



بنك الإمارات دبي الوطني
Emirates NBD

**Emirates NBD Group
GHG Reporting Methodology**

Emirates NBD Group Greenhouse Gas (GHG) Emissions Reporting Methodology 2023

This document serves as a guide for Emirates NBD's GHG emissions reporting. It outlines the protocols and standards that the Emirates NBD Group (Group), with the exclusion of DenizBank, adheres to for reporting. Our GHG emissions tracking activities are developed for the Group activities and operations across United Arab Emirates (UAE), Kingdom of Saudi Arabia (KSA), Egypt, United Kingdom (UK), India, Singapore, Indonesia, China, and Türkiye. The scope of the GHG emissions tracking and monitoring excludes DenizBank and its associated operations across other geographic locations and is primarily based on internally available data.

The GHG Protocol - Corporate Accounting and Reporting Standard (Revised Edition) has been used as the benchmark while other supporting GHG Protocol documents such as Scope 2 Guidance and the Corporate Value Chain (Scope 3) Accounting and Reporting Standard have been referred for respective scope emission categorization and calculations. Our management is fully responsible for ensuring that GHG emissions are reported accurately and in strict accordance with this established guidance.

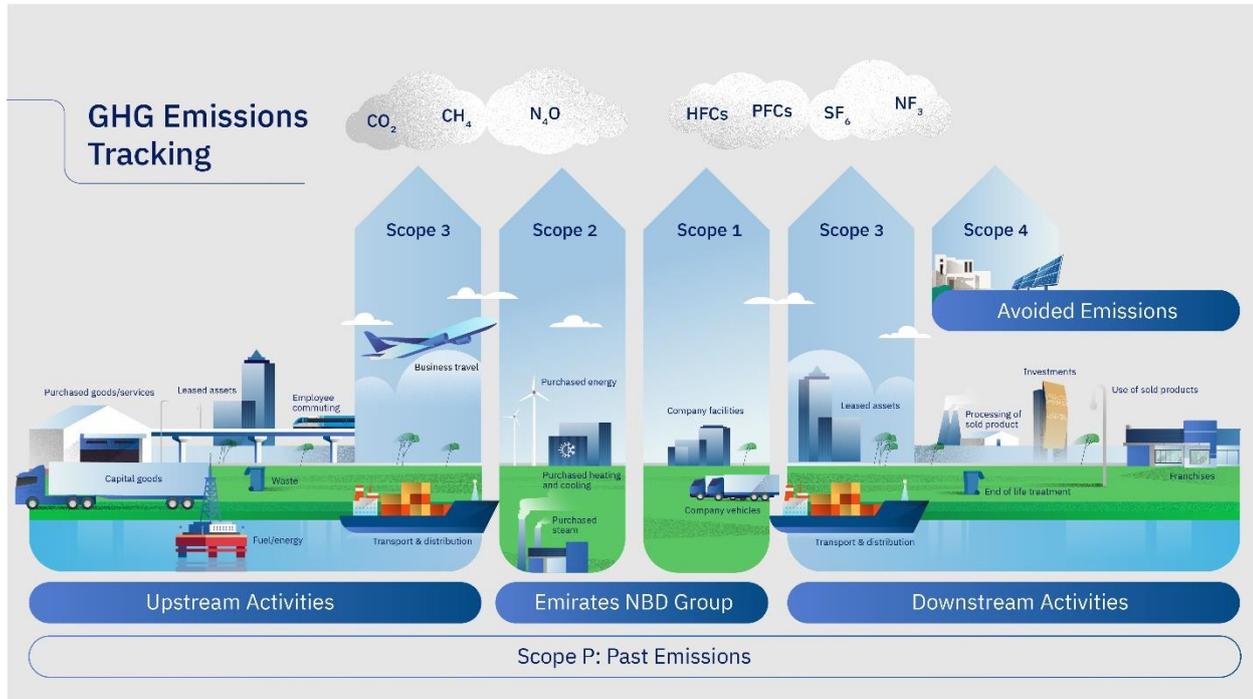
To uphold accuracy and integrity in our reporting, we have:

- Implemented internal controls that govern the accurate measurement and reporting of emissions data, designed to avoid the exclusion of any material misstatements due to error or fraud.
- Established and applied objective criteria for the measurement, preparation, and reporting of GHG emissions data.
- Ensured that the information, alongside the criteria, is presented in a manner that provides clarity, facilitating understanding, reliability, and comparability.
- Adhered to the reporting criteria, providing a transparent and comprehensive account of our GHG emissions.

In formulating this guidance, we have been guided by the principles of information preparation and reporting, emphasizing relevance, reliability, comparability, and transparency to provide our stakeholders with a lucid and consistent understanding of our GHG emissions profile, as follows:

- Principle of Information Preparation: We prioritize the conveyance of available data to allow our disclosures to meet the highest standards of informational quality possible.
- Principle of Information Reporting: Our reporting is underpinned by the principles of consistency with historical data and transparency. This approach allows comparability, facilitating a clear and accurate understanding for all stakeholders.

Reporting Scope



Emirates NBD's GHG Emissions

Since 2020, Emirates NBD's annual data has been prepared for the 12-month period from 1st January to 31st December in accordance with internal reporting timelines.

For the purpose of GHG emissions calculation, data is collected from each country and then consolidated at the group level in UAE. There are internal controls in place to validate the data and calculations performed.

CO₂ has been considered the most material greenhouse gas (GHG) for the purpose of the emissions calculations. Aside from any refrigerant leaks which form part of Scope 1, all other greenhouse gases have been deemed immaterial on the basis that these are negligible and/or cannot be calculated with a sufficient level of reliability, however, CO₂e factors were used wherever available, in which case elements of other greenhouse gases would have been included in total emissions. CO₂e is reported in metric tonnes in Emirates NBD's reporting.

Organizational Boundary:

1. The organizational boundary geographically covers the Group across UAE, KSA, Egypt, UK, India, Singapore, Indonesia, and China with the exclusion of DenizBank and its associated operations across other geographic locations.
2. In 2024, the Group intends to include DenizBank and its associated geographic operations GHG emissions data.
3. For the purposes of setting the organizational boundary, control approach as outlined in GHG guidelines, has been followed.
4. This document includes the basis of reporting for GHG emissions metrics for Financial Year (FY) 2023 only.

5. The reported information uses data that was available to the bank as of 30 November 2023. Subsequent to this date, further data may be received, and the reporting revised if it is deemed to be material.
6. Based on the data available at the time of calculations, there were no contractual agreements in place to support Scope 2: Quality Criteria requirements for market-based methodology, hence, a location-based methodology has been followed for calculating emissions.

Operational Boundary:

1. GHG Protocol - Corporate Accounting and Reporting Standard has been used as the benchmark. Other supporting GHG Protocol documents such as Scope 2 Guidance and the Corporate Value Chain (Scope 3) Accounting and Reporting Standard have been referred for respective scope emission categorization and calculations.
2. The operational control approach has been assumed since the Group holds operational control over its business units that are the primary basis of consideration for the estimation exercise, and, thus, is responsible for the operations resulting in GHG emissions.
3. For the purpose of Scope 1 emissions calculation, the applicable activities and respective descriptions are provided in the Scope 1 table below under 'Methodology'.
4. For the purpose of Scope 2 emissions calculation, the applicable activities and respective descriptions are provided in the Scope 2 table below under 'Methodology'.
5. To maintain consistency and provide a more representative annual figure, the data has been extrapolated for FY 2023 except for Egypt.
6. An extrapolation was not utilized for Emirates NBD Egypt for facilities energy consumption and vehicle energy consumption, due to lack of available billing data for energy consumption and limited data availability for fuel rates from which emissions proxy calculations can be derived. In FY 2024 actuals will be tracked and measured using methodologies related to the GHG Accounting Protocol.
7. For future data calculations, the Group intends to improve the data quality by using actual data and reducing reliance on proxy calculations and assumptions.
8. The Group has computed emissions against all categories/emission types within Scope 1 & 2 bearing limitations wherever applicable due to limited data availability.

The activities and countries included for Scope 1 and Scope 2 are provided below.

The data for few countries is excluded as the activity may not be applicable or due to data limitations at the time of calculations. The detailed description for each activity is provided under Methodology for respective Scope.

GHG Emission Scope	Activity	Country
Scope 1	Fuel Consumption (Diesel Generators)	<ul style="list-style-type: none"> • UAE • Egypt
	Fuel Consumption (Vehicles)	<ul style="list-style-type: none"> • UAE • KSA • India • Egypt
	Refrigerant Emissions	<ul style="list-style-type: none"> • Egypt
	Natural Gas	<ul style="list-style-type: none"> • UK
Scope 2	Electricity Consumption	<ul style="list-style-type: none"> • UAE • India • Egypt • KSA

		<ul style="list-style-type: none"> • UK • Singapore • China • Indonesia
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Assurance:

KPMG [LG entity name] were engaged to perform an independent limited assurance opinion, under ISAE 3000 and ISAE 3410, over Scope 1, Scope 2 GHG emissions and GHG Intensity for H1 (first half of the year) 2023. The limited assurance report is available on our corporate website at www.emiratesnbd.com; and is recommended to be read in full.

Approach:

For the emission calculations, an absolute approach has been employed. The calculation procedure is outlined as follows:

1. Emission Factor: An absolute emission factor has been sourced, indicating the amount of GHG emissions produced per unit of a specific activity. This factor is presented as a direct representation of emissions for each unit of the given activity, without any normalization or relative comparisons.
2. Variable (Spend or Consumption): The variable of interest, representing the activity level, is either the financial expenditure (spend) on a particular product or service or the consumption of a specific resource such kWh or litres consumed.
3. Calculation: To ascertain the total GHG emissions, the absolute emission factor is multiplied by the chosen variable (either spend or consumption). The result of this multiplication offers an absolute measure of the emissions without any adjustments or comparisons.

By adopting the Absolute measures approach, there's an emphasis on providing a clear, unambiguous, and comprehensive view of emissions. This methodology ensures transparency in reporting and enables straightforward benchmarking against set targets and historical performance.

Emission Factor:

All emission factors for the purpose of emissions calculations have been sourced from third-party data source. The emissions factors database used is the UK Department for Business, Energy & Industrial Strategy (BEIS) for the year 2022 as these provide the most comprehensive set of activities under consideration to support emissions calculations for spend or consumption for an organization like Emirates NBD. This database has also been listed on the GHG Protocol website. Other databases were not considered given the limited coverage of activities.

Country conversion factor:

Since the benchmark emission factors from BEIS 2022 are UK based, these emission factors have been adjusted based on country. This conversion approach considers the varied carbon intensity and emissions across different countries bringing relevance to the emissions data. This conversion has been done through a carbon intensity per GDP multiplier. The Carbon intensity data is from 2018 as this was the most recent available data source ([Carbon intensity: CO₂ emissions per dollar of GDP, 2018 \(ourworldindata.org\)](https://ourworldindata.org)) at the time of computation. The Group intends to reduce reliance on research-based data and use more recent data from industry recognized sources to increase the reliability and accuracy of the data for future reporting.

Proxy Calculations:

Given limited availability of data for select GHG protocol categories and scope areas, proxy calculations have been developed based on secondary sources of data and/or research which were, in management's view, the most representative of the activity under consideration for Emirates NBD. Whilst this will not provide an exact emissions calculation for Emirates NBD, the assumptions used provide an indicative representation in the absence of data. Further details on the preparation of emissions reported are presented below.

Methodology

GHG emissions data comprises greenhouse gas emissions arising from:

1. Scope 1:

For the purpose of Scope 1 emissions calculation, the following activities have been taken into consideration:

- Emissions from owned and controlled properties and facilities with diesel generators
- Emissions from owned and controlled fleet of cars through consumption of fossil fuel
- Any intentional or unintentional refrigerant leaks
- Emissions from natural gas consumption
- Spend data for countries with unavailable consumption data

The details of activities computed in Scope 1 are outlined in the below table.

Activity	Description
Fuel Consumption (Diesel Generators)	<p>According to the GHG Protocol Corporate Standard document, Scope 1 emissions for office-based organizations should be considered if the organization owns or operates combustion devices. Since Emirates NBD does not own combustion devices, or diesel generators for these facilities in KSA, India, Singapore, UK, Indonesia and China, there have been no relevant calculations done for these countries.</p> <p>UAE and Egypt</p> <p>For Emirates NBD's UAE and Egypt offices, the litre usage is based on third party data and the emissions are calculated from diesel generators on actuals for H1 2023.</p> <p>To maintain consistency and provide a more representative annual figure, the data for FY'23 has been extrapolated to 12 months for UAE. The data for FY'23 for Egypt was not annualized.</p>
Fuel Consumption (Vehicles)	<p>The fuel consumption is calculated for passenger vehicles owned by Emirates NBD in UAE, KSA, India and Egypt. For the purpose of selection of emission factor as referenced in BEIS, it is assumed that Emirates NBD owns large sized passenger vehicles. Since Emirates NBD does not own vehicles in Singapore, UK, Indonesia and China, there have been no relevant calculations done for these countries.</p>

	<p>UAE</p> <p>For UAE, for the entire vehicle fleet a proxy calculation was done assuming large sized passenger vehicle. The average fuel efficiency (in litres/100 km), as per the proxy vehicle manufacturer's specifications, was used to calculate total distance travelled annually. This figure, for 2023, was multiplied by the country conversion factor as mentioned above. The data is calculated on actuals for H1 2023.</p> <p>To maintain consistency and provide a more representative annual figure, the data for FY'23 has been extrapolated to 12 months</p> <p>KSA</p> <p>KSA owns one vehicle which was bought in May in replacement of an older version. KSA also own a diesel vehicle which is excluded from the calculation due to limited usage.</p> <p>Proxy calculations are performed based on fuel consumption of the company owned vehicle. The estimation of annual distance travelled is based on the odometer reading of 5 months. Since the older vehicle was also similar model and used for the same purpose, the newer model's odometer reading of distance travelled (between May and November) was extrapolated for H1'23 to account for older model's emissions until June'23.</p> <p>India</p> <p>For India, proxy calculations are done on the assumption that the average daily distance travelled for the Emirates NBD owned car is the same distance as for employee commute. The data for employee commute is based on internal records maintained at India office. The daily travel distance was then extrapolated to 220 working days to calculate the annual total distance travelled. The annual total distance covered was then multiplied using the appropriate emissions factor.</p> <p>Egypt</p> <p>For Egypt, for the entire vehicle fleet a proxy calculation was done assuming large sized passenger vehicle. The annual spend figures were multiplied by the fuel rates in Egypt per local development authority data, to determine the annual fuel consumption figures (in litres). This was the most appropriate available source for data at the time of calculations. The average fuel efficiency (in litres/100 km), as per the proxy vehicle manufacturer's specifications, was used to calculate total distance travelled annually. This figure, for each year, was multiplied by an appropriate country conversion factor as mentioned above. The data is calculated on actuals for H1 2023.</p>
Refrigerant Emissions	Emirates NBD's UAE facilities do not have outdated A/C and refrigerant systems known to give rise to toxic GHG emissions that fall under Scope 1 emissions. The Group is in the process of setting up a robust measurement system to include all countries in the future for calculating refrigerant emissions.

	<p>UAE and KSA</p> <p>For most branches in UAE and KSA, cooling systems are provided by district cooling. The Group is in the process of setting up a robust measurement system for identifying leakages and calculating fugitive emissions, particularly for UAE and KSA. However, they are not included in the calculation of emissions in the current or previous periods due to a current lack of data availability.</p> <p>These are the two largest regions for the Group’s business activity. Given the climates in these regions, it is likely that Scope 1 emissions would change materially if this data was included. We will seek this data in future reporting periods.</p> <p>Egypt</p> <p>For Egypt, the refrigerant emission for each gas is calculated by multiplying the refrigerant emissions with the respective Global Warming Potentials for each of the refrigerants. The leakage reports are sourced from a third party.</p> <p>The Group reports fugitive emissions for Egypt’s headquarters year on year. In the future, the Group will look to include all locations in the fugitive calculations.</p>
Natural Gas	<p>The emissions from natural gas consumption at Emirates NBD UK are computed within Scope 1 due to the usage of biomethane for heating. The consumption data for H1 2023 is based on actual consumption (sourced from gas invoices).</p>
<p>The Group intends to reduce reliance on proxy calculations and assumptions and use actual data in future to calculate Scope 1 emissions.</p>	

2. Scope 2:

Location based methodology has been followed for calculating Scope 2 emissions. For the purpose of Scope 2 emissions calculation, the following activities have been taken into consideration: -

- Emissions from electricity consumption across all facilities
- Electricity consumption from charging of Electric Vehicles (EVs)
- Electricity consumption from data centres and server room
- Energy consumption from steam, heating, and cooling systems
- Spend data for countries where consumption data is unavailable

The details of electricity consumption are outlined in the below table.

Activity	Description
Electricity Consumption	UAE and India

The electricity consumption data for UAE, India, for H1 2023 is based on actual consumption. For UAE, for properties acquired or sold in 2023, the consumption is considered from the point of usage and up until the point of sale.

KSA

The electricity consumption data for H1 2023 is based on actual consumption.

For the month of June, the computation is based on limited data available, driven by time constraints at the time of computation. In KSA, all properties are leased, and the consumption is considered from the point of usage and up until the point of lease expiry.

Singapore and UK

The electricity consumption data for Singapore and UK is based on spend for H1 2023.

China and Indonesia

A proxy calculation is performed for China, Indonesia on the basis of spend or kWh consumption data. The kWh consumption is estimated by multiplying the number of employees with the average yearly kWh consumption per employee. This yearly kWh consumption per employee is calculated by taking the typical office space required for an individual employee and multiplying it by the annual kWh consumption per square foot. This is based on available research.

Egypt

The electricity system in Egypt is divided into 2 different billing system, the pre-paid which is gradually replacing the old post-paid system. The pre-paid system doesn't reflect the consumption (kWh) in the bills. The post-paid invoice provides the consumption (kWh) on the bill.

To be able to determine the consumption of the pre-paid, the average price of the consumption of the post-paid invoice was considered and applied to the pre-paid bills. Thus, same methodology is applied for computation irrespective of the billing system. For purpose of calculation, the cost for 1 kWh is taken as 1.64 EGP. This number was obtained from post-paid bills and applied to calculate the electricity consumption for the pre-paid facilities.

The spend data from countries listed above under operational boundary, is converted into AED by multiplying the spend amount of each country with the respective exchange rate to AED. Once the spend data is converted to AED, it is then divided by the price of kWh specific to that country. The final outcome presents the kWh consumption figures grounded on the AED-converted expenditures.

Due to the limitations of consumption data for steam, heat, district cooling, Scope 2 emissions calculations are solely based on electricity consumption numbers.

	<p>Due to limited data availability, various methodologies were applied for computation including consumption, spend and proxy. Thus, to maintain consistency and provide a more representative annual figure, the data has been extrapolated for FY'23 except for Egypt.</p>
<p>The Group intends to reduce reliance on proxy calculations and assumptions and use actual data in future to calculate Scope 2 emissions.</p>	

3. Greenhouse Gas Intensity Metric

GHG intensity is the sum total of half-year Scope 1 emissions and Scope 2 emissions, divided by half-year revenue (excluding DenizBank) as per Emirates NBD's financial books and records and in line with Emirates NBD's organizational boundary. The revenue figure was publicly disclosed in July 2023.

The unit for this metric is **Kilograms of CO₂e/Total Revenue in AED.**

4. Scope 3

Emirates NBD has calculated Scope 3 emissions across categories and emissions calculations are based on actual available spend data and proxy data is applied in case of data limitations. The data has not been gathered directly from suppliers or customers. However, in the future, Emirates NBD plans to engage with suppliers and value chain partners and use their data to inform emissions tracking as may be applicable. For Scope 3 emissions, only Business Travel was measured until 2022. Effective 2023, we have increased the coverage of categories for Scope 3 and have tracked GHG emissions for the listed categories. The GHG emissions figures for 2021 and 2022, Scope 1, Scope 2 location-based are revised to reflect the latest emission factors. The GHG emission figures for Scope 3 are revised for 2021 and 2022 to include the additional categories:

- Category 1: Purchased goods and services
- Category 2: Capital goods
- Category 3: Fuel and energy related activity
- Category 5: Waste generated in operations
- Category 6: Business travel
- Category 7: Employee commute
- Category 12: End-of-life treatment of sold products
- Category 13: Downstream leased assets

Prior year recalculations and adjustments

The measuring and reporting of GHG emissions data inevitably involves a degree of estimation. In exceptional circumstances restatements of prior year reported emissions and offset data may be required. Restatements are considered where there is a change in the data and/or in the data collection or preparation that will have material impact on the total emissions and/or offset at Group level.