



2023

CARBON
FOOTPRINT
REPORT

BANK N<X>T™

ABOUT THE BANK

BANK NXT

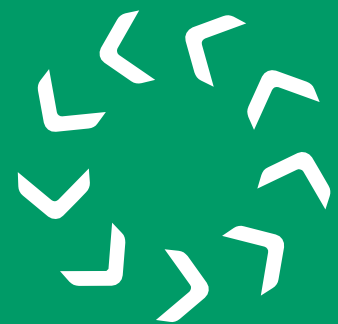
Founded in 1974 under the Central Bank of Egypt's supervision, Bank NXT (formerly known as aiBank) launched its operations in 1978 with an initial capital of USD 40 million, which grew to EGP 1,987 million by 2020. After an acquisition and decisions made at the general assembly on October 10, 2021, the bank received approval to increase its paid-up capital to EGP 5.3 billion. The updated ownership structure includes EFG Holding S.A.E (51%), Egypt's Financial Services and Digital Transformation Sub-Fund (25%), and the National Investment Bank (24%).

Bank NXT provides a diverse array of services, such as corporate and retail banking, investment, treasury services, and Sharia-compliant Islamic banking, all governed by a specialized Sharia committee. The bank is actively engaged in loan syndication for significant national projects, contributing to economic development. Understanding the vital role of small and medium enterprises (SMEs) in Egypt's growth, Bank NXT is dedicated to supporting their advancement.

With a footprint of 34 branches nationwide, Bank NXT is focused on strategic growth, including the establishment of new branches and ATMs. Committed to enhancing customer satisfaction, the bank strives to offer distinctive and competitive services. Ongoing investments in technology and talent reflect Bank NXT's dedication to improving overall banking experiences.

ABOUT THIS REPORT

This report details the carbon footprint generated by Bank NXT's headquarters in 2023 and covers Scope 1, 2 and relevant activities in Scope 3. This is Bank NXT's third assessment of greenhouse gas (GHG) emissions, making 2021 the base year to which all the activities in forthcoming years are compared to and referenced. All the data collected and analyzed within this report follow the World Resources Institute Greenhouse Gas Protocol principles of relevance, completeness, consistency, transparency, and accuracy.



CONTENTS

06 ABBREVIATIONS & ACRONYMS

08 EXECUTIVE SUMMARY

12 INTRODUCTION

14 INVENTORY BOUNDARIES

16 OVERALL METHODOLOGY

20 CARBON FOOTPRINT RESULTS

30 PERFORMANCE EVALUATION

34 DECARBONIZATION PLAN

40 ANNEX

46 QUALITY ASSURANCE STATEMENT

ABBREVIATIONS & ACRONYMS

aiBANK	Arab Investment Bank
ATM	Automated teller machine
BY	Base year
CFP	Carbon Footprint
CO ₂ e	Carbon Dioxide equivalent
DEFRA	Department for Environment, Food & Rural Affairs
EF	Emission Factor
EGP	Egyptian pound
ERA	Egyptian Electric Utility and Consumer Protection Regulatory Agency
FTE	Full-time Equivalent
GHG	Greenhouse Gases
GWP	Global Warming Potential
HVAC	Heating, ventilating, and air conditioning;
IPCC	Intergovernmental Panel on Climate Change
ISO	International Standard Organization
kg	Kilograms
kWh	Kilowatt hour
L	Litre
LED	Light-emitting diode
m ²	Square meter
m ³	Cubic meter
t	tons
mtCO ₂ e	Metric tons Carbon Dioxide equivalent
MWh	Megawatt hour
WBCSD	World Business Council for Sustainable Development
WRI	World Resources Institute
WTT	Well-to-Tank

EXECUTIVE SUMMARY

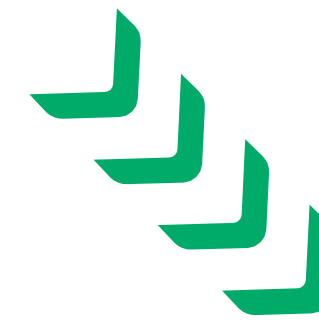
As sustainability becomes a global priority, Bank NXT is committed to leading the banking sector in environmental responsibility. This carbon footprint report reflects our dedication to transparency and accountability in assessing and mitigating our environmental impact.

We aim to significantly reduce our carbon footprint while promoting eco-friendly practices throughout our operations. Our strategy involves integrating sustainability into our business model, enhancing efficiency, and providing resources to clients, particularly in critical sectors, to help them achieve their own sustainability goals.

Recognizing our influence over economic behavior, we adopt responsible lending practices and prioritize investments in green projects, directing capital toward initiatives that foster environmental stewardship. We also emphasize collaboration with partners and clients to build relationships based on shared values of sustainability.

This report details our current emissions, reduction strategies, and proactive measures for a sustainable future. We see addressing climate change as an opportunity for innovation and growth, and we aspire to set a benchmark for sustainability in banking. By working together, we aim to create a resilient financial landscape that meets today's needs while safeguarding future resources. Through our commitment to sustainability, we hope to inspire others in the sector to be catalysts for change.

Bank NXT is proud to present its third carbon footprint report, using 2021 as the baseline for assessment. This report has been developed in accordance with established protocols and standards, including the Greenhouse Gas Protocol Guidelines, the 2006 IPCC Guidelines for Greenhouse Gas Inventories (with 2019 refinements), and ISO 14064-1:2018 Standards. Our adherence to these recognized methodologies ensures the accuracy, reliability, and transparency of our carbon footprint assessment, reflecting our commitment to rigorous environmental reporting practices.



2021 (BY) CARBON INTENSITY	2023 CARBON INTENSITY
mtCO ₂ e/FTE	
2.32	1.67

The reporting period for this assessment covers **January 1, 2023, to December 31, 2023**, including Scope 1, Scope 2, and key activities contributing to Scope 3 emissions.

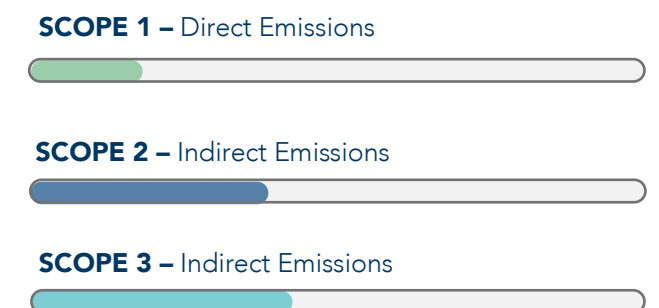
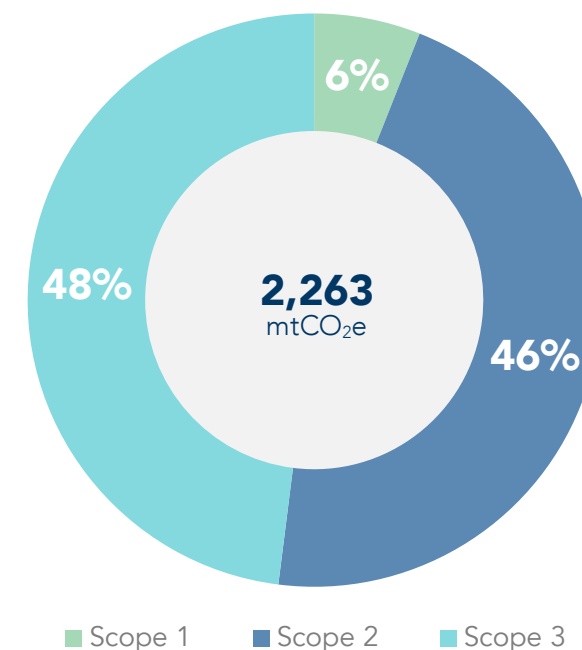
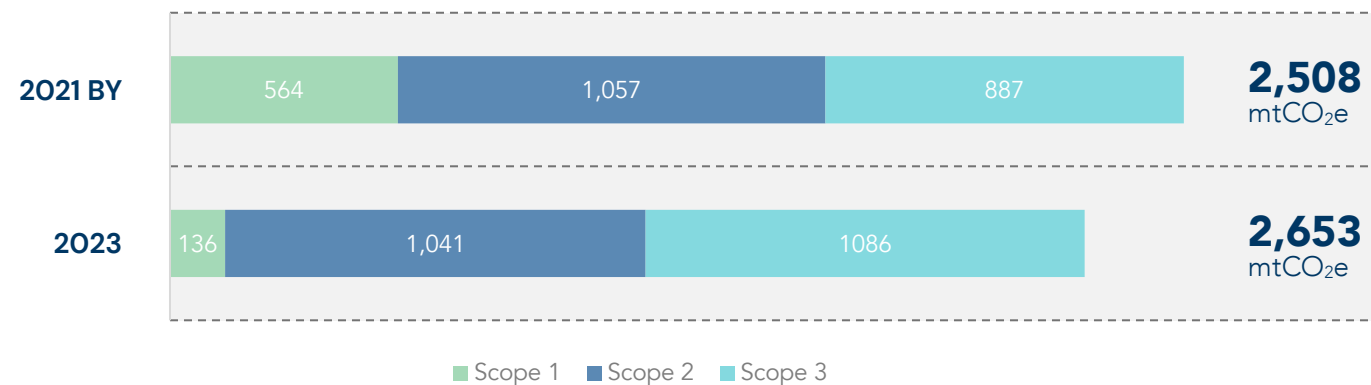
In 2023, Bank NXT headquarters recorded total emissions of **2,263 mtCO₂e**. This includes **136 mtCO₂e** in Scope 1 direct emissions, accounting for **6%** of total GHG emissions, and **1,041 mtCO₂e** in Scope 2 indirect emissions from purchased electricity, representing **46%**. Scope 3 indirect emissions totaled **1,086 mtCO₂e**, making up **48%** of overall emissions.

During this reporting period, Bank NXT achieved a carbon intensity of **1.67 mtCO₂e per Full-Time Equivalent (FTE)** for Scope 1 and 2 emissions, reflecting a significant **28% decrease** from the baseline year. Additionally, carbon intensity per square meter (m²) for Scope 1 and 2 emissions is **0.11 mtCO₂e/m²**, which is a **31% reduction** from the baseline, underscoring the bank's commitment to lowering GHG emissions.

Electricity intensity, a key metric for international performance assessment, has slightly increased to **218 kWh/m²** from the baseline of **215.6 kWh/m²**. While this remains in the D scoring category, it highlights the need for further improvements in electricity efficiency.

Drawing on insights from the carbon footprint report, Bank NXT has crafted a comprehensive decarbonization plan. This initiative transcends basic data analysis; it acts as a proactive framework aimed at significantly reducing the bank's carbon footprint and greenhouse gas (GHG) emissions. By incorporating industry best practices, Bank NXT positions itself as an innovative leader in the shift toward a low-carbon economy.

Our dedication goes beyond simply meeting regulatory standards, highlighting our commitment to environmental stewardship and alignment with global sustainability goals. The decarbonization plan details our strategies for reducing emissions while also monitoring our progress toward these targets, ensuring ongoing accountability and improvement. This effort reflects Bank NXT promise to continually refine our practices, paving the way for a sustainable and resilient future.





INTRODUCTION

As the global community increasingly prioritizes sustainability, the banking sector stands at the forefront of driving environmental responsibility and fostering sustainable practices. At Bank NXT, we recognize that our operations have profound implications not only for our clients and stakeholders but also for the wider ecosystem. This carbon footprint report serves as a testament to our commitment to transparency, accountability, and our ongoing efforts to assess and mitigate our environmental impact.

In alignment with international sustainability goals, we are dedicated to significantly reducing our carbon footprint while actively promoting eco-friendly initiatives across all facets of our operations and services. Our strategy involves integrating sustainable practices into our business model, which enhances our operational efficiency and provides our clients—especially those in critical sectors—with the resources and support necessary to pursue their own sustainability objectives.

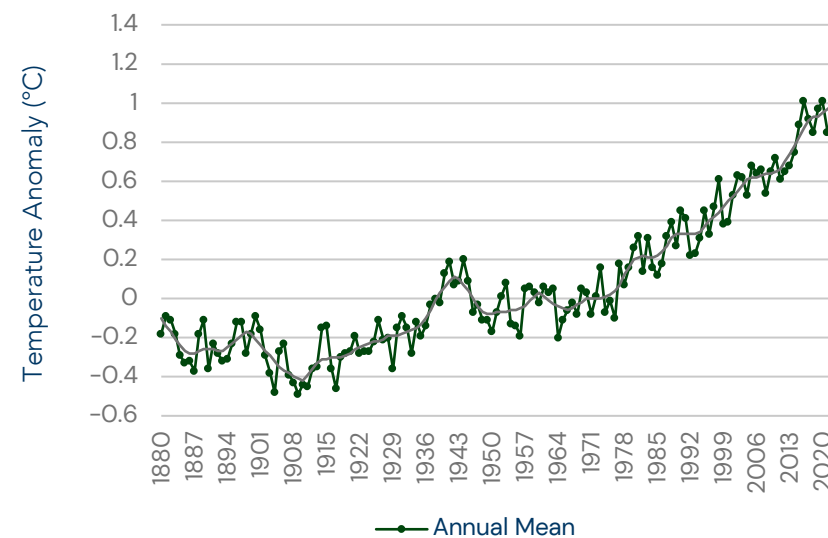
The banking sector wields substantial influence over economic behavior and resource allocation, placing us in a unique position to drive meaningful change. By adopting responsible lending practices, prioritizing investments in green and renewable projects, and leveraging cutting-edge technologies, we can catalyze a significant positive impact on both the economy and the environment. Our role extends beyond mere financial transactions; we aim to direct capital toward initiatives that promote environmental stewardship and resilience.

Moreover, we understand that the transition to a sustainable economy requires collaboration and engagement with our partners, clients, and the communities we serve. We are committed to fostering relationships built on shared values of sustainability and social responsibility. Through initiatives such as green financing, we not only support projects that minimize environmental impact but also empower our clients to innovate and adopt sustainable practices.

At Bank NXT, we strive to lead by example, ensuring that our growth and success are intrinsically linked to the health of our planet. This report outlines our current emissions, our strategies for reduction, and the proactive measures we are implementing to contribute to a sustainable future. We recognize that addressing climate change is not merely an obligation but an opportunity for innovation and growth within the banking sector.

By working collaboratively with our partners and stakeholders, we aim to set a benchmark for sustainability in the banking industry. Our vision is to create a more resilient, environmentally conscious financial landscape that not only meets the needs of today but also safeguards the resources and opportunities for future generations. Through our ongoing commitment to sustainability, we hope to inspire others in the sector to embrace their roles as catalysts for change, working together to build a sustainable world for all.

Global Temperature Index



The planet's average surface temperature has risen by about 1.2°C (2.2°F) since the late 19th century, marking a significant and concerning shift in our climate system that reflects the profound impact of human activities on the Earth's atmosphere and ecosystems. This increase is particularly alarming given that most of this warming has occurred in the past 40 years, a period during which we have witnessed a dramatic acceleration in temperature rise that closely correlates with the rapid industrialization, extensive burning of fossil fuels, and significant increases in greenhouse gas emissions, such as carbon dioxide and methane.

These changes have not only contributed to the warming of the planet but have also led to a cascade of environmental consequences, including altered weather patterns, more frequent and severe extreme weather events, melting ice caps and glaciers, rising sea levels that threaten coastal communities, and disruptions to biodiversity and ecosystems worldwide. The implications of this temperature rise are far-reaching, affecting agriculture, water resources, human health, and global economies, necessitating urgent and concerted action to mitigate the impacts of climate change and adapt to the new realities of our warming world.

The last decade was the hottest on record.

-NASA

INVENTORY BOUNDARIES

To accurately report greenhouse gas (GHG) emissions in accordance with the Greenhouse Gas (GHG) Protocol, an organization must first establish its organizational and operational boundaries.

ORGANIZATIONAL BOUNDARIES

When disclosing emissions, organizations typically choose between two main methods: the control approach, which reports emissions from operations under direct financial or operational control, and the equity share approach, which reports emissions based on the organization's equity stake in those operations. For our purposes, we have selected the operational control approach.

Bank NXT's organizational boundary is defined by our headquarters in Cairo, which spans a gross area of 10,400 m² and houses 705 full-time employees.



SOURCES OF EMISSIONS EXCLUDED

This report provides a comprehensive overview of Bank NXT's emissions, covering all Scope 1 and Scope 2 emissions, along with the most significant Scope 3 categories. The following emission sources, excluded from this assessment due to data limitations, are detailed in the Relevancy and Exclusions section of the Annex.

- > **Category 2: Capital Goods**
- > **Category 4: Upstream Transportation and Distribution**
- > **Category 9: Downstream Transportation and Distribution**
- > **Category 11: Use of Sold Products**
- > **Category 12: End-of-Life Treatment of Sold Products**
- > **Category 15: Investments**

REPORTING PERIOD & BASE YEAR (BY)

The reporting period for the carbon footprint assessment covers **January 1, 2023, to December 31, 2023**. This marks Bank NXT's third year of reporting, with 2021 serving as the base year. Please note that the base year may be adjusted in the future if there are changes to the organizational boundaries.

OPERATIONAL BOUNDARIES



OVERALL METHODOLOGY

PROTOCOLS & STANDARDS

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

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

- **Corporate Accounting and Reporting Standard:** provides guidance for companies to prepare their corporate-level GHG emissions.
- **GHG Protocol Scope 2 Guidance**
- **Corporate Value Chain (Scope 3) Accounting and Reporting Standard**

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

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



EMISSION FACTORS

Emission factors (EF) are representing the quantity of GHGs released to the atmosphere caused by a certain activity. The emission factor is usually expressed as the carbon dioxide equivalent (CO₂e) emissions generated by a unit weight, volume, distance, or duration of the activity, e.g., CO₂e/liter fuel consumed, CO₂e/km driven or CO₂e/kWh of purchased electricity etc. The emission factors were identified based on:

- **DEFRA:** Department for Environment, Food & Rural Affairs, UK 2023
- **IPCC:** Intergovernmental Panel on Climate Change
- **Country Specific Emission Factors:** Emission factor calculated specifically for Egypt

With regards to the country specific emission factor, the electricity emission factor is derived based on the Egyptian Electric Utility and Consumer Protection Regulatory Agency (Egypt ERA) published reports of monthly data of the grid electricity, where the emission factor is based on Egypt's actual fuel mix and fuel generation. The EF used for water supply and wastewater treatment have been retrieved from DEFRA 2022 where the emission factors have been adjusted to account for Egypt's electricity EF.

CALCULATION APPROACH

Each activity falls under a certain Scope according to the GHG Protocol Guidelines; Scope 1 (Direct emissions), Scope 2 (Indirect emissions associated with the consumption of purchased electricity) and Scope 3 (Indirect emissions) that are a consequence of the operations of the organization but are not directly owned or controlled by the reporting company. The general calculation approach for the emissions, counted in mtCO₂e, is multiplying the activity data with its corresponding emission factor. When doing this, a unit analysis is performed in order to make sure the results of the emissions are obtained in the desired unit mtCO₂e.

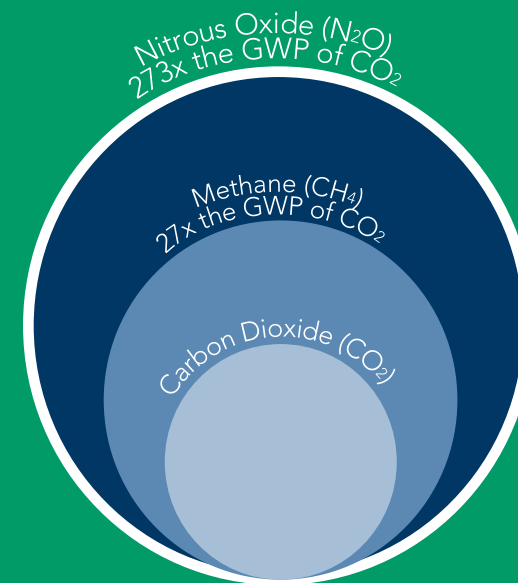
The greenhouse gas (GHG) emissions calculation approach is calculated by multiplying the activity with its equivalent emission factor based on a unit analysis to convert the emissions into the mtCO₂e unit, according to the adjacent equation.

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

Global warming potentials (GWPs) are factors describing the radiative forcing impact of one unit of a specific greenhouse gas (e.g. methane) relative to one unit of carbon dioxide. They are used in GHG accounting to convert individual greenhouse gas emissions to a standardized unit for comparison; carbon dioxide equivalent (CO₂e).

Bank NXT applied 100-year GWPs to all emissions data in this inventory in order to calculate total emissions, in metric tons carbon dioxide equivalent (mtCO₂e). Global warming potential values were sourced from the Intergovernmental Panel on Climate Change's (IPCC) sixth Assessment Report (AR6 2021), the most recent IPCC report available at the time of assessment. GHGs stated in the Kyoto Protocol and their respective GWPs are listed in the adjacent table.

Greenhouse Gas	100-Year GWP
Carbon dioxide (CO ₂)	1
Methane (CH ₄)	27
Nitrous oxide (N ₂ O)	273
Hydrofluorocarbons (HFCs)	124 – 14,800
Perfluorocarbons (PFCs)	7,390 – 12,200
Nitrogen trifluoride (NF ₃)	17,400
Sulphur hexafluoride (SF ₆)	25,200



Activity Data
[unit]

A



Emission Factor
[mtCO₂e/unit]

EF



GHG Emissions
[mtCO₂e]

E

CARBON FOOTPRINT RESULTS

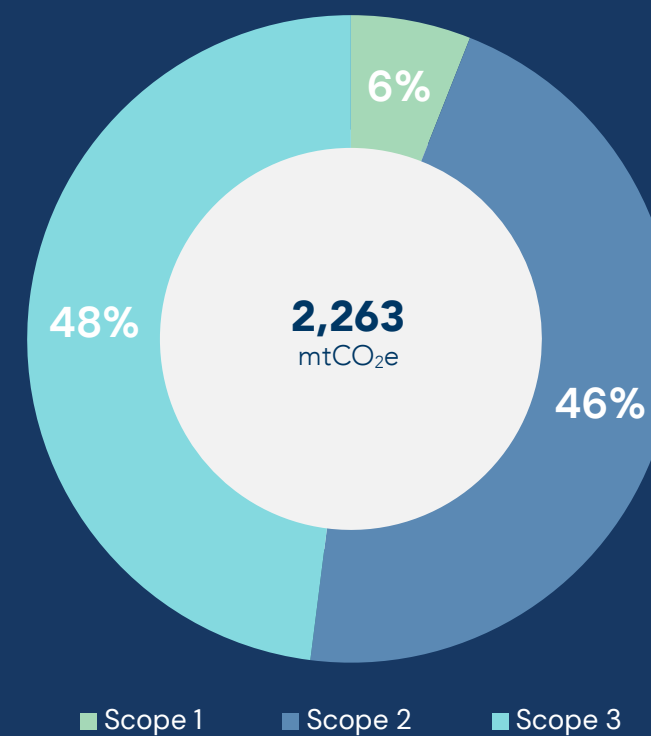
SCOPE 1 – Direct Emissions **136** mtCO₂e



SCOPE 2 – Indirect Emissions **1,041** mtCO₂e



SCOPE 3 – Indirect Emissions **1,086** mtCO₂e



SCOPE 1 DIRECT EMISSIONS

MOBILE COMBUSTION

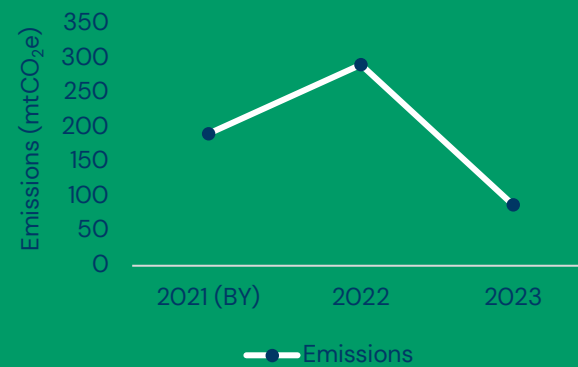
88 mtCO₂e



Owned vehicles fuel burning

During the reporting period, emissions from the direct fuel consumption of Bank NXT's 30 owned vehicles totaled **88 mtCO₂e**, with total petrol consumption at **37,713 liters**. This represents a remarkable **70%** decrease in emissions compared to last year's figure of **291 mtCO₂e**. This reduction can largely be attributed to Bank NXT's decision to reduce its fleet by **80%** in 2023.

MOBILE COMBUSTION EMISSIONS YOY



FUGITIVE EMISSIONS

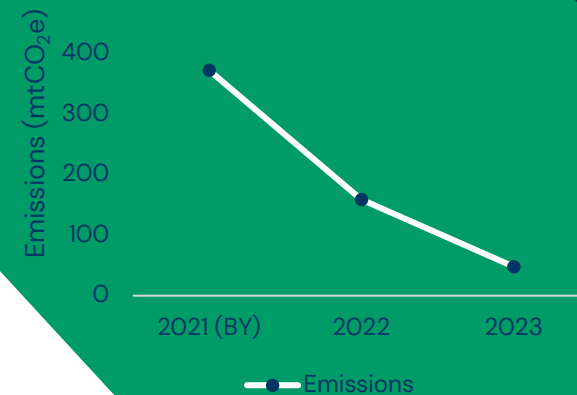
48 mtCO₂e



Refrigerants leakage

Refrigerants are essential for maintaining comfortable temperatures in various spaces by facilitating refrigeration cycles. One of the refrigerants used during the 2023 reporting period was **R22**. Throughout this period, a total of **27 kg** of R22 was consumed. This usage led to approximately **48 mtCO₂e** in direct emissions, marking a significant reduction of 70% compared to the emissions value of **159 mtCO₂e** recorded in 2022.

FUGITIVE EMISSIONS YOY



SCOPE 2 INDIRECT EMISSIONS



PURCHASED ENERGY

1,041 mtCO₂e

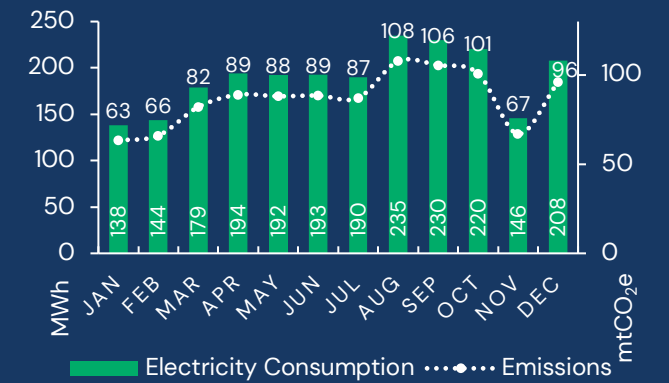
Purchased electricity

During the 2023 reporting period, the total electricity consumption at the headquarters reached **2,269 MWh**, resulting in direct emissions of **1,041 mtCO₂e**.

The highest electricity consumption and associated emissions occurred in August, with usage peaking at **235 MWh**, which produced **108 mtCO₂e** in emissions. Similar levels were recorded in September, with **230 MWh** consumed, leading to indirect emissions of **106 mtCO₂e**.

In contrast, January saw the lowest electricity consumption, with a total of **138 MWh** and corresponding indirect emissions of **63 mtCO₂e**.

2023 MONTHLY ELECTRICITY CONSUMPTION AND EMISSIONS

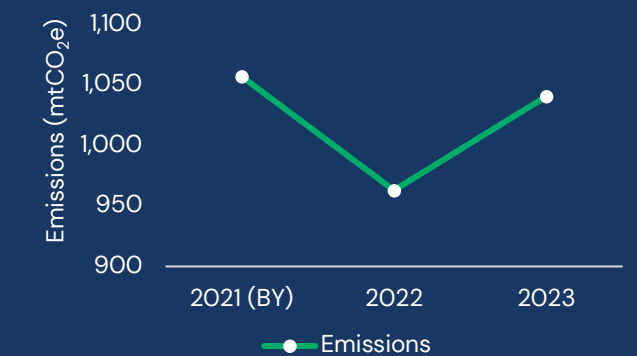


Electricity intensity is a commonly used metric for evaluating international performance. Following an extensive review of international banks and office spaces, we have developed a performance assessment criterion, as outlined in the table below.

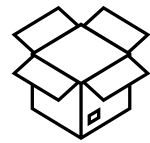
In 2023, Bank NXT's electricity intensity declined to **218 KWh/m²**, which is nearly equivalent to the base year's measurement of **215.6 KWh/m²**. This is a decrease from the improved figure of **201.9 KWh/m²** recorded in 2022. As a result, Bank NXT remains within the D scoring category.

Score	2023 Electricity Consumption (KWh/m ²)
A+	< 128
A	128 – 148
B	148 – 168
C	168 – 195
D	195 – 218
E	> 218

PURCHASED ENERGY EMISSIONS YOY



SCOPE 3 INDIRECT EMISSIONS



PURCHASED GOODS & SERVICES

34 mtCO_{2e}

Printing supplies

29 mtCO_{2e}



Emissions from the use of various printing supplies fall under this category. Bank NXT has reported emissions related to the consumption of copy paper and ink cartridges. The headquarters used **29 tons** of paper, resulting in emissions of **26 mtCO_{2e}**. Additionally, a total of **663** ink cartridges were utilized, contributing an extra **3 mtCO_{2e}** in emissions.

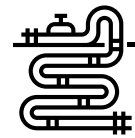
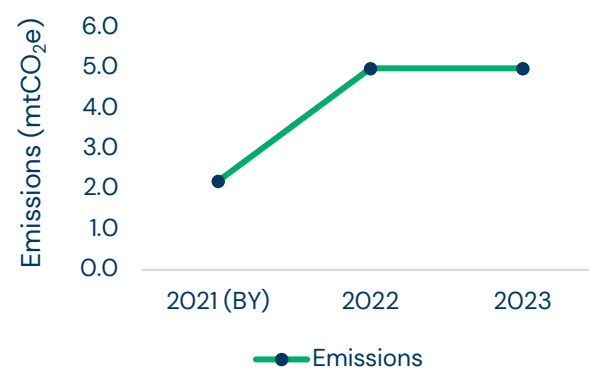
Water use

5 mtCO_{2e}



Scope 3 emissions include a range of indirect emissions, notably those related to water consumption. In the 2023 reporting period, Bank NXT used a total of **15,168 m³** of water, which resulted in emissions of approximately **5 mtCO_{2e}**. This emissions value matches that of 2022, both of which are more than double the base year figure of **2.2 mtCO_{2e}**.

WATER CONSUMPTION EMISSIONS YOY



FUEL AND ENERGY-RELATED ACTIVITIES

(not included in Scope 1 & 2)

96 mtCO_{2e}

Transmission and distribution losses

73 mtCO_{2e}

To fully evaluate the climate impacts of fuel combustion activities, Bank NXT included emissions from electricity transmission and distribution losses. In the 2023 reporting period, the emissions associated with Bank NXT's transmission and distribution losses totaled **73 mtCO_{2e}**. This figure highlights the significant impact of energy loss during the transmission process, which occurs when electricity is transported from generation sites to end users. By accounting for these emissions, Bank NXT demonstrates its commitment to understanding and addressing the full scope of its environmental footprint, recognizing that losses in the electricity grid contribute to overall greenhouse gas emissions and climate change.

Mobile fuel burning: petrol

23 mtCO_{2e}



This activity includes the Well-to-Tank (WTT) emissions associated with the petrol consumption of Bank NXT's owned vehicles. By considering these emissions, we gain a comprehensive understanding of the environmental impacts of fuel combustion from start to finish. This encompasses everything from the extraction and refining of fuel to its eventual consumption in vehicles.

In the reporting period, the WTT emissions related to Bank NXT's petrol usage totaled **23 mtCO_{2e}**. This figure underscores the importance of accounting for emissions throughout the entire fuel lifecycle, highlighting how even before fuel is burned in vehicles, significant greenhouse gas emissions can occur. By incorporating these emissions into our assessment, Bank NXT demonstrates its commitment to transparency and a thorough evaluation of its environmental footprint.



WASTE GENERATED IN OPERATIONS

18 mtCO_{2e}

Solid waste disposal

9 mtCO_{2e}



This category includes emissions resulting from the solid waste generated at Bank NXT's headquarters. In 2023, we effectively managed a total of **6 tons** of solid waste through our closed-loop waste management system, where materials were sent to a recycling facility for recycling and reuse. This sustainable approach has minimized emissions to just **0.1 mtCO_{2e}**.

However, an additional **17 tons** of solid waste were sent to landfill, contributing to **9 mtCO_{2e}** in emissions. This highlights the importance of continuing to improve our waste management practices to further reduce our environmental impact.

Wastewater treatment

9 mtCO_{2e}



The Scope 3 category includes emissions related to wastewater treatment. In the 2023 reporting period, the headquarters contributed approximately **13,651 m³** of water to the sewage system for treatment. This wastewater treatment process generated emissions totaling around **9 mtCO_{2e}**. This figure underscores the importance of accounting for all aspects of water use and their associated environmental impacts.

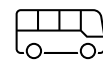


EMPLOYEE COMMUTING

887 mtCO_{2e}

Employee commuting & WTT

887 mtCO_{2e}



During the reporting period, Bank NXT employees traveled a total of **1,240,800 km** to the headquarters by private car and **4,963,200 passenger.km** by public bus, leading to estimated indirect emissions of approximately **887 mtCO_{2e}**.

These emissions calculations were based on assumptions derived from the typical commuting patterns of employees in Egypt. Various transportation modes were considered, including private cars, motorcycles, public buses, and taxis.



BUSINESS TRAVEL

52 mtCO_{2e}

Air travel & WTT

2 mtCO_{2e}



During the reporting period, Bank NXT employees collectively traveled a total distance of **5,055 km**, which included both domestic and international flights. The passenger-kilometer (p.km) metric for air travel reached **11,679 p.km**, resulting in indirect emissions of approximately **2 mtCO_{2e}**.

The flight breakdown consisted of one international flight for a single passenger and three domestic flights accommodating a total of **10 passengers**. Notably, the number of international flights decreased significantly compared to 2022, which accounts for the substantial reduction in total emissions, dropping from **10 mtCO_{2e}** last year to just **2 mtCO_{2e}** this year. This reduction highlights Bank NXT's commitment to minimizing its travel-related environmental impact.

Hotel stays

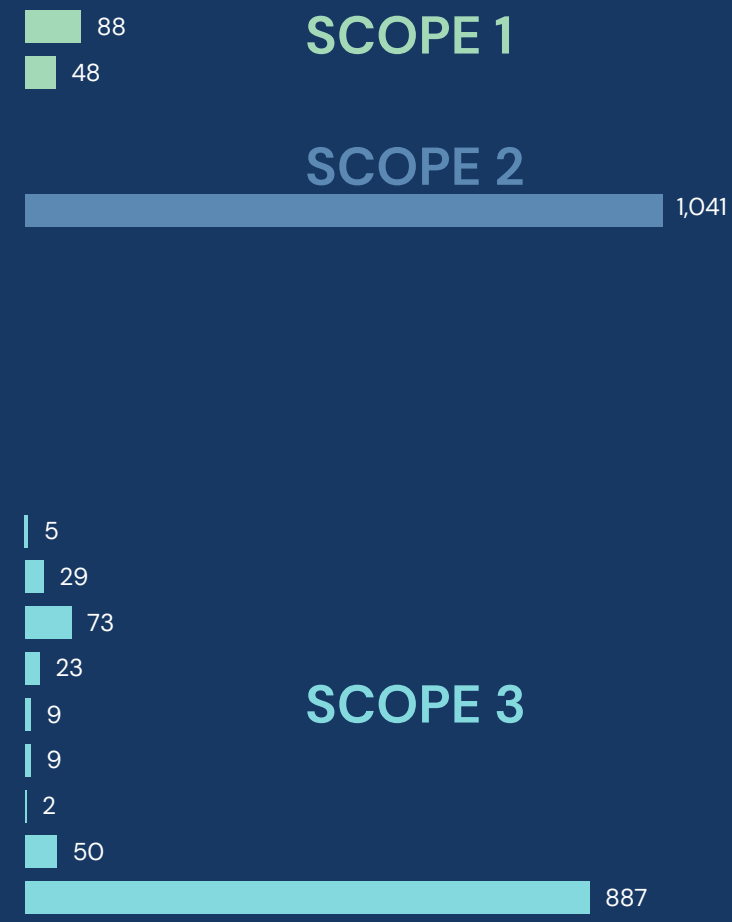
50 mtCO_{2e}



In the reporting year of 2023, employees spent a total of **1,123 nights** in hotels both domestically and internationally. This included **7 nights** in Turkey and **1,116 nights** across various hotels in Egypt. The total emissions generated from these hotel stays were approximately **50 mtCO_{2e}**, reflecting the environmental impact and carbon footprint of the accommodations.

CFP RESULTS SUMMARY

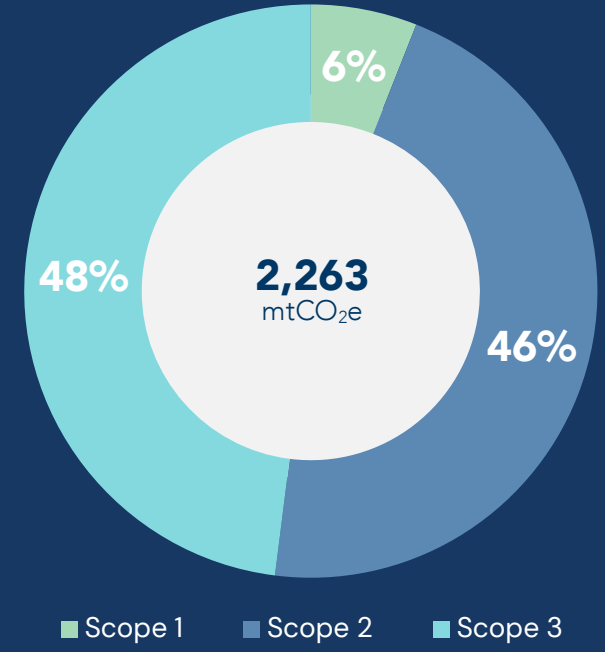
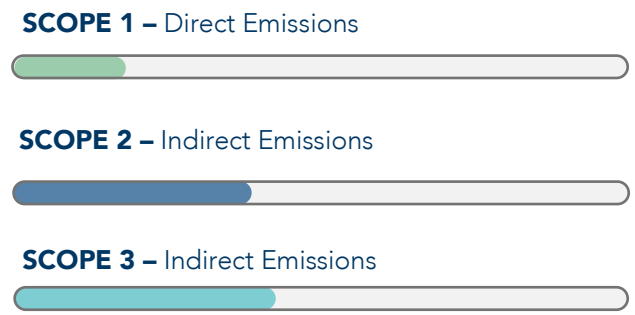
SCOPE 1 – DIRECT EMISSIONS (mtCO ₂ e)			2023	
Mobile combustion	Fuel burning – Owned delivery vehicles	88	6%	
Fugitive emissions	Refrigerant leakage	48		
Total Scope 1 (mtCO₂e)		136		
SCOPE 2 – INDIRECT EMISSIONS (mtCO ₂ e)			2023	
Purchased energy	Purchased electricity	1,041	46%	
Total Scope 2 (mtCO₂e)		1,041		
Total Scope 1 & 2 Emissions		1,177		mtCO ₂ e
Scope 1 & 2 Carbon intensity		1.67		mtCO ₂ e/FTE
SCOPE 3 – INDIRECT EMISSIONS (mtCO ₂ e)			2023	
Category 1: Purchased goods and Services	Water use	5	48%	
	Office supplies	29		
Category 3: Fuel and energy-related actives (not included in scope 1 and 2)	Transmission & distribution losses	73		
	Fuel burning – Owned delivery vehicles (WTT)	23		
Category 5: Waste generated in operations	Wastewater treatment	9		
	Solid waste disposal	9		
Category 6: Business travel	Air Travel + (WTT)	2		
	Hotel stay	50		
Category 7: Employee commuting + WTT	Employee commuting	887		
Total Scope 3 (mtCO₂e)		1,086		
Total Scope 1, 2 & 3 Emissions (mtCO₂e)		2,263		mtCO ₂ e



Total Scope 1 direct emissions at Bank NXT's headquarters are **136 mtCO₂e**. Of this, mobile combustion contributes **88 mtCO₂e**, accounting for **65%** of total Scope 1 emissions, while fugitive emissions make up the remaining **35%**.

Scope 2 emissions, which include only purchased electricity, represent **46%** of the overall emissions.

Scope 3 emissions constitute **48%** of total emissions. Within the five categories included in Scope 3, Category 7: Employee commuting accounts for the largest portion, representing **82%** of Scope 3 emissions.



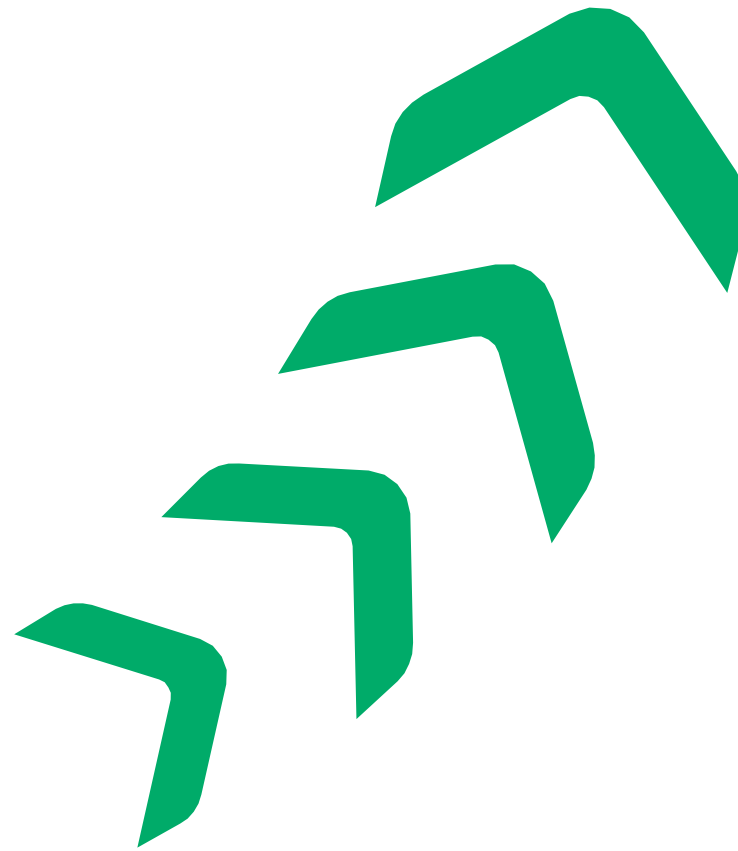
PERFORMANCE EVALUATION

CARBON INTENSITY

Carbon intensity quantifies the rate of greenhouse gas (GHG) emissions, expressed in mtCO₂e, relative to a specific measure of activity over a given timeframe. It's essential to understand that simply reporting direct and indirect carbon emissions doesn't fully reflect an organization's resource consumption efficiency. In contrast, carbon intensity metrics provide valuable insights into how efficiently an organization utilizes its resources by evaluating emissions per unit of output.

During this reporting period, Bank NXT achieved an emissions intensity of **1.67 mtCO₂e** per full-time equivalent (FTE) for Scope 1 and 2 emissions. This metric is a vital indicator of the bank's environmental efficiency. Compared to the base year, this represents a **28%** reduction, primarily driven by decreases in fugitive emissions and mobile combustion emissions. This reduction is largely due to the bank's decision to reduce its fleet by **80%**, now operating only 30 vehicles. This shift underscores Bank NXT's commitment to sustainable and low-carbon operations.

2021 (BY) CARBON INTENSITY	2023 CARBON INTENSITY
mtCO ₂ e/FTE	
2.32	1.67



BENCHMARKING

Benchmarking is used to assess the performance of a certain organization over time and compare it against others within the same industry. In addition, benchmarking allows organizations to determine industry best practices, and identify further opportunities for improvement. Scope 1 & 2 carbon emission intensities (per FTE and per m²) are used to benchmark the performance of Bank NXT nationally, while electricity intensity per m² is used to assess it on a wider international level.

Published and unpublished data of a 20+ banks' headquarters were used to calculate the national average emission intensity (per FTE and m²). Accordingly, a methodology for a national rating has been developed. The table shows Bank NXT's national rank compared to other banks' headquarters in Egypt. Bank NXT has an emission intensity for the year 2023 of **1.67 mtCO₂e/FTE** & **0.11 mtCO₂e/m²**, which is a "B" and "A" score respectively.

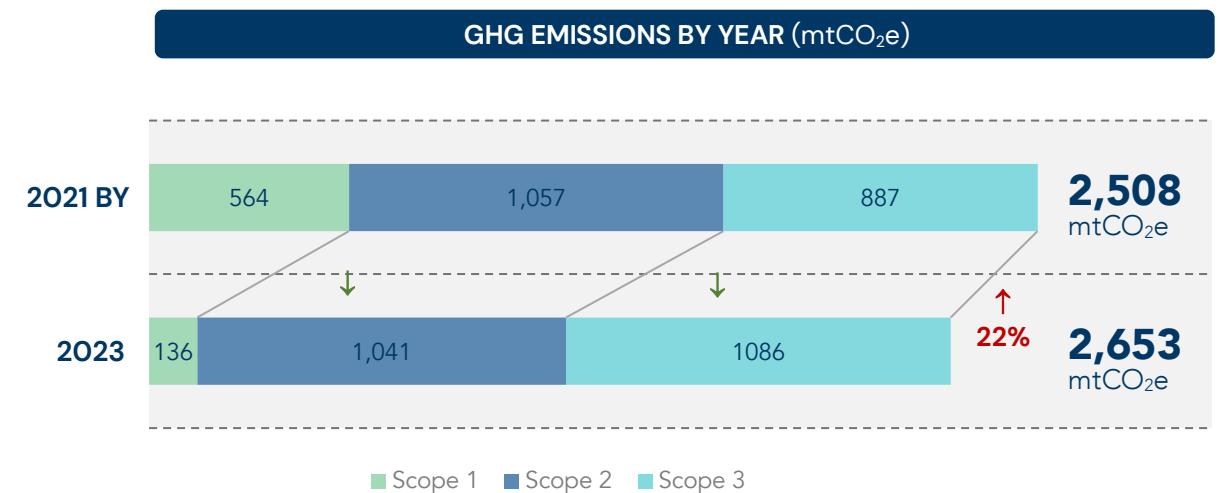
Score	Emissions Intensity (mtCO ₂ e/FTE)	Emissions Intensity (mtCO ₂ e/m ²)
A	<1	<0.2
B	1-2	0.2 - 0.4
C	2-3	0.4 - 0.6
D	3-4	0.6 - 0.8
E	>4	>0.8

This year, we conducted a thorough evaluation of our business performance against the base year to assess our progress. We can confirm that there have been no changes to our operational and organizational boundaries since the baseline.

In 2023, Bank NXT achieved a significant **27% reduction** in total absolute emissions for Scope 1 and 2, alongside a **28% decrease** in carbon intensity per Full-Time Equivalent (FTE). Furthermore, our carbon intensity per square meter (m²) for Scope 1 and 2 emissions is now at **0.11 mtCO₂e/m²**, marking a **31% decline** from the base year.

Breaking it down by scope, we observed reductions of **76%** in Scope 1 emissions and **1.5%** in Scope 2 emissions. However, Scope 3 emissions have increased by **22%**. These findings offer valuable insights into our environmental impact and will inform our ongoing sustainability initiatives.

	Base Year (2021)	Emissions (2023)	Indicator
Scope 1 emissions (mtCO₂e)	564	136	↓ 76%
Scope 2 emissions (mtCO₂e)	1,057	1,041	↓ 1.5%
Scope 1 + 2 emissions (mtCO₂e)	1,621	1,177	↓ 27%
Carbon intensity (mtCO₂e/FTE)	2.32	1.67	↓ 28%
Carbon intensity (mtCO₂e/m²)	0.16	0.11	↓ 31%
Scope 3 emissions (mtCO₂e)	887	1,086	↑ 22%
Total Scope 1,2 & 3 emissions (mtCO₂e)	2,508	2,263	↓ 9.8%



DECARBONIZATION PLAN



The insights derived from this assessment are instrumental in creating more sustainable business scenarios and evaluating future policies through a range of projects of varying complexity. The decarbonization plan aims to reduce the organization's energy consumption and overall carbon footprint.

To develop a targeted decarbonization strategy, a comprehensive carbon audit has been conducted to assess the building's environmental performance. This audit examines five key categories, as detailed in the table below.

CATEGORY	DESCRIPTION
Building Construction	Building components (such as walls, roofs, windows, and doors) in relation to levels of heat gain/loss
Heating, Ventilation & Air Conditioning (HVAC)	Heating and cooling systems
Lighting	Loads related to lighting
Plugs	Plug loads resulting from various equipment and appliances
Water	Indirect energy sources related to water usage, water waste, and treatment

The carbon audit has identified key areas for improvement, laying the foundation for a customized decarbonization action plan for Bank NXT. Going forward, the feasibility of selected projects will be rigorously assessed, including a detailed analysis of critical factors to determine their viability. Based on these evaluations, we will take the necessary steps to advance the identified decarbonization initiatives.

PROJECT	DESCRIPTION	BENEFITS
ISO certification for waste management	Obtain ISO 14001 certification for headquarters including an integrated waste management plan to monitor waste generation, increase the recycling rate and reduce the percentage of waste disposed in landfills.	<ul style="list-style-type: none"> - Material circularity - Waste reduction and allowing for segregation, accurate quantification, and reuse/ recycling/ recovery
Maintenance to avoid refrigerants leakage	Conduct regular maintenance at head office utilizing refrigerants to identify any leakages and ensure proper reparations instead of loss of refrigerant leakages since refrigerant leakage reported the largest share of GHG emissions in Scope 1, accounting to around 66% of total Scope 1 emissions.	<ul style="list-style-type: none"> - Reduced indirect costs/Increased profit - Identification of any leakages and avoid higher costs of reparation at a later stage - Increased safety of workers
Green building guidelines	Develop and adopt green building guidelines including refurbishment of building such as insulation, draught proofing, efficient lighting and lighting control, HVAC operational parameters and control, external shading optimization, daylight and occupancy sensors and building energy and water efficiency and management. External shadings need to be cleaned regularly, as entered daylight is reduced due to accumulated dirt.	<ul style="list-style-type: none"> - Improved health and well-being of employees and customers - Improved customer satisfaction - Increased employee fulfillment - Enhanced building performance with longer lifetime and less maintenance
Sustainability policies	Introduce and adopt sustainability policies for Bank NXT's business & activities, with commitment to practices and standards to promote environmentally and socially responsible operations, incl. developing low-carbon business travel policy.	<ul style="list-style-type: none"> - Enhanced sustainability performance with reduced environmental impacts
Capacity building	Educating employees about climate change, decarbonization and climate resilience.	<ul style="list-style-type: none"> - Enhanced capacity building of all employees and workers
Reduction targets	Set specific carbon emission reduction targets with due dates.	<ul style="list-style-type: none"> - Reduced long-term and short-term carbon footprint
Water system efficiency	Water efficiency audit for all facilities to achieve reduced water usage and consumption. Install auto shut-off faucets.	<ul style="list-style-type: none"> - Reduced indirect costs/Increased profit - Less water use contributes positively to a society going towards water scarcity
Maintenance of transport fleet	Ensure regular maintenance of all vehicles and equipment on a regular basis, with proper controls and maintenance. Install GPS for all vehicles for shortest routes. Utilize a tracking system for the vehicles and equipment to identify any defects	<ul style="list-style-type: none"> - Reduced indirect costs/Increased profit - Less pollution and enhanced air quality - Increased safety of drivers and workers utilizing the equipment - Possible time savings and well-being of drivers
Bank cards	Design an innovative system in which expired banks cards are collected, and its plastic components are recycled.	<ul style="list-style-type: none"> - Material Circularity - Waste reduction and allowing for segregation, accurate quantification, and reuse/recycling/recovery - Value recovery
Green supply chain	Design Green Supply Chain policies by setting a criterion for new supplier selection, suppliers' monitoring, and auditing programs, minimizing waste and improve environmental footprint values. The traditional supply chain could be converted to a green one by taking environmental considerations into account at all stages, from product development and manufacturing to distribution and end customers.	<ul style="list-style-type: none"> - Compliance with international guidelines - Potential for both short-term and long-term carbon footprint reduction
Carbon offsets	Invest in environmental projects to compensate for the share of Bank NXT emissions.	<ul style="list-style-type: none"> - Reduced overall carbon footprint
Renewable energy	Utilize renewable energy sources (e.g. solar PV).	<ul style="list-style-type: none"> - Reduced indirect cost/ increased profit - Less dependance on grid electricity and diesel generators, with reduced risk of power outage
Lighting systems efficiency	Install occupancy and daylight sensors. Use daylight more efficiently.	<ul style="list-style-type: none"> - Reduced electricity consumption and cost

- Low cost & time to implement
- Medium cost & time to implement
- High cost & time to implement

OUR PROGRESS

PROJECT	PROGRESS	DESCRIPTION
ISO certification for waste management	⌚	As a first step towards attaining the ISO certification for waste management, Bank NXT partners with an outsourced company to sell its shredded paper waste for recycling. Additionally, we actively recycle our metal and plastic waste.
Maintenance to avoid refrigerants leakage	✓	Bank NXT has been proactively increasing the frequency of routine maintenance for its AC systems, significantly reducing refrigerant leakage.
Green building guidelines	⌚	As a step towards implementing green building guidelines in all facilities, Bank NXT is implementing LED and sustainable lighting solutions for all new premises and existing facilities have also been upgraded to LED lighting. Additionally, water sensors have been installed in all facilities to help reduce water consumption.
Sustainability policies	⌚	In 2023, Bank NXT developed a sustainability policy that has been approved by the board. The accompanying sustainability procedures are set to be approved in 2024.
Capacity building	⌚	Bank NXT is committed to conducting sustainability awareness workshops for all employees, along with specialized courses on sustainability and sustainable finance for those in the sustainability department.
Reduction targets	⊘	Bank NXT will continue to focus on this once we begin calculating our carbon footprint for all facilities.
Water system efficiency	⌚	Bank NXT has installed water sensors in all new and existing facilities to help minimize water consumption.
Maintenance of transport fleet	⌚	Bank NXT has reduced its fleet by 80%, now retaining only 30 vehicles.
Bank cards	⊘	No initiatives have been launched yet.
Green supply chain	⌚	All Bank NXT suppliers and vendors are now required to sign a code of conduct, ensuring compliance with the Sustainable Development Goals (SDGs).
Carbon offsets	⊘	No initiatives have been launched yet.
Renewable energy	⊘	While no initiatives have been implemented yet, plans are in place to incorporate solar panels into the energy mix.
Lighting systems efficiency	⌚	LED and sustainable lighting have been implemented in all new and existing facilities.
Green Initiatives	⌚	In alignment with CBE initiatives, Bank NXT launched two new loans in 2023. 1. Electric Car Loans (April): EGP 4,341,000 loans with waived admin fees to promote electric vehicle adoption. 2. Solar Power Loans (November): Personal loans encouraging solar energy use to reduce electricity reliance and emissions.



ANNEX

DEFINITIONS

A base year is a reference year in the past with which current emissions can be compared. To maintain consistency and comparability with future carbon footprints, base year emissions need to be recalculated when structural changes occur in the company that change the inventory boundary (such as acquisitions or divestments). If no changes to the boundaries of the inventory happen, the base year is not adjusted.

Base year**Carbon footprint**

The amount of Carbon Dioxide that an individual, group, or organization lets into the atmosphere in a certain time frame.

CO₂e

Carbon dioxide equivalent or CO₂ equivalent, abbreviated as CO₂e, is a metric used to compare the emissions from various GHGs based on their global-warming potential (GWP), by converting amounts of other gases to the equivalent amount of carbon dioxide with the same global warming potential.

Direct emissions

Greenhouse gas emissions from facilities/sources owned or controlled by a reporting company, e.g., generators, blowers, vehicle fleets.

Emission factors

Specific value used to convert activity data into greenhouse gas emission values.

Fugitive emissions

Fugitive emissions are emissions of gases or vapors from pressurized equipment due to leaks and other unintended or irregular releases of gases, mostly from industrial activities. Besides the economic cost of lost commodities, fugitive emissions contribute to air pollution and climate change.

GHG protocol

Greenhouse Gas Protocol is a uniform methodology used to calculate the carbon footprint of an organization.

GWP

Global Warming Potential is an indication of the global warming effect of a greenhouse gas in comparison to the same weight of carbon dioxide.

Indirect emissions

Greenhouse gas emissions from facilities/sources that are not owned or controlled by the reporting company, but for which the activities of the reporting company are responsible, e.g., purchasing of electricity.

Kyoto protocol

It operationalizes the United Nations Framework Convention on Climate Change by committing industrialized countries to limit and reduce greenhouse gases (GHG) emissions in accordance with agreed individual targets.

Operational boundary

Determination of which facilities or sources of emissions will be included in a carbon footprint calculation.

Organizational boundary

Determination of which business units of an organization will be included in a carbon footprint calculation.

Refrigerant

A refrigerant is a substance or mixture, usually a fluid, used in a heat pump and refrigeration cycle.

Scope 1

Direct emissions from sources that are owned or controlled by the reporting entity (i.e., any owned or controlled activities that release emissions straight into the atmosphere).

Scope 2

Indirect emissions associated with the consumption of purchased electricity, heat or steam from a source that is not owned or controlled by the company.

Scope 3

Indirect emissions resulting from other activities that are not covered in scope 1 and 2. This includes transport fuel used by air business travel, and employee-owned vehicles for commuting to and from work; emissions resulting from courier shipment; emissions from waste disposal, etc.

DATA SOURCES & QUALITY

- Good, no changes recommended.
- Satisfactory, could be improved.
- Weak, priority area for improvement.

The carbon footprint calculations are based on data from Bank NXT’s comprehensive database. We have evaluated the quality of this data, presenting the findings below. Each business sector was assessed independently to enhance analysis and provide clear insights and explanations. The data quality is categorized into three levels, highlighting potential areas for improvement in each activity.

Primary data: data taken from documents that are directly linked to the assessment, such as electricity invoices, to calculate emissions caused due to electricity.

Secondary data: such as databases, studies, and reports.

Assumptions: assumptions made based on internationally recognized standards and studies.

SCP	ACTIVITY	DATA	UNITS	RESOLUTION	
1	Mobile combustion	Owned vehicles	37,713	liters Petrol	Data was received as monthly petrol consumption for delivery vehicles
1	Fugitive emissions	Refrigerants leakage	27	kg	Data was received as monthly refrigerant consumption and type
2	Purchased energy	Purchased electricity	2,269	MWh	Data was received as monthly KWh electricity consumption.
3	Purchased goods and services	Water use	15,168	m ³	Data was received as monthly water use as a fixed monthly quantity.
		Printing supplies	29	tons Paper	Data was received as yearly quantity of A4 paper and ink cartridges purchased.
			663	units Ink cartridges	
3	Employee commuting	Commuting & WTT	4,963,200	p.km Public bus	Data based on assumptions developed from the typical commuting profile of employees in Egypt.
			1,240,800	km Private car	
3	Business travel	Air travel	11,679	p.km	Data was received as number of passengers and trip routes throughout the year
		Hotel stays	1,123	nights	Data was received as total number of nights spent in each city throughout the year
3	Waste generated in operations	Recycled solid waste	1	tons	Data was received as weight of shredded paper
		Solid waste disposal – landfill	17	tons	Data was received as number and weight of waste bags
		Wastewater treatment	13,651	m ³	Wastewater is assumed to be 90% of total water usage.



RELEVANCY & EXCLUSIONS

The table below outlines the sources of GHG emissions excluded from Bank NXT's inventory. Exclusions were based on various factors, including insufficient data and emissions that fall outside Bank NXT's operations and control, rendering them technically infeasible to measure. Each activity's exclusion rationale is detailed for

CAT#	ACTIVITY	DESCRIPTION	EMISSIONS	STATUS
1	Purchased goods and services	This includes office supplies including paper and ink, in addition to water use. The objective is to broaden the scope of coverage for purchased products and services, reflecting a commitment to comprehensively account for the environmental impact associated with Bank NXT's operational activities.	34	Relevant, calculated
2	Capital goods	Includes upstream emissions from the production of capital goods purchased or acquired by the reporting company in the reporting year.	-	Relevant, not yet calculated
3	Fuel and energy related activities (not included in Scope 1 and 2)	Includes Well-to-tank emissions from transmission and distribution losses and fuel burning in generators and owned vehicles.	96	Relevant, calculated
4	Upstream transportation and distribution	Transportation from Bank NXT's upstream supply chain.	-	Relevant, not yet calculated
5	Waste generated in operations	Includes emissions from the transportation of solid waste, the landfill emissions resulting from the disposal of waste, and emissions associated with wastewater treatment.	18	Relevant, calculated
6	Business travel	Includes emissions from air travel and hotel stays.	52	Relevant, calculated
7	Employee commuting	Transportation of employees between their homes and their worksites during the reporting year (in vehicles not owned or operated by Bank NXT).	887	Relevant, calculated
8	Upstream leased assets	This category is not directly relevant because all assets leased are already included in the company's scope 1 and 2 emissions.	-	Not relevant, explanation provided
9	Downstream transportation	Bank NXT's downstream transportation emissions include transportation of business cards and letters to clients, armored vehicles, ... etc.	-	Relevant, not yet calculated
10	Processing of sold products	This category is not relevant to Bank NXT as the bank does not produce intermediate products that require further processing.	-	Not relevant, explanation provided
11	Use of sold products	This should include emissions from the use of internet banking and other sold products.	-	Relevant, not yet calculated
12	End of life treatment of sold products	This category is not yet embraced in the calculations but could include end of life treatment of cards distributed to the customers.	-	Relevant, not yet calculated
13	Downstream leased assets	This category is not directly relevant because all assets leased are already included in the bank's Scope 1 and 2 emissions.	-	Relevant, not yet calculated
14	Franchises	This category is not relevant to Bank NXT's business and has therefore been excluded.	-	Not relevant, explanation provided
15	Investments	Emissions resulting from commercial loan activities and/or projects financed by Bank NXT.	-	Relevant, not yet calculated



QUALITY ASSURANCE STATEMENT

To Bank NXT's Board of Directors',

We have been appointed by Bank NXT to conduct carbon footprint calculations pertaining to Bank NXT's headquarters' operations for the period from 1st of January 2023 to the 31st of December 2023.

AUDITORS' INDEPENDENCE AND QUALITY CONTROL

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

AUDITORS' RESPONSIBILITY

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

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

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

CONCLUSION

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

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

December 2024



TRAINING PARTNER



ABOUT MASADER

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

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