosen operational boundaries for the assessment. This evaluation organized GHG emissions into two primary categories: direct GHG emissions and indirect GHG emissions. The GHG accounting and reporting utilize three distinct "Scopes" to aid in pinpointing direct and indirect emission sources, bolstering transparency, and catering to various organizational structures, climate policies, and business goals.



The GHG emissions considered in this study are categorized into two distinct Scopes: Scope 1 and Scope 2; encompassing the following emission sources:

<b>Scope 1</b> Stationary Combustion	<b>Scope 1</b> Mobile Combustion	<b>Scope 1</b> Cooling & Refrigerant Charges	<b>Scope 1</b> Fertilizer Application	<b>Scope 2</b> Electricity Purchase
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Regarding excluded boundaries, leakage from the fire suppression system and equipment is not accounted for in this study. Notably, certain GHG types, specifically SF<sub>6</sub> and PF<sub>6</sub>, were excluded from the assessment due to their non-emission nature in the operations of NBK-Egypt.

The inventory includes greenhouse gases (GHGs) such as Carbon Dioxide (CO<sub>2</sub>), Methane (CH<sub>4</sub>), Nitrous Oxide (N<sub>2</sub>O), and Hydrofluorocarbons (HFCs). The method for calculating GHG emissions involves multiplying the activity by its corresponding emission factor, with the Global Warming Potential (GWP) to convert the emissions into tCO<sub>2</sub>e, as per the following equation:

$$\text{GHG Emissions (tCO}_2\text{e/year)} = \text{Activity Data (unit of activity)} \times \text{Emission Factor} \times \text{GWP}$$

## Assessing the GHG Accounting Principles

The GHG protocol is founded on five principles designed to support all aspects of GHG accounting and reporting. The 2023 Carbon Footprint data of NBK-Egypt has been evaluated according to each of these five principles, as illustrated in Table 2.

**Table 2:** Evaluation of Fulfillment of the GHG Accounting Principles

Principle	How did NBK-Egypt fulfill the principle
Relevance	<p><b>Prior to source identification and data collection, NBK-Egypt has set the following:</b></p> <ul style="list-style-type: none"> <li>• Organizational Boundaries, based on the ownership and legal arrangement of NBK-Egypt business, to follow the operational control approach.</li> <li>• Operational Boundaries, to include Scope 1 and Scope 2 emissions for the reporting period of year 2023.</li> </ul> <p><b>The objectives driving the Carbon Footprint report encompass:</b></p> <ul style="list-style-type: none"> <li>• Identifying potential risks associated with GHG constraints in the future.</li> <li>• Identifying opportunities for cost-effective emissions reduction.</li> </ul>
Completeness	<p>NBK-Egypt has documented all required direct and indirect emissions from operations it directly oversees, covering all owned and operated buildings within Egypt. To guarantee comprehensive coverage, data collection forms have been distributed to each entity.</p> <p><b>The recorded data comprises:</b></p> <ul style="list-style-type: none"> <li>• Monthly figures spanning a full 12-month cycle concerning purchased electricity and transportation emissions.</li> <li>• Annual data pertaining to emissions from stationary sources, fertilizer application, and refrigerant leaks.</li> </ul> <p><b>To address incomplete data for electricity consumption in certain branches, the following assumptions have been implemented:</b></p> <ul style="list-style-type: none"> <li>• For branches lacking monthly electricity readings for one or more months, the highest recorded monthly consumption for that branch has been used to estimate the missing figures.</li> <li>• For a single branch devoid of any electricity consumption data, a conservative approach has been adopted. The monthly electricity intensity (kWh/m<sup>2</sup>) was estimated using the aggregated data from other branches. This estimation aimed to ensure with 95% confidence that the actual consumption would not exceed the assumed value.</li> </ul>

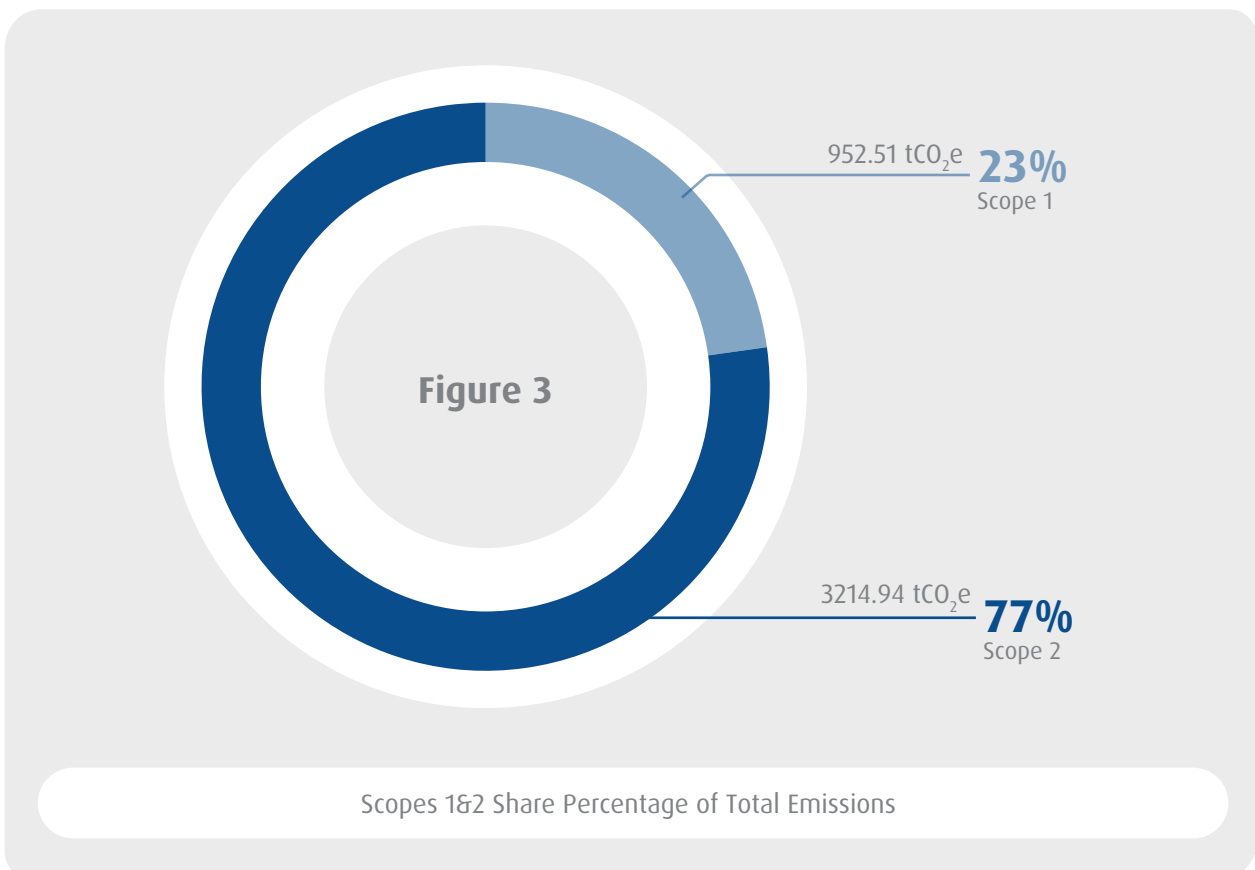
Principle	How did NBK-Egypt fulfill the principle
<b>Consistency</b>	<p>This marks NBK-Egypt’s third comprehensive Carbon Footprint Report encompassing Head office and all branches in Egypt. Any modifications in boundaries, emission sources, assumptions, or exclusions are meticulously documented and justified.</p> <p>The year 2022 serves as the base year for NBK-Egypt's GHG emissions reporting. This stems from 2022 representing a full year of operational capacity for NBK-Egypt's staff, signifying a return to normalcy after the previous years’ lockdowns.</p> <p>During the base year, comprehensive data collection was achieved. In instances where data points were missing, conservative estimation methods were employed to ensure a cautious and reliable approach to the emissions baseline.</p>
<b>Transparency</b>	<p>To ensure full transparency regarding the GHG calculation process, the following elements are stated and documented throughout the report:</p> <ul style="list-style-type: none"> <li>• Identified emission sources categorized under each Scope.</li> <li>• Source of the collected data inputs.</li> <li>• Emission factors utilized and their respective sources.</li> <li>• Any assumptions employed.</li> <li>• GHG emissions quantified for each emission source.</li> </ul>
<b>Accuracy</b>	<p>To ensure accuracy, NBK-Egypt shall disclose in the upcoming sections, under each type of emission source:</p> <ul style="list-style-type: none"> <li>• The reference of emission factors to help decision-makers assess their convenience.</li> <li>• Any estimations or missing data activities will be noted, along with the relevant justifications.</li> </ul>

## CARBON FOOTPRINT EMISSIONS OF 2023

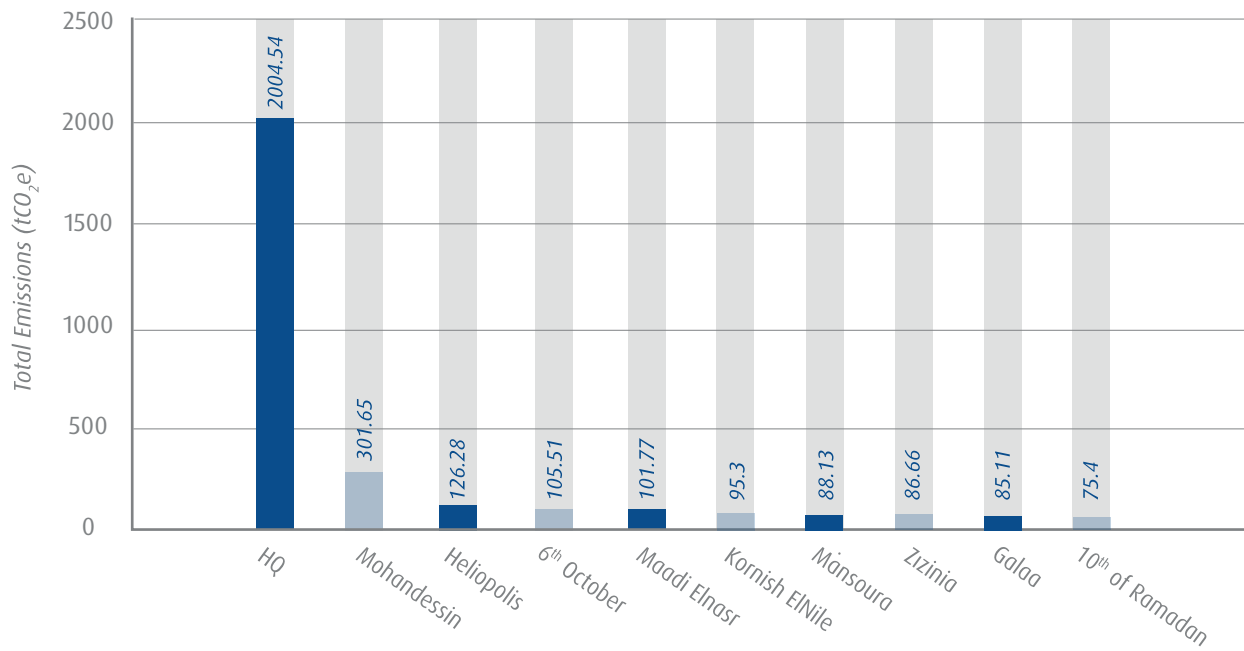
The GHG inventory for 2023 shows that NBK-Egypt's activities produced 4,167.45 metric tons of CO<sub>2</sub>e. Scope 2 emissions accounted for 77.14% of this total, equivalent to 3,214.94 tCO<sub>2</sub>e, while Scope 1 emissions accounted for 22.86%, totaling 952.51 tCO<sub>2</sub>e. As detailed in Table 3, purchased electricity (Scope 2) emerges as the primary source of GHG emissions for NBK-Egypt in 2023.

**Table 3: GHG Emission and Contribution of Emission Sources**

Emission Source	Unit (tCO <sub>2</sub> e e/year)	Share % of Total Emissions
<b>Total Scope 1 Emissions</b>	952.51	22.86 %
Stationary Fuel Combustion	511.34	
Mobile Fuel Combustion	79.14	
Fugitive Emissions	362.15	
<b>Total Scope 2 Emissions</b>	3,214.94	77.14%
Purchased Electricity	3,214.94	
<b>Total Scopes 1 &amp; 2</b>	4167.45	100%



A detailed comparison of emissions between the Head Office and branches is illustrated in Figure 4. The Head Office alone generated 2,004.54 tCO<sub>2</sub>e out of the total 4,167.45 tCO<sub>2</sub>e, making it a significant contributor to NBK-Egypt's emissions in 2023. This can be attributed to the Head Office having the largest physical footprint, the highest number of employees, and more extensive operations compared to the other branches.



**Figure 4:**  
Top 10 Branches in Total GHG Emissions

## Scope 1 Emissions

Scope 1 emissions accounted for 22.86% of NBK-Egypt's total emissions in 2023, totaling 952.51 tCO<sub>2</sub>e.

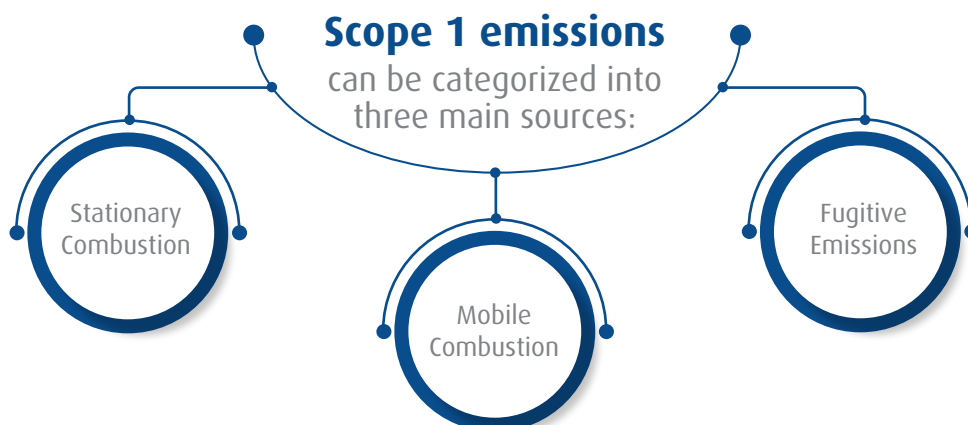
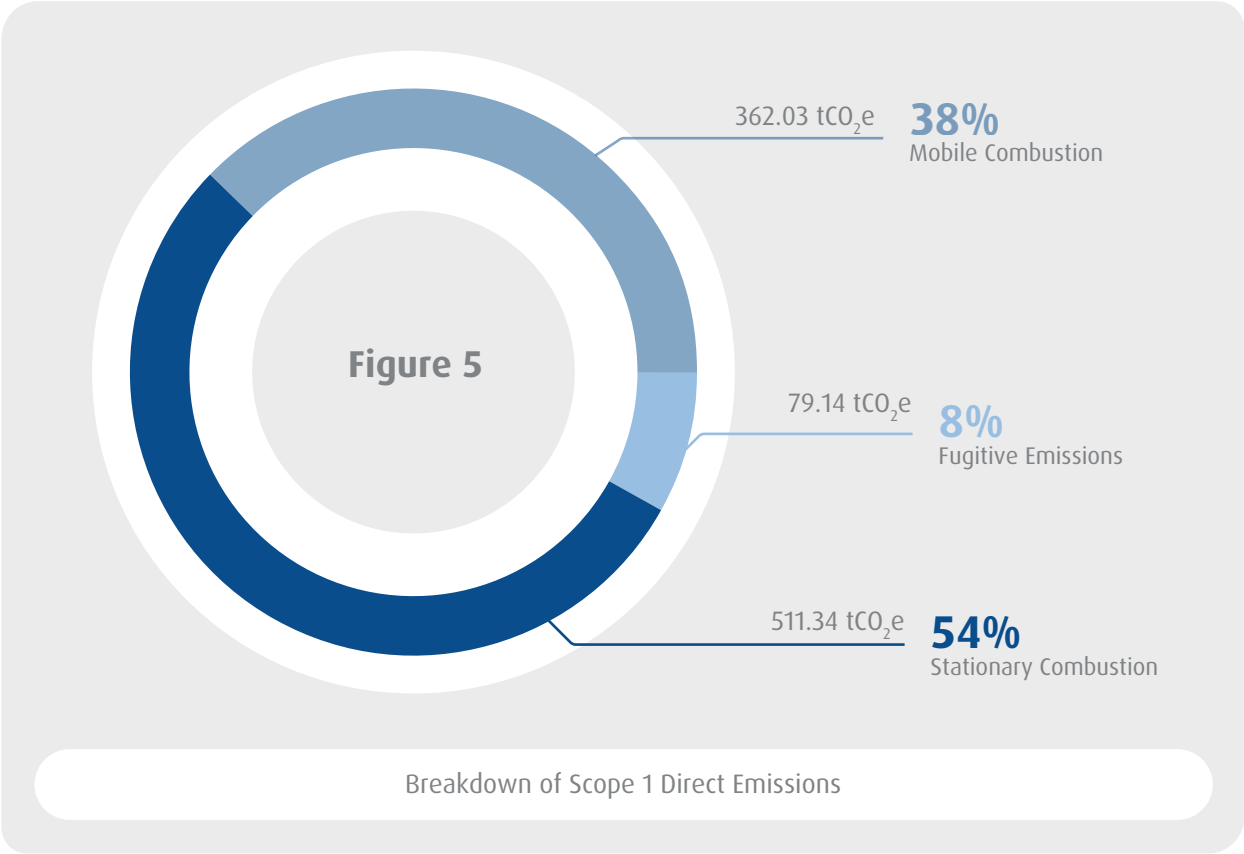


Figure 5 provides a breakdown of Scope 1 emissions, identifying stationary combustion as the primary hotspot. It represents 53.68% of Scope 1 emissions, amounting to 511.34 tCO<sub>2</sub>e followed by fugitive emissions as the second-largest source, making up 38.01% of Scope 1 emissions, or 362.15 tCO<sub>2</sub>e.



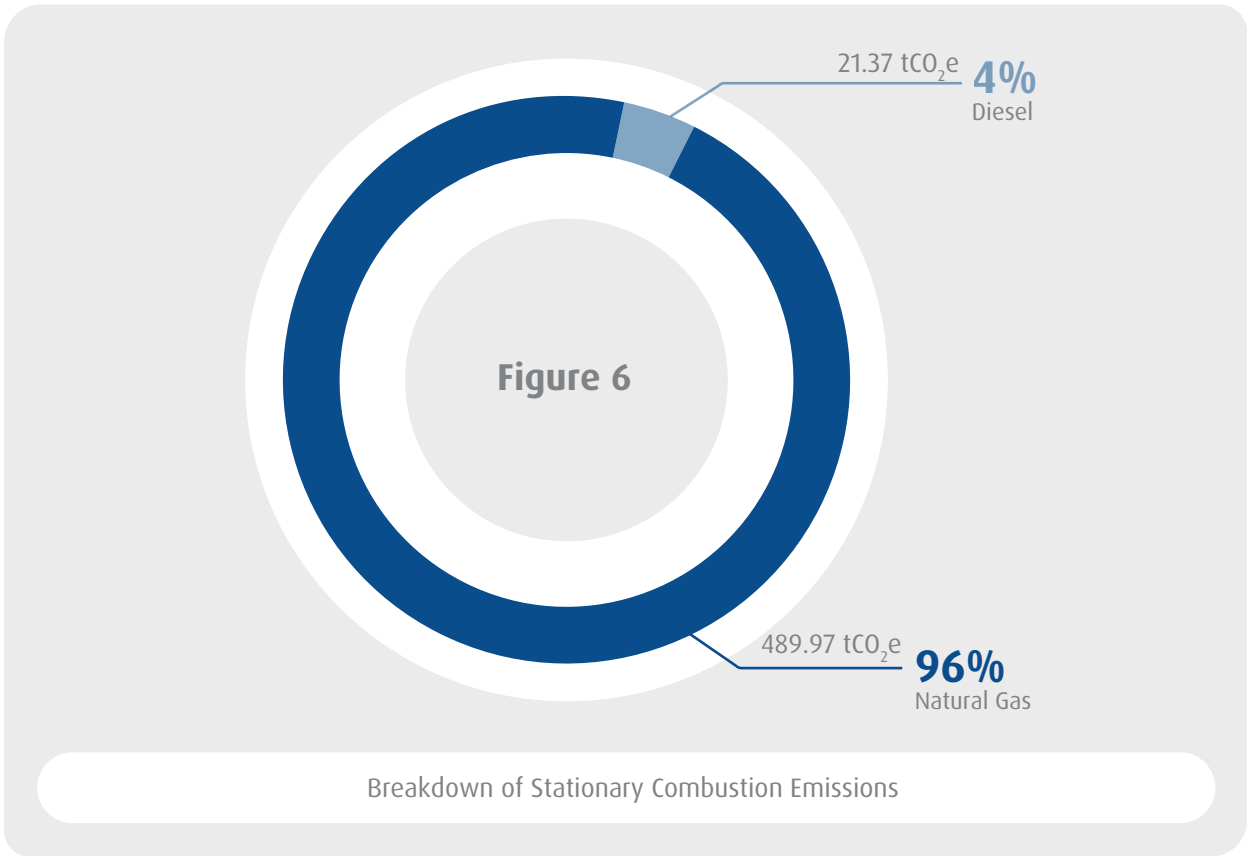
**Scope 1: Stationary Combustion**

Stationary combustion emissions pertain to the burning of fuels in fixed equipment, including generators, LPG cylinders in kitchens, and chillers powered by natural gas. In 2023, NBK-Egypt's activities resulted in emissions of 511.34 tCO<sub>2</sub>e in the stationary combustion category, accounting for 53.68% of the total Scope 1 emissions.

**Identified Sources**

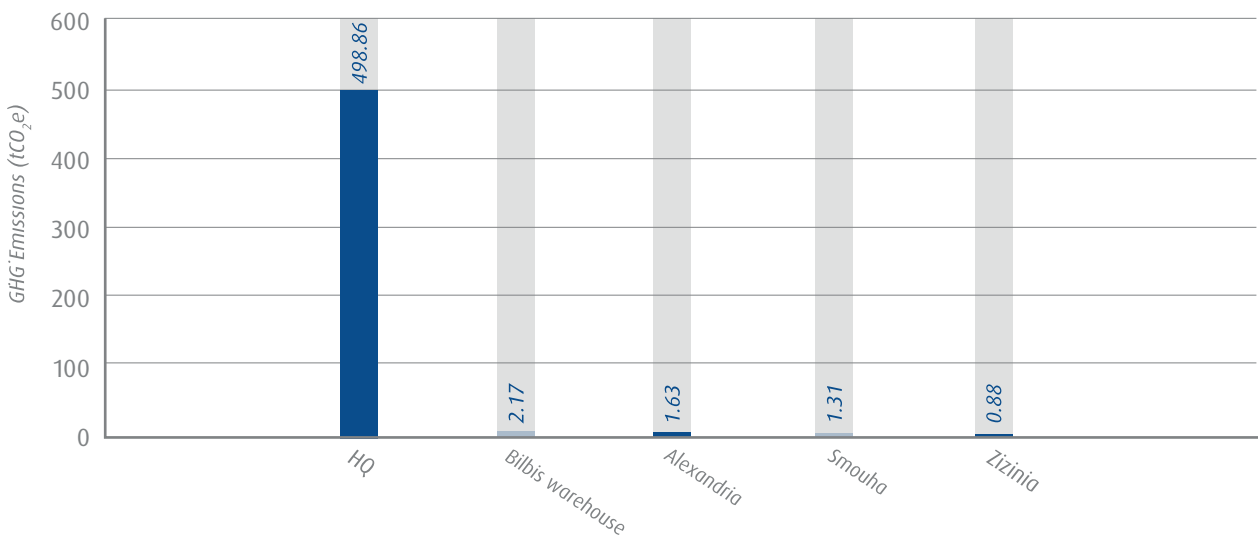
Considering the nature of NBK-Egypt's operations, key emission sources identified include the generators at each branch, primarily utilized as backup power during electricity outages or emergencies using diesel fuel. Furthermore, the Head Office houses a set of chillers operating on natural gas. Among the fuel types used in stationary combustion sources, emissions from diesel usage predominantly account for the majority, amounting to 95.82% of stationary combustion emissions, as illustrated in Figure 6.





### Identified Hotspots

The Head Office is the primary contributor to GHG emissions from stationary combustion, largely due its size, the extensive use of diesel generators during electricity outages and reliance on natural gas chillers for the building's cooling system.



**Figure 7:**  
Top 5 Branches of Stationary Combustion Emissions

## Scope 1: Mobile Combustion

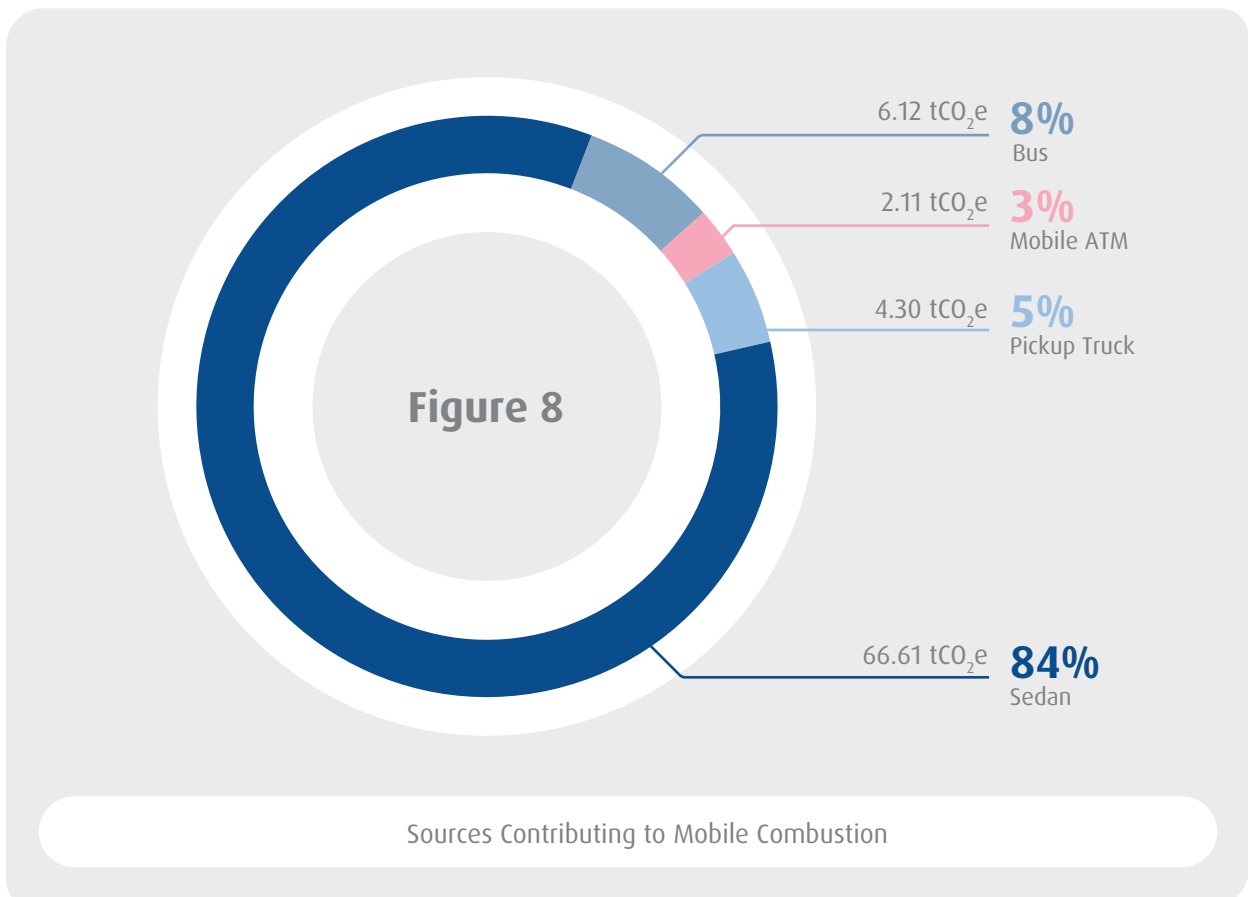
Mobile combustion emissions encompass the burning of fuels in mobile equipment owned or operated by NBK-Egypt, including buses, trucks, and cars. According to the GHG inventory, mobile combustion emissions totaled 79.14 tCO<sub>2</sub>e, accounting for 8.31% of the total Scope 1 emissions.

### Identified Sources

NBK-Egypt's vehicle fleet comprises 15 passenger cars, one pickup truck, two buses, and three mobile ATM cars, all managed by the Head Office.

This means that no other branches contribute to mobile emissions sources.

Figure 8 displays the percentage share of each vehicle type in the total mobile emissions.

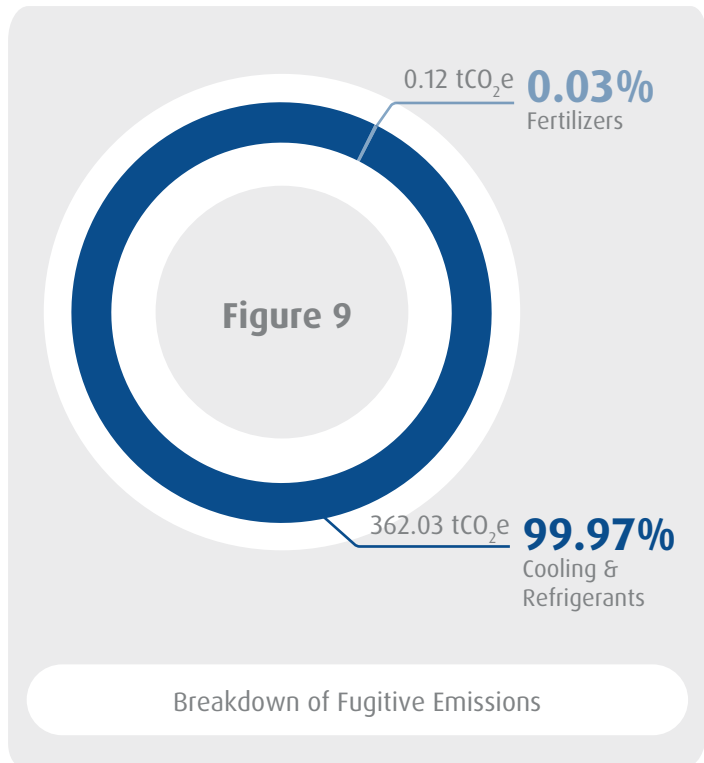


## Scope 1: Fugitive Emissions

In the context of NBK-Egypt's operations, fugitive emissions pertain to the unintended release of GHGs from fire suppressants, fertilizers, or refrigerants used in air conditioners.

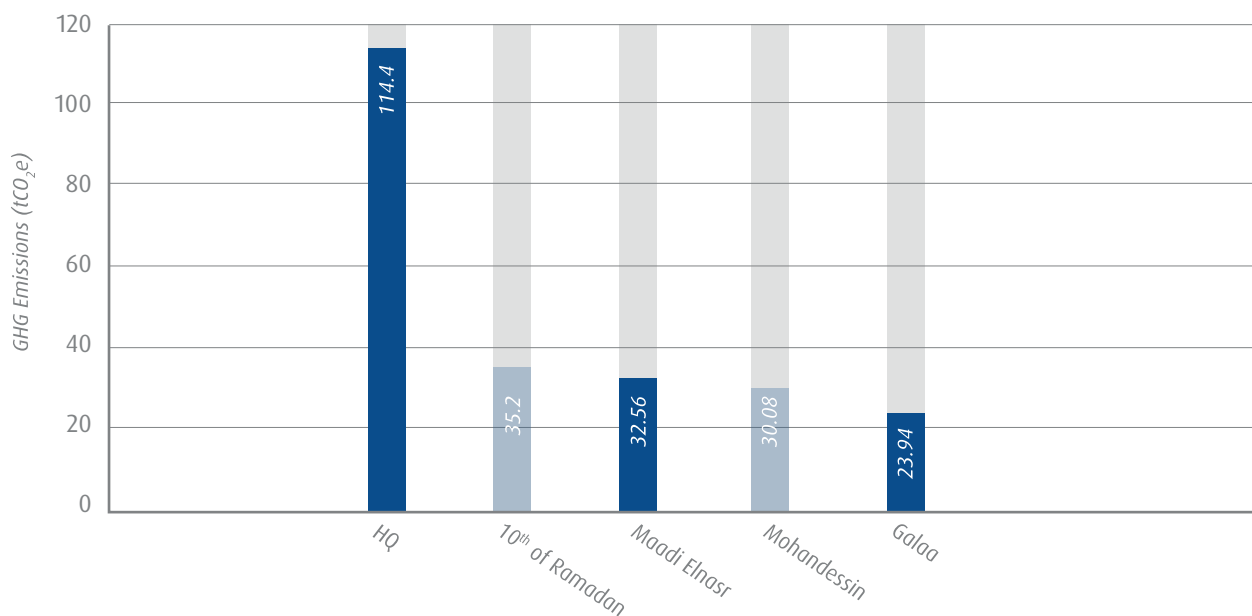
According to NBK-Egypt's GHG inventory, fugitive emissions account for 38.01% of Scope 1 emissions, totaling 362.15 tCO<sub>2</sub>e. Notably, 99.97% of these fugitive emissions originate from leaked refrigerants.

Figure 9 shows the share percentage of each of fugitive emissions.



## Identified Hotspots

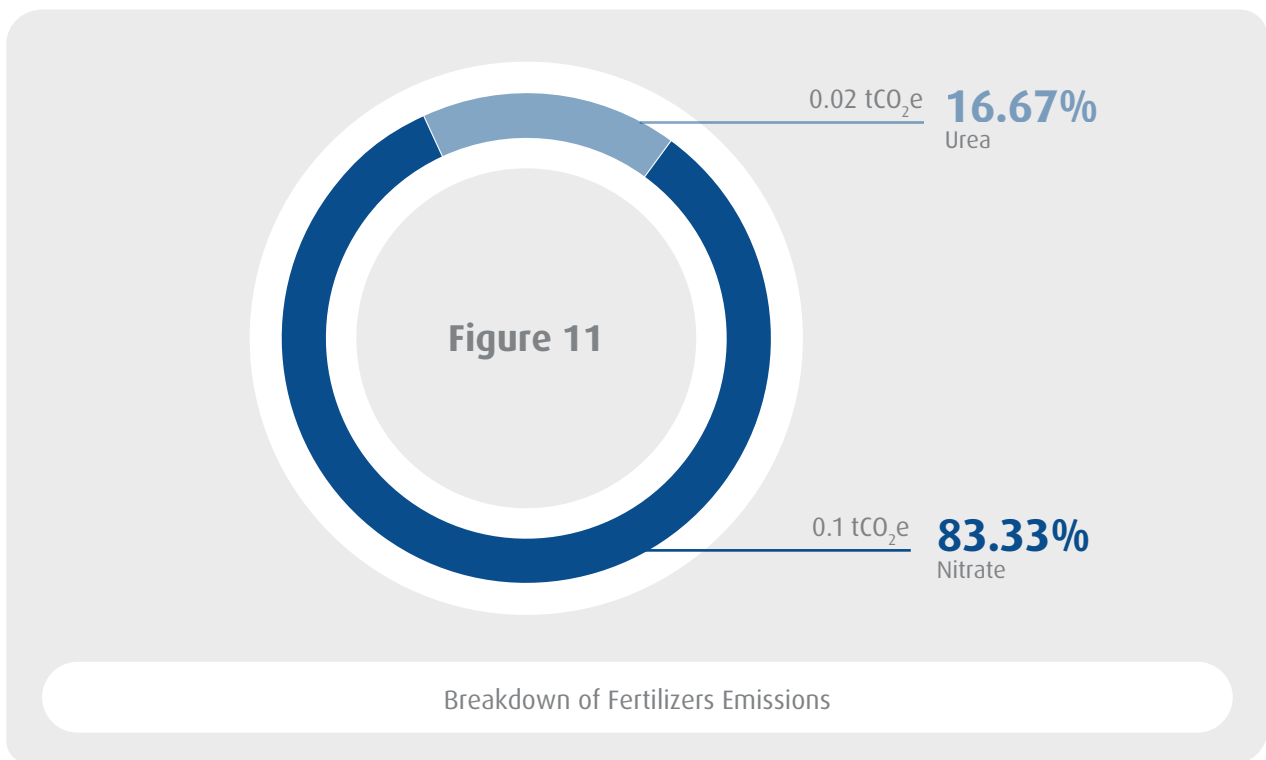
Based on the GHG inventory calculations, the primary source of fugitive emissions is attributed to refrigerant leaks. The following figure illustrates the distribution of these refrigerant emissions across the top five branches.



**Figure 10:**  
Top 5 Branches to Scope 1 Emissions due to Refrigerants

The majority of emissions stem from the refrigerant charging of the chiller at the branch, which sees extensive use.

Among all the facilities managed by NBK-Egypt, only the Head Office in the 5th settlement in New Cairo, features landscaping that necessitates fertilizer application for maintenance. Given that landscaping is exclusive to the Head Office in the 5th settlement, emissions from this source are relatively minor, accounting for less than 1% of NBK-Egypt's total emissions. Figure 11 indicates that over 80% of fertilizer-related emissions result from the use of nitrate-containing fertilizers.

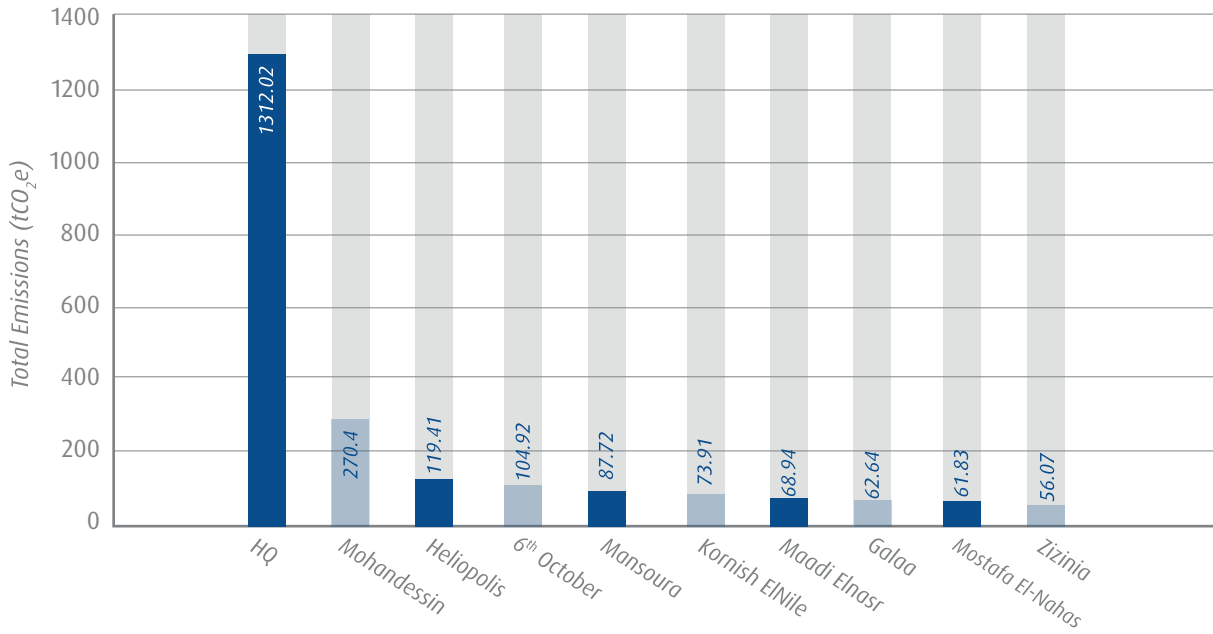


## Scope 2: Purchased Electricity

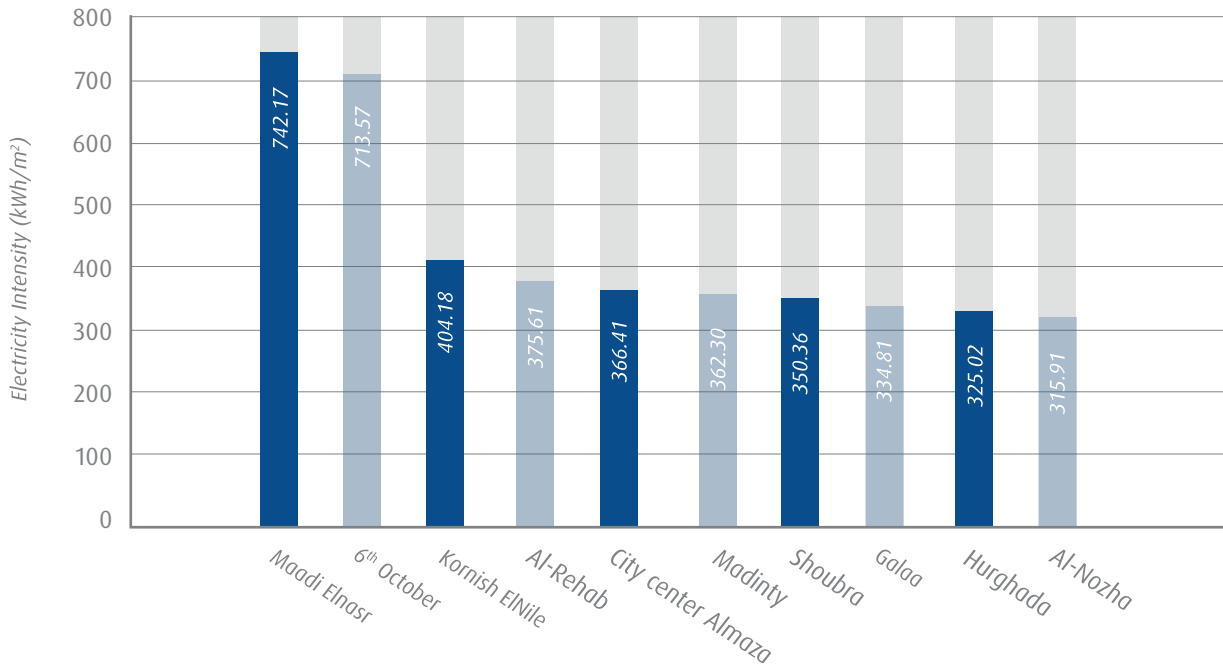
Scope 2 emissions pertain to the indirect emissions generated from the purchased electricity for all facilities operated by NBK-Egypt. These emissions totaled 3,214.94 tCO<sub>2</sub>e, representing 77.14% of the total emissions.

### Identified Hotspots

Figure 12 illustrates the top 10 facilities contributing the most to Scope 2 emissions. The Head Office stands out as the largest contributor due to its larger space, higher number of employees, and increased operational activities compared to the bank's branches. However, despite its significant overall emissions, the Head Office does not rank among the top 10 branches in terms of electricity intensity per area. Figure 13 reveals that Maadi ElNasr and 6th October City Branches exhibit the highest electricity intensity.



**Figure 12:**  
Top 10 Branches Contribute to Scope 2 Emissions



**Figure 13:**  
Top 10 Branches in Electricity Intensity per Area

# BENCHMARKING

## Internal Benchmarking


Internal benchmarking entails comparing NBK-Egypt's GHG emissions in 2023 against those of the base year, 2022, and analyzing GHG emission intensities across branches to pinpoint hotspots and significant sources of emissions.

Table 4 presents a summary comparison of GHG emissions for the years 2022 and 2023, along with the percentage change between the two years.

**Table 4: Comparison Between 2022 & 2023 GHG Emissions**

Emission Source	2022 GHG Quantity	2023 GHG Quantity	Change +/-
Stationary Fuel Combustion	518.58	511.34	-1.4%
Mobile Fuel Combustion	44.9	79.14	76.3%
Fugitive Emissions (Fertilizers Application)	0.11	0.12	9.09%
Fugitive Emissions (AC & Refrigerants Leak)	468.16	362.03	-22.67%
Purchased Electricity	3259.90	3214.94	- 9.6%
Total Emissions	4290.98	4167.45	-2.88%

The data indicates that GHG emissions decreased across most emission sources in 2023, with exceptions being a slight 9.1% rise in emissions from fertilizers and a significant 76.3% increase in mobile emissions.



2.9%

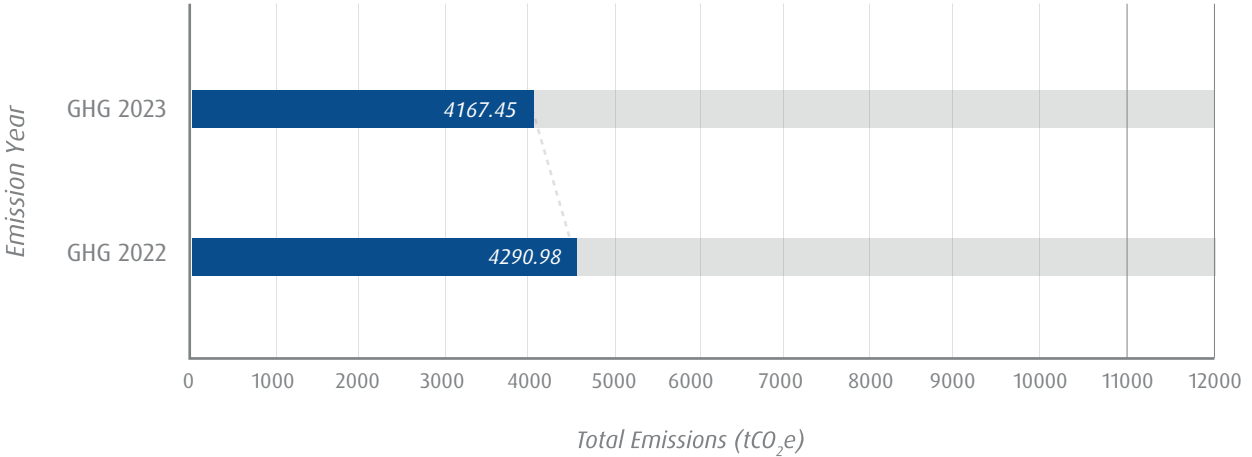
Overall, the carbon footprint for 2023 exhibited a notable reduction of over 2.9% compared to 2022 emissions

The decline in total emissions for 2023 can largely be attributed to a 9.6% reduction in Scope 2 emissions. This reduction stems from the more conservative assumptions made in estimating missing electricity consumption data points across various branches in 2022.

In contrast, the adoption of a comprehensive data management system, addressing data gaps from 2022, and leveraging the Climate Edge digital tool in 2023 improved the data collection process.

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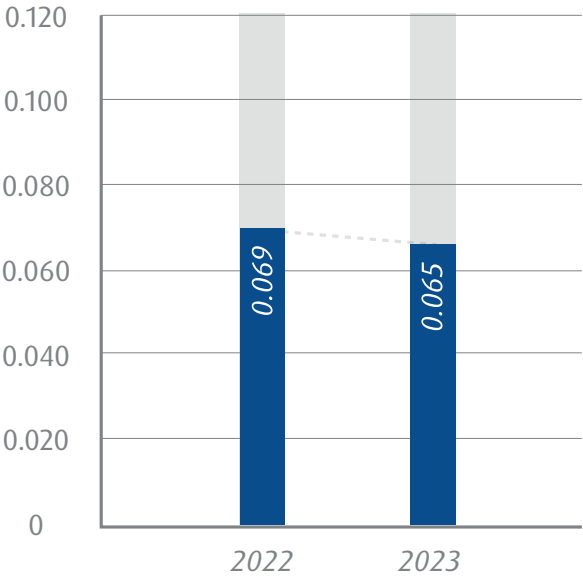
This enhancement significantly reduced missing data points, providing a more accurate reflection of actual energy consumption in the branches. This actual consumption was considerably lower than the estimates derived from the conservative approach used in the previous year. Additionally, the exclusion of two branches from the 2023 GHG emissions calculations also contributed to the overall reduction, as illustrated in Figure 14.



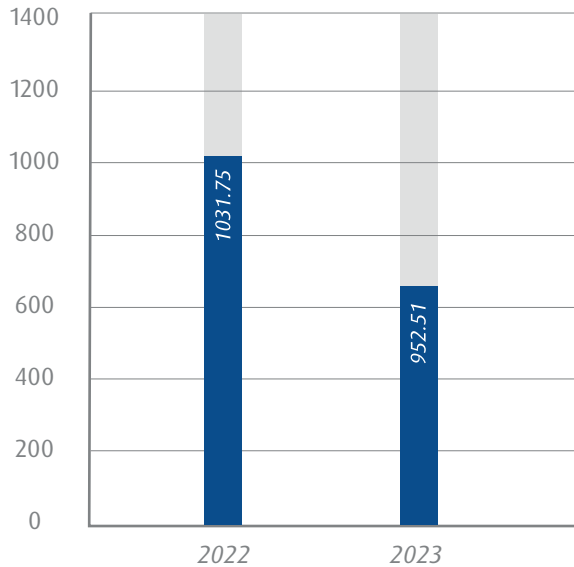
**Figure 14:**  
Comparison Between 2022 & 2023 Total Emissions

To mitigate the impact of excluding two branches in the 2023 calculations, account for organic growth or decline in the number of branches, and monitor the progress of GHG emissions reduction, a comparison between the emissions of the two years is conducted using GHG Intensity. This metric represents total GHG emissions per total area and is depicted in Figure 15. This approach offers a clearer insight into emission trends over the specified period.

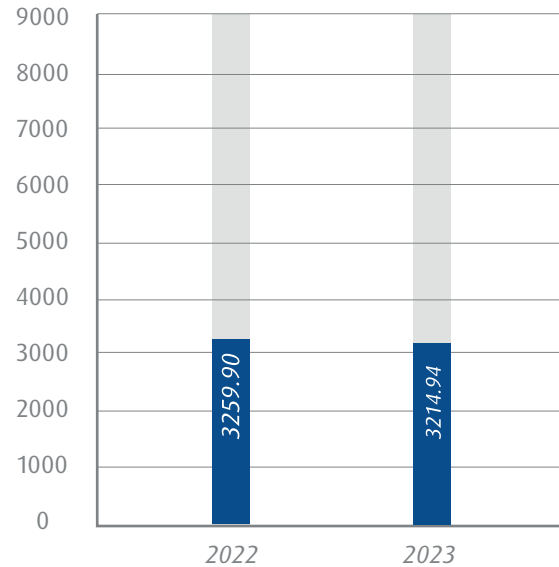
Figure 16 illustrates a decline in Scope 1 emissions during 2023 compared to the previous year. This reduction can be attributed to regular maintenance and improvements made to the generators in use. Similarly, Figure 17 demonstrates a decrease in Scope 2 emissions in 2023 for the same reasons.



**Figure 15:**  
Total 2022 and 2023 GHG Emissions Intensity per Area Comparison



**Figure 16:**  
Comparison Between 2022 & 2023  
Scope 1 Emission



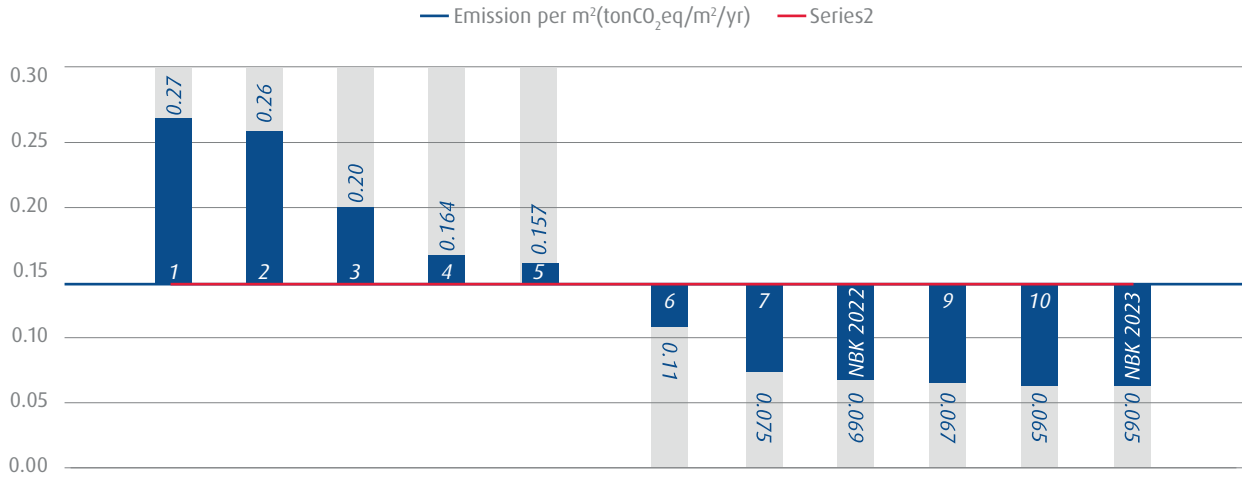
**Figure 17:**  
Comparison Between 2022 & 2023  
Scope 2 Emission

## External Benchmarking

External benchmarking aims to evaluate NBK-Egypt's overall emissions by comparing them to recent GHG emissions data from peer banks, ideally those involved in similar activities or located within the same country. After contrasting NBK-Egypt's emissions for 2022 and 2023 with those of nine leading Egyptian banks, this benchmarking study aims to ascertain NBK-Egypt's standing in terms of GHG emissions intensity within the local banking sector. By anonymizing the data from peer banks, the assessment ensures integrity and impartiality, offering a transparent perspective on NBK-Egypt's performance relative to industry benchmarks.

Figure 18 indicates that both NBK-Egypt's GHG emission intensities for 2022 and 2023 fall below the average intensity of all banks, which stands at 0.141 tCO<sub>2</sub>e/m<sup>2</sup>. Furthermore, the GHG emissions intensity of NBK-Egypt in 2023 is the lowest among the banks included in the benchmarking analysis.





**Figure 18:**  
 Benchmarking. NBK-Egypt Emission Intensity per Area with Different Banks in Egypt in 2022 and 2023

## ABBREVIATIONS AND ACRONYMS

AC	Air Conditioning
ATM	Automated Teller Machine
CH <sub>4</sub>	Methane
CO <sub>2</sub>	Carbon Dioxide
GHG	Greenhouse Gas
GWP	Global Warming Potential
HFCs	Hydrofluorocarbons
IPCC	Intergovernmental Panel on Climate Change
ISO	International Organization for Standardization
Kg	Kilograms
m <sup>2</sup>	Square Meter
MENA	Middle East and North Africa
N <sub>2</sub> O	Nitrous Oxide
NBK	National Bank of Kuwait
tCO <sub>2</sub> e	Metric Tons of Carbon Dioxide Equivalent
UNFCCC	United Nations Framework Convention on Climate Change

## LIST OF TERMS AND DEFINITIONS

Base Year	A historical year used to compare the preceding year's emissions. It can be a calendar year or averaged over several years (Time Series).
Climate Change	Long-term shifts in temperatures and weather patterns. These shifts may be natural or human-driven activities.
Carbon Dioxide Equivalent	Standardizing all greenhouse gases to reflect the global warming potential relative to carbon dioxide.
Direct Emissions	Greenhouse gas emissions from facilities/sources owned or controlled by a reporting company.
Emission Factor	A factor allowing GHG emissions to be estimated from a unit of available activity data (e.g., tons of fuel consumed, tons of product produced) and absolute GHG emissions).
Fugitive Emissions	Emissions that are not physically controlled but result from the intentional or unintentional releases of GHGs.
Greenhouse Gas (GHG)	A gas that absorbs and emits radiant energy within the thermal infrared range, causing the greenhouse effect.
GHG Emission Factors	The specific value used to convert activity data into greenhouse gas emission values.
GHG Inventory	List of emission sources and the associated emissions quantified using standardized methods.
Greenhouse Gas Emission	The total mass of a GHG released into the atmosphere over a specified period.
Greenhouse Gas Report	Stand-alone document intended to communicate an organization's or project's GHG-related information to its intended users.
Greenhouse Gas Source	Physical unit or process that releases a GHG into the atmosphere.

Indirect Emissions	Greenhouse gas emissions from facilities/sources that are not owned or controlled by NBK-Egypt but for which the activities of the Bank are responsible (electricity purchase).
Inventory Boundary	An imaginary line encompasses the direct and indirect emissions included in the inventory. It results from the chosen organizational and operational boundaries.
IPCC	The Intergovernmental Panel on Climate Change is an intergovernmental body of the United Nations responsible for advancing knowledge on human-induced climate change.
Mobile Combustion	The burning of fuels by transportation devices such as cars, trucks, or buses.
Operational Boundaries	The operational boundary determines the emissions associated with operations, classification of emissions as direct or indirect, and categorizes the different Scopes of GHG emissions.
Organizational Boundaries	Organizational boundaries determine which operations to include or exclude from the Carbon Footprint calculations of the organization.
Other Indirect Greenhouse Gas Emissions	GHG emissions, other than energy indirect GHG emissions, which are a consequence of an organization's activities, but arise from greenhouse gas sources that are owned or controlled by other organizations
Refrigerant	A refrigerant is a substance or mixture. usually, a fluid, used in a heat pump and refrigeration cycle.
Stationary Combustion	Burning of fuels to generate electricity, steam, heat, or power in stationary equipment such as generators, etc.

# LIMITED ASSURANCE STATEMENT

DCarbon is a leading sustainability, environmental, and climate change consultancy based in Egypt and registered under Egyptian law no—159 for the year 1981 and its executive regulation. DCarbon assists public and private organizations in understanding and addressing their economic, environmental, and social impact. DCarbon services cover a wide range of activities covering consultations, training, capacity building, reporting, digital solutions, communication, and assurance services to public and private corporations, international and local organizations, governmental authorities, and civil society organizations in the MENA, GCC, EU, and the USA. DCarbon is working with numerous international partners, a GRI-certified training partner in Egypt, MENA, and the Arab States, TCFD, SASB, and EPD supporter.

DCarbon was engaged by National Bank of Kuwait - Egypt (NBK-Egypt) to perform a Carbon Footprint study for all its Branches, Headquarters, and Warehouses activities covering the mandatory scopes (Scope 1, direct emissions generated from the onsite GHG generating activities; and Scope 2, indirect emissions arising from electricity purchase) appertaining to NBK-Egypt's operational activities in all its entities all over Egypt during the reporting period of 1st January 2023 – 31st of December 2023.

As NBK-Egypt's consultant, we were asked to assist the company in estimating its GHG emissions from all its direct and indirect activities based on World Resources Institute (WRI)/World Business Council for Sustainable Development (WBCSD) GHG (GHG) Protocol Corporate Accounting and Reporting Standard (Scope 1 and 2), and in accordance with ISO Standard 14064-1:2006: "Greenhouse Gases. Specification with guidance at the organization level for quantification and reporting of GHG emissions and removals".

The following procedure describes the steps undertaken to complete the estimations of NBK-Egypt's carbon footprint emissions successfully:

- Choose Reporting period, Operational, and Organizational boundaries.
- Identified all projects and activities that took place during reporting periods.
- Prepared customized data collection sheets and collected relevant data from departments.
- Defined all assumptions and exclusions.
- Utilized and Employed Climate Edge Platform to calculate the Bank GHG emissions under Scope 1 and 2;
- Assessed the data quality and identified hotspots.

The quality assurance and quality control activities of provided data have been looped through multiple processes to ensure its integrity and accuracy as the following:

- All provided data by NBK-Egypt's team was reviewed, analyzed, and edited by our technical team;
- In the case of data discrepancies and outliers, direct calls and virtual meetings were convened to discuss the veracity of the data, and updated data was supplied upon request;
- Whenever the provided data was unclear, several requests were made for clarification and official receipts
- Assumptions, data gaps, and exclusions were declared and justified.

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This verification statement, including the opinion expressed herein, is provided to NBK-Egypt and is solely for the benefit of NBK-Egypt in accordance with the terms of our agreement.



The inventory was conducted by a multidisciplinary independent team, including researchers, for auditing environmental information and abiding by our values of integrity, confidentiality, professional competence, objectivity, and due attention.

- Ahmed Alaa: Environmental Manager at DCarbon;
- Asmaa El Maghraby: Environmental & Lifecycle Assessment Associate at DCarbon;
- Amira Ahmed: Environmental & Lifecycle Assessment Researcher at DCarbon;
- Yasmine Shoukri: Chief Executive Officer (CEO) at ESG&; and
- Kareem El Hussieny: Chief Digital & Growth Officer at ESG&.

In conclusion, based on the process and procedures conducted, there is no evidence that the GHG emissions statement shown above is not materially correct, is not a fair representation of the GHG emissions data and information, and has not been prepared in accordance with the WRI/WBCSD GHG Protocol Corporate Accounting and Reporting Standard (Scope 1 and 2).

It is our opinion that NBK-Egypt has established appropriate systems for the collection, aggregation, and analysis of quantitative data for the determination of these GHG emissions for the stated period and boundaries.

**Ehab Shalaby, Ph.D.**

Chairman & CEO

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