Beltone

CARBON FOOTPRINT REPORT

2023

CONTENTS

ABBREVIATIONS & ACRONYMS

BY	Base Year
CFP	Carbon Footprint
CO_2	Carbon Dioxide
CO_2e	Carbon Dioxide Equivalent
DEFRA	Department for Environment, Food & Rural Affairs
EF	Emission Factor
EGP	Egyptian Pound
EPA	United States Environmental Protection Agency
ERA	Egyptian Electric Utility and Consumer Protection Regulatory Agency
FTE	Full-time Equivalent
GHG	Greenhouse Gases
GWP	Global Warming Potential
HVAC	Heating, Ventilation, 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
N/D	Not Disclosed
t	Tons
tCO_2e	Tons Carbon Dioxide Equivalent
MWh	Megawatt Hour
WB-2°C	Well-Below 2°
WBCSD	World Business Council for Sustainable Development
WRI	World Resources Institute
WTT	Well-To-Tank

EXECUTIVE SUMMARY

In today's rapidly evolving financial landscape, sustainability has emerged as a pivotal consideration for both businesses and consumers alike. Disregarding the implications of climate change can generate significant risks for the financial sector.

As a leading financial service provider, we recognize the importance of transparency and accountability in addressing climate change and promoting sustainability. We are herewith presenting our first Carbon Footprint Report. The reporting period is from 1st January 2023 to the 31st of December 2023, covering Scope 1, 2 and fundamental activities contributing to Scope 3 emissions.

The analysis and calculations of this assessment followed protocols & standards specially developed for accounting and reporting carbon footprint including the Greenhouse Gas Protocol Guidelines, the 2006 Intergovernmental Panel on Climate Change (IPCC) Guidelines for Greenhouse Gas Inventories (with 2019 Refinements) and the ISO 14064-1:2018 Standards.

The report provides a comprehensive overview of the total carbon emissions generated by Beltone Holding across its operations, encompassing Scope 1 direct emissions from fuel combustion, Scope 2 indirect emissions from purchased electricity and chilled water, and fundamental activities contributing to Scope 3 indirect emissions.

Beltone Holding's Scope 1 direct emissions amount to **49 $mtCO_2e$,** representing a mere **2.2%** of the total emissions. In comparison, Scope 2 emissions, which include purchased electricity and chilled water, total **227 $mtCO_2e$,** accounting for **10.4%** of the total emissions.

The largest contributor to the company's carbon footprint is Scope 3 emissions, which amount to **1,914 $mtCO_2e$,** constituting a significant portion of **87.4%** of the total emissions. Within the Scope 3 emissions category, the primary contributors are Category 7: Employee commuting and Category 1: Purchased goods and services, comprising each **39%** and **24%,** respectively, of the total emissions. Following closely is Category 2: Capital goods, contributing **15%** of the emissions. In contrast, Category 5: Waste generated in operations stands as the least significant contributor, representing a mere **0.3%** of the total emissions.

In the year 2023, Beltone Holding demonstrates commendable performance in terms of emissions intensity. The company's emissions intensity stands at **0.05 $mtCO_2e/m^2$,** equivalent to **0.57 $mtCO_2e$ /FTE.** These figures earn an A rating in both categories according to national benchmarking. Moreover, Beltone Holding showcases remarkable efficiency in electricity usage, with an electricity intensity of **94.7 KWh/m^2.** This figure highlights the company's commitment to energy efficiency, as it significantly outperforms the typical electricity intensity of office buildings.

Through a thorough analysis of our environmental performance, we have identified four primary categories of focus: **resource consumption, employee engagement, sustainable procurement, and financed emissions.** Each of these categories has specific action points that will guide our efforts towards achieving our set targets.

In line with our commitment to the goals of the Paris Agreement, we have established reduction targets to ensure that Beltone Holding activities and associated emissions contribute to a global temperature increase of no more than 1.5 degrees Celsius. Accordingly, we are dedicated to achieving a significant **42% reduction in Scope 1 and 2 emissions by the year 2030.** This ambitious target reflects our determination to make a substantial positive impact on the environment and combat climate change.

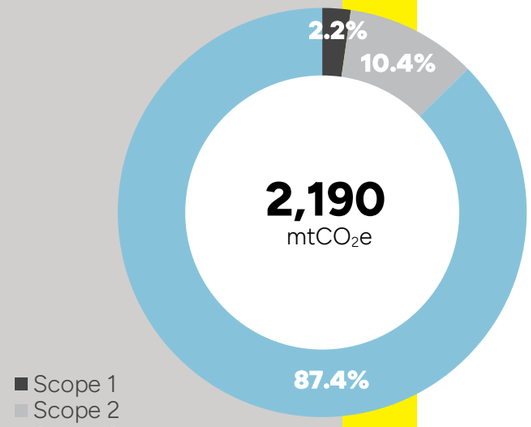
2030
TARGET
REDUCTION

42%

SCOPE 1 Direct emissions of **49 $mtCO_2e$**

SCOPE 2 Indirect emissions of **227 $mtCO_2e$**

SCOPE 3 Indirect emissions of **1,914 $mtCO_2e$**



BELTONE HOLDING EMISSIONS INTENSITY*

*Scope 1 and 2 emissions only.

0.57
$mtCO_2e$/FTE

0.05
$mtCO_2e/m^2$

INTRODUCTION

In today's interconnected global economy, the financial services sector plays a pivotal role not only in driving economic growth but also in shaping our collective response to pressing environmental challenges, particularly climate change. As we confront the realities of a warming planet and dwindling natural resources, the financial industry's role in fostering sustainability and mitigating climate-related risks has never been more critical.

According to the United Nations Environment Programme Finance Initiative (UNEP FI), the financial services sector accounts for approximately 20% of global greenhouse gas emissions through its lending, investment, and insurance activities. Recognizing this profound impact, there is a growing imperative for the financial services sector to integrate sustainability considerations into its core operations and decision-making processes

As a preeminent force in the financial services sector across the MENA region, Beltone Holding epitomizes excellence, innovation, and commitment to sustainable growth. With a rich legacy spanning decades, the company has continuously demonstrated its prowess in providing comprehensive financial solutions tailored to meet the diverse needs of its clientele. From brokerage and investment banking to asset management, equity research, and an extensive range of non-banking financial services, Beltone Holding's portfolio is emblematic of its unwavering dedication to driving value and fostering success.
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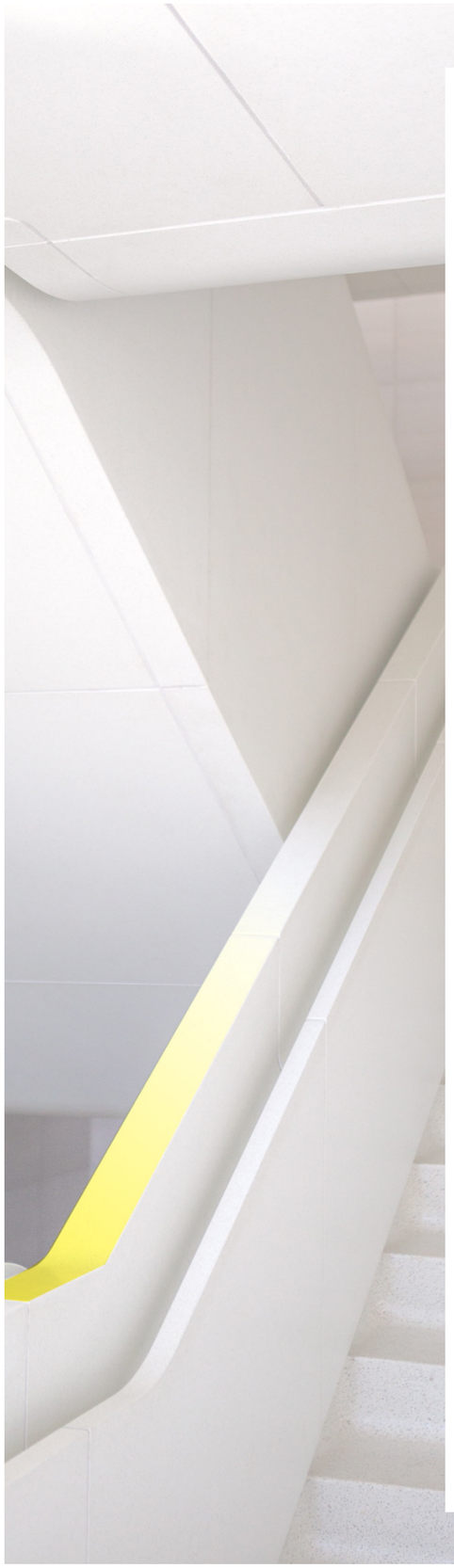
Amidst its pursuit of market leadership and client empowerment, Beltone Holding recognizes the imperative to address the challenges of environmental sustainability. As the global community grapples with the pressing realities of climate change and resource depletion, businesses are increasingly called upon to account for their environmental impact. In this context, Beltone Holding stands committed to understanding, quantifying, and mitigating its carbon footprint—a crucial step towards fostering a more sustainable future for generations to come.

This report serves as a testament to Beltone Holding's proactive approach to environmental stewardship. By examining the company's carbon emissions across its operations, supply chain, and activities, we gain insight into its environmental footprint and identify opportunities for improvement.

Through transparency, accountability, and a steadfast commitment to sustainable practices, Beltone Holding reaffirms its role as a responsible corporate citizen and sets a precedent for sustainable business practices within the financial services industry.



INVENTORY BOUNDARIES

In line with the Greenhouse (GHG) Protocol to accurately report on GHG emissions, an organization must first define its organizational and operational boundaries.

ORGANIZATIONAL BOUNDARIES

When it comes to disclosing emissions, companies often decide between two primary methods: the control approach, where emissions from operations under direct financial or operational control are reported, or the equity share approach, where emissions are reported based on the company's equity share in these operations. In our case, we have opted for the operational control approach.

Beltone Holding's organizational boundary is limited to the headquarters' building in Cairo, located in Nile City Towers, covering a gross area of **5,225 m²** and accommodating **484 full-time employees.**

REPORTING PERIOD & BASE YEAR (BY)

The reporting period for the carbon footprint assessment spans from January 1st, 2023, to December 31st, 2023. This marks the first reporting year for Beltone Holding. It's important to note that the base year (BY) is subject to alteration in the future should there be any changes to the organizational boundaries.

OPERATIONAL BOUNDARIES

Operational boundaries define the scope of direct and indirect emissions for operations that fall within Beltone Holding's established organizational boundary and choosing the scope of accounting and reporting for indirect emissions.

SCOPE 1

MOBILE COMBUSTION	Owned vehicles

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

SCOPE 2

PURCHASED ENERGY	Electricity Chilled water

Indirect emissions associated with the consumption of purchased energy from a source that is not owned or controlled by Beltone Holding.

SCOPE 3

CATEGORY 1: PURCHASED GOODS & SERVICES	Water use Paper consumption Ink consumption Consumables Other goods & services
CATEGORY 2: CAPITAL GOODS	Capital expenditures
CATEGORY 3: FUEL AND ENERGY-RELATED ACTIVITIES	Transmission & distribution losses Mobile fuel burning
CATEGORY 5: WASTE GENERATED IN OPERATIONS	Wastewater treatment Solid waste disposal
CATEGORY 6: BUSINESS TRAVEL	Air travel + Well-to-Tank (WTT) Land travel + Well-to-Tank (WTT) Hotel stays
CATEGORY 7: EMPLOYEE COMMUTING	Employee commuting + (WTT)

Emissions resulting from other activities that are not covered in Scope 1 and 2. These indirect emissions are a result of Beltone Holding's operations but are not directly owned or controlled by it.

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:

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).

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.
- **Corporate Value Chain (Scope 3) Accounting and Reporting Standard**

GREENHOUSE GAS PROTOCOL

ipcc INTERGOVERNMENTAL PANEL ON climate change

ISO 14064

EMISSIONS 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 (CO_2e) emissions generated by a unit weight, volume, distance, or duration of the activity, e.g., CO_2e/liter fuel consumed, CO_2e/km driven or CO_2e/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 2023 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 energy) 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 $mtCO_2e$, 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 $mtCO_2e$.

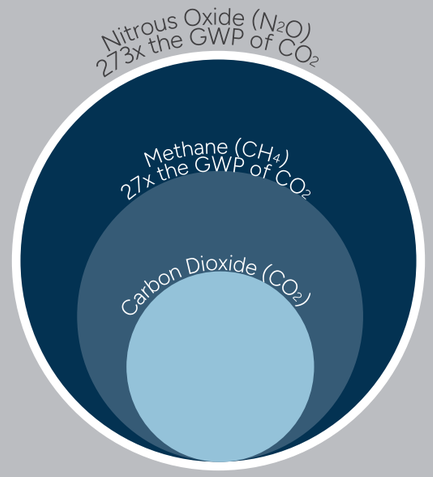
The greenhouse gas (GHG) emissions calculation approach is calculated by multiplying the activity with its equivalent emission factor based on a unit analysis to convert the emissions into the $mtCO_2e$ unit, according to the adjacent equation.

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 (CO_2e).

Beltone Holding applied 100-year GWPs to all emissions data in this inventory in order to calculate total emissions, in metric tons carbon dioxide equivalent ($mtCO_2e$). 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_2O)	273
Hydrofluorocarbons (HFCs)	124 – 14,800
Perfluorocarbons (PFCs)	7,390 – 12,200
Nitrogen trifluoride (NF_3)	17,400
Sulphur hexafluoride (SF_6)	25,200



Activity [unit] A × Emission Factor [$mtCO_2e$/unit] EF = GHG Emissions [$mtCO_2e$] E

CARBON FOOTPRINT RESULTS

SCOPE 1
DIRECT EMISSIONS

MOBILE COMBUSTION

49 $mtCO_2e$

Owned vehicles fuel burning

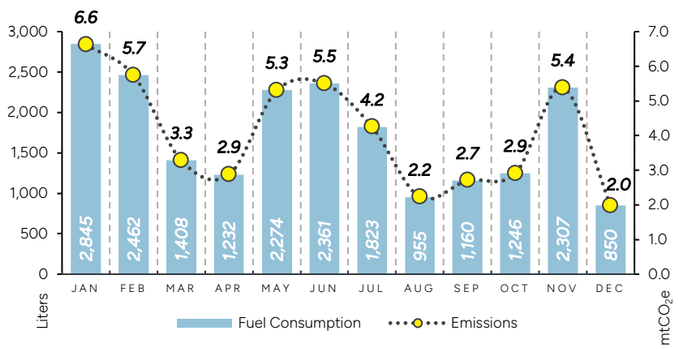
The emissions from Beltone Holding's fleet of 10 vehicles, exclusively using petrol during the reporting period, totaled **49 $mtCO_2e$** in direct emissions.

The primary fuel source being petrol, the total consumption of **20,923 liters** corresponded to emissions of approximately **49 $mtCO_2e$.**

The peak fuel consumption and associated emissions occurred in January, with a consumption of **2,845 liters** resulting in emissions of **6.6 $mtCO_2e$.**

In contrast, the lowest fuel consumption was documented in December at **850 liters**, resulting in emissions of **2 $mtCO_2e$**.

FUEL CONSUMPTION AND EMISSIONS



SCOPE 2
INDIRECT EMISSIONS

PURCHASED ENERGY

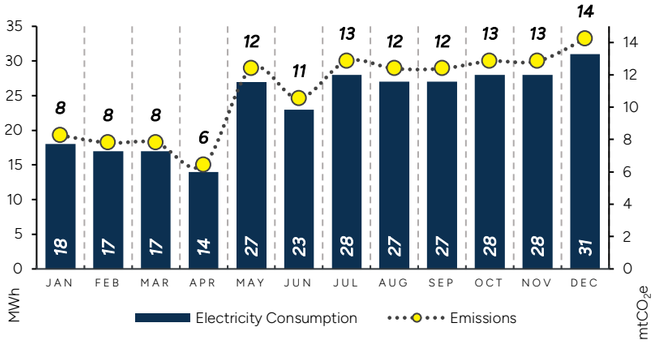
227 $mtCO_2e$

Purchased electricity 131 $mtCO_2e$

For the 2023 reporting period, the total electricity consumption within Beltone Holding amounted to **286 MWh** leading to indirect emissions of **131 $mtCO_2e$.**

The peak electricity consumption and associated emissions occurred in December, with a consumption of **31 MWh,** resulting in emissions of **14 $mtCO_2e$.** The lowest electricity consumption was documented in April, with a consumption of **14 MWh,** leading to indirect emissions of **6 $mtCO_2e$.**

PURCHASED ELECTRICITY CONSUMPTION AND EMISSIONS



Purchased chilled water 96 $mtCO_2e$

During the 2023 reporting period, Beltone Holding recorded a total chilled water consumption of **209 MWh,** resulting in indirect emissions of **96 $mtCO_2e$.**

The consumption data was consistently reported on a quarterly basis. The peak chilled water consumption and associated emissions took place in the 3rd quarter, reaching a total consumption of **83 MWh** and resulting in emissions of **38 $mtCO_2e$.** In contrast, the lowest readings were observed in the 1st quarter, with a total consumption of **26 MWh** and corresponding emissions of **12 $mtCO_2e$.**

SCOPE 3
INDIRECT EMISSIONS

PURCHASED GOODS & SERVICES

531 $mtCO_2e$

Water use — 1 $mtCO_2e$

Scope 3 emissions encompass various indirect emissions, including those associated with water use. In the reporting period of 2023, Beltone Holding used a total of **3,178 m³** of water. This water usage resulted in emissions equivalent to approximately **1 $mtCO_2e$.** Data was unavailable and estimated based on the typical water consumption in office buildings.

Paper consumption — 6 $mtCO_2e$

The paper consumption at Beltone Holding encompassed both A3 and A4 paper. Specifically, for A4 paper, the utilization of **2,485 packs,** totaling **6 tons,** led to emissions of **6 $mtCO_2e$.** Meanwhile, the consumption of A3 paper involved **10 packs,** totaling **0.05 tons,** resulting in emissions of **0.05 $mtCO_2e$.**

Ink consumption — 1 $mtCO_2e$

The consumption of a total of **212** ink cartridges resulted in indirect emissions of **1 $mtCO_2e$.**

Other goods and services — 516 $mtCO_2e$

The cumulative monetary expenditures at Beltone Holding were associated with indirect emissions totaling **516 $mtCO_2e$**.

Among the 30 reported goods, the top five contributors included services related to advertising, software publishers, other management consulting services, professional and management development training, and direct health and medical insurance carriers. The combined spending on these services resulted in indirect emissions totaling **411 $mtCO_2e$**.

Other services related to advertising	207 $mtCO_2e$
Software publishers	145 $mtCO_2e$
Other management consulting services	23 $mtCO_2e$
Professional and management development training	20 $mtCO_2e$
Direct health and medical insurance carriers	18 $mtCO_2e$

Consumables — 7 $mtCO_2e$

Beltone Holding's consumables encompass plastic waste bags, available in three different sizes. The total weight of these bags amounted to **2 tonnes**, contributing to indirect emissions of **7 $mtCO_2e$.**

CAPITAL GOODS

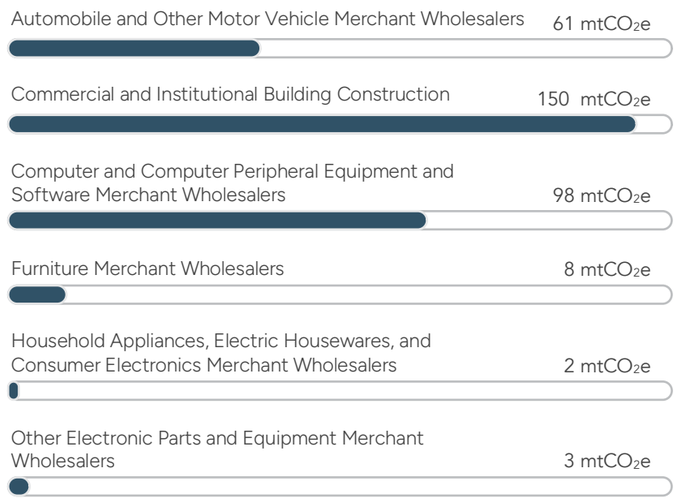
323 $mtCO_2e$

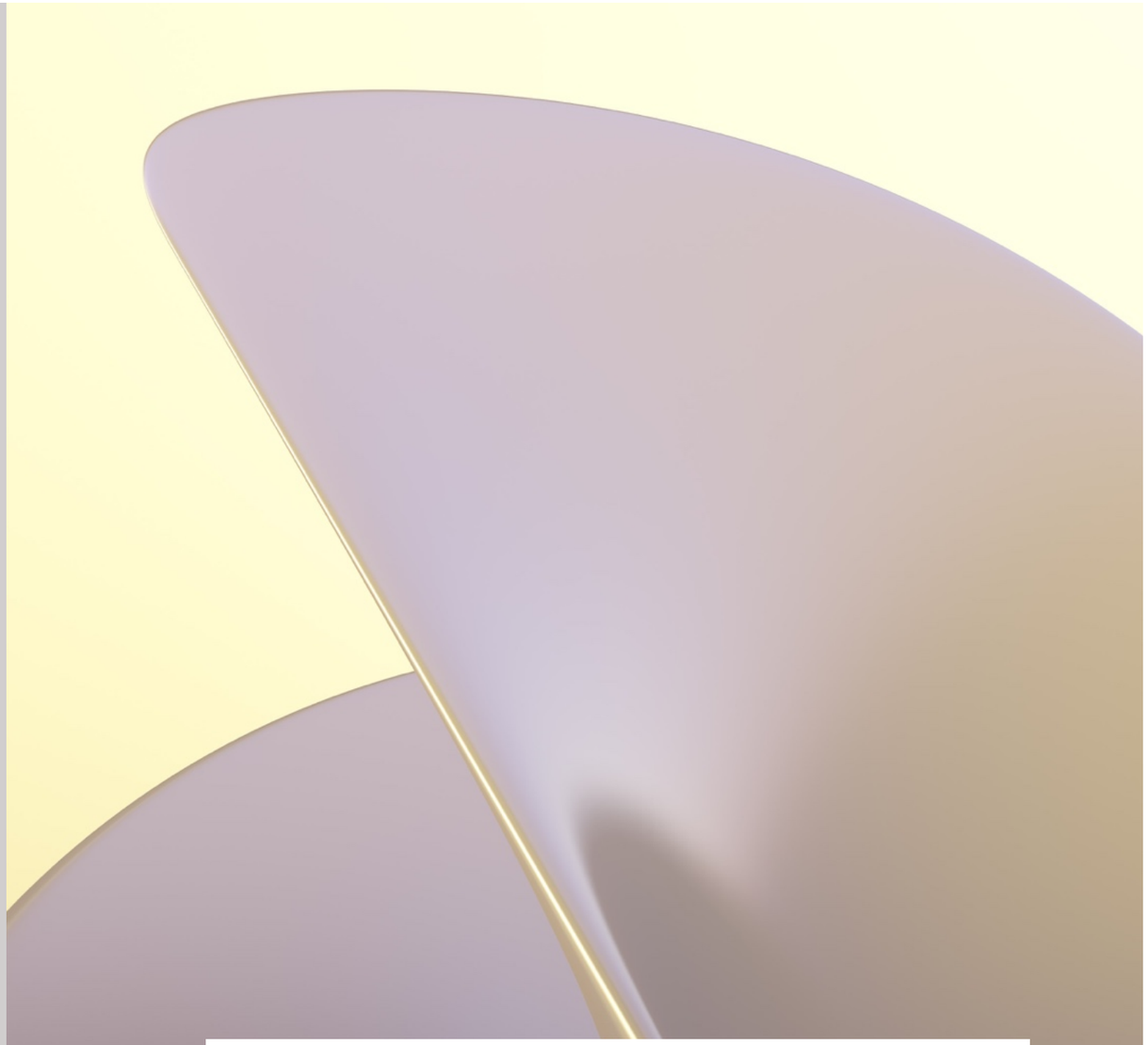
Capital expenditures

Beltone Holding's capital expenditures cover a diverse range of six categories, encompassing: automobile and other motor vehicle merchant wholesalers, commercial and institutional building construction, computer and computer peripheral equipment and software merchant wholesalers, furniture merchant wholesalers, household appliances, electric housewares, and consumer electronics merchant wholesalers, and other electronic parts and equipment merchant wholesalers. The cumulative expenditure across these categories were associated with indirect emissions totaling **323 $mtCO_2e$.**

The leading contributor to emissions is commercial and institutional building construction, linked to indirect emissions totaling **150 $mtCO_2e$.** Following closely is computer and computer peripheral equipment and software merchant wholesalers, associated with indirect emissions of **98 $mtCO_2e$.** Automobile and other motor vehicle merchant wholesalers represent a significant category, linked to indirect emissions of **61 $mtCO_2e$.**

The final three categories, contribute to approximately **13 $mtCO_2e$** in indirect emissions.





FUEL AND ENERGY-RELATED ACTIVITIES
(not included in Scope 1 & 2)

29 $mtCO_2e$

Well-to-Tank (WTT)

During the reporting period of 2023, the well-to-tank (WTT) emissions attributed to Beltone Holding's owned vehicles totaled **13 $mtCO_2e$.** Additionally, the transmission and distribution losses associated with purchased energy amounted to approximately ***16 $mtCO_2e$*** in emissions.

WASTE GENERATED IN OPERATIONS

6 $mtCO_2e$

Wastewater treatment 2 $mtCO_2e$

Within the Scope 3 category, wastewater treatment emissions are accounted for. During the reporting period of 2023, Beltone Holding was responsible for approximately **2,861 m^3** of water that drained into the sewage system for treatment. The wastewater treatment process resulted in emissions totaling approximately **2 $mtCO_2e$.**

Solid waste disposal 4.4 $mtCO_2e$

This category offers a comprehensive view of emissions stemming from solid waste generated by Beltone Holding. Throughout 2023, a combined total of **10 tons** of solid waste were generated, encompassing glass, plastics, paper, metals, as well as refuse. The disposal of this waste resulted in emissions amounting to approximately **4.4 $mtCO_2e$.**

Initial data covering two months, including waste type details, was received from Ertekaa, the contracted waste management provider responsible for managing the company's waste. Subsequent months were estimated based on this initial dataset. Glass waste accounted for **0.03 tons,** resulting in **0.001 $mtCO_2e$** in indirect emissions. Plastics amounted to **0.3 tons,** leading to **0.006 $mtCO_2e$** in indirect emissions. Paper and board waste totaled **0.6 tons,** contributing to **0.012 $mtCO_2e$** in indirect emissions. Metals accounted for **0.1 tons,** resulting in **0.002 $mtCO_2e$** in indirect emissions. Refuse, consisting of organic waste and landfill waste, amounted to **9 tons,** contributing to emissions of **4.36 $mtCO_2e$.**

EMPLOYEE COMMUTING + (WTT)

854 $mtCO_2e$

Employee commuting + (WTT)

Throughout the 2023 reporting period, Beltone Holding employees undertook significant commuting distances, covering a total of **2,542,033 km** by car and **2,542,033 passenger km** by bus. These journeys resulted in total emissions amounting to **854 $mtCO_2e$.** The data, obtained from a commuting profile, encompassed details such as the total number of employees, commuting preferences breakdown, and an estimated percentage distribution of employees across residential areas.

BUSINESS TRAVEL

172 $mtCO_2e$

Air Travel + (WTT) 127 $mtCO_2e$

During the reporting period, employees collectively traveled a total distance of **172,522 km.** This distance accounts for both domestic and international flights taken by our employees. Additionally, the passenger-kilometer (p.km) figure for air travel amounted to **644,244 p.km.**

The data for air travel, including the distance traveled and passenger-kilometers, was recorded in our database. It is important to note that in calculating the emissions associated with air travel, the WTT emissions were considered. This approach allows us to capture the maximum impacts of air travel, considering not only the emissions from the aircraft but also the upstream emissions associated with the production and transportation of aviation fuel. The total distance traveled by passengers resulted in indirect emissions equal to approximately **113 $mtCO_2e$**, and **14 $mtCO_2e$** in WTT.

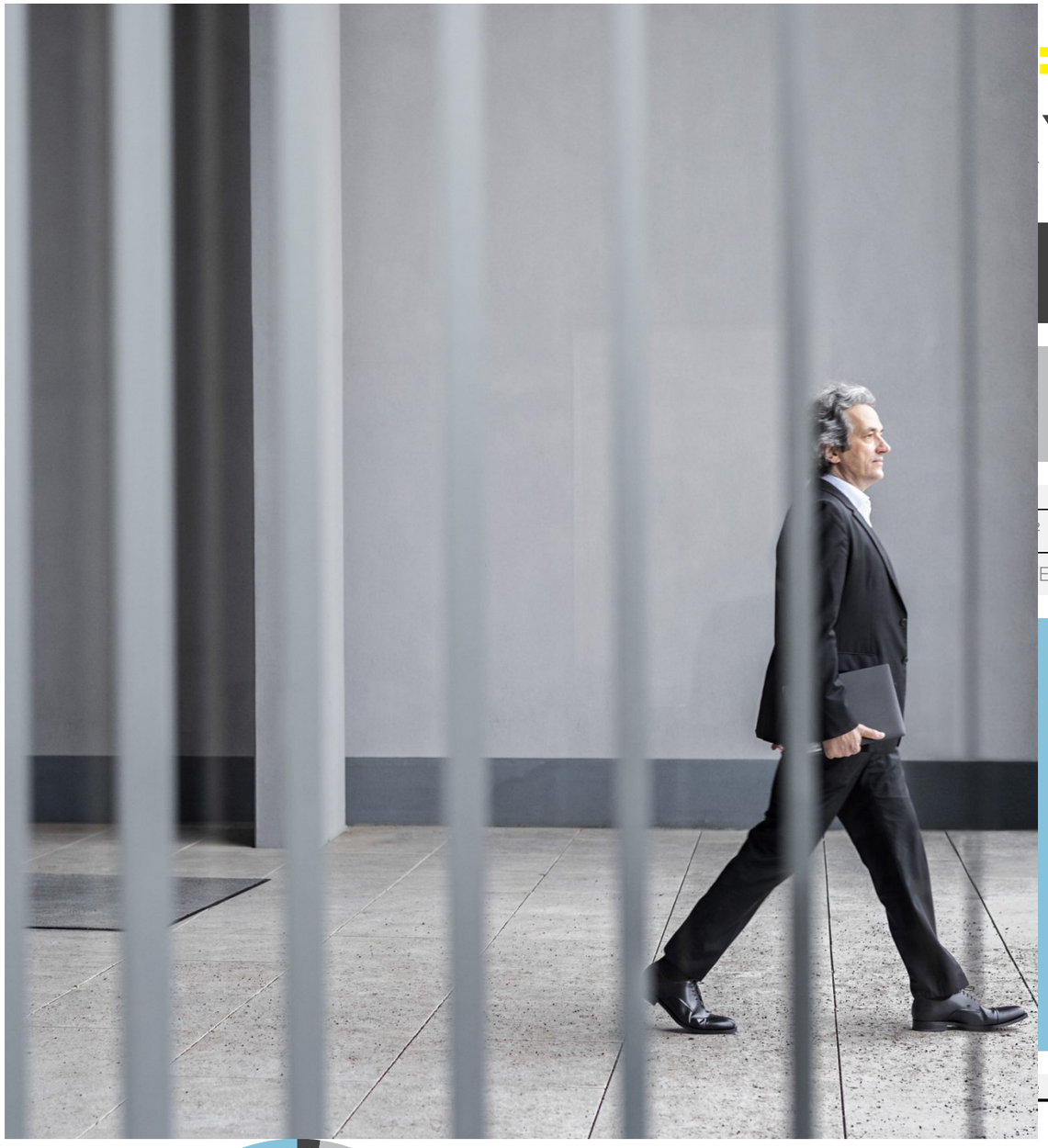
Land Travel + (WTT) 24 $mtCO_2e$

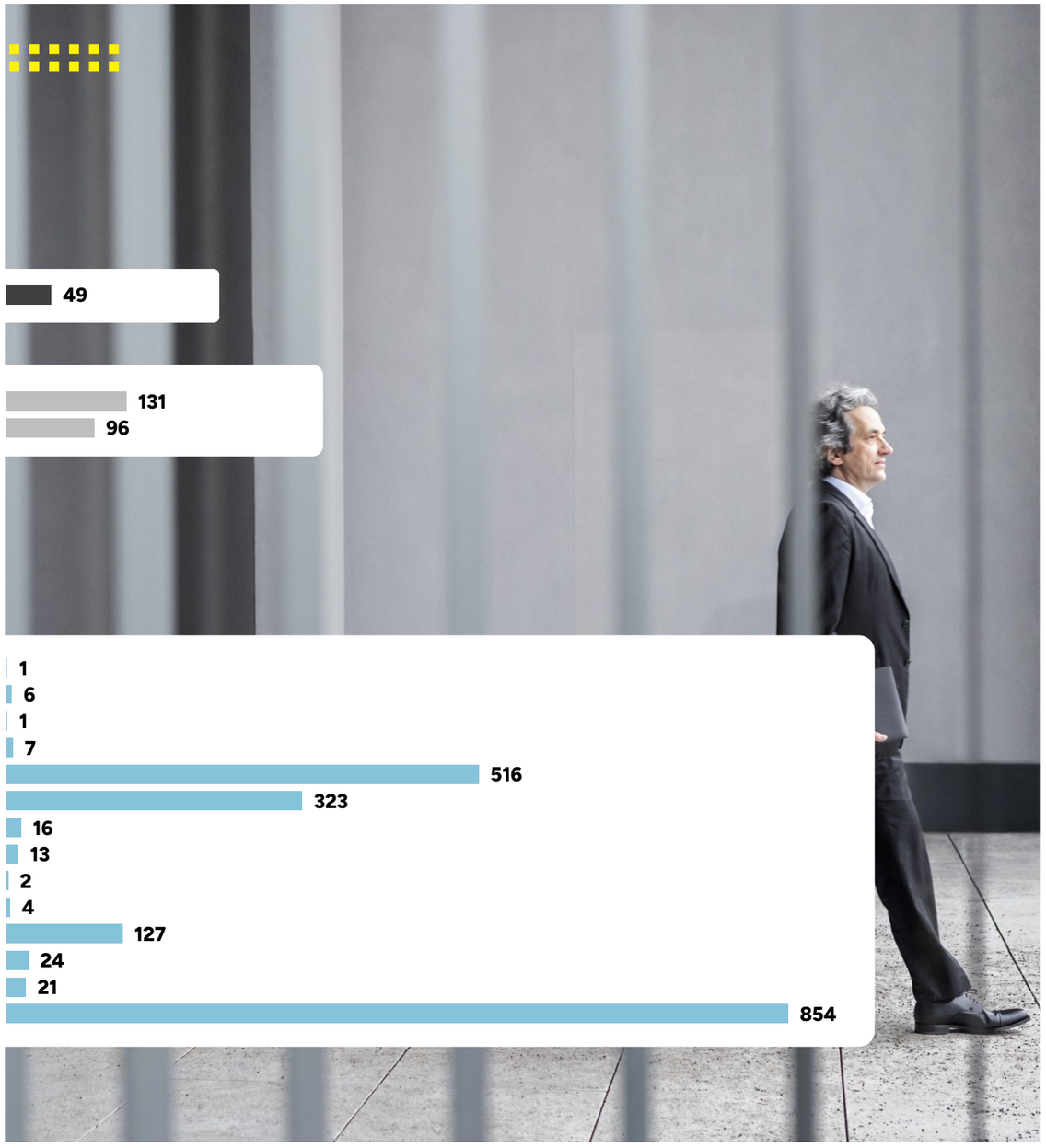
Throughout the reporting period, employees traveled a distance totaling **114,338 km,** resulting in **19 $mtCO_2e$** in indirect emissions and **5 $mtCO_2e$** in well-to-tank (WTT) emissions. These emissions were attributed to the use of petrol-fueled vehicles.

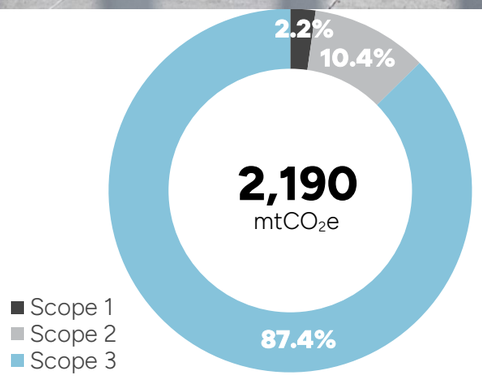
Hotel stays 21 $mtCO_2e$

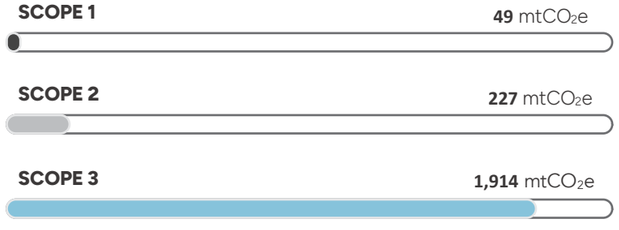
In the reporting year, Beltone Holding employees collectively spent a total of **383 nights** in various hotels across **9** different countries worldwide.

The total emissions resulting from these hotel stays amounted to approximately **21 $mtCO_2e$.** This figure encapsulates the environmental impact of the accommodations and the associated carbon footprint.









Total Scope 1 direct emissions in Beltone Holding amount to **49 $mtCO_2e$,** which represents only **2.2%** of total emissions.

Scope 2 emissions, including both purchased electricity and chilled water, account for **10.4%** of the total emissions.

Within Scope 3 emissions, Category 7: Employee commuting and Category 1: Purchased goods and services emerge as the primary contributors, comprising each **39%** and **24%,** respectively.

Following closely is Category 2: Capital goods, accounting for **15%** of emissions. Conversely, Category 5: Waste generated in operations stands as the least significant contributor, representing only **0.3%** of total emissions.

PERFORMANCE EVALUATION

BENCHMARKING

Benchmarking allows organizations to determine industry best practices and identify further opportunities for improvement. Scope 1 & 2 carbon emission intensities (per FTE and per m^2) are used herein to benchmark the performance of Beltone Holding nationally, while electricity intensity per m^2 is used to assess it on a wider international level.

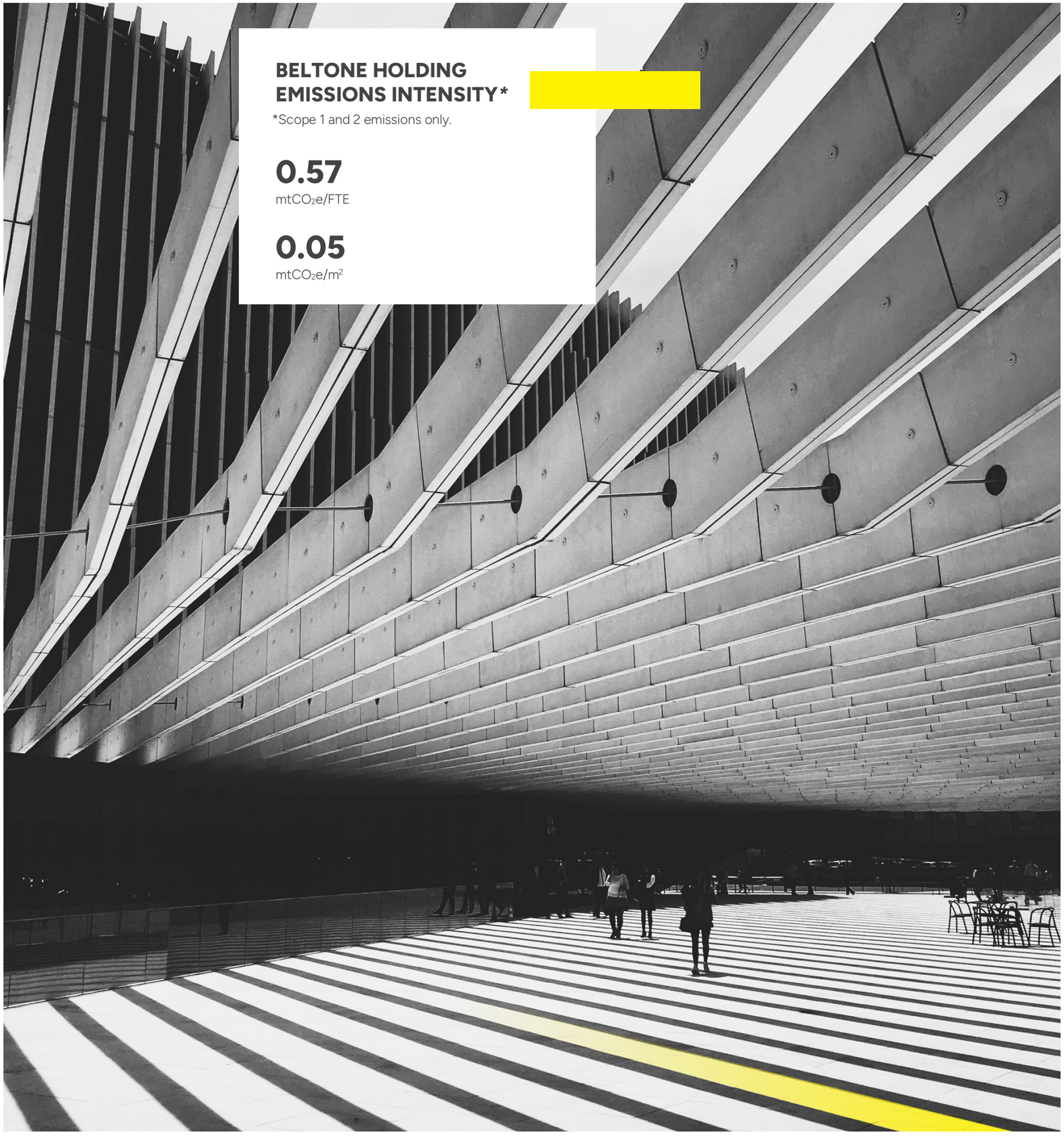
Carbon emissions intensity refers to the rate of carbon emissions in tCO_2 over a specific period, relative to a relevant measure of activity. It is important to note that reported values of direct and indirect carbon emissions do not necessarily indicate an organization's efficiency in resource consumption. Metrics based on carbon intensity provide insights into an organization's resource utilization efficiency by assessing whether the emissions per unit of output have decreased or remained the same compared to previous years.

Score	Emissions Intensity ($mtCO_2e/FTE$)	Emissions Intensity ($mtCO_2e/m^2$)
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

Published and unpublished data of offices were used to calculate the national average emission intensity (per FTE and m^2). Further analysis of emissions data reveals Beltone Holding's impressive emissions intensity per full-time equivalent (FTE) and per square meter (m^2). Nationally, for the year 2023, the company's emissions intensity stands at **0.05 $mtCO_2e/m^2$,** equivalent to **0.57 $mtCO_2e$ /FTE,** earning an A rating in both categories.

Score	Electrical Energy Intensity (KWh/m^2)
A+	< 128
A	128 – 148
B	148 – 168
C	168 – 195
D	195 – 218
E	> 218

Similarly, Beltone Holding demonstrates commendable efficiency in electricity usage, boasting an electricity intensity of **94.7 KWh per square meter.** This figure showcases a notably efficient and low electricity intensity compared to typical office buildings.



BELTONE HOLDING EMISSIONS INTENSITY*

*Scope 1 and 2 emissions only.

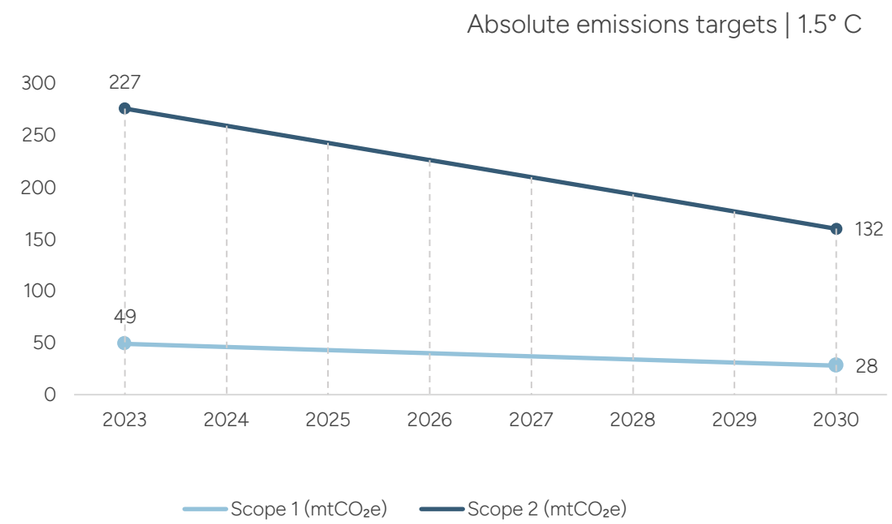
0.57
$mtCO_2e$/FTE

0.05
$mtCO_2e/m^2$

REDUCTION TARGETS

Through the 2015 Paris Agreement, an international consensus was reached amongst world governments to limit global temperature rise to well-below 2°C (WB-2°C). However, recent IPCC reports warn that an increase in warming of more than 1.5°C would be considered as disastrous. Accordingly, businesses have a vital role in driving down greenhouse gas (GHG) emissions and develop a resilient, sustainable economy.

Carbon reduction targets of Beltone Holding have been set in alignment with the 1.5° target of the Paris Agreement. Beltone Holding commits to reach a 42% reduction in direct and upstream emissions including decided credits, with 2030 as the target completion year.



2030
TARGET
REDUCTION

42%

	Base year Emissions (2023)	Target year (2030)	GHG Reduction target (%)
Scope 1 emissions ($mtCO_2e$)	49		
Scope 2 emissions ($mtCO_2e$)	227		
Scope 1 + 2 emissions ($mtCO_2e$)	276	160	42%

DECARBONIZATION PLAN

KEY ACTIONS
AT A GLANCE

At Beltone Holding, we are deeply committed to tackling the urgent climate change crisis head-on. Through a series of robust initiatives, we are actively working to reduce our greenhouse gas (GHG) emissions, implement effective climate change mitigation strategies, and enhance adaptation measures. This marks the beginning of our journey in carbon footprint reporting, but it's only the start.

Our dedication to sustainability permeates every aspect of our operations. We are steadfast in our efforts to minimize carbon emissions across our office operations and processes, recognizing the pivotal role we play in shaping a greener future.

RESOURCE CONSUMPTION

Beltone emphasizes resource efficiency as a core tactic for decarbonization. Through thorough analysis and optimization of resource consumption in energy, water, materials, and supplies, we aim to minimize waste, cut carbon emissions, and boost operational efficiency. These initiatives not only reduce our environmental footprint but also yield cost savings and enhance our resilience to future challenges.

EMPLOYEE ENGAGEMENT

We recognize that our employees are integral to our sustainability journey. We empower our workforce to take an active role in environmental action through education, training, and engagement initiatives. Through collective action and collaboration, Beltone employees play a crucial role in driving meaningful change and advancing our decarbonization agenda.

SUSTAINABLE PROCUREMENT

As part of our commitment to sustainability, we recognize that our environmental impact extends beyond our immediate operations to encompass our entire supply chain. By prioritizing sustainability throughout our value chain, we are committed to decarbonizing every link in our business operations.

FINANCED EMISSIONS

As an investment banking firm, Beltone recognizes the importance of calculating and addressing financed emissions as a crucial category within our sustainability efforts. While we strive to minimize emissions within our own operations, we also understand that the companies and projects we invest in can significantly impact the environment.

1.

RESOURCE CONSUMPTION

ENERGY AND WATER EFFICIENCY AUDIT AND MANAGEMENT SYSTEM

- Implement energy and water management systems with ISO 50001 to achieve continuous improvement in energy and water consumption.
- Record water readings systematically. This data will provide valuable insights into water usage patterns, and identify areas for improvement and track progress over time.
- Conduct thorough energy audits, to assess energy consumption patterns, identify areas of high energy use, and propose energy-saving measures.
- Switch to energy-efficient LED lighting to significantly reduce electricity consumption and maintenance costs while providing longer-lasting and environmentally friendly lighting solutions.

WASTE REDUCTION

- Adopt a policy for making the default setting on all computers two-sided printing and promote online media instead of print media.
- Provide centralized printers is instead of desktop or personal printers to limit the printing activity per employee.
- Encourage the use of personal water bottles and coffee mugs at the offices, instead of single-use plastic water bottles or paper cups.

RENEWABLE SOURCES OF ENERGY

- Acquire RECs to match the electricity consumption with renewable energy generation, thereby reducing the carbon footprint associated with energy use.
- Invest in carbon credits to support projects that mitigate greenhouse gas emissions, effectively neutralizing the environmental impact of energy consumption.

ENERGY CONSEVATION STRATGIES

- Ensure that the thermostat settings are optimized for comfort while minimizing energy consumption.
- Improve insulation and seal any gaps or cracks in windows, doors, and walls to prevent cooled air from escaping and warm air from entering the building.

FUEL CONSUMPTION

- Perform an extensive survey across Beltone Holding's employee base to gather insights on commuting distances and transportation preferences. Following thorough data analysis, promote and incentivize carpooling among employees. Participants in the carpooling initiative will be rewarded with incentives to encourage uptake and sustain engagement.

2.

EMPLOYEE ENGAGEMENT

AWARENESS CAMPAIGNS

- Launch awareness campaigns aimed at emphasizing the significance of sustainability, illustrating the impact of individual actions, and promoting the collective endeavor to reduce carbon emissions, thus nurturing a culture of environmental responsibility and consciousness.
- Conduct regular workshops and seminars to educate employees about the importance of sustainability practices and their role in contributing to decarbonization efforts.

EDUCATIONAL TRAINING

- Implement comprehensive training programs for employees focused on energy conservation, waste management, and sustainable practices, thereby empowering them with the requisite knowledge and competencies to actively contribute to decarbonization endeavors.
- Develop online learning modules and resources to provide continuous education and training opportunities for employees on sustainability-related topics.

IDEA-SHARING PLATFORM

- Establish an interactive platform where employees can freely exchange ideas, suggestions, and best practices pertaining to decarbonization, fostering employee engagement and promoting a collaborative approach to sustainability across the organization.
- Organize regular brainstorming sessions and innovation challenges to encourage employees to generate creative solutions and initiatives for reducing carbon emissions and promoting sustainability within the workplace.

Purchased goods & services

28%

total emissions in 2023

3.

SUSTAINABLE PROCUREMENT

SUPPLY CHAIN ASSESSMENT

- Conduct a comprehensive assessment of the supply chain to identify emissions hotspots and areas for improvement. This involves collaborating with suppliers to gather data on energy usage, transportation methods, and raw material sourcing.
- Explore opportunities for local sourcing to reduce emissions from long-distance transportation.
- Foster collaboration with suppliers to jointly develop and implement emission reduction strategies. This could involve providing resources and incentives for suppliers to adopt sustainable practices and technologies.

CARBON EMISSION DISCLOSURE

- Require suppliers to disclose their carbon emissions data as part of the procurement process. This transparency enables your company to make informed decisions and prioritize suppliers with lower carbon footprints. Additionally, consider setting targets for emissions reduction in collaboration with suppliers.
- Encourage suppliers to provide Environmental Product Declarations (EPDs) for their products. EPDs disclose the environmental impact of a product throughout its lifecycle, including carbon emissions, water usage, and resource depletion. Prioritize purchasing goods from suppliers who provide transparent EPDs.

WHY WILL BELTONE HOLDING CONSIDER THE DISCLOSURE OF ITS FINANCED EMISSIONS

Quick path to demonstrating commitment to emission reduction, earning a competitive edge as well as the reputation of a sustainability-focused financial institution.

Financed emissions account for 700 times more than a financial institution's directly generated emissions.

Unaccounted financed emissions put the global climate at risk while exposing financial service providers to reputational and financial risks.

Only 25% of financial institutions measure financed emissions

while 49% don't analyze their portfolio's climate impact

4.

FINANCED EMISSIONS

Begin by mapping out Beltone Holding's portfolio, encompassing equity holdings, bonds, loans, and other investments, taking into account the emissions generated by each investee company or project that relate to the calculation of emissions.

Determine key stakeholders needed to reach key targets, their roles, and what actions they need to take.

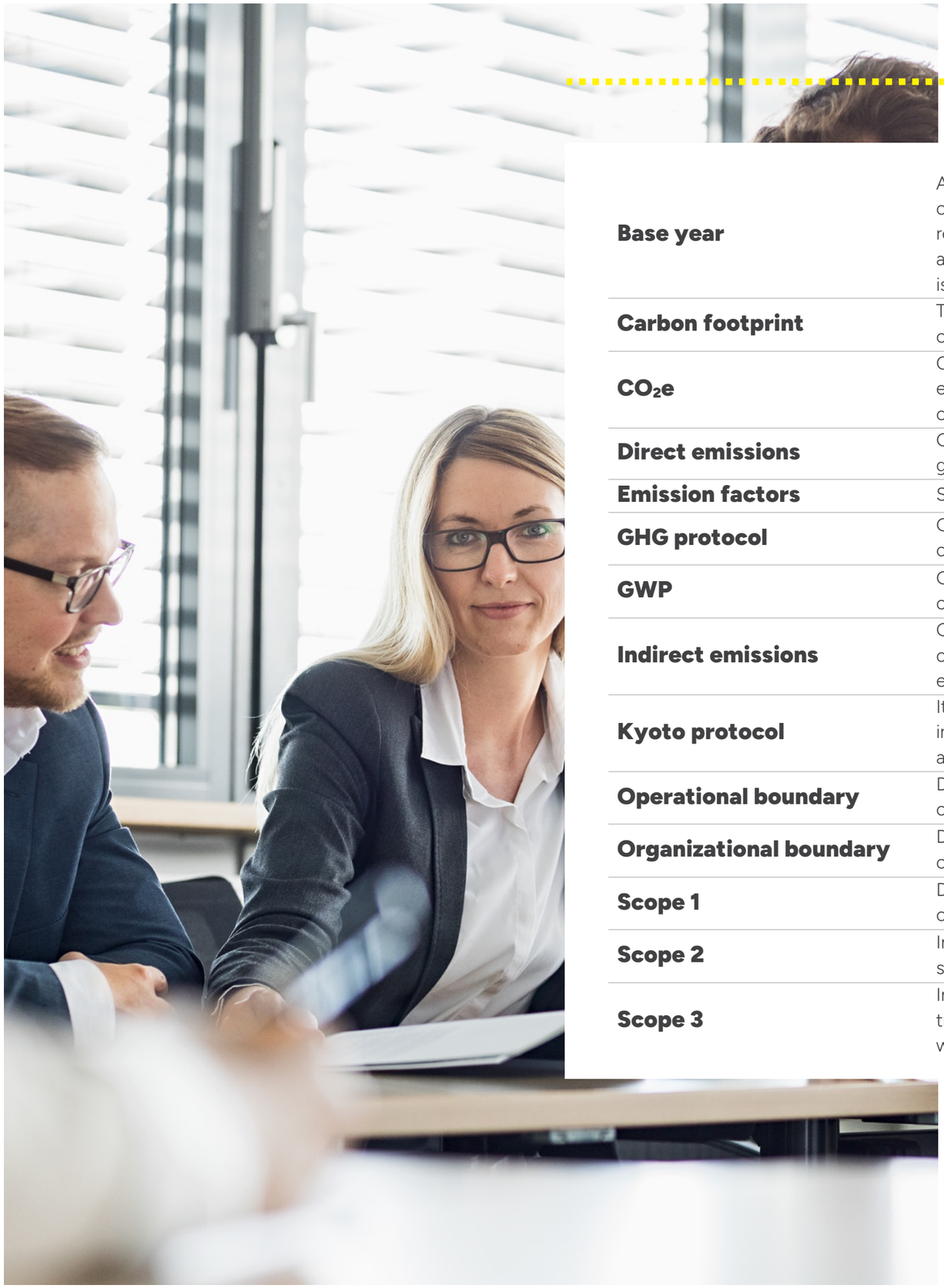
Gather the necessary company emissions data, including data from investee companies to calculate their emissions. This data may include details on energy consumption, fuel usage, production volumes, or other relevant parameters specific to the sector. Engage with investee companies to ensure data quality.

Create interim targets and build in checkpoints to keep track of progress.

Prioritize tackling the highest carbon-intensive sectors first to make the biggest impact.

Revisit and revise targets as needed when more data becomes available, and more companies begin disclosing.

ANNEX



DEFINITIONS

Base year	A base year is a reference year in the past with which current emissions can be compared. To maintain consistency and comparability with future carbon footprints, base year emissions need to be recalculated when structural changes occur in the company that change the inventory boundary (such as acquisitions or divestments). If no changes to the boundaries of the inventory happen, the base year is not adjusted.
Carbon footprint	The amount of Carbon Dioxide that an individual, group, or organization lets into the atmosphere in a certain time frame.
CO_2e	Carbon dioxide equivalent or CO_2 equivalent, abbreviated as CO_2e, is a metric used to compare the emissions from various GHGs based on their global-warming potential (GWP), by converting amounts of other gases to the equivalent amount of carbon dioxide with the same global warming potential.
Direct emissions	Greenhouse gas emissions from facilities/sources owned or controlled by a reporting company, e.g., generators, blowers, vehicle fleets.
Emission factors	Specific value used to convert activity data into greenhouse gas emission values.
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.
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.

All the information used to compute the carbon footprint comes from Beltone Holding's database. The data quality has been evaluated and presented below, with data from each business sector evaluated independently to enable better analysis and display of resolution and further explanations. The quality of the data is divided into 3 levels to assess possible areas of improvement for 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	20,923	liters Petrol	Data was received as total fuel consumption
2	Purchased energy	Electricity	286	MWh	Data was received as monthly electricity consumption
		Chilled water	209		
3	Purchased goods and services	Water use	3,178	m^3	Data was not unavailable and estimated based on the typical water consumption in office budlings.
		Paper consumption	6	tons	Data was received as total quantity of sheets of paper
		Ink consumption	212	units	Data was received indicating the total number of sets for the entire year; however, the specific number of cartridges in each set was not specified.
		Consumables	2	tons	Data was received as yearly total mass of plastic waste bags and each bag size
		Other goods and services	N/D	EGP	Data was received as total yearly spend
3	Capital goods	Capital expenditures	N/D	EGP	Data was received as total yearly spend
3	Waste generated in operations	Wastewater treatment	2,861	m^3	Wastewater is assumed to be 90% of total water usage
		Solid waste disposal	10	tons	Data for two months was received, including information on waste type. The remaining months of the year were estimated based on this data. The information was sourced from Ertekaa, the contracted waste management provider responsible for handling the office's waste.
3	Business travel	Air travel	644,244	p.km	Data was received yearly encompassing both local and international flights, and includes details such as the country of take-off, and country of landing.
		Land travel	114,388	km	Data was received as yearly total travelled distance
		Hotel stay	383	nights	Data was received as number of rooms booked, total nights, and country of stay
3	Employee commuting	Employee commuting	2,542,033	km Car	Data was received as an outlined commuting profile, including the total number of employees, a preliminary breakdown of commuting preferences, and a tentative percentage distribution of employees based on residential areas.
			2,542,033	p.km Bus	

RELEVANCY & EXCLUSIONS

The following table describes the GHG emissions sources that were excluded from Beltone Holding's GHG inventory due to several reasons, including: lack of data, and data that is beyond Beltone Holding's operation and control and hence considered technically infeasible to attain. The exclusion rationale per activity has also been specified.

CAT#	ACTIVITY	DECSRIPTION	EMISSIONS	STATUS
1	Purchased goods and services	Includes any and all purchased items, software licences and/or subscriptions , and purchased third party services (Buffet, Auditing, HR, etc)	530	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.	323	Relevant, calculated
3	Fuel and energy relatedactivities (not included in Scope 1 and 2)	Includes Well-to-tank emissions from fuel burning in owned vehicles and transmission and distribution losses associated with purchased energy.	29	Relevant, calculated
4	Upstream transportation and distribution	Transportation from Beltone Holding'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.	6	Relevant, calculated
6	Business travel	Includes emissions from air travel, land travel and hotel stays.	172	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 Beltone Holding).	854	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 & distribution	Includes emissions stemming from courier services. However, given their minimal impact, these emissions are deemed negligible and thus are not accounted for within the defined boundaries.	-	Relevant, not yet calculated
10	Processing of sold products	Beltone Holding does not have any sold products.	-	Not relevant, explanation provided
11	Use of sold products	Beltone Holding does not have any sold products.	-	Not relevant, explanation provided
12	End of life treatment of sold products	Beltone Holding does not have any sold products.	-	Not relevant, explanation provided
13	Downstream leased assets	Beltone Holding does not have any downstream leased assets.	-	Not relevant, explanation provided
14	Franchises	This category is not relevant to Beltone Holding's business and has therefore been excluded.	-	Not relevant, explanation provided
15	Investments	Emissions resulting from acquisition activities and/or projects financed by Beltone Holding.	-	Relevant, not yet calculated

QUALITY ASSURANCE STATEMENT

To the **Beltone Holding** Board of Directors',

We have been appointed by **Beltone Holding** to conduct carbon footprint calculations pertaining to **Beltone Holding 's** operational activities for the period **1st of January 2023** to the **31st of December 2023**. The scope extends to the headquarters' building in Cairo, located in Nile City Towers.

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 finally 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 **Beltone Holding**. 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 **Beltone Holding's** raw data used in the carbon footprint calculations have not been thoroughly collected, verified, and truly represent **Beltone Holding'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 **Beltone Holding** for the provided assurance and conclusion

Dr. Abdelhamid Beshara, Founder and Chief Executive Officer
MASADER, ENVIRONMENTAL & ENERGY SERVICES S.A.E CAIRO,
March 2024

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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Beltone